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Why Training Your Managers to Talk Comp Is Inspired Thinking

Valerie Fitzon-Moore · HR Leader, Enterprise Total Rewards
Kim Scott · Senior Professional Services Consultant · Salary.com

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Our speakers



Valerie Fitzon-Moore

HR Leader, Enterprise Total Rewards



Kim Scott

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Agenda

1. Today's talent management landscape
2. Closing the gap between your compensation program and employee perception
3. Turning your managers into compensation ambassadors
4. Strategies you can utilize now

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Today's talent management landscape

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Only 13% of the global workforce is engaged

Now what?

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The talent landscape has changed



It takes 25% longer to fill a position today than it did a year ago



It costs 21% of a position's salary to replace someone who leaves



51% of employees are currently looking for a new job

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Compensation is changing, too

Unemployment is at an all-time low and recruiting the best talent is more challenging than ever	Performance management is moving away from annual review cycles, towards consistent coaching and feedback	Five generations with unique skills and knowledge work alongside each other every day	Engagement and retention are paramount every day
More pressure to get the offer right every time	More disruptions and exceptions to the annual comp cycle	Ongoing pay parity and compression issues between new hires, tenured employees, and contract workers	New approaches to compensation becoming necessary

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Healthcare

-  Talent scarcity
-  Changing demand for positions
-  Shift differentials
-  Remote work

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Closing the gap between your compensation program and employee perception

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Audience poll



Do you formally communicate your
compensation philosophy out to your
organization?

1. Yes
2. No

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Audience poll



Do you train your managers on your organization's comp philosophy?

1. Yes
2. No

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21%

of organizations formally
communicate their
compensation philosophy

68%

of organizations provide no
training to managers

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So what happens?



No clear path to success



Role ambiguity

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Turning your managers into compensation ambassadors

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What do we focus on today?

Attract · Retain · Motivate

Passive process

NOT ENOUGH

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What should tomorrow look like?

Redirect · Re-engage · Reward

Proactive process

CHANGING NEEDS

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New retention-focused processes

How do we personalized compensation for each employee in order to maximize engagement?	How do we market price a new job or hybrid role?	How can we redirect employees into new roles and compensate them appropriately?
How do we prevent compression between tenured employees and new hires?	How do we measure effectiveness of cash and non-cash incentives?	When should we use compensation discussions to re-engage employees?

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Help managers embrace the comp ambassador role

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Managers who 'talk comp' deliver results

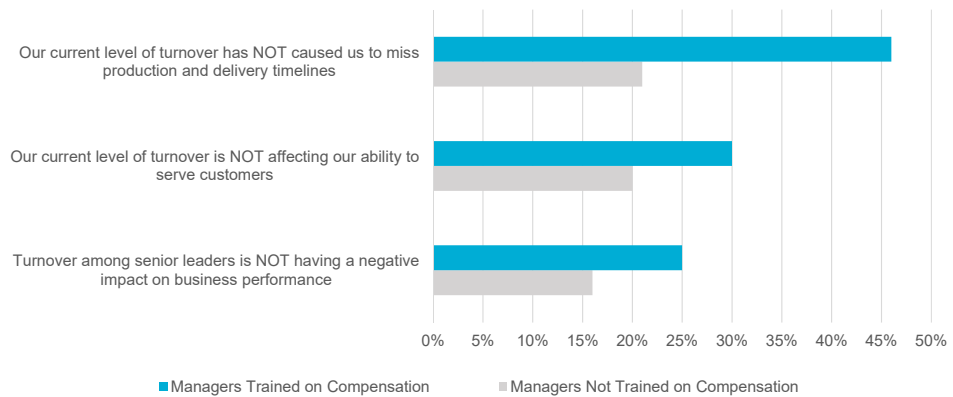


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Source: Aptitude Research Partners, Culture Study (2016), n=382

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Managers who 'talk comp' deliver results



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Source: Aptitude Research Partners, Culture Study (2016), n=382

The comp conversation ecosystem



Trust and transparency



Efficiency and collaboration



Proactive planning

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Are you ready for these questions?

- How did you determine the market price for my role?
- How am I compensated for my performance?
- What is our bonus plan? What KPIs drive bonuses?
- Are there pay equity policies and processes in place here?
- What development opportunities are open to me?
- What does my next role look like?

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Strategies you can utilize now

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New retention-focused processes

Redirect

Think less linearly about career growth
 Recruit internally
 Help employees learn new skills
 Redirect employees into new roles

Re-engage

Set clear individual goals that align
 with organizational performance
 Review performance metrics more
 frequently
 Work closely with employees who
 aren't meeting their goals

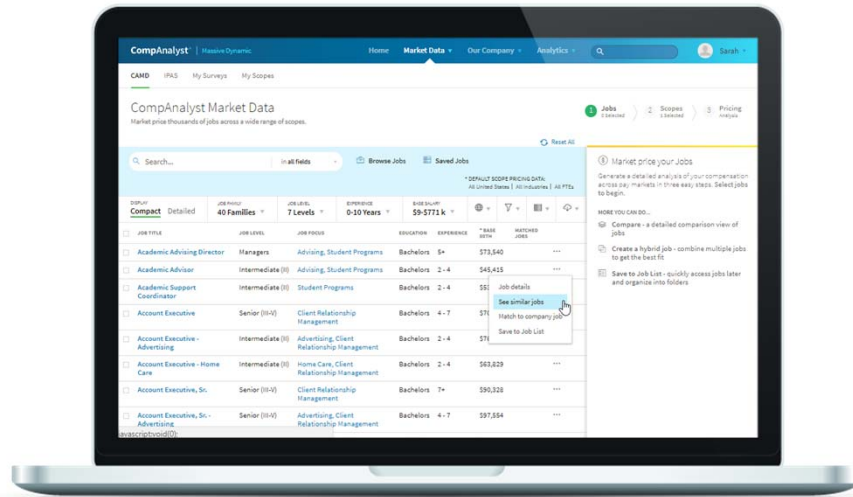
Reward

Differentially reward top performers
 Budget for quarterly, project-related, and
 spot bonuses
 Proactively communicate about pay
 Maintain the right level of transparency

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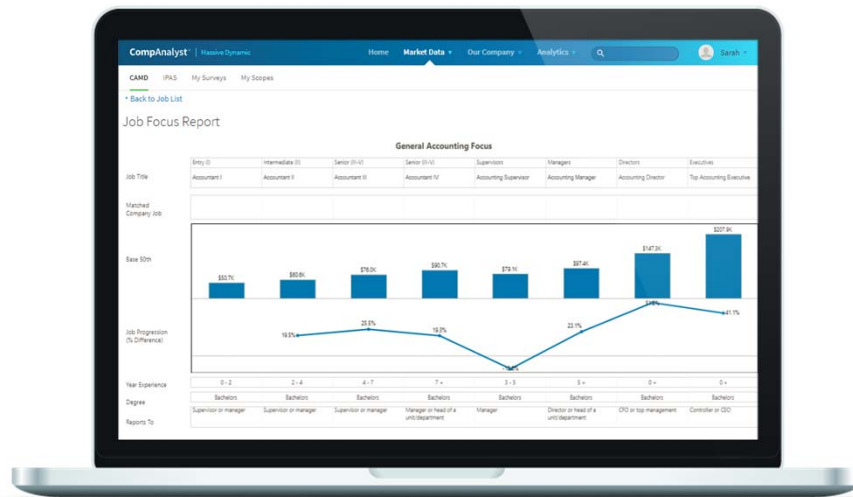
Redirect



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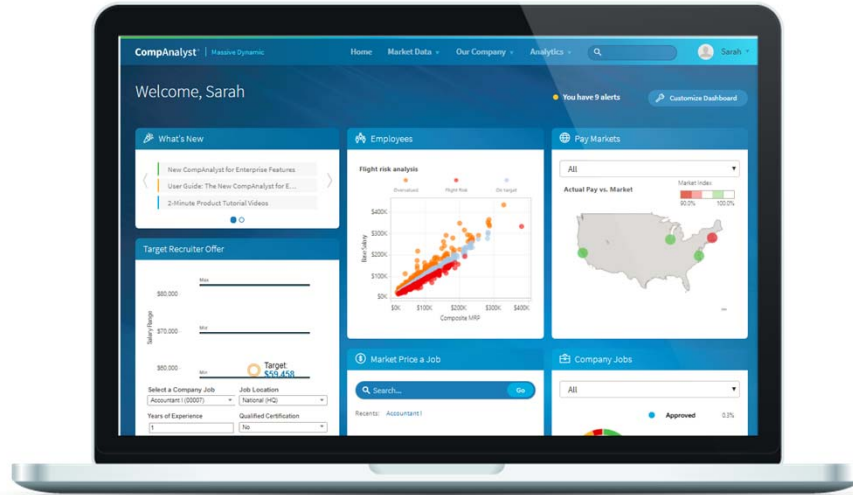
Redirect



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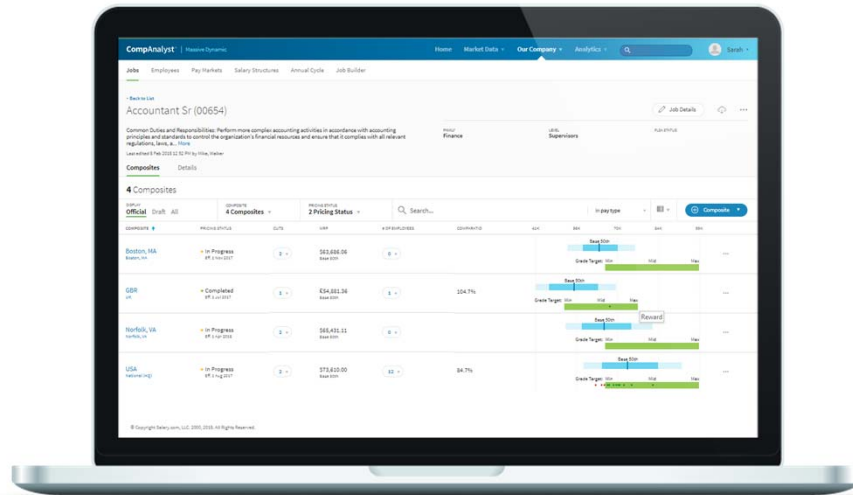
Reward



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Reward



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Key takeaways



Empower managers to act as comp ambassadors



Make sure managers can talk comp



Think less linearly about career progression



Improve transparency and share more data

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Q & A

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