



Nonprofit**HR**

WEBINAR TRANSCRIPT

Compensation Design: Aligning Pay Structures with Evolving Performance Indicators

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Compensation Design: Aligning Pay Structures with Evolving Performance Indicators

Join us for an insightful webinar led by Nonprofit HR's total rewards experts, who have partnered with countless organizations to redefine compensation priorities to retain key performers, attract top talent and maintain adherence to their compensation philosophy and market relevance. This session is exclusively crafted for leaders seeking to reimagine their compensation strategies by exploring approaches that transcend traditional formulas and metrics. Join us and discover how our consultants consistently design pay structures and programs that align with your organization's culture, values, mission, equity and pay transparency goals.

This conversation will focus on:

- Assessing your organization pay transparency readiness
- Ethical considerations and equitable practices that underpin compensation design
- Agile compensation systems that accommodate diverse roles, recognize achievements, and flexibly respond to dynamic organizational needs
- Fairness, transparency and alignment with organizational mission, values, and purpose within your strategic compensation framework
- Pay structure alignment with evolving performance that boosts employee engagement and fosters a culture of continuous improvement

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WEBINAR 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



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Compensation Design: Aligning Pay Structures with Evolving Performance Indicators

Atokatha Ashmond Brew: Hello everyone, and welcome. Thank you for joining us this afternoon for Nonprofit HR's Virtual Learning Education Event.

Today's session is entitled, Compensation Design: Aligning Pay Structures with Evolving Performance Indicators.

My name is Nana Atokatha Ashmond Brew, and I'm Managing Director for Marketing & Strategic Communication for Nonprofit HR. I will be your conversation moderator for today. We have a lot of great content to cover, so we're going to jump right in.

Before we get started, though, I would like to go over a few items so you know how to participate in today's event.

You have joined the presentation listening using your computer's speaker system by default.

If you would prefer to join over the telephone, just select telephone in the GoToWebinar audio pane, and the dial-in information will be displayed.

You will have the opportunity to submit text questions to today's presenters by typing your questions into the questions pane of the control panel. You may send in your questions at any time during the presentation. We will collect these and address them during the Q&A at the end of today's event.

Today's event is being recorded, and you will receive a follow-up email within the next few days with a link to view the recording, along with the slides.

Just a brief note about Nonprofit HR.

Since 2000 Nonprofit HR remains the country's leading and oldest firm, focused exclusively on the talent management needs of the social sector, including nonprofits, associations, social enterprises and other mission-driven organizations.

All of our solutions are highly customized and leverage our integrated approach to consulting and providing stellar client experiences.

We focus our consulting efforts on the following practice areas: Strategy & Advisory, HR Outsourcing, Total Rewards, Equity, Diversity, Inclusion & Justice, and Search.

Again, you will have an opportunity to ask questions to our presenters throughout the webinar, and we will get to your questions as soon as we can.

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And now a little about our presenters.

Managing Director for Total Rewards, Lisa McKeown offers clients more than 25 years of experience in global total rewards and HCMS, with unique expertise in global compensation strategy, program design and operations. Known to bring a strong service orientation to every project she touches, Lisa is a critical thinker who thoughtfully develops programs that are differentiating for clients and their employees alike.

Team leader & Senior Consultant for Total Rewards, Tina Twyman partners with nonprofit leaders to help advance their people's goals and objectives by advising and delivering transformative capacity building compensation solutions. She is passionate about helping leaders transform talent and optimize teams through her work and told her work in total rewards.

And Senior Consultant for Total Rewards, Julie Trimarchi provides compensation support regarding base salary structures, compensation, philosophy, compensation policy and pay equity. She provides consultation utilizing external market data and internal metrics to design compensation programs aligned with organizational goals, which attract, motivate and retain employees.

Again, you will receive the slides for this week's event and the link to the recording by the end of this week.

And now without further ado, I turn it over to you Lisa.

Lisa McKeown: Thank you.

Welcome all of you today. I'm Lisa McKeown and I'm really pleased to be able to share this content with you today and share this webinar with my colleagues Tina and Julie. Would you like to say a quick hello?

Tina Twyman: Hello. I'm Tina Twyman and I'm in the Maryland area, or just right outside of Washington, D.C. I've had the pleasure of partnering with my colleagues and those of you in over 100 projects during my tenure at Nonprofit HR. So really looking forward to our discussion today.

Julie Trimarchi: Hi. I'm Julie Trimarchi. Excuse me. I'm a Senior Compensation Consultant with Nonprofit HR, I'm also excited for this topic. And thank you all for taking the time to dial in today.

Lisa McKeown: Wonderful.

All right, so we're going to dive right in.

First, we want to go over what our agenda will be.

Today, we're going to chat with you about the strategic, and the artful side of compensation, what we refer to as the fun side of compensation. I really want to thank those who've already sent questions or shared your thoughts about what you are hoping would be covered today. We have incorporated what you've shared into our presentation.

Our agenda today is going to cover five key different areas. The first will be related to assessing your organization's pay transparency readiness. Our second area will be developing an agile compensation system or program that's really easy to administer and will respond to any volunteer changing business needs. A third area that we'll talk about is aligning your organizational mission, and values, and purpose to your compensation framework. Our fourth area will be telling your story. So, this one is pay structure alignment with evolving organizational metrics. And then lastly, the importance of communication and education.

My colleague Julie will talk first about assessing pay transparency readiness. Julie?

Julie Trimarchi: Sure, thanks, Lisa.

So jumping right in, pay transparency is a hot topic. I'm sure most of you on this call have heard it or the past couple of years. You are probably aware that there are new state laws popping up everywhere. If you're not in a state that has a pay transparency law, it might be a good time to think about it because there might be a law coming to your state soon. And this is really a continuum. Looking at the slide, you can see you really start out with very minimal transparency at the beginning of this ... slide, where you're just disclosing what employees make to themselves. So, what's on their paycheck is what's the minimal amount of transparency required. Or, if you're in a state where there is a transparency law, you're just minimally meeting that state law.

As you move through the transparency steps, the next step is explaining to your employees how pay is determined. And that might include explaining that you use third party independent surveys to figure out what the market is paying, whether you're doing that internally or using a consultant like an [Nonprofit HR] or another consultant.

I'm explaining how that process works, explaining what percent of the market that you target to pay most like. So might be that you're targeting the 50th percentile of the market. Basically, general information, that's not so specific.

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Moving along, getting more transparent, you might start to share pay ranges with department managers. You might start to share pay ranges with employees, upon request. It's a little bit more specific, but it's narrow information. This might also include things like hiring practices or how you handle promotions.

