



The Employers'
Association
HR Solutions Since 1939

COMPENSATION ADMINISTRATION



Attract and Retain Exceptional Talent

Our intent is to create an understandable process that establishes internal equity while recognizing external competitiveness to attract and retain the highest quality workforce possible.

Ten Truths about Effective Compensation Administration

1. Internal equity is much more important than external competitiveness when it comes to attracting and retaining employees.
2. Strong merit pay systems tend to attract and retain high performers (and over-achievers) while tenure-based systems tend to attract risk-averse individuals and retain mediocre workers.
3. Organizations without an objective means to establish a job's value or worth (linking that value to defensible compensation practices) tend to pay employees more based on who they are than what they contribute.
4. Effective Compensation Administration is driven and maintained by transparent communication.
5. Consistency is more important than equality.
6. Pay is only a part of the equation when it comes to compensation administration.
7. Business should NOT reference Cost of Living when considering pay adjustments.
8. NEVER expect discretionary "gifts" to change or modify behavior.
9. Design internal growth and promotional opportunities into a Compensation Administration Plan to attract employees and retain "stars" within the workforce.
10. While any Compensation Administration Program can be an excellent budgeting tool, no plan can influence and/or change behavior, clearly establish performance expectations, or reward results UNLESS it is shared with employees and updated regularly.

TEA can help - call [Dave Smith at 616.698.1167](tel:616.698.1167) or contact us at tea@teagr.org to learn more.

Pricing available for both Members and Non-Members.