

INSTRUCTOR FOR THE COURSE OF HR MANAGEMENT

Yuliya Vershilo, the Head of Compensation & Benefits in the Bank

Human Resource Management | Saint Petersburg State University of Finance and Economics, 2005

Ph.D. in Economics | Saint Petersburg State University of Finance and Economics, 2009

International GRP Certification: Global Remuneration Professional |CBSD Thunderbird - World at Work, 2019

Grading Program | CBSD Thunderbird - World at Work, 2021

TCF (Test of French Language Proficiency) | Institut Français, 2023

More than 19 years extensive experience in the field of HR management including:

- ✓ Talent acquisition and selection.
- ✓ Creating compelling Employee Value Propositions (EVPs),
- ✓ Training and development,
- ✓ Compensation and benefits
- ✓ People analytics

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HR ESSENTIALS: A COMPREHENSIVE GUIDE TO MODERN HUMAN RESOURCE PRACTICES

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HR ESSENTIALS: A COMPREHENSIVE GUIDE TO MODERN HUMAN RESOURCE PRACTICES

Module 1: *Introduction to Human Resource Management*

Module 2: *Talent Acquisition and Onboarding*

Module 3: *Performance Management and Employee Development*

Module 4: *Compensation and Benefits Management*

Module 5: *Employee Relations and Engagement*

Module 6: *HR Metrics and Analytics*

Module 7: *Future Trends in HR Management*

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HR ESSENTIALS: A COMPREHENSIVE GUIDE TO MODERN HUMAN RESOURCE PRACTICES

Module 4: Compensation and Benefits Management

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COMPENSATION AND BENEFITS MANAGEMENT

Key topics:

- The Role of Compensation and Benefits in Human Resource Management
- Fix pay. Job Analysis and Job Evaluation
- Performance Management and Variable pay
- Employee Benefits and Recognition
- Designing Compensation Structures
- Compensation Communication and Transparency



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I. THE ROLE OF COMPENSATION AND BENEFITS IN HUMAN RESOURCE MANAGEMENT

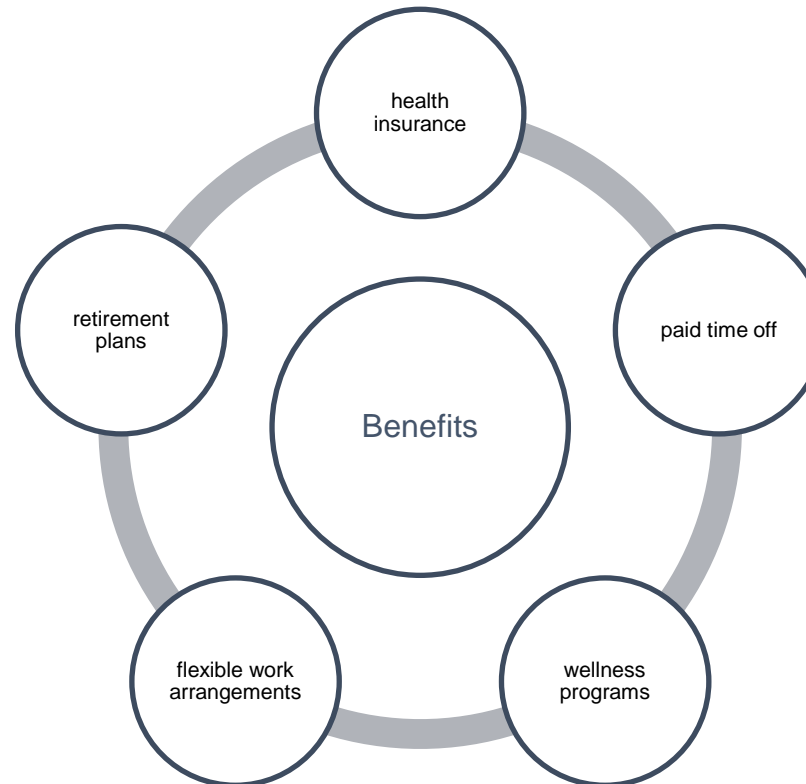
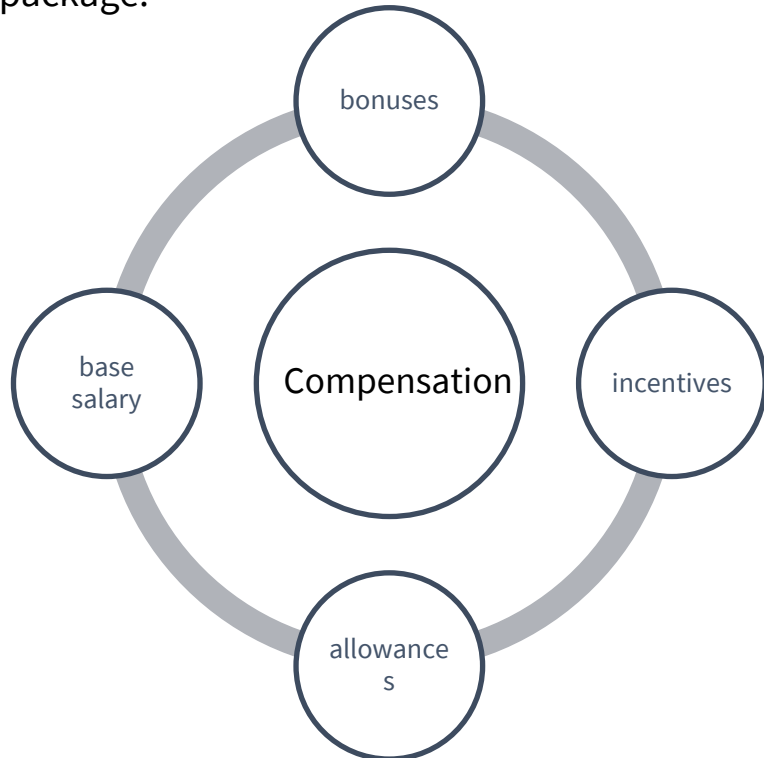


DEFINITION OF COMPENSATION AND BENEFITS

In the dynamic realm of Human Resource Management, the concept of compensation and benefits stands as a cornerstone, ensuring the attraction, retention, and motivation of talented individuals within organizations.

