



NNAHRA
NATIONAL NATIVE AMERICAN HUMAN RESOURCES ASSOCIATION

Managing Compensation Post-Pandemic

Best Practices in Market-Based
Compensation Systems

Presented by Valliant Consulting Group

AGENDA

Introduce

Valliant
Consulting
Group

Design

Best practice
salary
program

Evaluate

Current
landscape

Implement

Effective
change
management

Define

Compensation
system
objectives

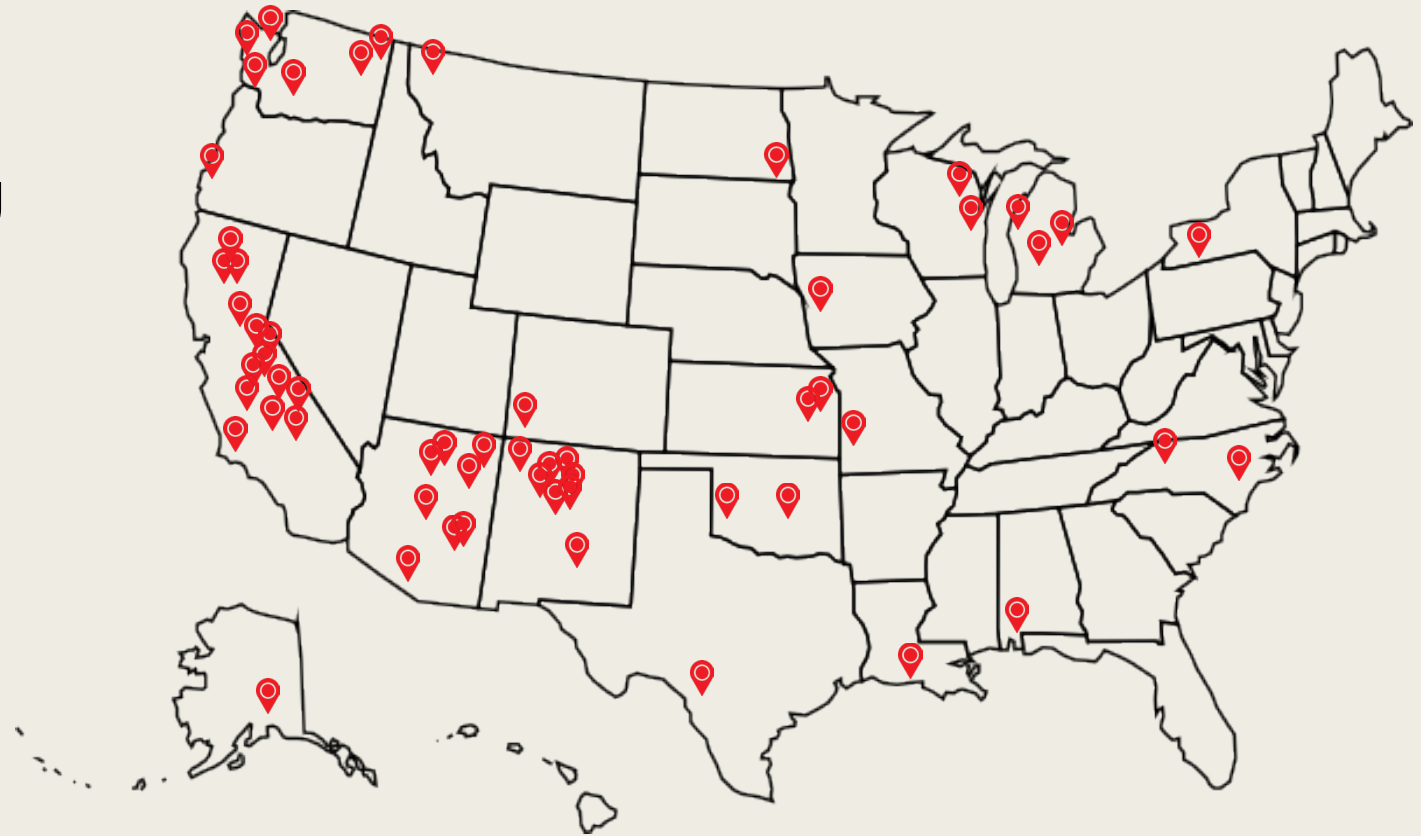
Maintain

A quality
system into
the future



Valliant Consulting Group

We are a native-owned consulting firm, specializing in compensation for tribes and tribal entities. We were established in 1998 in Albuquerque, New Mexico and have become the foremost compensation experts in Indian Country.



Valliant Consulting Group



Mike Canfield
Laguna Pueblo
President and Owner



Kelly Steingreaber
Tribal HR Professional
and Professional of HR

Vice President of
Operations



Kim DeFilippis
Tribal HR Professional
and Professional of HR

Project Director and
HR Consultant



Stacie Jackson
Certified Compensation
Professional (CCP),
SHRM-CP, MBA

Senior Compensation
Consultant



Informal Poll

- Has your entity experienced higher than usual turnover since the pandemic?
- Have employees left for more pay?
- Have you seen bigger salary hikes for front-line staff (e.g., Cooks, Drivers, Dealers, etc.)?
- Have employees asked for more money to combat inflation?
- Have increases in minimum wage in your local area affected your ability to compete?



Persistent Core Inflation Keeps Pressure on Wages

CNBC

Covid caused huge shortages in the jobs market. It may be easing — but there's another problem ahead

Since the onset of Covid-19, labor shortages have plagued major economies and intensified inflationary pressures, but economists expect this...

