

I am looking for information on how companies compensate production employees who have multiple skill sets and/or who are flexible with helping in other departments. Currently this is taken into consideration at the annual review period. However, I was wondering if other employers have a way to compensate these employees as the skill set is gained and not waiting until the end of the year.

We find that some employees are very open to trying a new job in a new department while others are very resistant or even refuse.

Currently employees do not receive additional compensation for working in other departments.

Since we are union, unless there is a specific job opening they can only work in their department.

Our pay provider allows for two rates to be set up for an individual. It requires good communication between the supv/mgr and payroll to be sure the employee is paid under the right rate.

Our philosophy is that we pay employees for what they can do, i.e. if they can run a perfect binder as well as other machines, we pay them the wage for a perfect binder operator, even if today they are feeding pockets. We pay them for what they can do, not for what they are doing today.

Everyone in our plant multi-tasks. It makes us a much stronger company and our work force much more flexible.

We address those situations with our union contract renewal date.

In this new economic climate, every employee should be open to cross-training and/or to assist where they are capable of helping. The departmental walls must come down. If you are attempting to train employees in "completely different" departments, then it might be as simple as having a 2 or 3-tier compensation incentive(s) for those who accomplish your tier accountabilities/job descriptions. These incentives could be as simple as 50¢ increases or similar, and can be administered at any time, upon completion/passing of company expectations. Therefore, for those who are capable of helping but resist or refuse, aren't helping the team and wouldn't be helping themselves.

This is the Million Dollar questions: with the industry challenges over the past 6 years, staff reductions with new faster technologies, our staff has needed to adapt to expanding their talents to fit multitasking with no additional income rewards.

We have a union and rates are set based on the job title. If a person is skilled to work in a different job, they would receive pay for that job when they work it.

We do a wage differential, adding an additional \$2 per hour for production employees who serve as production managers on the weekends. This gives them a good feel for the job and gives us a good indication whether or not they are able to promote into that position eventually. They are reviewed based on their performance in both positions.

We pay all of our production employees based on their value to the organization. The more responsibilities a person is willing to accept the more they make.

We simply recognize it in merit.

We have had employees share time between two different positions in the past. If they are moving into a higher job grade, we compensate them at a higher rate for hours worked in that position.

We do this electronically through our time clock, so they are tracking the time themselves. Management approves the time sheet at the end of the pay period.

We have also done the reverse and had PT employees help in a lower job grade position and they are paid a lower rate for those hours, but they are additional hours that the employees are willing to pick up.

Our employees' compensation is partly based on their skill sets and "flexibility".

We review wages for hourly employees each quarter. This allows us the flexibility to give more frequent increases when people are on a learning curve, or adding new responsibilities. The does NOT mean that everyone gets raises every quarter, but wages are looked at and raises are given as appropriate.

In order to clarify how we would address this multilevel question I am breaking down my interpretation and responding in 3 parts: 1) Staff members with multiple skill sets; 2) Flexible or cross trained workers and; 3) Workers in the process of learning/developing new skill set(s). I would handle each as follows:

1) Staff members with multiple skill sets

A: Simply having multiple skill sets does not necessarily constitute additional compensation. Wages paid are based on the primary duties performed or the highest value position regularly performed and if one occasionally uses secondary skills to the benefit of the company, a bonus may be considered as appreciation if the savings warrant it. Otherwise a sincere thank you is in order

2) Flexible or cross trained workers

A: The value of a worker with multiple job skills that can be proficient in various areas is valued as such in the wage paid hourly typically adding about 5% to 15% or between \$1 - \$3 per hour in wages. We chart cross training and rate the level of proficiency for each employee

3) Workers in the process of learning/developing new skill set(s)

A: When someone steps up to help fill a void and learns a new skill we would then give special consideration to encourage this effort by providing an interim raise commensurate to the value added as opposed to waiting for the annual review. This is of course conditioned on accomplishing meaningful progress

In short, we try very hard to convey that compensation is directly tied to either adding revenue to or reducing cost from the company's bottom line profit and that each employee has a vested interest on our collective success.

We offer two rates of pay for the employees that work in different departments in positions that require a different skill set. Our employees get the second rate of pay after they have worked 40hrs in the new position, payroll then sets up a second rate of pay in ADP. Once the 40hrs are reached the employees fill out a work transfer sheet that shows the days and hours worked in the different department. One example we have is one of our inserter operators is the backup for our prepress operator. So that employees pay goes from say a grade 6 to a grade 8 when working in the Prepress department.

We have several approaches:

1. If the new skill set is used occasionally to back someone up or help during peak times, we pay a second rate for those hours. This is done after employee has fully learned the skill set.
2. If the new skill set is more of a permanent day-to-day learning and it benefits the organization, we will give a bump in wage at the time the employee can demonstrate this skill set. This scenario is done with both parties agreeing to the plan and when the bump will be earned. Then, we will still give a bump at the time of the annual review which is more representative of how they performed during the year.

Interested in results we do not do this yet, but are thinking of it.