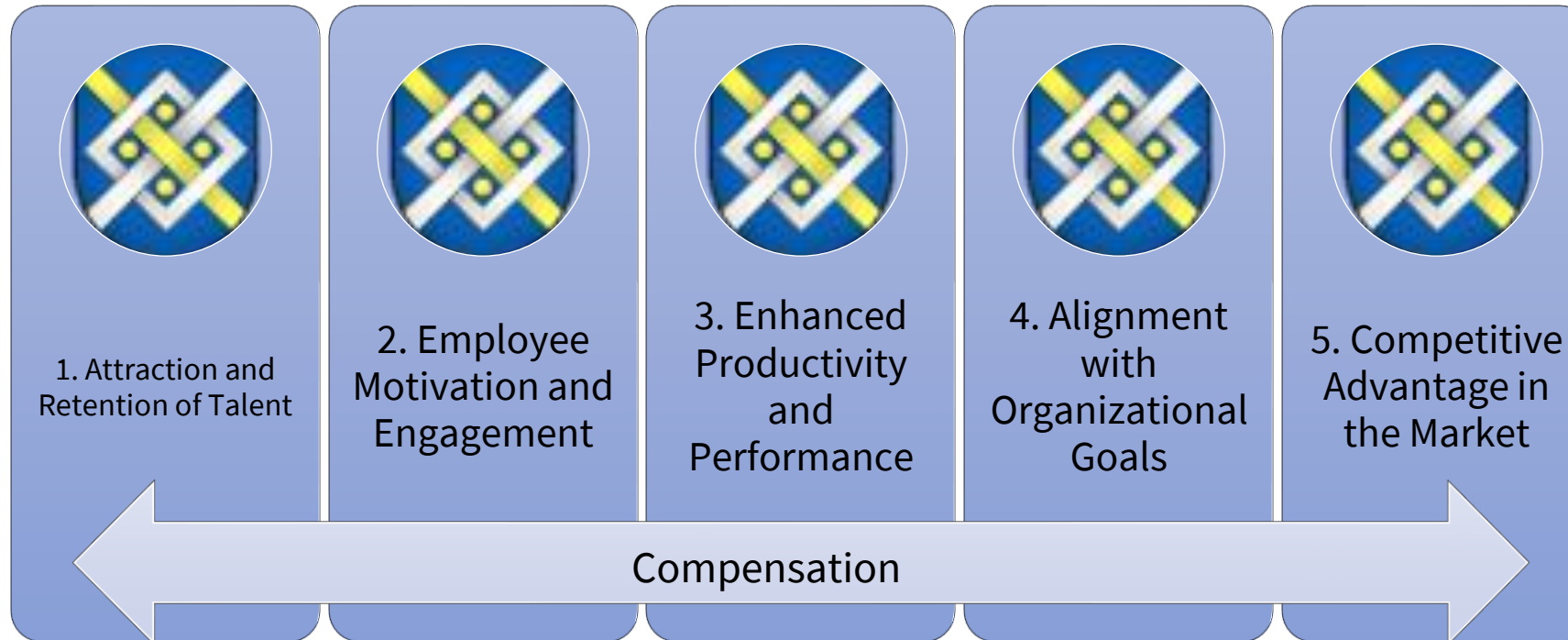
Compensation refers to the monetary remuneration provided by an organization to its employees in exchange for their work and services rendered.

Benefits, on the other hand, encompass the non-monetary rewards and services provided to employees as part of their employment package.



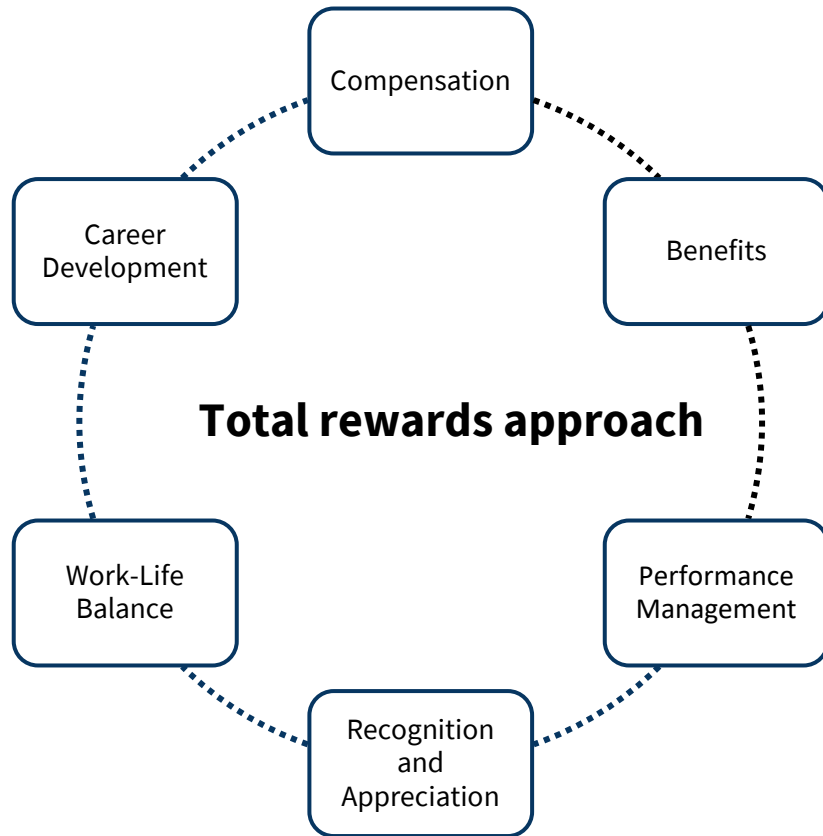
IMPORTANCE OF COMPENSATION AND BENEFITS MANAGEMENT

Effective management of compensation and benefits is paramount for organizations striving to attract, retain, and motivate top talent in today's competitive business landscape. The intricate balance between offering competitive pay and providing valuable benefits plays a crucial role in driving employee satisfaction, engagement, and ultimately, organizational success.

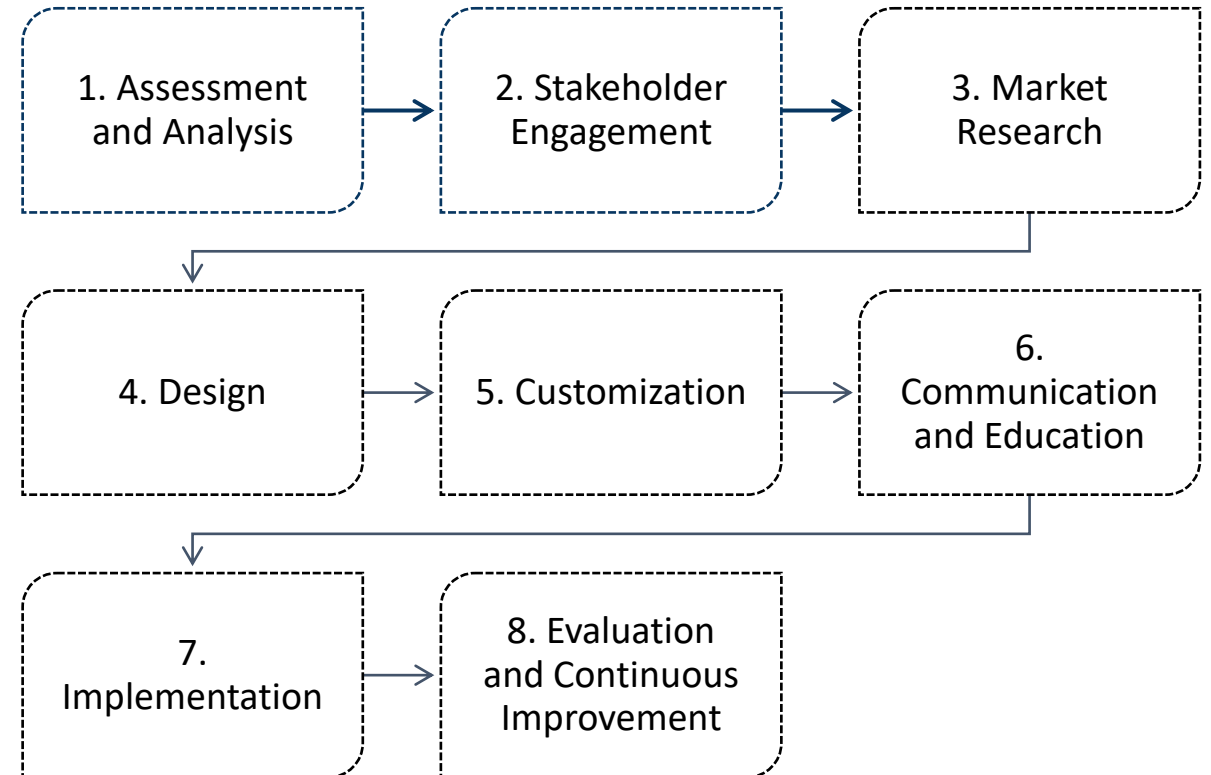


TOTAL REWARDS STRATEGY

A Total Rewards Strategy is a comprehensive approach that organizations use to attract, retain, motivate, and engage employees by offering a combination of financial and non-financial rewards. It goes beyond traditional compensation packages to encompass a wide range of benefits, incentives, recognition programs, and career development opportunities.

