

# Case study: the avon way

Business, Human Resources



1. Compare and contrast hourly working conditions at GM and Wal-Mart The hourly working conditions GM and Wal-Mart are quite different. An hourly worker at GM is entitled to more than \$20 per hour and some even get more while the same hourly worker at Wal-Mart gets between \$9 and \$11. The hourly workers at GM get paid breaks while those at Wal-Mart often get non paid breaks and they should compensate for them. The other issue is that the deductibles for hourly workers at Wal-Mart are more than the workers at GM who receive fat perks of benefits. The workers at GM are unionised while those at Wal-Mart are not and they are very loyal to their company and consider themselves lucky to be earning such hourly rates which however are lower than the money earned by workers at GM.

2. Describe the (apparent) wage structures at GM and Wal-Mart.

The wage structure at GM is very high compared to that at Wal-Mart apparently as a result of the fact that GM is unionised while Wal-Mart is not. The wage structure at GM is likely to be influenced by the collective bargaining or market oriented wages as determined by the labour union. The wages of unionized companies are often determined by the labour unions (Jackson and Schuler, 2010). The benefits of the employees at GM are also higher than those at Wal-Mart and the other issue is that the employees at GM do not have deductibles from their wages. However, the employees at Wal-Mart have a lot of deductibles to cover for their benefits.

3. Summarise the basic issues in wage and salary administration that managers at GM and Wal-Mart most likely face.

The managers at GM are likely to face stern resistance from the employees in the event that they decide to cut the wages as a cost containment

measure. On the other hand, the management at Wal-Mart can exercise flexibility in as far as determination of employee wages is concerned. The management at GM needs the approval of the labour union to alter the wages of the employees.

## References

Jackson, S. E. & Schuler, R. S. (2010). Managing Human Resources: A partnership perspective.  
Boston: South Western College Publishing.