May 11, 2023

aced by rising prices

The Future of the Great Resignation: What Employers Need to Know for 2023

ation shows just how much the pandemic has shifted y workers. According to an Indeed survey of US workers d jobs at least twice since the start of the pandemic, 92% ic made them feel life is too short to stay in a job they ate about.¹

asse has been a trend that has remained strong throughout 2022 [million and 4.5 million people](#) have quit their jobs each month this September 2022. This means 2022 is on track to surpass 2021 in terms of the overall number of quits. And despite growing economic uncertainty, the rate of job quitting is still [16% above the](#) of October 2022.

California city raises minimum wage to \$19.08 per hour: highest in America



TECH

Microsoft doubles budget for employee salaries to address inflation, retain talent

By Thomas Barrabi

May 16, 2022 | 4:38pm | Updated

The impact of COVID-19 on hourly and low-wage workers

One thing COVID-19 has done in the United States is put a spotlight on how a pandemic impacts lower wage hourly workers versus salaried, higher-earning ...

'Ask For a Raise Now': Salaries Aren't Keeping Up With Inflation. Here's What to Do.

New surveys found that salary raises aren't going to match rapid inflation, forcing workers to face wage losses.

Yahoo Finance

Trending Salary.com Data Indicates the Days of Annual Salary Increases In the 3% Range Are Over

According to Salary.com's Annual U.S. National Salary Budget Survey, the long predominant 3 percent raise, which started its decline last...

Job vacancies 'still high' despite consecutive decrease

Salary Transparency in the Office May Equate To Bigger Paychecks, Iowa Leading the Nation

FIRM MANAGEMENT

Almost Half of U.S. Companies Are Planning to Raise Salary Increase Budgets in 2023

And a quarter of employers plan to give increases in the range of 5% to 7% in 2023, according to Salary.com.

2023 Compensation Increases Largest Since 2008 Financial Crisis

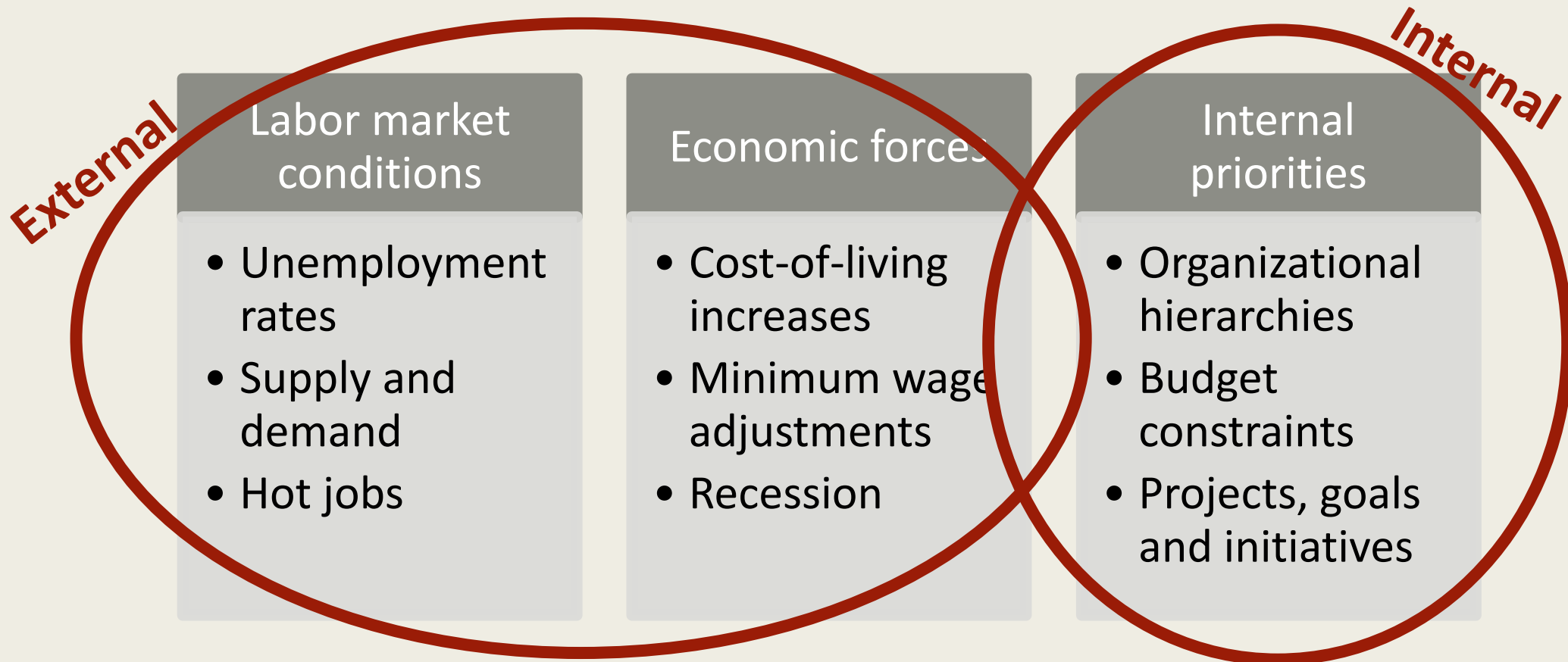
EARN

'Way too low for way too long': Local business owners applaud July 1 minimum wage increases

Published Sat, Jul 1 2023 9:00 AM EDT



Compensation Drivers



Compensation System Objectives

An effective compensation system balances an organization's need to be externally competitive and internally consistent.

