



# Managing Comp in a Tight Volatile Labor Market

Sept. 6, 2024



# Today's Presenters

---



**Chelsea Doran**

New Business Partnerships



**Jennifer Ferris**

Principal Solutions Consultant



Understanding Market Context



Utilizing market data to guide compensation strategies



Developing competitive yet sustainable compensation packages



Creating solutions for non-monetary compensation and benefits



Communicating compensation plans effectively to employees

# Agenda

# The Big Picture: Market Context Matters

# Macroeconomic challenges



**Demand & Supply  
of Labor**



**Cost of Living**



**Prevailing wage rates**




**Capacity to Pay**



**Legislative developments**





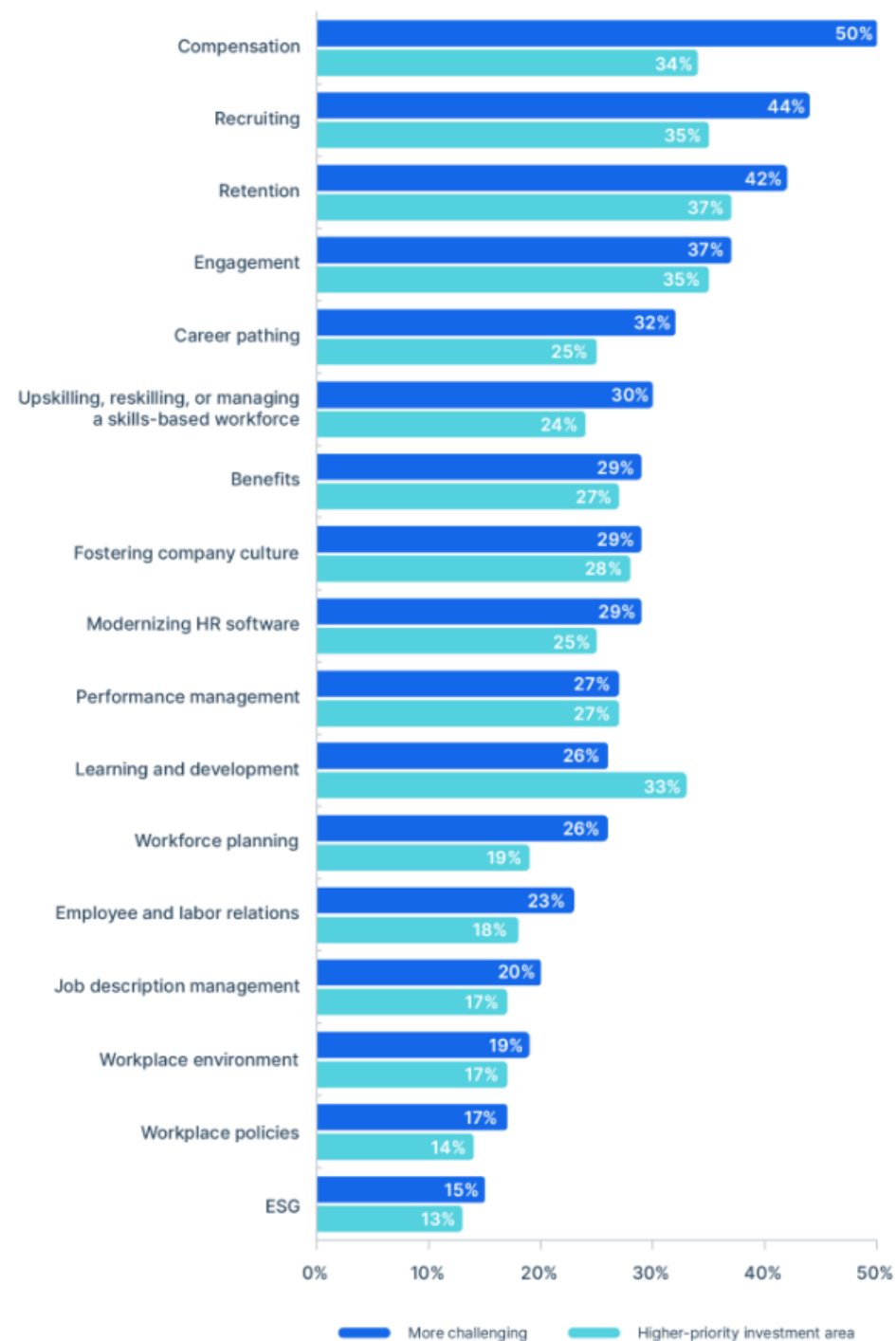
**Compensation has never before  
played such a pivotal role in the  
success of the business.**

Lighthouse Research 2023  
Compensation Buyers Guide

# Compensation is the biggest challenge facing organizations in 2024

For the first time in our research, compensation scores ahead of engagement, recruitment and retention.

