Compensation and benefits strategy template

As many as 70% of organizations claim that they have a compensation strategy or are working to build it. Here's what you need to know about developing a compensation strategy and creating an appropriate compensation plan for your organization. Compensation Basics In this section, we'll explain what employee compensation is, what the main components are, and how compensation is calculated. We will also talk about compensation plans, the advantages of establishing a fair compensation system, and three types of compensation, with particular emphasis on four types of direct compensation. What is employee compensation? What are the main components of compensation? By definition, employee compensation (also referred to as remuneration outside the U.S.) is the total amount of payments of any kind that an employee can receive in exchange for the services it provides to the employer. The purpose of employee compensation is to help the company: recruiting top talent improves job satisfaction The two main elements of employee compensation are basic salaries and variable payments: The basic salary is the level of net compensation that the employee receives in exchange for the services he provides to the employer. This can be represented as an hourly rate or salary calculated weekly, monthly, or yearly. This is the minimum, basic salary that an employee will receive at the beginning of his or her employment, and does not include benefits, bonuses, or raises. In contrast, basic salary is a range that starts from the basic salary and is expected to increase gradually over a predetermined period of time. Variable payments are part of employee compensation determined by employee performance or triggered by reaching a specific milestone. These can be represented as bonuses, commissions, or other forms of incentive payments. Variable payments and basic payments are forms of monetary compensation. However, employees also receive various forms of non-monetary benefits and allowances, in exchange for their services. The main components of employee compensation include the following forms of monetary and non-monetary compensation: Hourly Salary Long-term incentives such as stock options A 401(k) retirement plan Life insurance Life insurance Disability insurance Paid leave for sick leave Paid leave for holidays Flexible schedule What is the compensation plan? The compensation package includes all components of your employee compensation package. This includes direct forms of compensation such as hourly wages, salaries, commissions and bonuses, as well as employee benefits, and other types of incentives. The compensation plan is rather flexible, because it is up to employers to decide what they want to offer their employees to stay competitive in the market. How is employee compensation calculated? Total compensation represents the number of key components of your employee compensation plan for each employee — that is, the total value of the employee compensation package. The cost of employee compensation is the highest expenditure the organization provides. According to a recent data study by the U.S. Bureau of Labor Statistics, private industrial employers spend $34.72 an hour working on average for total employee compensation. What are the advantages of a fair compensation system? So, we've set out what the compensation plan is – now let's see why having a fair compensation plan is so important to the success of your business. A fair compensation plan is an objectively defined integrated system, based on clear standards. One of its main characteristics is that it is developed and implemented without prejudice or favour to anyone or anything else. It is flexible and simple enough to be transparent and clear to interested parties. A fair compensation plan is based on job descriptions, job analysis, and job evaluation. It provides internal and external equity: Internal equity - employees' perception of how their salaries stack up when compared to the payments their colleagues receive. External equity – an employee's perception of how salaries in your company stack up when compared to the pay offered by other companies for similar or equal positions. A fair compensation system has several benefits for companies and employees: It helps you attract top talent through competitive compensation packages It helps employees understand exactly how much they value within the company It motivates employees to perform better in the workplace It increases the morale and cooperation among employees It increases employee satisfaction for a job well done It becomes easier to implement a compensation system throughout your organization What are the three types of Compensation? The 3 types of compensation that will be included in your compensation plan are direct, indirect, and non-financial compensation. Here's what each requires: Direct compensation Direct compensation is a form of financial compensation. This involves money paid to employees in the form of hourly wages, weekly, monthly, or yearly salaries, as well as commissions and bonuses. As mentioned earlier, hourly wages and salaries fall below base salary, while commissions and bonuses are included in variable payments. It is more common for sales teams to receive