

Fixed Compensation

Base Pay Salary

Base Pay Salary is a key compensation component, and it provides for a fixed amount of predictable, recurring income. This is extremely important for many people. When considering a base salary, there are many factors to take into consideration such as:

- **Role/Responsibilities**
Job Title, Position & Core Duties
- **Education & Credentials**
Secondary Education, Licenses, Designations & other specialized training
- **Tenure**
How long they have been with your advisory practice
- **Performance & Attitude**
Ability to perform their duties as it relates to your expectations and standards, along with the attitude they bring to their role and the rest of the team

There are other factors which may also affect Base Salary, including regional comparative salaries for the role, the job market, and other potential economic factors. It is recommended you search online mainstream job posting sites for the same or very similar positions to get a sense of the range with your geographic area.

ROLES & RESPONSIBILITIES

First and foremost, Base Pay needs to reflect the roles and responsibilities of each position. This figure will comprise the majority of total Base Pay you are including in the compensation package.



You can have a highly educated and overqualified person in a job, by choice. However, they need to be paid in the context of their overall responsibility to you and their contributions to the team. Conversely, you may have someone you are bringing into a position who is completely green, with no experience and/or education. Typically, this means we are bringing them in at the low end of the salary range so they can work their way up as they increase their experience and education.

It is important you have well-defined Job Titles & Job Descriptions for each person on your team because it will make it easier to discern differentiation in Base Salary based on role.

For many people, having a clearly defined role is an important aspect of their job satisfaction and quality of work life.

EDUCATION & CREDENTIALS

Base Pay should also include initial and ongoing incentives for education and specialized credentials which will ultimately enhance the individual's ability to contribute to your business in the long-term. There are two types of education: Required and Optional.



Required Education & Credentials

Be aware, that part of their role may be clearly defined by mandatory educational requirements (i.e.. securities licensing). Often, they must have these qualifications in order to hold the position, or they must acquire these qualifications within a specific period of time.

Optional Education & Credentials

There are also numerous optional courses and credentials which expand the knowledge and expertise of individuals in a way that will also impact the quality and success of your advisory practice. We want to promote and inspire continuous learning in an industry that is fast-paced and continuously evolving, or we will be left behind.

A tremendous amount of personal time is invested into signing up, reviewing curriculum, studying, taking practice tests, and of course exam writing. It's important those investing this time into bettering themselves are rewarded.

For some individuals, ongoing learning and professional development is a key motivator to job satisfaction. You may not be able to attract and/or keep talented team members without it.

TENURE

It is important to provide incentives for continued employee loyalty, particularly in an industry that is dynamic and demanding. We are in a global workplace where it is not uncommon for young people (those aged 25 to 34) to change jobs every 3 years on average. This compares to those over age 65 where the average is every 10 years.

Not only does this emphasize the importance of recognizing and awarding commitment, but it also ensures that the total compensation package meets the needs of the individual in terms of what they value most.

For some individuals, consistency in job and familiarity of the workplace is a key motivator to job satisfaction. They will be inspired to want to stay in the same workplace, provided their other basic compensation needs and aspects of job satisfaction are being met.

PERFORMANCE & ATTITUDE

Performance

Performance can only be measured when there are clearly defined criteria and expectations set for each role. We call these key performance indicators (KPIs), and they will vary from role to role based on the core responsibilities of each individual.

Having an annual formal discussion to carefully review and assess key performance indicators is highly recommended. Initiating a semi-annual check-in is also recommended to ensure continued accountability and the ability to course-correct where needed.

Any improvements in performance should be recognized and acknowledged with words and praise, or at the very least, during reviews (and if possible, on a more regular basis when warranted). Everyone wants to know they are valued and appreciated – and that they are doing a good job.

Attitude

Attitude is subjective at best and difficult to quantify. Nevertheless, it can have a profound effect on a person and team. As such, we would expect everyone to have a ‘good attitude’ and performance, but from time to time you come across people with ‘exceptional’ attitudes and performance. All things being equal, these types are your keepers. You need to go the extra mile for them, just as they do for you. For instance, this is where you can choose to pay them at the high end of the designated salary range.

Unfortunately, there may be people who have unsalvageable poor attitudes, and we would expect they should not continue to be members of your team. This is just one of those hard decisions that need to be made. Make no mistake, the team and your business will be better off for it. You don’t want one member to taint the team and stand in the way of achieving your vision.

For some people, having specific goals and targets to strive toward is highly motivating. These types are also often inspired and motivated by recognition and appreciation for achieving their goals. Performance and attitude are often embedded in the DNA of overachievers, so if this is who you want on your team, you need to incorporate this into your compensation package.

BASE PAY SUMMARY

When you put a structure in place to support this, it is clear for everyone there are pre-determined criteria for determining compensation. Therefore, the only rational reason for an increase (initiated by either party) would be under the following circumstances:

- The team member is now holding a new position with you,
- The team member acquired additional education, which will benefit the business,
- The team member had acquired an additional year of tenure with you, and
- The team member is exhibiting outstanding attitude and or performance.

What a sense of complete freedom to know there is order and structure to all of this – yes, a process to rely on.