

# *HR Essentials Part 2*

## *Best Practices in Total Compensation*

POWERED BY



U.S. Small Business  
Administration

## Today's Webinar Housekeeping Notes

- You are all muted
- Questions can be typed into the “chat” feature
- We will answer as many questions as possible throughout the session and after the presentation
- All registrants will receive an email with instructions how to access the recording of this webinar, and the link to connect with a mentor
- Use your Chat function to ask for a mentor



— “ —  
dedicated to our mission of fostering  
vibrant small business communities  
through mentoring and education  
— ” —

**EST.** 1964



Washington, D.C.



> 10,000 volunteers nation wide



Exist through a collaborative agreement  
with the SBA



> 250 regional chapters



4,335,760 mentoring sessions



9,800 workshops/webinars in FY2020



## Why Have a SCORE Mentor?

- We can help you start a business or work with you to grow your existing business!
- We are here for the life of your business
- We are conducting safe sessions through ZOOM or phone
- Sessions are one hour with appropriate assignments and as many follow on meetings as requested (at no cost to you!)
- We have the experience!

# Our Presenters

*Monet Viens*

*President  
Southcoast HR Council*

*Tracy Burns*

*CEO  
Northeast HR Association*



**Southeast  
Massachusetts**

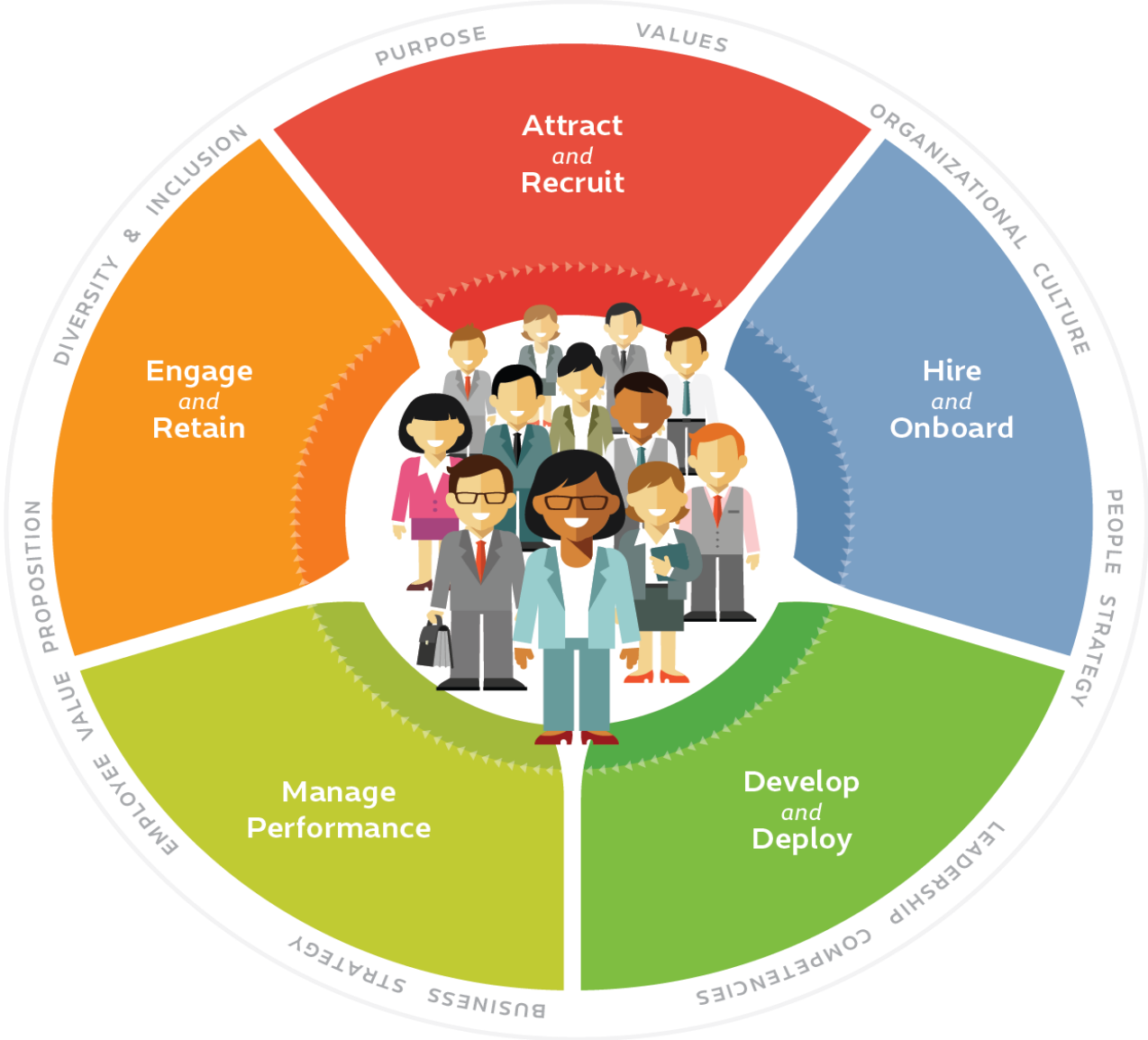


# HR Essentials For Small Business

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Session 2 – Best Practices in Total Compensation

# EMPLOYEE LIFECYCLE



# Objectives

Basic Components of Compensation

Compensation Model

Employee Benefits



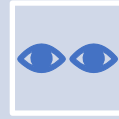
