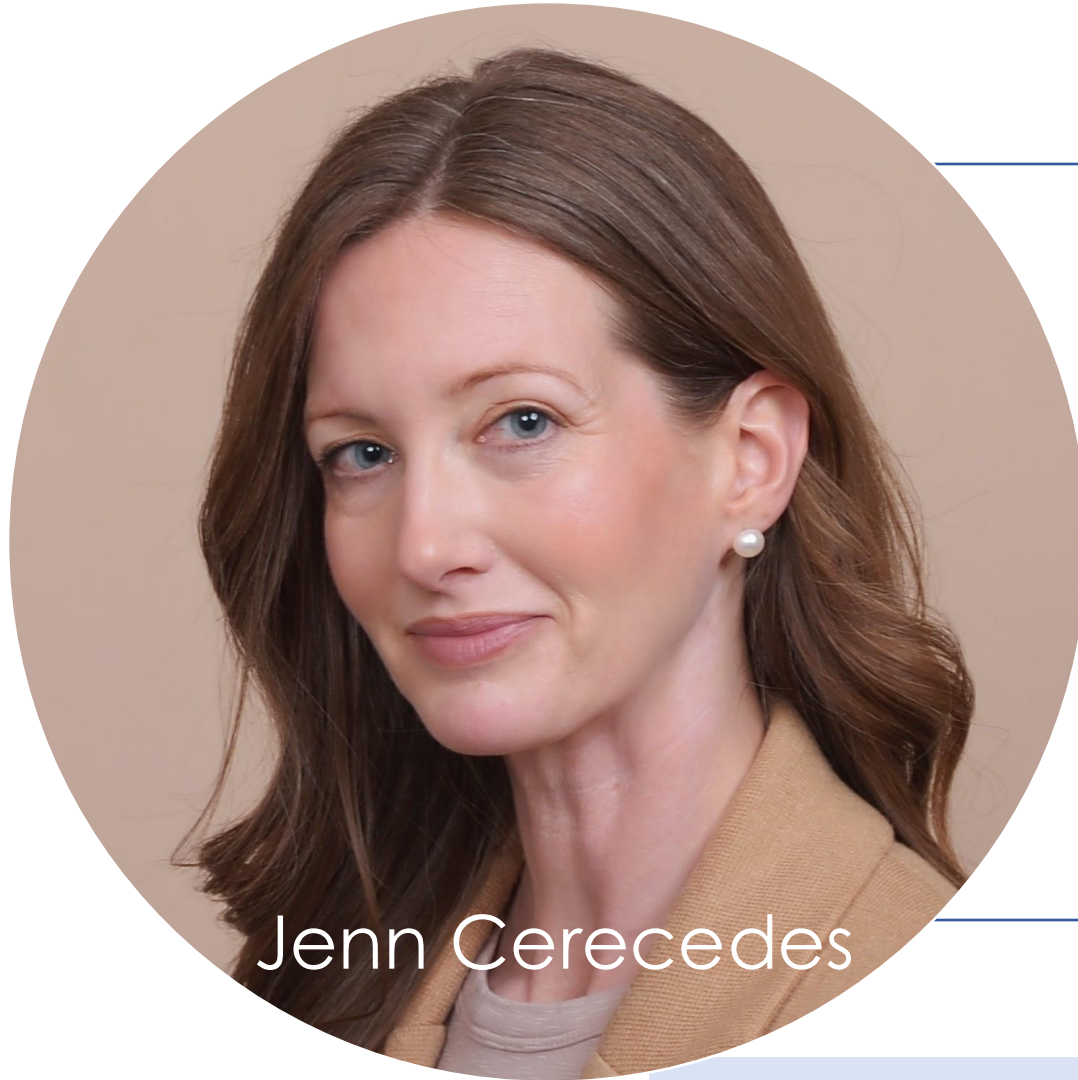


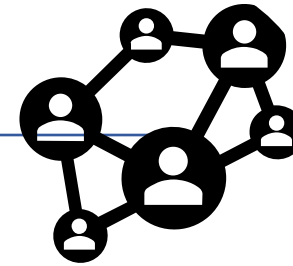
# From Complexity to Clarity: Redesigning Compensation, Careers, and Performance Frameworks



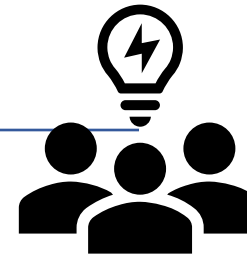
# About Me



Jenn Cerecedes



I believe strongly in the power of relationships



I believe in leveraging the strengths of people and organizations to accomplish goals and overcome challenges.



