Do we have Policies on Dealing with Problem Pay Rates?

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Abstract

Despite having a sound pay structure, problem pay rates (PPR) could still occur. This happens when an employee's pay is over or under the intended amount based on the company's pay structure. These so-called PPRs are called red circle and green circle pay rates (RCPR/GCPR). Policies designed for PPRs and the appeal policy procedures (APP) are crucial in preventing or minimizing pay issues. However, in the Philippines, there is a shortage of data on the subject. Hence, this study aims to determine if companies maintain policies relative to addressing PPRs and if they have an APP to handle attendant conflicts and issues. This seminal study employed a two-part survey comprised of 148 respondents from different companies. It was found that said policies are present in only a few companies. Hence, this study suggests that more companies adopt and maintain these policies for sound compensation management. In this study, the companies are categorized in terms of ownership type, industry affiliation, workforce size, and business location.

Keywords: Problem Pay Policies, Red Circle Pay Rates, Green Circle Pay Rates, Appeal Procedure Policy, Philippines

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Introduction

In the unitary approach to industrial relations, nature is grounded on cooperation, individual treatment, teamwork, and shared goals (Management Study HQ, n.d.). Policies play a critical role in ensuring peace and harmony within the said approach, particularly the human resource (HR) policies, which are the formal rules and regulations that organizations develop and implement to hire, develop, motivate, and retain talents. These HR policies can preempt many misunderstandings between employees and employers about their rights and obligations in the workplace (Inc., n.d.). One specific HR policy pertains to compensation. Incidentally, pay is a common issue of social relations in the work setting. It is critical to highlight that employees place considerable significance on being treated fairly and equally. Thus, an effective pay policy helps ensure organizational peace and harmony.

Some elements of the salary administration manual focus on defining compensation ranges, decision-making criteria for salary increases, and time frames for a salary review (HR Council, n.d.). Employee compensation changes, generally in the form of raises, are influenced by an employee's tasks as well as internal equity concerns (The University of Oregon, n.d.). The process of studying and deciding on these adjustments takes place during a regular salary review (Kenexa, n.d.). The RCRP and GCRP are two other components of the pay administration guideline.

A salary range is the range of wages between the lowest, middle, and maximum that a company is willing to pay for a particular job or group of positions (Culpepper et al., 2010; Noe et al., 2011). The wage range for a certain job is determined by various variables, such as the length of time a person has worked for the company, the employee's past employment experiences, the number of competent employees in the field where the specific position is included, and so on (Doyle, 2019). However, some businesses compensate their employees with monetary remuneration that may be lower or higher than their respective wage ranges. The GCRP and RCRP govern these pay types (Carver, 2007; Carroll, 2009b; Bruce, 2013).

PPRs are referred to as red circles (RC) or green circles (GC). Both require effective strategies to avoid exacerbating the problem. Similarly, an appeals system is an essential tool that must be implemented.

Red Circle Rate Policy

Before WWII, standardized wage structures were uncommon in the relatively limited number of industrial facilities, owing to the unsystematic development of customized compensation rates. This resulted in a slew of intra-plant inequalities, making it impossible for the National War Labor Board to develop relevant regulations and resort to officially harmonizing wage systems with job assessment methods. With employment categorization came a new issue: underpaid and overpaid workers. The former may be resolved instantly by boosting their salaries to the minimum or providing them with a single job rate. On the other hand, the latter is more challenging to manage and is hence labeled as RC- ringed, overrates, or personal rates workers (Backman, 1961).

RC rate is a payment that is higher than the wage range for a particular position. Employees who get these payments are referred to be RC employees (Carroll, 2009b; Bruce, 2013; Carver, 2007). RC rates, unlike GC rates, do not cause legal issues for businesses in general. They, on the other hand, consume a significant portion of the company's profit. Furthermore, RC workers may suggest that the organization is not adequately managing the system, especially if the wage ranges are well defined. To establish a competitive pay structure, organizations should regularly track market data (Bruce, 2013).

The RC rates exist for a variety of reasons. One of the most prevalent is that the employee has been with the business for a long time and has gotten pay raises regularly; consequently, the salary earned is beyond the job's wage range (Bruce, 2013; Chua, 2015). Another factor that contributes to RC rates is a reduction in an employee's work duties. This generally occurs when a specific project that an individual is in charge of is completed or transferred elsewhere (Carroll, 2009). Demotions can also be a reason for RC rates such that an employee demoted to a less paying position still receives the higher grade salary where the individual came from (Chua, 2015). Although RC rates are not as severe as GC rates, both must be addressed. In general, neither of the two is appropriate for any organization (Bruce, 2013). Organizations' typical response to RC rates is to freeze employees' salaries until they catch up with the cost of living or merit pay adjustments catch up with them (Chua, 2015; Carver, 2007). Another option is to retrain the RC employee and eventually move him or her to a higher-paying position (Carver, 2007). Nonetheless, because of the pay surplus, some businesses may choose to grant the RC employee restricted compensation increases (Chua, 2015).

Common in hospitals, RC workers provide a problem to compensation systems. Because of merit or tenure, these workers have been promoted beyond the maximum wage for their pay grade. Because job assessments evaluate the job rather than the employee, the issue is getting rid of out-of-line rates (Backman, 1961). Reed and Kroll (1985) conducted a study of 18 institutions and discovered five approaches to dealing with the problem. The employee may be offered one of the following options: a standard raise, no raise, a limited/minimal raise, or a lump-sum bonus. It's also possible that there isn't a policy in place. In the traditional wage structure, the "no increase" plan makes the most sense, but it may result in the loss of valuable employees. Reed and Kroll (1985) propose that institutions give employees motivation, training, and growth chances to qualify for higher positions to reduce turnover.