Attract and retain optimal talent

Offer competitive wages aligned with market expectations

Comply with relevant laws and regulations

Align with internal culture and organizational values

Be easily understood and administered

Be cost effective

Be fair and equitable

Compensation Strategies



Lag

Match

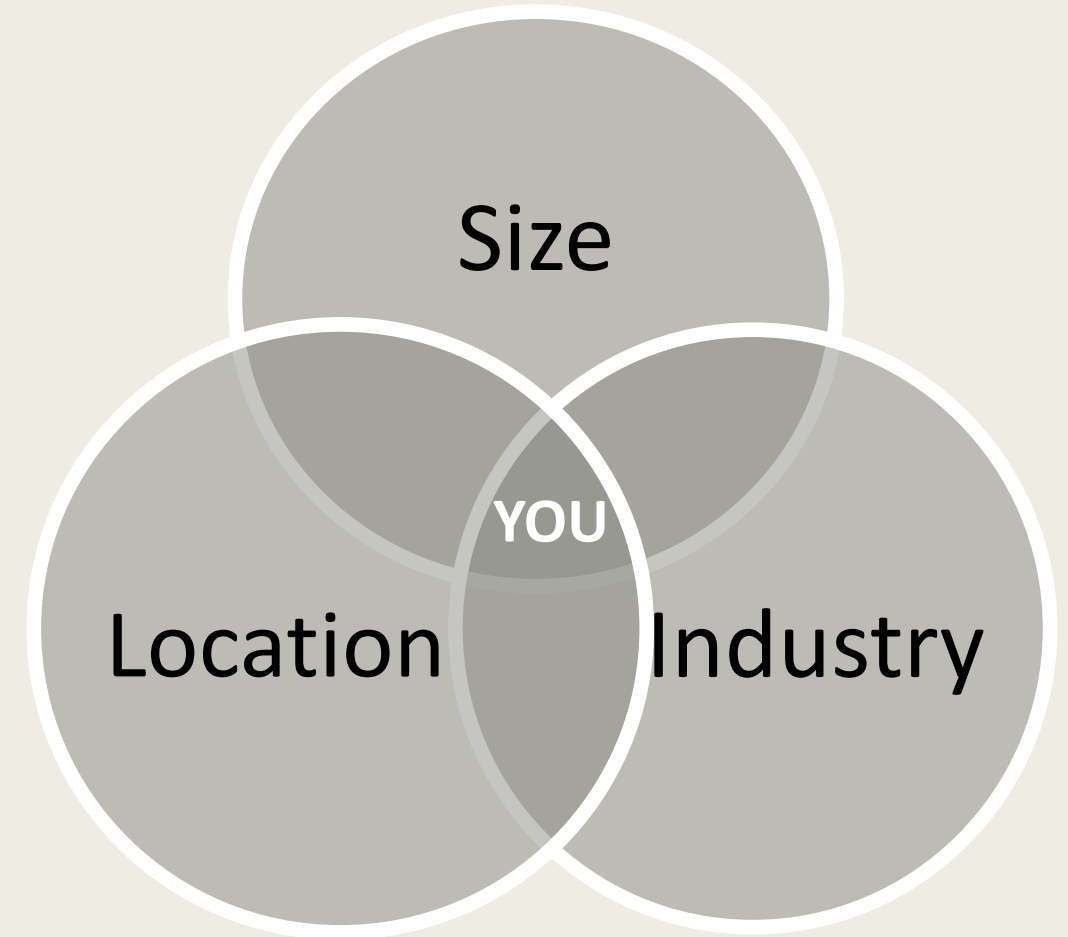
Lead



Market Comparisons

Comparisons should be made to entities who are as similar to you as possible, including employers of a comparable:

- **Size:** # of employees, revenue
- **Location:** same state, rurally located
- **Industry:** government employers, non-profit organizations, for-profit enterprises (as applicable)



Types of data sources

- Professional organizations
- Non-profits
- Reputable third-party vendors

Salary survey



- Department of Labor
- Bureau of Labor Statistics
- O*Net Database

Government data



- Job postings
- Recruitment ads
- Other published data from comparable employers

Job advertisements



Assessing data quality

Reliable Sources

- Little variation
- High number of survey participants
- Participants are similar to you
- Source is a reputable company or government entity
- Data is current (within 1 year)

Unreliable Sources

- Data varies significantly
- Low number of survey participants
- Participants are dissimilar to you
- Data is self-reported by individuals and/or sources are not disclosed
- Data is out-of-date (> 1 year)



Making apples-to-apples comparisons

Before pulling salary information, carefully compare your entity's job to the benchmarked job, looking for similar:

- Duties and responsibilities
- Job qualification requirements
- Scope of oversight / span of control



Creating a market-based internal system

- 1) *What are others paying for similar work to be performed?*
- 2) *How much should an employee's salary grow as they stay in the same job?*
- 3) *How much should an employee's salary change when they change jobs?*

Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly
1	\$12.00	\$13.80	\$15.60
2	\$12.96	\$14.90	\$16.85
3	\$13.99	\$16.09	\$18.19
4	\$15.11	\$17.38	\$18.64
5	\$16.32	\$18.77	\$21.22
6	\$16.89	\$20.27	\$23.65
7	\$18.58	\$22.30	\$26.01



