



March 2011

Columbus Compensation Association

www.columbuscomp.org
info@columbuscomp.org

Breakfast Meeting Announcement

Program Topic

Enabling, Engaging, & Rewarding Employees

Presenter

Dr. Dow Scott, Professor of Human Resources
Loyola University Chicago

Date

Thursday, April 14, 2011

Location

Fawcett Center

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Schedule:

Registration and Meal	7:45 a.m. – 8:30 a.m.
Keynote Presentation	8:30 a.m. – 10:00 a.m.

Registration Deadline: Friday, April 8, 2011

Cost	Member	Non-Member	Student*
Meeting Keynote	\$30	\$40	\$10

- No meeting cost for those who prepaid membership & meeting package for 2011.
- If you register but don't attend, you are still responsible to pay the meeting cost.
- Please register online at <http://www.columbuscomp.org>

*The Columbus Compensation Association considers "Student Membership" as a discounted membership for a full-time college student who may not otherwise qualify for sponsorship by their own organization.

Program Overview

Employers are concerned about keeping employees engaged after they have suffered through wage freezes, lost bonuses, increased work demands, and downsizing. Motivating employees under these circumstances and recognizing that once the economy improves top talent may leave for other opportunities has created a new corporate battle cry, "Employee Engagement."

WorldatWork members will tell us how they keep employees engaged in the toughest business environment in decades and how they reenergize a "beaten down" workforce as they prepare for recovery-related growth. A weak labor market may have held down turnover rates but if organizations fail to address employee engagement concerns and retention of talent proactively they are likely to find employees exiting in significant numbers as other opportunities begin to become more plentiful.

(Continued on next page)

Program Overview *(continued)*

Columbus Compensation Association participants will learn:

- How reward professionals view their role in and contribution to employee engagement
- How reward programs are utilized to engage and enable employees
- How reward programs that contribute to employee engagement affect employee performance, retention, commitment, and motivation

This research builds upon a decade of previous reward practices studies we have conducted with the Chicago Compensation Association and WorldatWork members. This research has received national acclaim and the findings have been presented at numerous professional meetings including the Chicago Compensation Association Breakfast Briefings and WorldatWork Annual Conferences and published in the *WorldatWork Journal* and *Compensation and Benefits Review*.

About the Speaker – Dr. Dow Scott



Dr. Dow Scott is a Professor of Human Resources in the Graduate School of Business and the Institute of Human Resources and Employment Relations at Loyola University Chicago. Dr. Scott specializes in compensation, incentive pay, program evaluation, and high performance organizations. Dr. Scott has over 100 publications, including his book *Incentive Pay: Creating a Competitive Advantage* and articles on pay communications, rewards and engagement, alignment of rewards programs with business strategy, variable pay and evaluating reward programs. His current research is focused on global reward programs, specifically pay fairness from a multi-country and culture perspective.

Dr. Scott has consulted with diverse organizations on pay and other human resources issues including AMICO, Mississippi State University, AT&T, Groendyke Transport, Landstar Systems, Sara Lee Corporation, HNI Risk, Marsh, Inc., Hebrew Home, Xaloy, Hay Group, Alabama Manufacturing Company, and USG. Prior to pursuing an academic career, Dr. Scott held a variety of human resource positions at the B.F. Goodrich Company.

9 Essential Skills of HR Management

As you consider your personal/professional development plans for the New Year, consider these essential skills identified by HRDailyAdvisor@nl.blr-news.com. How many of these do you have?

1. Organization: organized files, time management, personal efficiency
2. Multitasking: multiple questions/issues from multiple individuals
3. Discretion & Business Ethics: maintenance of confidentiality; strength to push back when things aren't right
4. Dual Focus: considering the needs of both employees and management
5. Employee Trust: advocating for employee concerns & enforcing management policies requires delicate balance
6. Fairness: clear communication, listening, consistent policy administration, maintenance of privacy & respect
7. Dedication to Continuous Improvement: innovation, leveraging technology, coaching/developing employees
8. Team Orientation: understanding team dynamics to help teams work together better
9. Strategic Orientation: take a leadership role and influence management's strategic path

Benefits of CCA Membership

CCA Membership Benefits include:

- Discounted WorldatWork Courses held in Central Ohio
- Discounted Meeting & Seminar Fees
- Discounted Meeting & Seminar Fees at Local Network Partner Associations in our region
- Individual Membership that transfers with the Member
- Excellent networking opportunities
- Membership Directory
- Member Newsletters
- Enhancement of Professional Knowledge & Skills
- Complimentary Job Postings on the CCA Website

