



WorldatWork[®]
Total Rewards Association

TOTAL REWARDS
Summit Series: Atlanta
March 18

Comp
Planning
Jam Session



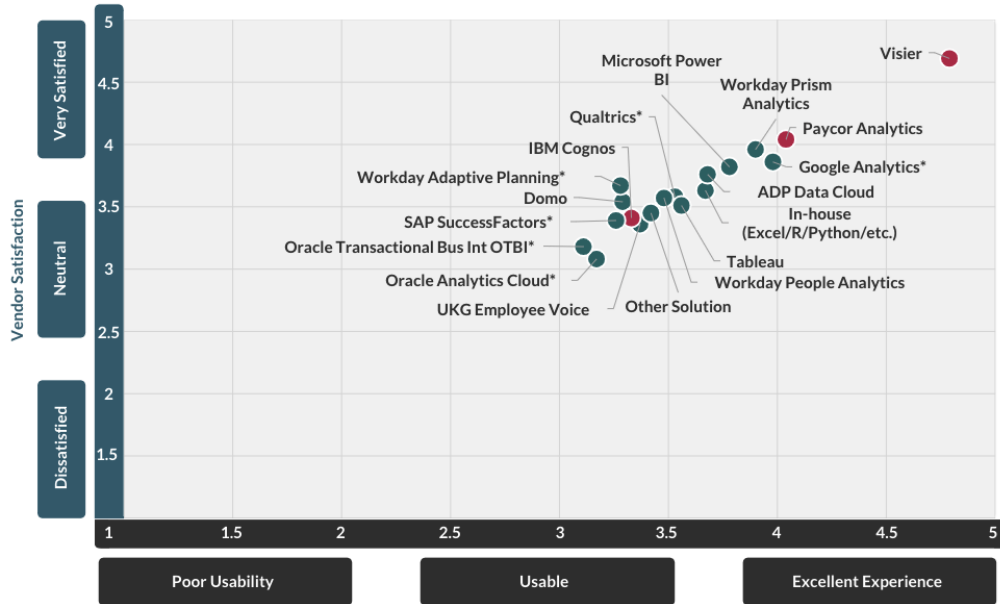
Sean Luitjens
General Manager Total
Rewards | Visier



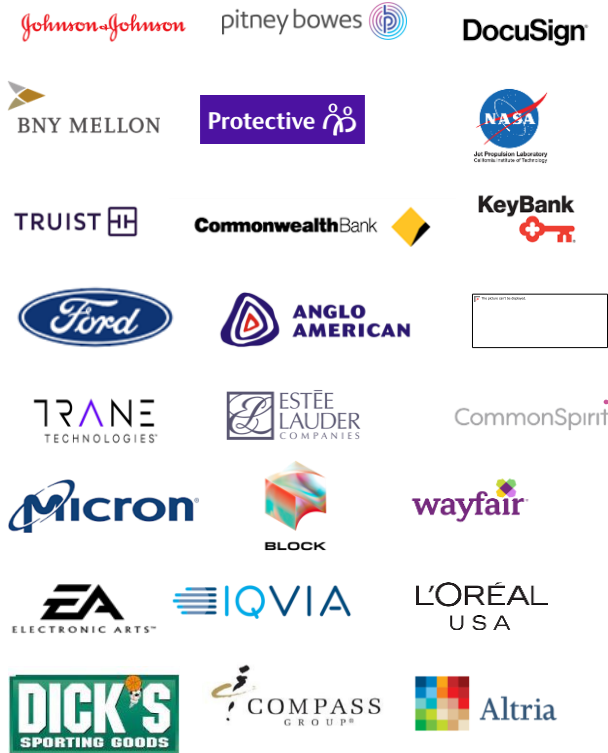
Who's Visier

Compensation Planning... from the leaders in people analytics

FIGURE 115: ANALYTICS AND PLANNING, VOC USER EXPERIENCE AND VENDOR SATISFACTION CHART



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Jam Session Guidelines

- Remember this is just one dude's perspective
- Interactive is best, PLEASE ask questions
- If you are too shy to ask questions in session hit me up at sean.luitjens@visier.com



People impact 
Business impact

Humans are statistically *highly*
predictable and individually,
amazingly “*unique*”

Goals

What is your goal for compensation planning?