Midpoint is Market

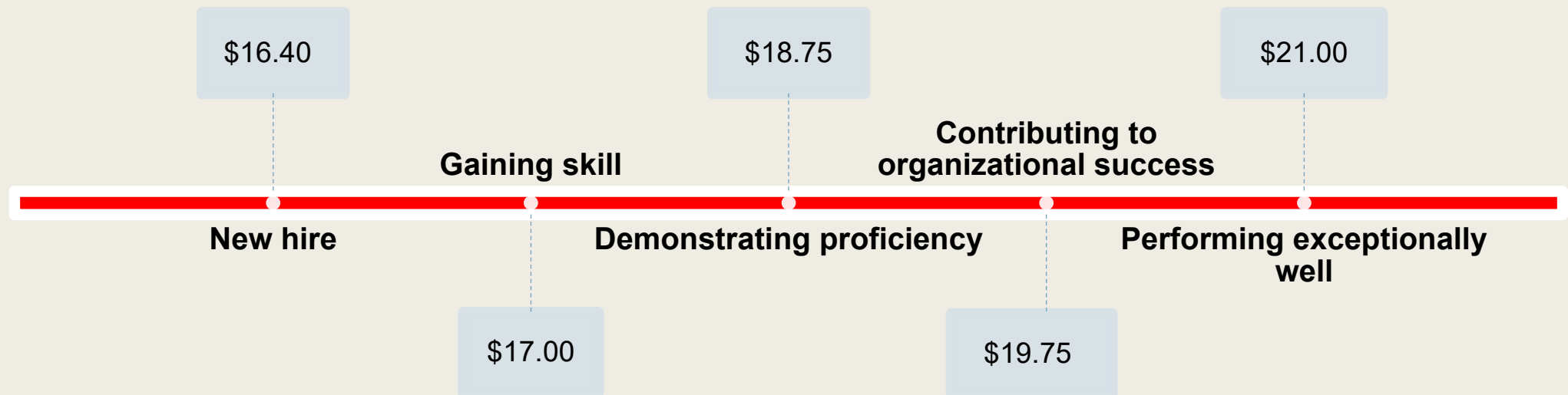
Enrollment Clerk Market	
Source 1	\$19.70
Source 2	\$17.30
Source 3	\$20.70
Source 4	\$20.20
Source 5	\$17.80
Source 6	\$16.30
Source 7	\$19.20
Average:	\$18.75

Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly
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Growth within a job

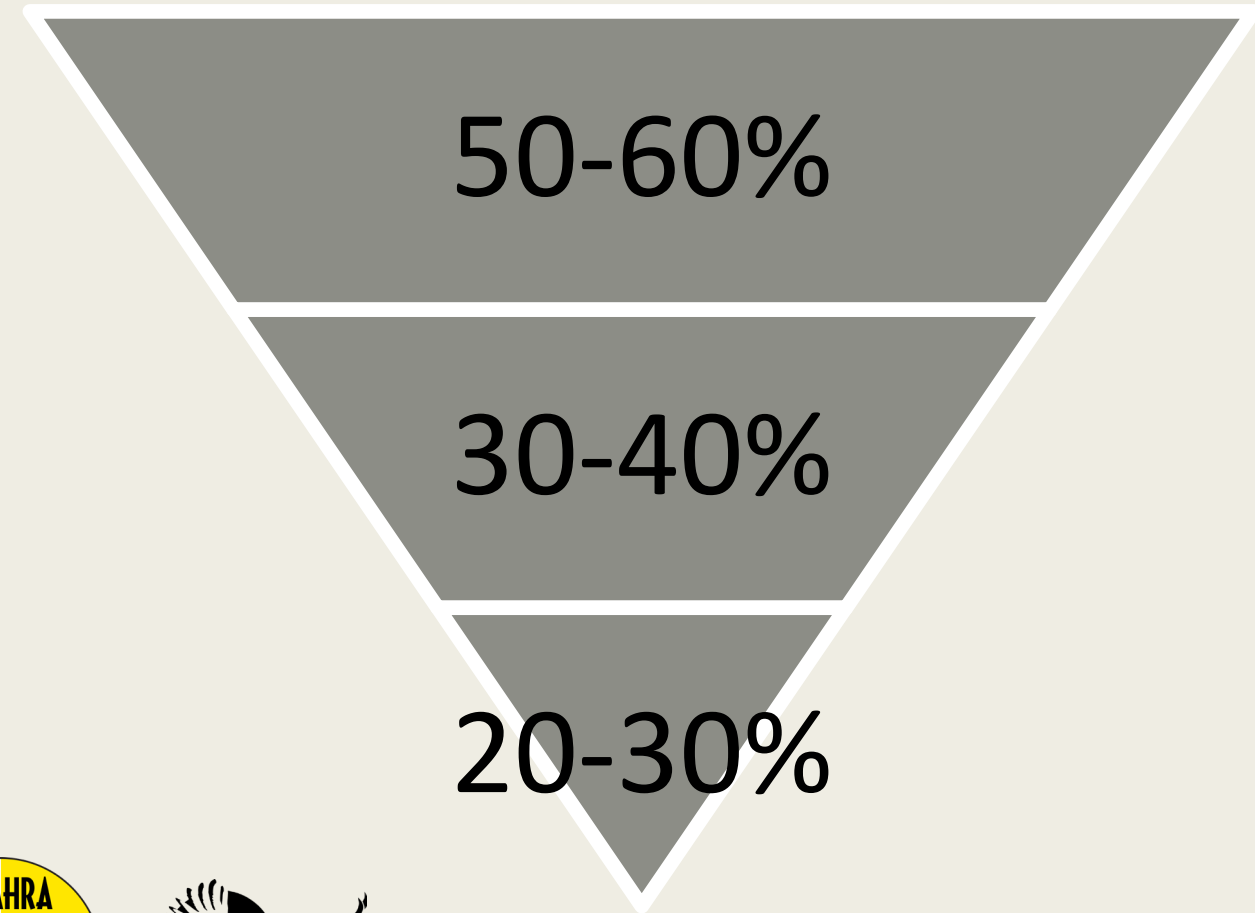
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5	\$16.32	\$18.77	\$21.22