In the News



SEC Adopts Say-on-Pay Final Rule (www.shrm.org - 1/31/2011)

- The new rule specifies that say-on-pay votes required by the Dodd-Frank Act must occur at least once every three years beginning with the first annual shareholders' meeting taking place after Jan. 20, 2011.
- Public companies must hold a frequency vote at least once every six years so shareholders may decide on how often they would like to be presented with the say-on-pay vote.
- Small public companies with a float of less than \$75 million are not required to conduct say-on-pay and frequency votes until annual meetings occurring after January 20, 2013.

Possible FLSA Recordkeeping Rule Could Have Huge Impact on Employers (compensation.blr.com – 01/27/2011)

- Department of Labor issued its Spring Regulatory Agenda 2010 which identified a proposed rule, "Right to Know Under the Fair Labor Standards Act" that would require employers to:
 - Perform a written classification analysis for every worker that is excluded from FLSA coverage
 - Disclose the individual analysis to each worker
 - Retain the documents in the event of a Wage & Hour Division investigation
- 18% of poll respondents indicated it would take their organization 6 months to complete every classification analysis; 16% indicated it would take even more time. (Note: 20% reported it would take them one week, presumably smaller organizations.)

On Street, Pay Vaults to Record Altitude (*Wall Street Journal* – 02/02/2011)

- Total compensation at publicly traded Wall Street banks and securities firms hit a record of \$135 billion in 2010. This total is up 5.7% from \$128 billion in combined compensation and benefits by the same companies in 2009.
- Deferred compensation increased to about half of total pay compared to about a third previously. This may be in reaction to criticism that shorter-term incentives led to greater risk-taking.
- Firms also increased base salaries in 2010 in hopes to decrease turnover and improve employee performance.

Ohio Mexican Restaurants Owed Workers \$400K (www.nbc4i.com – 02/10/2011)

- 130 workers will receive almost \$400,000 in back pay from a group of nine (9) Mexican restaurants across northern Ohio that the U.S. Labor Department says failed to pay overtime or provided no base pay to employees making tips.
- Cooks, dishwashers, and bussers worked up to 65 hours a week and did not receive required overtime for hours above 40.
- Servers took home only their tips. The restaurants did not keep accurate pay and time records.

US Labor Department Recovers More Than \$934,000 in overtime back wages for 479 employees of UnitedHealthcare in Hartford, Conn. (www.ttkn.com – 02/10/2011)

- U.S. Department of Labor has recovered \$934,551 in overtime back wages for 479 employees and \$104,280 in civil money penalties after determining that the employees had been incorrectly classified as exempt from the FLSA.
- DOL conducted 90 employee interviews and reviewed time and payroll records for 21,000 employees at the Hartford, Connecticut location of UnitedHealthcare; employees in several occupational categories were incorrectly classified as administratively exempt. The Hartford location specializes in IT, finance, actuarial, and underwriting operations.
- The company also failed to include certain compensation for employment in workers' regular rates. Additional recordkeeping violations occurred when records of hours worked were not maintained for those who had been misclassified as exempt.

Largest Merit Increases Since Start of Financial Crisis on Tap (www.shrm.org – 02/25/2011)

- In 2011 U.S. employers are planning to give employees the largest merit increases since the start of the financial crisis according to a survey by Towers Watson.
- Towers Watson's survey found that companies are budgeting merit increases of 3% for 2011. In addition, 5% of U.S. companies plan to freeze salaries for all workers in 2011, the same percentage as 2010.
- The article also indicated other viewpoints:
 - Bureau of National Affairs' first-quarter Wage Trend Indicator pegged the 2011 rate of annual wage and salary growth for private-sector workers in the U.S. at close to 2%
 - Hay Group predicted mean base salary increases for U.S. employees of 2.8%.
 - Duke University/CFO Magazine Global Business Outlook survey found that CFO's expect wages will rise 2.5% in 2011

Note: An article titled, "Pay Freezes Are Melting" based on the same Towers Watson data appeared on www.cfo.com on 3/7/2011.