Next, becoming more and more transparent, organizations start to share their complex structure with great hierarchy. They'll share which jobs are assigned to which grade, and they maybe post those somewhere internally for everybody to see as well as externally on job postings. This might also include sharing your overall annual budget or how you arrive at that budget.

So, this is really a continuum, and that's where most organizations stop, as far as transparency goes. There is one more level, which you might see in the federal government, where everybody shares everybody's actual, individual salary information.

So given that this is a continuum, you might be at one place on this chart and want to move to more transparency.

Some important things to remember are that leadership needs to be in alignment as far as how transparent you are willing to be, when you'll be ready for that level of transparency, and have a plan; have a communication plan and a timeline so that you are in lockstep as leaders for when you're going to roll this transparency changes out to your employees.

With that, I wanted to add another layer on top of this in [regard] to organizational indicators, are organizational goals, and that would be, how much do you share your organizational goals with your employees?

Do you have a multi-year strict strategic plan that you share?

Do you have annual goals that you share with your employees?

And the more you share your annual goals and your strategic plan, the more you can align your paid practices with those.

For example, if you know you have certain behaviors or competencies that drive those goals, you can include those in your annual merit cycle, or how are you rate performance at the individual level.

You might also, if you have an incentive plan, have incentives and goals on the incentive plan that are directly aligned with your organizational goals, and cascade those down throughout the organization.

So I think we have time, Atokatha, if there are any questions on this topic?

Atokatha Ashmond Brew: Hi, Julie. Yes, we just had a clarifying question come in from our audience. What about total compensation information which varies across staff? Can you speak to that?

Julie Trimarchi: Sure. Total compensation can vary across staff. It's a really great tool if you can put together a total rewards statement, which is an individualized statement for each employee, which outlines, sometimes you'll see a circle chart, how much of their base pay is included in their total rewards, how much their benefits are worth. That's included in total rewards. So you'll see a pie chart with pay and benefits, and the different kinds of benefits and their worth.

So those are ways that you can communicate at the individual level that everybody is getting the same sort of tool.

Atokatha Ashmond Brew: Thanks, Julie. Here's another question. Can you share the difference between externally compliant to pay transparency laws versus internally being transparent in your approach to managing compensation?

Lisa McKeown: Yeah, I can take that one. Thank you.

So, there are often organizations, when they think about pay transparency, they focus on being able to post their hiring range externally. And that is very important, and it's an important aspect of being prepared to externally share those and what are the things you need to do within your organization, your market data, building your structure, analyzing staff, making sure you're addressing equity.

But also, something that organizations don't often think about when they're thinking about pay transparency is when you are educating managers, when you're having your managers be more accountable and more involved in making pay decisions, I think you really need to think about ... do your managers know what their staff salaries are?

It's not unusual, and it has happened that we'll work with clients who, they don't share salaries, for example, of direct reports to managers.

So, how involved, how are you empowering managers to be able to be informed about the program? Be able to answer really difficult questions they may get from staff? And are you empowering them to be accountable and engaged in the salary decision-making process?

So, there's the external piece about being ready, but there's also, are your managers ready as well?

Atokatha Ashmond Brew: Thanks. We've got another question, would you like to take one more now?

Lisa McKeown: Certainly, we can take one more.

Atokatha Ashmond Brew: There's been a lot of talk about pay transparency lately, and we're seeing more and more states propose or approve transparency laws. What do you think are the key steps an organization should take to get ready?

Tina Twyman: I'll jump in. Julie made an excellent point about ensuring that your leadership is aligned with your messaging. And she and I have certainly worth a lot of clients and talk about taking a step back, and actually making sure that the organization has defined what transparency means at that particular organization.

Because we all know that everyone has an idea of transparency, and it's demonstrated here or depicted on the continuum from hardly sharing much to the federal government or public sector sharing and being able to look up employee's information. So, making sure that the organization has defined what transparency means is important.

Julie touched on it a bit around the hiring and promotion practices, being clear about the methodologies, and that pay administration and how those decisions are made. Of course, staying abreast of the state law so that you can be ready if you're not ready now. And because it's the right thing to do, so start getting ready. Of course, conducting your market analysis and making sure that your framework and your structures competitive, and that it's up to date, and conducting your staff analysis to ensure that ... if there's any inequities that you've identified to correct. And, of course, Lisa touched on it as well, communication and education is key throughout the process.

Lisa McKeown: So, our next area that we wanted to talk about is, what are the strategies and what are the components of ensuring that you're creating an agile compensation program? And there are definitely some steps that you can take.

I often will say that creating your program is really creating flexibility within a framework. It's enabling you to have a program in place, but enabling you to also operate agile and ... with flexibility within that program, as well.

One of the first things we think is really important to focus on, in the beginning of a process to work on developing a program is considered the state of your job descriptions.

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They really are the foundation and the starting point of building your compensation program, and often they are the building blocks of very, many talent management initiatives: your recruitment, professional development, performance management. So, I think one of the first things we always recommend is make sure that your job descriptions are up to date, before you embark on a project to build a program.

One of the other elements that's really important is consider where your organization is in its business lifecycle.

Well, if you are a startup organization, or you're in growth mode, or you're actually mature, or you're starting to turn around, each one of those will have different needs based on where your sort of business lifecycle is.

If you're a mature organization, you're solid in the jobs that you need. You're not adding new jobs, you're sort of at that target revenue, it's a bit of a different approach to maintaining your program.

If you're in growth mode and you're hiring and you're projecting, or you've just been through a strategic planning process ... you'll need different types of positions, you'll have a different revenue targets, you may have revenue targets, over three to five years, new position targets, every three to five years, you'll have KPIs. So, I think based upon where the organization is in its lifecycle ... you'll want to keep that in mind.

You want to, sort of the third thing to consider is, when you're developing your total rewards philosophy, and Julie talked a little bit about this, and this would include things such as base pay, variable pay, benefits, so you're really thinking about what aspects of your program are you designing for the organization.

I think one of the aspects of creating a philosophy, and we share this a lot with clients is to make sure that you're giving yourself the space to maneuver and make decisions.

So, for example, if an organization decides that they want to be the highest paying organization in their geography or in their particular mission type, and they determined that they want to start all salaries regardless of the position as the median of the market, and you put that in your philosophy, it doesn't enable you to make decisions about sustainability.

Can you sustain hiring staff long term at the median of the market? Not everybody should be hired at the median of the market.

