

RECALIBRATING YOUR EMPLOYEE COMPENSATION STRATEGY

Human Resources Consulting Compensation Checklist

HUB's Human Resources Consulting practice can help you stay current, competitive and compliant in today's job market.

This checklist will help HR professionals identify opportunities for improvement in their current compensation program. Read each statement and answer Yes, No or Not Applicable (N/A). Once you have completed the checklist, review all of your No responses and determine your top areas of concern to address. The last table provides you with space to prioritize your areas of concern and identify additional resources you may need.

	Yes	No	N/A
1. Our compensation philosophy is documented and up-to-date.			
2. Our compensation philosophy has been shared with current employees within the last 12 months.			
3. Our compensation philosophy is shared with job applicants and new hires.			
4. Our compensation philosophy has a clearly defined method to identify our labor market (benchmark approach, labor market matrix, etc.).			
5. Our compensation philosophy includes a strategy for paying employees working in different locations (cost of labor geographic differentials, same pay for all locations, etc.).			
6. All of our job descriptions have been reviewed and updated within the last 12 months.			
7. All of our organization charts have been reviewed and updated within the last 12 months.			
8. The FLSA status of all of our jobs has been reviewed and updated within the last 12 months.			
9. The EEO job classification of all of our jobs has been reviewed and updated within the last 12 months.			
10. Our organization uses a market-based approach for making pay decisions (base pay, salary ranges, etc.).			
11. All of our benchmark jobs are market priced at least every other year.			
12. We follow compensation best practices and market price at least 50%-75% of our jobs.			
13. The compensation data used is employer reported, administered by a reliable third party and it does not include self-reported or crowd sourced data.			
14. We have a pay structure in place with pay grades as well as pay range minimums, midpoints and maximums with each job being assigned to a pay grade.			
15. Market priced jobs are assigned to the pay structure based on their target market rate.			

	Yes	No	N/A
16. Non-market priced jobs are slotted into the pay structure alongside similar jobs that were market priced.			
17. The decisions that went into slotting non-market priced jobs into the pay structure are documented.			
18. We make annual pay structure adjustments based on compensation planning data.			
19. We compare individual employee pay to the established pay ranges to ensure alignment.			
20. Our base pay rates help us attract and retain qualified employees.			
21. Our premium pay rates (e.g., shift differentials, on-call pay, etc.) help us attract and retain qualified employees.			
22. Our organization has conducted a pay equity analysis that assesses pay across locations and positions for all protected classes (gender, race, etc.) within the last 12 months.			
23. We use a merit pay matrix when making merit increase decisions.			
24. Our performance management program has been reviewed and updated within the last 12 months.			
25. Performance reviews are conducted for all employees on a regular basis. They are based on specific, job-related criteria and feedback is honest, factual and complete.			
26. Managers making compensation decisions have been trained on how to implement our compensation program.			
27. The purpose of our variable pay program(s) is/are clearly defined.			
28. Our variable pay program(s) accomplish what we intend for them to accomplish.			
29. Our variable pay programs(s) have been reviewed within the past 12 months. Quotas, payout formulas and other metrics have been adjusted to align with the current financial state of the business.			
30. We provide employees an annual total rewards statement.			

Top Areas of Concern to Address (in Priority Order)

Area of Concern	Deadline to Address by	Additional Resources/ Assistance Needed

With our HR Consulting Team’s extensive experience and integrated approach, we can help your organization develop effective compensation strategies that drive both employee and organizational performance. Our team can help structure competitive base pay plans, incentive plans and total rewards strategies. Let HUB help you stay current, competitive and compliant in the key areas listed above.

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