FEEDBACK TUTORIAL LETTER

2ND SEMESTER 2019

Assignment 1&2

COMPENSATION MANAGEMENT
(CM812S)
ASSIGNMENT 01 & 2

As described in the Tutorial Letter, the value to students who need to develop a sound understanding of and ability to progress and administer appropriate compensation and reward systems in Namibian organisations in order to support and facilitate employee and organisational performance. Students credited with this module are able to demonstrate a solid ability to apply the theory and practice of compensation and reward to practical situations within the employment situation in Namibia.

After the completion of this course, you are expected to apply your knowledge and understanding in the real life situations and make a meaningful contribution towards the success of your organisation and the corporate world.

The goal of compensation management is to reward right people with pay packages so that they feel extremely motivated to work for the organisation. While fixing compensation for the employees, it is very important to look at the matter both from management and employees’ perspective.

Topics focused in Assignment 1 & 2 and Test 1&2 were:

- Concept of Compensation Management
- Compensation and firms Competitive Advantage
- Concept of Compensation
- Element of compensation system
- Approach to Compensation Strategy
- The need for Compensation Committee
- The composition of Compensation Committee
- Objectives of Compensation, compensation Policy in relations to Organisational strategy
- Approach to Compensation Policy
- Process of Compensation Structure
- Total Package
- Payroll
- Variable compensation system & Incentive Schemes
- Employee Benefits
- Concept of Employee benefits
- Types of Employee benefits
- Executive Compensation
- International Perspective to Compensation Management
- Factors that influence the design of international compensation package

Overall Performance

High-performance management or high-performance working aims to make an impact on the performance of the organisation in such areas as productivity, quality, levels of customer service, growth and profits. High-performance management practices include rigorous compensation management, incentive pay systems and performance management processes. The overall performance in assignments one (1) and two (2) was rationally virtuous with a measurable ratio of 87 per cent attainment.
General comments referring to technical aspects

All too often, 80 per cent of the time spent on compensation management is devoted to designing strategies and only 20 per cent is spent on planning their implementation. It should be the other way round. It is necessary to plan with implementation in mind.

Because strategies tend to be expressed as abstractions, they must be translated into programmes with clearly stated objectives and deliverables. It is necessary to avoid saying, in effect: ‘We need to get from here to there but we don’t care how.’

Due the mode of study (distance), the required use of prescribed texts remained a challenge for the preparation as most students used the study guide and source from the internet without referencing. As you were clearly informed that your assignment must be typed or clearly hand-written following the APA style of referencing. However, those not familiar with the APA convention, should have contacted the library or use internet to acquaint yourself with such.

A high expectation was required for the Honours programme (post graduate students) on how to apply the theoretical application of Compensation Management in a critical economic outlook.

Points to improve upon

You are expected to use the search engine during library session to source for information on various assignments given for expansion of your horizon in the field of Compensation Management/Remuneration. Read on your own, and prepare and plan ahead. The recommended Prescribed Readings to succeed with Compensation Management would be preferable:

Recommended Reading:


Questions:

Taking into account that these questions requires analytical and strategically thinking which provides a general approached in a competitive remuneration management.

An important issue for top decision making is how to evaluate the extent to which both strategic integrations and devolution are practiced in an organisation. By means of relevant examples, discuss how you would evaluate the level of integration of remuneration into corporate strategy.

Pay Decisions
Committee’s believes that the compensation programs are appropriate and effectively align executive pay with the Company performance by:

- Placing the majority of the CEO’s total compensation at risk (89% of pay is at risk)
- Striking the right balance between short- and long-term incentives (significantly weighted to long-term with 74% of target incentives)
- Appropriate use of performance metrics (e.g., market-based measures such as relative TSR and long-term value creation metrics such as EPS and return on equity (ROE) growth as well as safety, culture and operational goals)
- Active evaluation of any adjustments to EPS or other goal performance

Committee’s should follows a robust and rigorous review process to ensure that the compensation programs as implemented are producing the desired outcomes that are aligned with stockholders’ long-term interests and overall Company performance.

In today’s fast changing environment, human resource management is an indispensable tool in the hands of organisations to gain competition advantage. HR’s effectiveness can no longer be measured according to non-specific, non-quantifiable, "soft" assessments. Instead, HR must be able to unequivocally demonstrate the effectiveness with which it is executing its various roles and the degree to which it is meeting the needs of its clients. HR professionals can be effective without being efficient, or they can be efficient without being effective. HR measures help to ensure that we will achieve efficiency as well as effectiveness. There are a variety of other measurement techniques with which HR professional need to be familiar.

One area of Job Analysis to collect information are:

- **Duties and Tasks**, Information to be collected about these items may include: frequency, duration, effort, skill, complexity, equipment, standards, etc.
- **Environment**, The work environment may include unpleasant conditions such as offensive odors and temperature extremes. There may also be definite risks to the incumbent such as noxious fumes, radioactive substances, hostile and aggressive people, and dangerous explosives.
- **Tools and Equipment** Some duties and tasks are performed using specific equipment and tools. Equipment may include protective clothing. These items need to be specified in a Job Analysis.
- **Relationships** Supervision given and received. Relationships with internal or external people.
✓ **Requirements** The knowledges, skills, and abilities (KSA's) required to perform the job.

While an incumbent may have higher KSA's than those required for the job, a Job Analysis typically only states the minimum requirements to perform the job.

**Conclusion:** No matter, how difficult exam you will face, my prayers are always with you. You only have to believe in yourself and conqueror the world. No exam in bigger than your capabilities, you should believe in your skills, don’t be panic in a difficult time and do your best. Exams that come in life have some purpose; they expose your hidden adroitness. You should do the task in a way that you can do your best and leave the rest on destiny.

*Wishing you all the best of luck for the exam*