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So, when you're thinking about aspects of your philosophy, you want to make sure that you always are able to describe with enough clarity the program that you're developing. But as a leadership team and as decision makers, you also want to make sure that you're giving yourself the flexibility to maneuver and make decisions.

Another aspect when you are thinking of embarking upon a compensation project is to think about the competitive landscape in which you operate. So ... are you remote, fully remote and dispersed across the country? Are you all in office or are you hybrid? Do you currently have sort of stable revenue, or are you sort of projected to have revenue growth?

So, I think it's important to think about, where do you recruit challenge from and where could you perhaps be losing talent to? And looking at it to make sure that you're looking at the organization: your nonprofit, your mission type, your revenue size, it could be your current revenue, it could be the revenue that you're projecting so that you're including enough revenue when you're building your structure, [and] location.

And that ... goes to the next one, is ... thinking about grounding your compensation structure in one geographical area.

You may be allowing staff to live and work from any state and if so, you'll want to think about an approach to how you manage that. We often will recommend to our clients who are remote, and all their staff are fully remote, to sort of ground your compensation structure in one geography. Sometimes it's the U.S. national average. Then think about how you want to manage salaries from a geographical perspective. Do you want to pay everybody the same? Do you want to factor in geographies, pay those on the west coast, the east coast, the middle of the country? The cost of living is a little bit different, so you'll want to think about [that], and you may not be able to solve for this, necessarily, until you get into a compensation project. But it does go to your philosophy, and it's important, too, to think about that.

And again, we talked a little bit about defining a competitive landscape.

And then, one of the other pieces we often talk with our clients about when we do this work is ... do you have enough unique positions to actually build salary bands or just salary ranges?

And what this means is, we generally recommend for organizations to have about 25 to 30 unique roles. So, for example, you may have, 100, let's use a smaller number, maybe, 35 staff in your organization. And you might have a few staff that are program managers.

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So, when we're working with clients to help them build their structures, we're looking at the program managers, even though they're in different technical areas, as one job.

So, there may not always be enough unique jobs that you're able to combine them together to create salary bands. So oftentimes, organizations will decide they don't have enough positions. They'll just manage compensation by developing a salary range for each unique position and there are some strategies you can put in place for either of those.

But just some things to think about, as you're embarking or you're thinking about, perhaps moving forward, or you have a structure in place but it's not working for you. Some of the conversations and considerations that you could have I think might be helpful as you're going through this.

Atokatha, if we have any questions, I think we could probably take a question.

Atokatha Ashmond Brew: Hi Lisa, so many questions are coming in. Here's one, so we have an idea about transparency, defining it and opportunities to increase transparency, how do organizations ensure their compensation structure or framework is agile enough to support organizational change? For example, where is the most important place to start?

Tina Twyman: I'll jump in and then my colleagues can help support me.

I think the structure is really a good place to start, and Lisa touched on, in all of the bullet points, structure, framework, came up quite often. And I think, taking a step back and assessing the structure to ensure that it supports your strategic plan, your workforce hiring. Where are you in that business lifecycle, your funding goals, taking a look at that structure. Do you have enough levels? Is a job based? Do you have enough levels to support the workforce planning that's needed for if there are new programs, or if the business is just moving in a different direction? Does it allow for the right levels for career path and so forth? I think the structure is a great place to start.

Salary administration. Julie touched on that earlier, the great opportunity. Do you have a process that your managers know how to submit for promotions? Is it a little, is their opportunity for it to be refined or are there a number of steps that you could maybe condense and make it a little easier and more agile around promotions or those pay actions or practices?

Julie or Lisa, if you have anything to add?

Julie Trimarchi: Sure. Really good point, Tina about condensing processes.

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If you're trying to be agile, sometimes we see organizations that come in with over-engineered processes, and they stumble and it takes time, and it impacts their ability to be agile. How many levels of hierarchy do you need to check the box when somebody gets a promotion or a pay increase? Can that be condensed and can that be streamlined?

Even things like job descriptions that are over engineered as far as, "You need X degree and three years of experience." Are you putting yourself in a box, because maybe there's qualified candidates who don't have a degree, but they have 10 years of related, directly related, experience. So maybe loosening up some of your requirements on your job descriptions, that can help you be more agile in your hiring process.

Atokatha Ashmond Brew: Lisa, we've got a couple more ...

Lisa McKeown: Yeah, go right ahead. I think we have time.

Atokatha Ashmond Brew: OK, great.

We've got a couple of clarifying questions between the difference between salary bands and salary ranges, and also wondering if you can speak a little to grounding against the national average, especially for someone who may be, or an organization that may be in the New York City area, but they have employees scattered across states.

Lisa McKeown: Right, yup. Really good questions.

Maybe, I'll take the first one ... Then, I'll have one of my colleagues, answer the one about the geographical differences.

I think we have found, in our experience, both doing this work in our own roles, and also with clients, that there aren't always enough positions that are able to be combined.

So, when you think about positions that exist, let's say, at a leadership level, and you may have different leadership roles, but the market data for those positions can vary significantly. Some leadership positions, like development roles, for example, are very always traditionally high-paying roles, and you may have other roles, as well, that are kind of at that level. If you don't have enough positions, two really combined together to make a really viable salary band, we generally recommend that you would benchmark two unique roles. Because you'll end up paying some staff more than they need to, and some less, if you don't have enough positions to combine together.

Our sweet spot is somewhere between 25 and 30 unique roles. Once you reach that number of unique roles, we think it's likely enough that you have enough positions, that it makes sense to combine those similarly situated roles together.

If you have less than that, we often really do recommend not grouping those together, because the mixing averaging the market data together, just won't really reflect true to the market for some of those roles.

And, Julia or Tina, would you like to answer for the client who is in New York that has some staff all over the state[s]?

Julie Trimarchi: Sure, yeah, that's a challenge, though.

The more we have remote work and disbursed employees, I think it's become more challenging over the last few years with the increase in remote work.

What we typically recommend is, if you have employees all over the country, to look at national data, we know that the cost of labor is different in certain pockets, New York being one of them, Washington, D.C., L.A.

An approach that we've seen is to have two different structures, so you might have a national structure that would cover most of your employees. And then a premium structure, which might be 10 or 15% higher across the board for those employees who sit in cities that have a higher cost of labor. And I'm specifically saying cost of labor, as opposed to cost of living, because, in compensation, we should really follow the cost of labor, as opposed to the cost of living. The cost of living can go up and down year over year. And the cost of labor tends to be a little more consistent. It's usually going to increase. It's not going to decrease. And you want to be competitive with what other situated, other similarly situated, organizations are paying. So that's the cost of labor. And if you're following the cost of living, then you might not be, you might be lagging the cost of labor, and you might be exceeding what the cost of labor is an unsustainable way.

