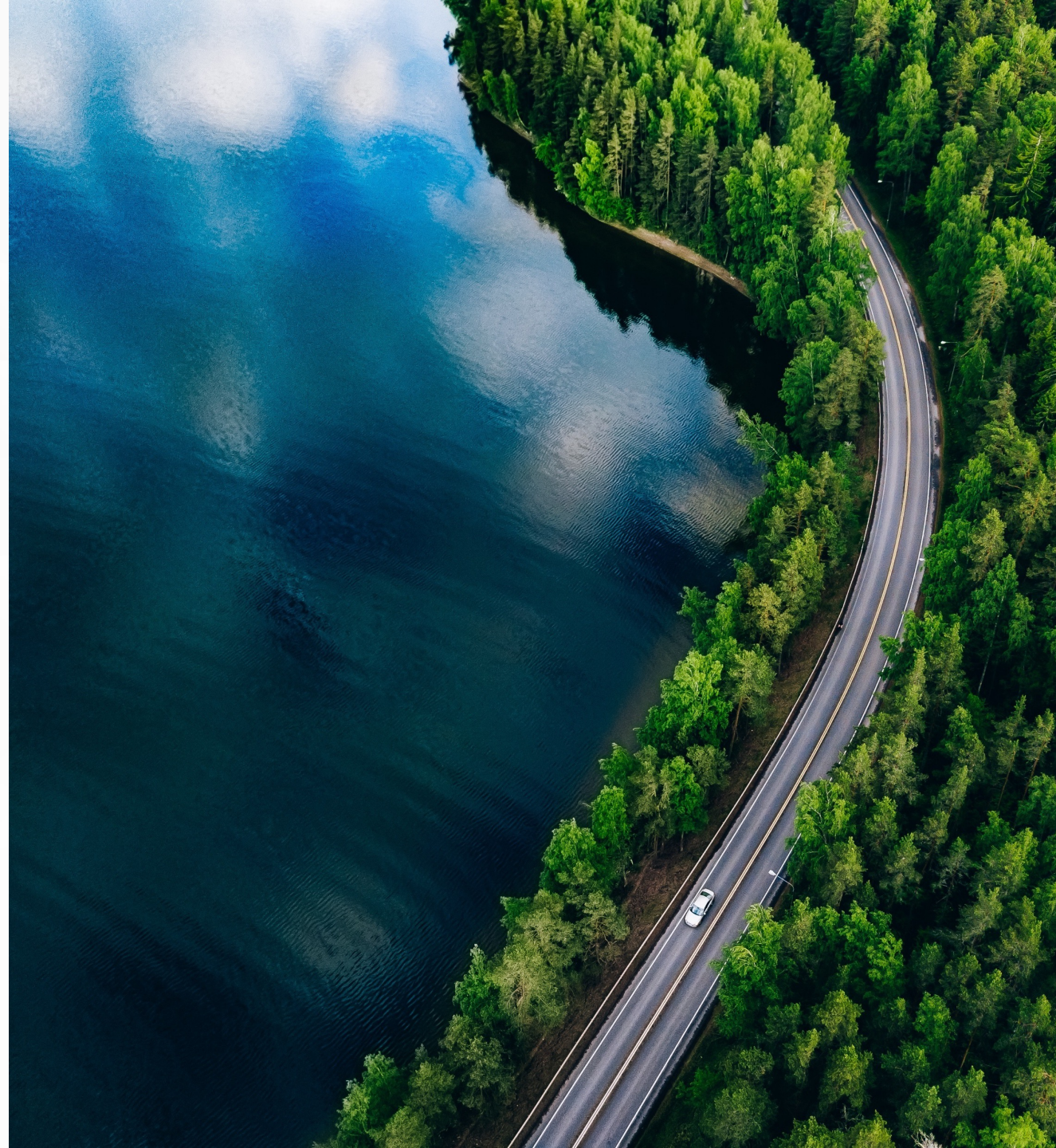




# **COMPENSATION DESIGN: ALIGNING PAY STRUCTURES WITH EVOLVING PERFORMANCE INDICATORS**

February 13, 2024





# ABOUT NONPROFIT HR

## Our Vision:

We are the leading source of innovative talent management, talent acquisition services and knowledge for the social impact sector.

- Total lifecycle solutions for talent management.
- 20+ years of serving the social sector as a trusted advisor and thought partner.
- Thousands of missions served.
- Black woman owned.
- National footprint.
- Award-winning and credentialed staff.

"Nonprofit HR's experts listen, articulate people-centric solutions and understand the correlation between having high-performing engaged staff and us being able to support our members' needs. Their team has elevated the importance of and visibility around innovative HR practices. Nonprofit HR is an invaluable strategic partner."

Cathy Gibney, Chief Financial Officer,  
National Hospice & Palliative Care Organization





# OUR PRACTICES

Nonprofit HR's suite of solutions are centered around five core service areas.

