Module code: BUS605

Managing Workforce Engagement and commitment

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Task 1

Reward Management

Reward management is referred to the process of implementation and formulation the strategies and some policies that aimed to reward people consistently and fairly with their value in the particular organization accordingly (Tamir, *et al,* 2014).Some related strategies are market positioning, pay mix, etc. which influence reward management can be explained(Armstrong and Taylor, 2014).

Positioning is one of important marketing activity, a process of identifying the problem of the market and also finds out solutions based on data from market research. It is an effort to attract the consumer perceptions of a product brand relative to the other brands. A good position automatically gives the USP, which increases sales of the product.

By setting an appropriate pay mix strategy, one can comprehend its sales. It is the ratio of target total cash comprehension that is based on salary vs. incentives. It is the strategy to maintain its sales. The purpose of pay mix is to establish the right of motivating the relation between risks and reward the employees to influence increased sales (Alderman, 2013).

Job value is one of the important and competitive strategies of marketing. The values are the principles that employees have to do with their occupation. They are both intrinsic and extrinsic in nature. Extrinsic values are concerned with the by-product of a job, and intrinsic ones are helping others, face challenges, and being a leader. Earning money is the example of extrinsic value (Bansal, 2011).

Market structure is the number of firms in the market selling homogeneous product. It mainly refers to the competitiveness of the market. Administration is also a useful strategy for reward management because a good administrative management can boost up the brand image of the organization.

Strategic Approach to reward

Human Resource Department of any organisation takes a different strategy to increase the productivity of employees. Employees are rewarded for their effort, time and performance by a decided strategy by the HRM of the organization. Reward strategy is built based on the business or organizational strategies of a company as the overall goal is to make the human resource useful to the requirements of the business (Armstrong and Taylor, 2014).

A company is started by management but it grows by the effort of the employees. So that employee management is a very important segment which is overviewed by the HR department. If employees are satisfied, then they will work up to the expectations. The reward strategy mainly involves the implementation of reward system. Some certain rules are followed to evaluate the reward practices that means for which areas employees will be rewarded by each organization.

Reward strategy meets both the individual employee terms as well the company strategy. To have a balanced workflow first of all the basic needs of an employee are fulfilled by providing their Remunerations in time. Apart from the basic pay some more rewards are given such as incentives for more works, paying money for overtime, some prizes for good performance, benefits and careers that mean training and development of employees. Each and every employee wants to grow with the company. They want developed skills which also helps the company to achieve new technologies (Armstrong and Taylor, 2014).

Strengths and Weaknesses of different reward Strategies

There are different reward strategies that are maintained to motivate the employees to make an increased outcome in organizations. These strategies are made by the influences of current market need, and it is totally organization specific.

There are short term strategies and long term strategies in companies.

Short term or pay incentive system is basically paying instant money for those who performed well on a particular task. This system is fruitful for the employees who are motivated by works. People try to perform well in each task to have an incentive. This system has a weakness that it creates a miss communication towards goal. The behavioural structure among the employees is broken.

Rewards thorough non-monetary system are also given to employees. Here are benefits and opportunities that are given to the individual. Many employee assessment programmes are held. The performances are tallied and based on them they get rewards such as different opportunity schemes, and health care benefits are there. These kinds of programmes create a positive attitude among the workers in the workplace. The positive side of giving rewards is that it creates an energetic and motivated environment among the employees. They are willing to work more and inaccurate manner to be the winner. Employees not only work for their monetary needs but also they are engaged in a competition, and the productivity is high. But it has certain disadvantages such as the costs to the company are increased to give gifts. The employees who do not get the reward may get less motivated. The time is spent to evaluate the performance schema of each employee fairly and to arrange the programmes and to set the rewards.

Implementation of chosen strategy

It is already discussed the influential strategies like pay incentives system, giving reward by non-monetary awards, etc. which are implemented to increase sales; they are:

Some overwhelming percentage of companies relies to motivate the workers on incentive-based pay practices. The employers are offering bonus to compete for top talents. Some examples of short-term incentive plans are:

Annual incentive plans that are a pay plan which rewards the accomplishments of specific plans and enhanced performance cycle.

Spot awards recognise to special awards which are given to the special tasks or projects.

A profit sharing plan which includes predetermined formula for allocating profit shares among the participants.

A bonus from outside from monthly salary like various parks is also significant (Armstrong and Taylor, 2014).

Use of non-monetary incentives also a tangible factor to motivate employees. There are two categories of rewards: contrived-on-the-job rewards and natural rewards. These are implemented to achieve the growth of the company.

Tangible non-monetary incentives refer to tangible items such as coffee mugs, desk accessories, watches, gift certificates, etc. It may be some services provided by the organizations such as bus service, medical charges, etc.

They give the award for good performance or an effective contribution in some presentation, projects, etc. Job related non-monetary rewards have the potential to motivate the workers intrinsically. Varieties of tasks, autonomy, participation in decision-making, etc. are very important in satisfying the employees.

