



maintaining profitability. If things work out, he might even be willing to sell the Grill to a high-performing manager who shows loyalty.

1. What are some suggestions that might help Joe as he thinks about changing the way he pays someone to manage the Grill?
2. Do you think Joe's approach to determining how much to pay a manager was successful? Would you recommend that he do something different?
3. How might agency theory guide Joe as he thinks about finding a manager who might someday become the owner of the Grill?
4. How can the concepts of equity theory guide Joe's decisions concerning comparisons with pay in other cities and for other jobs?
5. How might FLSA standards apply to Joe's compensation decisions?

## EXPERIENTIAL EXERCISE

### Conduct a Pay Survey Using BLS Data

Access the Bureau of Labor Statistics Internet site at [www.bls.gov](http://www.bls.gov) and find out how pay in your geographical area compares with pay in other geographical areas. First, find a wage survey on the site. Wage surveys can be forced in a number of areas. One source is to look under the tab labeled "Occupations" with a click on "Wages by Area and Occupation." Then click on the label "For 450 Occupations," scroll down below "Get Detailed NCS Statistics" and create a customized table with input of a geographic area and occupation. The url is <http://data.bls.gov/PDQ/outside.jsp?survey=nc>. Look through the survey results and find pay data for five different jobs in the geographic area that is closest to where you live. Next, obtain data for the five jobs from two additional geographic areas.

One area should be very similar to where you live, and the other area should be very different. Compare the pay survey results for the five jobs in the three geographic areas. Answer the following questions:

1. Which job has pay that is most similar across the geographic areas?
2. Which geographic area has the highest pay level?
3. What do you think accounts for differences in pay level across geographic areas?
4. Why is pay higher in a geographic area for some jobs but not others?
5. What concerns would you have about using these data to actually determine how much to pay employees in the jobs you identified?

## INTERACTIVE EXPERIENTIAL EXERCISE

*How Much to Pay: Finding the Balance at SuperFoods*  
<http://www.wiley.com/college/stewart>

In this exercise, word of your consulting success is spreading rapidly, and SuperFoods has retained your services to help management evaluate the company's compensation strategy and practices. The basic HR strategy of SuperFoods, a producer of dairy products, is to keep pay levels low but to ensure fairness. As you talk with top managers about their beliefs concerning pay, it becomes quite clear to you how you can help them align the company's compensation strategy with its overall competitive strategy. The management team has asked for your input on various aspects of compensation. What will you include in your recommendations that will allow the company to retain its current HR strategy?

The Companion Web site for *Human Resource Management* contains myriad tools and links to assist you in the course.

This resource offers online quizzes, with questions varying in level of difficulty, designed to help you evaluate your individual progress through a chapter. Each chapter's quiz includes 10 questions, including true/false and multiple-choice questions. These review questions were created to provide an effective and efficient testing system. Within this system, you'll have the opportunity to "practice" the type of knowledge you'll be expected to demonstrate on exams.

If your instructor has adopted WileyPLUS, you'll have access to a variety of study tools:

- video clips
- mp3 downloads—audio overviews of each chapter
- business simulations
- team evaluation tools
- experiential exercises
- self-assessments
- flashcards of key terms, and more!

## ENDNOTES

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4. Douglas G. Jenkins Jr., Atul Mitra, Nina Gupta, and Jason D. Shaw, "Are Financial Incentives Related to Performance? A Meta-analytic Review of Empirical Search," *Journal of Applied Psychology* 83 (1998): 777.
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