compensation in the form of commissions. In addition, companies can choose what type of bonus they want to offer their employees, or whether they want to offer it at all. Indirect compensation Indirect compensation is a form of financial compensation But, instead of involving direct cash, it involves a benefits package that usually comes with a job position. This benefit plan typically includes employer contributions for 401(k), 401(k) retirement plans, and dental insurance. Some companies can also offer company shares and share the proceeds in their benefit packages. Non-financial compensation As the name suggests, you can't put the right monetary value into this type of non-financial compensation – however, this type of compensation still has a certain value for the employee. One of the most common types of non-financial compensation is paid leave. But, it may also include flexible working hours, training programs, using company cars, etc. Keep in mind that some organizations may see the indirect compensation they offer as non-financial compensation, especially if they have no practice: sharing the monetary value of their package with employees who calculate the monetary value of their package for each type of individual employee Bonus compensation: Incentive Payment incentives are also a form of employee compensation, which does not really fall into the categories listed above. This is a form of compensation that is usually indirect or non-financial, and is based on performance rather than timely work. Incentives serve as a form of encouragement and motivation for employees to strive for excellence in their work. They usually imply a specific goal – if an employee reaches that goal, he or she gets an incentive, which may be in the form of travel, merchandise, or even cash. What are the four types of direct compensation? As mentioned earlier, the 4 main types of direct compensation are hourly wages, salaries, commissions, and bonuses. Here's what each needs in more detail: 1. Hourly compensation Compensation Compensation per hour is a type of direct compensation related to basic salaries, which mandates employees be paid per hour of work. Unless additional rules apply, hourly employees are treated as not exempt. This means they are entitled to paid overtime (1.5 times their standard hourly rate) for every hour they spend working 40 hours per week - this was passed by The Fair Labor Standards Act (FLSA), the US federal labor law. The required federal minimum wage in the U.S. is $7.25. However, as many as 29 states mandate a higher minimum wage. To maintain an accurate log of the hours employees spend working during regular or overtime hours, you can instruct your employees to keep track of their working hours with the time clock app. Clockify is an efficient solution that can help you with that, as it allows employees to track their work time in real-time (with a timer), add it manually afterwards, or put it in a timesheet-like shape. You can also set an hourly rate for each employee and calculate their salary automatically, based on the number of hours worked a certain period of time. Instead of receiving overtime compensation, hourly employees working in the public sector are also eligible to receive compensation time. 2. Salary compensation salary salary is another type of direct compensation related to basic salary, which mandates employees receive a fixed salary amount each week, monthly, or yearly. This fixed salary is always based on the salary range specified for a particular job position. The salary range is the range of payments determined by the employer that explains the minimum and maximum pay rates for job positions. It also includes a series of middle-class raises that employees might expect during their time at a company. If employees on salaries are exempt from FLSA, they are NOT paid overtime for the hours they spend working 40 hours per week. This is the case if they earn more than $684 per week or $35,568 per year (as authorized by the U.S. Labor Department starting january 1, 2020). If they earn less than this amount, they are treated as not free and entitled to overtime pay. To calculate the basic hourly rate at which you will base overtime 1.5 for berg employees whose salaries are not waived, divide the employee's annual salary by 52 weeks per year and 40 hours per week (e.g. $35,300/52/40 = $16.97 base rate per hour). Mumble employees who earn less than $684 a week and work in the public sector are also eligible to receive compensation time instead of overtime compensation. 3. Compensation based on commission compensation is a type of direct compensation related to variable payments. Usually people in the sales industry are paid this way, based on sales quotas, percentage of sales, and goals they achieve. Sales objectives on which commissions are based are possible: Connected to income – for example, if a sales professional earns a commission worth 5% for each sale, and he makes a $50,000 sale, he gets a commission worth $1,000 for that sale. Connected to margin or gross profit — the higher a sales professional sells a product or service, the higher the commission rate. Connected to commission fees — the sales professional keeps the commission amount fixed regardless of the monetary value of the sale he makes. We distinguish between several types of compensation based on commissions: Straight commissions - employees only make commissions. Salary + commission — employees have a compensation package that includes a fixed salary and a specific commission. Residual commissions - employees make ongoing commissions through ongoing customer accounts. Graduate commissions — employees make increased commissions with increased sales volume. Variable commissions — employees create a combination of listed commissions. 