Compensation & Benefits

Introduction

Compensation and benefits are important factors in the process of attracting, retaining and engaging employees.

There are a range of options available for organisations to reward their staff and recognise their contribution to the business. The most effective are those that are aligned with the needs of the business and staff and reflect the organisations purpose and performance. This course provides a framework to understand the principles of compensation and benefits, and their role in achieving the organisations purpose and goals.

The course will provide a framework to explore the linkage of compensation and benefits to business strategy and objectives.   It will examine employee motivation and the impact of compensation and benefits on performance. The most common methods of compensation and benefits will be explored in detail, in particular salary structures and systems and types of benefits and incentives.

The course will look at international and global compensation and benefit management and its impact. The course will examine ways compensation levels are calculated and methods for doing this, including job analysis and performance management tools and techniques.

The course aims to give participants an understanding of the role of compensation and benefits in the business environment. This will be achieved through providing participants with the key concepts, principles, and practical implications of compensation and benefit systems and processes. The course will give participants the skills and knowledge to effectively perform compensation and benefit management activities in the workplace.

Objectives

By the end of this course participants will be able to:

- Define the nature and purpose of compensation and benefits in the business environment
- Assess how to link compensation and benefit strategies to business objectives.
- Describe the factors that impact on employee motivation and the impact on compensation and benefit options
- List the methods, processes and policies that are used in organizations to administer compensation and benefits.
- Apply the PESTLE technique
- Explain the main salary structures and systems used in organisations
- Describe the rationale for using benefits and incentives and the issues that need to be managed
- Identify the different types of benefits available in organisations
- Evaluate the factors that need to be considered when designing benefit plans
- Explain how Balanced Score Card and Key Performance Indicator (KPI) techniques are used
- Describe several incentive plans and the issues that need to be considered when

designing them
- Identify the main factors that impact on compensation and benefits in organisations working in an international arena
- Evaluate the issues and challenges that impact on compensation and benefit strategies in multi-national organisations.
- List the similarities and differences in international and global compensation packages
- Compare the effectiveness of different packages for organizations working in an international and global setting.
- List the factors that need to be considered when designing an international compensation package
- Explain the role and purpose of job analysis in compensation and benefit management
- Summarize the similarities and differences of job evaluation packages
- Describe the purpose of statistical tools that are used to manage compensation

Content
A sample of what is covered includes:

Session 1   The Nature and Purpose of Compensation and Benefits
The first session begins with group introductions and course objectives before generating an open discussion of the current knowledge and experience of Compensation and Benefits of those attending.

This will be followed by a discussion of the role of Compensation and Benefits in today's business environment, and why compensation and benefit strategies are increasingly important to achieving business objectives.

Session 2   Business Linkage to Compensation and Benefit

This session provides a framework that links business strategy and objectives and the compensations and benefits strategy.

The group will examine several examples of business objectives and discuss and agree what would be effective compensation and benefit strategies to meet the different business objectives.

Session 3   Employee Motivation
In this session the group will explore employee motivation and the factors that need to be considered to ensure that compensation and benefits have a positive impact on performance.

The main models of employee motivation will be covered and discussed.

Participants will have the opportunity to self-assess their preferred workplace motivators and then the motivators of the group will be collected so the similarities and differences in the group can be identified.
From this the group will summarize the factors that motivate employees in the workplace.

Session 4   Compensation and Benefits Administration

This session covers the methods, processes and policies that can be used in organizations to administer compensation and benefits.

Using case study examples and the PESTLE technique, participants will work in small groups to assess the main issues involved in the administration of compensation and benefit systems, and then will list the factors that need to be managed to ensure the administration processes are fit for purpose.

Compensation and Benefit Processes

Session 5   Salary Structure and Systems

In this session participants will learn about salary structures and systems used in business. The participants will work in small groups to identify the systems and structures that they are familiar with from their own working experience.

The session will cover in detail the salary systems of
- Base Pay
- Variable pay
- Performance Related Pay
- Team compensation

Each of these systems will be evaluated by the participants who will work in small groups to identify:
1. the issues to be managed when using the system
2. when the system is most appropriate to be used.

The participants will then be told about other salary structures and systems that are used in business, and the rationale for their use, so that they are aware of the variety of systems in the business environment.