# **BASICS OF TOTAL COMPENSATION**

# Total Compensation

- Salary/hourly rate
- Medical benefits coverage—include amount paid by employee and employer
- Flexible spending account information
- Paid leave—include vacation/sick/PTO, holiday, personal, bereavement, military pay, jury duty, etc.
- Disability insurance
- Life insurance
- Employee assistance program
- Retirement benefits—include 401(k)/403(b), pension plans, etc.
- Educational assistance programs
- Relocation expenses
- Learning and development offerings
- Career-advancement opportunities

# What is Total Compensation?

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Base Pay/Incentives



Benefits, Perks & Discounts



Paid Time Off



Career Opportunities

# What Applies To You?



Industry / Relevancy



Exempt vs Non-Exempt



Budget



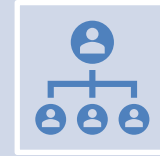
# **COMPENSATION MODEL**

# 4 Pillars of an Ideal System

1. Internal consistency
2. External competitiveness
3. Employee contributions
4. Administration/Compliance

What is your  
philosophy?

## 1 = Internal Consistency



Job Analysis



Organizational Structure



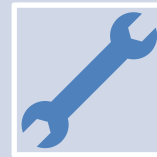
Philosophy

Are you competitive?

## 2 = Market Data



Salary Surveys



Market Analysis



Salary Ranges

# Market Data Resources

## **Online Resources:**

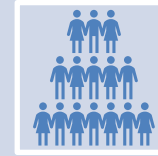
- Payscale
- Glassdoor
- Indeed
- Salary.com
- Bureau of Labor Statistics

## **Companies/Consultants:**

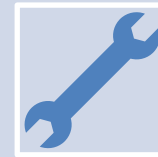
- Compensation HR Group
- Mercer
- World at Work
- Willis Towers Watson

How will you measure?

## 3 = Employee Contributions



Performance



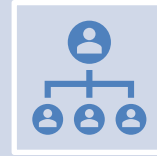
Incentive Plans



Annual Merit Increases

How will you  
implement?

