



WorldatWork Members Left to Right: Wayne Hancock, Grace Ochoa, Brenda Lister Debbie Terry, Katharin Casillas, Jung Jeon Tracy Kofski, Lise Labin-Dugal, Victoria Gaskin-Wyatt



the buzz

The following is an excerpt from the WorldatWork Compensation Bulletin Board. To join the discussion, go to the "Networking" section of www.worldatwork.org.

Q: Has anyone heard of or had experience with a bonus program that pays out, based upon company profit or department profit, mid-year or quarterly?

RE: Bonus programs for mid-year — We have an all-employee bonus plan that pays out mid-year and at year end. There is a fixed maximum possible bonus per employee. The driver of how much is actually funded for payout is the performance results against our annual profit objective. The mid-year payout is set at about one third of the possible annual award amount and is paid out as an advance on the final year-end award. (The employee's year-end check is equal to the full year's award calculation minus the amount the employee received at mid-year.) Once the fund for both mid-year and year-end awards are established, each employee receives an award equal to the percentage of their respective organization's balanced scorecard results times the maximum possible award per employee adjusted based on profit results.

RE: Bonus programs for mid-year — The plan is based on an annual bonus target that is divided equally over each quarter or two times per year. Pretty much operates the same as an annual bonus plan, and targets are adjusted along the way to reflect changing priorities of the business environment.

RE: Bonus programs for mid-year — I don't see a problem as long as the quarterly and mid-year objectives, with the equally divided year-end target as objectives, accurately reflect how the organization typically delivers the results. Also make sure that upper management is willing to assume the loss if the plan pays out in the earlier quarters, but the overall year-end results are in the tank.

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newsstand

WorldatWork Appears in Top Media Outlets

In a continuing effort to provide education on the total rewards profession, WorldatWork worked extensively with the media during 2003 to spread the word regarding the issues facing rewards professionals.

WorldatWork conducted just over 170 interviews with journalists all over the country and appeared in over 450 publications during 2003. WorldatWork top appearances for the year included *The New York Times*, *Forbes*, CBS Marketwatch, CNNMoney and *The Globe and Mail*, as well as hundreds of business and industry publications.

This exposure brings total rewards issues to the forefront of the general public and shows the impact of the profession.

Read more about your association's involvement in current issues at www.worldatwork.org.



members on the move

Mary N. Falkowitz, CCP, GRP, has been named manager of Compensation for the *NewYork-Presbyterian Hospital* in New York City. **Bruce Spiegel** has been named executive vice president of *StoneWater Systems*, in King of Prussia, Penn. **Ted Ginsburg, CPA, JD**, has joined *Top Five Data Services Inc.* in Cleveland as consulting principal. **Sara J. Snoy, CCP, SPHR**, has joined *The Latté Group Inc.* as senior consultant. **Daryl Johnson, B.Ed., CCP, CHRP**, has recently joined the *University of Alberta*, in Canada, as manager, Compensation. **John McLean** has joined *DHR International* as executive vice president in Chicago. **Joy Mitsoulis, CCP**, has joined *WellChoice, Inc.* (formerly Empire Blue Cross and Blue Shield) as manager of Corporate Compensation.

Read more Members on the Move in the "Networking" section of www.worldatwork.org.



did you know?

With more than 1,000 definitions, the WorldatWork glossary contains concise, clear definitions for compensation and benefits terms.

To access this searchable database go to www.worldatwork.org and click on Library and then select Glossary.

Got News?

Fill out the Member Central news submission form at www.worldatwork.org/workspan or e-mail membercentral@worldatwork.org.

Want to Volunteer?

Go to www.worldatwork.org and fill out the volunteer application by clicking on My Profile and selecting Serve WorldatWork.



tip of the month

Year-end bonuses that are paid within two and a half months of the end of the fiscal year can give the employer a tax deduction for the year the bonus was earned, rather than the year paid. For example, if a year-end bonus is paid by Feb. 15, 2004, the employer can take a tax deduction in 2003, and the employee will be taxed in 2004.



member spotlight

57-Year Survey Source Closes Doors

October 2003 marked the end of a resource that compensation professionals everywhere have come to rely upon for salary survey data. Founded in 1946 and based in the Chicago area, Pay Data Services was dissolved, along with Reggio and Associates, Inc., as owner Vito Reggio retired.

