

CASE STUDY



BENEFITS &
COMPENSATION



SCHEDULING
& FLEXIBILITY



PROFESSIONAL
DEVELOPMENT



WORK SUPPORT
& RESOURCES



FINANCIAL
WELLNESS

RAISING WAGES FOR ALICE WORKERS IS GOOD FOR BUSINESS

In large corporate environments salary structure is an important component of an employee's compensation package. Standard percentage-based increases applied across the board are common, however this practice does not benefit lower-level wage earners in the same way that it does for management. The lower wage employees are not properly rewarded for a job well done. Alternatively, a well-thought-out salary structure allows management to reward performance and loyalty to the company.

At one global insurance company productivity issues were identified within the lower wage staff pool. Some of these employees were having trouble staying focused and were more frequently absent. Upon further investigation, it became clear that these employees were struggling to juggle the demands of an additional job, secured to supplement their insufficient income. Additionally, the company was experiencing high turnover from employees choosing to leave for a job that pays even marginally more. For the company, this meant substantial costs to recruit, hire, and train new workers.

The company made several key changes to establish its reputation as a desirable place to work:

Invest in current staff. In an effort to improve staff satisfaction and make retention a priority, the company recognized the importance of routinely examining compensation structure and policies. They restructured their compensation packages to ensure that low-wage workers were paid fairly and recognized with promotions.

Consider budget adjustments. To increase retention, the company adjusted their budget to allow for wage increases for lower-level staff. They were then able to reduce costs related to recruitment and training as turnover was less prevalent.

Create more impact. When issuing companywide wage increases, companies typically do so on a percentage basis so that everyone receives the same relative increase. While this may seem equitable, the impact on lower-level staff is significantly less than on higher salary employees. This company instituted wage increases that varied by salary band resulting in more impact for the lower wage workforce.

Empower managers. In large companies, hard work can sometimes go unnoticed. To remedy this, the company gave managers the authority to recognize and reward high performance with pay increases without having to go through Human Resources and a mountain of red tape. This practice not only rewarded employees by recognizing their hard work but also created a feeling of autonomy among management.

These simple changes led to greater productivity and loyalty and reduced turnover, ultimately saving money in retraining and rehiring costs for the company.

ABOUT THE COMPANY

This global insurance corporation is headquartered in New Jersey and employs 5,000 individuals.