4. Compensation based on bonus compensation based on bonus is another type of direct compensation related to variable payment. this compensation is often associated with professionals who have the right goals to reach – such as managers and Bonuses are usually paired with other types of compensation, such as commissions or salaries - it is not appropriate to pair them with hourly compensation because it will require compliance with FLSA, which in turn, requires a recalculation of hourly payments. In some companies, bonuses can be implemented as incentives intended to help employees achieve higher standards of performance in their work. At those companies, employees typically receive bonuses when they live up to certain metrics (such as company OKR or KPIs). In other companies, employees can receive this type of compensation when the company reaches a certain milestone, such as after closing a lucrative deal or at the end of the year (in the form of a Christmas bonus). *Taxable employee compensation — for more information on what elements of compensation are taxable, see this guide. How do I design an employee compensation plan? In this section, we'll talk about the steps you need to take to design a properly competitive compensation plan – that will help your organization stay competitive in the market and attract the top talent professionals you need: Define the company's compensation philosophy Research and analysis of the job market Determine whether you want to implement an hourly salary or wage Determine employee hourly wage bonus tips : Calculating commissions Bonus tips: Calculating bonuses Select the benefits you will offer Here's what each step is about in more detail: 1. Determine the corporate compensation philosophy Competitive compensation is based on the level of market payments, which, again, based on market payment studies and surveys that include compensation for professionals who: Perform similar work Working in similar industries Working in the same area of a country When defining compensation in your company , you can choose to lead, lag behind, or match the market: Leading the market will mean that you offer higher compensation than a competitor's company. Lagging behind the market will mean that you offer lower compensation than rival companies. Matching the market means that you offer the same amount for compensation as a competing company. If you are lagging behind the market, you should rethink your compensation strategy and adjust your compensation package so that they at least match the numbers in the market. The reason behind this is simple – you will want to be able to attract top talent who will, in turn, recognize that you understand their worth. In this step, you also need to consider the following questions: What kind of direct compensation will you offer? Hourly salary, salary, commission, or any particular combination? Are you Bonus? What benefits will you offer? Are your employees full-time or part-time employees? Do you take advantage of the gig economy and hiring hires and freelancers? What average hourly rate do you need to offer to your freelancers and contractors? Are your employees exempt or not exempt from FLSA? Do they need form 1099 or W2? Will all employees have the same compensation plan, or will executives and business partners be on different compensation plans? 2. Research and analysis of the job market As emphasized earlier, consulting market trends are essential to offer competitive salaries that attract top professionals. So, you should research the market before determining your compensation offer. The best way to do this is to analyze and research salary data and market surveys – this is also known as compensation benchmarking. If you operate in the U.S., you can obtain useful general compensation statistics from the U.S. Bureau of Labor Statistics. For more specific figures, consult several market surveys, to make comparisons and draw more accurate conclusions. When searching for market surveys and salary data to buy and analyze, make sure you pay close attention to the following elements: Industries - look for surveys that meet your company's industry. Location — search for surveys that serve the country, state, or city your company operates in. Employee size — look for surveys that meet the size of your company (if you're a 20-employee company, surveys that include companies with 500+ employees won't be widely used, as you'll probably pay your employees less anyway). Revenue size — look for surveys that show data from companies that have similar business volumes to you. Job Summary — find the job summary that's closest to the position you need. Being a non-profit — nonprofits pay less than nonprofits, so look for market surveys that meet your company type