Wade et al. (2006) conducted a more current study focused on the CEO's overpayment and its impact on lower organizational levels. Aside from increased expenditures resulting from a top executive's overpayment, workers evaluate the CEO's salary to decide if their remuneration is "fair." Notably, data shows that when lower-level managers are underpaid relative to the CEO, they are more likely to leave the firm.

Keefe (2011) surveyed the public in 2011 to determine whether State and municipal employees were overpaid. Poll findings revealed differently, and the research provided in the paper backs up the survey results. Compared to private-sector employees, public employees' pay is comparatively low; nevertheless, they get a more significant part of their earnings in employer-provided benefits such as health insurance and a pension. Similarly, the public opposes salary and benefit cuts for public employees but feels pay freezes and higher benefit plans may be justified.

Nonetheless, several States have already altered enacted legislation, limiting employee bargaining power, which most people oppose.

Green Circle Rate Policy

On the other hand, a GC rate is less than the wage range specified for a particular position (Noe et al., 2011). Individuals who get such compensation are GC workers (Carver, 2007; Bruce, 2013; Chua, 2015). Organizations should be careful of rates since they can lead to legal issues, especially if the GC employee believes it is an act of discrimination by the organization. Furthermore, GC rates indicate that the business may need a compensation review and make salary changes. (Bruce, 2013; Chua, 2015).

There are a variety of reasons why an employee can fall into this category. For example, if an employee is recently promoted, the company may decide not to change the person's compensation to reflect the new role (Bruce, 2013; Chua, 2015; Carver, 2007). It is also possible that the new job's function and duties have long been devalued economically, or that the employee was initially recruited at lower pay than the minimum salary range. Nonetheless, racism, sexism, or other unfair biases may influence GC rate employees (Carver, 2007; Chua, 2015).

Nonetheless, the presence of GC rates in a company is not necessarily the result of hateful decisions. Another possible source of GC rates is a failure to modify employee compensation after re-evaluating wage ranges. The restructuring of the entire organization's job evaluation and grading system may result in GC rates (Carver, 2007). Because GC rates/employees are typical in many businesses and may cause difficulties, keeping them unattended is not an option. There are two primary approaches to GC rates/employees: rapid wage increases and gradual salary increases. The former option is preferable for firms with a large enough budget since it permits the employee's compensation to fit the permissible salary range. However, this must be done while keeping the employee's seniority and performance in mind. The latter option is preferable for businesses on a restricted budget. Salary increases can be aimed initially to the lowest end of the permissible range and then progressed to the next ones (Carver, 2007; Chua, 2015). For example, whereas hospitals were formerly cited as a common source of RC personnel, research by Lerberghe et al. (2002) indicates that health sector workers are now classified as GC or underpaid employees. To survive, healthcare workers frequently employ different coping methods to deal with low pay and working circumstances. The commercialization of public social services, particularly in emerging countries, can be ascribed to the significant shift in worker remuneration in the health sector (Razavi & Staab, 2010). In Tanzania, this has resulted in a stagnation of nurses,' and lower-level health personnel's already low pay, and a worsening of the salary gap and working conditions between nurses and physicians (Mackintosh & Tibandebage, 2006). Moreover, governmental social services have become overly reliant on "community" or "voluntary" labor, which is simply unpaid or undervalued labor. Because these "volunteers" are not recognized as workers by the State, they are only paid stipends rather than salaries. Worse, they lack the leave credit entitlements and social security benefits that ordinary government employees enjoy (Razavi & Staab, 2010). Similarly, according to Lerberghe et al. (2002), the government actively violates labor rules by "employing" individuals who are not even counted as part of the workforce.

In addition to commercialization, governments use the labor of non-state entities, such as private businesses or non-profit organizations, to outsource part of their needed duties. Frontline caregivers, primarily women who work for less compensation than the public sector, absorb labor expenditures (Razavi & Staab, 2010). This may be understandable in cash-strapped governments; however, care workers cannot sustain these costs without negative implications on their well-being and the quality of care they provide.

Appeal Procedure Policy

When management implements compensation and benefits systems, employee reactions may differ. Some are happy, but if an employee feels that a specific pay decision should be reviewed, he or she may file an appeal for reassessment. In general, requests arise due to normal processes that have been bypassed or abused (The University of Nebraska-Lincoln, n.d.). Nonetheless, depending on the organization, a claim can be made on specific grounds such as a) the salary decision was based on inappropriate criteria, b) there was insufficient consideration of individual factors, and c) there was a misunderstanding in the presentation of evidence during the review (Kenneth P. Dietrich School of Arts & Sciences, n.d.). The situation will then be evaluated by investigating the standards or practices that were not strictly followed. The request will be accepted if the organization determines that the desired pay is appropriate, equitable, and market-relevant (The University of Nebraska-Lincoln, n.d.).