1. **Implement our compensation strategy down through the organization**
2. **Maximize our current talent pool with a compensation driven performance culture**
3. **Create a market competitive compensation strategy to attract and retain top talent**

Goals

What is your goal for compensation planning?

1. **Implement our compensation strategy down through the organization**
2. **Maximize our current talent pool with a compensation driven performance culture**
3. **Create a market competitive compensation strategy to attract and retain top talent**
4. **I'm simply fired up to have this crap done**

Time to roll on with some
Best Practices

Best Practices

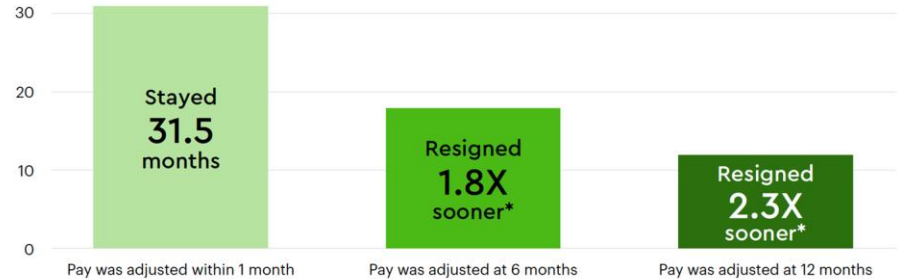
Failure to identify and quickly address wage compression issues in teams can lead to more and faster resignations.



In some cases, managers earn up to 32% less than their highest paid direct report.

FIGURE 3: DELAYED PAY ADJUSTMENTS LINKED TO EARLIER RESIGNATIONS

Months until first resignation after highest paid new team member joins



* First employee left N times sooner than if the pay adjustment was made in the first month
Source: Research & Insights, Visier Inc. 2023



Best Practices

The optimal range for salaries lies between the midpoint and 120 percent of compensation ratio.

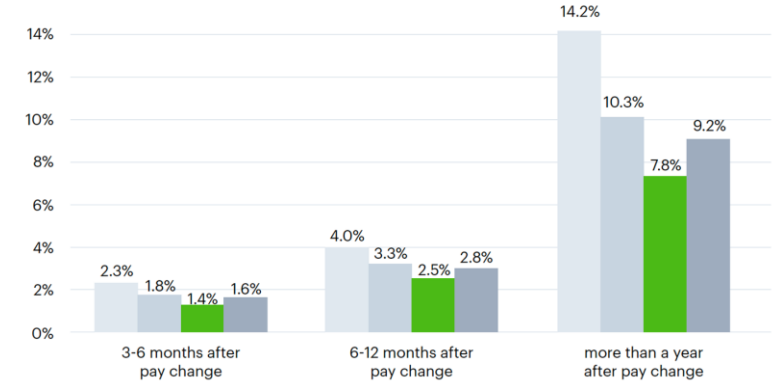


6% of employees have pay adjusted above 120% compa-ratio, without the desired impact while wasting money

FIGURE 2: RESIGNATION RATE POST-PAY CHANGE BY COMPA-RATIO

Percentage of employees that resigned within each time window

● Below 80% compa-ratio ● 80-100% compa-ratio ● 100-120% compa-ratio ● Above 120% compa-ratio



Source: Research & Insights, Visier Inc. 2023



Best Practices

BEST PRACTICE #1

Have a pay philosophy linked to the business & method to deliver

- Think big - Have the Vision and shorter term path
- How do we get the PWM to where we think it needs to be
- Even the holy grail of ROI?

