

Compensation plan essay sample

[Economics](#), [Trade](#)



Macy's Inc. is one of the nation's premier retailers operating more than 850 department stores and employing approximately 182, 000 employees in the United States. Macy's takes pride in selling numerous private label brands and pulling away from other department stores like JC Penny and Sears. Today's organization is a combination of a number of department stores which came together beginning in 1929. Federated Department Stores, Inc. (renamed Macy's Inc. in June 2007) was born through the combination of Abraham and Straus of Brooklyn, Filene's of Boston, F&R Lazarus & Co. of Columbus, OH, and Bloomingdale's of New York. At that time these separate retailers were established and rich in history on their own.

In joining together, they agreed to maintain their separate identities while linking their financial interests. Macy's mission statement is written to reflect how the company will run their business in the present and the future. Below is Macy's mission statement explaining their core values: " Our goal is to be a retailer with the ability to see opportunity on the horizon and have a clear path for capitalizing on it. To do so, we are moving faster than ever before, employing more technology and concentrating our resources on those elements most important to our core customers" ([http://www. Macys. com](http://www.Macys.com)) Macy's specializes as a chain of mid-range American department stores. Products sold at Macy's range from clothing, shoes, accessories, cosmetics, fragrances, to house wares, furniture, and bedding. Macy's operates over 850 stores in 45 states, including the District of Columbia, Guam, and Puerto Rico.

Macy's Business Strategy and Organizational Culture

There are four objectives Macy's publishes every year; grow sales, continue

to increase the company's profitability levels as a percent of sales, improve return on investment capital, and to maximize total shareholder return. To do this, Macy's believes their greatest strength lies in the skill, judgment and talent of their people. Their priority of attracting, retaining and growing the most talented people in the retail industry has been and will continue to be their greatest advantage (Macy's company website, 2012).

To achieve these goals Macy's has had to change its business strategy. In 2009 Macy's adopted a new strategy called " My Macy's". The strategy boosted sales by tailoring the merchandise in each store to its customers. Much emphasis was placed on gradually adapting the transition to " My Macy's" as a new managerial business strategy, thus ensuring that both social and technical changes will not blur the organizational boundaries and culture. This change in philosophy resulted in the chain doubling earnings over the past three years. This at a time when Macy's competitors such as JC Penny had earning plunge by 32% (Schonberger, 2012).

The organizational culture at Macy's is one of inclusion. They actively address diversity issues and believe diversity in business and multicultural diversity are key to their success and the success of the communities they serve. Their goal is for every associate to achieve his or her potential. Because of this commitment, women represent more than 75% of Macy's workforce and 65% of their managers. Racial minorities are nearly 50% of their workforce and nearly 28% of their management (Macy's company website, 2012). From a compensation standpoint, Macy's rewards employees for good work. To encourage strong work ethics, Macy's provides employees

with a host of employment perks and job benefits. Entry-level new hires receive competitive base pay, while full-time associates enjoy generous salary options. Workers also enjoy flexible work schedules, paid training programs, and career growth potential. Insurance coverage, health and wellness benefits and future planning benefits also exist for eligible employees. (<http://www.macysjobs.com/benefits/wealth.aspx>)

Macy's Compensation Strategy

Macy's overall compensation strategy is performance driven and designed to support the needs of their business. They do this by focusing on 5 key areas:

* Providing Competitive and Reasonable Compensation Opportunities.

Macy's compensation levels and individual compensation programs are assessed against the market periodically by their CMD Committee, with input from independent outside compensation consultants as needed.

Compensation is usually assessed every 3 years at Macy's and pay data is validated against several benchmarks, including specific pay levels of other large retail and vendor organizations and information from surveys of the retail industry. In addition, compensation of individual executives are reviewed more frequently, depending on business needs. * Focusing on Results and Strategic Initiatives. Macy's compensation programs are based on measures of business success. They reflect both internal metrics such as sales and cash flow, and external metrics such as customer satisfaction and stock price performance.