Cole and Flint (2005) investigated employees' views of the fairness of company rewards based on self-interest bias. They made explicit predictions on judgments of distributive and procedural justice, namely benefits schemes. It was discovered that policies with effective communication and employee engagement in plan formulation were procedural. Furthermore, organizations that take a proactive approach to understand employee perceptions of distributive and procedural justice on compensation and employee benefits and use that information to design their plans accordingly can potentially increase actual employee perceptions of justice on benefits. As a result, these businesses would profit from increased employee retention and recruitment and more excellent salary and benefits satisfaction.

Maximizing employee voice is a critical component of management, especially in non-union firms. No organization can function without its employees; therefore, the adage "people are our most valuable asset." As a result, employee input must be included in decision-making. Employee voice was characterized in a survey of 18 European businesses in terms of perceived contribution to efficiency and discouraging rights notions. However, the findings also revealed that the links between voice and performance outcomes are still problematic. Overall, employee voice is best understood as a complicated and amorphous set of meanings and goals molded by external regulation and internal management decisions (Dundon et al., 2004).

According to McCabe and Lewin (1992), employee voice has two aspects: employee expression of work-related concerns and employee engagement in organizational decision-making. The former takes the form of a formal grievance procedure prevalent in non-union and union firms. This method outlines the submission of written grievances, provides several appeal stages for non-management staff, and limits the types of concerns that can be grieved. Furthermore, the firm typically bears the expense of processing and settlement. The last processes in addressing grievances may differ but are usually resolved by arbitration of a neutral third party: with an ombudsperson, mediation, arbitration, internal tribunal without peer review, and an internal tribunal with peer review arrangements contending for supremacy. The development of a grievance mechanism is frequently done by corporations to avoid the formation of unions, although studies argue that it is not beneficial to non-union firms (Peterson & Lewin, 1990). Marsden (2007) further highlights that executive power in guiding employees' activities must be adaptable to the changing demands of companies.

Research Questions and Methodology

There is little research on people management in the Philippines, notably in the functional area of compensation, such as PPRs (the red and green circles). This research was created in the hopes of filling that need. In essence, this study seeks answers to the following questions: 1. Do companies in the Philippines have a policy to deal with red circle pay rates (RCPR); 2. Do they have guidelines to deal with green circle pay rates (GCPR); and 3. Do they have an appeal procedure policy (APP) to deal with conflicts and issues arising from the aforementioned problem pay rates?

It is anticipated that this seminal exploratory effort would stimulate more research to close the knowledge gap. Pay is an essential item in the interaction between labor and capital, whose dynamics are influenced by various factors, including norming in written regulations to advise them on appropriate pay measures to minimize potential unrest.

A total of 160 people from various sectors were asked to take part in the one-time survey. Only 148 completed and returned the survey instrument, though. The survey instrument is divided into two sections. The first is a demographic profile of the respondents, while the second determines if they have an RCPR, GCPR, or APP. Before usage, the instrument was pre-tested to verify that it could gather the necessary data. To detect trends, data were analyzed using descriptive statistics, and graphs and tables were created.

As exploratory research, the pioneering study did not focus on the substance and quality of pay-related policies, nor was there any follow-up or triangulation to validate data obtained by the survey. Nonetheless, the statistics might provide readers a sense of the current trend on the issue under consideration.

Findings

Respondents' Profile

Forty-nine out of the total 148 (33.11%) respondents were male, and the remaining 99 (66.89%) were female. Based on the data, more women were involved in the compensation management function.

The respondents are highly schooled: 52.7 percent (78) were college graduates; 23.6 percent (35) had a master's degree; 14.2 percent (21) were college graduates with licensure from the Professional Regulations Council; 6.8 percent (10) attended college but were unable to finish, and 0.7 percent (1) has a doctorate. Meanwhile, 1.4 percent (2) picked the "others" option of the survey, and 0.7 percent (1) did not specify or indicate educational attainment at all.

Table 1. Distribution of the Respondents According to their Educational Background.

Educational Background	Number of Respondents	Percentage of Respondents (%)
Ph.D. Degree Holder	1	0.7
Master's Degree Holder	35	23.6
College Graduate	78	52.7
College Graduate with PRC Licensure	21	14.2
College Undergraduate	10	6.8
Others	2	1.4
Not Indicated	1	0.7
Total Number of Respondents	148	100

The majority of the 148 respondents came from the HR department of their respective organizations (48%); 8.1 percent from Administration;

4.7percent from Finance; 2.7 percent from Operations; and 0.7 percent from Engineering. Moreover, 3.4 percent came from "other" departments, and 32.4 percent claimed multiple functions, implying they have several jobs within the company.

Table 2. Distribution of the Respondents
According to their Departmental Affiliation.

Sectors	Number of Respondents	Percentage of Respondents (%)
Administration	12	8.1
Engineering	1	0.7
Finance	7	4.7
HR	71	48.0
Operations	4	2.7
Others	5	3.4
Multiple Departments	48	32.4
Total Number of Respondents	148	100

Eighty-four (56.8%) respondents reported their places of work were stock corporations, 21 (14.2%) were from non-stock corporations, 13 (8.8%) said theirs were government-owned, three (2%) were affiliated to partnership organizations. In comparison, 14 (9.5%) classified theirs as a proprietorship. On the other hand, four (2.7%) said "none of the above," and nine (6.1%) did not indicate their answers.

