

Aligning Organizational Culture and Compensation Strategies

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Abstract : Alignment between management strategies, policies and practices with organizational cultures holds great potential to meet the challenges of retaining professionals and maintaining their commitment. In this article, authors consider that when it is aligned with company strategy, compensation acts as an incentive for developing common visions within the organizational culture. This article verified the correlation between types of culture and compensation's strategic components and provided inputs for the definition of strategies aligned with cultural typologies. We conclude that the impact of compensation variables varies according to the type of organizational culture. This result reinforces the theory that different cultures define different organizational strategies. Thus, compensation strategies may explain types of organizational culture.

Keywords : compensation, Handy's cultural typology, organizational culture, rewards

Conference Title : ICHRM 2016 : International Conference on Economics and Human Resource Management

Conference Location : London, United Kingdom

Conference Dates : January 18-19, 2016