

# Evaluating a hiring and variable pay plan

Business, Human Resources



Evaluating a Hiring and Variable Pay Plan Include a brief summary of the situation. Effective Management Solutions (EMS) a small management consulting company divided into four areas: management systems, business process improvement, human resources, and quality improvement that are rapidly growing. The growth has expanded so quickly that, EMS has developed and is planning to execute an aggressive revenue growth plan. The goal is to obtain a 25% revenue increase each year for the next five years, in each of the four departments.

A main element of this plan is growth in the staff. The reason for this is that the majority of the entry level associates are currently working at the maximum load of hours and clients. To accomplish this plan EMS predicts it will have to hire 100 associates of which 40 will be for replacements do to promotions, and associates who leave and go to other consulting firms. The additional 60 will cover growth with the new revenue increase plan.

Knowing this will be a challenge and that the current hiring package needs to be updated to attract and keep good quality associates, EMS has tasked Manuel Rodriguez who is the one-man HR department to develop a job offer proposal, that will increase the offer rate, decrease the turnover rate of current associates and not create issues among the associates who are currently employed. Assess the attractiveness of the HVP program for both applicants and those who receive offers, deciding for whom it would be the most attractive. The hiring variable plan will be very attractive to both pools of people.

And for applicants it would more than likely increase of even applying. And for those who receive offers it would at least bring the company on par with its top competitors and increase the number of accepted job offers. More than likely it will be most attractive to those receiving offers because if all other factors are equal with the company's competitor's candidates will be more likely to accept the offer and have a feeling of more ownership of their career path. Predict and justify if the HVP program will likely increase the job offer acceptance rate.

The introduction of the HVP program will produce a significant increase in the job offer acceptance rate. The increased market competitiveness, applicant desirability and employees satisfaction would all not only increase the applicant pool but would also slow the outflow of employees. In addition the program would have a double benefit of an increased applicant pool as well as more accepted job offers that would drastically increase the acceptance rate. Predict and justify if the HVP program will likely reduce turnover. The adoption will also reduce turnover.

The new found ownership over their career path as well as increased earning potential will significantly boost employee job satisfaction. In addition the variable pay plan will make the companies competitors look less attractive to unsatisfied employees. Give your opinion about how current associates will react to the HVP program. Current associates will mostly respond positively to the new variable pay plan. They will be pleased with option to join the new plan in addition to keeping their current salary. This may put them in a

position to earn considerably more than their new peers and employees with their competitors.

In addition they have even more earning potential because they may already train for the hot skills premium that is offered for rare skills sets. To the contrary there could be small levels of un-happiness if it seems that new employees have higher earning potential or if the security of the wages previously earned is put at risk. Suggest what issues and problems the HVP plan will create for Human Resources and for the hiring manager. The HVP plan will present several problems and challenges for Human Resources personnel and the hiring managers.

Some of those problems include re-training/ lack of knowledge to explain the program to new and current employees, lack of resources required to implement this new complex pay schedule and meet the new strategic hiring goals, the burden of developing a consistent way for the hiring manager to evaluate hot skills premiums as well as salaries. And whose responsibility it is to update and maintain employees pay plans preferences and lastly human resources receive and resolve complaints for plan participants who chose the high risk path.

Human Resources personnel would need be re-trained, given appropriate tools or significantly revamped to handle such a substantial policy change. They may be seen as owners or experts of the new process. In addition a new method will have to be found to input, track, change, and calculate bonuses and weekly pay checks. This could include hiring additional staff, buying or overhauling existing software or outsourcing the process

completely. The hiring may have issues determining what hot skills the company is looking for and which new hires possess them.

Further more additional staff will be required to screen applicants, interview candidates, conduct background checks, completely develop or revamp the employees orientation, re-structure of each individual area will be needed. In addition protocols and processes will be created and put in place to insure that hot skills premium is fairly evaluated as well as the salary offer aligns with market average. Propose and justify changes in the HVP program. While the HVP program is still in its infancy, at later stage a process could be created to standardize market components of employee's salaries.

For one the hot skills premium and starting salary may be set to market standards or by upper management. This change would provide clarity consistency and fairness to this new compensation scheme. In addition the high risk plan could be mad less drastic so as to not cause a burden to employees in low peak times. The high risk plan as it stands may cause financial burdens to employees which could affect their productivity.

References Heneman, H. G. , & Judge, T. A. (2009). BUS 335: Staffing organizations: 2009 custom edition (6th ed. ). Boston, MA: McGraw-Hill.