Market positioning strategy implementation requires a tactical marketing plan aligned with core business growth. It needs broad perspective and its potential components are:

New products launch strategy can be challenging for business. Developing strategy for new product launches requires knowledge of targeted consumers and face challenges to reach them. It can increase the sales volume if the sales promotion strategy can be adopted for attracting manner. They can use attracting and innovative advertising policies; they can do promotional programs of that product to capture the market consumers.

Channel conflict management is a strategy to bring new products tomarket and is based on two dimensions:

- Where can they earn more profits and
- How easy it will be to accomplish.

Developing and encouraging good channel behaviour can be the reason behind the profit-maximising goal.

Return on market investment: There are two primary categories to measure the marketing strategy. One for accountability to **executive management** and the other is **operational management**. Both are working on fiscal success and achieving targeted objectives of profit maximising.

Go-to-market strategy refers to the strategy by how the organizations will reach the marketplace. It is the specific targeting plans for the decision makers that how the program will be simple to understand for consumers.

Monitoring and evaluating a chosen strategy

Monitoring and Evaluating (M&E) are integral and forward-looking strategic tool of organisational learning and proper management. The management committee can use reports against its annual plans to review progress towards the strategic objectives. So, they have to ensure that who are doing work maintaining records properly and who are not. The proper requirements of structures and technologies should be involved in plans

(Petri and Govern, 2012). Before completing the plan, one has to ensure when and how the plans will be implemented so that the management committee can reach the progress of their goal. When achieving progress, this committee should be focused on:

It ensures that the activities are fulfilling the strategic aims and objectives.

The activities are persistent with the organisation's mission, vision and values.

Keep reviewing internal and external changes and also changes the organisational strategy which may affect their ability to achieve the objectives (Weiner, 2013).

Task-2

Motivation

Motivation is used to explain the behaviour of the management. It represents the people's behaviour, need and reaction towards the actions of employees. It is the desire to absorb beyond expectation which is driven by internal and external factors as well to improve the quality of work. Motivation is a psychological process which is done by interactions between employees and the work environment. It is mainly characterized by the certain level of willingness. The employees increase their work effort in order to obtain a specific need. Employees are to be motivated because the organization wants to seek their goals and fulfil the needs (Wlodkowski, 2011).

Theories of motivation

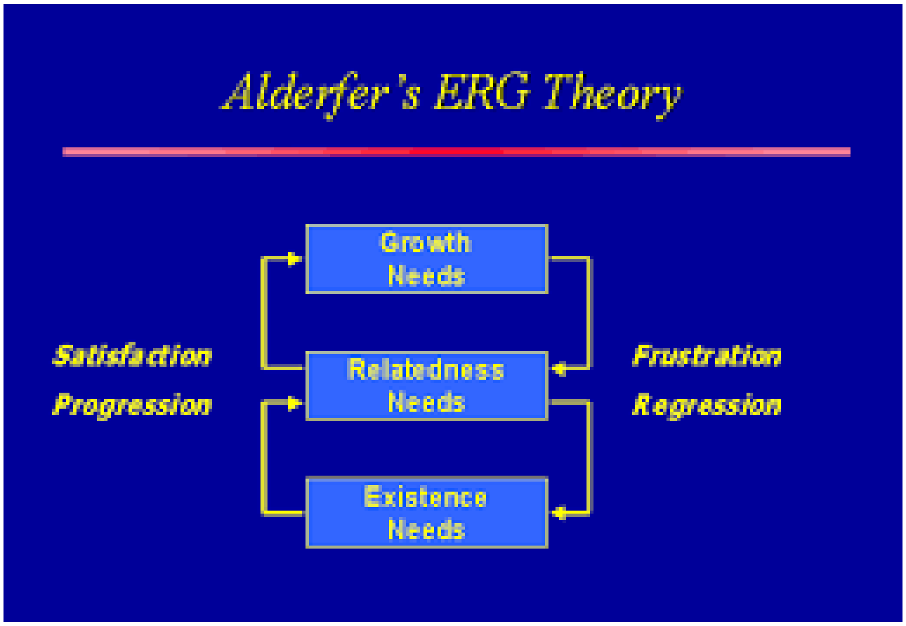
Maslow's hierarchy need theory can be explained as a personality theory which basically depends upon five basic characteristics and those are physiological needs which explains about the basic or fundamental needs of people, second one is safety needs, third one is social need or belonging need in which people wants social integrity. Social needs are desires for affiliation which reflect the person's desire of love and affections. These needs can be fulfilled by the organization trough support employees and celebrations. The managers can show their real care for the employees when they need that concern. Fourth one is esteem need which focuses on material achievement in the society and last one is self-actualization in which people wants to achieve something beyond monetary achievement. Esteem reflects the worth of social recognition, personal self-respect.

Figure 1: Maslow's hierarchy

Source: 1: Alderman, (2013)

Alderfer's ERG theory is based on three different types of need categories which are explained below:

Figure 2: ERG theory



Source: 2: Swcollege, (2015)

Need for achievement is one kind of desire which helps people to do things in efficient manner and while doing particular activities innovative ways are undertaken especially, in case of solving problems.