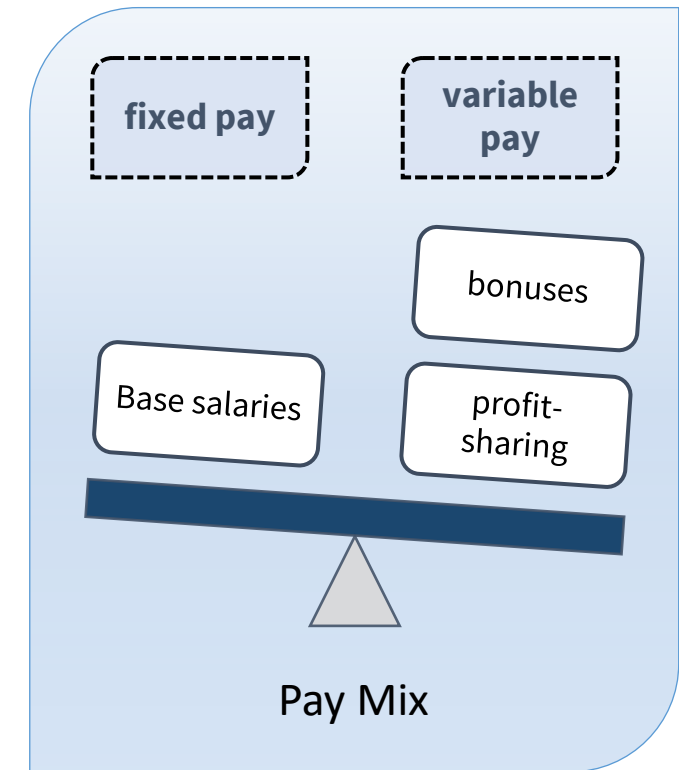
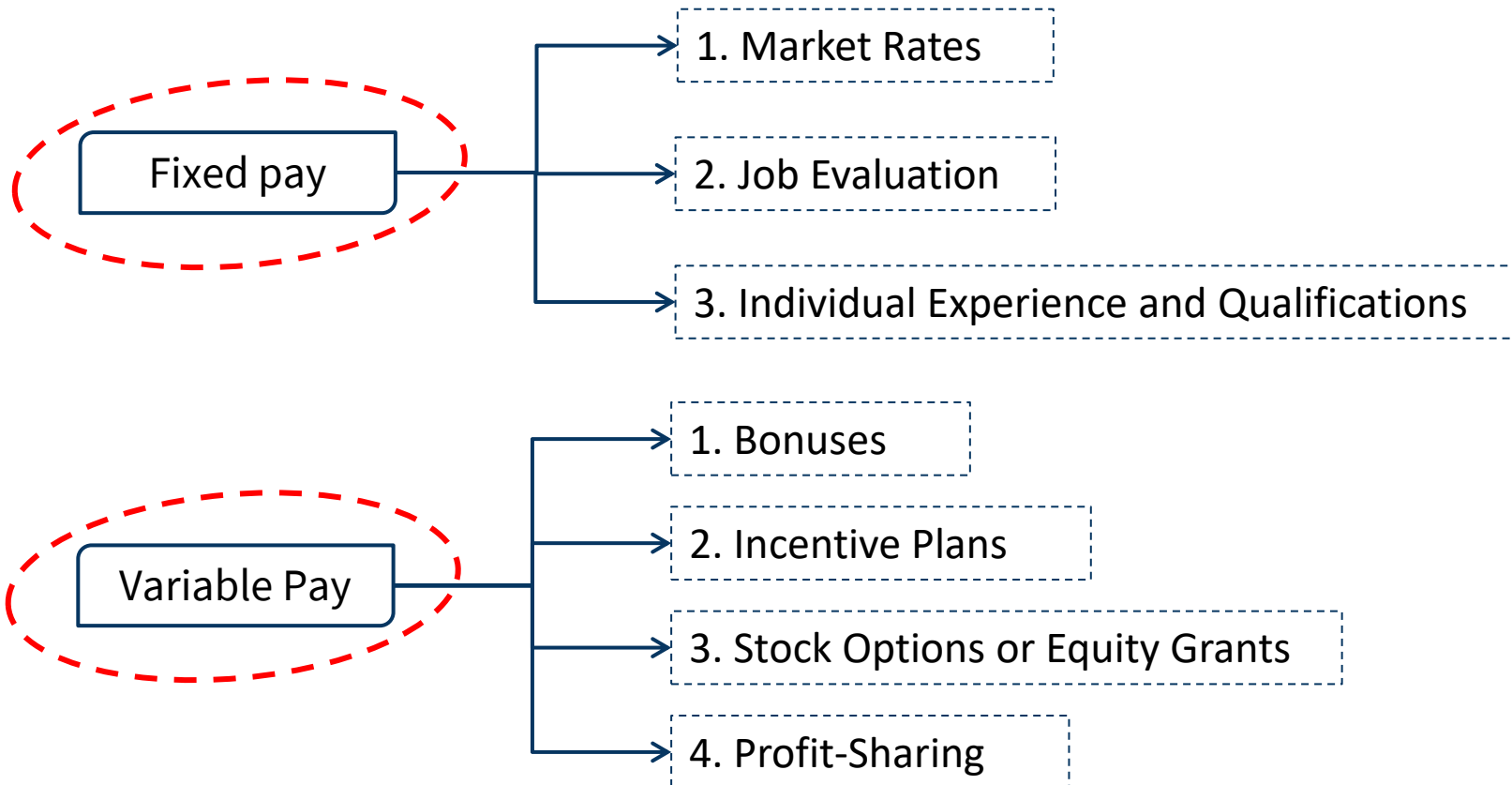


Development and implementation of a total rewards strategy



CONSIDERING FIXED PAY, VARIABLE PAY, AND PAY MIX

A balanced combination of fixed and variable pay is essential in a Total Rewards Strategy. Fixed pay provides stability and predictability, while variable pay aligns rewards with individual and organizational performance. The optimal pay mix varies based on industry, organizational objectives, and employee roles



ALIGNING COMPENSATION WITH ORGANIZATIONAL GOALS

In today's dynamic business landscape, aligning compensation with organizational goals has become imperative for sustainable growth and success. Compensation is not merely about rewarding employees for their efforts; it's a powerful tool to drive behavior, motivate performance, and steer the organization towards its strategic objectives.

