**COMPENSATION ANALYSIS REPORT**

**SUBJECT: BUSINESS AND MANAGEMENT**

**Relationship between pay and performance**

The correlation between pay and performance is positive but weak, with a coefficient of 0.23. This means that while there is a connection between how much someone is paid and their job performance, it is not a strong relationship. Other factors such as job motivation may also pose an impact on pay.

**Compa-ratio**

Compa-ratio is a ratio that can be used to highlight pay and job performance relationships by individual employees, by salary grade, by organization level, or by department. If the compa-ratio for the department is 100, it means that employees in the department are paid at the midpoint of the pay range for their respective positions. This suggests that pay is distributed fairly evenly among employees in the department, with most employees receiving pay that is neither above nor below the midpoint. However, the compa-ratio alone does not tell us about the distribution of pay within the department or how individual employees are compensated relative to their performance.

**Performance ratio**

The performance ratio measures the average employee performance level compared to the performance rating scale midpoint. A ratio of 4 suggests that employees meet average expectations. A wide range of ratings may indicate varied employee performance. Regarding ‘‘leniency ‘‘and ‘‘strictness ‘‘rating errors, it`s difficult to say without more information about Xapiva's performance evaluation process. Compa-ratio, and performance ratio, which indicate fair pay distribution and meeting performance expectations.. The current correlation is 0.23. A merit increase of 101.28% was applied but its effect on the correlation is unknown.

**Effects of merit increase**

The compa-ratio remained at 100 after the merit increases were applied, then the new pay did not affect the overall pay distribution in the department. This suggests that the merit increases were likely applied fairly across the department, rather than disproportionately benefiting certain employees. Xapiva did not meet its 2.5% ceiling goal.

Finally, VLOOKUP automates processes, ensures consistency, saves time, reduces errors, and is adaptable, compared to manually entering updated salaries.



The correlation changed from 0.23 to 0.13, with the merit percentage increasing by 1,28%.