

**TOTAL REWARDS :
BEST PRACTICES FOR
NON-PROFITS**

Answer the following question:
At what point (how many employees) should an organization have, before establishing a formal compensation program????

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(She/Her/Hers)
Consultant, Non-Profit HR**

A leader is best when people barely know he exists, when his work is done, his aim fulfilled, they will say: we did it ourselves.
- Lao Tzu

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**"I DON'T PAY GOOD
WAGES BECAUSE I HAVE
A LOT OF MONEY; I
HAVE A LOT OF MONEY
BECAUSE I PAY GOOD
WAGES"**

~ Robert Bosch
Inventor, engineer and industrialist – founded Bosch
(automotive parts)

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TODAY AGENDA

- Lori Ann CEO at Pine Castle – Shared Experience – Case Study
- Compensation Philosophy
- Types of Compensation
- Benefits of Compensation Plan
- Total Rewards/Compensation Statement
- How to Use the Compensation & Benefit Survey – provided by Nonprofit Center of Northeast FL
- Advanced & Basics of Building a Compensation Plan
- Florida Minimum Wage Impact
- Q & A

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**LORI ANN WHITTING
CEO OF PINE CASTLE**

How the Compensation Survey helped my organization.

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COMPENSATION PHILOSOPHY

- Tells the story of who you are as an organization and what you value as an organization.
- Provides consistency in three areas: among department, over time and as the company grows
- Strategy that links the different compensation programs and pieces into one.
- Aligns with the business objectives and is focused. i.e. not "attract, motivate and retain the best people"

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COMPENSATION PHILOSOPHY

- Attract New Talent – Retain Existing Talent**
 - Attract people to join the organization
 - Motivate employees to perform at the best of their competencies, abilities and skill sets.
 - Retain key talent and reward high performing employees.
- Lead the Market – Lag the Market**
 - Define the competitive market position of the organization in relation to base pay, variable compensation and benefit opportunities.
 - Define how the organization plans to pay and reward competitively based on business conditions, competition and ability to pay.
- External Equity – Internal Equity**
 - Ensure equal pay for equal work, with allowable pay differences based on factors not prohibited by law.
 - Pay is based on work not how well someone negotiates into the position.

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COMPENSATION STRATEGY

Business Strategy → **Compensation Strategy/Philosophy** ← **Contingent Factors**

Possibilities

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TYPES OF COMPENSATION

- People willing to work in exchange for rewards.
 - Started as a barter system
 - Financial; wages or salary
- Straight salary
- Commission Only
- Salary Plus Commission
- Piece Rate

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COMPONENTS OF TOTAL REWARDS

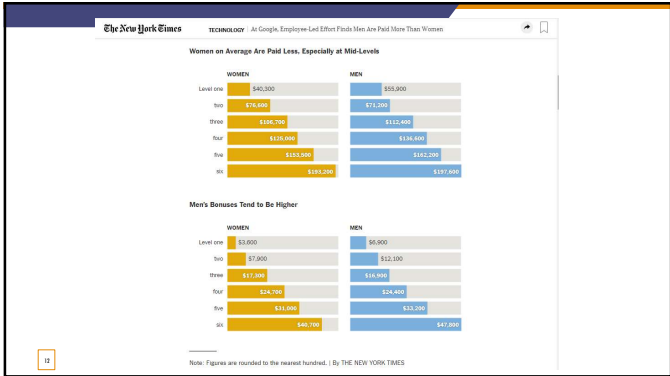
- Financial**
 - Base Pay: Wages/Salary
 - Variables Pay: Bonuses and Incentives
 - Benefits: Health/Medical, Vacation/Sick Pay, Unemployment, Workers' Compensation, Social Security, Retirement, Paid Family Leave, Tuition reimbursement.
- Non-Financial**
 - Employee Discounts, Recognition
 - Flexible work schedule
 - Inexpensive day care options for children
 - Favorable work situation
- Performance & Talent Management**
 - HR Development
 - Career & Succession Planning
 - Performance Appraisals
 - Training / Professional Development

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BENEFITS OF COMPENSATION PLAN

- Proportionality**
 - Market Data
 - Distributive Fairness
 - Procedural Fairness
- Performance**
 - Compensation Strategy
 - Key Organization Goals
 - Job related performance tied into compensation
- Recruitment & Retention**
 - Employer Brand
 - Transparency
 - Competitive with Market

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TOTAL COMPENSATION STATEMENT

- 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

MY TOTAL COMPENSATION

Dear Jim,

Our Company offers one of the most highly competitive compensation packages available. As a valued member of our team, we want to ensure you are getting the most out of your compensation. We have members get feedback, share and save coverage, with all employer match. A flexible spending account and much more that we want you to know everything about being a Company team member.

Thank you for being a part of our team!

Human Resources

What Is Total Compensation?

Your total compensation consists of all things more than just your paycheck. In addition to your cash compensation, which includes your base salary, bonuses, long term incentives and equity, the Company also contributes a significant amount of money toward your benefits, such as retirement plans, profit sharing, health & wellness and more.

