

4. Reward Management

Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value in the company.

Employers nowadays can hardly rely solely on base salary to attract and motivate their employees. More emphasis has now been placed on other benefits such as retirement benefits and learning opportunities. It is important for employers to embrace the concept of total reward and recognize that pay is not the only motivator.

4A. Performance and Reward

The reward system should be market-based, equitable and cost-effective. It is important that rewards commensurate with not just the skills, capabilities and experience of the individual but also performance. In order to cultivate top rate performers, employers must not only offer rewards for good work, but they must also have consequences for substandard work. Although employers are often reluctant to follow through with negative consequences, it is sometimes a necessary process. Otherwise, employees have no incentive to correct unacceptable behaviour.

It is also important that employees clearly know about what is recognized by the company and how these will be measured, so that they understand the relationship of performance and reward.