## STRATEGY & ADVISORY

- HR Audits & Assessment
- Workforce Planning
- Performance Management
- Workplace Culture & Employee Engagement
- Learning & Development

## HR OUTSOURCING

- Interim Outsourcing
- Comprehensive General Outsourcing
- Specialty Outsourcing

## EQUITY, DIVERSITY, INCLUSION & JUSTICE

- Assessments, Strategy Design & Implementation
- EDIJ Training
- Cultural Transformation
- Leadership Development
- Interim Chief Equity Officer

## TOTAL REWARDS

- Salary Benchmarking
- Compensation Program Design
- Pay Equity Analysis
- Benefits Assessments
- HR Technology

## SEARCH

- Executive & Professional Search
- Recruitment Outsourcing
- Interim leadership

*We also partner with nonprofit and for-profit social enterprises to help strengthen their people management practices.*



YOUR NONPROFIT HR

# PRESENTERS



LISA MCKEOWN

Managing Director  
Total Rewards



TINA TWYMAN,  
MA, SHRM-SCP,  
CCP

Team Leader &  
Senior Consultant  
Total Rewards



JULIE  
TRIMARCHI, SPHR

Senior Consultant  
Total Rewards



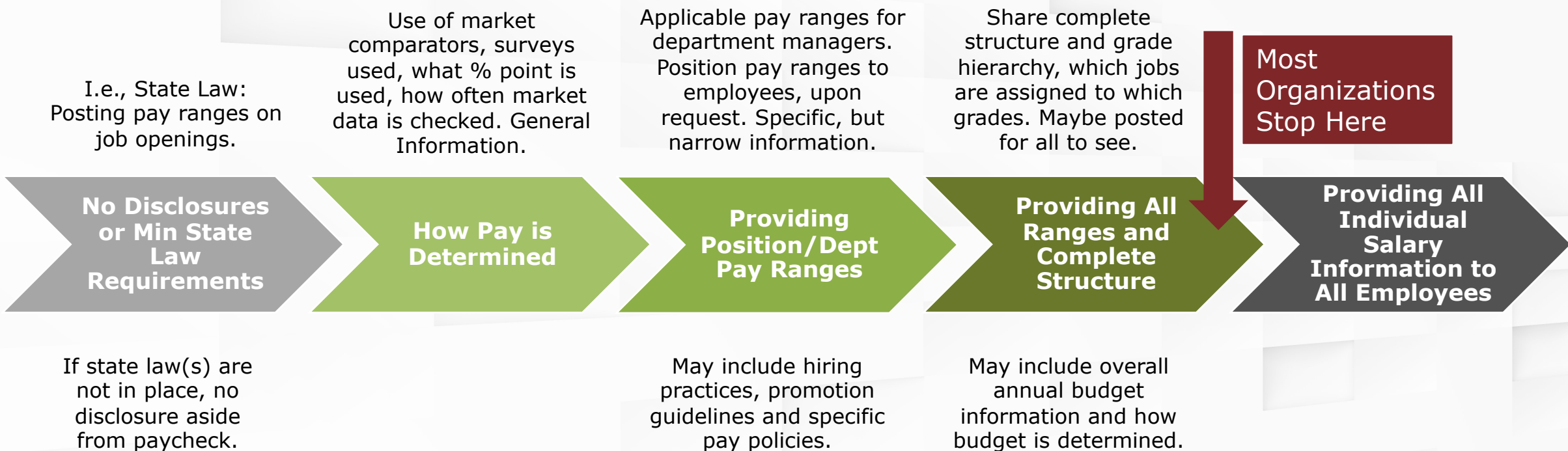


# ■ AGENDA

- Assessing your organization's pay transparency readiness
- Creating an agile compensation system that is easy to administer, explain and evolve to changing business needs
- Aligning organizational mission, values, and purpose within your strategic compensation framework
- Telling the story; pay structure alignment with evolving organizational performance metrics
- Importance of communication and education



# ASSESSING PAY TRANSPARENCY READINESS



**Advancement through levels requires leadership support, an agreed upon timeline and a communication plan.**

Source: WorldatWork



# CREATING AN AGILE COMPENSATION PROGRAM

- Consider the current state of the organization's job descriptions
- Consider your organization's business lifecycle (startup, growth, mature, turnaround)
- Design a Total Rewards Philosophy that enables the organization to flex
- Define the organization's competitive landscape (remote vs. in-office, stable revenue vs. projected revenue growth)
- Ground your structure in one geographical area (i.e., U.S. National Average)
- Define the competitive landscape of the organization
- Manage compensation by building salary bands vs. salary ranges for each unique position

*"Flexibility within a Framework"*







# ALIGNING ORGANIZATIONAL MISSION, VALUES AND PURPOSE

- Corporate Mission and Vision
- Business Strategy
- HR Strategy
- Total Rewards Strategy
- Use clear and inclusive language in job descriptions (do you require degrees, or will equivalent experience suffice or even be best)
- Consider all the components of your total rewards package (benefits and workplace programs that reflect your culture)
- Provide clear communication and education
- Ensuring pay equity
  - Align Compensation to performance management, legal standards and industry benchmarks
  - Continue to evaluate and refine
  - Consider a Living Wage
  - Disbursement of increases across salary levels