Data on the respondents' industry affiliations showed 33.1percent chose 'others', and 13.5 percent said they came from multiple industry affiliations, implying that a conglomerate employs them. A more significant chunk (10.8%) came from wholesale/retail; 7.4 percent from construction; 6.1 percent from education or academe; and 4.7 percent from manufacturing. Some 4.1 percent each came from healthcare, information technology (IT), and business process outsourcing (BPO) industries. In comparison, 3.4 percent came from the hospitality industry, and 7.4 percent (11) collectively came from the agriculture, chemical/pharmaceutical, food, water/maritime, transportation/logistics, security, and manpower, and consulting services industries. However, two (1.4%) respondents provided no data regarding their industry affiliation.

Table 3. Distribution of the Respondents
According to the Ownership of the Companies.

Company Ownership	Number of Respondents	Percentage of Respondents (%)
Stock Corporation	84	56.8
Non-Stock Corporation	21	14.2
Government-Owned	13	8.8
Partnership	3	2.0
Proprietorship	14	9.5
None of the Above	4	2.7
Not Indicated	9	6.1
Total Number of Respondents	148	100

Table 4. Distribution of the Respondents
According to their Industry Affiliation.

Industry	Number of Respondents	Percentage of Respondents (%)
Agriculture	1	0.7
BPO	6	4.1
Chemical/Pharmaceutical	2	1.4
Construction	11	7.4
Consulting Service	2	1.4
Education	9	6.1
Food	2	1.4
Healthcare	6	4.1
Hospitality	5	3.4
IT	6	4.1
Manufacturing	7	4.7
Security and Manpower	1	0.7
Transportation/Logistics	2	1.4
Water/Maritime	1	0.7
Wholesale/Retail	16	10.8
Multiple Industries	20	13.5
Others	49	33.1
Not Indicated	2	1.4
Total Number of Respondents	148	100

Relative to workforce size, two percent of the respondents were from small companies (1-9 employees); 31.8 percent from relatively small companies (10-99 employees); 16.9 percent from medium-sized companies (100-199 employees); 26.4 percent from rather large companies (200-999 employees); 4.1percent from huge companies (1,000-1,999 employees);18.2 percent from giant companies (2,000 or more employees) and 0.7 percent had no data.

Table 5. Distribution of the Respondents
According to their Workforce Size.

Workforce Size	Number of Respondents	Percentage of Respondents (%)
1-9 Employees	3	2.0
10-99 Employees	47	31.8
100-199 Employees	25	16.9
200-999 Employees	39	26.4
1000-1999 Employees	6	4.1
2000 or More Employees	27	18.2
Not Indicated	1	0.7
Total Number of Respondents	148	100

Table 6. Distribution of the Respondents
According to their Company Location.

Company Location	Number of Respondents	Percentage of Respondents (%)
Metro Manila	69	46.6
Northern Luzon	5	3.4
Central Luzon	11	7.4
Southern Luzon	12	8.1
Visayas	10	6.8
Mindanao	10	6.8
Nationwide	6	4.1
Multiple Locations	23	15.5
Not Indicated	2	1.4
Total Number of Respondents	148	100

Some 46.6percent of the respondents were in Metro Manila, 3.4 percent in Northern Luzon, 7.4 percent in Central Luzon, 8.1 percent in Southern Luzon, 6.8 percent in the Visayas regions, and 6.8 percent in Mindanao. Some 4.1 percent said they have installations in the entire nation, while15.5 percent are said to have multiple locations but not necessarily nationwide. Two respondents (1.4%) did not answer.

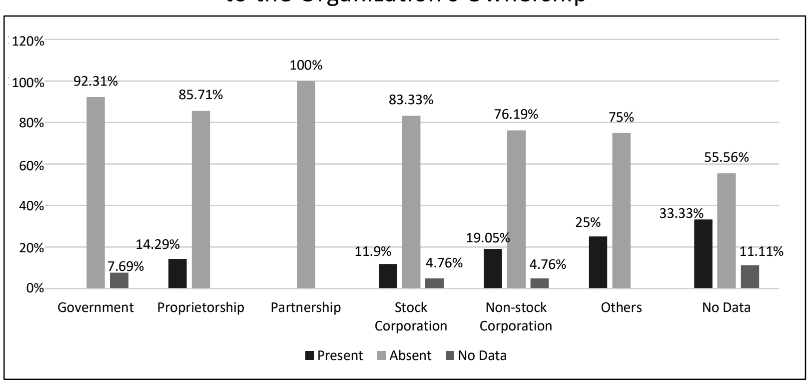
Red Circle Rate (Pay Above the Maximum Range) Policy

The RCRP was present in 14.29 percent of companies under proprietorship, 11.90 percent of stock corporations, and 19.05 percent in non-stock corporations. It was also present in 25 percent of companies whose ownership type was classified as "others" and 33.33 percent of companies whose ownership was not indicated by the respondents.

Meanwhile, the RCRP was not present in government-owned companies.

