HRM 5040 DQ

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Person-Focused Pay Plan

**Introduction**

 This paper will highlight key aspects of person-focused pay plan. There will also be a discussion on the new employee which our department has hired. The remuneration of that employee will be provided to him/her according to the person-focused pay plan. Thus this paper will focus on the performance plan according to which the employee will be provided with his/her remuneration.

**Discussion**

**Introduction to Person-Focused Pay Plan**

 The concept of person-focused pay plan highlights that compensation is not a fundamental right of an employee, but instead, it is a priced reward earned against completion of the required job-related tasks (Shields & Dolle-Samuel, 2015). As suggested by the name, the respective plan entirely focuses on the skill-set of personnel and the benefits those skills can provide to the organization. Therefore, employees working in a firm where the pay plans are person-focused, should not consider remuneration as their legitimate right. If the employees put in their best efforts, they will be compensated accordingly by the firm.

**Performance Plan using Person-Focused Pay Plan**

The new employee has been hired as an HR officer. Therefore, the performance plan for this job position will depict what target the respective employee has to achieve to be eligible for his/her basic salary. If a company has hired the individual while mentioning his monthly salary during the interview, it will not mean that even if the employee is underperforming, the organization will be liable to pay the said salary to the HR officer fully. Deductions will apply accordingly if the respective employee fails to achieve the set targets. Following is the list of benchmarks which HR officer is expected to accomplish during his job.

 Firstly, the HR officer will be expected to mark the attendance of candidates. If he fails to mark the attendance of personnel staff or shows inadequate behavior in marking attendance, he/she will then see deductions in their remuneration. In contrast, if they do the respective job with utmost honesty; the organization will appreciate their determination and even may give them extra benefit on their compensation in recognition of their efforts. Similarly, the HR officer will be expected to timely announce any vacant job positions and do at least ten recruitments in a month which contribute to the long-term success of the organization. Thus it will be the responsibility of the HR officer to bring qualified and talented candidates for the announced job positions. Success in accomplishing the duties will make the HR officer enjoy the benefits of his full pay.

**Importance of Person-based Pay Plan**

 It might seem a little harsh that the HR officer would not be given compensation as his fundamental right. In normal circumstances, employees expect to be entitled to full salary and consider this as ‘hygiene’ factor as suggested as Herzberg theory of motivation (Alshmemri et al., 2017). However, the respective employee should realize that nowadays, modern day organizations set SMART targets for employees as part of their business objectives (Moore, 2017). Therefore, a person-based pay plan will push the employees to explore their talent and use their skill-set effectively to prove his/her worth within the organization.

**Conclusion**

 Person-based pay plan is the most effective way for an organization to recognize the scapegoats who expect full compensation to be given to them without making much effort. This had been happening in the past where employees use to enjoy the financial benefits provided by the organization without putting in much effort. Therefore, person-based pay plan will ensure that employees don’t consider compensation as their asset. It is essential for both the organization to pay significant compensation as per contract to only those employees who deserve full compensation. Giving basic remuneration to even those employees who didn't fulfill their targets would be an injustice to those employees who did meet their responsibilities with utmost honesty.

**References**

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