A portion of the program focuses on the strategic initiatives that will help continue to differentiate Macy's from their competitors. * Fostering a Pay for

Performance Culture. A significant portion of executive compensation is linked to variable compensation components, such as short term cash incentives, stock options, and restricted stock. As a result of this, the executive's compensation level depends on both the performance of the individual and the company overall. This mix is designed to encourage maximum performance. * Attracting and Retaining Key Executives. Macy's executives are recognized as some of the most talented and sought after people in the retail industry. The compensation programs are designed to attract and retain high caliber executives who are key to the success of the business, provide consistent leadership, and support strong succession planning. * Provide a Strong Link to Stockholders' Interest. The combination of the core principles above tie Macy's performance with compensation. As a result, interests, of key executives align with the interests of the stockholders.

Macy's Compensation Plan

Base Pay Structure

Base salaries for exempt employees are designed to provide a level of cash compensation that is externally competitive in order to attract and retain talent and to compensate an individual for his or her level of responsibility and performance. The CMD Committee decisions regarding an individual's base salary take into account external factors, such as inflation, and internal factors, including: * Division and /or company performance

* The individual's current salary and if applicable the pay range for the position * The individual's current and historical performance and

contribution to Macy's Performance * The individual's future potential with Macy's

* The individual's role and unique skills

* Consideration of external market data for similar position, adjusted for Macy's size, the scope of responsibility and the uniqueness of the role (<http://sec.edgar-online.com/macys-inc/def-14a-proxy-statement-definitive/2009/04/01/sect...>)

Different Job levels and their total Compensation Package

Divisional Merchandise Manager

* Salary: \$112, 644 – \$230, 816. Any experience in related field can boost the consideration for a higher pay. * Bonuses: A cash bonus that starts from \$1, 000 to \$6, 000 is given to qualified employees. * Profit Sharing: Profit sharing is not considered by Macy's for this position. * Stock Options: Stock Options are also not part of the salary package

Director of Planning

* Salary: \$182, 706-251, 626. The average salary of a manager still depends on experience * Bonuses: Macys provides its Buyers cash bonuses that amount to \$2, 000. * Profit Sharing: Profit sharing is currently not being * Stock Options: Stock options are not considered by Macy's. Buyer

* Salary: \$59, 013-116. 287

* Bonuses: This position cannot provide additional cash bonus to the employee. * Profit Sharing: Profit sharing is also an option not given to the

employees. * Stock Options: There are no stock options an employee can gain if they have this position.

Assistant Buyer

* Salary: \$37, 145- \$57, 983

* Bonuses:

* Profit Sharing:

* Stock Options: Stock options are generally not provided by Macy's.

General Manager

* Salary: \$44, 291-\$75, 393.

* Bonuses:

* Profit Sharing:

* Stock Options: .

Operations Manager

* Salary: \$37, 884-\$80, 698

* Bonuses: .

* Profit Sharing

* Stock Options: .

Store-Line Executive Trainee

* Salary: \$

* Bonuses: .

* Profit Sharing

* Stock Options: There are no options to obtain stocks available for this position. Assistant Sales Manager

* Salary: \$25, 893-\$47, 957

* Bonuses: .

* Profit Sharing

* Stock Options: There are no options to obtain stocks available for this position.

Loss Prevention Detective

* Salary: \$20, 180-\$56, 961

* Bonuses: .

* Profit Sharing

* Stock Options: There are no options to obtain stocks available for this position.

Merchandise Team Associate

* Salary: \$

* Bonuses: .

* Profit Sharing

* Stock Options: There are no options to obtain stocks available for this position.

Sales Associate

* Salary: \$16, 002-\$32, 861

* Bonuses: .

* Profit Sharing

* Stock Options: There are no options to obtain stocks available for this position. Commission Sales Associate

* Salary: \$

* Bonuses: .

* Profit Sharing

* Stock Options: There are no options to obtain stocks available for this position.

<http://www.myjobapps.com/macys-manager-salary/>

<http://swz.salary.com/SalaryWizard/Retail-Sales-Staff-Full-Time-Salary-Details.aspx>

We recommend using an internal point system to evaluate each job position to form a job structure within our company based on our company's goals. We will do pay for performance individually. Pay bands for job positions will be available to outside and inside sources through our company's website, however, individual's pay bands will not be provided.

