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We are pleased to announce that our website has been upgraded with many new and exciting features, including an electronic format of our salary survey. Visit our website at [www.nonprofitstaffing.com](http://www.nonprofitstaffing.com). Please feel free to contact us with any comments, questions or suggestions. We look forward to serving your nonprofit staffing needs in 2005.

## Incentive Pay Trends in Nonprofit Organizations

Nonprofit organizations are expected to not only fulfill mission-related activities, but to remain attentive to operational efficiencies and bottom-line considerations. To support this kind of effective management, organizations must hire managers with skills that support strong performance, strategic planning, budget development and monitoring, project management, program evaluation, and so on. The ability to recruit talented and qualified individuals as well as retain high-performance staff is more competitive than ever.

Incentive plans have become a valuable tool that help organizations compete for the leadership and talent needed to promote organizational success. These plans have increasingly become important components of compensation programs, complementing the base salaries, benefits and perquisites that make up the total compensation package.

### Plan Design Considerations

An incentive plan typically includes:

- Performance objectives - individual or organizational
- Measures of specific targets to be achieved
- Payout levels tied to specific results

Incentive plans can be instituted for very small organizations as well as very large ones. They are not limited to executives but may be applied to other managerial and professional staff as well. The award levels are typically higher for top executives, averaging about 15% of salary. For other senior management, they often range from 8% to 12% of salary, and for professional and administrative staff, they average about 5% of salary. Recent published surveys report that such plans have been implemented in approximately 40% to 45% of nonprofit organizations.

### Is an incentive plan appropriate for your organization?

Some questions to ask in determining whether a plan is appropriate for your organization:

1. Does a plan "fit" with your culture, mission, organization framework, and values?
2. Are organizational and individual performance objectives easily identifiable through mission statement, strategic planning process, business plan and priorities?
3. Are systems in place (strategic plan evaluation, financial reporting, performance appraisal system) to assess organizational and individual performance results?
4. How would an incentive plan be viewed by the Board of Directors, clients, staff, funders and other key stakeholders?

For more information on how to create an appropriate incentive plan for your organization, contact James E. Rocco Associates, compensation and human resources specialists, at 914-925-3402 or contact [www.jeroccoassociates.com](http://www.jeroccoassociates.com)

## About PNP

PROFESSIONALS *for* NONPROFITS (PNP) is the only temporary, consulting, and permanent staffing company that serves the nonprofit sector exclusively. Since 1996, PNP has maintained a successful track record of placements for over 1,200 organizations across the U.S.

## Temp & Consulting Division

PNP's Temp Division provides temps and consultants with nonprofit experience in fundraising, special events, grants writing, accounting and bookkeeping, marketing and communications, information technology, administration and office support. All PNP temps are thoroughly reference checked and skill-tested. Many of our clients like our Temp to Perm program. Call for information.

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