MFS HR SOLUTIONS CASE STUDY: COMPENSATION PHILOSOPHY

THE **CHALLENGE**

Oftentimes, organizations don't have a formal compensation program. This can create confusion and inequity when it comes to pay increases, bonuses, and incentives. Pay ranges aren't established and there is no process outlined for how to handle employee compensation benefits. In the long run, this can create employee distrust, inequity, and turnover.

WHY **A COMPENSATION PHILOSOPHY**

A compensation philosophy statement describes the organization's overall beliefs about compensation. It states what you value in your employees; how compensation supports your mission; what principles guide your pay decisions.

A solid compensation plan will include:

- Salary and hourly wages
- Bonuses and incentives
- Benefits and allowances
- How compensation decisions are made
- Who approves pay decisions
- How market competitiveness is defined
- How wage bands are structured

OUR **SOLUTION**

When developing a strong compensation plan there are four pillars we consider: Market position, internal equity, pay transparency, and rewards.

After reviewing the above with additional current information, such as policies, current pay ranges, organizational charts, core values, and more, our team creates a compensation philosophy that fits our clients values and industry. This easy-to-follow document includes guidance on how to effectively implement the plan and any on-going maintenance needed.

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BENEFITS

Equity
A solid compensation philosophy ensures equity amony all employees.

Market Competitiveness
A strong philopsophy will ensure your wages and benefits are competitive to attrract and retain talent.

Consistency
A thorough compensation plan ensures consistency in rewards, incentives, and bonuses for employees.

THE **RESULTS**

It was important to us that are staff were compensated in a way that is competitive and equitable. We had some obvious gaps and concerns and without doing market research, there wasn't a good way to figure out the pay discrepancies and salary ranges. We didn't have a uniform approach and while we recognized the problem, we didn't have a baseline on what to do next or where to focus our efforts. Doing this has provided that framework we needed to ensure staff are compensated equitably. This has made conversations around staff starting rates, salary ranges, and annual raises easier to navigate with board members, our finance committee and our staff. That framework is incredibly valuable for our organization as we have expanded and added members to our team. Working with Mollie has been an exceptional experience for CFUM. She has provided guidance, expertise, and the tools, resources we needed. Having her support and the resources she has provided has grown my confidence as a leader and my ability to lead. CFUM is becoming a better, more structured organization to work for which directly impacts our mission.

- A.J. Salinas, Executive Director