

# [Hrm 590 compendstion decisions](https://assignbuster.com/hrm-590-compendstion-decisions/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [Management](https://assignbuster.com/essay-subjects/business/management/)

Compensation Decisions

Your job now is to pull together all the information you’ve completed so far in class and make salary decisions for your team. You have completed Cathy’s evaluation and received assignment feedback. This is the first year that you’ve made salary decisions for this team. Be sure to carefully review the information provided. You may simply type in the cells as the text will automatically wrap.

You are required to:

1. Enter Cathy’s appraisal rating (she is last on the list);
2. Within your budget dollars, make your salary decisions based on performance for your team taking into consideration their Salary Grade and the Pay Ranges identified for the Salary Grades (fill in the Salary Decision Column);
3. Within your budget dollars award bonusmoney(fill in the Bonus Dollars Column);
4. In the green line areas, provide your substantiation and risk analysis for the salary decisions made;
5. Identify any items from this scenario in the whole you may want to address. Evaluation ratings are 1 = Needs Improvement to 5 = Exceeds Expectations Salary Budget: $9, 000

Bonus Budget: $5, 000

A2 = $12, 750 – 17, 000

A3 = 16, 500 – 22, 000

A4 = 21, 000 – 28, 000

Substantiation and Risk Analysis: John is a major asset to the company and the appraisal rating justifies that.

His skills and experience may be hard to replace if he decides to retire early. He was given the | | highest salary decision of 8% which exceeds the company designed salary pay range. It would be a loss for the company to lose such a valuable employee. His bonus was also outstanding based on his appraisal rating. Alice is a Hipic female, 42YO with 17 years’ service. Alice is a good worker.

Potential, which netted her a higher rating.

She needs some more skills and experience at this level $675 though.

Substantiation and Risk Analysis: Alice has been with the company for 17 years and does a good job, however, she has much to learn at this level and still may need more training to improve in her skills and | experience.

Her appraisal rating was average but still enough to earn the lowest salary increase of 3% and a bonus. Calvin, 28YO black male with 9 months service. Calvin is a real go-getter.

Substantiation and Risk Analysis: Calvin is an outstanding worker and will be a major asset to the company. Even though he has not worked with us for too long, we were able to give him at 4 rating which shows that he is doing an exceptional job in his position. Normally, employees with ratings of 4 would earn a 5% salary raise, but since Calvin has only worked for us for 9mths, we pro-rated his bonus and percentage to 3. 75%. Jane is a 32YO white female with 12 years’ service. Jane joined the company as an A3. Her work is: The company long enough to earn a higher rating, but his work is outstanding, high skill set and is looking $994 to stay with our company for acareer.

Hasn’t yet expanded his skills, which you thought he’d do even though hired for a specific job. What he does, he does outstandingly. Substantiation and Risk Analysis: Ben proves to provide excellent work when performing a specific job, but still has not stepped out to expand new skills. He earns a 4 rating which gives him a 5% raise and a $700. Alex is a 30YO white male with 9 years’ service. He’s quite a guy, performs well at his job. as an occupational worker and has worked his way into management. Substantiation and Risk Analysis: Alex has worked his way up to earn what he does now in management. He has shown work that proves that he produce his job well at the manager level. Satisfactory, nothing to brag about, but she’s been with the company awhile and can be dependable. $573Substantiation and Risk Analysis: Jane does get her job done but has not shown any more exceptional work. She is reliable and dependable in her work and there have been no complaints or issues. She earned a 3 rating which is average; this gave her a 3% raise and a small bonus. Beth is a 64YO Asian female with 41 years’ service. Beth stated she would probably retire this year, but has yet to turn in her paperwork. She’s had a history of higher ratings, but her ratings have $591 slipped over the last 6 years. Substantiation and Risk Analysis: Beth has been an outstanding worker but in the last 6 years, her ratings have dropped. She meets expectations of her job which gave her a ranking of 3. She was able to get the lowest raise of 3% and a small bonus. Ben is a 47YO white male with 27 years’ service. He’s a good worker, been with your group for a couple.

He has earned the highest salary raise of 8% based on this appraisal rating with a bonus. Ken is a 20YO Hipic male with a 1-year service. Ken is young and fresh.

Substantiation and Risk Analysis: Cathy has been with our company for 1 year and does average work. been hired at a higher level because his skills are so good. You don’t want to lose him because he $1020  adds value to the business. You’ll probably jump him to an A4 position soon. Substantiation and Risk Analysis: Ken should have been hired at a higher salary grade and does outstanding work for the skills that he has. He is currently paid 100% of his salary pay scale but will most likely be moved to the A4 salary grade soon. To keep him within the company, we are offering him 1% more than the offered increase for the rating of 4 (which is 5%). He would be a great addition to the company and we may not want to lose him since we plan on moving him up. | | Cathy is your 19YO (ethnicity unknown) female receptionist. She has been with the company for a year. You recently completed her performance evaluation.$360

She still has areas that she needs to focus on but also has areas of work that she completely exceeds. She does | need much improvement in certain areas for a new hire. She was rated 3 since she meets work performance which gives her a 3% raise and a small bonus. This shows the pay scale range for each employee by percentage. The formula is the current salary a top salary range. This percentage range should be between 75% - 100%. Overall Comments: The salary decision was decided based on the appraisal rating. Ratings of 5 earned an 8% salary raise, ratings of 4 earned a 5% raise, and ratings of 3 earned a 3% raise. Anyone with a rating of 2 or 1 did not earn a raise, which no employee was rated that this year. These salary raise percentages were also considered based on the salary budget given of $9, 000 which $8, 729 was the expected salary raises overall. The decision was made to give any employee with a 3 rating earning or higher a raise because they did meet, highly met, or exceed expectations. Employees that ranked 2 or lower in the appraisal rating needed some improvement or needs lots of improvement, therefore would not earn a raise or a bonus. There was 1 employee, Calvin, that we pro-rated his salary and bonus since he has only been with the company for 9 months. The bonus decision was decided by appraisal ratings and the salary grade the employee was in. Employees in A4 salary received a higher bonus and the lower salary grade received a lower bonus. Also, amounts were distributed based on the bonus budget of $5, 000.

See the chart below. Estimated Bonus Given Based on Salary grade and appraisal rating Appraisal Ratings

|  |  |  |
| --- | --- | --- |
| A4 | A3 | A2 |
| 1000 | 800 | 600 |
| 800 | 600 | 400 |
| 600 | 400 | 200 |

Salary grade Actual Bonus Given Based on salary grade and appraisal rating

Salary grade We were able to keep the bonus within a budget of $4800. The amounts estimated happened to work with the bonus budget given. If the bonus budget were a different amount, the amounts estimated would change also. There were possibilities that not all employees, even if they have a rating of 3 or above, would have gotten a bonus, however, for this year, it worked out that all employees were able to earn a bonus. The remaining amount of $200 not used in the bonus budget was the pro-rated amount from employee, Calvin, which has only worked for us for 9 months.