Understanding the Importance:

- Strategic Focus
- Motivation and Engagement
- Performance Management
- Organizational Agility

Strategies for Alignment

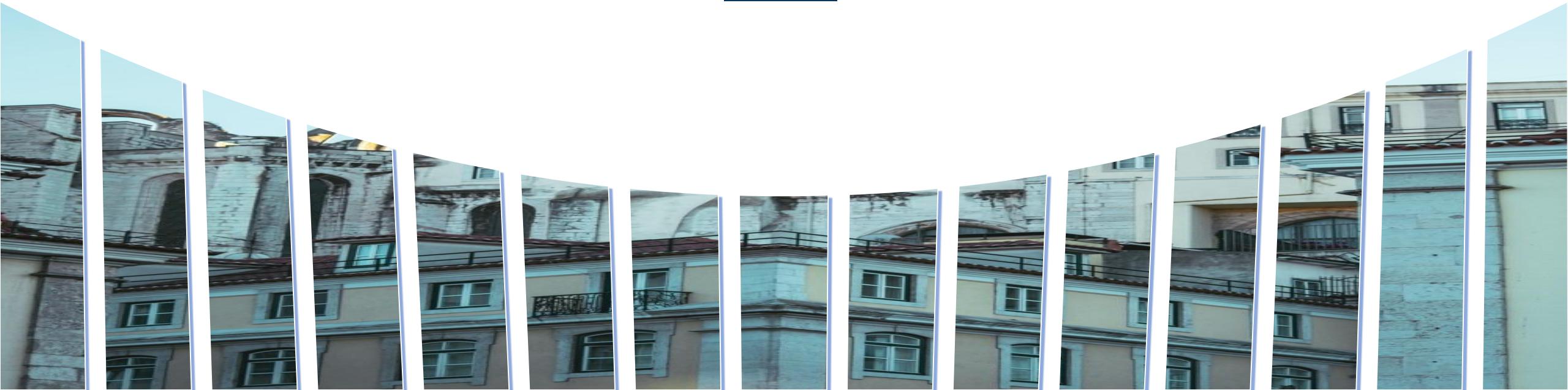


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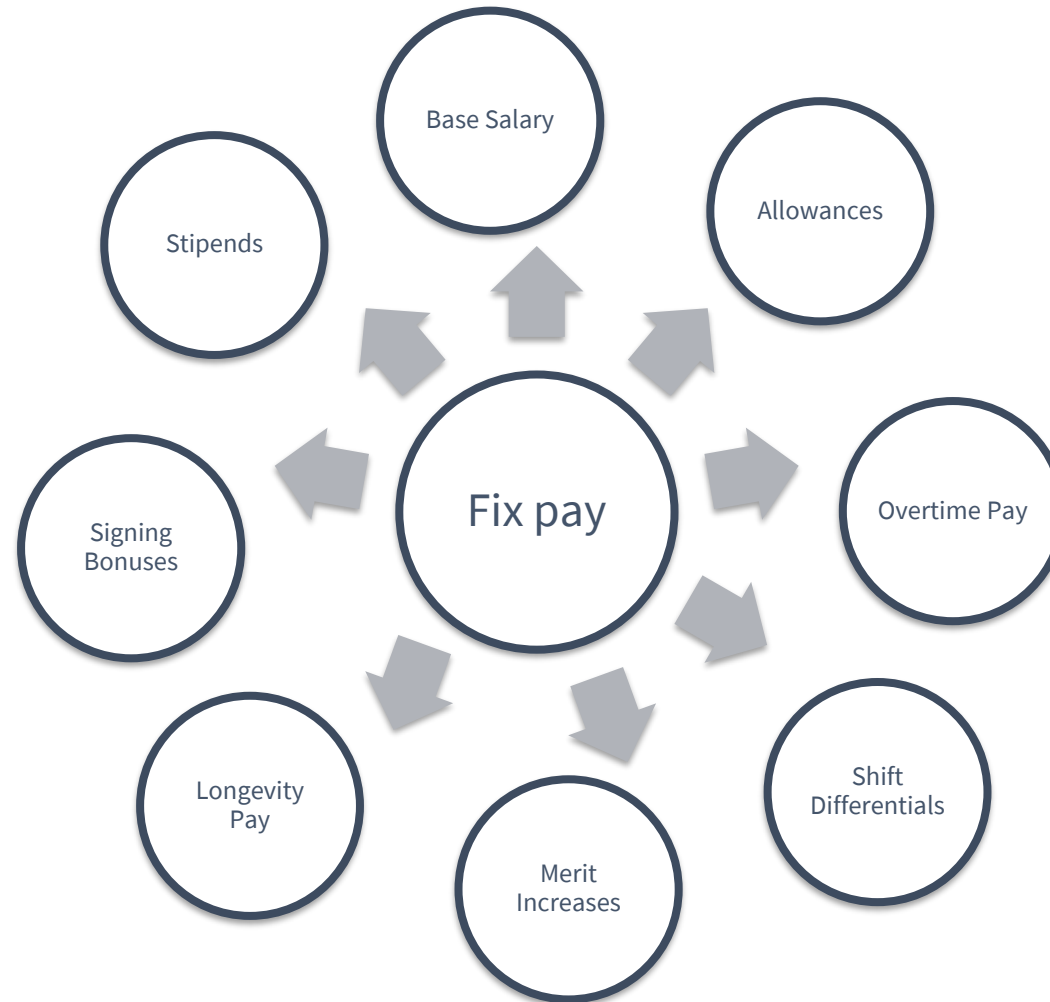
II. FIX PAY. JOB ANALYSIS AND JOB EVALUATION



FIX PAY

"Fix pay" typically refers to a system where an employee receives a fixed amount of compensation for their work, regardless of the productivity, organizations' results or other factors.

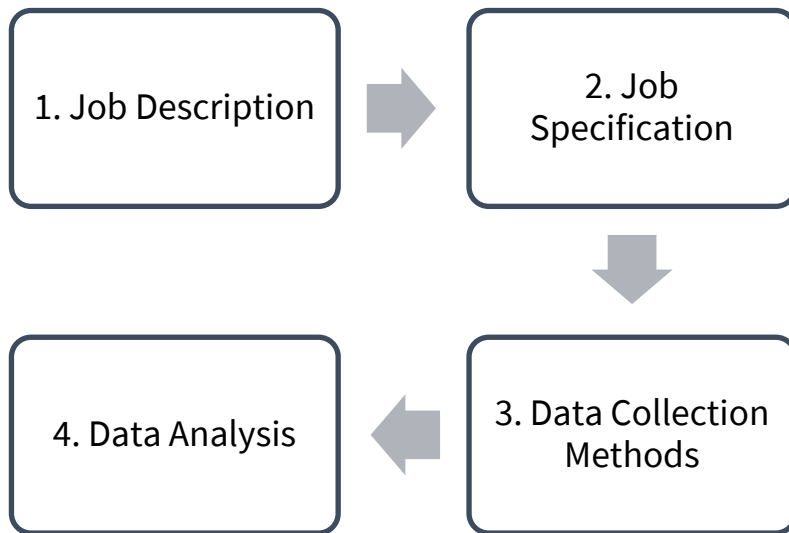
Several types of fixed pay are common in compensation structures:



KEY COMPONENTS OF JOB ANALYSIS

Job analysis is a systematic process used to gather, document, and analyze information about the duties, responsibilities, skills, and qualifications required for a particular job role within an organization. It provides a comprehensive understanding of what the job entails, serving as the foundation for various HR functions, including recruitment, training, performance management, and compensation.

Key Components of Job Analysis



Importance of Job Analysis

Job Analysis in the Context of Fix Pay

- ✓ Equitable Compensation
- ✓ Standardization
- ✓ Transparency
- ✓ Compliance

1. Alignment with Organizational Goals
2. Effective Recruitment and Selection
3. Performance Management
4. Training and Development

Job analysis is a foundational process essential for effective HR management, particularly in the context of Fix Pay systems. By systematically analyzing job roles and requirements, organizations can ensure equitable compensation practices, promote transparency and consistency, and align employee efforts with organizational goals.