## 4 = Administration



Planning



Communication



Assessment

# Compliance

- Fair Labor Standards Act (FLSA)
- Exempt vs. Non-exempt
- Sherman Act of 1890
- Equal Pay Act of 1963
- Civil Rights Act (aka Title VII)
- Comparable Worth
- ADA



# Mass Pay Equity 2018

- If you are applying for a new job, the employer can't ask you how much you have been paid in the past until after making you a job offer that includes compensation
- Employers can't refuse to consider you for a job based on how much you earned in your last job
- Employers generally can't prohibit you from talking about either your own wages or your coworkers' wages
- You can't be retaliated against for exercising your rights under the law



# When It's OK to have pay differences.....

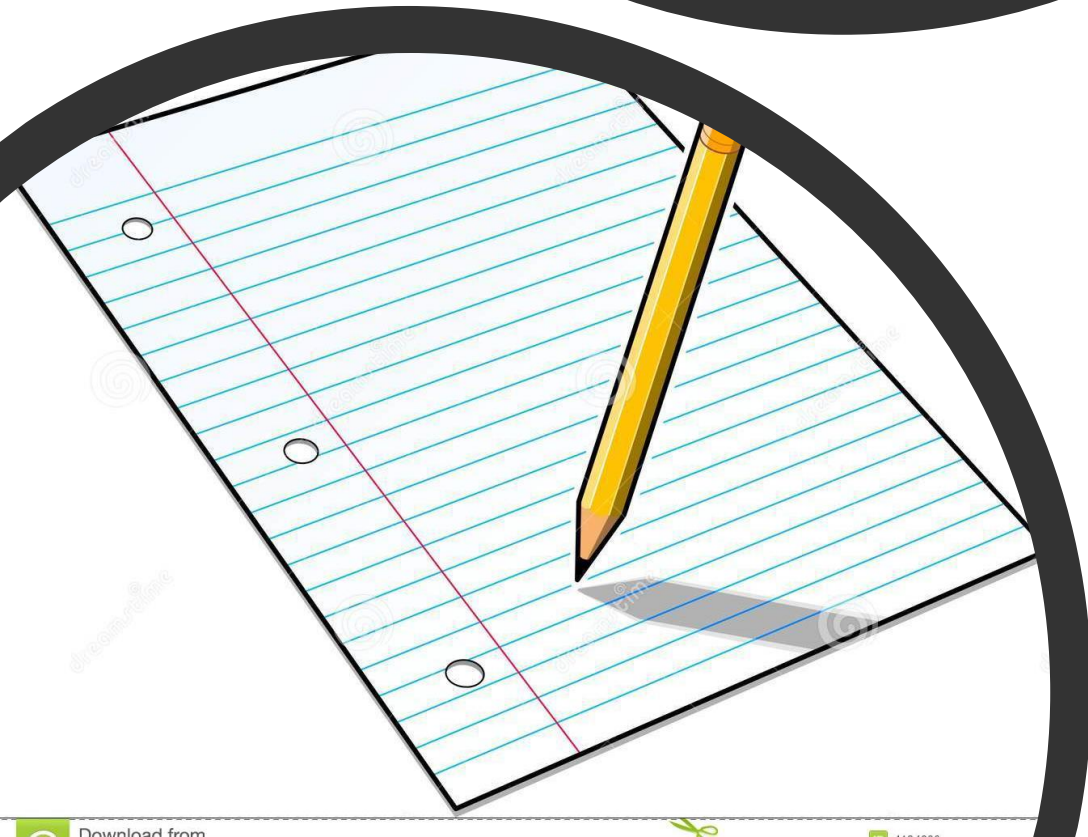
- A seniority system
- The geographic location of the jobs
- Production, sales, or revenue-based systems of pay
- Job-related differences in education, training, or experience
- A merit system
- Differences in travel required by the jobs



