

From The Chair – Donna Crawford



CACC is a growing organization! We currently have 134 members and adding a few new members each month. Our last membership survey, over 37% of the members who responded had been a member less than 2 years. We have such a diverse group of companies represented from Financial Services, HealthCare and Manufacturing, among others to profit and non-profit. We also have a large group of Total HR professionals, like me, who joined CACC to gain more exposure to Compensation and Benefits. Our mission is to reach out to benefit, compensation and human resource professionals in the Greater Charlotte area and provide them with a source for continuous education and networking opportunities and you can help!

CACC Membership is such a great investment. For a \$50 annual membership fee, you gain access to discounts on membership meetings where experts discuss trends and current events. We offer local education courses where members can receive their certification close to home. We can not forget the great networking source for those “opinions” we value the most- our peers!

How did you hear about CACC? Did you sign up for a course or hear about us from a co-worker? We are asking you to help your friend in need. We know there are a number of professionals in our area who do not know about us. If you know someone who would benefit from being a CACC member, ask them to visit our website at www.caccweb.com. We'll be glad to welcome them to our organization.

We'll see you at our next membership meeting on September 7th.

Regards, Donna Crawford

New Members

We are pleased to welcome the following new members:

- ❖ Brian Baker, Wachovia
- ❖ Daniel Bessinger, Solectron
- ❖ Hope Bunker, Belk, Inc.
- ❖ Brandon Conkle, Advance Auto
- ❖ Jim Finch, Family Dollar
- ❖ Christine Foster, SPX Corporation
- ❖ Christine Green, SPX Corporation
- ❖ Patricia Martin, MSA
- ❖ Yvette McMillan, NC State University
- ❖ Tim Rabon, Solectron
- ❖ Sarah Steinbach, SPX Corporation
- ❖ Jennifer Webster, Bank of America
- ❖ Carol Weeks, AAA Carolinas

Renewing Members

The following members have renewed their membership since the last newsletter:

- ❖ Melissa McInnis, Solectron
- ❖ Janice Millard, Mecklenburg County HR
- ❖ Alphonso Smith, Bank of America

Member News

- ✓ *Daryl Bennett*, Transamerica, has earned his CBP designation
- ✓ *Karin Lacombe-Mulder*, Royal & SunAlliance, has earned her CCP designation
- ✓ *Gracie Myers* is now Transit Human Resources Manager (still with City of Charlotte)
- ✓ *Gina Smalley* is now Sr. Human Resources Generalist with Allvac

Please contact Arnie Silverman, “Compensation Matters” editor for 2005, at (704) 557-4460, with member news that you would like to share.

CACC Website

Be sure to visit our website at www.caccweb.com

**2005 CACC Board Members
and Committee Chairs**

CHAIRPERSON

DONNA CRAWFORD..... 704/940-1524

VICE CHAIRPERSON

LAURA WILLIAMS 704/373-7572

TREASURER

STEPHEN DUDAK 704/329-7740

SECRETARY

LAURA HADLEY 704/388-7184

MEMBERSHIP DIRECTOR

DELANE HUNEYCUTT..... 704/336-5700

EDUCATION DIRECTOR

BOB CORBETT 704/731-4378

MEMBERSHIP MEETINGS DIRECTOR

ROBIN BERNSTEIN 704/733-5099

PUBLIC RELATIONS DIRECTOR

ARNIE SILVERMAN 704/557-4460

BOARD MEMBER AT-LARGE

KAREN SIMPSON..... 704/339-1032

EX-OFFICIO

JEAN GILREATH..... 704/264-8805

SPECIAL PROJECTS CHAIR

CHUCK PARKER..... 704/382-3474

BUSINESS MANAGER

KEVIN GILL 704/442-9247

Upcoming Events/Education

Membership Meetings (mark your calendars):

- September 7, 2005 (1/2 –day Meeting)
- November 9, 2005
- February 8, 2006 (Annual Meeting)