My Happy place is in cross functional work- making connections and correlations across departments

## Contact Information

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[linkedin.com/in/jenn-cerecedes-80648394/](https://www.linkedin.com/in/jenn-cerecedes-80648394/)



# Get to know your Neighbor

Explain your compensation structure in under 2 minutes

What is harder in your organization right now: Retaining top performers, recruiting talent, or managing performance?

Have you had at least one employee question pay fairness in the last year?

# About Fahe

## Our Mission

Fahe brings people, organizations, and resources together to build homes, communities, and a thriving Appalachia through expanding economic opportunity and security for all. As leaders we speak with a unified voice to influence policy, philanthropy, and systems change.

## Our Vision

We envision Appalachia as a place proud of sustaining its culture and environment, where growth, opportunity, and hope are balanced so that all people fulfill their potential with regard to housing, employment, educational opportunity and quality of life.

## Human Capital Challenges and Opportunities

Doubled in size  
in the 5 years  
From 2019 to  
2023

Weathered the  
pandemic- many  
staff went remote  
and stayed remote

We began hiring  
more employees in  
remote positions  
across the US

We grew some lines  
of business and  
slowed or closed  
others

# Our Process

**Identify** the opportunities and challenges Fahe was facing

**Evaluate** the internal and external conditions that affect our business

**Develop** a comprehensive human capital strategy informed by our business strategy

**Implement** key performance metrics and goals that enable data driven decisions to allocate resources and pivot strategies

**Align** daily operational tasks and decisions with the broader organizational goals connecting individual performance to organizational performance