Unknown. (2010). Macy's. Retrieved November, 2012, from Company Statements:

www.company-statements-slogans.info/list-of-companies-m/macys.htm

Culture:

Macy's fosters a diverse, inclusive and supportive organizational culture through a holistic business model approach to the workforce. [1a] Diversity is important to Macy's executives, associates and customers. Macy's Inc has invested in technology through associate and executive e-learning. Customer based research is also done using technology techniques for cost savings. Input from central consumers as well as senior executives and retail associates are being collected to lower expenses and boost the economy.

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With this retail e-learning technology strategy, supplemental investments must be made in the form of complementary assets.

I found the statements on Macys web site of course, but I also came across this web site. I like to add any sites I find just in case we need it later.....

<https://sites.google.com/site/principlesofinformationsystems/opportunities-for-strategic-information-systems>

Job Descriptions Divisional Merchandise Manager Job Overview: Responsible for overseeing the execution of merchandise selection and procurement for a particular segment of the business. Sets the merchandise direction to ensure a focused continuity on the selling floor within the family of business.

Develops strategy to ensure customer satisfaction and maximize business performance and profitability, maximize promotional strategy, competitively dominant merchandise assortments and by store profit maximization. Core

Responsibilities: * Supports company direction and develops strategies in support of the total company * Manage, coach, and develop buying staff *

Fosters an environment that promotes personal development of buyers and their businesses, high morale amongst entire buying team and personally sets the example for development of associate and assistant buyers

* Sets the overall strategy and merchandise direction for the division *

Direct buyers to develop assortments that support the needs of the customers and the financial objectives of the merchandise division. * Ensure that pricing, promotional strategies, and marketing support the financial objectives of the merchandise division. * Works with the planning organization to develop by-store assortment plans that support overall

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strategy of in-stock positioning for key merchandise categories, classifications, items and vendors. * Work with the buyers to strengthen market relationships and knowledge of market trend, strengths and weaknesses * Understand competitor's strengths, weaknesses and strategy. * Facilitate and promote timely communication and cooperation between stores, merchandising functions, and resources

Knowledge, Skills, and Ability

Summary: * Minimum of 7-10 years of retail management/buying experience in a full-line department store or specialty store. * Strong leadership profile

- * Highly organized and ability to adapt to quickly changing priorities *

Excellent written and verbal communication skills. * Strong negotiation skills

- * Ability to work well with all levels of management, build partnerships and direct teams *
- * Ability to develop and empower a team | |

Director of Planning

Job Overview: Provides leadership, direction and support at the merchandise division level to appropriately plan, distribute, and monitor inventory content at the location level to maximize sales, inventory, turnover, and profit.

Core Responsibilities:

- * Manage, coach, and develop staff.
- * Partner with DMM in the financial planning process.
- * Guide location plans by family of business (FOB)/department for sales, inventory and receipts.
- * Oversee strategies across FOB to maximize current business by location, based on sales and stock performance.

- * Direct the review of sales and stock performance by location compared to plan.
- * Ensure core vendor plans are consistent across all businesses within FOB by store type.
- * Ensures congruency of assortment within their area of responsibility as it relates to the total store profile.
- * Coordinate

communication to and from stores with regard to performance and plan concerns. Knowledge, Skills, and Ability Summary: * Must have 3 years of prior experience as a planner or buyer in a retail environment. * Strong merchandising, planning, forecasting and allocation skills. * Strong analytical and PC skills. * Strong interpersonal and communication skills. * Ability to work well with all levels of management, build partnerships and direct teams. Buyer/Job Overview: Maximize sales and profitability of a given area of business through the development and implementation of a strategy, analysis, and appropriate reaction to sales trend. Overall support of the company sales, gross margin, and turnover objectives.

Core Responsibilities: * Train, motivate and develop team to ensure effective performance and growth through consistent on-the-job training. * Establish department direction and priorities, and communicate effectively to merchant team. * Develop and execute seasonal merchandise plans and pricing strategies. * Complete accurate forecasts evaluating financial components based on current trend, and knowledge of future events which will impact the business. * Develop assortment plans which support the departmental goals and key item focus. * Profile target customer to ensure customer satisfaction. * Partner with the planner on the development of locational assortment plans. * Manage vendor performance to maximize profitability and achieve financial objectives. * Communicate with Macy's Merchandising Group for direction and recommendations to maximize division performance. * Determine marketing plans and promotional calendar. * Reconcile marketing plans with assortment and financial plans.