So, hopefully, that helps with some geography situations.

Lisa McKeown: Great. Thank you.

And we will have time for questions at the end, as well.

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So, our next area that we want to chat about is aligning your organizational mission, values and purpose. [These are] also conversations and work that can be discussed before you embark on a project. And if you're in the midst of one or thinking of one, oftentimes you can continue the conversation into that work as well.

But when we speak with managers and educate managers about compensation and also, executive leadership teams, we really start by the corporate mission and vision.

So, what is the mission of your organization? What is its purpose? What are your, what is the vision? What are your goals that you are setting for the organization?

Once, generally, that is set and you have that in place, then it can funnel a bit down into your business strategy. What are your KPIs to measure success in meeting your mission and staying close to your vision? And so, your mission and your vision really do flow into, inform and enable your business strategy.

Your business strategy may be to stand up a new area of specialty in your organization or maintain the specialties that you already have within the organization, and maintain a certain level of operational supports in place as well.

So, based on that, the HR leadership and the team can really ensure that the strategies are aligned, whether it be professional development, strategies, performance management, recruitment [or] compensation. So, being able to really define the priorities for HR, it really does all link up to your business strategy, and your mission and your vision.

Your total rewards strategy really aligns to the program structure, the philosophy, the practices, the benefits, the workplace programs [and] any variable pay that you would have in place that enables you to attract talent and retain talent as well and grow talent, keep them engaged and motivated with their work. So ... [align] your strategy to your mission and your vision. I think there are some organizations that have a particular mission focus, and they want to make sure that that mission is, perhaps coming through in any benefit programs they may have. And so, oftentimes, organizations will try to live their mission and their vision through some of the programs they offer.

I think Julie touched a little bit on this, but another way to align your values is to think about your job descriptions. We have many organizations we've partnered with that work with ... second chance employees, giving an employee an opportunity to be part of their mission and actually be someone that they're serving through their mission. And oftentimes, those staff may become employees an advocates for that mission.

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So, by putting things into job descriptions [such] as requiring certain degrees, you may inhibit staff if they have enough lived experience or experience in a role. That may also be something that you want to consider, making sure that comes through in your job descriptions. You don't necessarily want to preclude anybody, who will have relevant work experience or lived experience that could really enhance your mission.

I think another area that's where you an organization can really shine through its mission and values is in your total rewards package. Oftentimes, organizations will look to their benefit programs to reflect their commitment to their staff and their culture.

So, there's often workplace programs that are put in place if you are remote, if you're a hybrid, if you offer wellness benefits to staff, allowances for wellness benefits, different types of things that are allowed in your health insurance plans, your total rewards package [or] your commitment to recognizing and rewarding staff through something like a spot bonus. So, there, there are opportunities within your total rewards package to enable your values, particularly your values, and your mission, and your purpose to shine through.

I think Tina will cover this a little bit later, but I think your communication and your education around those programs can also enable your mission and values. For example, if your benefit programs, being able to ensure that staff understand how to use them, how to deal with any issues if they have them [and] do they understand where their role fits into the organization? Do they know how they can grow their skills? Do they understand where there's opportunities for promotion? Do they understand how salary decisions are made?

So, I think you have an opportunity through your mission, particularly through your values and your purpose, to really be clear with staff about how decisions are made and educating them about the program, and being transparent about it, as well.

I think there are some specific ways to focus on equity, diversity, inclusion and justice initiatives are very strong in all of the projects that we work on, and there are organizations that have put some things in place, and there are also things that we think you can consider. I think aligning, to ensure pay equity, ensuring that you're aligning your compensation to performance management organizations are moving away from necessarily tying compensation increases to an increase rate or a factor. But, they're building in more conversations, performance building conversations, and aligning, and making it clear to staff how their performance can impact their opportunities for growth, both in their role and in compensation.

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I think it's also very important to align compensation to any legal standards, the compliance aspect of compensation. And then, of course, industry benchmarks, really ensuring that you are looking [and] scanning the market of similarly situated organizations, some of the really great things that Tina shared around ensuring that you're looking at similarly situated organizations. And you're looking to see, what are those organizations doing? How are they paying their staff? What types of benefit programs or workplace programs, do they have in place?

I think it's really important to commit to doing that, sort of ad hoc sometimes, but at least every two years, I think really being committed to ensuring that you're keeping pace with the market. And it really feeds into this, continuing to evaluate and refine.

I think ... one of the aspects of this work that really builds trust with staff is proactively managing these programs. So, having job descriptions that are up to date and reflect your values and your mission ... having your structure and ... staff knowing where they fit into that structure, knowing that you will find an issue before they will. So, knowing that if you're evaluating and refining your structure and looking at your pay practices on a regular basis, and you're adjusting and letting them evolve and flex, I think it builds great trust with staff knowing that the organization is proactively addressing things before they become issues, and then continuing to communicate about it.

Some areas that organizations dive into a little bit is thinking about a living wage. There are organizations that will, for example, set a salary that no staff will be paid below. And it can be a little bit of a mix of cost-of-living data, but also cost of labor. And cost of living is infused in cost of labor, and, as Julie said, it's a much more stable number and reflective of what these issues are paying. So, I think, some organizations who live in maybe high-cost areas, or even some areas where the market does not value some roles as much as the organization does, and the market may say, for example, we see this with sometimes human services roles. The market is saying that these positions should be paid less. But as an organization, we value these roles. They are core to our mission, we're going to set a higher wage for these roles, then that sort of flows through your structure.

Then lastly, [think] about how your disbursing salary increases across salary levels. You're always scanning for issues of inequity. [Think] about how to disburse, say bonuses or increases, if 5% of an increase for a director is not the same dollar value is 5% for somebody that's out there in the field doing the work. So, [think] about how you can more equally provide increases for staff that may be paid a little bit lower than some others in the organization.

So, these are really some things you can think about [for] how you can really enable your values and your mission just sort of come through into these programs.

And Atokatha, happy to open it up. I think we have time for perhaps one question, so happy to open it up.

Atokatha Ashmond Brew: Hi, Lisa, as we do have a question, what are some of the most important elements of a total rewards strategy, compensation philosophy, and pay practices, and alignment and buy-in of leadership toward compensation strategy? So, I know that was a lot. And let me know if you need me to read that again.

