

# Compensation Decisions and ComPro System

Training for Managers  
January 2021

# Compensation Decisions

# Compensation Decisions: Key Principles



- ✓ Reinforce the **link between the performance assessment and the compensation decisions** both made by the manager
- ✓ Strengthen **managers empowerment** and accountability; sending a message of trust
- ✓ Increase **opportunity for differentiation**
- ✓ Managers have the ability to combine decisions on **several compensation elements** (base salary, Bonus and LTI) to recognize their employees as appropriate

# Drivers of Merit Decisions (1/2)

1



## Individual Performance Assessment

- ▶ Reminding the link between the individual performance and your decision > address OKR's and Behaviours

2



## External Benchmark

- ▶ Position our employees within the benchmark range, relevant for position and experience in the position > range 0.8-1.2 ComRatio

3



## Internal Equity

- ▶ Compare with other employees in your organization with similar role and experience

# Drivers of Merit Decisions (2/2)

4



## Employee Value

- Consistent performance (OKR's and Behaviors) over several years' period
- Importance of skill / competency
- Ability to take broader responsibilities in the future > Potential at Nayax
- Commitment
- Difficulty to replace

5



## Budget Funding

- ▶ Explaining the link between the business performance and the payout

# Do's and don'ts when communicating performance and pay decisions



## Do not...



- Use complicated compensation terms
- Express dissatisfaction or disagreement with the pay or performance decision
- Guarantee that the employee's pay outcome will change if he/she does certain things
- Reveal someone else's pay outcome (e.g., the amount of a co-worker's annual bonus)

## Instead...



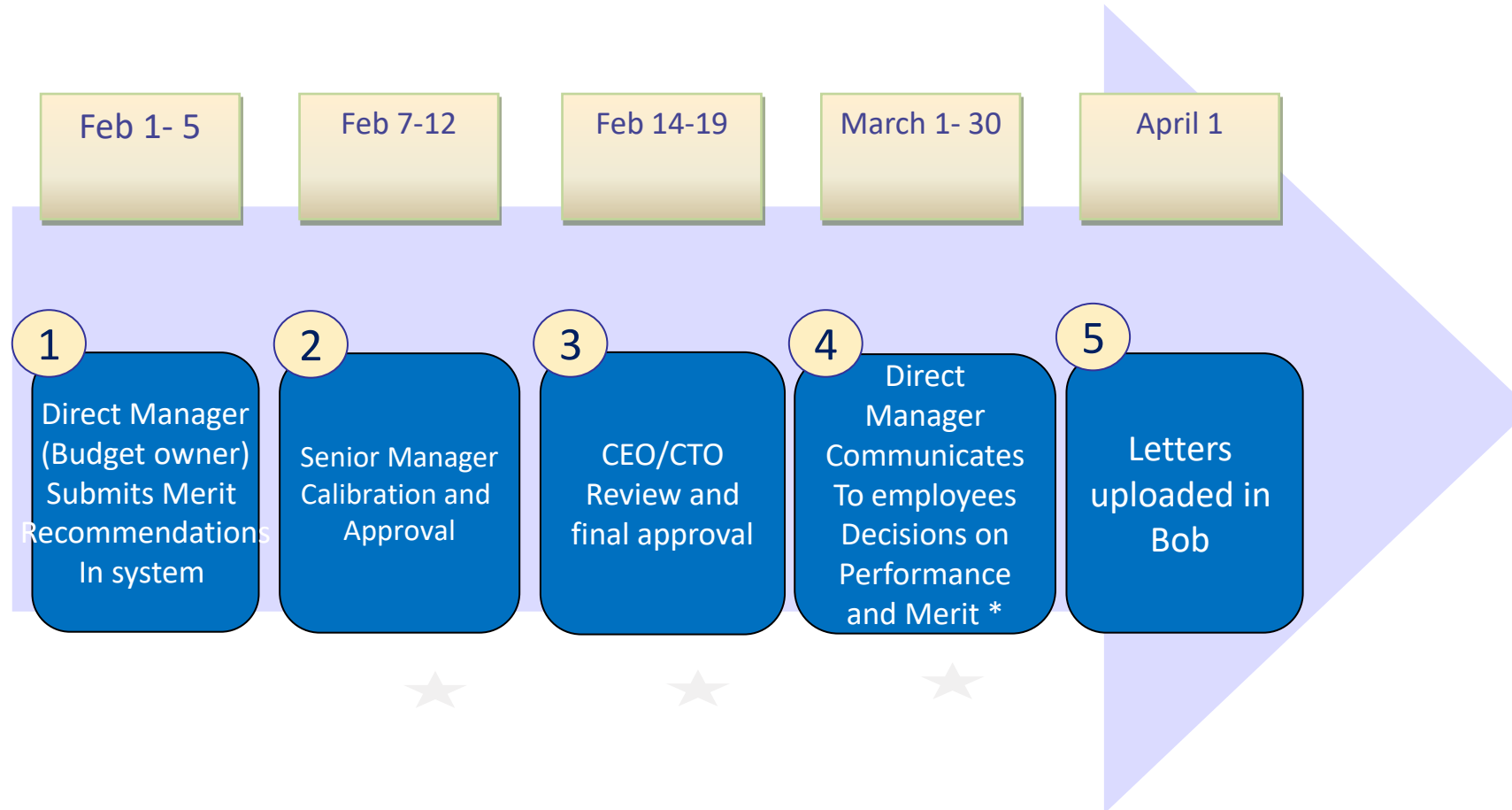
- Ensure that the employee understands the terminology you are using
- Focus on the pay and performance decision process by clearly explaining how those decisions are made
- focus on explaining the rationale rather than expressing an opinion
- Explain what actions/behaviors are necessary for employees to be rated as "meeting" or "exceeding" performance expectations
- Inform employee of where his/her pay stands among employees in general

# Compensation Decisions: Best Practice



- ✓ Take care of 1-2 **most critical cases** (job progressions, benchmark, employee value, retention needs) > put most of your resources there
- ✓ Decide where **no increase is needed** (new joiners, well positioned employees in terms of benchmark, recent increases)
- ✓ Distribute the **rest of budget as per allocated %** to the rest

# Merit Cycle Timeline – 2021





# ComPro System

Questions?

THANK YOU