METHODS OF JOB EVALUATION

Job evaluation is a critical process used by organizations to determine the relative worth of different jobs within the company. It serves as the foundation for establishing fair and equitable compensation structures, ensuring that employees are rewarded fairly for their contributions.

1. Ranking Method

- The ranking method involves listing jobs in order of their importance or value to the organization. Jobs are ranked based on predetermined criteria such as skill level, complexity, responsibility, and impact on organizational goals.

2. Classification Method

- In the classification method, jobs are grouped into predefined classes or grades based on the level of skill, responsibility, and complexity required.

3. Point Factor Method

- The point factor method assigns points to various factors such as skill, effort, responsibility, and working conditions associated with each job. The total points assigned to a job determine its relative value within the organization.

4. Factor Comparison Method

- The factor comparison method compares jobs based on a set of key factors such as skill, effort, responsibility, and working conditions. Jobs are evaluated relative to each other, with reference to benchmark or key jobs.

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III. PERFORMANCE MANAGEMENT AND VARIABLE PAY



Variable pay, also known as performance-based pay, refers to compensation that is contingent upon achieving specific performance goals, targets, or outcomes.



LINKING PERFORMANCE TO COMPENSATION

Performance management emerges as a vital tool for aligning individual efforts with overarching goals. When coupled with variable pay structures, it becomes a powerful mechanism for motivating employees and driving exceptional performance.

Key Components of Performance Management and Variable Pay

Setting Clear Objectives

Alignment with Organizational Goals

Regular Performance Evaluation

Continuous Feedback and Coaching

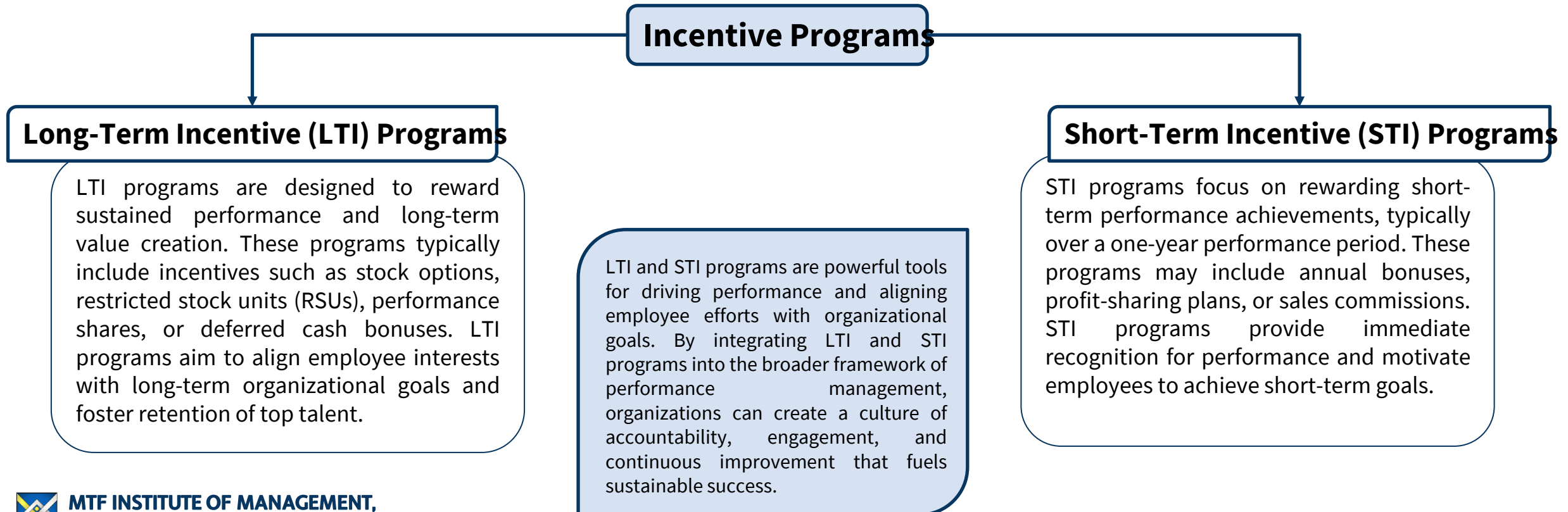
Benefits of Integrating Performance Management with Variable Pay:

1. Increased Motivation and Engagement.
2. Improved Performance and Productivity.
3. Retention of Top Talent.
4. Enhanced Accountability and Transparency.



LONG-TERM AND SHORT-TERM INCENTIVE PROGRAMS

In today's competitive business landscape, organizations are increasingly turning to performance management and variable pay structures to drive employee engagement, motivation, and productivity. Central to these efforts are long-term incentive (LTI) and short-term incentive (STI) programs, which offer tangible rewards for exceptional performance. Let's explore the development and evaluation of LTI and STI programs and their role in performance management.



SETTING OBJECTIVES AND KEY PERFORMANCE INDICATORS

Central to the success of variable pay programs are the establishment of clear objectives and the use of key performance indicators (KPIs) to measure progress and outcomes. Let's delve into how setting objectives and KPIs play a pivotal role in managing compensation and benefits within variable pay frameworks.

The Role of OKR and KPI in Managing Compensation and Benefits

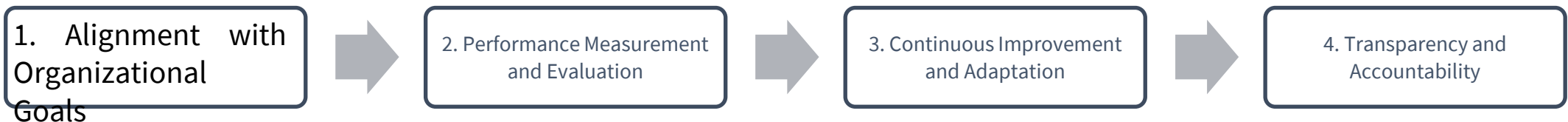
Objectives and Key Results (OKRs)

OKRs are a goal-setting framework used to define and track objectives and their corresponding outcomes. They typically consist of one or more high-level objectives accompanied by specific, measurable key results. OKRs promote alignment, transparency, and focus, enabling organizations to cascade strategic goals down to individual contributors

Key Performance Indicators (KPIs)

KPIs are quantifiable metrics used to measure performance and progress towards achieving objectives. They provide tangible data points that indicate success or areas needing improvement. KPIs vary depending on the nature of the objective and may include metrics such as revenue growth, customer satisfaction scores, employee productivity, or project deadlines.

Integrating OKRs and KPIs into Variable Pay Programs:



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IV. EMPLOYEE BENEFITS AND RECOGNITION



THE IMPORTANCE OF RECOGNITION

Employee recognition stands as a cornerstone of effective management, wielding the power to uplift morale, enhance motivation, and propel organizational success. In today's competitive landscape, where talent retention and engagement are paramount, acknowledging and appreciating employees for their contributions can make all the difference.

