

# 6 Compensation Questions

Your Company Needs to Ask



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In this tight labor market, it is important to ensure your company can attract, retain, and motivate the talent you need to be successful. A key component to accomplishing this is an effective compensation program that aligns with your business strategy. However, as a business leader with competing priorities, how do you know if your compensation program is effective? Here are six important questions to consider as you evaluate your compensation program:

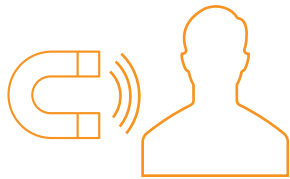


### 1. Does your compensation program align with your business's strategy, objectives, and culture?

As the economy evolves and customer expectations change, you update your business strategy to stay competitive. However, are you updating your compensation program at the same time? Compensation alignment can unlock the potential of your new strategic focus and energize your workforce to embrace its role in accomplishing your business's objectives.

### 2. Is your business struggling to retain employees?

When is the last time you benchmarked your pay with the external market? It is best to assess your pay competitiveness every one to two years, especially in this competitive labor market, because retaining employees is often more cost effective than finding new talent.

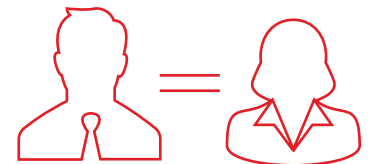


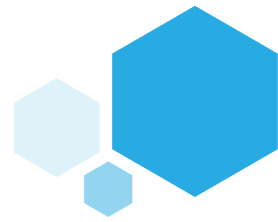
### 3. Are you able to attract the quality talent that you need?

Due to labor supply and demand, workforce participation, the retirement of baby boomers, the influx of millennials, and other factors, market pay for some positions has increased more than others. If you are not able to attract the talent you want, pay may be a factor. A review of your compensation program and an assessment of pay competitiveness may solve this challenge.

### 4. Is your compensation program fair to all employees?

Have you experienced pay compression between current employees and new hires? Have you recently conducted an assessment of pay disparity by race, gender, age, disability, protected veteran status, and other protected employee groups? Regular, proactive review of internal equity is important to manage your business's risk.





### **5. Are your incentive compensation plans motivating your employees to achieve desired business results?**

Do you have the right mix between fixed and variable pay? Do your incentive plans appropriately reward your employees for their level of performance? Do your employees understand how they can maximize their pay?

Many successful companies proactively and regularly evaluate their incentive compensation plans. If you aren't, it may be time to look at the design of your incentive plans, so you can optimize your business's success.

### **6. Are your compensation administration processes time-consuming and painful?**

Are you inundated with compensation requests? Do you have the resources, agility, and speed you need to make pay decisions in a timely manner? Administration guidelines and a more effective compensation structure will help streamline compensation management, therefore reducing the amount of time spent administering pay. This will free you up to focus on more strategic compensation and human resources initiatives, such as total rewards strategy, employee engagement, succession planning, or other efforts that support your business strategy.



Designing a compensation program that aligns with your business strategy will help you to better attract, retain, and motivate employees. To get there, internal and external assessment can get you the information you need to make the right business decisions for your company. The QTI Group stands ready to help you effectively review your compensation program and guide you through appropriately enhancing it.

#### **ABOUT THE QTI GROUP**

The QTI Group, headquartered in Madison, WI, is a privately owned human resources (HR) organization providing staffing solutions, professional and executive recruiting, HR consulting, and HR partnership services to businesses and organizations. Our key services help businesses reach their full potential through people. The QTI Group has been an active member of the business community since 1957. With a rich history of growth, innovation, and community engagement, QTI has nine offices in Wisconsin. For more information about how The QTI Group can help you with your human resources needs, call **608.257.1057** or email [qti@qtigroup.com](mailto:qti@qtigroup.com).