Organizations Remain Conservative on Salaries, Focus on Performance-Based Incentives (www.worldatwork.org – 02/25/2011)

- 240 compensation and HR practitioners participated in a poll by Pearl Meyer & Partners and WorldatWork.
- Nearly two-thirds (63%) indicated salary budgets will be between 2% & 3% in 2011; 12% do not plan increases in 2011.
- 30% of respondents indicated they plan to expand eligibility or increase award levels for variable pay vehicles.
- More than half of survey respondents differentiated competitive pay positioning among their broad-based employee populations – maximizing compensation dollars to ensure critical functions/roles are targeted at more aggressive competitive levels of pay

February Meeting Recap: Promotional Guidelines with Kerry Chou



On February 16th, Columbus Compensation Association sponsored Kerry Chou, Senior Practice Leader at WorldatWork, who covered the topic of “Promotional Guidelines.” Mr. Chou discussed how the current environment impacted employee satisfaction, the importance of promotional activity within total rewards, results of a survey on current promotional practices, and the implications of these topics.

Mr. Chou discussed the drivers of employee satisfaction, such as cash, benefits, boss relationship, work-life balance, promotions/career development, and recognition. He then talked about the current environment: declining job losses, the increased cash reserves of companies, and the recovery of salary budgets (though still at historic lows). Companies typically have three promotion-generating activities: organizational growth (which is down), vacancies as employees leave for other companies (down due to the uncertain labor market), and retirements (down due to the decrease in 401k balances). Based on these factors, what does the Total Rewards Scorecard look like?

- Cash Compensation – Down due to low increases and low incentive payments
- Benefits – Down due to another year of double digit cost increases
- Boss/Subordinate Relationship – effect may be up or down depending on the organization
- Work-Life Balance – Down; productivity of workers has increased by 3.5%, but since companies are not adding workers, this productivity gain implies more work is done by fewer employees
- Promotional Opportunities/Career Development – Down (as noted above)
- Recognition – dependent upon the organization; may be up or down

Based on these factors, job satisfaction is declining. Intangible rewards, such as career/development opportunities, flexible work arrangements, and non-financial recognition, remain important.

Mr. Chou then discussed the results of a Promotional Guidelines survey completed in conjunction with WorldatWork (full survey available on WorldatWork’s website):

- Definition of Promotion: 32% of organizations required an increase in pay grade, band or level AND an addition of higher level responsibilities to be considered a promotion.
- Size of Promotions: Promotional increases have remained fairly consistent and have not been diminished by the state of the economy.
- Size of Promotional Increase by Level of Turnover: the survey did find that employers with the highest turnover have the highest promotion percentages; study authors concluded that these might be more “pay sensitive” industries where employees will turnover for small increments in pay.
- Number of Promotions: While the average increase percentage remained steady during the economic turmoil, the number of promotions has decreased.
- Funding of Promotional Increases: 44% of companies budget for promotional increases separate from other pay increase budgets.
- Promotions & Merit Increases: 46% of companies include promoted employees in the nearest merit increase.
- Promotions & Bonuses: 43% of companies payout bonuses based on pro-ration of previous and new rates.
- Frequency/Timing: Most organizations do not have a limit on how often employees may be promoted or when they may be promoted during the year.

Implications of these findings on Motivation, Engagement, and Attraction were discussed. Mr. Chou argues that communicating promotional practices might be a “low hanging fruit” that could increase an organization’s employee engagement. Another point to consider is whether lateral increases make sense for your organization (57% of organizations said they do not provide increases for lateral moves).

Mr. Chou then entertained questions and answers, including what type of differential between subordinate/supervisor (he recommended 10% or more) and how much should you set aside in a separate budget for promotional increase (he recommended about 1% of total salaries).

Conference Call & Virtual Meeting Etiquette



Does your company manage travel costs by hosting more conference calls and virtual meetings? According to a 2009 Harris Interactive Poll, 15% of interviewed people said their companies were encouraging them to use teleconferencing and videoconferencing to reduce or eliminate travel. Do you have geographically dispersed team or customer group that requires frequent meetings?

Have you ever been on a conference call and had to listen to music because one of the participants on the call put the call on hold? Have you had to listen to people eating or typing while they should be focusing on the content of the call? There are some behaviors that are acceptable during conference calls and some that are not. We offer you some tips and hints when hosting or participating in a conference call and/or virtual meeting. At the bottom, we have listed additional resources with additional tips and hints.

