

Total Reward Solutions

Your Trusted Partner for Compensation Solutions

CASE STUDY

▶ The Case Profile

Industry

Financial Services

Size of Company

Just under 100 employees

Background

Financial services company operating for 80+ years




Situation/Challenges

The Project: Base Pay Program, Performance Management, and Merit Awards

The client organization's pay structure had not been reviewed in a few years with the fast-increasing pay rates of front-line employees, and it was felt that pay compression of new employees to existing employees was occurring.


Beyond this, the company's performance management system and merit awards process needed updates. The root need for performance management system updates stemmed from too many ratings as well as the client's desire to have more conversation and more touch points with employees as well as an updated process for determining merit awards.



Sometimes what worked early in a company's existence no longer works for employee compensation and rewards in a competitive and maturing marketplace.

With a competitive marketplace where both direct and non-direct competitors were raising rates coupled with a long overdue market bench-marking and pay review, this organization needed to update many of its systems.

Waiting more than 2 to 3 years to review pay, performance management, and merit systems can quickly cause an organization to have outdated practices and effective programs.



The TRS Solution


Total Reward Solutions first developed a proposal outlining services to be provided. This proposal, as well as the projects subsequently conducted, included these service components:

- Market study/base pay system
- Updated performance management system/merit awards
- Updating of impacted policies


For the market study/base pay system, TRS worked with the client to determine compensation philosophy and market data scopes, and then benchmarked all jobs to the market. Proposed matches were pulled from the databases and the client reviewed them for transparency and accuracy. The data was then aggregated and a pay structure with pay ranges was created. An incumbent analysis of all employees was then completed to determine if any employees were under the minimum or over the maximum of the new pay ranges. We next performed a high-level equity review to determine if employees were appropriately placed in their range considering “time in job.” Finally, via PowerPoint, we presented the client with the analysis, findings, and recommendations.

Performance management system updates included developing forms that would empower the process to include important core competencies in their mission, more dialogue/coaching and touchpoints between managers and employees, and the desire for less ratings. A different approach to merit pay was also developed to align with the new performance management system with several new tools created to assist managers with the process.

Once these component services were completed, TRS updated all affected policies to reflect changes made.



TRS worked in conjunction with the client to review several options and methods to bring the client's compensation and performance management systems current. Each project is tailored to every organization's needs. We are able to ensure what we build for a client addresses their concerns in their current systems.




The Results

These projects enabled us to help one of our strategic partners' clients so the employee compensation piece of their total rewards system was current and updated. This allowed our strategic partner to focus on the client's benefit offerings. Collectively, we were able to address the total rewards for this financial services industry client.

In addition to having a competitive pay that aligned with the market, we were able to identify the cost of salary for five other cities the organization operates in, identify employees below market that needed adjustments, and complete an equity review to ensure proper placement in the pay range.

We were further able to provide the managers with tools including guidelines, decision tips, and discussion tips for the merit process. They now have a process that will allow Managers to give honest feedback and a separate process that will ensure their merit awards stay within budget.

With new pay systems in place for all employees, the company now has a more market-appropriate compensation program for each position as well as current performance management and merit award processes.



This project brought this organization's pay, performance management, and merit systems current and allowed them to identify where strategic pay changes and adjustments were needed to allow them to attract and retain talent.

Often organizations do not take the time to ensure all employees are appropriately placed in their current pay ranges; and equity pay adjustments may be needed in addition to market adjustments.

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Want to learn more about how we can help your organization or your client develop and implement competitive and effective compensation and total reward programs?

*Contact us today at **317.589.8529.***

