

Rosario Longo

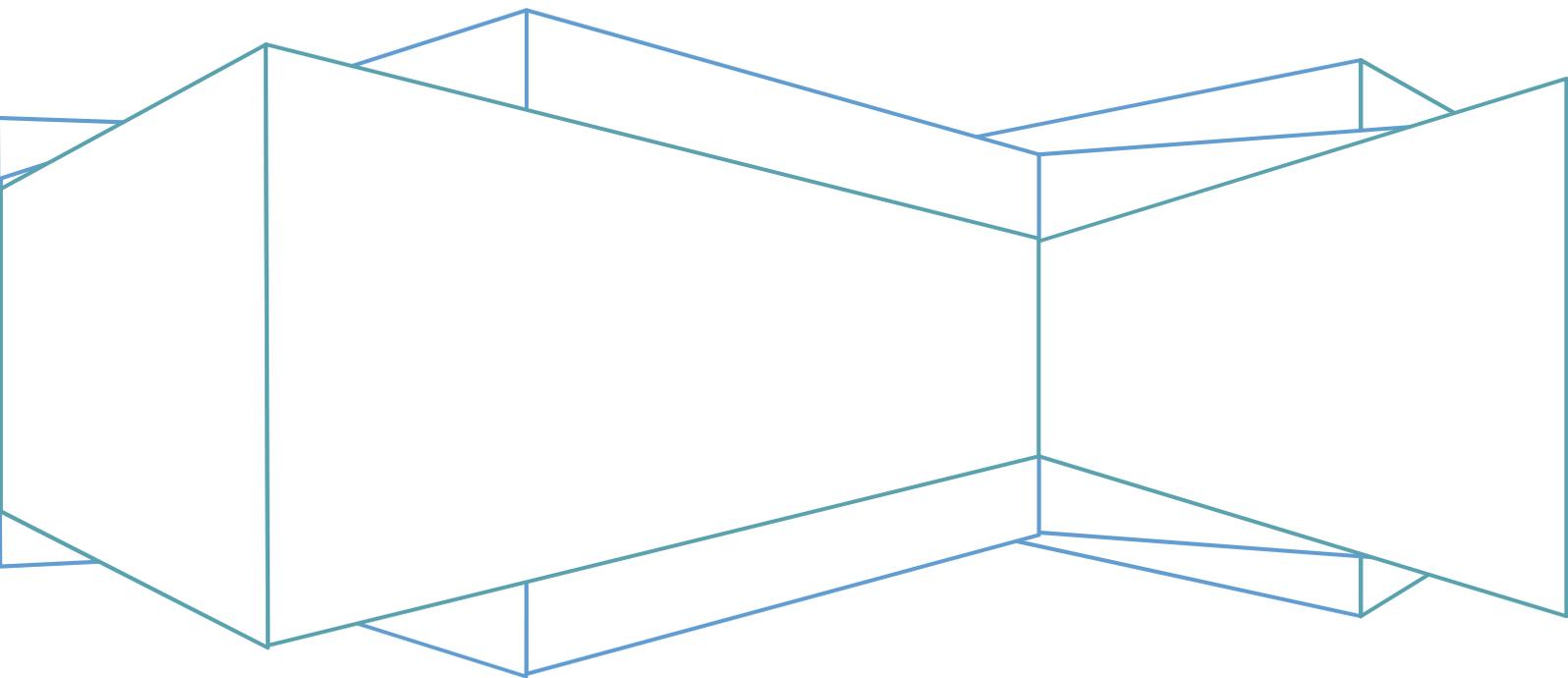
# Rhetoric and Practice of Strategic Reward Management





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of  
Strategic  
Reward Management**