WorldatWork Certification Courses:

October 10-12, 2005 –

- C-4 -- Base Pay Management
- T-3 -- Quantitative Methods
- T-11 -- Fundamentals of Equity-Based Rewards

*For more information, or to register,
contact WorldatWork Customer Relations at (877) 951-9191,
or visit www.worldatwork.org*

Member Profile – Jim Finch

CACC is happy to welcome Jim Finch as one of its newest members. Jim is the Manager of Compensation and Succession Planning for Family Dollar Stores, a local retailer with over 40,000 employees. His qualifications include a doctorate in statistical methods, advanced training in data mining and an extensive background in comp work, information technology, and OD at companies such as Coca-Cola and Intermountain Health Care. He has spoken nationally and has published numerous articles.

Jim’s interests include gauging the effectiveness of the interplay between various components of Human Resources. That is, simply, how does HR answer the question: “How do we know we’re getting our money’s worth?” Accordingly, he is looking forward to discussing HR metrics and measures of effectiveness with the CACC membership.

But so much for the boilerplate. What is this guy really like? When asked about his background, he rattled off a few tidbits: “Compensation? I strongly believe in ‘PRAY for Performance.’ I learned about customer service early on, as a SVP, Mops and Brooms (janitor). Invaluable experience. I wrote scatological stories for underground newspapers while in college—I flunked out twice. I started out in teaching at USC and still enjoy keeping my hand in, having served as a WorldatWork certification faculty member, AMA speaker on ‘How to Lie with Statistics’, etc”. And finally, “HR in general? First, do no harm.”

Jim’s hobbies include Baccarat and long naps. (“Of course I enjoy relaxing with a principal components factor analysis of employee attitude measures after a long day at work...”).

Finch may be a tongue-in-cheek person, but clearly his heart is with his two children, Sara Elizabeth, 13, and David, 8. This summer, Jim ensured they were taught the finer points of blackberry picking and cobbler manufacture.

Jim says hello to all and is eager to meet the membership. This writer had the privilege of working with Jim for almost five months while on contract with First Union prior to accepting my current position. His sense of humor, as well as his compensation expertise, will add much to our CACC membership. Welcome Jim!

Why the Best Managed Companies are Using Non-Cash Rewards to Motivate, Retain and Engage Employees

By: Edward L. Ford and Michael C. Fina



Companies routinely tout, “people are our greatest asset.” During my 25 years of consulting in the employee recognition industry less than 20% of organizations truly, walk the talk. In an effort to put people first, the best managed companies are using Non-Cash awards and incentives to keep employees engaged. *Why would a tangible award be better than a cash reward?*

This article’s purpose is to answer this exact question; why would a tangible award be better than a cash reward?

First, we will review the most common answers that companies list to why they use Non-Cash awards. **Second**, we will examine the two main reasons why companies continue to use cash even when they know it is not a best practice. **Lastly**, we will explore the latest, breakthrough research concerning this long debated question of Cash vs. Non-Cash.

First - When companies are asked why they use Non-Cash rewards over cash, here are the answers:

- Cash does not reinforce brand loyalty.
- Most employees do not remember what they spent the money on, therefore losing the impact of recognition.
- As a best practice, we try to separate our compensation package from our employee recognition programs
- Cash is a commodity, so it cannot differentiate. It is the intangibles that distinguish and make a difference.
- Our cash programs always end up becoming entitlements. We like to have the flexibility to ‘refresh’ our merchandise items thus keeping our programs new and exciting.

(Continued on Page 4, see “Non-Cash Rewards”)

Our Next Member Meeting: Wednesday, September 7, 2005

Our May **CACC Membership Meeting** features three topics. First, Mitch Barnes of Mercer will be presenting “2005 Compensation Data & Trends: A Snapshot of Mercer’s Metropolitan Benchmark Survey Results.” Then, Brian Barger and Bob Chambers, Partners with the firm of Helms, Mulliss & Wicker, PLLC, will be presenting “What’s New Under the Summer Sun: Trends in Executive and Federal Contractor Compensation.” And finally, Larry Kurzer, Senior Vice President with the Aon Consulting’s Human Outsourcing division, will be presenting “HR Outsourcing: Trends on the Horizon.” The meeting will be held at the Westin Charlotte Hotel, 601 South College St., Charlotte. Parking will be paid by CACC.