Julie Trimarchi: I think that the answer is in the question. One of the most important things is the alignment of your leadership, so that everybody is on the same page with what starts with your mission. Like Lisa said, are you living your values through your compensation program and ensuring that leadership and managers are in alignment and have the same language to use? I think that's important because you can cut out all kinds of things on paper and say that we have [a] compensation philosophy. But if you're not living it and talking it and using the same language consistently, maybe it's talking points, maybe it's something that you bring out once a quarter or even once a month in a more formal way. But I think a very important piece is to make sure that your leaders buy in and they're talking the same language, so that your employees are hearing the same things in a consistent manner.

Lisa McKeown: OK, I think we will – I'm going to turn it over to my colleague, Julie, to cover this area topic too. Julie?

Julie Trimarchi: Sure, we've talked several times now about the external market and knowing where your compensation program sits in comparison to similarly situated organizations. It's good to know how many positions are might be below the market, how many are above the market, know what your average compa ratio is. That's just a compensation term that is a metric that tells you how close you're paying to what the market pays on average, so if you're paying exactly what the market pays in a certain position, your compa ratio would be 100%. If you're behind market, it would be below 100%. If you're above market, it would be greater than 100%.

And you might find yourself in a position where you are behind market in certain positions. And in that case, if you don't have certain budget set aside already, you may have to build a case for your financial leadership to get funding. And I call this the “and.” We are behind market and this is how it's impacting our operations, so that's where you start to build the case and use your internal indicators, your internal metrics, to help support that business case.

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So, can you show that there is an increase in turnover in that position that's behind market? Is the turnover due to pay? Do you see increasing time to fill when you have vacancies? Do you have an increasing trend in vacancy rates? Do you see staff engagement scores decreasing, possibly due to pay? That's on some engagement surveys. There's typically a question or two around pay. If you see those scores declining, those are all things that you can put into a business case, if you're going to go to financial leadership and ask for additional funding, so you can say, "Yes, we are behind market, but also, this is how it's really in real-time impacting our operations."

Some of these you might have built into your HRIS system, where they're already being captured, and sometimes they're not being captured. And, for example, if recruiting has turndowns due to pay, that might not be captured anywhere specifically, but it can be as easy as just having a recruiter or talent acquisition keep a log: We had these positions open. These were accepted, we offered a position to this candidate. They declined it, and they declined and told us it was due to pay.

So, it's a simple log that can be kept. And you can start to create metrics that help build the story, and help build your case to get the funding that you need.

Any questions on that, Atokatha?

Atokatha Ashmond Brew: Hi, yes, one question did come in. How does knowing and sharing organizational performance metrics foster employee engagement and a culture of continuous improvement?

Tina Twyman: Happy to lean in on that one. Julie, certainly, I think, told a really good story here. There's a lot of good metrics that we can certainly start, exit interviews, stay interviews, she mentioned, the rate of promotions and offer declines. Starting to track that information and having a baseline is really important.

Then there's this thing of, "What gets measured gets done," and that holds true. So, to me, from my experience, employees have an understanding of ... well, one, you look at the data, assess it, and then you have some opportunities to refine it with that baseline. But then you have an understanding of what's being measured with your target and where to improve. And you're constantly looking to improve that number. And so, tracking in and analyzing it tells a story in itself.

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In addition, your bonus programs or incentive comp programs, when employees know how they make a difference, what's being measured, they're going to continually strive to exceed that target or that measurement. And then the organization in return is obviously getting better outcomes and continuous improvement, because obviously, you're going to refine those programs, and employees are going to continue to kind of stretch themselves to achieve those targets.

I think that's a great opportunity for the organization continuing to improve and employees striving for that and being able to get recognized and rewarded as a result.

Lisa? Julie? Any other questions or comments?

Lisa McKeown: No, I think we have one more area that we want to cover, and I'm going to turn it over to my colleague, Tina.

Tina Twyman: Yes. Communication and education.

Julie and I have, certainly along with the team, worked quite a bit ensuring that organizations that reached out to us make sure that their structural framework is really competitive. And I would say, over the past four months, Julie, maybe five, we have been [hit pretty hard] with helping our clients educate their people managers, especially their first line people managers, on having the tools and resources to be able to communicate confidently to their employees, to manage their compensation. And, I think that the transparency component that we've talked about quite a bit today, by training the managers [it] helps them better understand and be able to use those tools to communicate more competently to their staff.

The education goes beyond just updating and educating the people managers first. It's the employees' understanding the structure, where they fit in the structure [and] their career path. And then, if you are one of those organizations we talked about earlier that's in a certain lifecycle, if you're high growth, what are you doing to sustain that communication? Are you communicating during orientation and onboarding your newly promoted employees? Better, being promoted to managers [and] ensuring that you're at the communication is aligned with leadership, I know that's been repetitive. But we've talked about [how] it's truly important to ensure that are on the same page, that your compensation philosophy is clear. Do you have a philosophy? Have you looked at it in a while? Is it refined to incorporate any desired transparency statements, or inclusion and equity goals, your benefits, excuse me, your bonus programs and so forth? So, really take an opportunity, is it out there for your employees to see it? Is it on your shared directory or your intranet?

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Is it internet ready for your candidates or applicants that are applying through your website, or your applicant tool?

Those are certainly areas of opportunity to continue to communicate and educate to your staff.

Julie or Lisa, is there anything else you'd like to add around that?

Julie Trimarchi: Sure.

I would say this is as important as getting your compensation structure and your grades. It's as important as that. You can have the best program on paper, but if you're not communicating it and your employees don't understand it, and it's not easy enough to understand, then you're not going to get the return on those investments out of your program.

So, this is huge. Like Tina said, we've spent a lot of time over the last few months, not just helping organizations put together a compensation program but helping them with the communication tools, so that they can easily explain it at the manager level, at the employee level, and giving managers more confidence with the conversations that they would then take. As you step away from a project, organizations are left with the work of communicating and educating, so we want to make sure that our clients are up to speed, and comfortable, and confident in communication.

Tina Twyman: Absolutely. Julie, do you remember at least 20 years ago – sorry, if I cut somebody off – when open enrollment and benefits, open enrollment was a big time to talk about benefits, and it's evolved in the last 10 or 15 years to let's have a strategic plan about when we communicate, wellness, and financial, and health. The same for goes for compensation. There are opportunities to kind of align a compensation communication plan.

Julie Trimarchi: Yeah, and it shouldn't be once a year. Right? Like our annual increases, whether those are performance based or not. It should be continuous conversation throughout the year. And you can have a timeline plan and know the dates ahead of time of what points you're going to explain to your employees. And it might be repetitive, and that's OK, because you're going to have new employees come in and have employees who have left the organization. So, repetition is OK. Communication is definitely the key to making all of this come together and work for your organization.