**BACK IN  
5  
MINUTES**

**WHAT DOES YOUR TOTAL COMP PLAN  
CURRENTLY INCLUDE?**

**WHAT ARE COMMON COMPONENTS  
IN YOUR INDUSTRY?**



# BENEFITS!

Containing costs &  
remaining competitive



# Designing a Benefits Plan



Organization's  
Objectives & Budget



Needs Assessment



Benefits Plan  
Program



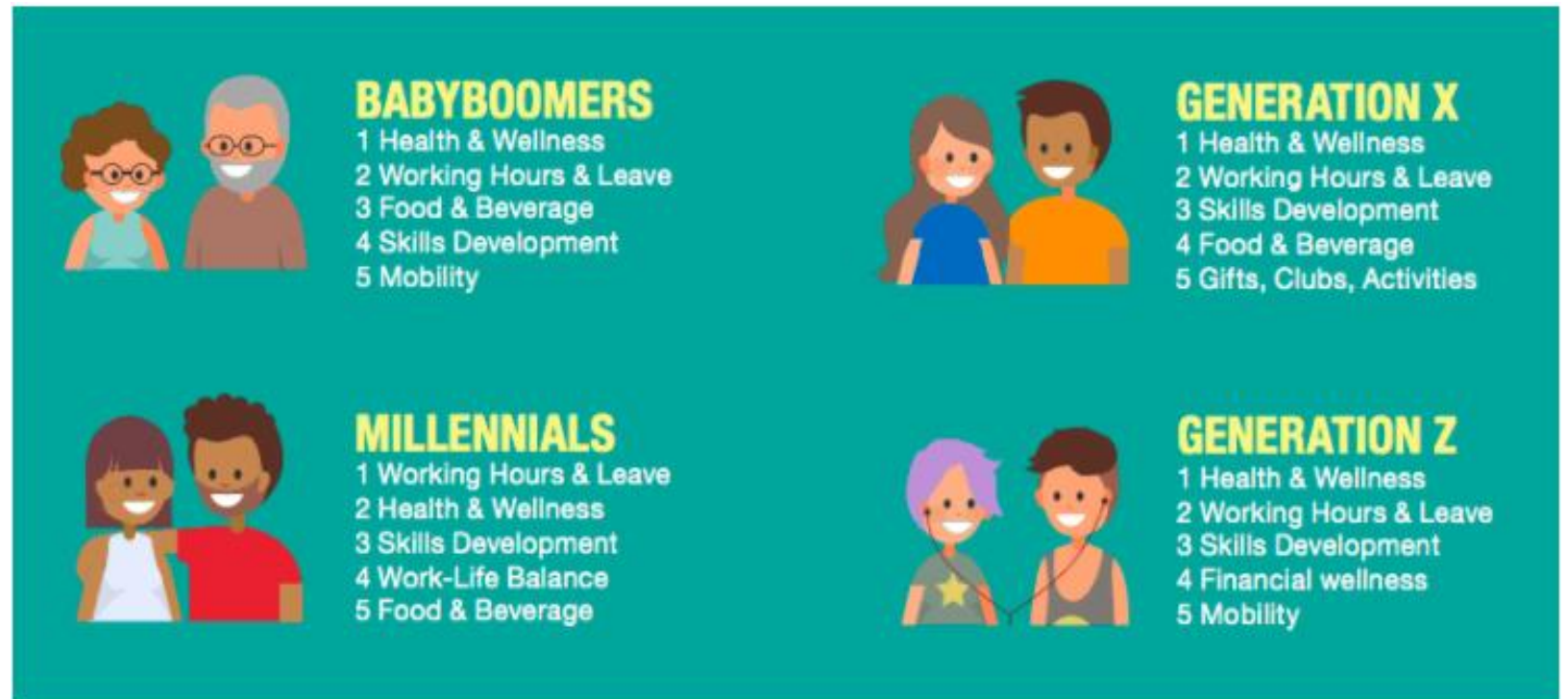
Communication/  
Roll Out



Analyze

(How to Design an Employee Benefits Program, n.d.)

# What to offer?



Most appreciated benefits among the different generations in the workplace.