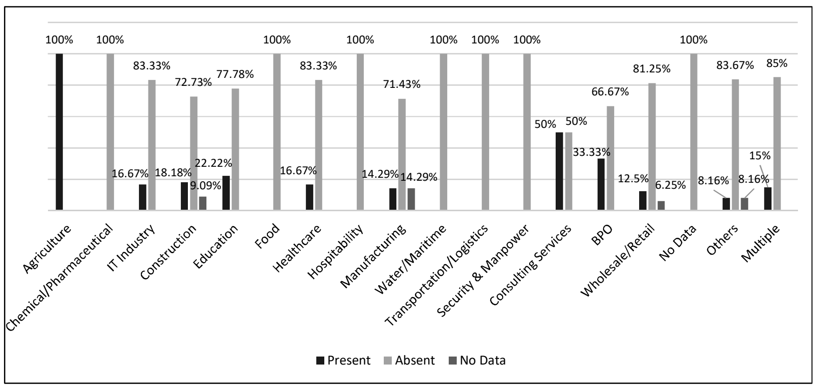
In terms of industry affiliation, the RCRP was present in organizations related to: agriculture (100%); IT industry (16.67%); construction (18.18%); education (22.22%); healthcare (16.67%); manufacturing (14.29%); and consulting services (50%). Further, it was present in 33.33 percent of organizations associated with the BPO industry, 12.50 percent in wholesale/retail, 8.16 percent under "other industry affiliations not mentioned," and 15 percent from multiple industry affiliations.

Figure 1. Presence or Absence of RCRP in Relation to the Organization's Ownership



Meanwhile, the RCRP was not present in organizations related to chemical/pharmaceutical, food, hospitality, water/maritime, transportation/logistics, security, and workforce, and those not indicated. Figures 1 and 2 below show the summary of these findings.

Figure 2. Presence or Absence of RCRP in Relation to the Organization's Industry Affiliation



In terms of the workforce size, the findings suggest that the RCRP was present in: 6.38 percent of organizations with 10-99 employees; 16 percent of organizations with 100-199 employees; 17.95 percent of organizations with 200-999 employees; and 22.22 percent of organizations with 2,000 or more employees.

The RCRP was not present in organizations with 1-9 employees and those with 1,000-1,999 employees. Respondents who did not indicate their workforce size also did not have the criterion in their respective organizations.

In terms of the organizations' location, the RCRP was present in the following: Metro Manila (10.14%); Northern Luzon (20%); Central Luzon (9.09%); Southern Luzon (25%); nationwide businesses (16.67%); and in 21.74 percent of companies with multiple locations.

The RCRP was not present in companies in the Visayas, Mindanao, and in organizations that did not indicate their locations. Figures 3 and 4 provide the details.

Figure 3. Presence or Absence of RCRP in Relation to the Organization's Workforce Size

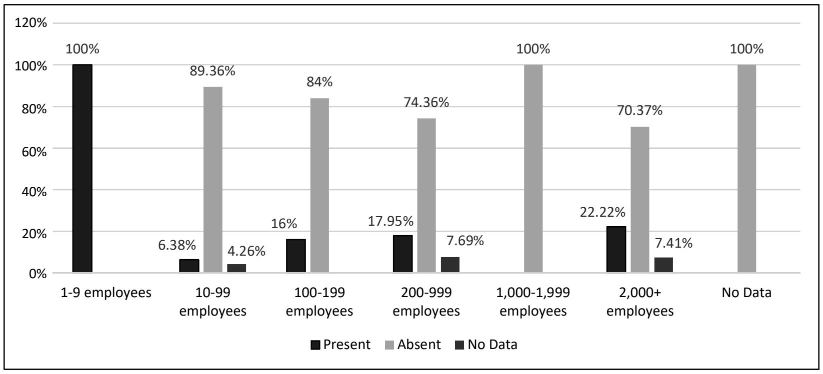
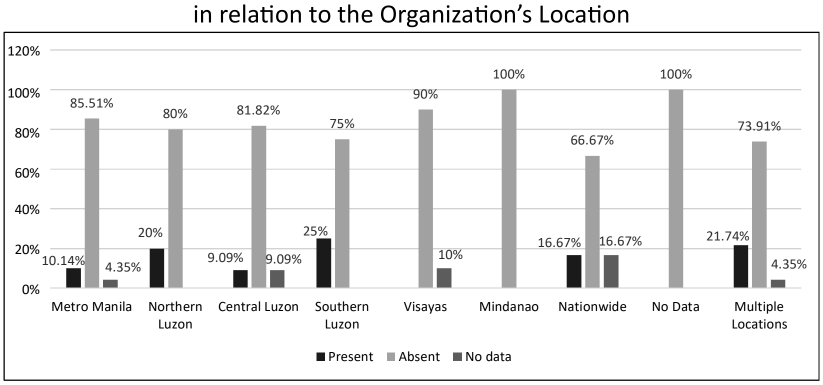


Figure 4. Presence or Absence of an RCRP in relation to the Organization's Location



One of the essential factors to consider in writing an organization's compensation policies is the workforce size (Carroll, 2009a). It is pretty fair to think that as an organization increases in size, compensation issues, including RCPR, are more prone to happen in more substantial organizations than those with fewer employees.

Green Circle Rate (Pay Below the Minimum Range) Policy

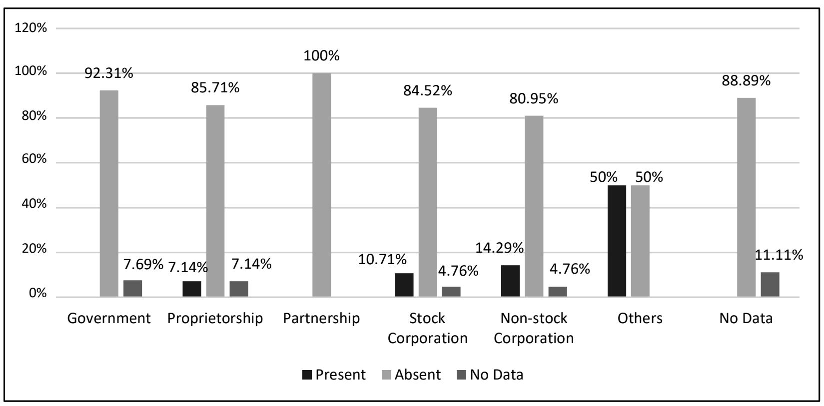
In terms of ownership, the criterion was present in 7.14 percent of companies under proprietorship, 10.71percent of stock corporations, and 14.29 percent of the non-stock corporations. The criterion was not present in government-owned companies and partnerships.