Need for affiliation on the other hand is a kind of desire which helps to build-up relationship with people and also it helps to maintain a proper relationship in society.

Need for power is a concept which talks about obtaining leadership position and it also helps to motivate people to possess authority related to decision making.

Vroom's Expectancy theory states that the employees work towards the best achievement due to attaining maximum amount of interests from reward system that is implemented in the context of organization.

Figure 3: Vroom's Expectancy theory

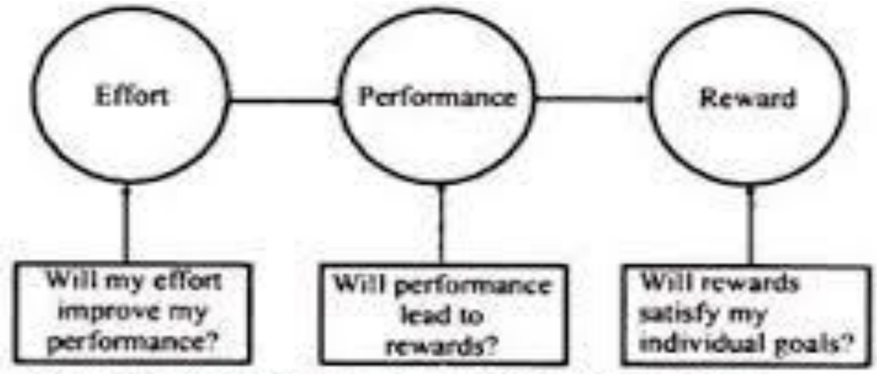


Fig 17.3: Vroom's Expectancy Model of Motivation

Source: 3: (Alderman, 2013)

Intrinsic and extrinsic motivators

There are two types of motivation are called intrinsic and extrinsic motivation which are discussed below.

Intrinsic motivation refers to the motivation that comes from inside an individual. The motivation is generated through satisfaction that one gets in completing or even working on a task. Factors that influence on intrinsic motivation includes of giving responsibility fordecision-making, freedom to act, scope to use and develop skills, and opportunities for advancement. These are concerned with the quality of work life; tend to have a long-term effect which are not imposed from outside.

Extrinsic motivation is something that is done to motivate the workers. It arises from factors outside an individual, such as money, grades, criticism or punishments. These rewards provide satisfaction and pleasure. An extrinsically motivated person might work on a task even when they have little interest in that project. This type of motivation usually has an immediate and powerful effect although it does not last long.

Performance related reward

Reward is the benefits that arise from performing a task, rendering a service or discharging a responsibility.Pay is the most significant benefit that is received after performing a task. It is pay that motivates individuals to go out and seek work. Pay is also one of the few ways to set a mutually acceptable common value to the individual's work contribution. Pay can also be a powerful de-motivator; if employees are not satisfied with the reward package, it will be hard for the company to achieve the profit maximizing goal (Gittleman and Pierce, 2013).

Total Reward describes a reward strategy that brings components such as learning and development together with aspects of the work environment. Tangible rewards arise from transactions between the employer and employee and that includes rewards such as pay, personal bonuses and other benefits. Intangible rewards have to do with learning, development and work experience (Armstrong, Ittner and Larcker, 2012).

<table>
<tr><td rowspan="3">Transactional rewards</td><td>Base pay</td><td rowspan="3">Total remuneration</td><td rowspan="5">Total reward</td></tr>
<tr><td>Contingent pay</td></tr>
<tr><td>Employee benefits</td></tr>
<tr><td rowspan="2">Relational rewards</td><td>Learning and development</td><td rowspan="2">Non-financial /intrinsic rewards</td></tr>
<tr><td>The work experience</td></tr>
</table>

<u>Features of motivation:</u>

The main features are:

- Improves personal level.
- Enhances the negative attitude of individuals.
- Reduces the amount of employee turnover
- Controls the absenteeism with- in organization.
- Reduction in resistance to change.

Merits of motivation

Some advantages of motivation are:

- Employees work with better interest and responsibility.
- Motivated employees are an asset to the organization.
- The organization works smoothly and efficiently as there is co-operationto management (Ray, *et al,* 2014).

Demerits of motivation

Some disadvantages are:

- Unmotivated employees do not take an interest in their organization. They include in spreading **'rumours'**.
- There is no co-operation from unmotivated employees.
- The threats of strikes, Demonstrations, etc. creates problems for the management.

Conclusion

If the number of one factor which inspires employee motivation is vision, manager's challenge to convey his employees' vision for what the manager hope for his department or team will achieve. To remain inspired by his vision his employees need strategic imperatives that will help them live out the vision. Maintain employee motivation to meet strategic imperatives by monitoring employee progress. Some strategic imperatives are easier to measure than others because they deal with things that can be counted. Others are more difficult. To measure them he must have to consider such variables as timelines, accuracy etc. If the organization has continuous improvement then there need to inspire ongoing employee motivation to make it more effective.

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