My Annualized Total Compensation

\$153,000

- Base Pay = \$130,000 / 85%
- Bonus = \$12,000 / 8%
- Health = \$8,000 / 5%

*Excludes non-cash compensation programs of defined benefit and other plans.

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THE ADVANCE VERSION OF BUILDING COMPENSATION PLANS

- Compensation Philosophy
- Conduct Job Analysis
- Grouping into Job Tiers/Families
- Ranking Positions using Job Evolutions
- Conduct Market Research
- Create Job Grades
- Create Salary Range Based on Research
- Update and Aging the Data

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BASICS OF BUILDING A COMPENSATION PLAN

- Determine your Compensation Philosophy
- Pull a report of all current staff; DOH, Salary, FLSA Status, Title.
- Review all JDs and ensure they are updated.
 - Title, Day to Day Responsibilities, Experience, Years of Experience, Soft Skills
- What other positions are needed for organization to succeed?
- Research Market Compensation with like positions
 - Nonprofit Center of Northeast Florida
 - Indeed.com, Glassdoor.com, Salary.com etc.
 - Current posted positions within same industry.
- Review Total Rewards/Benefits
- Adjust range to reflect your organizations goals
 - Determine the overall impact and how to move forward with adjustments (if needed)

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HOW TO USE THE COMPENSATION & BENEFITS SURVEY

Hands on activity

- Review the survey being used
- Pull your salary and benefits data
- Have job description (current) available for all staff

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DEBRIEF

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CREATING A RANGE BASED ON RESEARCH

Proposed Ranges	Min	Mid	Max
Grade I	\$11.48	\$13.50	\$15.53
Maintenance I	(market salary = \$13.00)		
Administrative Asst.	(market salary = \$14.00)		
Grade II	\$15.09	\$17.75	\$20.41
Special Events Coordinator	(market salary = \$17.50)		
Community Educator	(market salary = \$18.00)		

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Grade I	
Maintenance I	Administrative Asst.
\$11.00 (green circle rate)	\$13.72
\$11.50	\$14.88
\$12.22	\$15.00
Grade II	
Communicator Educator	Special Events Coordinator
\$18.00	\$17.65
\$18.20	\$18.20
\$18.30	\$19.35
	\$19.60
	\$20.45 (red circle rate)

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FLORIDA MINIMUM WAGE INCREASE

Effective: January 1, 2021, by September 30, 2026 increase completed

- Effective immediately: \$8.56/hr to \$8.65/hr
- Over 6 periods gradually increase from \$8.65/hr to \$15/hr

- Things to consider
 - Payroll taxes
 - Strategic cost cuts
 - Consider funding to ease immediate needs
 - Wage compression

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Name	Designation	Basic Salary	Hourly	New Wage	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026
Rajani Gill	Customer Service	2567	\$8.56	\$8.65	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Sandeep Rahu	Customer Service	2567	\$8.56	\$8.65	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Vinodas K.S	Customer Service	2567	\$8.56	\$8.65	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Sharafat P	Customer Service	2650	\$8.83		\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Margaret Lee	Customer Service	2850	\$9.50		\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Shikha K	Customer Service	2850	\$9.50		\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Tom Smith	Customer Service	3500	\$11.67				\$12.00	\$13.00	\$14.00	\$15.00
Monic Baker	Customer Service	3740	\$12.47				\$13.00	\$14.00	\$15.00	
Dhiva Kumar	Customer Service	4000	\$13.33					\$14.00	\$15.00	
Shruthi P	Customer Service	4000	\$13.33					\$14.00	\$15.00	
Dheeraj P.S	Customer Service	4000	\$13.33					\$14.00	\$15.00	
Hirshon Tomly	Customer Service Lead	6000	\$16.67							
Edison ML	Customer Service Lead	6000	\$20.00							
Ajith K.C	Customer Service Lead	6500	\$16.67							
Joseph P	Manager	7000	\$23.33							
Lucia Smith	Manager	7000	\$23.33							
Halle Mel	Manager	7000	\$23.33							
Jean Dornia	Manager	7000	\$23.33							
Rakshith Patel	Manager	7500	\$26.00							
John George	Manager	8000	\$26.67							
Danish D'Souza	Director	10000	\$33.33							
Enid Paul	Director	11000	\$36.67							
Atul Manchana	Director	15000	\$36.67							
Beard P.E	Director	11000	\$36.67							
Pawan Patel	VP	12500	\$41.67							
Shardad Gandhi	VP	15000	\$50.00							
DK M	VP	17500	\$58.33							
Dharma	CEO	30000	\$100.00							

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FINAL THOUGHTS

- FLSA Categories
- Preventing employees from discussing compensation
- How do bonus fit into non-profits
- What is compression? What is red circle mean? What is green circle?
- How often do you review your ranges?

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CONCLUSION

- * Highlight the functional competencies of Total Rewards
- * Knowledge to get maximum advantage by better compensation and benefits management.
- * Benchmark across other business and functions to attract and retain good talent

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QUESTIONS??

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