Do

- Pay attention to time zones when setting up the meeting to be sure to accommodate participants and avoiding lunch times or requiring someone to stay late or arrive early if at all possible.
- Remember that this is still a business meeting, even though occurring virtually.
- Distribute meeting materials in advance of the meeting, including agendas, documents, passcodes, etc.
- Test technology prior to the meeting and have a backup plan in case your technology fails.
- Start the meeting on time instead of rewarding lateness. Conduct a roll call.
- Treat the conference call like any other in-person meeting: have an agenda, take notes, & keep on schedule.
- Be aware of background noise. Use your mute button if you cannot find a quiet place to take the call.
- Pay attention and listen. Put away mobile devices.
- Speak in a normal tone of voice.
- Refer to slide numbers or page numbers if using a previously sent presentation.
- Ask “What questions do you have?” instead of “Are there any questions?”
- Frequently go around the “virtual room” and get input from participants.
- Send notes out soon after the meeting is completed.

Don't

- Use cell phones or phones that pick up background noise.
- Assume everyone recognizes your voice. Say your name before continuing with your comments.
- Eat or drink while on a video or teleconference.
- Engage in side conversations.
- Place your phone on hold. Exit the call and return when you have handled your other issue.
- Multitask.
- Take the call while driving. In some cases, this is illegal.
- Interrupt. Wait for others to finish speaking.

Sources for additional information:

- <http://blogs.digium.com/2010/06/02/conference-call-etiquette/>
- <http://www.asaecenter.org/PublicationsResources/whitepaperdetail.cfm?ItemNumber=24336>
- <http://management.networkingforprofessionals.com/blogs/2009/02/17/conference-call-etiquette-%E2%80%93-15-dos-and-don%E2%80%99ts-of-multi-way-phone-conversations/>
- <http://www.shrm.org/hrdisciplines/technology/Articles/Pages/BehaveOnCamera.aspx>
- http://www.winstonbrill.com/bril001/html/article_index/articles/601-650/article601_body.html
- http://www.cio.com/article/184550/Running_an_Effective_Teleconference_or_Virtual_Meeting?contentId=184550&slug=&
- <http://ezinearticles.com/?The-Secrets-to-Masterful-Virtual-Meetings&id=2569266>
- <http://wealth.moneycontrol.com/authorarticle.php?id=2161>

Save the Date – Upcoming Meetings & Courses

Meetings:

2011 Meeting Calendar: Please mark your calendar to attend the following meetings.

June 21, 2011	Lunch Meeting
September 21, 2011	Breakfast Meeting
November 15, 2011	Breakfast Meeting

*All meetings held at the Fawcett Center.

CCA Sponsored Courses:

Date	Course
April 25 & 26, 2011	T1: Total Rewards Management ***see attached flyer***
June 6 & 7, 2011	C17: Market Pricing: Conducting a Competitive Pay Analysis
August 8 & 9, 2011	T4: Strategic Communication in Total Rewards
October 17 & 18, 2011	C2: Job Analysis, Documentation, and Evaluation

*All courses held at the Quest Business Center. Register at www.worldatwork.org/register/cca.

Local Network Partner Sponsored Courses:

Sponsor	Location	Date	Course
Bluegrass Compensation Association (www.bluegrasscomp.com)	Lexington, KY	July 19-20	C12: Variable Pay
Compensation & Benefits Professionals of Indiana (www.cbpi.org)	Indianapolis, IN	April 11-12	C12: Variable Pay
		Oct. 17-18	C17: Market Pricing
Greater Cincinnati Compensation & Benefits Association (www.gccba.com)	Cincinnati, OH	April 4-5	C2: Job Analysis
		Oct. 10-12	T2: Accounting & Finance
Louisville Compensation Association (www.loucomp.net)	Louisville, KY	April 14-15	C1: Compensation Regulatory Environments
		Oct. 6-7	C17: Market Pricing
Penjerdel Employee Benefits Association (www.peba.org)	Philadelphia, PA	March 23-24	B12: Benefits Outsourcing
		March 23-24	C1: Compensation Regulatory Environments
		May 18-19	C4: Base Pay Administration
		June 15-16	B1: Benefits Regulatory Environments
		June 15-16	T4: Strategic Communication
		July 20-21	T3: Quantitative Methods
		Sept. 14-15	B3: Health & Welfare Plans
		Sept. 14-15	C17: Market Pricing
		Oct. 12-13	T1: Total Rewards
		Nov. 9-10	T2: Accounting & Finance
Western Pennsylvania Total Compensation Group (www.wptca.org)	Pittsburgh, PA	Nov. 9-10	C12: Variable Pay
		May 16-17	GR7: International Remuneration
		Aug. 8-9	C4: Base Pay Administration
		Nov. 7-8	T3: Quantitative Methods

*CCA members are eligible for discounted rates with our Local Network Partners.