* Develop visual presentation guidelines for the stores to support seasonal strategies. * Maintain collaborative partnerships and negotiate effectively with vendors and internal colleagues. Knowledge, Skill , and Ability

Summary: * Minimum of 1-2 years prior buying experience in a department store or specialty store environment * Experience with planning, forecasting, and allocation * Strong analytical and PC skills * Strong negotiation skills * Sense of urgency * Excellent written and verbal communication skills * Ability to develop, plan and execute strategies * Effectively deal with all levels of management

Assistant Buyer Job Overview: Assist buyer in selection and procurement of merchandise, which supports overall company sales volume, gross margin and turnover objectives. Provide operational support to buyers. Assume buying responsibility of key classification, once buyer determines proficiency level.

Core Responsibilities: * Ensure timely delivery of the merchandise through consistent communication and follow-up with the vendor, distribution center, and merchant team. * Manage the markdown process, communicate variances to the buyer. * Complete business recaps with direction from the buyer. * Complete advertising prep sheets, obtain samples, attend advertising turn-ins and proofing. * Ensure timely delivery of advertised merchandise, and communicate issues to merchant team. * Analyze ad performance and make recommendations to maximize future performance. * Assist in preparation for pre-market analysis. * Identify and shop competition. * Understand the target customer by region. * Communicate issues to stores using the appropriate communication channels * Interact

effectively with vendors and internal colleagues to achieve departmental goals
Knowledge, Skills and Ability Summary:

* College degree preferred and at least 1 year of assistant buying experience in a department store or specialty store environment * Strong analytical skills * Strong written and verbal communication skills * Strong PC skills and organizational skills
General Manager
Job Overview: Senior level executive responsible for all aspects of running a profitable store location. Responsible for setting the tone and leading the stores culture/environment to ensure success in all aspects of customer service, profitability, operations, people development, merchandise presentation, and merchandise assortment. Core Responsibilities: * Attain sales and profitability goals for store through effective use of short and long-range planning, expense management and inventory shortage control * Assumes leadership and development role through effective total store communication, awareness of morale, staff development, and implementation of selling priorities * Directs the recruiting efforts of the store to ensure staffing is up to plan.

Improves retention by emphasizing awareness of people development and career development * Develops strategy for execution of promotional events, seasonal events and day-to-day operation of store * Works with central organization to ensure expense management is within budget * Maintains standards of operation for total store including visual presentation, security/shortage control, human resources and operations. Ensures adherence to pricing policies on merchandising
Knowledge, Skill, and Ability Summary: * Minimum of 10 years of retail management experience in a full-

line department store with direct P & L responsibility * Strong leadership profile * Highly organized and able to adapt quickly to changing priorities * Excellent written and verbal communication skills * Strong negotiation skills * Ability to develop, plan and execute strategies * Ability to work well with all levels of management, build partnerships and direct teams.

Operations Manager Job Overview: Directs all activities related to merchandise flow, store maintenance, expense management, shortage prevention, and store sales support functions for a significant portion of the total stores volume. Assumes Store Manager responsibilities in their absence. Core Responsibilities: * Directs all functions related to in-store merchandise assortments. * Support implementation of merchandise presentation. * Plans and coordinates major floor moves/renovations. * Evaluates all expenses in relations to stores P & L plan. Responsible for delivering profit plan through payroll/non-payroll management. * Develops and leads shortage strategy * Ensures best floor coverage to achieve service plans through evaluation of staffing plans * Ensures all service support areas operate at high standards to achieve best shopping experience * Maintain collaborative partnerships and negotiate effectively with internal colleagues * Train, motivate, and develop team to ensure effective performance through consist on-the-job training

* Participate in skill assessment process and develop individual executive performance objectives challenging direct reports to reach optimum performance level * Create and maintain a positive work environment for direct reports Knowledge, Skill, and Ability Summary: * A minimum of 5-7

years retail management experience preferably in a full-line department store * Excellent written and oral communication skills * Strong negotiation skills * Strong leadership profile * Highly organized and ability to adapt quickly to changing priorities * Ability to work well with all levels of management, build partnerships and direct teams. Store-line Executive Trainee Job Overview: Designed to prepare new executives for their first assignment as assistant sales manager/department managers. Through on-the-job training, store line trainees gain the necessary skills needed to lead and supervise their teams in creating a meaningful, challenging, and fun work environment to achieve your business goals. Core Responsibilities:

