

Chapter 8 Outline

Major Influences of Compensation Plans
 Cost of Living
 Labor Market Influences
 Union Influences
 Government Influences
Motivating Employees
 Content Theories
 Process Theories
Determining Job Worth
 External and Internal Equity
 Job Evaluation Methods
Establishing Pay Structures
 Competitive Pay Policies
 Pay Grades
 Determining Pay Within Grades
 Two-Tier Wage System
 Skill-Based Pay
 On-Call Pay
 Team-Based Pay
Current Issues in Compensation
 Administration
 Pay Secrecy
 Wage Compression and Expansion
 Comparable Worth
 Wage and Hour Audits

Competencies

1. Describe types of compensation and outline the major influences on compensation plans. (pp. 271–275)
2. Describe major content and process theories of motivation and their application to compensation plan design. (pp. 275–283)
3. Outline methods of determining job worth and describe the advantages and disadvantages of each. (pp. 283–288)
4. Describe the steps and identify options for establishing pay structures. (pp. 289–293)
5. Describe current issues in compensation administration. (pp. 293–298)