

Ridoran manufacturing



**ASSIGN
BUSTER**

Riordan Manufacturing Compensation Plan Team B- Diana Barris, Nicole Bell, Jacqueline Chaney, Shawnda Davis, Hadeel Raouf, Kelly Tyler HRM/324

Annette Clark-Davis February 11, 2013 Riordan Manufacturing Compensation Plan Riordan Manufacturing is a worldwide plastics manufacturer that is headquartered in San Jose, California. Their organization has over 500 employees and prides themselves on providing their customers with high quality merchandise to satisfy their plastics needs.

They hold an ISO 9000 certification which is an organization that establishes and measures quality control. In order to meet or exceed the level of quality required under ISO standards, Riordan Manufacturing will need to have knowledgeable and skilled employees within their organization. To attract premier candidates for their company, the compensation plan that is designed will need to be fair, rewarding, and competitive.

This paper will outline the compensation plan for Riordan Manufacturing and include an evaluation of current trends and predict future trends, internal and external equity, a wage management process and retirement plan, financial influence on the plan's options, and discuss the methods in which the plan will be communicated to members of the organization. Key Objectives According to Martocchio (2009), " Compensation professionals promote effective compensation systems by meeting three important goals: internal consistency, market competitiveness, and recognition of individual contributions" (Martocchio, 2009, p. 9). It is essential that these objectives are met to retain employees and make them feel valued and appreciated; all while functioning within the organizational budget. As Riordan Manufacturing considers themselves to be a leader within their industry, they understand

that listening to the voice of their employees and remaining flexible regarding the compensation benefits offered worth together in alignment with their company mission. As “ compensation systems are changing” (Martocchio, 2009, p. 23), Riordan Manufacturing will do well o consider plans offered by their competitors so that they will remain an industry leader. Trends and Issues An evaluation of current trends and issues in the company’s total compensation shows the company meeting goals in certain areas, but needs to improve in other areas. Riordan Manufacturing wants and “ will maintain an innovative and team oriented workingenvironment. By assuring that our employees are well informed and properly supported, we will provide a climate focused on the long-term viability of our company.

Our Future must be focused in achieving and maintaining reasonable profitability to assure that the financial and human capital is available for sustained growth” (University of Phoenix, 2013, p. 1). The company’s current trends such as the flexible benefits program, salary administration program, and the CRM system is used to help meet the organizations vision and goals, and keep the employees interested and motivated. However, technologychanges each day and in today’s business world it is important to keep the company’s IT system updated to meet the demands of the customers, and the day-to-day operations. Riordan has a system to track historical sales. In the past, most sales data was recorded using paper and pencil. In the last few years, the firm has managed the information electronically” (University of Phoenix, 2013, p. 1). In the future it is best the company does an update to improve thecommunicationbetween the different sites, employees, monitor inventory, customer demands, and sales.

The company should prepare to make some changes in its current infrastructure to sustain profitability and growth within the company. Internal and External equity

Internal equity is based on the employee's values and fairness, the values, and fairness of the pay relationships within the organization. " The pay relationship within the organization has an affect on three compensation objectives. They affect the employee's decisions to stay with the organization, to become more flexible by investing in additional training, or to seek greaterresponsibility" (Milkovich, 2008, p. 64). The external equity is based on how the employee sees the company's pay structure and compensation system. What the employer pays, relative to what other employers will pay for the same type of work.

The Riordan Manufacturing Company works toward a fair base system, attracting, and maintaining good workers when considering internal and external equity. Implementing job analysis, employee evaluations, work structure, pay ranges, and pay grades are ways the company endorse internal equity. Marketing surveys, supplying a competitive pay system, and salary surveys are used to implement external equity. This will allow the company to manage and implement a compensation structure that will add value and continue to make the organization successful. Wage Management and Rationale

Riordan Manufacturing's salary administration program was created " to achieve consistent pay practices, comply with federal and state laws, mirror our commitment to Equal Employment Opportunity, and offer competitive salaries within our labor market" (University of Phoenix, 2004, p. 11).

<https://assignbuster.com/ridoran-manufacturing/>

Employee compensation is based on several factors including but not limited to job analysis, evaluations, the duties and responsibilities of the job, and salary survey data on pay practices of other organizations in the same labor market to ensure Riordan's compensation plan remains competitive (University of Phoenix, 2004).

Merit-based pay adjustments may be offered for excellent employee performance. Riordan manufacturing's salary administration program is reviewed periodically and reconstructed when necessary (University of Phoenix, 2004). A retirement plan and how participation will be driven. Riordan Manufacturing wants to make sure their employees participate in the company's retirement plan. We will offer 401(k), Pension Plan and Profit Sharing plan. We feel that the futures of our employees are important.

The way the Riordan will drive participation is by communicating clearly, emphasizing the benefits of plan participation, and to be creative. Communication is very important, using poorly or confusing materials do little to encourage plan participation. Some points to remember when communicating the plan information is to use examples that employees can relate to, keep communication brief and, use graphics like charts. Also making sure that we highlight key points will drive participation. Being creative is always a great way to encourage employees.

An example would be to hold a contest to promote participation. How will it be communicated? Want to promote retirement plan participation, so we want to make sure that the plan is communicated the best way possible. Since everyone works at different shifts there will be different times that are available for the employees to sign up for. The discussion of the retirement

plan will be in a classroom setting with a representative to explain the retirement plans that Riordan Manufacturing will offer.

In these classes there will be handouts with information explaining the plan in detail and also a shorter version that will highlight the key points of the plan. In this setting this will promote participation because someone will be there to help with any questions that the employees may have and also help with the initial sign-up of the plans offered. Conclusion: Riordan Manufacturing's goal is to maintain an innovative and team oriented working environment. By assuring that all employees are well informed and properly supported.

Riordan Manufacturing considers themselves to be a leader within their industry, they understand that listening to the voice of their employees and remaining flexible regarding the compensation benefits offered worth together in alignment with their company mission. The company meets goals in certain areas, but needs to improve in other areas, and the current trends of the company such as the flexible benefits program, salary administration program, and the CRM system is used to help meet the organizations vision and goals, and keep the employees interested and motivated.

However; the company should prepare to make some changes in its current infrastructure to sustain profitability and growth. In Riordan Manufacturing; the Employee's compensation is based on several factors including but not limited to job analysis, evaluations, the duties and responsibilities of the job, as well as the salary survey data on pay practices of other organizations in the same labor market, to ensure Riordan's compensation plan remains competitive. References Martocchio, J. J. (2009).

Strategic compensation: A human resource management approach (5th ed.). Upper Saddle River, NJ: Pearson Education
Milkovich, G. T. , & Newman, J. M. (2008). Compensation (9th ed.). New York, NY: McGraw-Hill.
University of Phoenix. (2004). Riordan Manufacturing Employee Handbook. Retrieved from University of Phoenix, HRM324 - Total Compensation website.
University of Phoenix. (2013). Week Five overview. Retrieved from University of Phoenix, HRM324 - Total Compensation website. York, NY: McGraw