2011 CCA Board Members

<p>PRESIDENT Michael Kalan, CCP Compensation Consultant Ohio State University Medical Center Department: HR Shared Services 660 Ackerman Rd. PO Box 183100 Columbus, OH 43218-3100 614-293-7996 office Michael.Kalan@osumc.edu</p>	<p>PAST PRESIDENT Julie Hurley, CCP Sr Human Resources Consultant Cardinal Health 7000 Cardinal Place Dublin, OH 43017 614-553-4407 office 614-652-8356 fax Julie.Hurley@cardinalhealth.com</p>
<p>VICE PRESIDENT MEMBERSHIP Rebekah Marette Senior Compensation Analyst Express, Inc. One Express Drive Columbus, OH 43230 614-474-4155 office RMarette@express.com</p>	<p>VICE PRESIDENT PROGRAMMING Maureen Koblentz Compensation Manager Ohio State University Medical Center Department: HR Shared Services 660 Ackerman Rd PO Box 183100 Columbus, OH 43218-3100 614-293-7412 office Maureen.Koblentz@osumc.edu</p>
<p>TREASURER Sally Weisman, CPA, CCP, GRP Manager, Compensation Express, Inc. One Express Drive Columbus, OH 43230 614-474-4818 office SWeisman@express.com</p>	<p>SECRETARY Meredith Salata, CCP Compensation Consultant Battelle 505 King Avenue Columbus, OH 43201 614-424-3460 office salatam@battelle.org</p>
<p>COMMUNICATIONS Judith Juodvalkis, CCP, GRP Compensation Manager Exel Logistics 570 Polaris Parkway Dept 140 Westerville, OH 43082 614-865-8508 office 614-865-8871 fax Judith.L.Juodvalkis@exel.com</p>	<p>FACILITIES Rupal Brich, CCP Sr. Compensation Consultant Sterling Commerce, Inc. 4600 Lakehurst Ct PO Box 8000 Dublin, OH 43016 614-791-5715 office rbrich@yahoo.com</p>
<p>PROFESSIONAL DEVELOPMENT David Giesman, CCP, CBP, PHR Director of Compensation & Benefits The Limited 7775 Walton Parkway New Albany, OH 43054 614-289-2140 office dgiesman@thelimited.com</p>	<p>TECHNOLOGY Mark Briggs, SPHR Senior Human Resources Consultant Nationwide One Nationwide Plaza Columbus, OH 614-249-7322 briggsm@nationwide.com</p>

Watch for Your Next CCA Newsletter in mid-May

A major purpose of the Columbus Compensation Association (CCA) is to enhance and promote the total compensation profession. If you are interested in providing content for the newsletter or feedback, please contact info@columbuscomp.org. Deadline for content for submission is **May 6, 2011**



Columbus Compensation Association

is pleased to sponsor the following:

Total Rewards Management

WorldatWork Certification Course T1

April 25 & 26, 2011

About the Course:

Attract, Motivate & Retain Employees with Effective Rewards Programs

Learn what is required to formulate a rewards program that has the power to attract, motivate, and retain – total rewards. Participants are introduced to the total rewards model and each of its components. Emphasis is given to the five elements of total rewards: compensation, benefits, work-life, performance and recognition, and development and career opportunities.

- Gain an understanding of total rewards management
- Discover the five elements of total rewards
- Understand the critical role of the main drivers – organizational culture, business strategy, and human resources strategy
- Learn the process of designing a successful total rewards strategy

Who Should Attend:

Course T1 is designed for professionals who want a basic overview of the components that can create an effective balance in employee rewards tools. This includes professionals new to human resources, HR generalists, and line managers.

Location:

The seminar will be held at the Quest Business Center, 8405 Pulsar Place (corner of Rt. 71 & Polaris Parkway).

Credits:

CCP/CBP/GRP = Required; Recertification: 2 credits for course, .5 for Exam; CEUs = 1.5 credits course, .3 for exam; PHR/SPHR/GPHR recertification hours = 16 (classroom)

Cost:

	Course & Exam	Course Only
CCA or Midwest association member	\$1,015	\$895
non-CCA WorldatWork member	\$1,125	\$990
non-CCA and non-WorldatWork member	\$1,645	\$1,480

Register Today: www.worldatwork.org/register/cca