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Steps to Make Your Compensation Strategy Support Succession Planning

When you think of compensation, you almost always associate it with pay. However, compensation is also a powerful strategic lever for attracting, retaining, and developing talent. Aligning pay with your organization's long-term goals ensures your leadership pipeline is strong, engaged, and future-ready. Use this checklist to assess your current approach and identify actionable opportunities to strengthen both pay practices and succession readiness.

Checklist:

1. Benchmark Jobs to the Market

- ☐ Compare your positions to similar roles in your industry and geographic region using reputable market data sources.
- ☐ Identify where pay is above, at, or below market median, and whether critical or successor-ready roles are intentionally paid above market.
- ☐ Ensure you have a consistent, documented methodology to measure internal equity across roles.

2. Analyze Individual Compensation

- ☐ Review each employee's pay relative to market benchmarks and internal peers.
- ☐ Identify roles or individuals at risk for turnover or recruitment challenges.
- ☐ Look for gaps that could impact leadership development, readiness, or succession outcomes.

3. Review and Adjust Pay Ranges

- ☐ Establish market-aligned pay ranges for each role.
- ☐ Include a clear structure that supports progression and long-term retention.
- ☐ Ensure adjustments are fair, equitable, and aligned with budget guidelines

4. Develop a Long-Term Pay Strategy

- ☐ Plan phased compensation adjustments to move roles and individuals toward market alignment over time.
- ☐ Incorporate regular market reviews to maintain competitiveness.
- ☐ Link compensation decisions to succession planning and skills development initiatives.