**Module Two Assignment**

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# Module Two Assignment

## Interpretation

Quantitative data shows employee ID, date of hire, performance score ranges from 1 to 4, salary, bonus, and overtime, which can be analyzed for trends in compensation, performance ratings, and work hours. While Qualitative data includes manager comments, such as performance evaluations or notes like "Essential Employee" or "Needs motivation,". It provides records of a brief description about employee (s) behavior and performance.

The spreadsheet provides a snapshot of employee performance, compensation, and manager feedback across various departments. From the quantitative data, I have to say that employees have varying performance scores from needs improvement to exceptional. Majority of employees have a performance score of 3, indicating that they are meeting expectations. A smaller group of employees has lower or higher scores, which might reflect those who are struggling or excelling.

In terms of compensation, the salary ranges suggest a clear hierarchy within the company, with higher salaries in departments like Management, IT, and Web Development, while lower salaries are found in areas like Account Service and Manufacturing. Bonuses and overtime are generally consistent, but overtime is particularly higher for some IT and Manufacturing employees, indicating potential for extra work or urgency in these departments.

The qualitative data offers further insights into employee dynamics, with manager comments noting performance issues, motivation challenges, or praising employees as "essential" or "hardworking." This suggests the company values performance, but also faces some challenges with employee engagement and morale, as reflected in the comments about motivation and management issues. I believe that the data suggests a company with a dedicated workforce, but one that may benefit from addressing motivational challenges and recognizing high performers more effectively.

**Here are some questions I have from data provided:**

* Why do certain departments have more employees with lower performance scores (1 or 2)? Are there departmental challenges or training gaps?
* What factors contribute to overtime being higher in IT and Manufacturing? Is it due to workload, staffing issues, or time-sensitive projects?
* How does the company address the motivational challenges mentioned in the manager comments? Are there plans for performance improvement or employee engagement initiatives?
* Is there a pattern in the distribution of salaries across performance scores? Do high performers receive adequate recognition or compensation for their contributions?

## Analysis

The data shows how the company allocates financial resources across departments, with salary structures reflecting the importance and skill level required for different roles. Higher salaries are budgeted to departments like Management, IT, and Web Development, suggesting a prioritization of specialized skills. Bonuses and overtime indicate that the company may be compensating employees for extra work, particularly in IT and Manufacturing. However, the relatively consistent bonus amounts across departments could imply a standardized approach to employee incentives, potentially overlooking high performers in some areas.

To reduce HR expenses, it would be helpful to analyze overtime data in detail and employee turnover rates to identify areas of inefficiency. In addition, having data on employee tenure, training programs, and employee productivity would help pinpoint whether performance gaps are due to lack of skills or excessive workload. One key gap in the performance data is the absence of specific performance metrics (e.g., KPIs or objectives met), making it difficult to assess the true impact of employees on the company’s goals and identify underperforming areas.

Primary sources such as employee performance reviews and time tracking data would provide a clearer picture of productivity and workload distribution. Secondary sources like industry compensation reports and best practices in workforce optimization could guide decisions on adjusting compensation structures and improving efficiency without sacrificing employee morale (Soomo Learning, 2020).

## Conclusion

To reduce the budget by 10%, I would recommend a strategy that targets overtime reduction and compensation optimization, based on the data in the spreadsheet. For example, employees in IT and Manufacturing have higher overtime hours, with some employees like those in IT earning substantial overtime pay (e.g., $5,000 in overtime for employees with ID# 506073, 440265, and 468069). A strategy to balance workloads or better distribute tasks could help reduce this overtime spending.

Additionally, reviewing bonus structures (such as the consistent $2,000 bonus across many employees) could allow for targeted bonuses linked to performance, ensuring rewards are aligned with productivity and reducing unnecessary payouts. Streamlining bonuses or introducing tiered performance incentives based on contribution could offer savings while maintaining employee motivation.

I used the data to identify overtime and compensation inefficiencies as key areas for cost reduction. For instance, employees in IT and Manufacturing departments have significant overtime pay, such as $5,000 for some IT staff. Reducing overtime by improving staffing efficiency or redistributing workloads could lower expenses. In addition, the consistent $2,000 bonus across many employees suggests an opportunity to introduce a performance-based bonus system, targeting high achievers and aligning rewards with company goals, thereby reducing unnecessary spending on flat bonuses. These changes would help reduce labor costs without sacrificing productivity (Soomo learning, 2020).

## References

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