Good ole acme corporation case analysis

Business

Abstract

This paper is intended to present the analysis of the employment practice Good Old Acme Corporation allowed to materialize in the underpayment of female employees. Good Old Acme Corporation is at risk for legal action by allowing a disparity between male and female employees to exist, with regard to compensation, without justifiable cause. Good Old Acme Corporation needs to implement sound compensation policies. The new President of Good Old Acme Corporation has inherited a ticking time bomb in the form of salary inequities at the company that encompass sex based discrimination. A number of female supervisors are paid at a rate that is substantially less than male counterparts. Upon investigating the disparity, no articulable justification could be found to support the disparity in pay scales.

The new President has a real issue with the Equal Pay Act of 1963. This Act sets forth the requirement that female employees may not be paid wages at a rate lower than of the opposite sex for doing roughly equivalent work. This also involves issues of discrimination and equal opportunity (EEOC). If the President were able to perform an investigation and uncover legitimate reasons for the disparity in pay, the wage issue would be an ethical issue and not a legal issue. However, this is not the case in this scenario. There is no legal basis for the disparity.

Had the male supervisors endured additional duties or were the beneficiaries of a higher level of documented training, the difference could be justified. If there was a seniority system in place which effectively modified salaries based on this factor for all employees, the difference would be similarly justified. In this case, the difference was stated to most likely be the bias of the previous president (Dessler, 2011). Companies that don't have a strategic compensation plan in place, that is constantly monitored, run the risk of this type of occurrence. The professional human resource executive is constantly on guard to prevent putting the corporation into this unfortunate predicament. In fact, the issue could extend to a competency issue with the human resource director who never was proactive enough to spot the potential issue and bring it to the executive management's attention for resolution.

Since compensation is such an important part of productivity for a corporation, it is in the best interest of all employees from line to executive to ensure that the various jobs are evaluated and assigned an equitable compensation plan without regard to the individual actually inhabiting the position currently. This requires a scientific approach to the process that is standardized to avoid any claim of inequity or legal liability. Obviously Good Old Acme Company was failing in this respect. Now that the President is aware of the issue, he must take immediate action. The human resource director was informed about the issue and given an opportunity to participate in the resolution.

To avoid any further claim of favoritism or discrimination, the other female employees must be offered the same opportunity. Since the issue is a delicate one and the president also has a duty to the corporation and its stakeholders, the tact with which the approach is made could be finessed. I would arrange an interview with the female supervisors and explain that with the change in management, a review of compensation was performed and their individual compensation warranted increase. I would solicit their individual opinion regarding acceptable resolution to the issue of pay disparity and come to a mutual agreement using the remedy accepted by the HR director as an example. Then I would have confidentiality and release of liability forms signed.

This would effectively preserve the work environment and remedy the discrimination issue. By having the employee participate, the resolution would be permanent and satisfactory for all involved (Dessler, 2011). Going forward, an annual salary review would be conducted to spot these occurrences and take immediate corrective action. Of course, the annual salary review would encompass the five steps: salary survey, job worth, pay grades, job pricing and fine tuning (Dessler, 2011). Employee compensation is too important to leave to chance. The entire existence and proliferation of the corporate entity depends on maintaining diligent control over the process and procedures for ensuring an equitable, strategic pay plan.

Putting the effort into the scientific approach of achieving this end eliminates the potential for disastrous conflict with disgruntled employees, while protecting what the operation is all about: the bottom line (Dessler, 2011).
References Dessler, G. (2011). Human Resource Management (12TH). Upper Saddle River, NJ: Pearson Education Inc.

Sex Based Discrimination. (n. d.). Retrieved December 20, 2011, from U.

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