

TIH 1204

Compensation and Benefits Management



Introduction to Compensation and Benefits Management

Effective compensation and benefits management is crucial for attracting, retaining, and motivating top talent within an organization. This presentation will provide a comprehensive overview of the key principles, policies, and best practices in managing employee compensation and benefits. We will explore the purpose of compensation, determine the factors that influence compensation decisions, review common compensation survey methods, and discuss both direct and indirect compensation components. By the end of this session, you will have a deep understanding of how to develop a strategic and equitable compensation program that aligns with your organization's goals and values.



Purpose of Compensation



Attract Top Talent

Competitive compensation packages help organizations attract skilled and experienced candidates who are in high demand in the job market.

Retain Valuable Employees

Fair and market-aligned compensation, along with comprehensive benefits, encourages employees to remain with the organization long-term.

Motivate Performance

Performance-based pay structures, such as bonuses and incentives, drive employees to achieve their individual and team goals.

Demonstrate Equity

Transparent and equitable compensation policies ensure that employees are paid fairly based on their skills, experience, and contributions.

Compensation Policies

Compensation Philosophy

A well-defined compensation philosophy outlines the organization's approach to compensating employees, including its guiding principles, market position, and commitment to fairness and equity.

Pay Structures

Formal pay structures, such as salary ranges and pay grades, provide a framework for consistently and equitably determining compensation based on job responsibilities, skills, and performance.

Performance Management

Robust performance management systems, including regular reviews and feedback, ensure that compensation decisions are aligned with individual and organizational achievements.



Determining Compensation

Job Analysis

Conducting a thorough job analysis to understand the duties, responsibilities, and requirements of each role within the organization is the foundation for establishing appropriate compensation levels.

1

Internal Equity

Maintaining internal pay equity, by ensuring that employees in similar roles and with similar qualifications are compensated fairly, is critical for employee satisfaction and retention.

2

3

Market Benchmarking

Comparing the organization's compensation levels to industry standards and trends, through the use of compensation surveys, ensures that the company remains competitive in the job market.

Compensation Surveys

Comprehensive Data Collection

Compensation surveys gather detailed information on job titles, duties, requirements, and associated pay levels from a broad range of organizations within the same industry or geographic region.

Valuable Benchmarking

The data collected through compensation surveys allows organizations to benchmark their own compensation packages against industry standards, identify any gaps or disparities, and make informed decisions about pay levels.

Customizable Reporting

Many compensation survey providers offer customizable reporting options, enabling organizations to tailor the data to their specific needs, such as by job function, location, or company size.

Factors to Consider in Compensation



1

Job Requirements

The skills, education, experience, and responsibilities required for a particular role are key factors in determining appropriate compensation levels.

2

Market Competitiveness

Staying aligned with industry standards and trends is crucial for attracting and retaining top talent in a competitive job market.

3

Organizational Budgets

Careful consideration of the organization's financial resources and budget constraints is necessary to ensure that compensation policies are sustainable and fiscally responsible.

4

Employee Performance

Linking compensation to individual and team performance, through the use of bonuses, incentives, and merit-based increases, helps drive higher levels of engagement and productivity.



Direct Compensation



Base Salary

The fixed, regular payment that an employee receives for performing their job duties, typically based on their position, skills, and experience.



Bonuses

Additional, performance-based payments that reward employees for achieving specific goals, meeting targets, or demonstrating exceptional contributions.



Commissions

Variable compensation earned by sales professionals, based on the volume or value of the products or services they sell.



Incentives

Rewards or payments that motivate employees to meet or exceed predetermined individual or team performance objectives.

tips for remote workers

.....

Indirect Compensation

1

Health and Wellness Benefits

Comprehensive medical, dental, and vision coverage, as well as wellness programs, that help protect employees' physical and mental well-being.

2

Retirement Plans

Retirement savings vehicles, such as 401(k)s and pensions, that provide financial security and peace of mind for employees in their later years.

3

Work-Life Balance Benefits

Perks and programs that support employees' work-life integration, such as paid time off, flexible schedules, and remote work options.

Benefits and Perks



Wellness Programs

Offering on-site fitness facilities, healthy snack options, and wellness workshops can help employees maintain their physical and mental well-being, leading to higher productivity and engagement.



Professional Development

Providing opportunities for employees to attend conferences, take courses, or participate in mentorship programs can enhance their skills, knowledge, and career growth, ultimately benefiting the organization.



Social and Community Engagement

Organizing team-building activities, volunteer events, and company social gatherings can foster a positive, collaborative, and inclusive work culture, strengthening employee morale and loyalty.

Conclusion and Key Takeaways



Effective Compensation Management

Aligning compensation with organizational goals, market trends, and employee performance to attract, retain, and motivate top talent.

Comprehensive Benefits

Offering a robust benefits package, including health, retirement, and work-life balance perks, to support employee well-being and engagement.

Continuous Evaluation

Regularly reviewing and adjusting compensation and benefits policies to ensure they remain competitive, equitable, and aligned with the evolving needs of the organization and its employees.

TIH 1204

Compensation and Benefits Management

CHM

College of Hospitality
Industry Management

T | H | M

Tourism Industry and Hospitality Management

SUAN SUNANDHA RAJABHAT UNIVERSITY



Benjaporn Yaemjamuang / benjaporn.ya@ssru.ac.th