

**NEWSLETTER - April 24, 2001**  
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## **Feature Paper**

### **Managing Pay Equity in Small Business**

This paper was presented by Elaine Hobbs Fry, DBA and Allayne Barrilleaux Pizzolatto, Ph.D, at the 2001 Association for Small Business and Entrepreneurship in New Orleans, Louisiana, on February 27-March 3, 2001.

Current trends suggest that interest in the pay equity issue will not diminish in the 21st Century. If anything, as more women and minorities enter and gain experience in the work force, the interest in pay equity will increase. Small business owners must recognize the significance of pay equity issues from a legal and competitive advantage perspective. Small business owners can elect to be proactive and guide their company to pay parity or wait, react, and suffer the consequences. This paper discusses the history and current trends of pay equity and offers proactive management measures to the small business owner.

To read this entire paper on pay equity, visit our Web site at  
<http://http://www.sbaer.uca.edu/Research/2001/ASBE/37asbe01.htm>

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## **Tip Of the Week**

### **"Wage and Salary Systems"**

Another important aspect of staffing is compensation, which takes two forms: wages/salaries and benefits. The former is the money people are paid on a weekly, biweekly, or monthly basis, while the latter consists of retirement benefits, insurance programs, sick leave, and paid vacations.

Most small business owners have essentially two choices when it comes to wage and salary compensation. Employees can be paid either on the basis of *time* (by the hour, day, week, or month) or on the basis of *output* (an incentive piece-rate plan). In either case, compensation must be within the

guidelines of the Equal Employment Opportunity regulations in order to avoid discriminatory inequalities. This means equal pay must be given for substantially equal work. Therefore, once a job has been established and a pay rate set, anyone who performs this job should be paid the same rate. The only exception is if the person has been doing the job for a number of years and has received annual pay increases. In such a case, any new incoming employee need be paid only the current *starting* wage.

Straight salary is a fairly clear-cut compensation method, so let us concentrate on *incentive compensation systems*. Under these systems, an individual's pay is based on how much work is done. For example, in some instances, the worker is paid a straight piece rate; he or she receives money for each item produced or processed, such as 25 cents per widget. In other cases, the person is given a guaranteed day rate, such as \$25 per day, regardless of how much work is done, as well as an incentive per item, such as 10 cents per piece.

The experts do not universally agree as to which method of wage payment is best, straight salary or incentive. However, generally speaking, incentive wages are both practical and effective *only* under the following conditions:

- The units of output are measurable and readily distinguishable. In this way, it is possible to tell how much work the individual actually has done.
- A clear relationship exists between output and the worker's effort. The individual should be rewarded directly for what he or she does.
- Quality is less important than quantity. (If the work is highly technical, the output with incentive wages is likely to be shoddy and fail inspection.)
- Supervisors do not have sufficient time to devote much attention to individual performance. If the work requires a lot supervision, it probably cannot be done quickly and easily, so the workers will not like the incentive payment plan.

"Effective Small Business Management," Hodgetts, Richard M., and Kuratko, Donald F., Harcourt, Inc., 2001, page 328.

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## Conference

### ASBE 1st Special Mid-Year Meeting

The Officers of ASBE have been discussing the possibility of having an additional meeting for several years and 2001 is the year! We have made arrangements to conduct a meeting in Cozumel, Mexico, on September 21-24, 2001. The format of the program will be the same as at our SWFAD meetings. Competitive papers, symposiums and panel activities will give everyone interested an opportunity to take part. One major difference is that the Proceedings will be published on CD instead of paper. This will allow us enough time to review manuscripts, give feedback, and publish the finished papers in time for the conference. We will also plan to have these published on the WEB prior to the meeting. There will be best paper awards presented at the conference.

Submission Deadline: **May 15, 2001**

For further information on this conference, visit [www.sbaer.uca.edu/Docs/Bulletins/asbeconference.htm](http://www.sbaer.uca.edu/Docs/Bulletins/asbeconference.htm)

## Call For Papers

### The 5th Annual Emerging Issues in Business and Technology

This conference will be held on November 8-10, 2001, in Myrtle Beach, South Carolina. The planning committee for the 2001 Conference on Emerging Issues in Business and Technology is seeking completed papers, abstracts of your research ideas and panel proposals from academicians and practitioners on topics of special interest to members of the business community. Global competition and cooperation, the Internet, computer security, team approaches to leadership, governmental regulation, workforce diversity, wireless communications, the impact of technology on business education, training and learning, employee privacy, intellectual property, and a wide variety of policy and other issues are affecting the way we do business. We are interested in your research, theoretical models, practical applications, innovative "how-to" ideas for improving the workplace, and other ideas which affect the business and the business education and training environment. We are especially interested in papers and panels developed in cooperation with business practitioners that focus on how technology is changing business. Submissions from students are welcome and encouraged.

Submission deadline for papers: **July 16, 2001**

For more details on the this conference, visit <http://www.wiu.edu/emergingissues>

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## Call For Papers

### International Academy of Linguistics, Behavioral and Social Sciences

Scholars and practitioners are invited to submit competitive papers for presentation at the 2001 annual meeting of the International Academy of Linguistics, Behavioral and Social Sciences, to be held in Cancun, Mexico, on November 14-18, 2001. All topics in anthropology, art education and history, communication, languages and literature, psychology, sociology, socio-cultural studies, and their global implications are appropriate. We also need session chairpersons and discussants for papers, and we encourage you to organize sessions, convene panel discussions, and workshops.

Submission Deadline: **May 15, 2001**

For further information on this conference, visit  
<http://www.sbaer.uca.edu/Docs/bulletins/IALBSS2001.htm>

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## Call For Papers

### Association for Global Business

Global scholars and practitioners are invited to submit competitive papers for presentation and publication at the 2001 annual meeting of the Association for Global Business to be held in Cancun, Mexico, on November 14-18, 2001. All topics in business disciplines (accounting, finance, international

business, management and marketing), economics, management information systems and computer science, political science, and global strategies are appropriate. We also need session chairpersons, and we encourage you to organize sessions and convene panel discussions.

Submission Deadline: **May 15, 2001**

For further information on this conference, visit <http://www.sbaer.uca.edu/Docs/bulletins/AGB2001.htm>

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## Conference

### International Forum--Pilot: Reverse Logistics: The Third Millennium Business

The Pilot International Meeting, which will be held on May 7-8, 2001 in Zaragoza, Spain, aims to be a place of discussion and sensitivity of the opportunities offered by such an innovative field as reverse logistics. This activity, which is highly expected to grow, has been called by Gus Pagonis (Executive VP of logistics for SEARS) as "the last frontier for cost reductions." Reverse logistics involves the process of planning, implementing and controlling the efficient, cost effective flow and storage of raw materials, in process inventory, finished goods and related information, from Point of consumption to Point of Origin in order to recover value or correctly eliminate it.

For further information on this conference, visit [www.logispilot.com](http://www.logispilot.com)

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- If you have any comments about the SBANC newsletter or if you know of any upcoming small business event to promote, please contact Richard Armstrong at [rea7401@cub.uca.edu](mailto:rea7401@cub.uca.edu)
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- SBANC Newsletter is provided as a service to the **Association for Small Business and Entrepreneurship (ASBE)** members and the **International Council for Small Business (ICSB)** members.
  - If interested in becoming a member of ASBE, contact Corbett Gaulden, Jr., at [gaulden\\_c@utpb.edu](mailto:gaulden_c@utpb.edu)
  - If interested in becoming a member of ICSB, visit <http://www.icsb.org/about/join.htm>
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If you would like to be added to the list, you may send a message to the same address with the word "**add**" in the subject line.