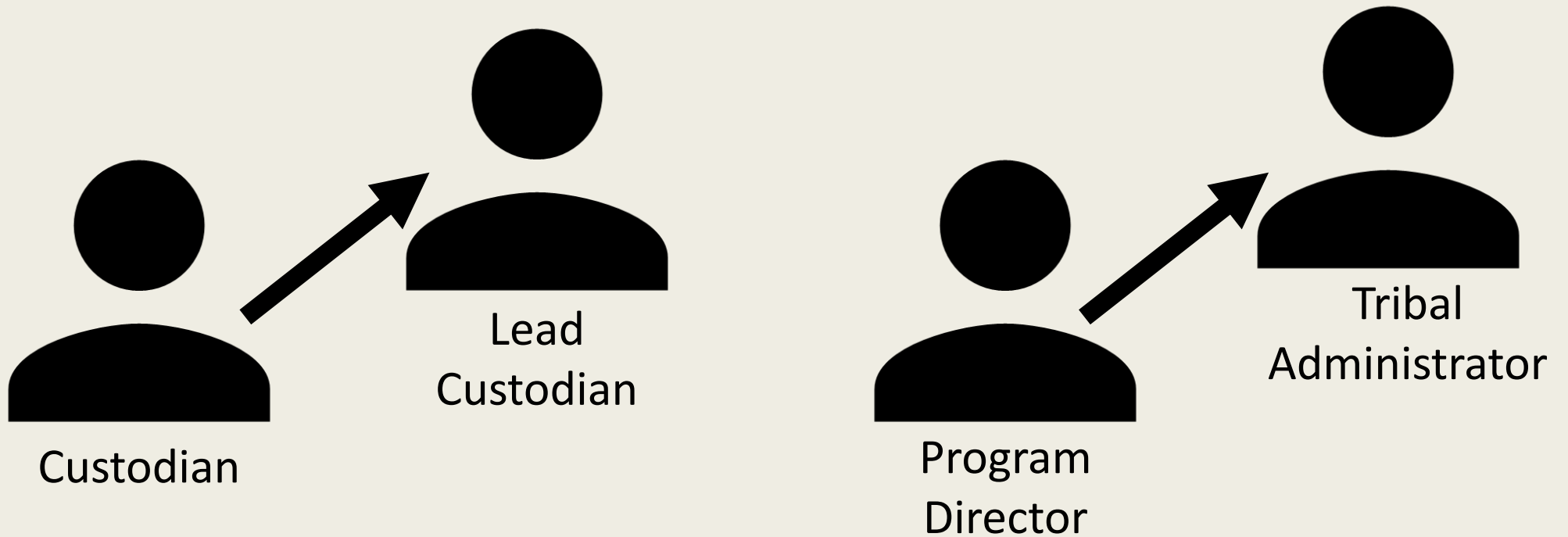
Growth within a job

Range spread =
Maximum – minimum /
minimum

Grows as jobs grow in
complexity and difficulty

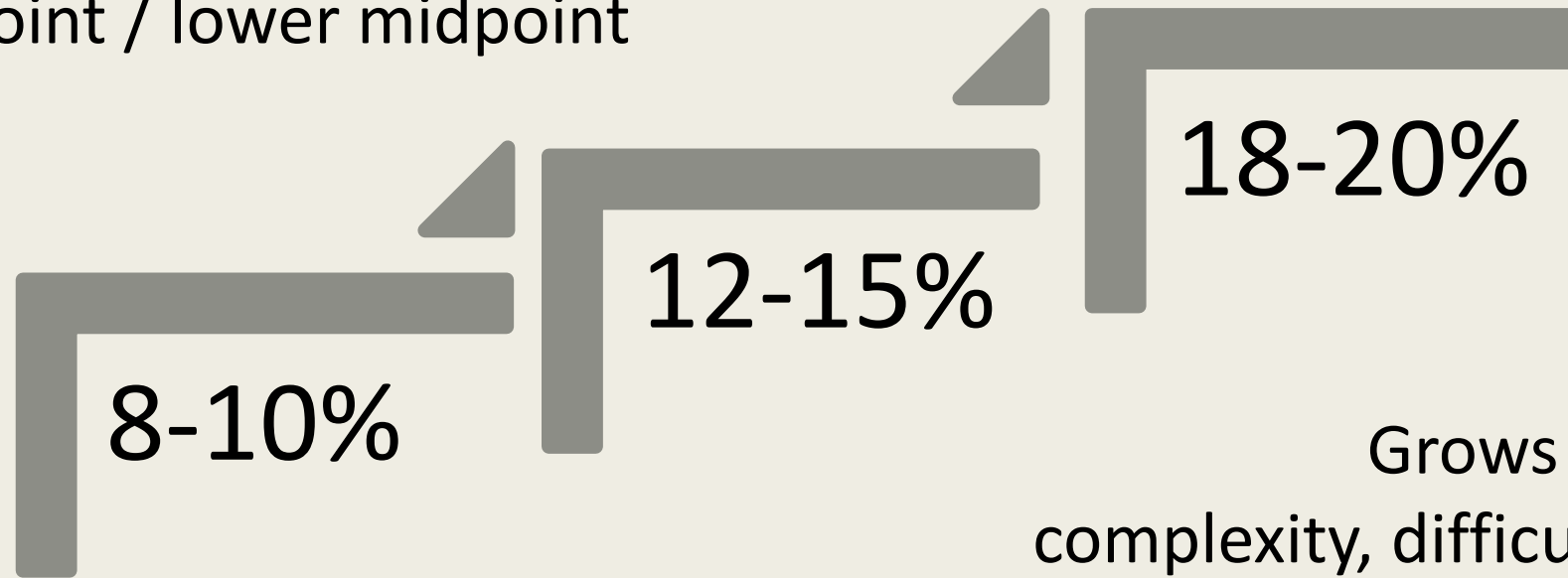


Growth between jobs



Growth between jobs

Midpoint differential =
Higher midpoint – lower
midpoint / lower midpoint



Grows as jobs grow in
complexity, difficulty and span of
control

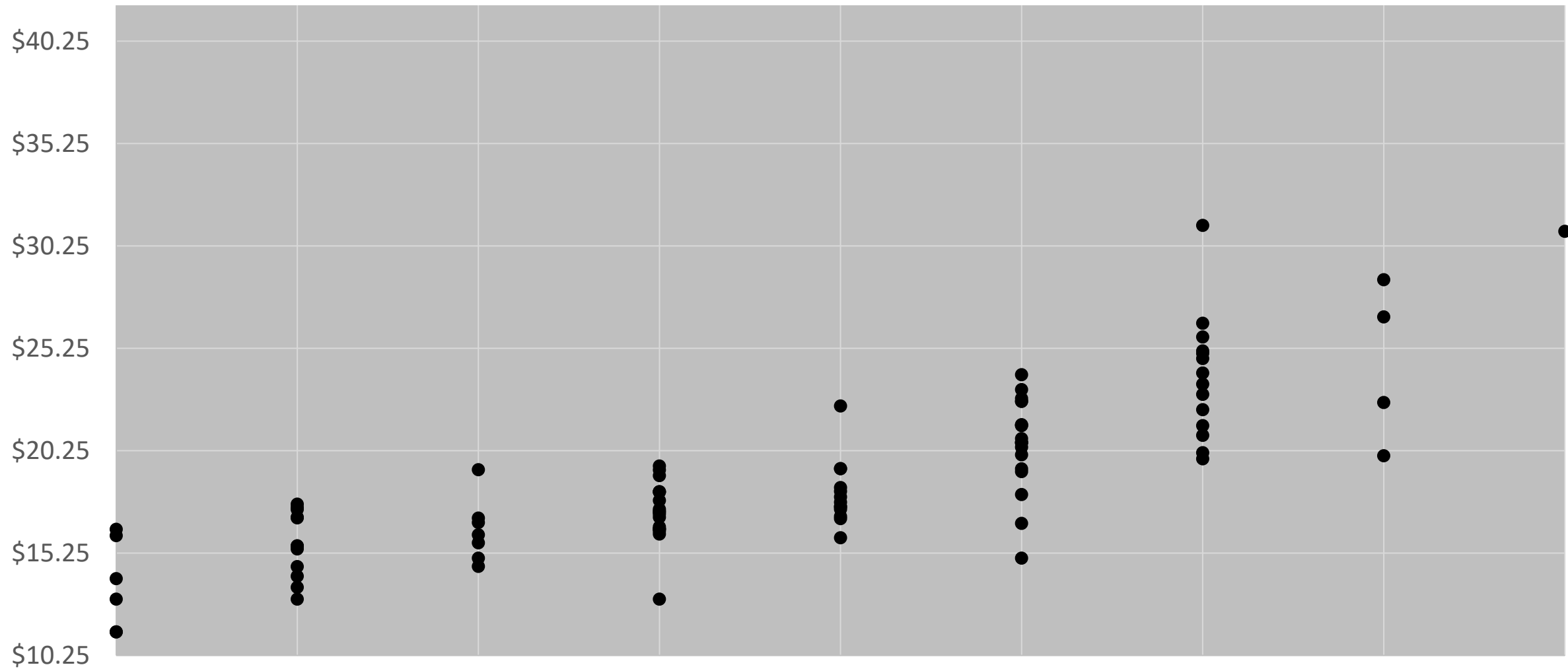


Creating a market-based internal system

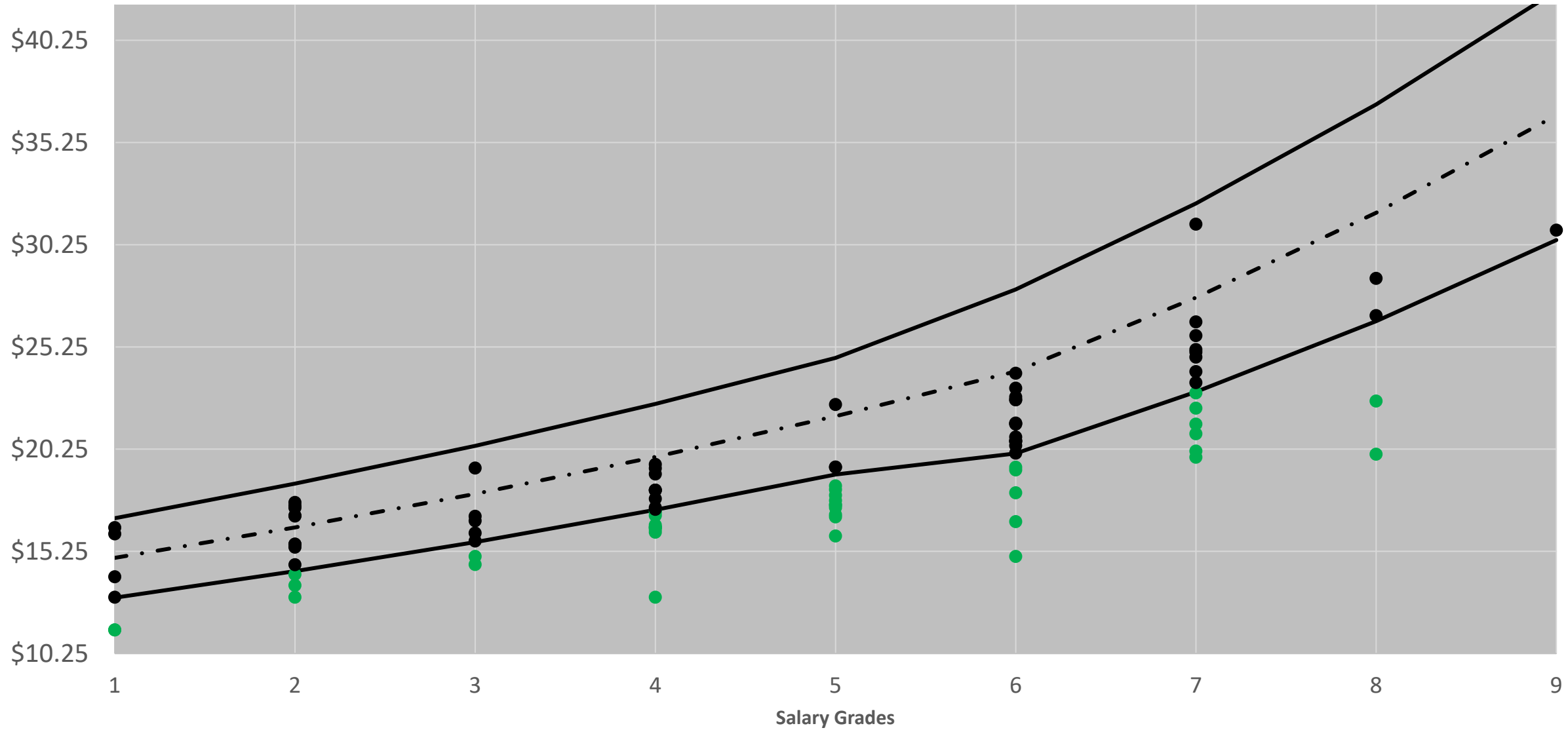
SAMPLE

Grade	Minimum		Midpoint		Maximum		Range Spread	Midpoint Differential
