

Merrill Lynch – Case Analysis in Compensation Management 1. How do these costs compare to Google's total costs and operating income? Yes, most of the firms will benefit from bidding war since the market value of the firm will go up, the previous owners will get good sum of money out of it. According to Best Fit policy, HR strategies and organizational strategy must be aligned. The unusual high up-front signing bonuses and decentralizing authority to take such offers can be described as incentive and sorting effects at Merrill Lynch. The clients are more loyal to the brokers than the institution so the firms have to offer high compensation packages in order to maintain the competitive advantage with other institutions. It had adopted the pay module of its competitor Microsoft since its stock price has slowed down providing the stock option to the employees since the stock provided to the employees get locked within them rather being transacted in the stock market. After repricing the stock option, Google pay has been \$20K more than the average competitor price for fresh graduates and 10% increment accordingly to overall employee. Will most firms benefit? 2.3.2.3.4. Explain.