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 bonus money (fill in the Bonus Dollars Column);
4. In the green line areas, provide your substantiation and risk analysis for the salary decisions made; and
5. Identify any items from this scenario in whole you may want to address.

Evaluation ratings are 1 = Needs Improvement to 5 = Exceeds Expectations

Salary Budget: $9,000

Bonus Budget: $5,000

Company Designated Salary Pay Ranges

A2 = $12,750 – 17,000

A3 = 16,500 – 22,000

A4 = 21,000 – 28,000

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Employee Information | Salary Grade | Current Salary | % at Pay Scale\* | Appraisal Rating | Salary Decision | Bonus Dollars |
| John is a white male, 58YO, with 31 years’ service. John is a good worker and you like him. You don’t want to lose his skills and experience as he’s been talking about retiring, but you realize his skills are too valuable to lose. | A4 | $27,900 | 99.6% | 5 | Type $ amount in here | Type $ amount in here |
| Substantiation and Risk Analysis:[Just type substantiation and risk analysis in here; text will wrap.] | | | | | | |
| Alice is a Hispanic female, 42YO with 17 years’ service. Alice is a good worker. She has a lot of potential, which netted her the higher rating. She needs some more skills and experience at this level though. | A4 | $22,500 | 80.4% | 3 |  |  |
| Substantiation and Risk Analysis: | | | | | | |
| Calvin, 28YO black male with 9 months service. Calvin is a real go getter. He hasn’t been with the company long enough to earn a higher rating, but his work is outstanding, high skill set and is looking to stay with our company for a career. | A4 | $26,500 | 94.6% | 4 |  |  |
| Substantiation and Risk Analysis: | | | | | | |
| Jane is a 32YO white female with 12 years’ service. Jane joined the company as an A3. Her work is satisfactory, nothing to brag about, but she’s been with the company awhile and can be dependable. | A3 | $19,100 | 86.8% | 3 |  |  |
| Substantiation and Risk Analysis: | | | | | | |
| 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 slipped over the last 6 years. | A3 | $19,700 | 89.5% | 3 |  |  |
| Substantiation and Risk Analysis: | | | | | | |
| Ben is a 47YO white male with 27 years’ service. He’s a good worker, been with your group for a couple years. 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. | A3 | 21,000 | 95.5% | 4 |  |  |
| Substantiation and Risk Analysis: | | | | | | |
| Alex is a 30YO white male with 9 years’ service. He’s quite a guy, performs well at his job. Started as an occupational worker and has worked his way into management. | A2 | $15,800 | 92.9% | 5 |  |  |
| Substantiation and Risk Analysis: | | | | | | |
| Ken is a 20YO Hispanic male with 1 year service. Ken is young and fresh. You think he should have been hired at a higher level because his skills are so good. You don’t want to lose him because he adds value to the business. You’ll probably jump him to an A4 position soon. | A2 | $17,000 | 100% | 4 |  |  |
| Substantiation and Risk Analysis: | | | | | | |
| Cathy is your 19YO (ethnicity unknown) femaleHR Receptionist. She has been with the company for 1 year. You recently completed her performance evaluation. | A2 | $12,000 | 70.6% | [insert the rating you gave Cathy] |  |  |
| Substantiation and Risk Analysis: | | | | | | |

*\*This shows the pay scale range for each employee by percentage. Formula is current salary ÷ top salary range. This percentage range should be between 75% - 100%.*

Overall Comments: