



## UNDERSTANDING A COMPENSATION STUDY

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SUPPORT

**CONDUCTING A COMPENSATION STUDY** can serve your organization in many ways. Compensation studies analyze your wage rates, salaries, and benefits to see if they are competitive for your industry or your geographic locale. An analysis of your pay practices can also help you determine if your organization is compliant with employment laws, such as the Fair Pay Act of 2009 or the Equal Pay Act of 1963.

Some organizations outsource their compensation studies, while others use in-house resources to evaluate company salary and compensation structure. The benefit of outsourcing includes engaging an objective viewpoint. GCFA's Human Resources Department can help you with that objective viewpoint that also keeps in mind the Church's Disciplinary and social policies.

## **WHY WOULD YOUR ORGANIZATION WANT TO DO A COMPENSATION STUDY?**

It will help you to clearly articulate your compensation philosophy and create compensation policies, procedures, and structures based on that philosophy. In most organizations, employees account for the largest part of any budget. Let them know how and why they are compensated for the work they do for your organization.

**1**

### **DEFINITION**

Having clearly defined job descriptions affects collaborative work among your employees. It helps to establish a focus on the task and not on negotiating responsibility.

You have different levels of staff. They need clearly defined titles and job descriptions based on "peer" groups that allow for compensation comparisons within the industry. These "peer" groups can be based on:

- Job level
- Exempt/non-exempt status
- Geographic region
- Job duties
- Similar jobs in the same industry

It can help you target and hire the best, most qualified candidates, but also ensure their continued success by informing them exactly how that success will be determined and measured.

**2**

### **COMPENSATION AS A WHOLE**

Compensation is not only the salary you pay your employees. It also includes the

benefits you provide. Do you offer benefits such as health, dental, vision, life, disability, and retirement? All these and more are paid on behalf of your employees as part of the "hidden paycheck" you provide!

Show how much you are investing in your employees beyond their salary. It can help you in recruiting and in the retention of top employees, and give you a much clearer compensation analyses to inform your salary and wage decisions, often the most considerable portion of your budget.

**3**

### **COMPLIANCE**

There are many types of compliance including payments of social benefits, annual leave pay and minimum wage. However, given the recent significant emphasis on pay equity issues at the state and federal level, you are advised to take a close look at your compensation policies and practices through this lens. Conducting a proactive pay equity analysis is often the first and best step you can choose to ensure fair pay.

**4**

### **PLAN OF COMMUNICATION**

Change is difficult. When it affects how an employee puts food on his or her table or how much gas in their car, it can be extremely delicate to discuss those changes even if they are for the better of everyone in the organization.

Create a plan to communicate any changes resulting from a compensation study. It must be cohesive and transparent, especially if there are any salary adjustments necessary.

*GCFA's Human Resources Department can help you put in a plan to communicate any changes you may need to make after the results of a compensation study may reveal inadequacies with your compensation structure, procedures or policies.*

*Contact us at [connectionalrelations@gcfa.org](mailto:connectionalrelations@gcfa.org) if you would like to know more about conducting a compensation study for your organization. Your employees are a significant asset of your organization; make sure you are investing in your assets wisely.*



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