- * Ensure timely participation in structured development program
- * Complete all training assignments using information provided
- * Understand role in the company and prepare for first assignment

Knowledge, Skill, and Ability

Summary: * College degree preferred * Strong communication skills * Strong organizational skills * Ability to work well with all levels of management * Interest in customer service development

Loss Prevention Detective Job Overview: Responsible for protecting the assets and people of your location. Core Responsibilities: * Apprehending shoplifters *

Investigating and controlling internal theft * Participating in store shortage reduction programs, including working in partnership with specific departments * Maintaining building security

Knowledge, Skill, and Ability

Summary Applicant should be creative, outgoing and detail oriented. Retail experience preferred but will train the right person. Hours depend on business needs, but include two nights per week and Saturdays.

Assistant Sales Manager Job Overview: Responsible for supervising all daily activities in a specific merchandise area. This includes selling and service management, selecting and developing associates, merchandising, and business management. Core Responsibilities: * Coach associates on all levels of selling skills * Develop associates' ability to effectively handle customers service issues * Through on the job training and role modeling, teach associates customer service skills and selling behaviors to maximize customer loyalty and business results * Interview and select qualified sales associates * Develop selling team by delegating responsibilities and tasks * Provide associates feedback on performance strengths and areas of development

* Ensure associates understand productivity and job performance standards
* Execute and maintain visual merchandising and selling floor standards * Communicate promotional event information to maximize results of each event * Strategize and manage sale setup * Prepare semi-annual physical inventory * Identify merchandise issues and opportunities based on selling and customer feedback

Knowledge, Skill, and Ability Summary: * Good organizational and leadership skills * Ability to function well in a fast paced environment and adapt quickly to changing priorities * Strong interpersonal and communication skills * Retail experience and strong customer service orientation * College education preferred

Merchandise Team Associate Job Overview: Play a key role in enhancing our image as a fashion store. You will learn how to display our world famous merchandise, while working to control our assets and prevent shortage. Core Responsibilities: * Placing merchandise for impact following visual presentation guidelines

* Understanding the causes of shortage and how to prevent it *

Moving merchandise within the department to prepare for sales and other promotional events * Maintain a neat, orderly stockroom * Assisting sales associates in routine floor maintenance * Processing merchandise for movement- returns to vendor, transfers to other locations, salvage *

Greeting all customers in a friendly manner Knowledge, Skill, and Ability

Summary: * Ability to work well independently * Strong organizational skills; neat and careful * Prior stock or merchandising experience preferred but not essential Sales Associate Job Overview: Play a key role in enhancing our

image as a service store. You will learn the facts behind our world famous merchandise, while developing clientele all your own. Core Responsibilities: * Greeting all walk-in customers promptly and delivering “ friendly and attentive service”

* Developing and maintaining your own clientele including phone contact, letters and phone calls * Understanding merchandise- the features, advantages and benefits * Remaining current and knowledgeable on register systems * Maintaining your own “ Area of pride” – i. e. portion of the selling floor for which you are responsible for keeping it clean and “ shoppable”

Knowledge, Skill, and Ability Summary: * Outgoing personality * Strong phone skills * For some positions, an understanding of fashion is helpful * Prior selling experience is not essential, but experience in a service industry is preferred Commissions Sales Associate Job Overview: Play a key role in enhancing our image as a service store. Your earnings are tied directly to your sales- so there are no limits to what you can achieve!

Core Responsibilities: * Greeting all walk in customers promptly and delivering “ friendly and attentive service” * Developing and maintaining your own clientele including phone contact, letters and phone calls. * Following up on customer requests; ensuring the customer remains satisfied even after she has left the store * Understanding your merchandise, the features; advantages and benefits * Remaining current and knowledgeable on register systems * Maintaining your own “ Area of Pride”- i. e. portion of the selling floor for which you are responsible for keeping it clean and “ shoppable” Knowledge, Skill, and Ability Summary.