The companies' 1,500-volume archive was acquired by the University of Chicago's research library. The collection holds 30 different surveys covering topics such as salaries, benefits, practices and costs for a cross section of all industries, and includes proprietary, association and third party sources.

Reggio says his 47-year career in HR consulting and data analysis was rooted in, of all things, industrial engineering. "Back in the '50s when I was an industrial engineer for Business Research Corporation, my job was to solve management problems," Reggio said. "And job evaluation, in its origin, was an industrial engineering function." He explained his job was to figure out how to measure what was then called "internal equity," which was the value of a piece of work; his job was figuring out how to measure internal equity and price it so it contributed to corporate profits. Reggio attributes much of the success of his HR consulting practice to this and other engineering principles.

His advice to those looking to excel in the profession would be to study business management in addition to human resources. "HR professionals need to have a thorough understanding of the concepts that support business. HR people cannot isolate themselves if they want to get ahead," Reggio said.

"Way back 80 years ago somebody coined the phrase 'The Three M's,' which stood for: Men, Money and Machines — the three necessary resources for any business. Those concepts still hold today, except we now refer to them as financial resources, physical resources and human resources." He went on to point out that only one of the three has the ability to appreciate, while the others tend to depreciate, and that is the human resource. "If we nurture and train our people they become more valuable over time, not less," Reggio said. "That's why today's HR professional needs to comprehend business management — he truly does lead the company's most valuable asset."

What will Reggio do with his retirement years? At age 74, he reads an average of three books a week, covering histories, mysteries and biographies. In between books he solves mathematical puzzles. He also enjoys a passion for gardening and listening to classical music and is thankful to finally spend more time with his wife of 46 years, their children and grandchildren — Reggio's most valuable assets.

Reggio has been a member of WorldatWork since 1963.

Do you know someone with a hobby or interesting story to tell about their career? Let us know. Contact membercentral@worldatwork.org to be featured in an upcoming Member Spotlight.



Vito Reggio



eye on faculty

Name: Guy J. Van Tiggelen, CPA, CCP, CBP

Residence: Ellicott City, Maryland

Company name: LifeBridge Health

Job title: Director, Compensation & Benefits

Education: B.A., accounting from Loyola College and M.A.S.,

management from The Johns Hopkins University.

Work Experience: Public accounting (Coopers & Lybrand); Insolvent Savings & Loan (Baltimore Federal Financial), International Business Services (PHH Corporation); U.S. Subsidiary of Irish Bank (Allfirst Financial); & Healthcare (LifeBridge Health)

WorldatWork member since: 1994

Teaches WorldatWork course: T2: Accounting & Finance for the Human Resources Professional and T11: Fundamentals of Equity-based Rewards.

How did you get into the compensation field:

When I was the tax manager at PHH, the director of comp & benefits called me when her executive comp manager left. I switched from finance to HR, earning my CCP in six months to transition into my new responsibilities.

How have you seen compensation change

over the years: Many regulatory changes and economic fluctuations have altered the landscape, but ultimately it is still crucial to have a vibrant compensation and total rewards program to attract, motivate and retain key talent at any company.

How do you see the future of compensation:

More fragmented, more sophisticated, more financially driven, and hopefully more essential as a business priority.

The most satisfying part of being a faculty

member is: Seeing the spark in a student's face when he or she realizes something important from the class discussion.

The most challenging issue facing HR

professionals today is: In tough economic times, HR professionals still need to demonstrate their necessity to the business or risk significant budget cuts.

Who has been a big influence in your

career/life: My family and friends have been a big influence in my life. In my career, the biggest influence was Gail Turek, the director of compensation and benefits at PHH who took a chance and hired a finance guy like me as an executive compensation manager when I had no HR background. Thanks!

The book every HR professional should have

on his or her shelf is: Probably the most recent Dilbert comic. You have to keep your sense of humor, and they are amazingly insightful. Or maybe a compilation of FASB pronouncements to see how the finance folks operate!

When not working I enjoy: Traveling, gardening and even washing my dog, Nandi.



Guy J. Van Tiggelen, CPA, CCP, CBP