## ***Payscale Compensation Best Practice Report, 2024***



# Market Data: Your Compensation Compass



# Assessing Market Competitiveness

---



Addressing remote  
and hybrid work  
models



Reskilling  
and  
Upskilling



Competing for  
scarce talent in  
niche markets

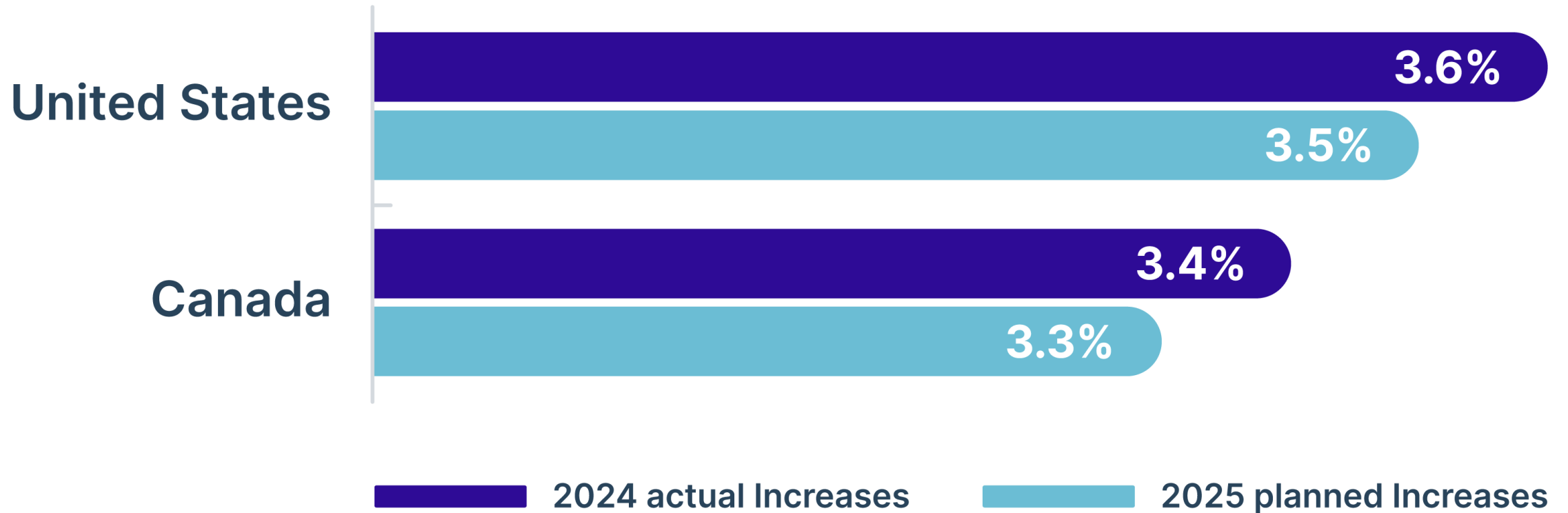


Adapting to  
economic  
uncertainty



For 2025, planned increases are 3.5% in the U.S. — slightly lower than 2024.

[Source: 2024-25 Salary Budget Survey](#)



# Maintaining Competitive Compensation, Sustainably

# Performance-Driven Compensation

## 1. Performance-based bonuses

- Individual, team, and company-based metrics
- Short-term and long-term incentives

## 2. Variable pay options

- Pay-at-risk components
- Managing labor costs flexibly

## 3. Profit-sharing plans

- Aligning employee interests with company success

# Flexible and Comprehensive Packages

## 1. Flexible compensation models

- Offering a choice between higher base pay or more benefits

## 2. Comprehensive benefits package

- Core benefits (health insurance, retirement plans)
- Unique additions (e.g., student loan repayment)

## 3. Tailoring to workforce demographics

- Know your workforce: Gen X vs. Millennials vs. Gen Z

# Total Rewards and Retention Strategies

## 1. Total rewards approach

- Communicating full value of package
- Highlights non-monetary benefits

## 2. Retention bonuses

- Loyalty incentives for key employees/roles
- Cost-effective talent retention measure