Lisa McKeown: That is, absolutely – and you said it, Julie – that it's not just about communications when you're embarking on a project, it's communications throughout the year about compensation or your benefit plans, as you mentioned, Tina.

I think if you are thinking of embarking on a compensation project or refreshing, I think your compensation begins, excuse me, your communication begins, the moment you decide you're going to do that. And I think it really does start by communicating with staff that you're embarking on a project like this, what the timeline will be, and I think it's also important, [though] communication, to set the right expectations. Embarking on a compensation project does not mean that everybody's going to get an increase in their pay.

So, I think, it's also important to communicate what's happening, but also to communicate what won't happen or isn't assumed to be happening as well, so it's really both sides of that.

Atokatha, I think we have time for a couple of questions.

Atokatha Ashmond Brew: Hi, here's a question. For organizations that do not have an expert for internal communications, what elements of a communication program do you suggest?

Julie Trimarchi: Sure, I can take this. If you don't have a dedicated person, I think one of the best things that you can do is just take a little bit of time to do high-level FAQs. Think about the questions that come up most often from your managers and employees, and figure out what those are and how you want to answer them.

Get buy-in from other leaders to make sure that your answer aligns with what the whole leadership team thinks and how those questions should be answered. And so, have FAQs, have some short informational documents that you can put on the intranet.

And, again, you can repeat those, it doesn't have to be something new and different every time. If you have limited resources, have a few key things. Know your talking points. Make sure other leaders know the talking points for how to respond to compensation questions. That takes a little bit of the work off of your plate if everybody's on the same page and talking the same language, and giving the same answers. You want leadership in lockstep on those communication points.

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And it will just alleviate some of the work so that you don't feel like you're in the weeds every day answering questions because you have a set set of answers. They may be posted somewhere, or if somebody goes to a manager, they don't then have to come to HR or compensation to get the answer because they know them as well.

Any other questions?

Atokatha Ashmond Brew: Yeah. As a recruiter, how do you manage the expectations of hiring managers when they want candidates with more experience than the compensation structure provides?

Lisa McKeown: Yeah. This one. I experienced this when I was in my role leading total rewards within organizations. When it came to compensation, the recruiter and I were in the team, sort of locked arms on really ensuring that the recruiter had, and the team who were working with the hiring managers, ... everything they needed to have those conversations with hiring managers.

And if needed, being able to come in as a partner to the team to help the hiring manager understand when you are in the midst of hiring, and you are without somebody doing that work on your team, it can get very intense wanting to fill that role as quickly as you can. And it can take some time to recruit, so when you find that stellar candidate, it can be really hard to just keep them grounded in the facts.

And I think there are some things that can be done, that we've talked about today: Ensuring your job descriptions are up to date. Ensuring that the hiring manager is clear on the level of the individual that needs to come in to do the work.

So, I saw this quite often. We would hire program coordinators, and they all had a master's [degree] of public health, but they were doing administrative work. So, not only were they over hired, but they became disengaged, and they wanted to move up really quickly. But you still needed them to do that work, so I think, as a recruiter, it's important to partner with the hiring manager. Make sure you understand, and make sure they understand what they need.

What level do they need somebody to come in? The compensation structure, from the standpoint of the recruiter, the compensation structure really is meant to be a framework and a guide.

So having those salary ranges in place really does enable the hiring manager to have some flexibility – not to target wanting to hire somebody a little bit below the midpoint and then now wanting to higher though at the beyond the maximum of the range.

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So, there are certain elements to maintain: the structure, it's sort of leadership, people managers, HR, recruiting team. You all have to really be aligned, and that's where all these things we've talked about, communication, education, are really going to be important. I've done this balancing act in my career with hiring managers. I think there are times when you can be flexible, and you can make sure that you're staying close to where the hiring range wants to be, but in HR, you also have to consider other folks hiring that have similar level roles and making sure that there's internal equity.

So, I think there's a balance between being flexible, and if it's just another, maybe \$1,500, \$2000, and it's not going to create internal equity situations, I think it's OK to be flexible, but have a point at which you will not hire above. And then, really making sure that the manager is aware, that if they hire this candidate, who is too qualified for this role, they will not be engaged.

So, I think ... it's all about building a relationship. Educating managers on the structure, the philosophy, the pay practices in place, and ... being in partnership with the leadership team, who ultimately would have to approve, perhaps something that is against what [was] already determined ...

So, those are some of the ways that I worked with hiring managers previously, but Julie and Tina, I know you've had to do this too. So, any tips and tricks that I might have missed that could be helpful?

Julie Trimarchi: I think you hit on the big ones.

One thing when I've [been] in a situation where you're hiring for one role, but then a hiring manager thinks they found a unicorn that's super special [and] that can do some extra things that would be fabulous for the organization.

I think it's important to have the conversation about what the right organizational structure is for the company. So, what did we actually think about when we design these org charts, right? Which different positions are going to have different bodies of work? And you might have a unicorn that you think you can utilize in a different way, but that might not actually fit in the big picture of what the organization structure should look like.

So, kind of taking a step back and instead of focusing on that one candidate and those special skills that they think they might have, having a conversation about what's right for the organizational structure can help sometimes.

Lisa McKeown: Atokatha, I think we can take one more question if there's any questions in the chat related to this topic.

Atokatha Ashmond Brew: Yeah, here's one. Is there data to support how long of a tenure is appropriate for staff in a grade position to move from the entry point to midpoint of the salary scale?

Lisa McKeown: Yeah, so ... it's a question related to, perhaps how you would treat tenure in relationship to salary – Julie, you look like you wanted to answer this one. You're about to say something.

Julie Trimarchi: I was going to say it depends on the position. Typically, to be at the midpoint of a grade, you would be doing the job well, you would understand it, you can perform it. You may not be an expert at that job, but you're not an entry at that job. As far as time, that can differ by position.

For example, if you have a clerical position, you're probably going to become proficient at that much quicker ... hit the midpoint and be more appropriate to hit the midpoint quicker than if you are new to being [at] a director level. That might take more years till you get to that really proficient, really well performing place where you might be at the midpoint of that grade.

... grade structures are often designed with wider ranges at the director level, VP level, C-levels, and tighter ranges for administrative, clerical, emerging professionals, so that year over year with your pay increases, you meet the midpoint at an appropriate time in your development in that job.

Are there any other questions?

Atokatha Ashmond Brew: Would you like to take another now?

Lisa McKeown: Yeah, maybe what we can do Atokatha is I can stop sharing for a few minutes, and we could open it up to any general questions on any of the topics?

