



# **SNS COLLEGE OF ENGINEERING**

**Kurumbapalayam (Po), Coimbatore - 641 107**

**An Autonomous Institution**

**Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade**

**Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai**



## **DEPARTMENT OF MANAGEMENT STUDIES**

**COURSE NAME : 19BA202 - HUMAN RESOURCE MANAGEMENT**

**I YEAR /II SEMESTER**

**Unit 4 - SUSTAINING EMPLOYEE INTEREST**

**Topic 2: Reward**



# REWARD

Employee Reward is about how people are rewarded in accordance with their value to an organisation.

It involves both financial and non-financial reward which consists of an organisation's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skill and competence framework of an organisation strategies



# THE OBJECTIVES OF REWARD STRATEGY

Be congruent with and support corporate values and beliefs.

Be linked to organisational performance

- ▶ Drive and support desired behaviour at all levels.
- ▶ Fit desired management styles
- ▶ Provide the competitive edge needed to attract and retain the level of skills the organisation needs.



# MANAGEMENT APPROACH TO REWARD

Generally, the approach to reward adopted by employers takes one of three forms:

- ▶ **Focus on service** -is characterised by open-ended agreements about continuity of employment, incremental pay scales and annual reviews.
- ▶ **Focus on skills** – produces higher rates of pay with greater skills.
- ▶ **Focus on performance** –emphasises target setting, adapting to change and a close relationship between what the employee achieves and what the employee is paid.



# DEVELOPING A REWARD STRATEGY

Reward strategies deal with issues concerning:

Pay structures

- ▶ The use of job evaluation
- ▶ The approach to keeping with market rates
- ▶ Paying for individual performance, competence or skills.
- ▶ Team pay
- ▶ Relating bonuses to organisational performance
- ▶ The provision of pensions and benefits.



# TYPES OF REWARD

Type of reward

## Individual Reward

Basic Wage  
Over time  
Commissions  
Bonuses  
Merit

## Team Reward

paid leave  
Benefits  
Team Bonuses  
Gain sharing

## Organisational Reward

profit sharing  
Share ownership  
Gain sharing

Type of effort

**Time:** maintaining work attendance

**Competence:** completing task without error

Co-operation with co-workers



# TYPES OF REWARD (CONTD...)

INTRINSIC REWARD

EXTRINSIC REWARD

## Intrinsic Rewards

- ◀ Internal satisfactions a person receives in the process of performing a particular action

## Extrinsic Rewards

- ◀ Rewards given by another person, typically a supervisor, such as pay increases and promotions



**RECAP**

**QUESTIONS???**

**THANK YOU**