If you don't know
where you're going,
any road will get
you there.



Best Practices

More than 1/3rd of managers are relatively new to making pay decisions

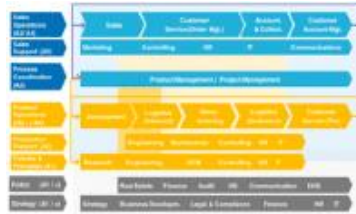


1/3 managers are making pay decisions for only their first, second or third time

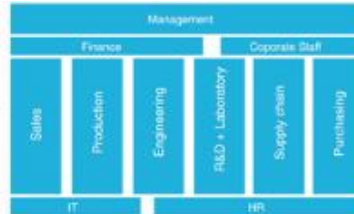


Best Practices

Compensation and HR teams go to great lengths to create impactful and business driving total rewards programs



Value Chain Analysis



Job Family Architecture



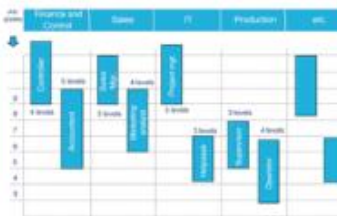
Role Catalogue



All Staff Mapping



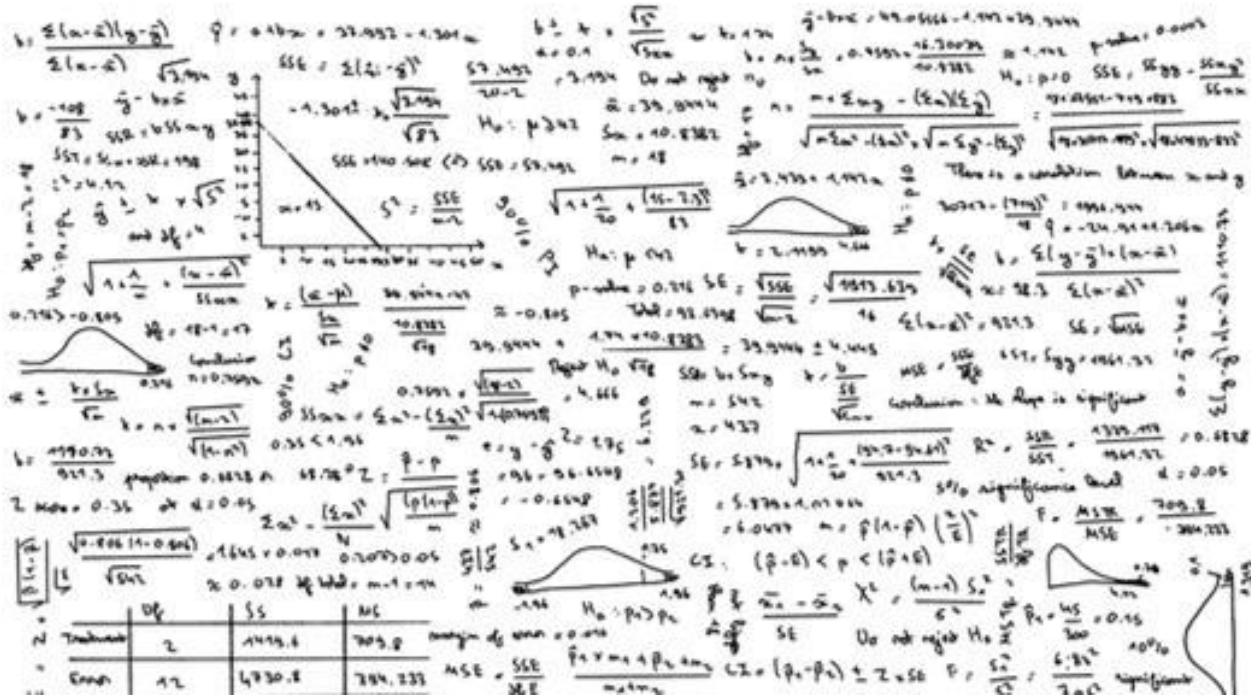
Role Differentiators



Role Leveling

Best Practices

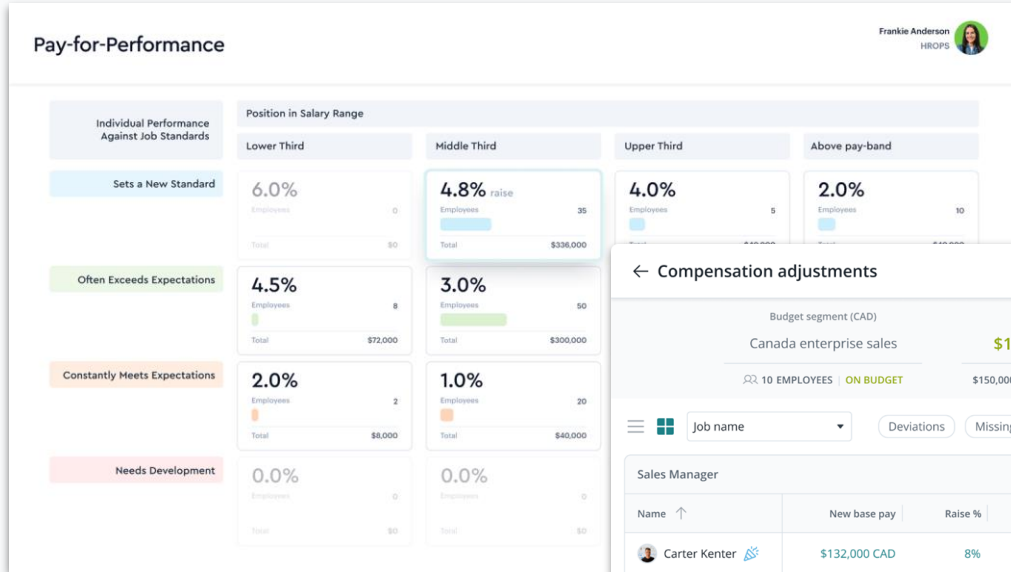
Which is then translated, in theory, to managers as what?



Best Practices

BEST PRACTICE #2

Place User Experience as the cornerstone



← Compensation adjustments

Analyze my decisions | View pay philosophy guidelines | Submit task

Budget segment (CAD) | Base pay budget | Base pay budget | Long-term incentives budget

Canada enterprise sales | **\$145,000** ALLOCATED | **\$74,000** ALLOCATED | **\$75,000** ALLOCATED

