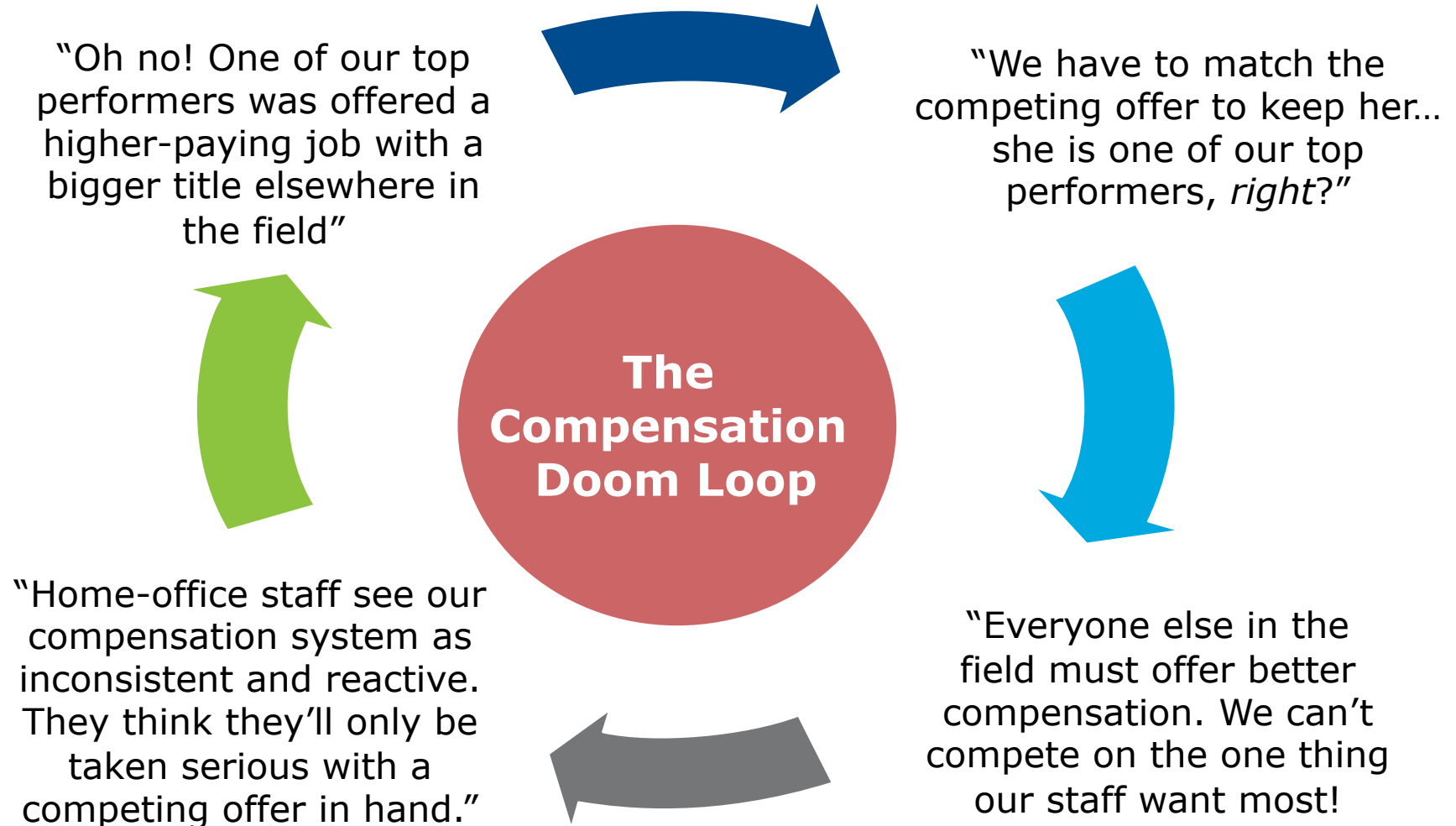


# Compensation is a pain point for many CMOs

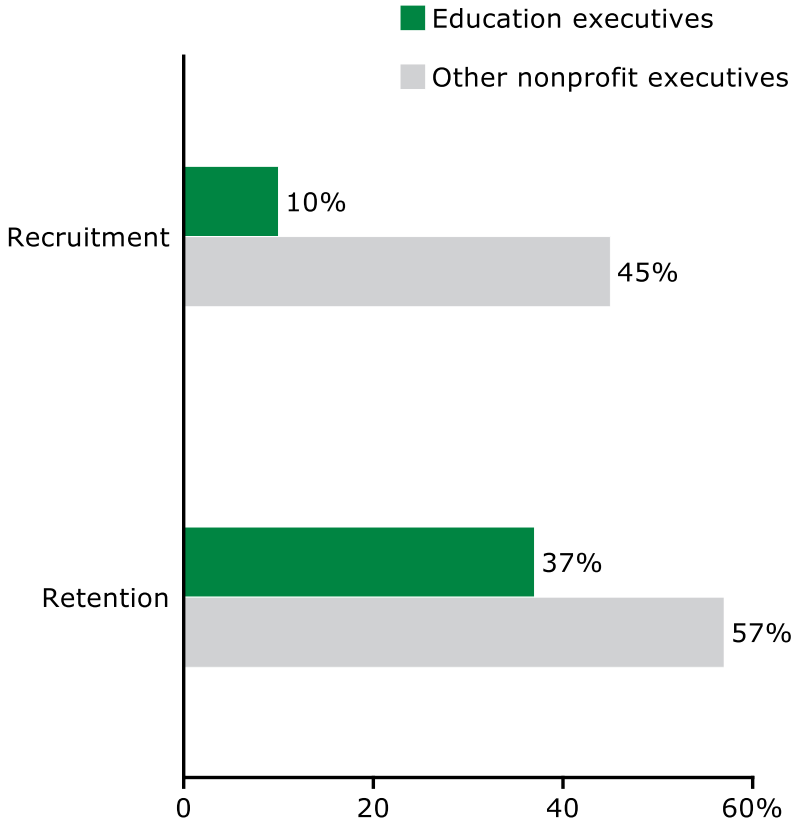


**At the home-office level, many of us are caught in a cycle of one-off decisions absent any data**

# In education, compensation is *not* a top reason that non-instructional