**Part 8 - material for practicing**

**Performance remuneration**

**Bonus Rewards Target bonuses**

What is the purpose of performance rewarding?

What are bonuses?

What are the advantages and disadvantages of bonuses?

What are the types of bonuses?

What are rewards?

What are the advantages and disadvantages of rewards?

What are the types of rewards?

1. A group of employees (workers) included in the 4 and 5 tariff class assembles the production equipment. Normative installation time is 700 hours. The actual assembly time was 520 hours. The task bonus is 12 000 CZK and is divided according to the time worked.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Employee**  | **Wage category** | **Wage scale** | **Time worked** | **bonus** |
| **A** | **4** | **90** | **182** |  |
| **B** | **4** | **90** | **160** |  |
| **C** | **5** | **120** | **178** |  |

1. The employee works as a UNC machine operator. His working activity is classified into the 2nd tariff level with a wage tariff of 120 CZK / hour. The workplace has a three-shift working regime. In the current year he is awarded a personal bonus of 5% of the tariff wage.The quality premium is equal to 20% of the tariff wage if the whole performance is in the 1st quality level. The premium rate is reduced by 4% for every 0.5% quality reduction. The production capacity premium is promised at 20% of the tariff wage for 90% of the production capacity utilization. The basic premium rate is reduced by up to 2% for each percentage initiated, up to 85% utilization. The base premium rate shall be further reduced when the production capacity is used below 85%, by 5% for each percentage of use initiated.   In the reference month, the worker worked 21 working days and the production capacity was used at 87.4% and 98% of the output was in the 1st quality level. Calculate the employee's wage.
2. The employee works in the textile industry as an operator of knitting machines. She operates five knitting machines. Its work activities are classified into 3 tariff levels with a wage rate of 130 CZK / hour. There is a two-shift operation at the workplace. The remuneration is based on a time wage supplemented with a premium for the quality of the knitted fabric and a planned range of knitted fabric. The quality of the knitted fabric is evaluated according to the number of errors indicated by the inspector. The performance of one knitting machine is 20 meters of knit per shift. The quality standard permits 3 defects per 100 meters of fabric. The basic premium rate is granted in compliance with standardized quality and amounts to 15% of the tariff wage. The base premium rate is reduced by 0.5% for each error above the standard. A premium of 20% of the tariff wage is promised to achieve higher quality. The knitting workshop is promised a premium for fulfilling the planned assortment of knitwear. In fulfilling this indicator, each worker is granted a bonus of 10% of the tariff wage. The premium is not paid if the planned assortment is not met. In the reference month the worker worked 20 days. The inspector indicated 58 errors in her performance. The planned range of the knitting shop was fulfilled. Calculate her wages.

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