The Importance of Recognition:

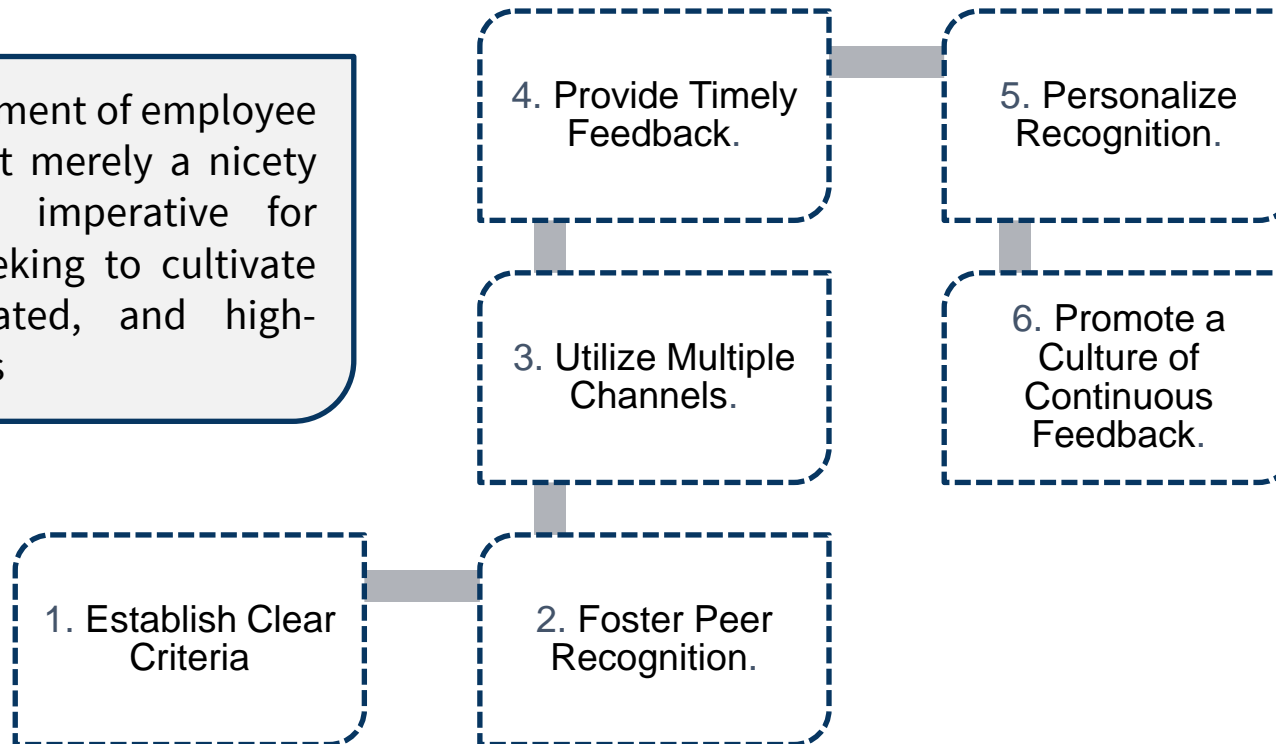
- ✓ Recognition serves as a potent catalyst for supporting employee motivation and performance.
- ✓ Recognition fosters a positive work environment, cultivates a culture of appreciation, and reinforces desired behaviors and outcomes.
- ✓ Recognition transcends mere acknowledgment of accomplishments.
- ✓ Studies corroborate the profound impact of recognition on organizational outcomes.



STRATEGIES AND PRACTICES FOR MANAGING EMPLOYEE RECOGNITION

Effective management of employee recognition entails the implementation of thoughtful strategies and practices tailored to the organization's culture and objectives. Here are some key approaches:

Effective management of employee recognition is not merely a nicety but a strategic imperative for organizations seeking to cultivate engaged, motivated, and high-performing teams



BENEFITS AND EMPLOYEE WELLNESS PROGRAMS

Employee wellness programs are initiatives implemented by employers to improve the health and well-being of their employees. These programs can include a variety of activities and resources aimed at promoting physical, mental, and emotional health. Companies recognize the importance of fostering a healthy work environment by providing comprehensive benefits and wellness programs. Effective administration of these initiatives not only promotes employee satisfaction but also contributes to organizational success. Let's delve into the strategies for managing compensation and benefits systems while prioritizing employee well-being.

Employee wellness programs benefit both employees and employers by fostering a healthier, more productive, and more engaged workforce.

Benefits for Employees:

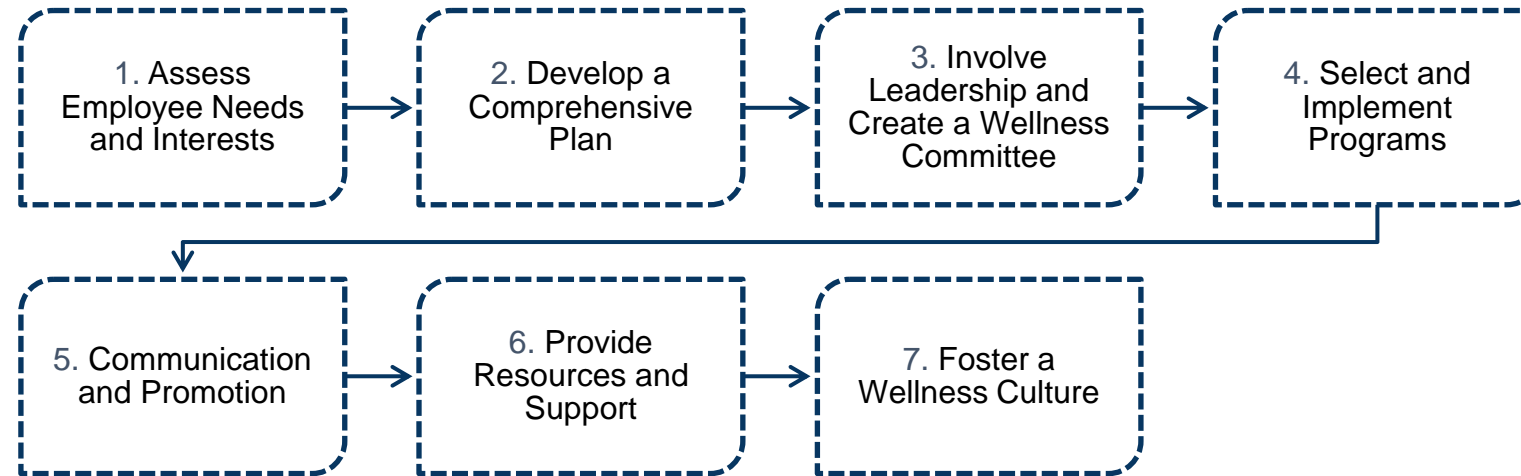
- ✓ Improved Physical Health
- ✓ Mental Health Support
- ✓ Increased Job Satisfaction
- ✓ Enhanced Work-Life Balance
- ✓ Better Morale and Engagement

Benefits for Employers:

- ✓ Increased Productivity
- ✓ Reduced Healthcare Costs
- ✓ Lower Absenteeism
- ✓ Improved Employee Retention
- ✓ Enhanced Corporate Image

ADMINISTRATION OF BENEFITS AND EMPLOYEE WELLNESS PROGRAMS

Administering benefits and wellness programs effectively requires a strategic approach, clear communication, and regular evaluation. Here are steps organizations can take to administer these programs:



Effective administration of benefits and employee wellness programs requires a strategic approach that prioritizes the well-being of employees while aligning with organizational objectives. By offering tailored benefits packages, implementing holistic wellness initiatives, and managing compensation systems fairly and transparently, companies can create a supportive work environment that attracts, retains, and motivates top talent.

