

Compenstation management assignment

[Business](#), [Management](#)



Describe how a flexible benefits plan might increase worker satisfaction with benefits at the same time that costs are being reduced. (5 marks) Flexible benefits can increase worker satisfaction by involving the working in the decision making process. Employees are able to choose a package or benefits that suit their unique needs, this can make an employee feel more heard by their employer and more understood, and also provides a better understanding of what benefits actually cost a company and a great awareness can be accomplished.

Flexible benefits can also at the same time reduce costs. This is achieved by a lower administration cost when introducing new benefits because other benefits are already in place this new benefit would just be an addition.

Flexible benefits can also be save money because employees are only choosing the benefits that they want and need so the company isn't paying for benefits that are maybe not required or the benefits are already covered by the spouses benefit plan. 2. Explain how an employee assistance plan could reduce costs for several other benefits. (4 marks) Employee assistance plans (EAPs) can reduce cost of several other benefits such as medical/dental, WISE, EI. EAPs include programs such as counseling and/or treatment substance abuse, legal problems, marital and or family. These programs can reduce the costs of other benefits by helping to work out some of the above issues before more serious medical problems arise. For example if an employee has a problem with drugs and it goes untreated the employee continues to use drugs while at work, while under the influence of drugs falls off a platform and breaks a leg, and smashes in his face.

That employee now needs medical care to cover the cost of surgery and hospital stay and rehabilitation therapy, dental costs to fix his broken teeth, WISE to cover the lost wages, EI to cover long term care leave because this person is unable to return to full function, and now this employee is addicted to pain pills and need to be admitted to rehabilitation to kick the new drug habit. Not to mention the cost associated with hiring and training a replacement for the employee. If an active PEPS was in place and the employee was made aware of the programs offered counseling all of this could have been avoided. 3.

How does procedural Justice differ from distributive Justice? How might you use the principle of procedural justice to demonstrate fairness for employees? (5 marks) Procedural Justice refers to the process by which a decision is reached. Distributive Justice refers to the fairness of the decision outcome (Compensation Milkshops, Newman and Cole page 43) in order to demonstrate fairness for employees in the process of making a decision you have to involve employees in the I OFF 4. How is an earnings-at-risk plan different from profit-sharing plan? How might earnings-at-risk plans affect attraction and retention of employees? 5 marks) An earnings at risk plan is different from profit sharing in the fact that they start out as almost opposite plans. An earning at risks plan is a plan where base pay is educed if the company does poorly. A profit sharing plan requires a target or goal to be met before any payouts transpire. An earnings at risk plan may negatively affect the attraction and retention of employees because of the lack of individualaccountability. An employee may feel that they are doing their best to increase the overall performance of the company but the company does

poorly and base pay is then reduced which can greatly affect employee morale.

With an earnings at risk plan all the employees have to do is maintain the status quo and their wage is maintained there is not much incentive to increase profits. 5. Define gain sharing plans. What are the key elements in designing this plan? (7 marks) Gain sharing plans are a group incentive plans where employees share in costs savings. There are 7 key elements in designing this plan 1 . Strength of reinforcement- what behaviors are rewarded 2. Productivity standard- what will be used as a standard to calculate performance 3. Sharing the gains- what is the share paid to management vs.. Employees 4. Scope of the formula- what formula is used to determine productivity 5. Perceived fairness-do the employee buy in to the fairness 6. Ease of administration- it is to complex to put into place 7. Production variability- targets being set properly 6. For each of the special employee groups discussed, explain the type of challenges they may face. (9 marks) Special employee groups share two characteristics involving the amount of built in conflict and how the conflict is resolved has direct consequences on the success of the company. The special employee groups include the following. Supervisors are caught between upper management and employees and balance must be achieved to ensure employee moral and company profits * Top Management- Top management wages are often reported to stockholders who want to know that they re receiving a return on their investment, if a company is not doing as well as hoped a better balance must be achieved * Board of directors- face the possibility that upset stockholders may take financial actions if they are not satisfied * Professional

employees- Can be torn between ethical standard and the goals of their profession and also the demands of their employer to increase profits *

Salespeople- Usually work with little to no supervision and are challenged to stay motivated. * Contingent workers- their hours greatly depend on the demand of the companies to hire more staff. There are several factors that contribute to the wage gap between men and women, they include 1 .

Difference in occupation- traditionally what jobs men and women select for themselves 2. Difference in number of hours worked-how many hours are put in over an number of years impacts job experience. 3. Differences among industries and firms-the size of the firm can reflect on the pay grade 4.

Differences in union memberships- belonging too union can affect difference in earnings 5. The presence of discrimination-earning difference between men and women continue to be an issue. 8. Why is it difficult to specify the union impact on general wage levels? What are strategies adopted in estimating union impact on wages? (6 marks) It is difficult to specify the impact unions have on general wage levels because there are very few situations exist where a non union workplace that performs identical work can be compared to a union workplace. One strategy that has been adopted is to compare companies that are within the same industry that have different levels of unionization.