based on these parameters. ➕Bonus: You may be tempted to go through a salary-focused website (considering they're free) to find compensation statistics. But, keep in mind that this data is not an actual market representation because anyone can edit it. 3. Decide if you want to apply your salary or hourly wage Both salary and hourly salary have their pros and cons, depending on what you are looking for. But, no matter how you choose to compensate for your employees' work, you should think carefully about how best to determine the hourly rate, salary, and salary range you want to offer. The following elements should influence your decision: the industry you operate in your company's size your company's revenue makes the specific job position you are looking for important and viable from this position to Your company's operations Here is how you can well determine the salary and hourly rates in your company: Determine the salaries of employees If you have decided to compensate your employees through salary , , need to think about the salary range you want to offer. Here's the best way to determine the salary range: Step #1: Perform job analysis Once you define your compensation philosophy, you should analyze the job position you are looking for, to draw conclusions that will help you determine the salary range: What level of education and knowledge are you looking for in this job position? What level of experience and skills are required to perform tasks and tasks related to the position of the job? To determine how important a job position really is for your company, as well as what level of education, knowledge, experience, and skills you are looking for: Observe current employees Conduct employee interview surveys Use the combination of methods mentioned above Once you have this data, use it to write down a specific job description for the job position you are looking for. Step #2: Group work into work families Now That you have a clear and specific job description, you must determine if and how you want to group the work into work families. When grouping work into work families, you must decide which parameters you want to use. For example, you can group jobs by: Department and type — i.e. jobs are grouped based on whether they belong to a family of executive, administrative, technical, or management jobs. Location — that is, jobs are grouped by the geographic location of the customer. The jobs in charge of handling customers from the same geographical location are grouped together. Step #3: Evaluate positions based on their value and interests for your company Rather than focusing on the quality of professionals expected to fill these positions, this important step in determining the salary range focuses on the importance and likeness of a job position for the success of the company's operations. To determine the value and importance of a job position for your company, you can rely on the Points Method: This method helps you evaluate the position by assigning points on the quality necessary to carry out the expected job tasks and responsibilities. Quality in total can build up to 100 points per position. Each separate quality has its own maximum: Skill – e.g. you set up to 50 points for this Educational parameter – for example you set up to 30 points for this parameter Difficulty working conditions – for example you set up to 10 points for this parameter Final independent assessment – for example. You set up to 10 points for this parameter To illustrate this method, one job can collect those 50 points in the qualities listed: Skills - 20 points Education - for example 20 points Difficulty working conditions - for example 2 points Final independent assessment - for example 8 points After you are evaluated (i.e. points awarded) all positions specified in the specified independent assessment - for example 8 points After you are evaluated (i.e. points awarded) all specified positions make sure your rankings and work sequences are compared to each other and their final score. Step #4: Group work based on the value of work So, you've grouped jobs by working families and ordered them based on interests. Now it's time to categorize them further and put them in the right job value. The U.S. federal government recognizes 15 job pay scores, each characterized by a General Schedule payout rate, and a pay-level move. These two factors determine the base pay, whose averages in 2020 you can see below: Entry-level positions GS1 (no high-school diploma) — $19,543-$24,448 GS2 (a high school diploma or an equivalent) — $21,974-$27,653 GS3 (a high school diploma or an equivalent) — $23,976-$31,167 GS4 (an associate's degree) — $26,915-$34,988 GS5 (an associate's degree) — $30,113-$39,149 GS6 (an associate's or bachelor's degree) — $33,567-$43,638 GS7(a bachelor's degree) — $37,301-$48,488 White-collar, mid-level positions GS8 (a bachelor's degree) — $41,310-$53,703 GS9 (a bachelor's or master's degree) — $45,627-$59,316 GS10 (a master's degree) — $50,246-$65,321 GS11 (a master's degree) — $55,204-$71,764 GS12 (a master's degree or Ph.D.) — $66,167-$86,021 Top-level positions (supervisors, high-level technical specialists) GS13 (a master's degree or Ph.D.) — $78,681-$102,288 GS14 (Ph.D.) — $92,977-$120,868 GS15 (Ph.D.) — $109,366-$142,180 It