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V. DESIGNING COMPENSATION STRUCTURES

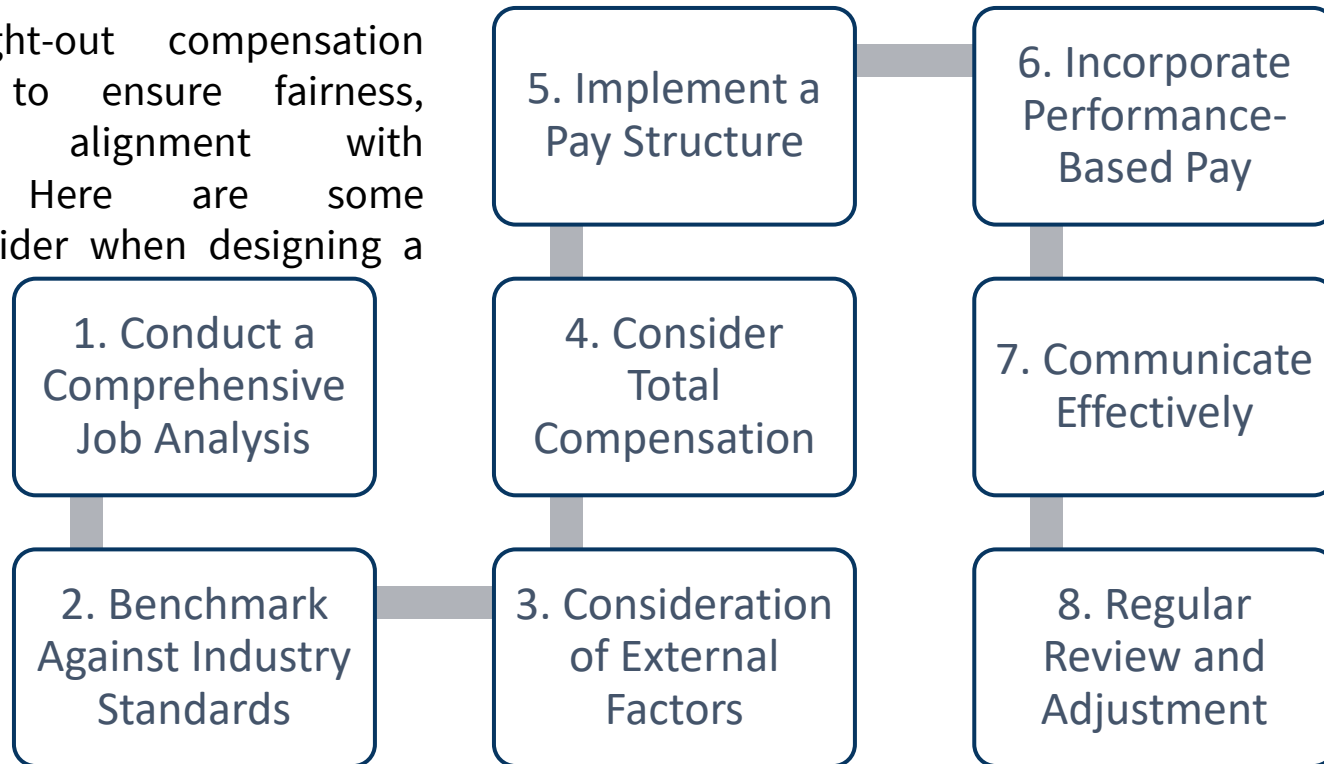


DESIGNING A COMPENSATION STRUCTURE

The compensation structure in organizations refers to the systematic way in which employees' pay and benefits are determined, managed, and distributed. It includes various elements such as base pay, incentives, benefits, and bonuses.

One of the key factors that can influence an employee's decision to join or stay with a company is its compensation structure.

Designing a well-thought-out compensation structure is essential to ensure fairness, competitiveness, and alignment with organizational goals. Here are some recommendations to consider when designing a compensation structure:



PAY STRUCTURES AND PAY LEVELS

Pay structures and pay levels play a crucial role in shaping the employee experience and organizational success. A well-designed compensation system not only attracts top talent but also motivates and retains employees while ensuring fairness and equity. In this part, we will explore the concepts of pay structures and pay levels, their significance, and practices for implementation.

WHAT ARE PAY STRUCTURES AND PAY LEVELS?

A pay structure refers to the framework or system that an organization uses to determine and administer employee compensation. It outlines the hierarchy of pay within the organization, including salary ranges, pay grades, and the relationship between different job roles and their corresponding pay levels.

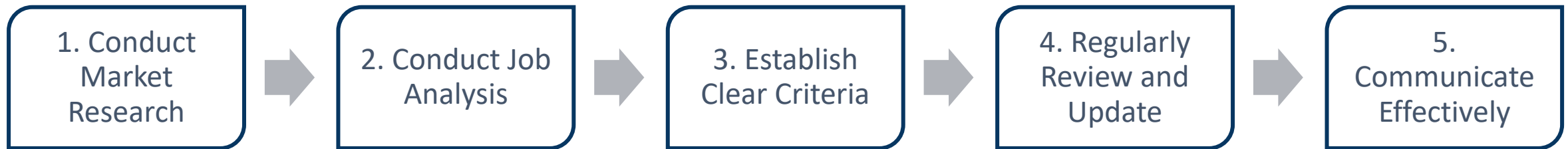
Pay levels, also known as salary levels or salary grades, represent the various tiers or steps within a pay structure. Each pay level typically corresponds to a specific salary range or band, with entry-level positions at the lower end and senior or specialized roles at the higher end.

SIGNIFICANCE OF PAY STRUCTURES AND PAY LEVELS:

- Fairness and Equity
- Attraction and Retention
- Cost Management
- Motivation and Performance

PRACTICES FOR DESIGNING PAY STRUCTURES AND PAY LEVELS

Organizations design their compensation structures based on several factors, including industry standards, company size, location, job roles, and individual performance. The goal is to attract, motivate, and retain talent while ensuring internal equity and external competitiveness.



Pay structures and pay levels are foundational elements of a comprehensive compensation system that promotes fairness, competitiveness, and organizational success. By designing and implementing pay structures that are aligned with market standards, equitable, and transparent, organizations can attract, motivate, and retain top talent while effectively managing compensation costs.

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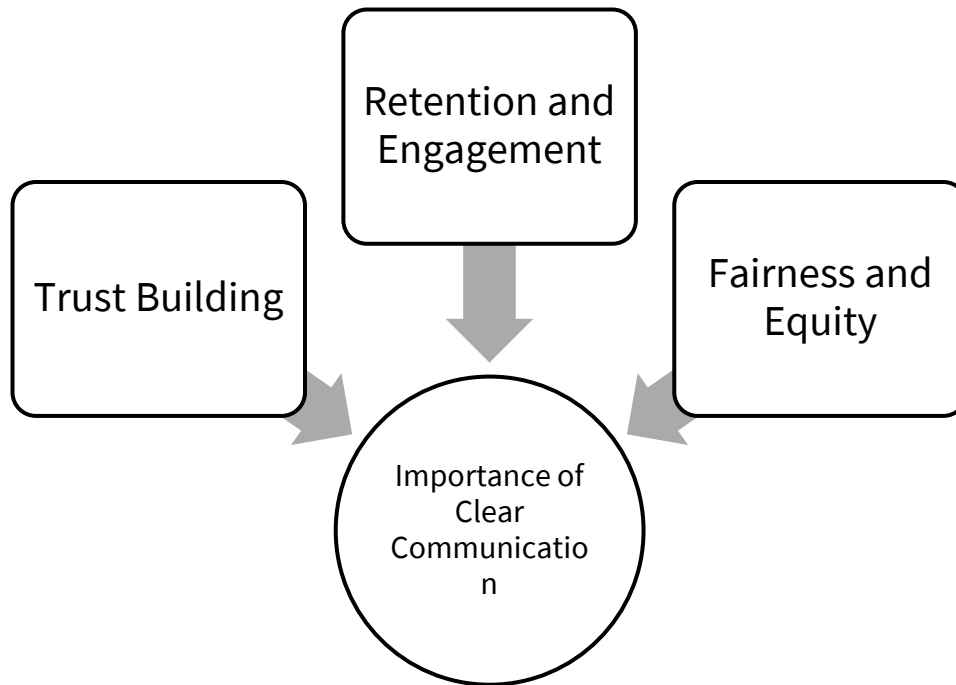
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VI. COMPENSATION COMMUNICATION AND TRANSPARENCY



