

HUMAN CAPITAL MANAGEMENT

Compensation Strategies: Implementing the Fixed vs. Variable Model



At Vasutti, we recognize that a well-structured compensation framework is critical to attracting, retaining, and motivating top talent. Our innovative compensation strategies are tailored to align with your business objectives, industry benchmarks, and workforce expectations.

Our Approach: Designing Balanced Compensation Models

1. Innovative Frameworks: The 90:10 Model

- a. **Fixed Compensation (90%):** Provides employees with financial stability and predictability, ensuring their basic needs are consistently met.
 - b. **Variable Compensation (10%):** Linked to individual, team, or organizational performance, driving accountability and rewarding excellence.
 - c. **Outcome:** Employees are motivated to deliver results without compromising their sense of security.
2. **Industry Benchmarking** We ensure that your compensation strategy remains competitive by analyzing industry standards, peer practices, and regional trends.
 3. **Customization for Roles & Levels** Compensation plans are tailored to different roles, seniority levels, and performance expectations, ensuring fairness and alignment across your organization.
 4. **Performance-Linked Rewards** Variable pay components are designed to drive behavior and outcomes that align with business goals, ensuring a direct link between effort and reward.
 5. **Employee-Centric Design** We involve employees in feedback-driven compensation designs, ensuring they feel valued and motivated.

Key Benefits of the Fixed vs. Variable Model

★ Enhanced Employee Motivation





- **Impact Metric:** 30% increase in employee performance ratings tied to variable pay components.
- **Outcome:** Employees are incentivized to go above and beyond in achieving business objectives.

★ Fairness and Transparency

- **Impact Metric:** 20% reduction in pay-related grievances through clear communication of compensation structures.

- **Outcome:** A culture of trust and satisfaction among employees.
- ★ **Attracting Top Talent**
 - **Impact Metric:** 25% higher acceptance rates for job offers due to competitive and performance-linked pay models.
 - **Outcome:** Your company becomes a top choice for high-caliber candidates.
- ★ **Driving Organizational Performance**
 - **Impact Metric:** 15% growth in key business performance metrics (e.g., revenue, efficiency) linked to variable pay goals.
 - **Outcome:** Compensation strategies directly contribute to business success.
- ★ **Retention of High Performers**
 - **Impact Metric:** 20% lower turnover among high performers due to compelling pay-for-performance incentives.
 - **Outcome:** Reduced hiring costs and a stronger leadership pipeline.

Why Vasutti's Compensation Strategies Stand Out

-  **Data-Driven Insights:** We use robust analytics to design pay structures that align with your industry and workforce expectations.
-  **Custom Solutions:** Our frameworks are tailored to meet the unique needs of your organization and its people.
-  **Measurable Impact:** Every compensation model we implement is designed to deliver tangible business results.
-  **Employee Engagement:** Through transparent and inclusive processes, we build trust and satisfaction around compensation.

Transform Compensation into a Strategic Advantage

By implementing balanced and innovative models like the 90:10 framework, we help you achieve fairness, drive excellence, and enhance employee satisfaction. Contact Us to explore how our tailored compensation strategies can fuel your organization's success.



www.vasutti.in

Let's Collaborate!

Choosing Vasutti means partnering with a team dedicated to your success and equipped to deliver real, sustainable transformation.

INFO@VASUTTI.IN

+91 9972014397