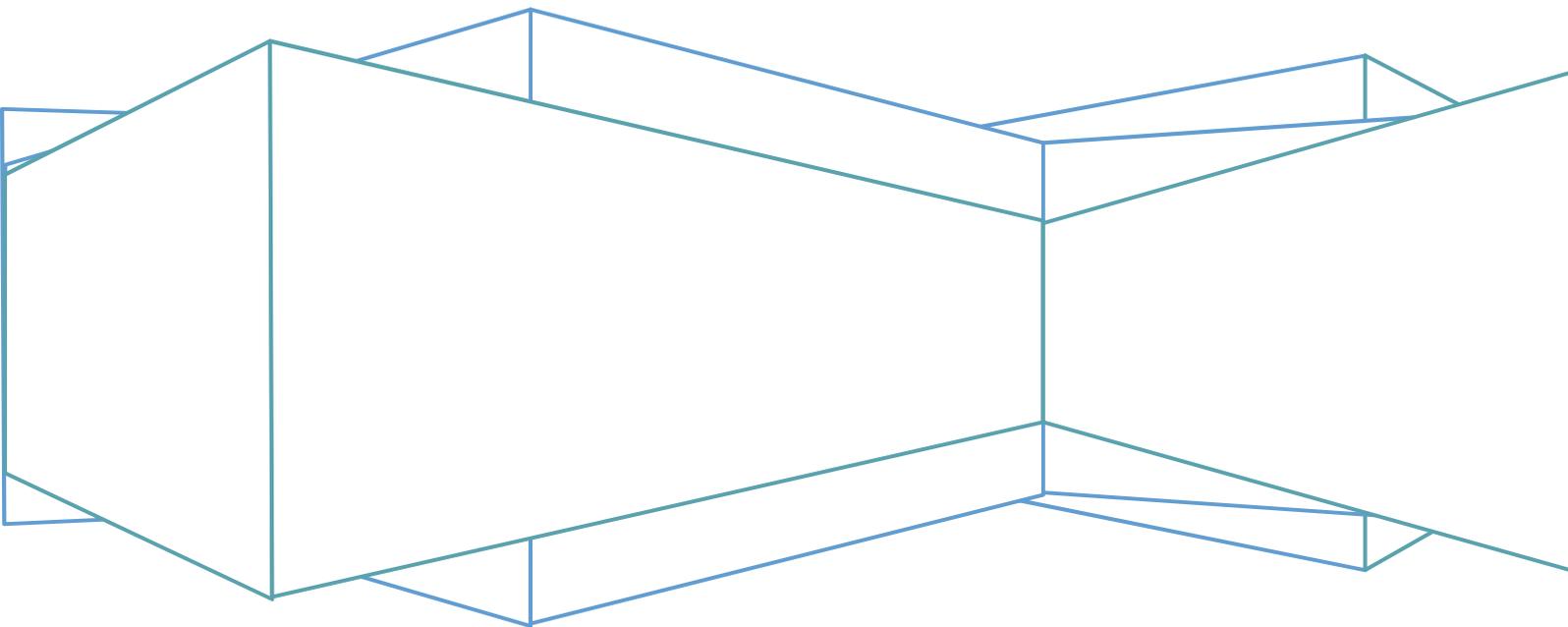




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# Preface

For questionable it might be considered to be the impact that reward actually has on employee motivation, reward management has had, has and is destined to further gain a constantly growing importance for HRM practices as a whole. Employees' different needs and expectations are remarkably influenced by the ever-changing external context and subject to vary accordingly; this prompts in turn employers to constantly come up with brand new, appealing solutions capable of attracting and retaining quality people.

The declining power of Trade Unions, in terms of bargaining with employers employees' salaries at industry or national level, has favoured a process according to which employers are acquiring sole responsibility for designing and developing reward management practices and policies within their organizations.

Indeed, also the concept and aim of reward management has evolved over the years. At large, preserving individuals' purchasing power is no longer considered as a reward management top priority, but rather knowing-doing gap notwithstanding, as a means to ultimately enable businesses to align their objectives with those of their staff. Employers and reward specialists task is definitely far from being straightforward, exogenous forces are constantly influencing individuals and employers expectations as well so that, in some circumstances, namely during economic slowdown and downturn periods, employees need for their salaries holding on, in terms of purchasing power, can absolutely re-emerge as a top priority.

Reward management evolution has developed a new idea of reward no longer directly and exclusively associated with financial reward, but rather based on a far more comprehensive concept embracing both financial and non-financial forms of reward and recognition, namely total reward.

Designing and implementing sound, bespoke reward management strategies and effectively and consistently implement these by means of fair policies within an organization definitely is a difficult feat to achieve. This book humbly aims at helping all of those who believe that reward practices have and will invariably have an important role within HRM policies, to take informed decisions considering that a good and overarching knowledge of theories and rhetoric can definitely, effectually contribute to the attainment of remarkable results in practise. This work is clearly not exclusively theory-based, particular and relevant consideration has in fact also been given to findings of relevant surveys, as well as to practitioners and consultants points of view.

The book also endeavours to make readers pondering about some specific crucial aspects of reward and its future, which very likely entails that reward specialists become the more and more acquainted with tax legislation and innovative in order to be able to design and develop sound and effective cutting-edge reward management practices and solutions.



# **PART ONE**

# **Key concepts and founding pillars**



# Section I

# Reward Management

## The foundations of Reward Management

Reward management should basically aim at influencing people actions and behaviour in order to organizations attaining their overall business objectives and aims. This target is much more likely to be achieved by aligning individual objectives with organizational objectives (Daniels et al, 2006). It can consequently be said that reward management is essentially concerned with all of the complementary initiatives, actions and activities designed and implemented by employers in order them to receive their staff full support for the achievement of organizational strategy.

It clearly emerges that reward management cannot be considered, developed and managed independently of the other HRM practices, business strategy and organizational culture. On the contrary, reward management should be used by employers as an additional powerful system by means of which not only more easily achieving their intended objectives, but also fostering integrity and endorsing desired behaviour within the organization. These objectives are quite hard to achieve, but the successful identification, development and execution of the right approach can undoubtedly help employers to attain organizational success.

Since reward management is also concerned with organizations' strategy, it also needs to be in turn strategic and constantly fitting the changing business circumstances. Irrespectively of the causes behind these, changes within organizations are occurring at a faster and faster pace, and reward specialists need to be ready to adapt reward approaches, systems and schemes to the changes required from the exogenous and endogenous environment as well.

Reward management is then concerned not only with design and execution but also with the maintenance of the system, that is, the regular review of the practices, policies and procedures of which it is formed (Armstrong, 2010).

Organizations recruit and reward people "not for their ability to follow instructions" but for their expertise (Bersin, 2012), capabilities and skills and for the results these can

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