## ■ TELLING THE STORY

- External metrics
  - % of positions below the market using benchmarks
  - Compa ratio – how competitive is the organization to the median of the market
  - How many staff are above market
- Making a Case
  - Increase in turnover
  - Time to Fill
  - Increase in position vacancy rates
  - Staff engagement scores





## ■ COMMUNICATION AND EDUCATION

- Align the organization's communications to support pay transparency goals
- Educate to enable Managers to support the management of their teams and build their compensation program proficiency
- Share with staff elements of the compensation program to support their understanding and build trust
- Successfully Communication and Education looks like:
  - Leadership is aligned
  - Manager are trained and empowered to respond to employee questions
  - Organization's Compensation Philosophy is clear
  - Employees know how they receive pay increases; how promotions work, how pay is linked to performance
  - Employees know where their roles fits into the overall organization
  - They trust that leadership is being proactive about compensation







# NEXT STEPS FOR CONSIDERATION





# ■ NEXT FIRST STEPS

- Assess your organizations pay transparency readiness
- Ensure that job descriptions are up to date and reflect the roles in the organization
- Define the competitive landscape of your organization
- Conduct a market analysis of positions every two years



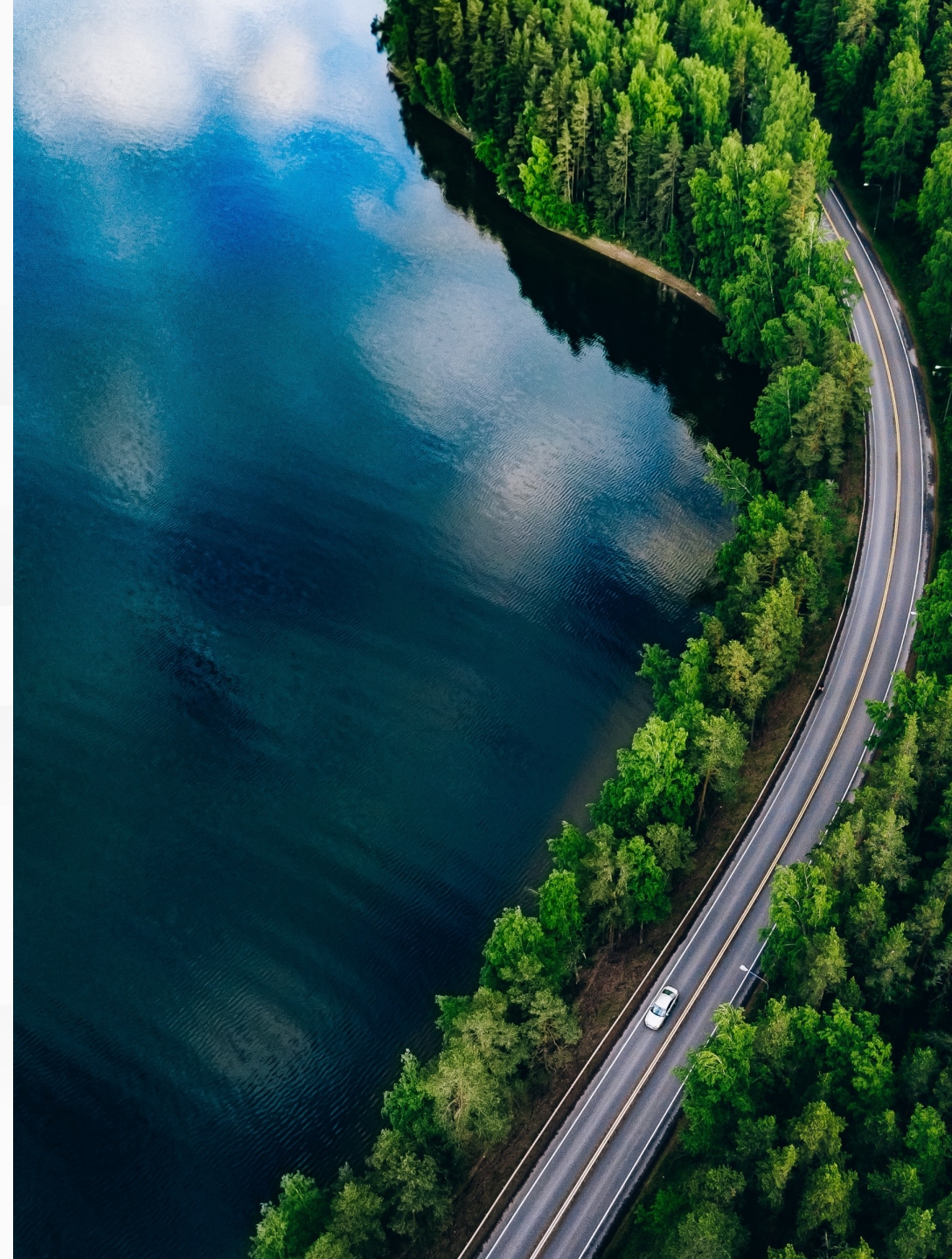


# THANK YOU & CONTACT US

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Nonprofit**HR**



**QUESTIONS**