

Here is a brief summary on the role of compensation in talent management: Compensation is a critical component of effective talent management. Competitiveness: Monitoring market compensation trends and adjusting pay accordingly helps the organization remain competitive in attracting and retaining talent. Motivation and Retention: Appropriate compensation, including base pay, bonuses, equity, and benefits, helps motivate employees and encourages them to stay with the company long-term. Overall, a well-designed compensation system is a critical tool for acquiring, motivating, and retaining the talent needed to achieve business objectives. Engagement: Compensation that is perceived as fair and reflective of an employee's value to the organization contributes to higher levels of engagement and job satisfaction. Organizational Culture: Compensation structure and policies send signals about the company's values and priorities. 2.3.4.5.