should be noted that one company will hardly need such a wide range of professionals — smaller companies usually implement as few as 3 or 4 pay scales. After all, always make sure you pay attention to market trends when determining the value of your salary. ➕ Bonus: Another way to determine pay value Aside from the market-based compensation structure, there are other alternatives to determining pay value: Determine the pay value based on the range of work Compensation structure of the working job range based on 1-on-1 - each individual job is placed in and according to one salary level, based on the range of payments held by the job in the job market. This type of compensation structure is best: If you have enough employees holding specific job positions to justify it get a separate salary range If you can accurately match and price a job in your company If your company has many high job position demands, trigger frequent market price changes If your company puts great emphasis on market competitiveness Determine the salary band instead of the Broadband compensation structure dividing the salary value into a broader pay band. The salary range in terms of the minimum and maximum amounts in each band is greater than they are in the salary value (i.e. each salary band can consist of multiple salary values), so the emphasis by type This compensation is on career development rather than job promotion – given that it takes more time to rise from one pay band to a salary band to Next. This type of compensation structure is best: If you need a more flexible approach when determining payments If you want to reward people for acquiring new skills Step #5: Calculate your actual salary range Now, the value of the job we put in step #4 is just the minimum and maximum starting point, not the actual salary range. It is up to the company's discretion to decide the actual midpoint and percentile to be used to calculate the minimum and maximum salary ranges. You can even use various percentiles for different levels of work. However, most companies will use +/- 15% or 20%, starting from the midpoint. Let's say that your market survey and salary data show certain administrative positions pay an average of $30,000 (which means these salaries fall within the GS4 pay rate). And, let's say you want to apply a +/-15% percentile in your calculations. Here's a look at your salary range: Medium position: Minimum salary range $30,000: 30,000 X 0.85 $25,000 Maximum range: $30,000 x 1.15 = 34,500 $Untuk concludes, the midpoint for the salary of this particular position is $30,000, with a salary range of $25,000-$34,500. Step #6: Decide how you want employees to progress within their salary range Now that you have determined the value of your salary and salary range, you must decide how employees will be able to progress across that salary range, i.e. moving from $25,000 to $34,500. For example, you can base this progress on the number and difficulty of skills, tasks, and responsibilities – when employees learn new skills and take on new responsibilities, they get a career promotion and rise to a higher level of salary. Alternatively, you can base these developments on a pre-planned schedule. This development is associated with the time the employee lives in the company (i.e. his/her tenure) rather than the employee's performance. Employees receive a fixed salary increase during their tenure. In line with that, an employee with 5 years experience in a particular industry will get more than an employee with 3 years experience in the same industry. Defining an employee's hourly wage Let's see how you can determine an employee's hourly wage if this is the type of compensation you choose instead of giving your employee salary. When it comes to determining hourly rates, they will differ based on the industry in which you work, the position you are looking for, as well as the skills and experience you need from the professional who will fill the position. The real constant you have to focus on is making sure you offer competitive hourly rates - again, this means that you are offering the same hourly salary or well compared to what other companies in the market offer to their employees. Here are 15 federal payment values and their hourly rates that you can use for inspiration when determining your own compensation package: your own: GS1 positions (without a high school diploma) — $9.36-$11.71 GS2 (high school diploma or equivalent) - $10.53-$13.25 GS3 (high school diploma or equivalent) - $11.49-$14.93 GS4 (associate degree) - $12. 