10 EMPLOYEES | ON BUDGET | \$150,000 ASSIGNED | \$5,000 UNDER | \$75,000 ASSIGNED | \$1,000 UNDER | \$75,000 ASSIGNED | ON BUDGET

Job name | Deviations | Missing notes | Incomplete | Job changes

Sales Manager

Name	New base pay	Raise %	Raise deviation	Bonus amount	Bonus modifier	Bonus deviation	LTI amount	LTI modifier	Progress
Carter Kenter	\$132,000 CAD	8%		\$12,000 CAD	99%		\$12,000 CAD	99%	✓
Corey Lubin	\$133,900 CAD	8%		\$12,400 CAD	98%		\$12,400 CAD	98%	✓
Cooper Passaquind	€ 87,000 EUR	12%		€ 8,200 EUR	99%		€ 8,200 EUR	99%	✓

Division Sales Lead

Name	New base pay	Raise %	Raise deviation	Bonus amount	Bonus modifier	Bonus deviation	LTI amount	LTI modifier	Progress
Gretchen Bergson	\$142,000 CAD	9%		\$13,000 CAD	97%		\$13,000 CAD	99%	✓
Livia Workman	\$109,000 CAD	9%		\$10,000 CAD	95%		\$10,000 CAD	98%	✓
Angel Korsgaard	\$126,000 CAD	10%		\$12,000 CAD	96%		\$12,000 CAD	99%	✓

Best Practices

How do we focus on Manager Experience



**Establish more data
& reference points
to iterate on**



**Provide managers with
more targeted
recommendations &
support**



**Assess impact and
always be improving**

Making simple is complicated



How many times a year do you run your comp planning process?