Conversely, 50 percent of the companies whose owners were classified as "others" also have the said criterion. In contrast, none of the companies whose type of ownership was not indicated have the criterion.

Concerning the industry affiliation, the results showed that the criterion was present in the following: organizations related to agriculture (100%); IT industry (16.67%); education (22.22%); manufacturing (14.29%); consulting services (50%); BPO industry (16.67%); wholesale/retail, (6.25%); other industry affiliations not mentioned (10.20%); and multiple industry affiliations (10%).

The above criterion was not present in organizations related to chemical/pharmaceutical, food, healthcare, hospitality, water/maritime, transportation/logistics, security, manpower, and those not indicated. Figures 5, 6, 7, and 8 below show these findings.

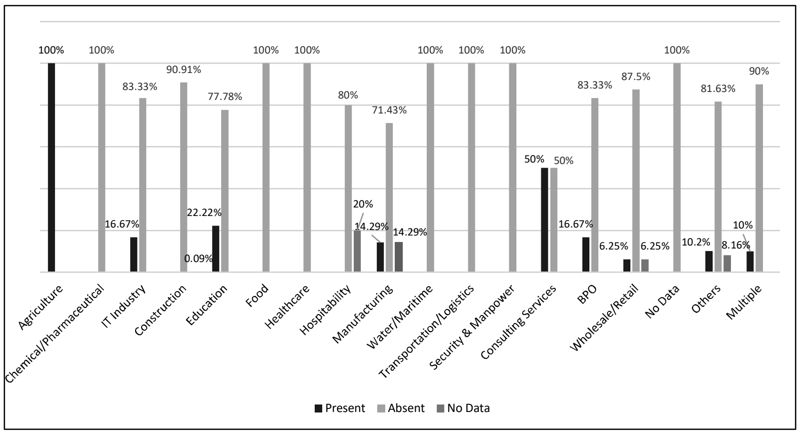
Figure 5. Presence or Absence of GCRP
in Relation to the Organization's Ownership



One reason why GCPRs happens is when organizations fail to monitor compensation policies and annual reviews. These activities help maintain equitable pay for employees. Therefore, the lack of compensation policies monitoring and yearly evaluation may result in employees with salaries and wages below their respective salary ranges (Wolf, 2019; Mayhew, n.d.).

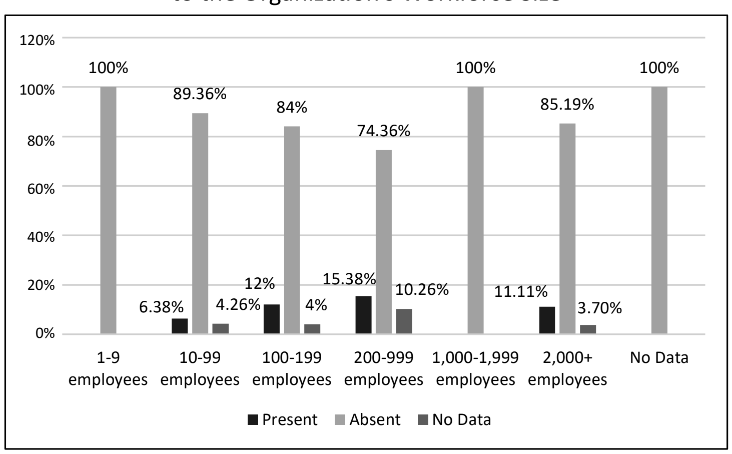
If the workforce size of the respondents' organizations is to be considered, the findings suggest that the abovementioned criterion is present in 6.38 percent of organizations with 10-99 employees, 12 percent of organizations with 100-199 employees, 15.38 percent of organizations with 200-999 employees, and 11.11percent of organizations with 2,000 or more employees.

Figure 6. Presence or Absence of GCRP in Relation to the Organization's Industry Affiliation



The GCRP was not present in organizations with 1-9 employees and those with 1,000-1,999 employees. Organizations that did not indicate their workforce size also did not have this criterion.

