

Q) Employee Compensation ⇒ It refers to the benefits that an employee receives in exchange for the service they provide to their employer.

Employee compensation is generally one of the largest costs or expense of any organization.

The word compensation is derived from Latin word 'Compensare' which means to 'weigh against'.

Q) The various factors which influence compensation level are given below:-

⇒ Base Pay & Overtime Pay ⇒ Base pay is often a person's pay for getting up & going to work everyday.

Overtime. often factors into monetary compensation in certain industries.

⇒ Commissions ⇒ Depending on industry, commission percentage can vary quite widely. Even within the same industry, can have enormous differential.

⇒ Bonus ⇒ Employee who do a great job throughout the year. compensated for their efforts in monetary terms.

⇒ Housing Allowance ⇒ Travelling for work can offer benefits that employees don't often think of. Allowing employee to personally choose their hotel & airline, definitely has its own advantage.

i) Performance Appraisal ⇒ It is a regular review of an employee job performance & overall contribution to a company which also known as annual review or evaluation.

- name appraisal evaluates an employee skills, achievements & growth or lack.

ii) Methods of Performance Appraisal ⇒ MBO ⇒ It is a process in which manager identifies the desired objectives to be achieved & gives each individual a major ~~area~~ of responsibility.