



QUADRENNIAL TRAINING 2025

Compensation and Pay Equity

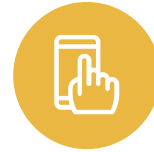
Compensation and Pay Equity



Overview



Importance of a clearly defined Compensation Structure



Compensation Overview



Job Classification

Like shepherds, tend the flock of God among you. Watch over it. Don't shepherd because you must, but do it voluntarily for God. Don't shepherd greedily, but do it eagerly. Don't shepherd by ruling over those entrusted to your care, but become examples to the flock.

- 1 Peter 5:2-3 CEB

Compensation and Pay Equity

Book of Discipline

¶ 613. Responsibilities

13. To establish uniform and equitable policies and practices in the employment and compensation of personnel, in consultation and cooperation with other conference agencies that employ ¶ 613 staff, unless the annual conference has designated another agency to carry this responsibility. These policies and practices shall be in accordance with the Social Principles (¶¶ 162L Racism, Ethnocentrism, and Tribalism; 163C Elders and Aging; 163D Women and Girls; 163H People with Disabilities). In addition, the council shall recommend that the annual conference provide, effective on and after January 1, 2006, 100 percent vested pension benefits of at least three percent of compensation for lay personnel of the annual conference who work at least 1,040 hours per year, are at least 21 years of age, and have at least one year of permanent service. The annual conference shall have authority to provide such pension benefits through either a denominational pension program administered by Wespath or another pension program administered by another pension provider.

Compensation and Pay Equity

Strategic Initiatives



01

Attract and retain the best talent.

02

Competitive and equitable.

03

Promote employee engagement.

04

Drive high performance.

Compensation and Pay Equity

Recommendations

- Develop a job evaluation tool that is simple and easy to use.
- Develop a common job level hierarchy tied to the job evaluation tool.
- Group jobs into job families (common task content and skills)
- Market price the job levels by family.
- Single pay structure for each city

Compensation and Pay Equity

Compensation Philosophy

The compensation philosophy covers a number of areas but the relevant sections are

1. Fair and equal pay regardless of group membership;
2. Salaries that are competitive with the market and reflect the local labor market; and
3. Provide a living wage.

Compensation and Pay Equity

Federal and State Pay Discrimination Laws

- **Title VII of the Civil Rights Act of 1964** – prohibits making employment decisions based on membership in a protected group (e.g. race, sex, religion, disability etc.).
- **Equal Pay Act of 1963** – prohibits paying men and women differently for jobs of equal skill, effort and responsibility and substantially similar job content.
- **Lily Ledbetter Fair Pay Act of 2009** – if pay practices are challenged as being discriminatory, each paycheck is considered a separate violation. Practices can include employer decisions about base pay or wages, job classifications, career ladder or other noncompetitive promotion denials, tenure denials, and failure to respond to requests for raises.
- **State laws** may mirror the federal law or be more generous.

Compensation and Pay Equity

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Compensation Process

Compensation



How is “Market” Defined

- “Market” is defined by the organization. The target market should support the organization’s talent strategy and is a balance between what it will take to attract/retain talent and what the organization can afford to pay.
- The target market should be defined as the market median of religious and faith-based organizations and US-based non-profits.
- Organizations select salary survey sources that align with their talent strategy and generally have the following characteristics:
 - Data sources should be reliable, reputable, and timely.
 - Survey age is not more than two years old.
 - Survey descriptions are specific enough for good matching.
 - Sample size should have an adequate number of companies and incumbents represented in the survey.
 - Participants are within the organization’s industry or geography.

Compensation

Geographic Differentials

- Organizations often consider applying geographic differentials to national data to represent the appropriate talent market. Particularly if there are jobs in various locations where qualified labor is scarce or abundant or labor costs are high or low.
- Because the UMCs operate in multiple cities in the US, a “one size fits all” salary structure approach doesn’t work effectively.
- Some cities will underpay staff while others will overpay.

Compensation



Job Classification

1. Job description drafts should be prepared by the manager.
2. Review/job analysis interview by HR.
3. HR reviews the job content to determine the appropriate job family and uses the job evaluation tool to determine the job level.
4. HR looks up the pay grade assigned to that job level in the job family.
5. If applicable, HR applies the geographic index for their city to the pay structure.
6. Final review by Personnel Committee, if applicable.

Compensation

Job Classification Tools



| Job Levels | | | | | | | |
|-------------|-----------------------|-----------------|------------|----------------------|----------------|---------|----------|
| Coordinator | Associate Coordinator | Sr. Coordinator | Specialist | Associate Specialist | Sr. Specialist | Manager | Director |

Compensation



Factor Weights

- 1. Factor weightings align with research on what really drives pay in the market.
- 2. Less weight given to education and experience because they don't drive significant differences in pay.
- 3. Most weight given to the task complexity and the complexity of analytical reasoning, followed by leadership.

| Factor | Weight |
|--------------------------------|--------|
| Education | 10% |
| Experience | 10% |
| Task Complexity | 30% |
| Analytical Complexity | 30% |
| Leadership/Function Management | 20% |

Compensation



Factor Weights

- 1. HR rates the job description based on the job evaluation factors to get a total score. 1500 Max points.
- 2. Aligned with new job levels.

| Job Levels | Points |
|-----------------------|-----------|
| Director | 1316-1500 |
| Manager | 1128-1315 |
| Senior Specialist | 940-1127 |
| Associate Specialist | 752-939 |
| Specialist | 564-751 |
| Senior Coordinator | 376-563 |
| Associate Coordinator | 188-375 |
| Coordinator | 0-187 |

Compensation

Job Families

- Groupings of individual jobs by like task content, required skills and experience.
- Allows us to look at the families individually in terms of matching to salary survey data.
- Some jobs are paid very differently in the market and not being sensitive to this can result in over or underpayment.