90 - $16.76 GS5 (associate degree) - $14.43 - $18.76 GS6 (associate or bachelor's degree) - $16.08 - $20.91 GS7 (bachelor's degree) - $17.87 - $23.23 White-collar, collar, GS8 mid-level position (bachelor's degree) – $19.79–$25.73 GS9 (bachelor's or master's degree) – $21.86–$28.42 GS10 (master's degree) – $24.08–$31.30 GS11 (master's degree) – $24.08–$31.30 GS11 (master's degree $26.45–$34.39 GS12 (master's degree or Ph.D.) – $31.70-$41.22 Top level position (supervisor , high-level technical specialist) GS13 (master's degree or Ph.D.) - $37.70 - $49.01 GS14 (Ph.D.) - $44.55 - $57.91 GS15 (Ph.D.) - $44.55 - $57.91 GS15 (Ph.D.) – $44.55 52.40 – $68.13 Bonus ➕ tips: Calculating commissions If you choose to include commissions in your compensation plan to any extent (either as the only form of compensation or an additional form of compensation), there are several factors you should consider when defining commissions for your employees: Commission rate – this is a percentage (e.g. 5%) or fixed compensation ($25) employees will get for every sale they make. Commission basis - commissions can be based on: the total amount of gross margin sales of products sold net profit of products sold (when you want to inspire your sales team to focus on selling more profitable products in your offerings) cash received from sales (when you want to inspire the sales team to collect all pending receivables) inventory (when you want to remove products from stock) One percentage (e.g. 5%) fixed compensation (e.g. $25) may apply before employees reach a certain goal, after which they can rely on a higher percentage (e.g. 8%) or fixed compensation (e.g. $30). Split - in cases when two or more employees are responsible for sales, they split the commission. Payment delays — commissions are usually calculated later, at the end of the month. ➕ Bonus: Calculate bonuses Sometimes, you must include a bonus in your employee compensation package, to serve as an additional incentive for high-quality performance. Here are some bonuses you can consider to offer: Sign-in bonuses - bonuses offered to job candidate executives as incentives to inspire them to accept positions. Salary-based bonuses — based on the amount of hourly wages or annual salaries that employees make (the higher the wage or salary, the higher the bonus). Bonuses are based on departmental goals — once a team or department meets a predetermined goal, all team members receive a bonus. Referral bonus — the higher the number of customers referred, the higher the bonus for the employee referring it. Holiday bonuses — non-performance based bonuses are usually paid around a beloved national holiday, such as Christmas. Quarterly or annual bonuses — if the company achieves a specific net profit goal, employees receive a bonus or a fixed rate percentage. Retention bonus — a bonus paid to top players to maintain it. 4. Choose the benefits you will offer In addition to direct compensation, to attract the best talent, you must also offer a competitive benefits package: The benefits companies are required to provide by law: COBRA health insurance – an extended medical benefit for former employees at companies that have more than 20 employees for at least 18 months. Disability and worker compensation - serves to ensure sick and injured employees are paid at least a portion of their usual salary while unable to attend work. Family and medical leave — including maternity, paternity, and adoption leave (not required paid leave, by law). Minimum wage — In accordance with FLSA, employees who are not exempt must receive a minimum hourly wage of $7.25 per hour. Some U.S. states have state laws mandating higher hourly wages - these state laws override federal law, and employers must comply with them when determining compensation for their employees. Overtime for non-exempt employees – This overtime rate amounts to 1.5 times more than their basic hourly rate for each overtime hour. California has additional overtime rules that apply to hourly employees, as mandated by The California Overtime Law. According to him, all employees per hour who are not exempt should be paid 1.5 times their basic hourly rate for every hour they spend working 40 hours per week AND passing 8 hours per day. They were also paid 1.5 overtimes for the first 8 hours they spent working on the seventh consecutive work day. In addition, the same law mandates that non-exempt hourly employees in California be paid twice as much as their base hourly rate for all hours worked for 12 hours per day for the first 6 business days and skip 8 hours per day on the 7th consecutive work day. Severance payments — employees who are laid off due to layoffs (and not because they are fired or resigned) may be entitled to pay severance for a certain period of time. The benefits provided by most companies, though not mandated by law: Health insurance - employees are paid at least part of their health expenses, for certain treatments and procedures. Dental Care Plan - employees are paid at least a portion of their teeth, for certain dental treatments and procedures. PTO — employees get paid leave, which is often used as an umbrella term for holidays and sick leave. Paid vacations — to stay competitive, employers typically give employees paid vacations and offer pay people who are willing to work during the holidays. Pay Up — usually based on inflation or benefits. Flexible schedule – company hours may not be fixed, but are more accommodating for employees who want to achieve a better work/life balance. Work breaks — time off during work time provided for lunch breaks and short breaks. Hazard payments - given to employees whose job duties require them to work in unsafe conditions (such as the security and military professions). College debt relief – sometimes given to employees just starting their professional careers. Compensation plan template based on this guide Now that you know what you need to include in your compensation plan, here is a compensation plan template that you can follow when