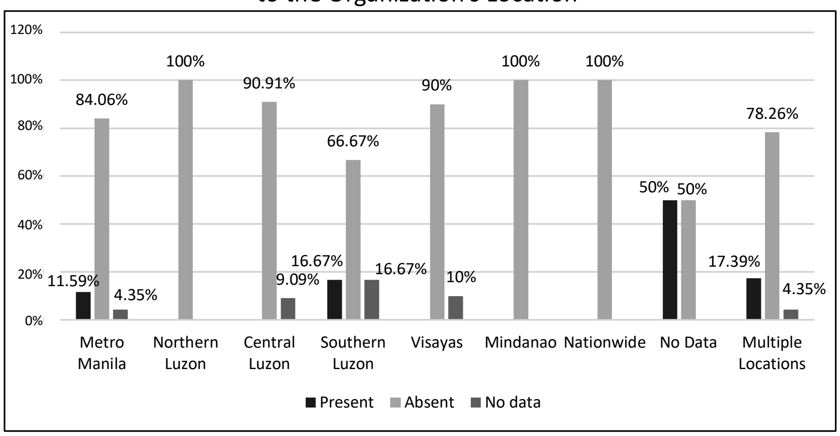
Figure 7. Presence or Absence of GCRP in Relation to the Organization's Workforce Size



In terms of location, the criterion was present in 11.59 percent of organizations from Metro Manila, 16.67 percent from Southern Luzon, 50 percent from respondents who did not indicate their locations, and 17.39 percent of companies with multiple locations.

It was not present in organizations in Northern Luzon, Central Luzon, the Visayas, Mindanao, and those with nationwide businesses.

Figure 8. Presence or Absence of GCRP in Relation to the Organization's Location



Appeal Procedure Policy

With regards to organization ownership, the APP was present in the following: government-owned companies (53.85%); proprietorship (21.43%); partnership (33.33%); stock corporations (14.29%); and non-stock corporations (14.29%).

Conversely, none of the companies whose owners were classified as "others" had the said criterion. In contrast, 11.11percent of companies whose ownership type was not indicated had the criterion.

In terms of industry affiliation, the results indicated that the APP was present in the following: agricultural organizations (100%); construction (9.09%); education (33.33%); healthcare (33.33%); manufacturing (14.29%); transportation/logistics (50%); consulting services (50%); and BPO industry (33.33%). It was also present in

50 percent of companies whose ownership classification was not indicated, in 20.41 percent of those "under other industry affiliations," and in 20 percent with multiple industry affiliations.

In contrast, the APP was not present in organizations related to chemical/pharmaceutical, IT industry, food, hospitality, water/ maritime, security and manpower, and wholesale/retail. Figures 9, 10, 11, and 12 show these details.

Figure 9. Presence or Absence of an APP in the Organization concerning Ownership

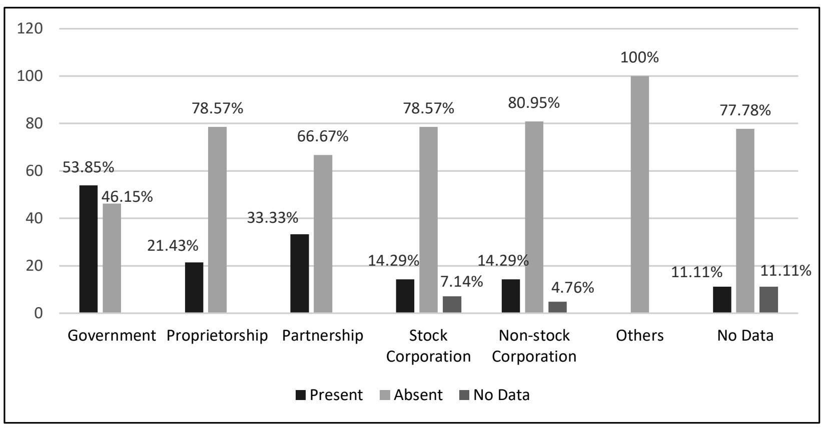
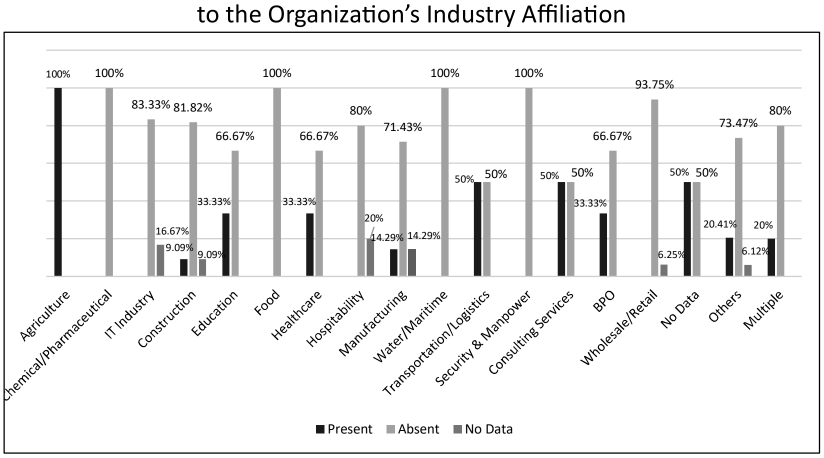


Figure 10. Presence or Absence of an APP in Relation to the Organization's Industry Affiliation