Compensation

Comparison of Job Families

1. The Job Families enable the differentiation of Pay Grades for the same Job Levels
2. Job Families with a more competitive market demand are recognized with higher pay grades

| Pay Grades by Job Family | Job Levels | | | | | | | |
|------------------------------|-------------|--------------------------|--------------------|------------|-------------------------|-------------------|---------|----------|
| | Coordinator | Associate Coordinator | Sr. Coordinator | Specialist | Associate Specialist | Sr. Specialist | Manager | Director |
| IT - Application Development | | | | 15 | 17 | 19 | 20 | 22 |
| IT - Infrastructure Support | 9 | 10 | 12 | 13 | 15 | 17 | 20 | 22 |
| IT - Data Support | | | | 12 | 14 | 17 | 18 | 20 |
| Accounting and Finance | | | | 11 | 13 | 15 | 17 | 19 |
| Church & Congregation Devel | | | | 10 | 12 | 14 | 16 | 18 |
| Admin and Ops Support | 5 | 6 | 9 | 10 | 11 | 13 | 15 | 17 |
| Building Services | 5 | 6 | 8 | 9 | 11 | 13 | 15 | 17 |
| Camping/Retreat Center Ops | 3 | 5 | 8 | 9 | 11 | 13 | 15 | 17 |
| Archives | | | | 8 | 10 | 12 | 14 | 16 |

Job Descriptions



Job Descriptions



Drafting Good Job Descriptions

- An accurate job description is the foundation for the job grading process.
- The job analysis interview helps the HR staff understand the tasks, the education and experience requirements and whether the job can meet the duties test under FLSA.
- A poorly written job description that doesn't accurately reflect the critical job tasks could result in over or underpayment, education or experience requirements that are inflated or too low or an incorrect determination of exemption status under FLSA.

Job Description Process



Education and Experience Requirements

- Need to be set at a minimum level - a level high enough that clearly unqualified people can be screened out but low enough that you get a good applicant pool and don't end up with requirements you can't justify or defend.
- Important point – You can always hire people with more education or experience if you feel they are the most qualified candidates you have considered.
- Don't paint yourself into a corner by setting the requirements too high and then having the “perfect candidate” show up who has proven experience but has less education or experience than you required.

Pay Equity



Pay Equity

What is Pay Equity?



Pay equity ensures employees are compensated fairly for equal work, regardless of gender, race, or other demographic factors.



Addresses systemic inequities and promotes workplace fairness.



Benefits both employees and organizations.

Pay Equity

Pay Equity vs Pay Equality

01

Pay Equality

Everyone receives the same pay regardless of role or responsibilities.

02

Pay Equity

Employees performing similar work of equal value are compensated fairly.

Considers factors like experience, skills, and performance.



Pay Equity

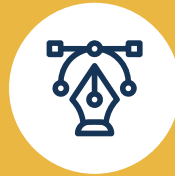
Common Causes of Inequity



Gender and racial biases in hiring and promotions.



Lack of transparency in salary structures.



Unequal access to opportunities (training, leadership roles).



Historical underrepresentation in high-paying industries.

Pay Equity

Benefits

- For Employees:
 - Increased financial security and motivation.
 - Recognition of contributions and skills.
- For Organizations:
 - Attracts top talent.
 - Enhances productivity and innovation.
 - Mitigates risks of legal challenges.

Pay Equity



Achieving Pay Equity

- **Conduct a Pay Audit:** Analyze salary data to identify disparities.
- **Standardize Pay Practices:** Use structured frameworks for determining salaries.
- **Increase Pay Transparency:** Clearly communicate compensation policies.
- **Provide Training:** Address unconscious bias in hiring and performance reviews.
- **Commit to Regular Reviews:** Periodically reassess pay equity progress.

Pay Equity

Pay Audit Process



Step 1: Collect data on employee demographics, roles, and salaries.

Step 2: Compare pay across similar roles.

Step 3: Identify patterns of inequity.

Step 4: Address disparities and document changes.

Step 5: Communicate findings and actions to stakeholders.

Pay Equity

Role of Leadership



- Lead by example with commitment to fair pay practices.
- Advocate for policies and budgets that support equity.
- Foster a culture of accountability and inclusivity.

Pay Equity



- Pay equity is essential for fostering fairness, compliance, and organizational success.
- It requires consistent effort, transparency, and leadership commitment.
- Together, we can create workplaces where every employee feels valued and fairly compensated.



Thank you!



WEBSITE
WWW.GCFA.ORG



EMAIL
CCONGDON@GCFA.ORG