IMPORTANCE OF CLEAR COMMUNICATION

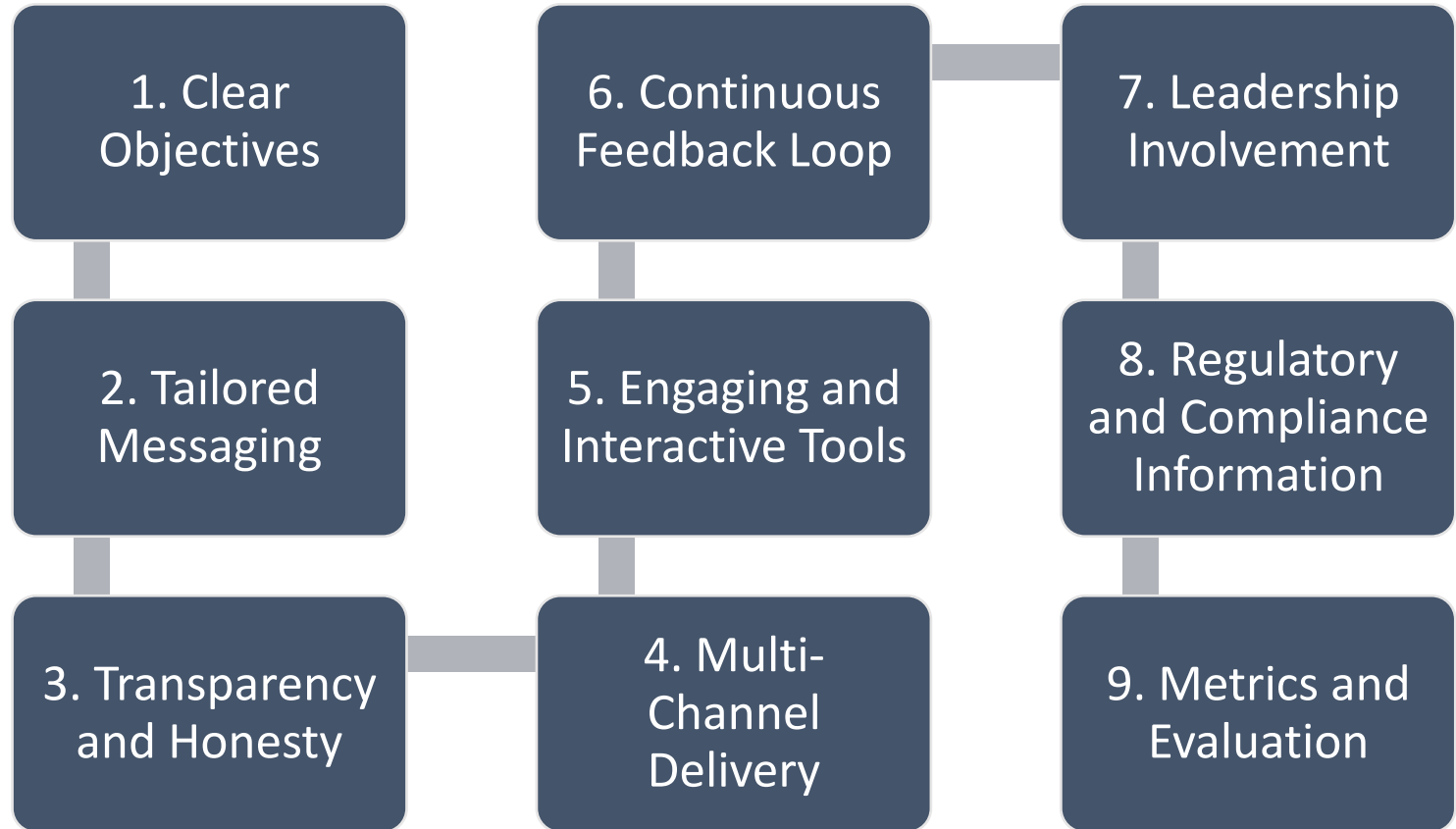
Clear and transparent communication regarding compensation is a cornerstone of organizational culture and employee satisfaction. In today's dynamic work environment, where talent retention and engagement are paramount, fostering trust through transparent compensation practices is more crucial than ever. Let's delve into why clear communication and transparency in compensation matter, and explore strategies to implement them effectively.



COMMUNICATION STRATEGIES IN COMPENSATION

Effective communication strategy in the compensation and benefits domain is crucial for ensuring that employees understand and appreciate the value of their total compensation package. Here are the key elements of a successful communication strategy

By focusing on these elements, organizations can create a communication strategy that enhances employee understanding and appreciation of their compensation and benefits, ultimately leading to higher satisfaction and engagement.



IMPLEMENTATION TIPS FOR TRANSPARENT COMPENSATION PRACTICE

Strategies for Transparent Compensation Practices:



Publish Compensation Guidelines



Regular Feedback and Reviews



Open Dialogue



Benchmarking and Market Analysis



Training and Development Opportunities



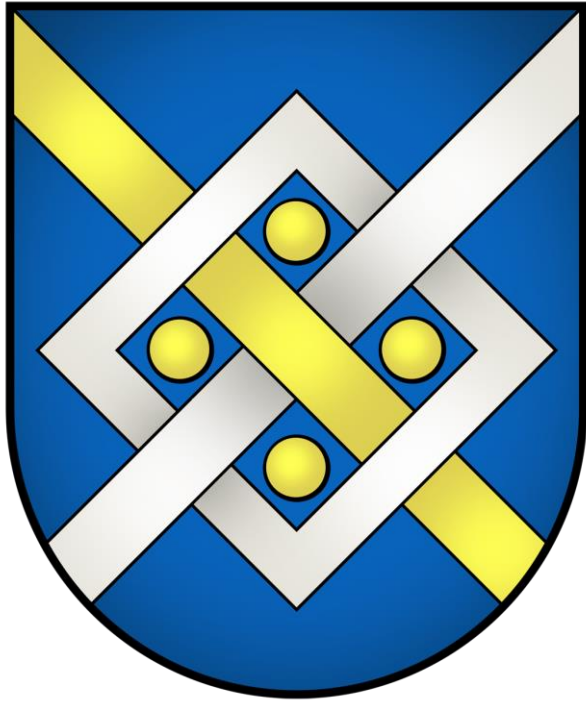
Transparency in Bonus and Incentive Programs

- **Timing:** Coordinate communication around key events (e.g., open enrollment periods, performance reviews).
- **Consistency:** Ensure messages are consistent across all channels and touchpoints.
- **Clarity:** Simplify complex information and provide examples or scenarios for better understanding.
- **Engagement:** Use storytelling and real-life examples to make the information more relatable.

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Module 4 has provided a comprehensive overview of Compensation and Benefits Management, covering various essential topics.

We have explored:

- the fundamental principles of compensation and benefits
- total rewards strategy
- job analysis
- performance management
- employee recognition and wellness programs

From understanding the role of compensation and benefits in HR management to designing compensation structures and emphasizing the importance of communication and transparency, we have gained valuable insights into developing effective total rewards strategies.

Sources



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