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American Institute of Certified Public Accountants (AICPA)

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October 11, 1993

**Staff
Anniversaries**

Congratulations to the following staff members who last week celebrated various anniversaries with the Institute:

| | | Anniversary |
|----------------|--|-------------|
| Maria Kallio | Quality Review | 7th |
| Susan Anderson | Human Resources | 6th |
| John Cullen | Order | 6th |
| Dorothy Jones | CPE Program Development Administration | 6th |
| Jimmy Matarese | Distribution Services | 5th |
| Helen O'Shea | Management Consulting Services | 5th |
| Joel Tanenbaum | Accounting Standards | 5th |
| Pat Williams | CPE Administration - Direct Study | |

Promotions

In Circulation, Bibi Kumar, Zeeta Ramlall and Matilda Rubino were promoted to Senior Control Clerks.

Pamela Womble was promoted to Manager from Supervisor in Membership Administration.

In Human Resources, Vivan Matzelle was promoted from Secretary to Employment Assistant.

Congratulations and much success in your new positions!

**Employee
Suggestion
Program**

Congratulations to our most recent award recipients of the Employee Suggestion Program. They are Moe Levitin and Armanda Squadrilli.

Most of you at Harborside have probably noticed the curved safety mirrors that have been installed throughout the office. These safety mirrors are a result of Moe's suggestion as a way to prevent accidents, spillage and literally "running into people."

Moe also contributed the cost efficient idea of purchasing the "carpool" toll book to be used by our van service. By using the "carpool" toll book, when two or more people are on the van, the Institute will save money.

Another ingenious idea was submitted by Armanda Squadrilli. In order to reduce paper waste, Armanda suggested we install a spreadsheet on the LAN system in the format of the AICPA expense voucher, complete with calculations. Not only will this format reduce errors and save time, it will also be easier for you to complete. The MIS department is currently working on its development.

It's easy to participate in the AICPA Employee Suggestion Program. If you have any idea - however big or small - that you think can increase revenues, save money or improve business operations, come to Human Resources and fill out an official Employee Suggestion Form, and you too may be eligible to receive an award ranging from \$50 - \$15,000.

**Harborside
Cafeteria**

We are now serving a hot breakfast entree in our cafeteria between the hours of 8 am to 10 am. Now available on our menu is a scrambled egg sandwich on bread or roll with a daily compliment of bacon on Monday, sausage on Tuesday, ham on Wednesday, taylor ham on Thursday and salami on Friday. The cost is \$1.40. Enjoy!

AICPA Salary Administration

From time to time human resources receives questions from employees about the Institute's salary administration program. Following is a brief explanation of how the program works.

The foundation of the AICPA salary administration program is the principal of "pay-for-performance." Simply put, this means that employees get salary increases in direct relation to how well they meet the requirements of their jobs. Employees who exceed their job requirements tend to receive larger salary increases; and those who perform poorly are likely to receive smaller, or no salary actions.

The purpose of the Institute's salary administration program is to ensure that employees are paid in a fair and equitable manner -- that is, each job is paid in relation to the contribution that it makes to the Institute, and at a level that is competitive with salaries paid for similar jobs in other organizations. In this way, the Institute can attract and retain capable people.

One key to the salary administration program is an up-to-date job description that accurately reflects the work being performed (this is why at the end of the performance appraisal form we ask employees to tell us whether their job description needs to be reviewed). Every job in the Institute has a position description (if you don't have one for your job, see your supervisor).

Based on the job description, a salary range is determined for each position. The salary range has a minimum, a midpoint, and a maximum. Employees tend to start out in a new job at or near the salary range minimum, and as they gain experience and time in their position, their salaries tend to increase toward the salary range midpoint, or sometimes, beyond the midpoint, depending on their level of performance.

Human resources constantly monitors the "worth" of each job in the Institute relative to similar jobs in other organizations. This is done by continually participating in market salary surveys. Additionally, each year the Institute's outside compensation consultants prepare a major annual review to help assure that our salaries are competitive and internally consistent.

The salary raise that an employee receives is based on two factors: (1) Where the employee's salary falls within the salary range, and (2) the overall rating the employee receives during his or her performance appraisal. Typically, employees who are very low in their salary range will receive slightly larger increases than those who are very high in their range (generally defined as over the range midpoint). More importantly, though, the higher performance rating an employee receives, the greater their salary increase will be -- in other words: *performance equals rewards*.

While human resources primarily is responsible for the administration of the Institute's salary program, two committees have been established to help determine the relative worth of all positions. The non-exempt salary committee is composed of directors and managers who are familiar with most of the clerical and support positions at the Institute. It is their judgment, after careful review of the job descriptions, which determines the relative "worth" of each job.

Relative worth is measured in terms of the knowledge needed to perform the job; the difficulty (or ease) of the kinds of problems the job must solve; and how accountable the job is for getting things done (sometimes called job impact). In determining a job's relative worth, the non-exempt salary committee assigns a point value (sometimes called Hay points, named after Hay Associates, a compensation consulting group). These Hay points are then translated by human resources into a salary range. On a regular basis -- typically in January - - human resources informs all employees of their salary range, so that everyone knows exactly where they stand.

A similar committee has been established to evaluate exempt, professional, and management positions, and is composed of Institute executives familiar with these kinds of positions.

That's the story. Hopefully you now have a clearer understanding of how the Institute administers its salary practices, and rewards its staff based on pay-for-performance.