

# **HUMAN RESOURCE MANAGEMENT**

## **Unit 4**

**MBA/BBA/B.com /M.Com /UGC Net**

**By**

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# Introduction to Compensation Management

Compensation management is the process of managing, analyzing, and determining the salary, incentives, and benefits each employee receives. Compensation managers aim to attract, retain, and engage employees by offering broad and competitive compensation plans within the company budget.

# Components and structure of employee compensation

- Components of Compensation Management – **Basic Wage, Dearness Allowance, House Rent Allowance, Other Allowances, Incentives and Fringe Benefits.** Employee compensation is one of the most strategic and important functions of human resource management.

# Factors Affecting Employee Compensation,

- Productivity of workers
- Ability to pay
- Government
- Labour Union
- Cost of Living
- Demand and Supply

# Employee Incentive Schemes,

Employee incentive programs are **designed to attract, engage, and retain talent**. Incentives themselves are rewards and benefits used to motivate positive behaviors in your workforce. They come in many forms, like tuition reimbursement, more time off, and additional flexibility in work arrangements

# Recent Trends In Compensations Management

- Group Medi-claim / Insurance Scheme,
- Personal Accident Insurance Scheme,
- Company Leased Accommodation,
- Recreation/ATM facilities,
- Corporate Credit Card,
- Club memberships,

- Cellular Phone/Laptop,
- Personal Health Care, Loans,
- Educational Benefits, Regular Get together and other cultural programs, Wedding Day/Birthday Gift,
- Employee Referral Scheme,
- Maternity Leave, Paternity Leave,
- Work-life Balance,
- Pay Transparency,

# Meaning of employee relation and industrial relations

**“Any industrial relationship between the organization and its workers or employees, concerning physical, emotional, contractual, and practical efforts by the employer to maintain a positive relationship with its employees.”**





