Person Focussed Pay Plan and Its Effects

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**Introduction**

In order to meet the criteria of success in the plan, all factors must be considered. HR professionals should ensure the understanding of their criteria to the employees and that can be understood by the supervisors and managers so that they can judge the performance. The performance appraisal ensures the creation based on the analysis of the job and for the review administration, supervisors and managers review the process and also review themselves. There are various incentives plans and one can choose from a variety of programs. From the various incentive programs, the person focused pay programs give compensations as the earned reward for implementing and acquiring the skills and knowledge.

**Discussion**

There are four models of the person focused pay program:

**Stair Step Model**

This model has the steps that are contrasting to the actual jobs from the family of the specific jobs. There is complexity associated with the different jobs and a person can go up the stairwell by gaining the necessary knowledge and skills. These skills are also formed on the basis of hierarchy which is built on one above the other.

**Skills Block Model:**

In this model, the operation is based on the way that is similar to the model of stair-step approach, but on the contrary to the stair step model, the skills are not building on one top of another. The quick succession of the employees can be possible if they learn the skills that are necessary in any order. The succession of the orders is not required in this sort of setting. A level can be skipped by the employee if they have the necessary skills.

**Job Point Accrual:**

 This sort of model encourages the learning and development of skills for the employees so that they can perform their jobs from a similar job family.

**Cross-Departmental Model:**

This sort of model encourages the employees within the department to learn the jobs so that they can assist the company during the downtimes of the company.

**Reason for the implementation**

Most of the companies that employees this model has several reasons to implement this system. It not only encourages the growth of the company but also can enhance the skill sets of the employees. The reward program that is given to the employees on their skillsets and potential make the fruitful effect in the prosperity of the organization. Also, the implementation of this plan offers the enrichment of the job and brings the variety that provides the schedule potential flexibility. The encouraging of the employees in this model helps them to learn the setup and procedures of the organization thoroughly. According to the theory of job characteristic, the motivation of the employees is done so that they can perform the jobs containing the higher core degree characteristics.

There are many advantages to the person focused pay programs not only for the employers but also for the employees. In the following paragraphs, we will highlight some of the advantages and as well as the disadvantages of the person focused pay program.

**Advantages**

**To Employees:**

Potentially there are two main benefits that can be getting from the person focused pay programs to the employees. Firstly it brings the enrichment of the job because employees will learn the skills in order to move up the hierarchy. Secondly, this thing would provide them with the job security because once a person learns all the necessary skills; it would be able for them to make a valuable contribution for the company that would make them more secure. Thirdly, the design approach will bring motivation in the employees because of the interesting working environment.

**To the Employers:**

For employers, it can lead to betterment in job performance. Also, the staff that could be hired can be reduced in a greater amount. It can lead to developing greater flexibility in the job.

**Disadvantages**

1. It can increase the cost because if the training is given to the employees, it would incur the cost. Also, hourly labor would be increased

2. It may not mesh properly with the existing programs that are providing the incentives.

3. There is struggle associated with the understanding of the companies in order to determine the skills and knowledge benefits in term of monetary values.

**Conclusion**

There are various incentives plans and one can choose from the variety of programs. From the various incentive programs, the person focused pay programs give compensations as the earned reward for implementing and acquiring the skills and knowledge. There are many advantages to the person focused pay programs not only for the employers but also for the employees. It not only encourages the growth of the company but also can enhance the skill sets of the employees.

**References**

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