

## April 2017 Compensation Connections 17-2



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Dear Reader,

Do the Rites of Spring include pay increases? In this edition of Compensation Connections, my thoughts on Pay-for-Performance outside of the annual rites of Merit Pay, and some contacts I'd recommend for specific assistance related to compensation effectiveness.

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*Think Outside the Box*

### **The Finer Points of Pay for Performance**

I have been a proponent of pay for performance ever since my first job analysis days back in Phoenix. It's something you learn about early in your career and in the HR community you try to teach managers how to do it better. Few companies these days stick to a COLA approach to managing pay increases, although for many who say they do pay for performance, it could just as well be a COLA.

And isn't that the real question we debate every year – how do we take 2.5% - 3% of an eligible payroll budget and really make differential pay decisions? Is it really worth the gyrations to tell our top performing employees that they are getting 3.75% or 4%? Or having to explain that they are already near the top of the pay range so their increase isn't what they expected?



seriously by attempting to align it to the event to be recognized? It could be chaotic to try to recognize every performance event no matter how small, but that's why we have recognition programs. I'm talking about making the effort to swim upstream against the policies and deliver real pay recognition in the form of a special increase. It needs to have your company's flavor and culture, but prohibiting the capability to make special pay adjustments when need be is eroding the effectiveness of pay for performance.

**Carve-outs.** I've written about managing a merit program by using merit budget carve-outs before, so won't repeat that here. See my website <http://columbiacomp.com/newsletters-links>, Volume 15-1.

Can you improve pay for performance? Sure – not by blindly adopting what other companies are doing though. Be thoughtful to apply elements of change that are appropriate for your culture and business strategy. Unless you are the company where it is already working...

### **Resources for Increasing Effectiveness**

Almost all my business these days is referral from either those who I've done work for, those I've worked with at other companies in the past, or people in my network. I'm very grateful!

And I've met some great people that I wouldn't hesitate to recommend either. Below is a list of experts that may be able to help you or someone you know as well. I've probably under-represented their specialties, so please look over their web sites or contact them directly for more information.

### **Performance Management and Executive Development**

Performance management and appraisal typically go hand-in-hand with compensation and rewards. Jeannie Coyle at Worktelligence always comes to mind for anything in this space. She also leads a development group for those who are a step away from the CEO role someday. She can be reached at [jeannie@worktelligence.com](mailto:jeannie@worktelligence.com).

### **Sales Strategy**

I know three people here I'd recommend, depending on the specific questions or problems to solve. As I've said before, sales compensation is only the outcome – it begins with sales strategy.

George O'Meara at GO'Meara Consulting Services. George provides real sales leadership and transformational ability from strategy to execution.

[Gomeara1134@gmail.com](mailto:Gomeara1134@gmail.com) or [GOMeara.com](http://GOMeara.com).

Bill Etheredge at WCE Consulting. Oregon-based, Bill's specialty is revenue growth, sales and channel strategy. [Bill@WCEconsult.com](mailto:Bill@WCEconsult.com) and WCEConsult.com.

Lisa Magnuson at TopLine Sales. Laser-focus on big deals management and overcoming challenges. [Lisa@toplinesales.com](mailto:Lisa@toplinesales.com) and TopLineSales.com.

### **Organizational Performance and Change Management**

Many times a company may think compensation is the problem to be fixed, but in fact it starts further upstream. PeopleFirm is my top choice here. Tamra Chandler heads this firm, PeopleFirm.com.

### **HR Services (outsourcing your HR department)**

Whatever compensation program you have, who couldn't use some help with the day-to-day administration! Two groups I've worked with here.

RedZoneHR; smaller-intermediate company solution and HR strategy. Mike Cooney, Principal. [Mike@redzonehr.com](mailto:Mike@redzonehr.com), RedZoneHR.com.

Xenium HR; bigger company solution, xeniumhr.com. I've worked with Tana Thomson, [info@xeniumhr.com](mailto:info@xeniumhr.com).

### **Employee Training and Development**

Great program but crappy managers? Executive Forum, Liz Erickson, VP of Business Development; [Liz@executiveforum.com](mailto:Liz@executiveforum.com), Executiveforum.com.

### **Hiring and Assessment Tools**

Even the best rewards programs are ineffective with the wrong people. Jan Foster at Performance Resources – no one else can make a bigger difference in hiring right the first time! [Jan@prol.ws](mailto:Jan@prol.ws) or prol.ws.



Jim Harvey is Founder and Principal Consultant for Columbia Compensation Consulting Inc. His 35+ years' experience encompasses high-tech, aerospace, utility and health care industries, specializing in leading companies in the formulation and execution of their rewards strategies in support of business objectives. His global work experience and collaborative reputation includes translating business needs and ideas into tangible and measurable deliverables, and a hands-on results-oriented attitude with a strong track record of driving large-scale projects through to delivery and implementation.

At Columbia Compensation Consulting, you are working with someone with over 35 years of expertise in executive, equity, incentive, sales and base compensation. My

consultative style includes a D-T-S approach to working with clients: D for Do, since most clients have already identified the need and are looking for specific deliverables; T for Teach, where those opportunities present themselves and transferring knowledge to the client can enable self-sufficiency in the future, and S for Support either through ongoing retainer support or coaching of those then delivering. For more information please visit [www.columbiacomp.com](http://www.columbiacomp.com).

***Columbia Compensation Consulting:***

Base Pay

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Sales Compensation & Incentives

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