Atokatha Ashmond Brew: Yeah.

Lisa McKeown: OK.

Atokatha Ashmond Brew: Yeah, Lisa. Lots of questions have come in, and here's one. What is your best strategy for an organization who is in decline, and may not be able to give merit raises, COLA adjustments or bonuses consistently, especially from a communication perspective?

Tina Twyman: I can start, and then maybe my colleagues – sorry, go ahead, Julie.

Julie Trimarchi: I was going to say, I think it's good to be transparent to let your employees know where you are as an organization, the challenges that you're having, I think it's important to speak about your mission, and why you're still there, and why their position is still important, and why they are still valued within the organization and with the constituents that you serve.

But transparency can go a long way.

Tina Twyman: I would add just think about what you might be able to do and what behavior you want to reward, though if you're in a decline or turnaround stage, are there process improvements or efficiencies that you're looking to see to get out of that? And if so, is there a small spot bonus or some type of reward or recognition that you can provide for when employees are demonstrating those outcomes? Those desired outcomes, to help turnaround if you're able to do something like that. And that way, you're not giving everybody a COLA, you're not giving everyone a merit, but you are able to hopefully reward in those behaviors that kind of give the turn around outcomes that you're seeking.

Atokatha Ashmond Brew: Here's another question. You stated some organizations shouldn't hire at the median. In what circumstances is that justified?

Lisa McKeown: Yeah, I can. I'm guilty of that. I can answer that question, because I think I spoke to that.

I think there are, and Julie talked a little bit about this too when we talked about tenure, but when you think about where staff would fall along a salary range, there are some positions that are more senior. So you may have somebody at the director or the leadership level that has a number of years of experience, very strong, they would be considered an expert level person in their field. I think there are some circumstances where [for] some positions at certain levels, it does make sense to hire somebody [and] bring them in at the median.

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So, for example, if you're hiring for the executive director of your organization, or C-suite positions or certain director positions, I think given their experience that they have built up and able to be qualified for that role, and to come in and to really hit the ground running within your organization, you have to really factor in that level of experience, and the immediate impact they're likely to have. And bring them in probably at the median or a little bit above, would be my suggestion.

But I also think it talks a little bit about when you're thinking about a position that is open ... it could be that someone is, could be hired below the median, somewhere between the minimum and middle of that range. I think it's important to think about where you would want to target a salary based on a role. And we give a lot of guidance around this. We refer to them as range placement guidelines. We give a lot of guidance around where staff should be placed based on performance, based on tenure, based on certain certifications, so there's a lot of factors that go into it on where somebody really should be either hired or should sit based on several different factors.

Atokatha Ashmond Brew: Thanks, Lisa. Here's another question. Can you say more about cost of labor? What is the best way to explain this to staff who state that their cost of living continues to increase?

Tina Twyman: Sure, I can start.

Lisa McKeown: Who would like to take that one? OK.

Tina Twyman: This certainly is a challenge, and we recognized during COVID the cost of living went up quite a bit. I think it got as high as 9.2. And organizations that built their philosophy around cost of living found very quickly that that was not — they weren't able to afford that, or very few.

And the cost of living takes into consideration where an individual lives [and] what county they choose to live in, the cost of milk, bread, [and] eggs in that area, where the cost of labor really focuses on the supply and demand for those skills and you can compete for that across many organizations of similar size. And so that is why we stress that, while all employers that I deal with, or that we partner with it at Nonprofit HR want their employees to have a livable wage, they're focused on the cost of labor, how much it costs them to compete for talent, skills and experience of other organizations, and not necessarily what county or where you can buy your milk from Whole Foods, Trader, Joe's, and so forth.

Hopefully that helps. Julie and Lisa, if you have anything to add, please do.

Lisa McKeown: Yeah, I would just add that I've sat in many all staff meetings where we've been introducing programs and talking about our methodology and our approaches. And one of the questions we inevitably get is, we have staff that live in different locations and the cost of living is different, and how are you factoring that into make sure that everybody's being paid appropriately?

In mission driven organizations, there is so much empathy for staff ... who may live in ... I'm living and working in New York, but you're living and working in a state that doesn't have a high cost of living. So there's sort of always looking out for each other. What I usually say is that cost of living is a factor in cost of labor. It's one factor. ... When you're grounding your structure in a certain geographical area, let's say your staff are everywhere across the country, and you ground it in the U.S. national average, we often will work with organizations who want to factor in the cost of labor in different areas.

There are different geographical factors you can apply to make sure that if somebody's living in a higher cost area that their salary will reflect that. I mean, there's definitely elements to be able to support that, but ... once staff hear, "Well, cost of living is a factor, as well as the level of the role and the responsibilities," then they tend to feel comfort in knowing that the market data will factor that in, and then knowing that you're committed to reviewing that on a regular basis too tends to allay some of the angst around hearing that cost of living. Well, what about cost of living? It is there and here's how it shows up.

Atokatha Ashmond Brew: Thanks everyone. Here's another question. Can you share more about how you tie performance management to compensation, which methods or metrics?

Julie Trimarchi: It can really depend on what performance metrics are most important to the organization. Right?

Again, it should start with your strategy, your annual organizational goals, and then the performance at the individual level should cascade down from there.

So, what metrics you're measuring ... at the employee level should be closely aligned with the organizational metrics that are being measured year over year. That could be financial growth, it could be membership growth, it could be satisfaction that the membership level, or your constituent level could be quality related. It could be all of those things.

But really, think about what the organization is trying to accomplish short-term and long-term. Those are the same goals that should be, the same metrics really, that should be applied at the employee level, so that there's alignment from the top down.

Atokatha Ashmond Brew: Great. Here's another question. How can we make professional development requirements a fair and equitable factor for assessing compensation increases for current employees?

Lisa McKeown: Hmm, this is a really good one.

I think for organizations, and I think of it in this way, when it comes to professional development, one aspect of it would be, for organizations that perhaps don't always have promotional opportunities, I think professional development opportunities and those activities that help somebody build their skills can be an important factor in motivating staff.

So if, for example, you're a smaller organization and you don't have opportunities for promotions, I think providing increases related to building your skills is one aspect of that that could be really important, I think, for larger organizations, setting goals. If you set goals in the organization, smart goals, for example, I think you can certainly set professional development goals that can be measured as part of performance as well.

I think it's also important to, when you have a performance management program, and part of that program is you're setting goals, I think it's important to have goals related, of course, to the strategic plan or organizational goals, but it also is good to have at least one goal related to professional development. What's a skill, a certification, ... something that if you learn or master, you would be able to excel in your role?