Session 6   Benefits and Incentives - The rationale for using them and the issues to be managed

In this session participants will identify the types of benefits and incentives that are available to employees in the workplace, and the issues that need to be considered when using them.

Firstly, the group will discuss the types of benefits that are available in the workplace.

Then participants will work in small groups to research the different types of benefits that are used by organisations in the business world today.

Each small group will focus on one benefit and will
- assess the rationale for using the benefit
- list the issues that need to be managed when using it
- present their findings to the whole group.

Session 7   Benefits

This session examines the main types of benefits that are available in workplaces. Participants will work in small groups to investigate the factors that need to be considered when designing benefit plans, and will examine common benefit plans including
- Healthcare
- Insurance

- Retirement

Other benefit plans that are used in the workplace will be shared with the group, so participants are aware of many of available workplace benefits.

Session 8   Incentives

In this session the group will look at the types of incentives that are used in the business world and the reasons for using them.

The group will firstly identify the types of benefits used in their own organization and then participants will be given a list of the incentives used in business and the reasons for their use.

The group will examine in detail two techniques
- The Balanced Score Card
- Key Performance Indicators

Finally, the group will look at different incentive plans including
- Long-Term Incentives
- Stock Options
- Incentive Pay Programs
- Share of Success

The participants will work in small groups and discuss and then list the issues that need to be considered when designing incentive Plans.

International and Global Compensation & Benefits Management

Session 9   Approaches to International Compensation and Benefits

This session gives participants a framework that outlines the main approaches to international compensation and benefits.
In the session participants will learn about three main factors that impact on compensation and benefits in organisations working in an international arena:
1. The degree of standardisation or localization
2. The business orientation – Polycentric, Ethnocentric, Regiocentric or Geocentric
3. Approaches to staffing - Parent Country Nationals, Host Country Nationals, Third Country Nationals

Session 10   Issues and Challenges of Equity Between home and host Location

Following on from Session 1, in this session the participants will be asked to investigate and evaluate the issues and challenges that impact on the compensation and benefit strategies in multi-national organisations.

Session 11   Comparison of Packages — Similarities and Differences
In this session participants will discuss international and global compensation packages and be asked to list what they offer and then to assess their similarities and differences.

Participants will then be asked to assess the potential effectiveness of the different strategies in delivering a useful package for an organization working in an international and global setting.

Session 12   Designing Successful International Compensation Packages
In this session participants will use the knowledge from the previous sessions to design compensation packages that will be successful for an organisation working in the international arena.

Participants will work in small groups to identify a compensation package for an organizational case study.
They will then be asked to provide a rationale for the compensation package selected by the group and to identify the issues they have considered in their design.
The small groups will present their design to the whole group and get feedback.

A checklist of the factors that need to be considered when designing an international compensation package will be produced by the whole group.

Job Analysis & Performance Management Roles

Session 12   Job Analysis (Understanding Jobs, Job Analysis, Job Evaluation and its applications)

In this session participants are introduced to the technique of job analysis. They will be given definitions of 'job analysis' and 'job evaluation' and the role and purpose of job analysis in compensation and benefit management will be explained.

The participants will be given job examples so they can practice job analysis and the factors that impact on evaluating and assessing the level of compensation applied to the job.

Participants will be then asked to identify the main issues that need to be considered and managed when undertaking the job analysis process.

Session 14   Comparison of Packages — Similarities and Differences

The group will be introduced to the main packages that are available and then the participants will be asked to summarize what is offered by each package.

Then to ensure they have an understanding of the key attributes of each package the participant will be asked to identify the similarities and differences between them

Session 15   Statistical Tools for Compensation Management

In this session participants will be introduced to several tools that can be used to manage compensation, including:
- o   Quantitative concepts
- o   Statistics — Organizing and Analyzing Data
- o   Time Value for Money
- o   Statistical Modeling

The purpose of each tool and how it can be utilized and applied in the workplace will be discussed and participants will work in small groups to assess how a tool can be used to manage compensation. Each group will then present their findings to the whole group.

Session 16   Consolidation

The final session of the course is designed to review the content covered and consolidate learning through the development of practical action plans that can be commenced on return to the working environment.

A final group exercise puts skills learnt into practice with final feedback from trainer:

- Question / answer
- Action Planning
- Skills practise
- Review
- Feedback