

Compensation Practice-Review

You are the newly hired human resource (HR) director for an engineering consulting firm that is expanding its operations. Based on the organization’s mission statement, you know the firm strives to create customized and technically proficient electrical engineering plans for regional clients.

Company representatives from various job levels and families will periodically provide you with input during the job evaluation process. This will help you gain acceptance of the established job structure. You ask this job evaluation committee whether they agree with the specific benchmark jobs identified in the job analysis step (see below).

Office Support	Operations	HR
		HR Director
Assistant to the director of operations	Director of regional operations	*Benefits manager
*Admin assistant (HR)	*Operations analyst	Benefits counselor
*Front desk receptionist	Operations trainee	*Payroll assistant

*Benchmark job.

You decide to use the point method for job evaluation. You recommend weighting the skill compensable factor at 50 percent because the organization is very knowledge-intensive and depends heavily on its human capital. Responsibility is weighted 30 percent because each job has the potential to affect other jobs; and effort is assigned 20 percent because problem solving and task complexity are integral across jobs in the organization.

Four degrees should be sufficient for rating the various jobs. For example, the four degrees for education level are identified as:

1=High School/GED; 2=Associates; 3=Bachelors; 4=Masters/Graduates. Points are then calculated by multiplying the degrees by the weights.

You present an example of how this point scheme is applied to the front desk receptionist benchmark job (see below). The committee agrees with the approach.

Compensable Factor

Job evaluation for front desk receptionist

	Degree (1, 2, 3, 4)	Weight	Points
Skill (50%)			
-Education Level	1	25%	25
-Degree of Technical Skills	1	25%	25
Responsibility (30%)			
-Scope of Control	1	10%	10
-Impact of Job	2	20%	40
Effort (20%)			
-Degree of Problem Solving	1	10%	10
-Task Complexity	1	10%	10
			120 points

Task 1 -Calculate the job evaluation points for the next benchmark jobs (Admin assistant (HR); Payroll Assistant, Operations analyst and Benefits mgr) using the established compensable factors and specified weights above. Provide a rationale for assigning specific degrees to the various jobs. To do so, consult the job descriptions in Appendix

Task 2: Create pay grades by combining any benchmark jobs that are substantially comparable for pay purposes. Clearly label your pay grades and explain why you combined any benchmark jobs to form a grade.

Task 3: Calculate the predicted base pay **for the Front Desk Receptionist job**. Assume a slope of 250 and- y intercept of-1200.

Task 4: Use your answer to Task 2 to determine the pay range (i.e., minimum and maximum) for each pay grade

Because your company wants to lead in base pay by 3% the pay lead policy for each position is as follow:

Job	Pay Lead Policy (\$)
Receptionist	19.766.23
Administrative Asst.	28.969.79
Payroll Asst.	40.014.07
Operations Analyst	54.739.77
Benefits Mgr.	65.784.05

The percent guidelines, based on input from the job evaluation committee, are:

- **Clerical and office positions:** 10% above and below the midpoint.
- **Entry to mid-level professional and management positions:** 30% above and below the midpoint.

Task 5: Given the pay structure you have generated, consider the following

- Does this pay structure make good business sense? Do you think it is consistent with the organization's business strategy?

-What are the implications of this pay structure for other HR systems, such as retention and recruiting?

Appendix

Front Desk Receptionist

Job Summary

Answer inquiries and obtain information for general public, customers, visitors and other interested parties. Provide information regarding activities conducted at establishment; location of departments, offices, and employees within organization.

Essential Job Tasks

Operate telephone to answer, screen and forward calls, providing information, taking messages and scheduling appointments.

Greet persons entering establishment, determine nature and purpose of visit, and direct or escort them to specific destinations.

Hear and resolve complaints from customers and public.

Transmit information or documents to customers, using e-mail, mail or fax machine.

Analyze data to determine answers to questions from customers or members of the public.

Provide information about the establishment, such as location of departments or offices, employees within the organization, or services provided.

Job Context

Indoor, environmentally controlled; telephone; contact with others.

Knowledge, Skills and Abilities

Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services and evaluation of customer satisfaction.

Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, taking and organizing messages, and other office procedures and terminology.

Awareness of others' reactions and understanding why they react as they do.

Gives full attention to what other people are saying, taking the time to understand the points being made, asking questions as appropriate and not interrupting at inappropriate times.

Actively looks for ways to help people.

Manages one's own time and the time of others.

Talks to others to convey information effectively.

Knowledge of the English language including the meaning and spelling of words, rules of composition, and grammar.

Understands written sentences and paragraphs in work-related documents.

Communicates effectively in writing as appropriate for the needs of the audience.

Administrative Assistant

Job Summary

Provide administrative support by conducting research, preparing reports, handling information requests and performing clerical functions such as preparing correspondence, receiving visitors, arranging conference calls, and scheduling meetings.

Essential Job Tasks

- Manage and maintain executives' schedules.
- Prepare invoices, reports, memos, letters, financial statements and other documents, using word processing, spreadsheet, database, or presentation software.
- Read and analyze incoming memos, submissions and reports to determine their significance and plan their distribution.
- Open, sort and distribute incoming correspondence, including faxes and e-mail.
- File and retrieve corporate documents, records and reports.
- Greet visitors and determine whether they should be given access to specific individuals.
- Prepare responses to correspondence containing routine inquiries.
- Perform general office duties such as ordering supplies, maintaining records, management systems and performing basic bookkeeping work.
- Make travel arrangements for executives.

Job Context

Indoor, environmentally controlled; telephone; contact with others.