determining a compensation plan. This will help you decide what you want to offer each of your employees, including types of compensation and direct and monetary benefits. ⏬ Download employee compensation plan in Google Spreadsheet ⏬ Download employee compensation plan in Google Docs ⏬ Download employee compensation plan in PDF ⏬ Download employee compensation plan in Excel ⏬ Download employee compensation plan in Word Wrapping up: Stay up-to-date for changes and market trends In the end, given that market trends across all industries are constantly progressing and changing, you'll need to update your compensation plan regularly to stay up to date. Fortunately, when it comes to market surveys and salary data, you don't have to buy a new one every time you want to update an employee's salary. The Employee Cost Index of the National Compensation Survey is one of the great resources you can consult, and The Cost of Living Adjustment is another resource you can use. You will also be advised to update your plan according to current trends in the market regarding employee benefits and monetary compensation itself. To complete this guide, here are 10 compensation trends you should pay attention to in future periods: Compensation based on customer satisfaction Employees working on commissions may no longer be compensated based on their sales volume, but also based on customer satisfaction. This trend was first introduced by the company Xerox, and involves customers determining their satisfaction level, and salespeople earn paid commissions based on the level of customer satisfaction they achieve. Team-based compensation This one is primarily applicable to the sales industry. Instead of standard commission-based compensation, sales force payments are related to the performance of delivery people, customer service personnel, as well as the managers who oversee the team. Compensation adjusted based on compensation heat for some jobs rises much faster than others, especially in certain areas – it is important that you identify these jobs in your industry, identify position in your company, and then research the market rate for these positions much more often, to always remain competitive and current. Maintaining employees' financial well-being According to the survey, as many as 35% of working adults in the U.S. experience financial stress. In line with that, companies are now starting to introduce financial health initiatives that include counseling and education about: Better budgeting Reduce debt savings for retirement Pay-equity The gender gap problem in pay that typically has women paid less for the value of the same job than men is still an urgent issue the industry is trying to solve. More and more effort is being invested to eventually build pay-equity that is gender blind and only recognises the value of work. Pay transparency Oregon, California, and Washington have gone to ease their equity and salary transparency laws that prohibit employers from asking interviewees their jobs about their past salaries. The same law requires the salary range of employees at the company to be made transparent. In line with that, the Korn Ferry Survey 2019 shows that the majority of HR professionals (75%) believe that pay transparency will only become more important in the coming period — to help managers communicate better with employees who may feel less compensated for their work. Variable payments are becoming more important (and more frequent) Variable payments are expected to become increasingly important, given the high speed and overall agility expected of the current workforce. To provide appropriate incentives to encourage such high performance, bonuses are expected to be increasingly present in modern compensation packages. In addition, according to experts, performance-based rewards in the form of bonuses are expected to become more frequent, to provide instant recognition to worthy employees. In line with that, bonuses start to be paid monthly and quarterly (rather than at the end of the year), and begin to include a variety of travel vouchers, gift cards, additional PTOs, and one-time cash rewards. Personalized career development pathways Employees who have more opportunities to advance their careers through personal and professional growth are more likely to be satisfied with their position in their company. In line with that, the company began to offer personalized development opportunities with the jobs and skills of individual employees. Benefits for different types of Netflix families started this trend in 2015 when it began offering employees 52 weeks of paid parental leave - this type of benefit wants to get another upgrade by 2020. More specifically, Netflix also offers time off during the surrogacy, fertility, and adoption process — these benefits are available to employees of any gender, marital status, or Orientation. Parenting benefits to employees with aging parents In addition to providing paid leave to new parents, there has been an increase in companies providing paid leave to employees who have to care for their aging parents, but also other family members. These parenting benefits also include financial and professional support to employees who will return to work after this period, either in part or full-time. Full.