STRATEGY | GOVERNANCE | COMPENSATION OCTOBER 2018



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Dear All,

It's hard to believe the holidays are around the corner and soon we will be gathering with family and friends to celebrate and wrap up 2018! Here at L&A are excited to celebrate Thanksgiving, one of our favorite holidays, and are grateful for all of you and the blessed year we've had.

We have some interesting articles to share with you all in this month's L-Blast. The first piece is an L&A original article on compensation risk assessment. This requirement under Dodd-Frank has been taken somewhat lightly and we'd like to shed some light on how you should be approaching the disclosure to get the most out of your risk assessment exercise and avoid exposure.

The second piece from our friends at WorldatWork is on the growing concern global executives are facing when it comes to finding the talent necessary to meet company goals. To attract and retain top performers in today's tight market where employees have more bargaining power, it's necessary for companies to shift talent-sourcing strategies to better understand what matters most to employees and pave for them a clear path for internal career advancement.

The next article is on the topic of counteroffers. Due to the increased talent shortage we are seeing, counteroffers have become more prevalent, but do they make sense? We have some thoughts on the subject: 1. We think counteroffers are often counter productive. 2. If you have a solid compensation program that is market competitive, you can always replace the person for "market". 3. If you have a star performer, they should be paid above market norms (50th percentile) and if they then leave, again you have above 50th percentile to attract others. We hope you find the article and these tips helpful in the event you are faced with this challenge.

We are excited to launch our Energy Pay Pulse survey on December 1st. If you are in the Oil & Gas industry we invite you to participate as this survey will reveal the latest salary trends and pay practices to help keep your compensation programs competitive.

Lastly, as part of our commitment to educate and provide you with helpful resources, we have put together a dictionary of key compensation terms available for download below. In addition, we have other downloadable resources available to you on our **website**, **here**. We plan on expanding our library so check back often! As always, let us know if there is a particular subject you'd like to learn more about.

Sincerely,

Brent Longnecker and the L&A Team



Compensation Risk Assessment: Supporting Your Claims & Avoiding Exposure

In July 2010 Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act; primarily, as a response to the financial crisis of 2007-2009. A key provision under Dodd-Frank requires public company directors to determine if the company's compensation and governance programs incentivize or exacerbate company risk. Additionally, this rule requires companies to provide commentary ...

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Talent Shortage a Top Risk for Executives

A shrinking pool of qualified candidates is a top business concern for global executives in risk, audit, finance and compliance.

This is according to research from Gartner, which illustrated that in a time of historically low unemployment where the supply of available workers is much lower, organizations are struggling to find and retain the talent they need to meet ...

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Do Counteroffers Make Sense?

Countering a competitor's offer won't keep an employee for long if other issues aren't resolved

When an employee decides to take another job, should an employer make a counteroffer, usually in the form of a pay increase, in the hope of retaining that employee?

For many companies, the answer is yes. A 2018 survey of 5,500 hiring managers by staffing firm ...

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2019 Energy Pay Pulse Survey LAUNCHES DECEMBER 1

At L&A, we've designed our participant-only 2019 Energy Pay Pulse Survey to concisely and powerfully asses market trends for companies in the energy industry. The survey will capture current compensation trends as they relate to:

- Salary increases
- Employee hiring/turnover
- Anticipated bonus payouts
- Long-term incentive grant awards
- Retention-related practices

The survey is scheduled to launch on **December 1**, and final survey results are scheduled to be available **early January**. Click the button below for more information or to participate.



A little trivia... Did you know?

Fall leaf colors are present year-round but only show once chlorophyll — the chemical that makes leaves green — breaks down in the autumn.



L&A's Compensation Dictionary: A Compilation of Key Terms

As part of our commitment to provide thoughtful and thorough guidance to our audience, we have put together this resource to help you be better equipped to handle any compensation conversation. Click below to download our dictionary of key compensation terms. **Don't see a term you're looking for? Let us know** »

DOWNLOAD

SEE OTHER RESOURCES

JOIN US AT OUR UPCOMING EVENTS

NACD Houston - Inside the Blue Ribbon Commission Report on Board Oversight of Disruptive Risks

Thursday, November 1 7:00 a.m. – 9:15 a.m.

Junior League of Houston 1811 Briar Oaks Houston, TX 77057

Hear from a three-speaker panel as they discuss how to improve oversight of disruptive risks and strengthen stewardship of long-term value creation.

REGISTER

NACD Austin - In Conversation with Jason Schenker: The Promise of Blockchain -Hope and Hype

Thursday, November 8 11:00 a.m. – 1:00 p.m.

Vinson & Elkins 2801 Via Fortuna 100 Austin, TX 78746

Join us as we hear author Jason Schenker share his thoughts on the potential as well as the risks associated with blockchain technology.

REGISTER

<u>NACD Houston -</u> <u>Houston Next: Recognize Risk</u> <u>in Today's Shifting, Dynamic</u> <u>Workforce</u>

Thursday, December 6 4:00 p.m. – 7:00 p.m.

Big Brothers Big Sisters Lonestar 1003 Washington Avenue Houston, TX 77002

Hear from author Steve Trautman and learn what five questions you can ask to help companies recognize and sidestep talent risk in today's shifting workplace.

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Let's Work Together

We know what it takes to attract, retain and motivate key talent. Contact us to develop a plan that works for your business. **Get to Know Us Kyle Lamport** MANAGER

GET IN TOUCH

281.378.1350

Compensation Services Incentive Plan Design Litigation Support Strategic & Governance Advisory Restructuring Services How long have you been with L&A: 3 Years

Hometown: Houston, Texas

Alma Mater: Texas A&M University

Words to Live By: Hard work beats talent when talent hardly works

What is the best vacation you've ever had? Recent Honey Moon Trip to St. Lucia

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