Knowledge, Skills and Abilities

- Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, designing and completing forms, and other office procedures and terminology.
- Knowledge of principles and processes for providing customer and personal services. This includes customer needs assessment, meeting quality standards for services, and evaluation of customer satisfaction.
- Knowledge of computer hardware and software.
- Knowledge of the structure and content of the English language including the meaning and spelling of words, rules of composition and grammar.
- Gives full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.
- Monitors/assesses performance of self, other individuals or organizations to make improvements or take corrective action.
- Manages one's own time and the time of others.

- Talks to others to convey information effectively.
- Understands written sentences and paragraphs in work-related documents.
- Communicates effectively in writing as appropriate for the needs of the audience.
- Adjusts actions in relation to others' actions.

Operations Analyst

Job Summary

Formulate and apply mathematical modeling and other optimizing methods using a computer to develop and interpret information that assists management with decision making or other managerial functions. Frequently concentrates on collecting and analyzing data using decision support software.

Essential Job Tasks

- Analyze information obtained from management to conceptualize and define operational problems.
- Collaborate with senior managers and decision makers to identify and solve a variety of problems and to clarify management objectives.
- Define data requirements and then gather and validate information, applying judgment.
- Study and analyze information about alternative courses of action to determine which plan will offer the best outcome.
- Prepare management reports defining and evaluating problems and identifying solutions.
- Formulate mathematical or simulation models of problems, relating constants and variables, restrictions, alternatives, conflicting objectives and their parameters.

Job Context

Indoor, environmentally controlled; telephone; contact with others.

Knowledge, Skills and Abilities

- Knowledge and application of arithmetic, algebra, geometry, calculus and statistics.
- Knowledge of the practical application of engineering science and technology. This includes applying principles, techniques, procedures and equipment.
- Knowledge of computer hardware and software including applications and programming.
- Identifies complex problems and reviews related information to develop and evaluate options and implement solutions.
- Uses logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.
- Analyzes needs and product requirements to create a design.
- Determines how a system should work and how changes in conditions, operations and the environment will affect outcomes.
- Considers the relative costs and benefits of potential actions to determine course of action.

- Understands the implications of new information for both current and future problem solving and decision making.
- Knowledge of the English language including the meaning and spelling of words, rules of composition, and grammar.
- Understands written sentences and paragraphs in work-related documents.
- Communicates effectively in writing as appropriate for the needs of the audience.

Benefits Manager

Job Summary

Plan, direct and coordinate benefits activities in an organization.

Essential Job Tasks

- Supervise all benefits associates, analysts or clerical workers.
- Direct preparation and distribution of written and verbal information to inform employees of benefits, compensation and other personnel policies.
 - Administer, direct and review employee benefit programs.
- Plan and conduct new employee orientations to foster positive attitude toward organizational objectives and enroll employees in benefit programs.
- Plan, direct, supervise and coordinate work activities of subordinates and staff relating to employment, benefits and compensation.
 - Identify and implement benefits to increase the quality of life for employees by working with brokers and researching benefits issues.
- Design, evaluate and modify benefits policies to ensure that programs are current, resilient, cost effective, competitive and in compliance with legal requirements.
- Administer COBRA, FMLA, HIPAA and ERISA in full compliance with the law and other relevant benefits regulations at the state and federal levels.
- Mediate between benefits providers and employees. For example, assist in handling employees' benefits-related questions or suggestions.

Job Context

Indoor, environmentally controlled; telephone; contact with others.

Knowledge, Skills and Abilities

- Knowledge of principles and procedures for compensation and benefits and human resource information systems.
- Knowledge of laws, legal codes, statutes, precedents, government regulations and executive orders as related to employee benefits.
- Knowledge of arithmetic, statistics and the use of Microsoft Excel.
- Determines how benefit dollars are spent and accounts for these expenditures.
- Uses logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

- Motivates, develops and directs people at work, identifying the best people for the job.
- Knowledge of principles and processes to provide customer and personal services.
- Knowledge of the English language including the meaning and spelling of words, rules of composition and grammar.
- Understands written sentences and paragraphs in work-related documents.
- Communicates effectively in writing as appropriate for the needs of the audience.
- Talks with others to convey information effectively.

Payroll Assistant

Job Summary

Compile and post employee time and payroll data. Compute employees' time worked, production and any commission. Compute and post wages and deductions.

Essential Job Tasks

- Process and issue employee paychecks and statements of earnings and deductions.
- Compute wages and deductions and enter data into computers.
- Compile employee time, production and payroll data from time sheets and other records.
- Review time sheets, work charts, wage computation and other information to detect and reconcile payroll discrepancies.
- Verify attendance, hours worked and pay adjustments, and post information to records.
- Record employee information, such as exemptions, transfers and resignations to maintain and update payroll records.
- Issue and record adjustments to pay related to previous errors or retroactive increases.
- Complete time sheets showing employees' arrival and departure times.

Job Context

Indoor, environmentally controlled; telephone; contact with others.

Knowledge, Skills and Abilities

- Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, designing and completing forms, and other office procedures and terminology.
- Knowledge of principles and processes for providing customer service.
- Knowledge of math, arithmetic, statistics to analyze data and solve problems and use of Microsoft Excel.
- Uses logic and reasoning to identify the strengths and

weaknesses of alternative solutions, conclusions or approaches to problems.

- Knowledge of the English language including the meaning and spelling of words, rules of composition, and grammar.
- Understands written sentences and paragraphs in work-related documents.
- Gives full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.
- Talks to others to convey information effectively.
- Communicates effectively in writing as appropriate for the needs of the audience.