



## How to establish fair compensation

Business is booming and you need to hire more staff. Figuring out what (and how) to pay new employees can be tricky. Determining a fair wage depends on the type of work, and the ilk of worker you need to hire. Human resource experts Cissy Pau of Clear HR Consulting and Stacey Morin of People-Worth Inc. dish on the best way to compensate your new additions.

### Know what you need

**It's impossible to pay someone if you're not clear on what they will be doing for your company. Before any hourly or yearly remuneration can be set, employers need to know exactly what they'll require from the newbie. "What is it that they want the person to be doing?" asks Pau. "What is their role and responsibilities? What skills and qualifications do they need? Once you have that, you can compare it to the marketplace."**

### WHAT'S FAIR?

**Knowing what your business can afford to pay is the key to determining wages. If your compensation potential is modest, plump the package with extras that you can afford, like discounted gym memberships. "You don't have to be a top payer in the marketplace," says Pau. "If you're on the lower end, you need to come up with other more creative ways to make the workplace a really great place to work."**

### FULL-TIME VERSUS CONTRACT

If you know your company has the workload, the cash flow and the ability to manage a new employee, a full-time, permanent position is a wonderful thing. If finances are up in the air, or the job requires a finite amount of work, a fixed-term employee may be more appropriate. "We would recommend the contractor route if you're looking for a highly specialized skill on a short-term basis," says Pau. Save yourself the hassle of terminations and severance pay by going the short-term route until you're sure you need something more.

### HOW DO YOU COMPARE?

Internal and external pay comparisons will give you an idea of what kind of wage bracket the new employee should fall within. Take advantage of online salary surveys, or if you belong to an industry association, tap into its shared wage information – most have figures for various positions within their given fields. Pau and Morin both stress the importance of internal equity – if you're not paying your employees equally for similar positions, it'll come out around the water cooler and cause distress among the ranks.

### The basics of benefits

Most businesses face the difficult choice of determining the level of benefits they can provide to their employees. One key to the development of a benefits program is ensuring they align with the overall culture and business strategy of your organization. Morin explains that businesses are getting creative to help differentiate themselves in the marketplace. "As a result, escalating costs associated with employer-sponsored benefits programs and their impact on the bottom-line have increased the visibility of benefits, and market practices are becoming more and more competitive," she notes. ■



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