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case study **1**

Benchmarking Benefits at Mazda

Mazda Motors UK (United Kingdom) is only too aware of the importance of staying up to date with competitor developments and so its HR department conducts a benchmarking analysis every two years. This involves comparing its pay and benefits packages against twenty-two blue-chip companies, including other automotive firms, and against a more general service industry database. The fact that Mazda Motors UK gives every employee a car was found to be a major differentiating factor from some competitors, which provide a car only for employees at certain levels. Its benefits package, which is the same for all of its ninety employees, was also found to be much flatter than usual.

Jemma Galbraith-Marten, HR officer at Mazda Motors UK, says: "You must benchmark regularly because current information may not be valid in a few years' time. We've found the exercise very useful in terms of recognizing our general position in the marketplace and it has fuelled a lot of internal debate about how we recognize and reward our employees. It has helped us to set grades within the company and to pitch effectively for recruitment. It has also stimulated conversations about whether to provide a flex scheme because, in view of our benefits package, some individuals may find that more flexibility better addresses work-life balance issues."

QUESTIONS

1. What do you think of Mazda Motors UK's efforts to benchmark its benefits package on an annual basis?
2. As a prospective employee, would you have more interest in working for a company that conducts such benchmarking?
3. What are the benefits and costs associated with giving employees a free car to drive? In what way does it give Mazda a competitive edge in terms of recruiting and retaining employees?
4. Should Mazda offer different benefits for employees who, say, use public transportation or would prefer other benefits such as flextime? How do you think such an alternate package could be crafted?

Source: Edmund Tirbutt, "Brimming with Confidence: Benchmarking Your Perks against Your Rivals' Can Provide HR with Added Reassurance," *Employee Benefits* (November 2004): 49-52.