1. Once for base and bonus
2. Twice with Base and Bonus at same time
3. Base and bones handled at different times but once each
4. Multiple focals for both base and bonus

Best Practices

The number of companies moving from one to two—or more—pay changes is increasing.



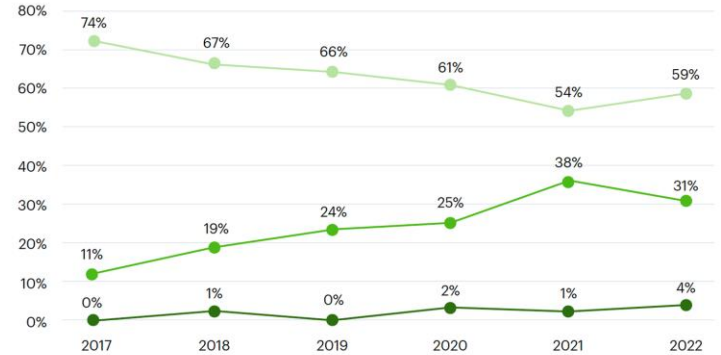
On average, 29% of employees experience a pay change event in or around March each year, and 20% in or around July each year

FIGURE 1: NUMBER OF ANNUAL COMPENSATION CHANGES

Percentage of companies that have a number of annual compensation changes

Number of annual compensation changes

● 1 ● 2 ● 3+



Source: Research & Insights, Visier Inc. 2023



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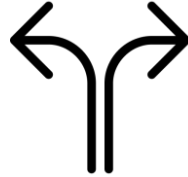
Anyone else wonder why we only do cycles once a year?

Best Practices

What's changing around us?



Increasingly dynamic
labor market



Greater
accountability with
pay transparency



Business pressured to
do more with less

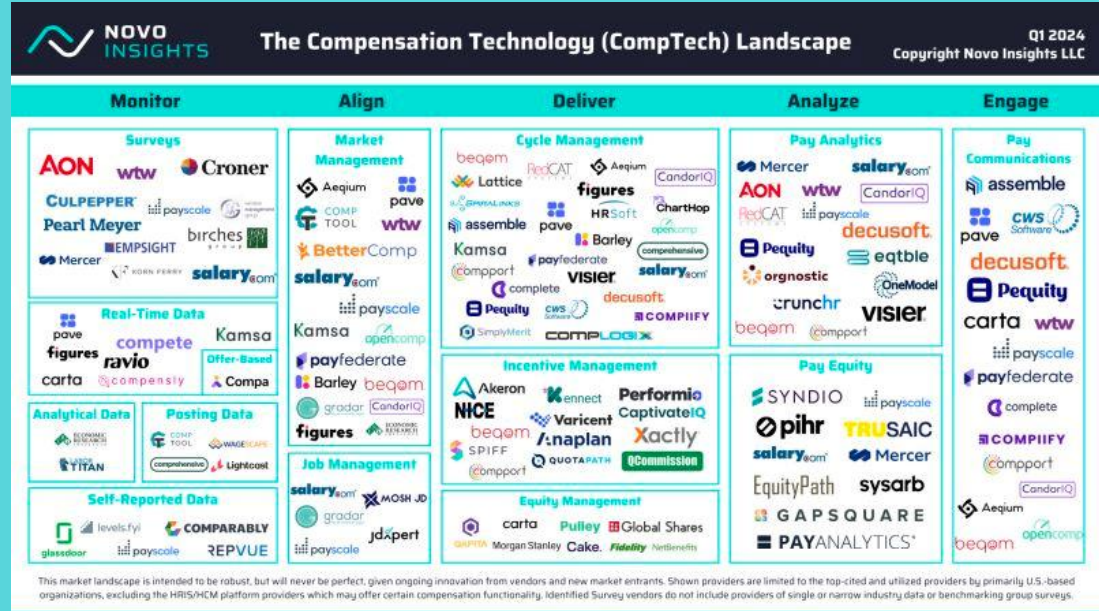
Total Rewards teams are dealing with increased complexity,
testing the limits of their current solutions

