

A Checklist for Fall Compensation Planning

At most companies, Fall is the start of compensation planning season. To help you prepare, Radford has developed a quick checklist for keeping your pay programs up to date.

1. Review your salary structure.

Do you still have room to grow? Rising headcounts, new office locations, and ever-climbing pay levels all put a tremendous level of stress on salary structures. In this market, assessing the stability and flexibility of salary programs is quickly becoming an annual exercise.

2. Check your benchmarks.

Is your targeted position in the market still competitive? Can you attract and retain the talent you need with relative ease? Have new competitors popped up in the last year? Is it time to review how you define the competitive landscape?

3. Audit your equity incentive plans.

Take stock, pun intended, of your current and expected burn rate as the year comes to close. Are you granting equity faster than you planned? Also, evaluate the holding power of vested and unvested equity awards for your key employees. Is it time to prepare for refresh grants?

4. Evaluate projected bonus payouts.

Keep a close eye on year-to-date and expected performance levels to begin modeling threshold, target and maximum payout levels across your organization. Also, start planning your communications strategies for multiple payout scenarios.

5. Gauge your merit budget.

Connect with hiring managers to get a jump start on identifying top performers and what it will take to keep your key employees engaged. Do you anticipate needing a larger or smaller budget relative to last year? What tradeoffs might you make?

If you have any questions about this checklist or related topics and want to speak with a member of our compensation consulting group, please write to consulting@radford.com.

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