

Title:

Employee Performance Management

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Summary:

Fixation of compensation or wage rates for different categories of employees in a company is an important task of management. The employees are not only concerned with the wages received but also concerned with the level wages received by same level of employees in similar organizations. Hence wage structure may be considered very important. The relative wage-rules must be fixed carefully, because they have implications for promotion, transfer, seniority and other important personnel matters.

Keywords:

Employee Performance Management, Manufacturing Performance Management, Marketing Performance Management, Performance Management

Article Body:

Fixation of compensation or wage rates for different categories of employees in a company is an important task of management. The employees are not only concerned with the wages received but also concerned with the level wages received by same level of employees in similar organizations. Hence wage structure may be considered very important. The relative wage-rules must be fixed carefully, because they have implications for promotion, transfer, seniority and other important personnel matters.

Wage plan should possess certain fundamental characteristics if the long term interests of the worker, management and the consumer are to be served. The wage plan must be linked with the productivity of the workers. Unless higher pay scales of workers are linked in some way to the productivity of workers, a wage plan will not be fair either to the management or to the consumers.

Basic wage for each job classification should be related to skill job requirements of job. Due consideration should be given to such factors as skill, length of time required in learning, versatility required and working conditions. In all fairness to management, the plan should usually result in a reduction of unit cost of manufacture, making possible lower prices and higher profits.

In all fairness to the consumers a share of higher efficiency should be passed

on to them by way of lower price. This will be possible when there is reduction in cost due to higher efficiency. Thus the wage plan must ensure that all participate share the gains of higher productivity. The wage plan should include an incentive system for the efficient workers. The system should ensure higher pay to the workers who perform work at higher level of efficiency. The wage plan should guarantee minimum wage to protect the interest of workers against conditions over which they have no control.