Best Practices

The Comp Tech space is extremely complicated



Count them up.....but you have the opportunity to build an amazing set of systems



Do you leverage the data from one comp planning cycle to the next?

1. See prior poll - we are just stoked to be done and move to the next task
2. We take just the pay equity information and run
3. We take all the data we can from the cycle for next year
4. We not only take the process data but incorporate mid year data to evaluate our pay philosophy effect

Best Practices

BEST PRACTICE #3

Not only a tech strategy but a data strategy

- Before we jam on tech what are we accomplishing with it?
- What data and data requirements are needed to create successful systems
- Point solutions shouldn't be frowned upon in today's world

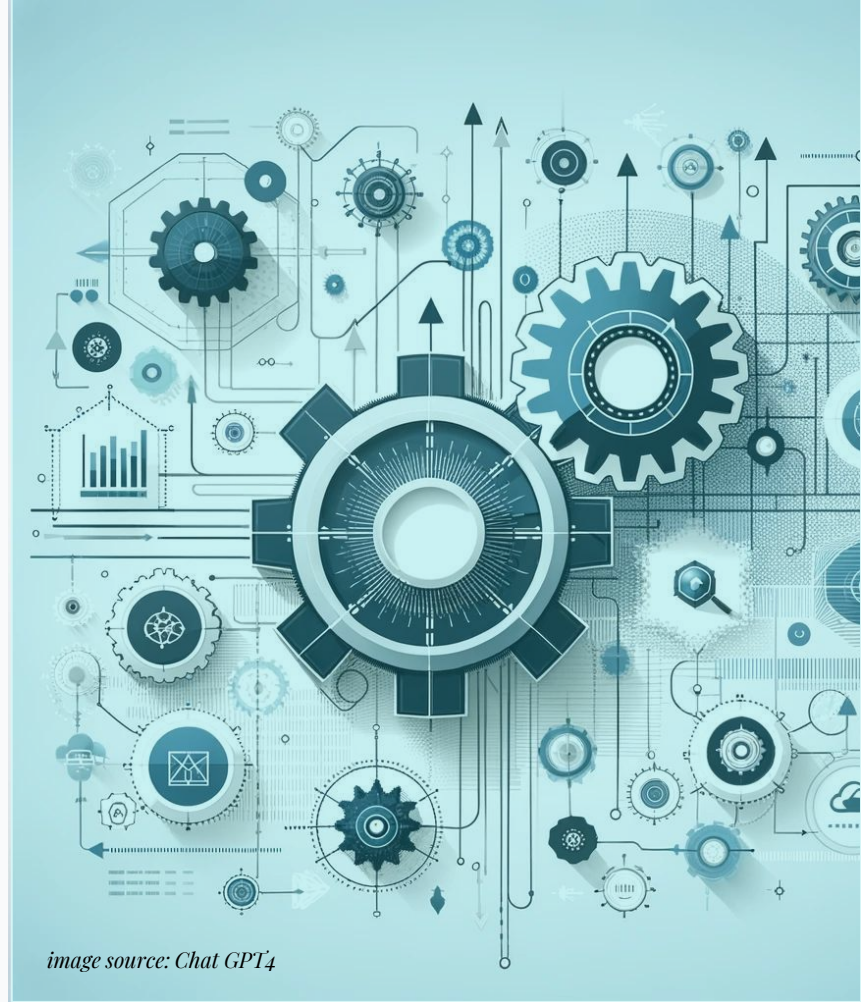
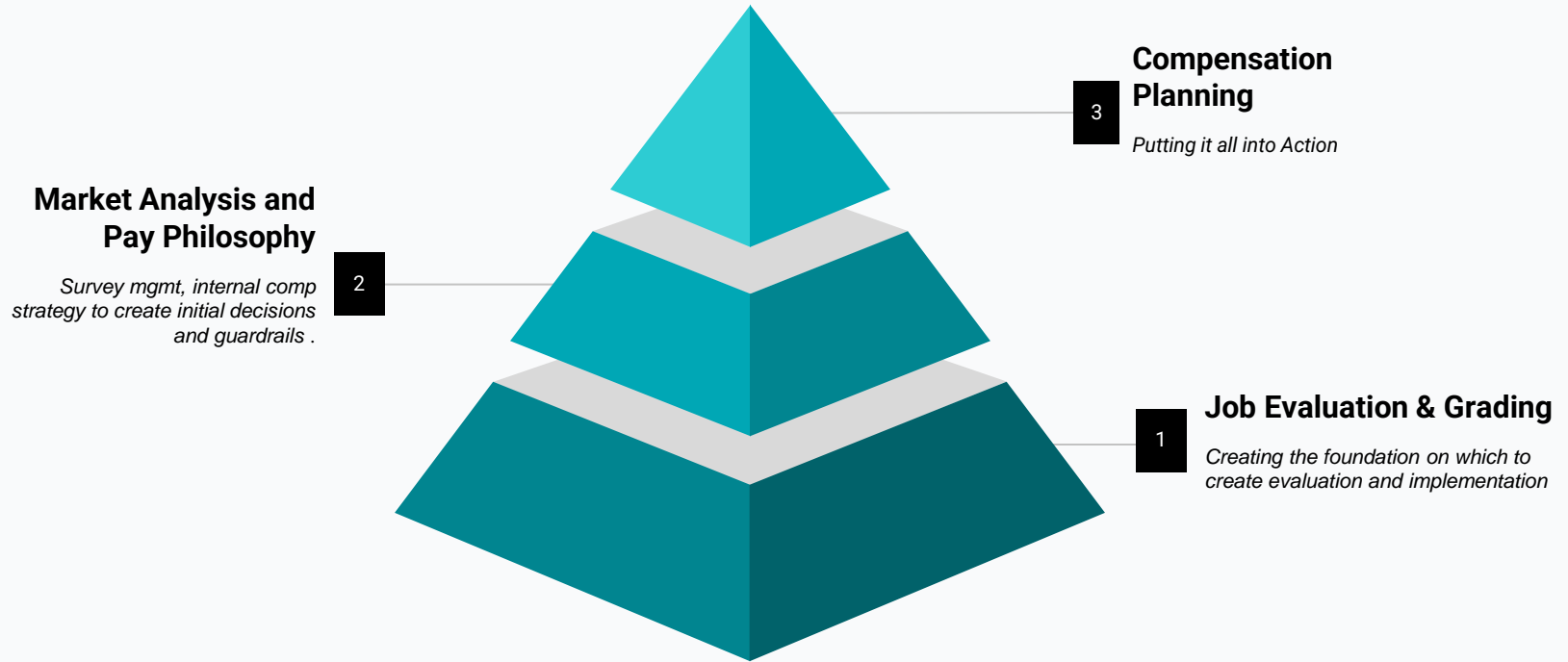


image source: Chat GPT4

Best Practices Example



Example - Pay Equity & Transparency

Summary of Best Practices

- 1 Define your destination and the road there - have the blueprint before construction starts
- 2 Place Manager experience at the center of delivering pay philosophy
- 3 Create a data strategy, along with a cyclical and ever improving technical strategy

QUESTIONS

Thank you for attending



Please take a few minutes to provide feedback for this session on your event app.

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