staff accept or leave roles

## COMPENSATION IS LESS OF A CONCERN IN EDUCATION THAN IN OTHER NONPROFIT FIELDS

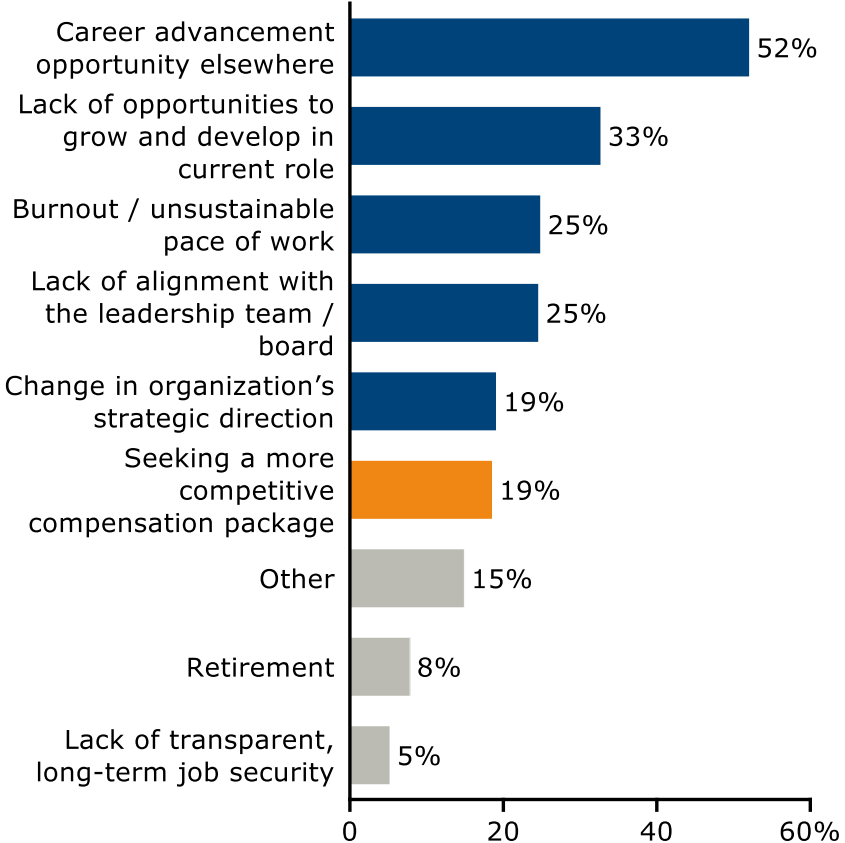
Point in talent pipeline



% of nonprofit executive leaders to identify compensation as 1 of top 2 recruitment or retention challenges for their organization

## ...AND IS NOT A TOP DRIVER OF ATTRITION IN EDUCATION

Drivers of attrition

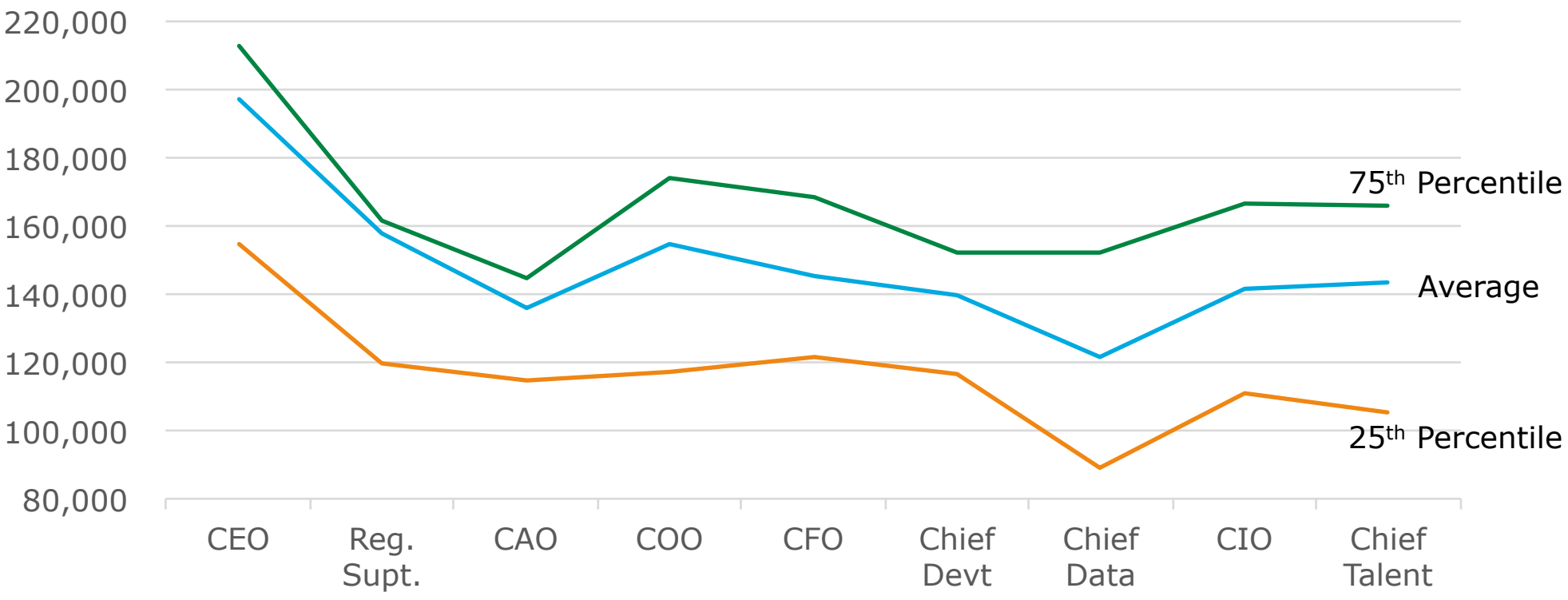


% system-level education leaders to identify reason as 1 of top 2 reasons they would leave their organizations

Sources: A survey of nonprofit executive leadership conducted by The Bridgespan Group, 2014; EdFuel, "Hidden in Plain Sight: Tomorrow's Education Leaders Already Work for You," 2015

# Nationally, compensation varies widely for similar positions at large CMOs

Base Salary Ranges for Select Leadership Positions at CMOs with Operating Budgets >\$25MM (SY11-12)



Span from 25 <sup>th</sup> – 75 <sup>th</sup>	CEO	Reg. Supt.	CAO	COO	CFO	Chief Devt	Chief Data	CIO	Chief Talent
	37%	35%	26%	48%	39%	31%	70%	50%	58%

# Underneath this variation lies a number of decisions that influence the design of compensation systems

**Operating model decisions**, e.g., regions selected for expansion, willingness to raise philanthropic funding, ratio of non-instructional staff to school-level operational budget, etc.

**Talent strategy decisions**, e.g., the decision to provide performance-based pay, the number and size of salary bands, the size and composition of the benefits packages, etc.

**Implementation decisions**, e.g., placement of new hires within a band, expected progression of individuals within a band, level of transparency, etc.

**What is the role of compensation within the broader context of your strategic goals and organizational culture?**

# Several philosophical tensions often emerge when considering these decisions

- Management flexibility
- Tolerance for complexity
- Equity and decision rights
- Transparency
- Other elements of organizational culture

# Eight salary bands model choice points

## CHOICE POINTS IN HOME OFFICE SALARY BAND MODEL

## COMPENSATION PHILOSOPHY & OTHER CONSIDERATIONS

Talent strategy

1 Number of bands

Complexity; organizational structure

2 Total width of each band

Management flexibility vs. transparency

3 Target range / "sweet spot" within each band

Management flexibility vs. transparency

4 Overlap between each band and previous / next

Internal equity; management flexibility

5 Role of performance based pay

Culture; equity; measurement

6 Norms re: new hire placement in band system

Management flexibility vs. equity

7 Norms re: placement when moving into a band

Management flexibility vs. equity

8 Progression expectations within a band

Management flexibility vs. equity

Implementation

# Eight salary bands model choice points (visual)

