

Specification of Competency Standards for Human Resource Management

Unit of Competency

Title	Develop and manage a compensation and benefits budget
Code	106966L5
Range	Developing and managing budget to provide competitive compensation and benefits to employees. This applies to the development and monitoring on implementation of compensation and benefits budget by identifying financial resources for the organisation to operate without interruptions and recognising employees' efforts and performance with budgetary resources.
Level	5
Credit	5
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge in the Subject Area <ul style="list-style-type: none"> • Understand cost implications of each reward programme • Understand financial principles and guidelines in developing and managing a compensation and benefits budget 2. Applications and Processes <ul style="list-style-type: none"> • Identify current compensation and benefits related employee cost at different employee levels within the organisation • Conduct scenario analysis on different parameters that will impact compensation and benefits budget • Develop compensation and benefits budget in collaboration with managers and finance department • Establish targets for human resource costs with reference to financial performance of the organisation and manage budget against targets • Conduct variance analysis for different reward programmes on a regular basis and identify causes of budget variance and savings opportunity in collaboration with finance department 3. Professional Behaviour and Attitude <ul style="list-style-type: none"> • Propose adjustments to compensation and benefits (e.g. pay structure, medical benefits, change of outsourcing vendors) with anticipated return on investment for senior management's approval • Regularly review budget variance with consideration of business and financial performance of the organisation
Assessment Criteria	<p>The integrated outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Establishment of compensation and benefits budget in collaboration with managers and finance department. • Execution of monitoring on implementation of compensation and benefits budget (e.g. regular review to identify variance and cost savings opportunity) to maintain workforce expenses within approved budget.
Remark	