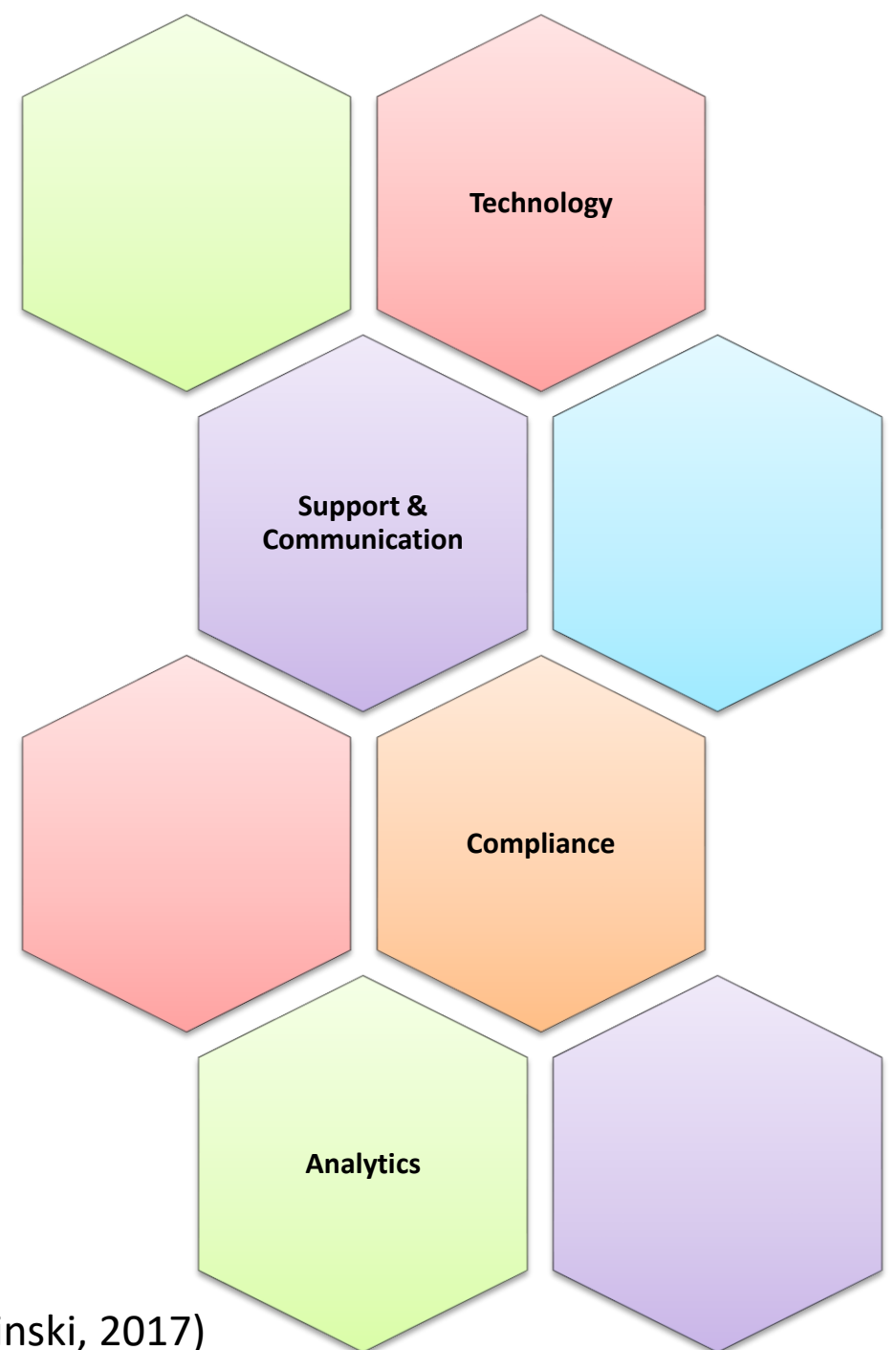
Image source: The Employee Happiness Index 2019

## WHAT CAN YOU OFFER?

- Medical insurance
- Life insurance
- Retirement plans
- Disability insurance
- Flextime
- Skill development
- Food & beverage
- Work-life balance
- Transportation



# Choosing an Administrator



(Zielinski, 2017)

## Breakout Rooms:

- What is your one “outside-of-the box” benefit you can offer?



10 Minutes!

# References and Resources

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