The meeting will begin at 7:45 AM with a breakfast buffet and networking period. The business meeting starts at 8:15 AM; and the presentation begins at 8:30 AM and will end by 11:30 AM.

CACC Academic Scholarship Program

The CACC Academic Scholarship Program was created to provide an incentive for, and assist CACC members with, the continuation of their pursuit of higher education in their HR-related career.

A scholarship, in the amount of \$1,000, will be awarded to qualified members of the Charlotte Area Compensation Council (CACC). The candidate must be a member in good standing with CACC pursuing either an undergraduate or a graduate degree in an HR-related field through an accredited institution of higher learning. Full-time, part-time, online and distance learning programs are acceptable. This scholarship is a one-time, annual award. In future years, previous applicants and past scholarship recipients are eligible to re-apply each year.

Scholarship Applications must be postmarked by **April 15th** of each year to be considered for an award. Additional information about the program, and an application, can be found on the CACC website, www.caccweb.com.

If you have any questions about the CACC Academic Scholarship Program, please contact CACC's Business Manger at businessmanager@caccweb.com.



(“Non-Cash Rewards”, Continued from Page 3)

- Cash has no trophy value.
- When it comes to money, someone will always pay more.
- We use merchandise items in our Service and Safety Programs so the employees don’t have to pay taxes.
- We think its ‘tacky’ to give someone cash – it’s the easy way out to rewarding employees. We want our recognition and performance-based programs to be classy and different.
- Our experience and the educational groups we belong to (WorldatWork & SHRM) continue to show us that non-cash rewards provide a four times better return on our investment when compared to cash programs.
- We have found that we get more attention and excitement out of our non-cash programs. Employees are more willing to brag about their non-cash rewards rather than money that is perceived to be a part of compensation.

Second, if companies know that cash is not a best practice, why do they continue to use it?

The first answer to this question has to do with convenience. Many Companies do not want to take the time or put forth the effort to design a world-class recognition program. These companies are opting for the ‘no hassle’ form of recognition. There is a reason why some companies are considered to be, ‘employers of choice’ and others are not. It takes work to do things different and create a true culture of recognition.

The second answer stems from employee surveys. Many companies protect their outdated cash programs by stating, “We have surveyed our employees and they have told us that they want more cash.” Wow! What a revelation! Yes, most employees will respond likewise. Yet, is this the right question companies should be asking. This leads us to our final section about the latest, breakthrough research on the subject.

Lastly, what does the latest research tell us about, ‘what employees want’?

A recent study conducted at the University of Chicago shows that, “What employees say they want and what

they actually work hardest to receive do not always match up.”¹ The study clearly showed that while most people stated that they prefer cash, their performance was dramatically better when they were working toward the non-cash reward. Performance improved by 14.6% when a cash reward was offered compared to a dramatic increase in performance of 38.6% when a non-cash incentives was used.

This new evidence suggests that if you ask employees, *what do you want?* - They will respond with, more cash. But, what companies should be asking is, *what will motivate, retain and truly engage my workforce?*

Case study after case study, of actual companies, will show that the debate over cash and non-cash is really not a debate at all. The real questions to be answered are; do we want to become an employer of choice? Are we willing to take the time to put together a well designed reward and recognition program? Do we want to differentiate ourselves from our competition?

If the answers to these questions are yes, then a well designed, non-cash recognition program is the best solution for your organization.