# Beyond the Paycheck: Non-Monetary Motivators



## Flexible Work Arrangements

Remote work options  
Flexible hours  
Compressed work weeks  
Job sharing opportunities



## Work Environment Enhancements

Pet-friendly offices  
Creative or relaxation spaces  
Ergonomic workstations



## Wellness Programs

On-site fitness classes  
Mental health resources  
Nutrition counseling  
Stress management workshops



## Customizable Benefits Packages

"Cafeteria plan" of benefits options  
Allows employees to choose benefits that matter most to them





## Professional Development

Mentorship programs  
Conference attendance  
Online course subscriptions  
Cross-departmental training



## Career Advancement Opportunities

Clear career pathing  
Leadership development programs  
Internal job postings  
Rotation programs



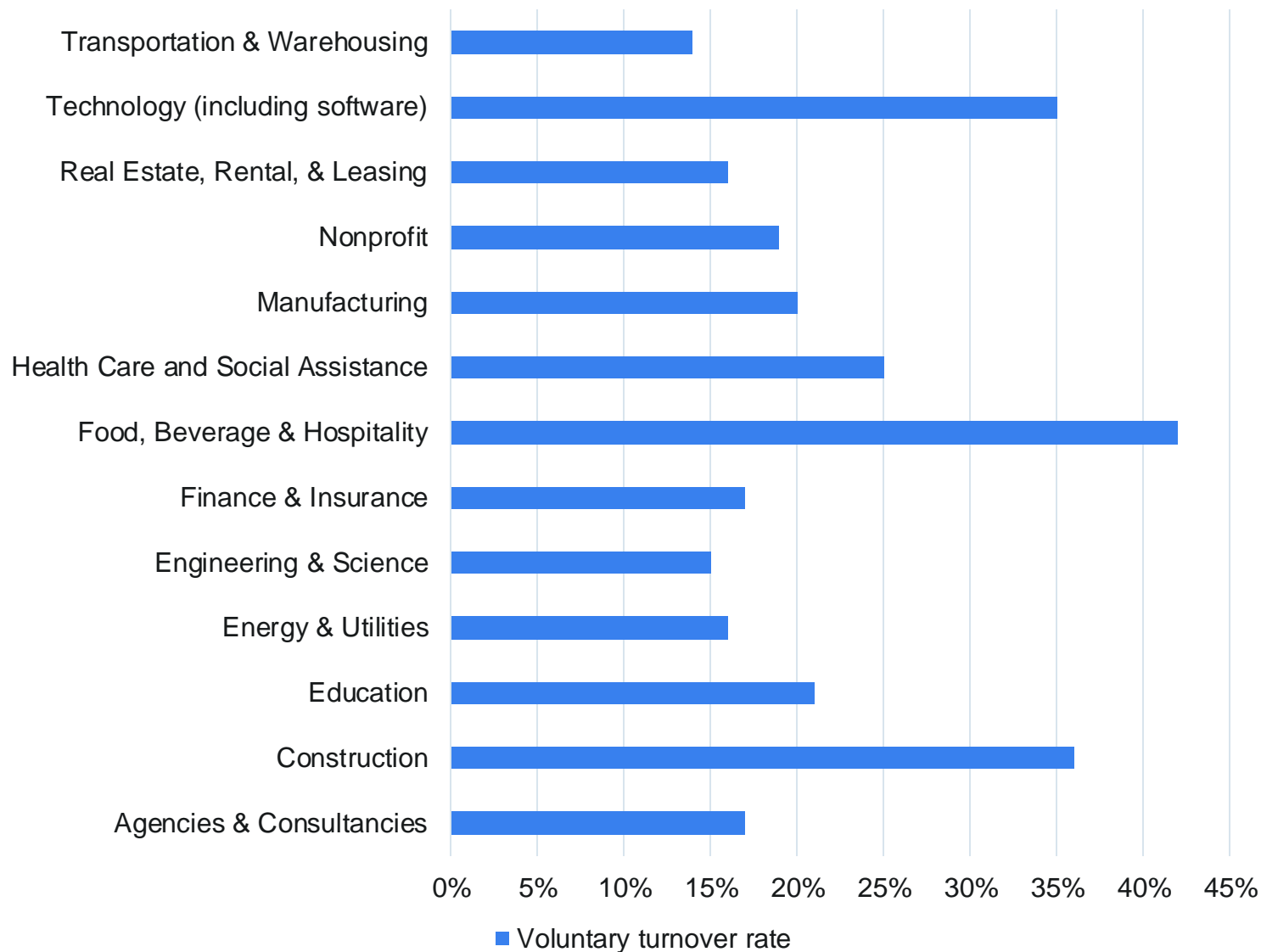
## Recognition Programs

Peer-to-peer recognition platforms  
Public acknowledgment of achievements  
Extra time off for exceptional performance

