

- Draft a recommendation regarding a competitive pay policy for Walmart. Explain why this particular recommendation has been made. Does it depend on circumstances faced by the employer? Which ones? What policy would you recommend to your provincial government?
- Design a survey for setting pay for cashiers/baristas in coffee shops and another for financial managers. Do the issues differ? Will the techniques used and the data collected differ? Why or why not?

**Case**

**Calculating Pay Ranges**

The market pay regression line (after aging) is  $y = 900 + 0.5x$ . Your company's pay policy is to lead the market by 5 percent. You are a compensation analyst and your manager has asked you to calculate the pay range maximums, midpoints, and minimums for all four pay grades.

**Questions**

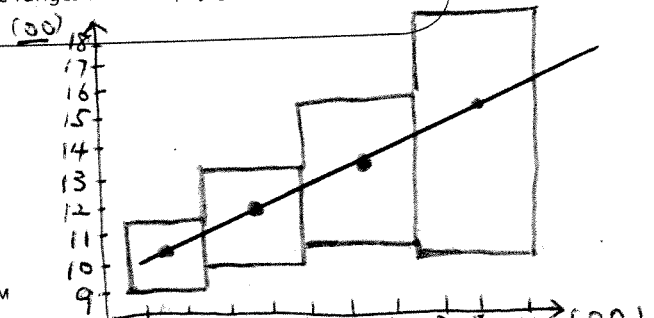
- Calculate the formula for the pay policy line.
- Complete the following table (the range spread for each pay grade is indicated in the table).

$$y = 1.05(900 + 0.5x)$$

$$= 945 + 0.53x$$

PAY GRADE	JOB EVALUATION POINTS	RANGE MINIMUM	RANGE MIDPOINT	RANGE MAXIMUM	RANGE SPREAD (ABOVE AND BELOW MIDPOINT)
1	1-249 (125)	910.13	1011.25	1112.38	10%
2	250-499 (374.5)	971.97	1143.49	1315.01	15%
3	500-749 (624.5)	1020.79	1275.99	1531.19	20%
4	750-1000 (875)	986.13	1408.75	1831.38	30%

- Draw a graph of the pay policy line including the ranges for each pay grade.



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