Crafting Compensation and Benefits Plan

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Job satisfaction of employees is the top priority of every organization as it encourages the employees to provide long-term services and ultimately make the organization progress and develop. Keeping the employees happy and satisfied makes them feel they are valued and are important for the company’s progress. If an employee is not satisfied with the job, there are chances of low productivity, low turnover, and absenteeism. Employees join organizations with certain expectations and when those expectations are fulfilled, it nourishes a positive relationship between the company and the employee (Buchan, 2018).

# A Compensation and Benefits Package for Employees

The purpose of this compensation and benefits package is to motivate the employees to achieve the performance goals for reaching business targets of the organization (Seidel, 2019). Employees working in the 21st century have a different perspective for the benefits provided at workplaces. A competitive salary is the top priority for the 21st century workers. They look for onboarding incentives, benefits, and programs to streamline processes. The workplace is considered as a wellness destination for them where mutual productivity and health are recognized along with engagement in work (Litchfield, Cooper, Hancock, & Watt, 2016).

Employee engagement is very important as it is about understanding one’s role in company, and being fully involved in the team as a member. The leaders of well-developed organizations strategically plan and implement ways for employee engagement. They develop an effective communication with their employees and use every opportunity to reinforce employee engagement. They seek to identify and understand the strengths of employees and provide them with the best opportunities to use their strength in work. They think of the best ideas to engage employees in work, and maximize their business turnover and progress.

This organization ABC plans to reward and encourage the performance of its employees by providing a benefits package with the applied terms and conditions. As compared to other organizations of the same hotel industry as XYZ organization, our company provides better salary packages and more incentives and bonuses to the employees. These packages are planned in such a way as to make employees progress within a very short period.

All confirmed employees are eligible for this compensation and benefits package according to their positions or designations in the company:

|  |  |  |
| --- | --- | --- |
| Benefits | Upper Staff | Lower Staff |
| Health Benefits | The Vice President, General Manager, Managers of all departments, Sales Officers, Purchase Officers, and all Executives will be provided health benefits for their parents, spouses, children, and themselves with a defined employer contribution.  | The waiters, housekeeping staff, security guards, cleaners, helpers, receptionists, and other members of the lower staff shall get health benefits for their children and themselves only.  |
| Employee Insurance | Employer funded allowance will be provided to the above-mentioned staff. The terms and conditions apply as per company’s insurance procedures.  | The life insurance benefit is the same for all employees of upper and lower staff according to the terms and conditions of the policy.  |
| Fuel Allowance | The General Manager, Executive Officers, and Sales Officers will be provided vehicles along with company funded fuel and maintenance. The managers of all departments and Purchase officers will be provided a fuel allowance from the organization.  | The lower staff shall not be provided with vehicles or fuel allowance, but they may avail the funded company transport bus if needed.  |
| Public Holiday Compensation | It is necessary for all upper staff employees to provide services on the public holidays according to a duty roster that would divide the work into shifts. The compensation for public holidays will be done as twice.  | The public holiday compensation for the lower staff goes the same as upper staff. They will also be provided with the double compensation.  |
| Annual Leaves  | All employees of the upper staff shall be eligible to avail 12 annual leaves per year after completing 3 months of their service in the company.  | The lower staff will be eligible to avail 12 annual leaves per year after completing 6 months of service in the company.  |
| Bonuses | The upper staff employees will get performance bonuses and bonuses on all the cultural and religious festivals from the company.  | The company shall provide bonuses to the lower staff according to their performances and on religious and cultural festivals.  |
| Education benefits for children | The company shall provide 50% funding for the education of the children of high officials.  | The company will provide full funding (100%) for the education of children to the lower staff.  |
| Retirement Benefits | Employee-owned pension will be provided to the upper staff. The employees shall get 25% of their salary for 10 years after retirement. However, deductions from their salary will be done.  | Employee-owned and employer-funded pension shall be provided to the lower staff. All employees of the lower staff shall be getting 50% of their salary for ten years after their retirement. Deductions from their salary will be done and the company will add equal amount as well.  |
| House Rent Allowance | The company will provide allowance for the electricity, water, and gas bills to the employees in the upper staff category.  | The employees in the lower staff category shall get the house-rent along with electricity, gas, and water bills.  |
| Increments | Bi-annual increments shall be given to the high officials in the company.  | The company shall provide bi-annual increments to the employees of the lower staff as well.  |
| Employee of the year | The performance of every employee shall be kept in notice throughout the year and the best performance will be announced at the end of the year. The Employee of the year shall be getting a funded family tour to a foreign country.  | The company shall announce the best employee throughout the year as Employee of the year at the end of year. The employee shall be getting his salary 5x more by the company.  |
| Referral Bonus  | A referral bonus shall be given to a confirmed employee who refers someone to work in the company.  | The policy of referral bonus for the lower staff goes the same as the upper staff.  |

The relationship between a careful, strategic planning and job satisfaction of employees is of great importance in every industry. An effective incentives and benefits plan encourages the employees to participate and work hard for the company. They try to be committed to meet the standards of the company and achieve goals. A carefully planned compensation program attracts the employees to work for the company and develops a clear connection between the employers and employees. It increases the performance of employees to a larger extent and helps them develop a positive and happy attitude towards their work. The employers need to develop a careful and appropriate incentive and benefits package to hire and retain the right talent in their company. In the present era, when the employment rate is quite high, the high performers may be unable to make both ends meet and require such opportunities in life. Every organization or company shall work on the management and planning of benefits and compensation packages for the employees to encourage them and engage them in work. Rewarding the employees on a combination of things such as performance, experience, tenure, skills, etc., makes the workplace happy and contented for both the workers and employers (Kim, 2002)

References

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