# Compensation Clarity: Mastering the Message

# While turnover rates have improved, they remain high

Source: 2024  
Compensation Best  
Practices Report



# Preparing to Communicate



How will we communicate any changes in our compensation strategy and structure to employees?



What methods will we use to ensure ongoing transparency and understanding?



How will we address any new employee questions or concerns regarding compensation changes?



How can we ensure we are reaching as many employees as possible?

# Communication Best Practices



Ongoing Engagement and  
Feedback



Tailored Communication



Use of Multiple Channels



Clarity and Transparency

# Practical Tools for Communicating Pay



Total Reward Statements



Pay Range Transparency

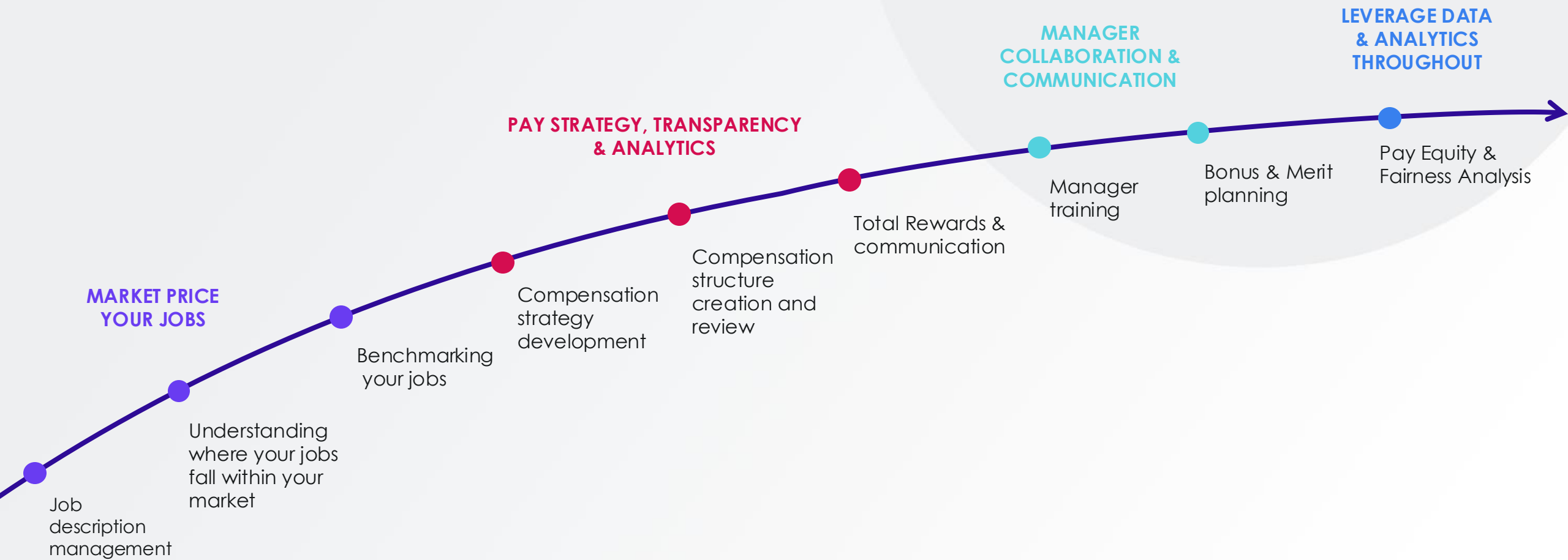


Digital Portals



Regular Pay Review Meetings

# The compensation journey



## DESIRED OUTCOMES

✓ ACCURATE PAY DECISIONS

✓ EFFICIENT & COLLABORATIVE COMPENSATION PROCESSES

✓ BETTER INSIGHTS

# Q&A

Feel free to ask any questions in the chat!