	Hourly	Annual	Hourly	Annual	Hourly	Annual		
1	\$12.00	\$24,960.00	\$13.80	\$28,704.00	\$15.60	\$32,448.00	30%	8%
2	\$12.96	\$26,956.80	\$14.90	\$30,992.00	\$16.85	\$35,048.00	30%	8%
3	\$13.99	\$29,099.20	\$16.09	\$33,467.20	\$18.19	\$37,835.20	30%	8%
4	\$15.11	\$31,428.80	\$17.38	\$36,150.40	\$19.64	\$40,851.20	30%	8%
5	\$16.32	\$33,945.60	\$18.77	\$39,041.60	\$21.22	\$44,137.60	30%	8%
6	\$16.89	\$35,131.20	\$20.27	\$42,161.60	\$23.65	\$49,192.00	40%	10%
7	\$18.58	\$38,646.40	\$22.30	\$46,384.00	\$26.01	\$54,100.80	40%	10%
8	\$20.44	\$42,515.20	\$24.53	\$51,022.40	\$28.62	\$59,529.60	40%	10%
9	\$22.48	\$46,758.40	\$26.98	\$56,118.40	\$31.47	\$65,457.60	40%	10%
10	\$24.73	\$51,438.40	\$29.68	\$61,734.40	\$34.62	\$72,009.60	40%	10%
11	\$26.12	\$54,329.60	\$32.65	\$67,912.00	\$39.18	\$81,494.40	50%	12%
12	\$29.26	\$60,860.80	\$36.57	\$76,065.60	\$43.89	\$91,291.20	50%	12%
13	\$32.77	\$68,161.60	\$40.96	\$85,196.80	\$49.16	\$102,252.80	50%	12%
14	\$36.70	\$76,336.00	\$45.88	\$95,430.40	\$55.05	\$114,504.00	50%	12%
15	\$41.11	\$85,508.80	\$51.39	\$106,891.20	\$61.67	\$128,273.60	50%	12%

Evaluate Current State

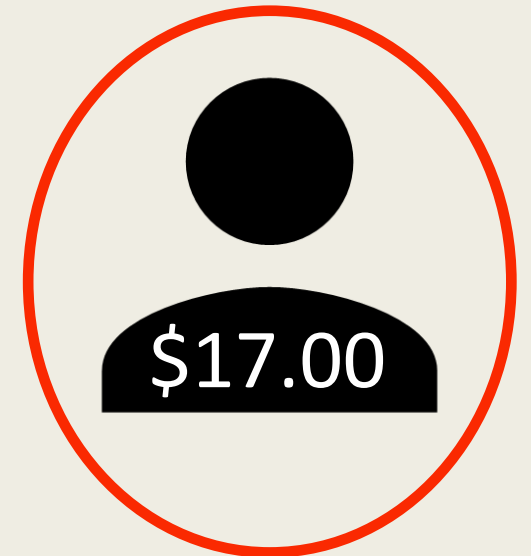
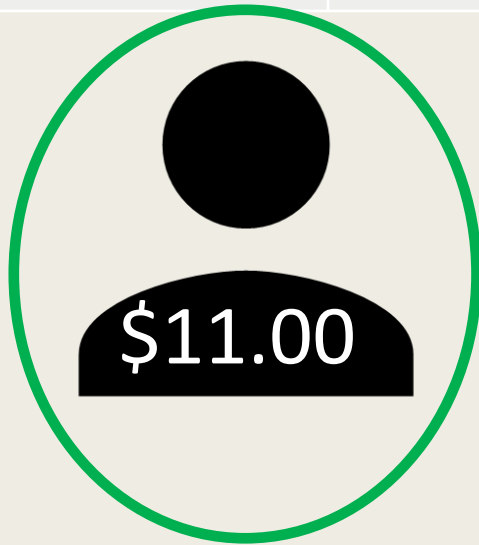


