

Human Resource LCMB7000

Assignment 2



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Introduction

Hanoi Hat Company is a Small business company from Vietnam that makes and sells hats and caps, at the beginning as a small company their principal goals was to produce and sells as many products as they can for the coming years the brand start being more popular and successful so their needs were getting bigger and international so they need to diversified their procedure to make their products around the world it means they will have to reduce the amounts of goods until they will share their production systems around the world however their work from the beginning the company had a performance-based pay system that the workers will have salary depending how many products they will manufacture as at the moment the need to share their skills to other, they are spending time for it but I will be reflected at the production level so it means the rewards systems need to change to keep motivated the workplace by the workforce.

Current Rewards Practice at Hanoi Hat Company

Since they started to distribute their goods they established a system in which the workers are getting rewards depending on the number of products that they are making[Current Reward], this mechanism is called performance-based pay, the most important factor of this system is the reward that the workers are getting which is depending over the output if the output is going down will be reflected the workers as their payment depend on it, that means that the company should create a stable structure to develop great rewards to the workers to keep them focus and motivate on the work.

With the pass of time the brand is growing up to a prosperous future where their goals and the target will getting bigger and bigger so it means the workers will have to share their skills to make possible an international expansion that is where the workers will make be less productive[Employee Performance] as they will have to spend their on training the new workers moreover there is another clear disadvantage to the worker as the output and correlatively their salary is up to the external and internal circumstances that more of the time the company does not have control over it, that why it will come up the importance of the General factor to change to an innovative system which will deliver better conditions to their employee and the brand which I will explain by the end of this job aging the motives of this challenge by showing the unnumerous systems that every company can choose from to keep their workers motivate and then achieve their goals.

Contemporay Reward Practices

Before I will say which system I have considered the most adequate to get the right way to approach your team to your goals or targets, I will describe deeply the rewards prctices[Reward Practices] include at any systems from there I will expose the system to be applied into the company to improve the actual situation.

There are two modalities of rewards that ingroup all practices that can be appropriate to use in our brand, the first one is Intrinsic rewards which are reflecting into the personal or emotional it means everything that can not touch but It will help the workers to their performance here is includes the feedback, recognition at work, having autonomy at work where the workers will feel valued as they start to make their decisions however there are Extrinsic rewards that are including

all the physical benefit that the worker got when unique to the quality of their work, in this category will involve the bonus, commission, and gifts.

In the following sections, I will describe two models that the company can include in her Human Resource department to deliver a great experience to their workers according to all the time with their targets.

Total Rewards

This System[Toral Reward] has included three mind factor which is the compensation, benefit and the personal growth; the first one is referring to all the wages that any business spend to pay their workers like salaries, incentives or promotions, the second factor reflect by all the payment that the workers receive during the time that they are no products to the company but there is cause justify their absence from work like when the workers are sick, injuries or in vacation also it includes the retirement that means the workers are no longer based on length of employment but the company still giving payment to them and the last factor is the personal growth that includes the training and skills development that will improve the performance of the workers.

In this systems[Phases of Total Reward] there are four steps or phases which have to be followed to make it right but before that the brand must choose who will be the team leader and the role that everyone will have on the company to make clear which function should be covered by the individual employee; the first phase will be the assessment where the team will evaluate the goals of the company and the company itself and creative ideas to improve it later that the company will delivery how they can fit these ideas into the reality which is called the phase of designs to end the company will have to put their work in practice and to the end, the brand will get a feedback of their work as it called the last phase evaluation.

Following the examples that are giving to us, the Total reward systems have an innumeros number of advantages special to the small company as Hanoi Hat like for example employee retention, employee performance, controllable expenses, and Program Administration.

Efford Rewards

Over this section I will anaysis deeply the chararaterestic of this model, first at all let define the meaning of it; by Efford Reward I understand that is a system what unifies the effort with the reward so that they depend on each other to ensure job satisfaction, this model is really familiar to the case that I am examitation.

This reward system used in our case has negative effects on employees such as the stress that the employee is subjected to since his salary depends exclusively on his productivity which is linked to external factors that affect the industry where the company executes o reflects their activity which comes to influence the company and consequently the employees as there is not so much demand for the products which will reduce their income.

After i have describe this model I will expuse two relevant and important aspect to understant the final system that I am propusing to the company.

Importance of Fixed Salaries

This factor is the mint reason to motivate the majority of the workers in any company that is why it has got more important[Motivation at work] in our case, as the manager having their salary secured by not being dependent on productivity this has given them a security position which will be very difficult to move as they may be reduced in their influence on workers by all having an assured wage without depending on outputs.

When determining how the company is going to proceed with the payment of its employees, it should be assessed what options are shown in order to choose the most appropriate for our business model, that is why I will briefly show what possibilities are available to fix in our bussines; apart from the one already explained It also has the method hours rate which your salary will depend on how much dedication you make to your work, on the other hand it has the method that has a fixed salary and a commission based on the productivity that you generate to the company and finally the sharing profit beside the fixed salary that having a base salary you can receive more depending on how the company is productive in the market and finally that includes a base salary without participation in the profit of the brand.

Going back to our case Hanoi and Hat as the payment method follow by individual produdity changing it to a fixed salaries will signficaently improve the motivation of our workers as the salary is the energy that will make them feel valuable and important in the company. This change of model in which the introduction of a base salary, incentives and other elements is included will be a long and costly process in which the gaps that allow to differentiate the different steps that form part of the internal organization of all company, that is why this process should be done progressively so that afterwards no element remains undiscussed and that later can severely splash and break the system that is intended to be applied to our brand.

Importance of Profit sharing in the propossed in the Total reward system

Continuing with this system, another of the novelties that total rewards entail is the equal distribution of dividends generated during any activity generated by the company but which are derived from all work performed by the workers, which is why part of the dividends to be derived from the work of employees should be distributed over all workers as the result of their work. The result of an equal distribution of the company's profits makes workers feel more like part of the company and accordingly increases the loyalty of their workers, which in turn will increase the care and concern of how your company operates in the market.

Conclusion

After this full study of our case, I have come up with the idea to propose the Total rewards as a system for Hanoi and Hat to make equality the situation between the manager at the company and the workers as will help the company to keep growing up for a better future together.

To specify and clarify my proposal, apart from all the characteristics that have been examined during the work, below I will explain what advantages will help me to finally convince the line managers that the total rewards will benefit them in the long-term objectives and in the seat of the expansion that our brand is undergoing.

Firstly and following all the analysis that I have developed previously, it can be concluded that it is a system that works in a circle on the four phases described above and that especially for any small business in which it is required to have a good non-personal interrelation but Yes, it works between managers and workers but in the same way it must be applied to ours as it is a company that aims to grow internationally. However Following this brief description of our system to be implemented in our brand, I will continue giving the advantages it has over the current system that is being applied in our company; On the one hand, this system has a greater facility to retain a new employee since by showing a minimum salary, the possibility of growing and performing different functions in the brand together with the possibility of acquiring new skills will make it easier and secure the worker in the company, another of the advantages that this model includes from the point of view of the brand is the fact of having clear control of what it spends on its employees centralized all in a program where everything related to the relationship between employees and the business such as benefits, salaries, and training.

Putting together all these aspects and advantages described above should be enough to reach an agreement with the lines manager of the company and the end put the total reward into practice.

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