For more information on non-cash rewards, please visit our website at:

www.mcfawards.com

¹ *Right Answer, Wrong Questions* by Scott Jeffrey, PHD



Quotes

“Those who turn good into great are motivated by a deep creative urge and an inner compulsion for sheer unadulterated excellence for its own sake. Those who build and perpetuate mediocrity, in contrast, are motivated more by the fear of being left behind.”

Jim Collins in “Good to Great”

2005 Membership Needs Survey Results



DeLane Hunneycutt

The responses to the 2005 Membership Needs Survey, conducted in April, have been compiled. This year members could respond electronically through a dedicated web site called SurveyMonkey, resulting in a great response rate and a quick turnaround time for the results to be posted on the web. We would like to express our appreciation to the 62 members who responded to this year's survey, and congratulate the three gift certificates winners. You may review the detailed results in the Members Only Section of the CACC website (www.caccweb.com).

Some of the survey highlights are as follows:

- The majority of the responding members have over ten years of experience in Compensation, Benefits, or Total HR.
- About a quarter of the membership is responsible for employees numbering from 1,000 – 5,000, with another quarter responsible for 10,000 – 25,000 employees, and a third from less than 100 to 1,000.
- The overwhelming majority (82%) of the responding members work at the corporate level of the organization.
- One-half of responding CACC members are also WorldatWork Members, and nearly half have attended a WorldatWork certification course in the past year.
- One-third of the respondents joined CACC and remain members for Networking/Peer Interaction, with membership meetings a close runner-up. WorldatWork courses and Career/Resume enhancement tied for 3rd place.
- Of those members who could not attend membership meetings, work schedule conflicts

was listed as the reason in the vast majority of the responses.

- 91% of the membership prefers presentations as the Member Meeting format, with the second choice being panel discussions.
- Three-fourths of the membership prefers breakfast meetings with lunch meetings as a clear second choice.
- The Website, Newsletter, and Board Responsiveness all received high marks, with almost 100% of the responding members having visited the CACC website in the past year and preferring to receive the newsletter electronically.

One of the major uses of this survey is to determine the WorldatWork Certification Courses to offer in the upcoming year. Your response to which courses you would like to see offered directly correlates to the courses CACC requests WorldatWork to offer through our organization. The top ten requested courses were B-1, C-1, C-2, C-11, C-12, C-17, T-2, T-4, T-6, and T-11. The final decision about courses offered next year will also depend on those offered the past several years, and the courses that surrounding organizations are offering through WorldatWork.

We received lots of great input from you, the Membership, in the comments section, which the Board is currently reviewing for ways to further improve the services that CACC offers to its members. We look forward to working with those members who indicated an interest in serving as a Board or Committee Member. Our appreciation goes out to all of you who took the time to complete the survey and please know the Board is listening and working to respond to your needs.

WorldatWork Building Blocks Locations

WorldatWork produces a series of brief training and professional development booklets called Building Blocks. CACC provides a copy of all Building Block booklets at Johnson C. Smith Univ. Library; UNCC Library, and The Employers Association Library.

Compensation Quotes

“Yes, compensation and incentives are important, but for very different reasons in good-to-great companies. The purpose of a compensation system should not be to get the right *behaviors* from the wrong people, but to get the right *people* on the bus in the first place, and to keep them there.”

“We found no systematic pattern linking executive compensation to the process of going from good to great. The evidence simply does not support the idea that the specific structure of executive compensation acts as a key lever in taking a company from good to great.”

Jim Collins, from
“*Good to Great*”, HarperCollins Publishers, 2002



2005 CACC Perfect Attendance Award

CACC is offering up to three CACC (non-Board) members the opportunity to win a FREE WorldatWork Certification Course – all you have to do is attend all four member meetings in 2005, starting with the 2/9/05 Annual Meeting. Winners can use their award to attend a CACC-sponsored certification class and exam in 2005 – an \$800 value! Simply attend all four meetings and be sure to sign the attendance sheet located at the sign-in table where you pick up your nametag before the meeting. We hope you will be winner this year!

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