Evaluate Current State



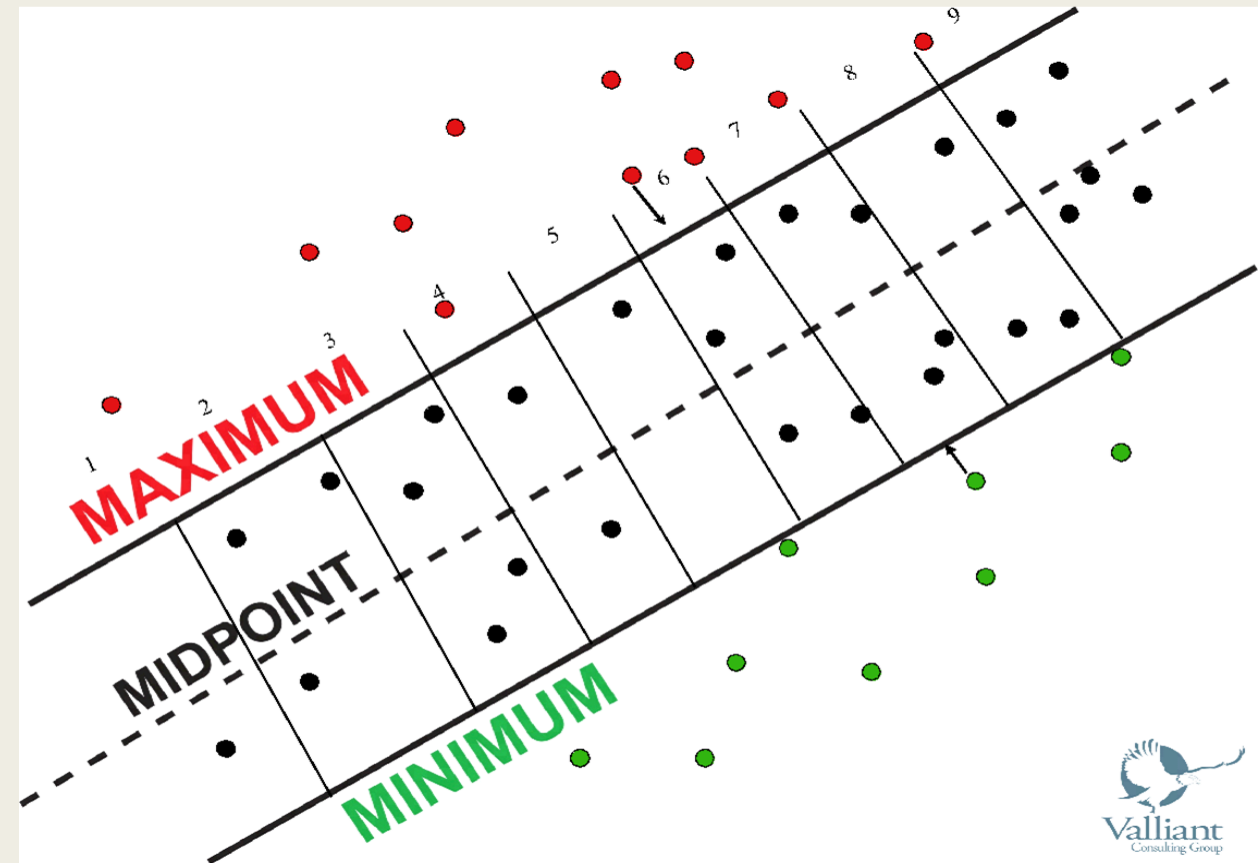
Cost Impact Evaluation

Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly
1	\$12.00	\$13.80	\$15.60

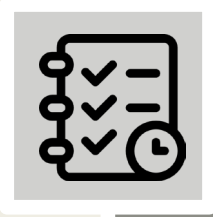


Cost Impact Evaluation

- **Priority 1:** Address green circles to ensure external competitiveness
- **Priority 2:** Align positions internally to ensure internal consistency



Steps to implementation



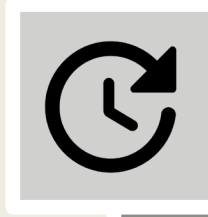
Plan

- Determine feasibility/time
- Gain approval
- Identify resources needed
- Update policies
- Train managers



Implement

- Adopt changes
- Adjust employees to minimum
- Address compression
- Communicate to employees



Maintain

- Monitor employees moving above maximum
- Keep system up-to-date



System Maintenance

- **Adjust over time:** Shift every 1-2 years with cost-of-living
- **Check-in on the market:** Benchmark a sample of jobs every 18-24 months
- **Align daily decisions:** Establish consistent methods for assigning salaries internally



SUMMARY

An effective compensation system balances your need for internal consistency with your need for external competitiveness.

Following a market-based system will equip you for long-term success; no matter how the compensation landscape continues to shift and change.





THANK YOU!

VALLIANT CONSULTING GROUP

- Kim DeFilippis
- kim@valliant.com
- <https://valliant.com>
- Stacie Jackson
- stacie@valliant.com
- 505-246-8798