So, I think those are some of the ways. But feel free, colleagues, to add in anything on that I've missed.

Julie Trimarchi: I think it's a great point that you can add those development goals into an incentive or into the expectations that you set for an employee throughout the course of the year.

And putting that on paper and talking about it, it shouldn't be the manager setting all the rules in the tone. The employee needs to take ownership of their own education as well. So, having those kinds of conversations: What do you want to learn? How can we support you in doing that? So that there's engagement there, and they're developing in a way that they want to be developed, that hopefully is in alignment with what skills the organization needs, as well, to tie it all together. But really, ownership at the employee level is important.

And sending that out the beginning of the year, and keeping track of progress against that, is a good way to incorporate that.

Atokatha Ashmond Brew: Would you like another question now, Lisa?

Lisa McKeown: Yeah, I think we have time for one more question.

Atokatha Ashmond Brew: OK, all right, this one is a little long, so bear with me.

As a small organization, 17 total with five leadership roles, we do have a compensation philosophy, and we engage with a third party to guide our pay increases against their compensation or comprehensive benchmarks. However, our job titles do not always line up with the titles available, and we use a lot of nuance to adjust people's salaries. We're not sure how best to communicate on that, since it's actually quite an arduous, complicated process. Any tips?

Lisa McKeown: Yes, we're chuckling because we come across this all the time.

I'll just share one thing and then turn it over to Tina and Julie to add as well.

We often will see job descriptions that, at their core, are related to a particular function, such as a program director, a communications director, a marketing director, a governance role, a policy role, and they have so many words after policy advisor, program manager, program director, that it can be very difficult to actually get to the heart just by looking at the title alone.

I recently saw the title for role that was in the marketing department of an organization, but it was actually someone who supported the volunteer efforts, so the title gave no indication that it was actually a role that was a liaison with volunteers and getting them to be engaged.

So, titles are a very personal thing for folks. They get very attached to their titles, and I think there's an easy solution, sometimes [it] can be [to] allow folks to keep the titles that they have. But, internally, have a structure [to have] internal facing titles, titles that really do reflect what the roles are, and where those roles are similar.

Sometimes, that's one way, we don't usually recommend a revamping of staff titles. It can be fraught with so many different issues and emotions related to titles, that if they're really sort of not aligned, we really do recommend them, perhaps. Have some internal titling corrections made. But also be honest with staff and, and perhaps also think about not assigning titles that ... reflect a higher-level role than the role really is, another sort of thing to think about. It takes time to correct. It will, of course, correct over time but you have to be intentional about it and that's one area that really requires a lot of communication.

But Tina and Julie, I know you have other things to add on this.

Tina Twyman: I was just going to add in that comprehensive kind of comp review, many organizations, as you know, are participating in those surveys may use different titles, and so we do a really good job of reading the job descriptions and looking at the actual content of the role when we match it to the market surveys. And often, we hear organizations, they're unique, their roles are unique. And it holds true that there is some element of these organizations that have some unique roles, and sometimes like, "Oh, but it's this job, and it's a combination of those job and multiple jobs." And, [at] the end of the day ... is it the design of the job, is it two jobs ... are they performing 50% of the role? Or is it just one of those where the job description happens to be a catch-all and the market data is not going to be any different or drastically different, because of how we grew up in the organization and instructed the job description.

Julie, I'm sure you probably have something to add as well.

Julie Trimarchi: I was going to say the same thing. When we match jobs to surveys, we look at the body of work, so we're looking at the body of work compared to what the survey says a body of work looks like. We're not matching title to title because titles can vary so much. An accounting manager at one organization might be an accountant at another organization, but one just calls them a manager. So, you can't really go by the title so much.

Surveyed job descriptions have to be quite short. They're trying to capture the main accountabilities, the main essence of the job. So that's what we're going to look for in the job description to try to get what is the main function of this work. If there truly are two distinct bodies of work that an employee is doing, maybe they're an accountant, but they're also doing payroll, then we might, in a case like that, where it really has two distinct things, we might blend market data and take matches for both of those things, maybe a payroll manager and an accounting [role] and blend them together. But usually, you can figure out the main body of work, and a job description and that's what we look for.

Any other questions?

Atokatha Ashmond Brew: We've got plenty more questions. Lisa, do you have more content that you wanted to share, we're just about at time —

Lisa McKeown: Yeah, I just have some quick ... takeaways, and our emails will be shared, also, and we'll be sharing this deck. So if you do have any questions, you can certainly reach out to us.

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Just want to share, if you're embarking upon doing this work right now, I think ... the four things we think are most key to sort of focus on is assess your pay transparency readiness, make sure your job descriptions are up to date and reflect the roles in the organization, think about your competitive landscape and commit to evolving and doing a market analysis of your positions every year.

If it's been awhile, think about – if it's been more than two, three, four, five years, think about – perhaps doing some of those first three steps and then, benchmarking your roles. So you can just make sure that you're starting at a good place.

I will stop sharing and I will turn it back to you, Atokatha.

Atokatha Ashmond Brew: Thanks so much everyone, for attending today's event. Thank you so much, Lisa and Tina and Julie for such an informative and interactive conversation. I think we have time now for maybe one or two quick questions if you all are able to rapid fire, some responses through.

Lisa McKeown: Yeah.

Atokatha Ashmond Brew: Great. Here's one. Sometimes supervisors can overrate a staff person's performance to ensure they receive a higher merit increase. What do you recommend to minimize this?

Lisa McKeown: A calibration exercise. Make sure that your leaders are calibrating around merit increases so that any manager that is doing that gets pointed out.

Atokatha Ashmond Brew: Here's another, how do you shift your pay program from one that uses COL by geography to one that uses cost of labor?

Julie Trimarchi: Think it's, it would take some communication – by COL, I'm assuming you mean cost of living – and a change to cost of labor. I think it would take communication and education around why or on the why you're making that kind of a change.

Being competitive in the landscape with other organizations that are similarly situated, is really what you're going for. You want to be able to hire, attract and retain based on the cost of labor. So, just going through the steps of the why and educating to be able to make that transition is what would be highly important.

Atokatha Ashmond Brew: Well, thanks again to everyone for attending. Thanks again, to our presenters. I think that was our last question.

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And so, I just want to let our attendees know that there are many more webinars coming your way in 2024, including two more later this month, so be sure to check out our events calendar at nonprofithr.com/events.

And please be sure to complete the feedback survey that will pop up once this webcast has ended. Your comments help us with our planning and do inform the topics we cover as well.

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