

Merit raises

Sociology, Communication



Discuss the problems identified with merit raises. As a manager/owner of your own company what would you do to insure that merit raises fulfilled their intended value?

Merit raises are typically continued throughout time and job performance is not evaluated before they occur. Typically, employees decide on a steadily increase and see it as being unrelated to performance, but to the time put forth and loyalty to the said company. For the most part, many do not trust management and dislike the concept of merit raises. These incentives typically become incentives for seniority and not related to how well someone does their job.

Some other problems with merit raises include the availability of money may be inadequate to the employees base pay. Managers may also have no guidance in how to define a rate increase and/or how to measure performance to determine future increases. There may be a lack of honesty and belief in trust between employees and managers because of these situations. Any deficiencies involved with a performance rate program may not allow this to work in a positive fashion.

Organizations such as Boeing, Timex, and Westinghouse have implemented a lump-sum merit program. Employees with this program receive a single lump-sum increase at the time of their review, not added to their salary, more bonus related. Unless management takes any further action, their salary stays the same until a promotion is offered to them. This allows management to control finances more efficiently. This can be done yearly or several times a year.

Ultimately, I believe an evaluation program would need to be implemented in order to create a fair pay scale raise. I would implement ways to evaluate current tasks, success within these tasks, problem-solving and effectiveness in one's job, and also look for employees who go above and beyond their expectations. All of these issues would be evaluated in order to create a positive, but appealing pay scale increase for employees. This would create a more fair work setting and would allow employees to feel more positive about their job and accomplishing what their responsibilities are.