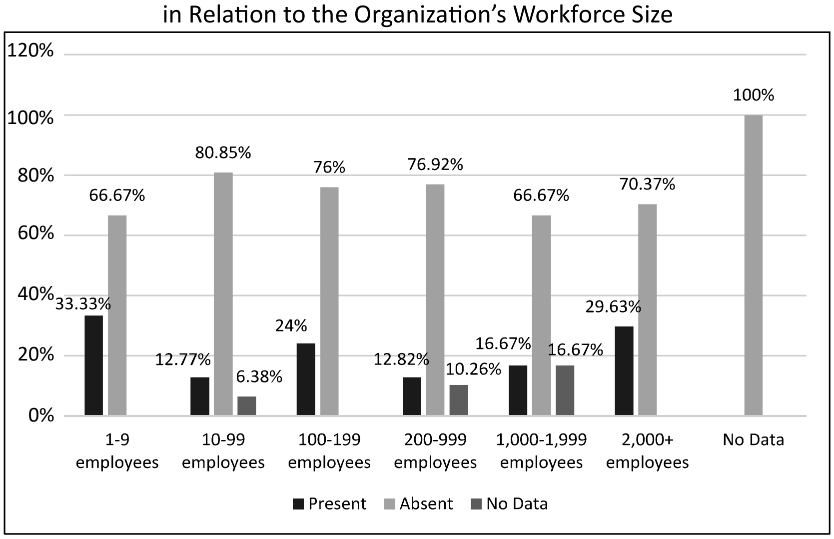


If the workforce size of the respondents' respective organizations is to be considered, the findings suggest that the APP was present in the following: organizations with 1-9 employees (33.33%); 10-99 employees (12.77%); 100-199 employees (24%); 200-999 employees (12.82%); 1,000-1,999 employees (16.67%); and 2,000 or more employees (29.63%). Organizations that did not indicate their workforce size did not have the APP.

Considering the location of the organizations in the country, 23.19 percent from Metro Manila, 18.18 percent from Central Luzon, 41.67 percent from Southern Luzon, 10 percent from the Visayas, 20 percent from Mindanao, and 4.35 percent of companies with multiple locations had the APP.

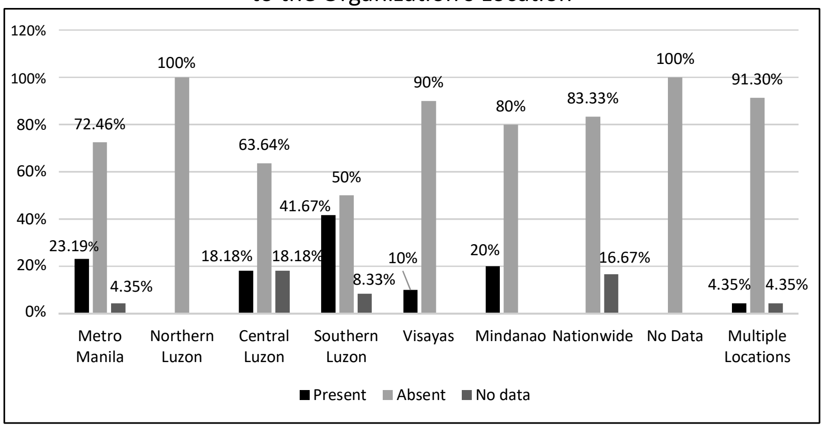
In contrast, the APP was not present in organizations in Northern Luzon, in nationwide businesses, and in organizations that did not indicate their locations.

Figure 11. Presence or Absence of an APP
in Relation to the Organization's Workforce Size



The APP further helps the monitoring of compensation policies in organizations and their annual review. It also maintains the compensation policies' transparency – an essential characteristic of compensation policies that hones the harmony between the employer and the employees (Human Resource Handbook, n.d.). Additionally, the APP in an organization is vital in reducing the risk of employment tribunal claims by employees (Sayed, 2017).

Figure 12. Presence or Absence of an APP in Relation to the Organization's Location



Conclusion and Recommendations

The study aims to determine if organizations in the Philippines have Human Resource Pay Policies focused on resolving GCPR and RCPR concerns. The availability of an APP in Philippine organizations was also investigated. One hundred forty-eight people were asked to complete a two-part survey for this study. The RCPR, GCPR, and APP were found to be present in just 13.51 percent, 10.14 percent, and 18.24 percent of the respondents' companies, respectively. The study investigated the ownership distributions, industry affiliation, employee size, and geography among these businesses with such regulations.

In terms of organization ownership, RCPR and GCPR policies were present and maintained in some of the stock companies, non-stock corporations, and proprietorship organizations. The APP existed in specific government-owned organizations, proprietorships, partnerships, stock companies, and non-stock corporations. In terms of industry affiliations, RCPR, GCPR, and APP were accessible in various businesses such as agriculture, IT, construction, and education. In terms of workforce size, RCPR and GCPR policies were found to manifest in companies with 10-999 workers and those with more than 2000 employees. The APP was discovered in several firms, regardless of size.

Finally, on corporate geography, RCPR policy was present in certain organizations located throughout Luzon and Metro Manila and those with countrywide and numerous business locations. The GCPR policy was accessible in some firms in Metro Manila and Southern Luzon and those with several company sites. APP was found in specific organizations in Metro Manila, Central and Southern Luzon, Visayas, Mindanao, and those with numerous sites.

Having said that, the following are highly recommended:

1) That employers, through HR, maintain adequate procedures for dealing with or addressing PPRs.
2) That workers/unions request/negotiate with their employers to adopt and implement the aforementioned policies and guidelines, with their active participation in their planning and execution.
3) That the National Wages and Productivity Commission mandates each organization to maintain a solid pay structure, as well as measures to resolve potential PPRs.
4) That the academia and training institutions support HR and workers/unions by teaching them about the importance of HR policies in the workplace and developing strategies to cope with issue pay rates.
5) That further study is undertaken on the content analysis of existing rules concerning green and red circle rates to establish best practices against which the NWPC, unions/workers, and the HR/employer sector may benchmark.

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