# Identify

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# Fahe's Superpowers



Relationship  
driven network



Innovation and  
Excellence



Collaboration  
built on trust



Place based  
partnerships

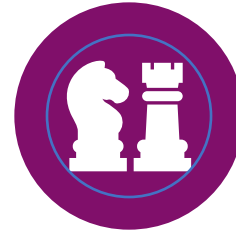
# Fahe's Vulnerabilities



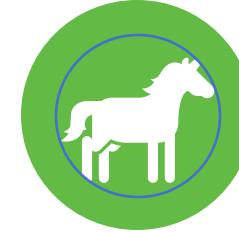
High turnover for new staff



Long term employees nearing retirement



Departments growth as an add on vs. strategic design



Every position a unicorn



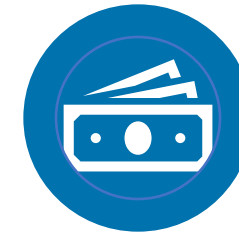
No clear career ladder or lattice



More formal leadership and manager development



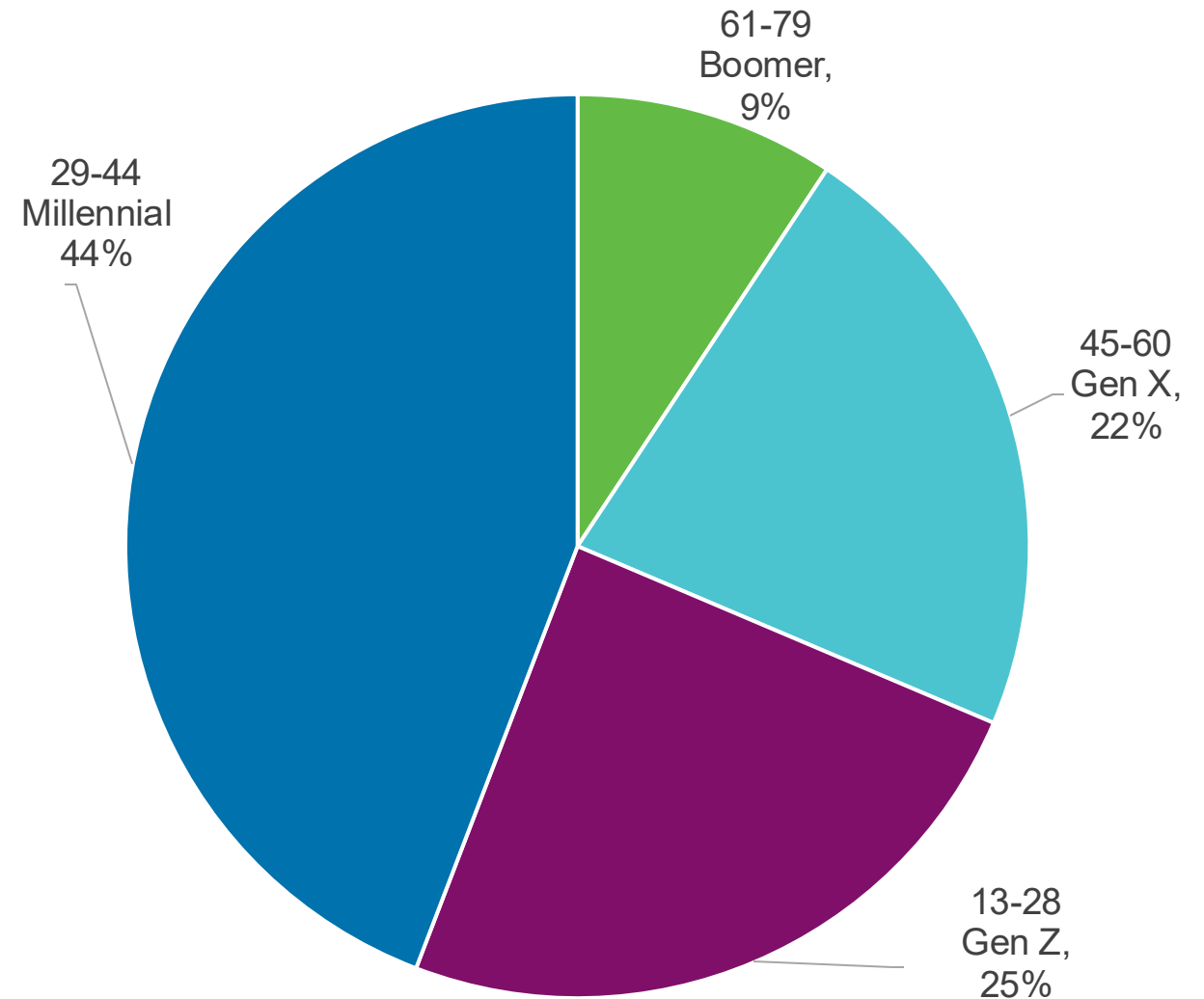
Focus on employee experience



Competitive total rewards

# Staff Snapshot

- Average tenure is 4.5 years, Median tenure is 2.8 years
- 29 employees left Fahe in FY25 compared to 21 in FY24
- The average length of employment for termed employees was 2.4 years, the median was 1.5 years.
- Age ranges of termed employees match our current population (ie: we don't see a larger share of one generation leaving)



# Turnover statistics and at-risk positions



We analyzed and reviewed existing roles for;

- Knowledge held by employee
- Ease of recruitment if replacement is necessary
- Risk to the organization if the position is vacated
- If there is a plan for succession

Of our current 83 positions, we identified;

18 high risk positions  
 20 medium risk positions  
 45 low risk positions

	FY25	FY25 % Turnover	FY24	FY24 % Turnover	Non- Profit Average*
Voluntary	10	10%	11	11%	25%
Involuntary	4	4%	5	5%	10%
KATR	12	12%	n/a	n/a	-
Interns	3	3%	5	5%	-
Total Terminations	29	29%	21	21%	30%
Terms w/o Interns/ KATR	14	14%	16	16%	-

Fahe % based on an average of 100 employees

\* SHRM Benchmarking Human Capital Report (1-100 employees)

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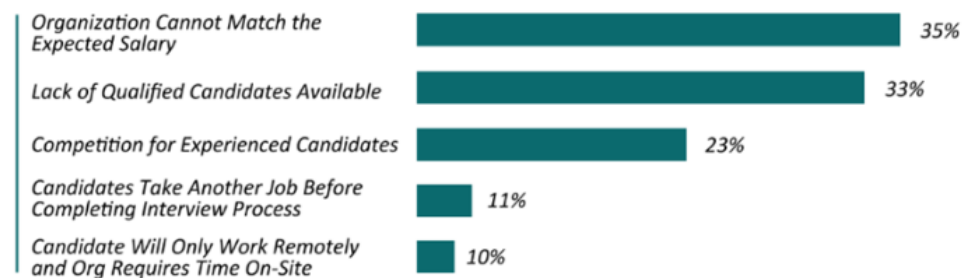
**Align** daily operational tasks and decisions with the broader organizational goals connecting individual performance to organizational performance

# Non-Profit Recruitment Trends

- 1 in 3 nonprofits struggle with retention and turnover and 59% of nonprofits said it was significantly harder to fill staff positions in 2024 than in previous years.
- This trend will most likely continue into the next few years, as 55% of nonprofit organizations cite the [inability to offer competitive salaries](#) as a significant challenge.

## Difficulties in Filling Positions

59% of respondents find it significantly more difficult to fill open staff positions. Similarly to 2022, salary considerations still top the list.



Source: PNP Staffing Group. (2024). 2024 Nonprofit salaries and staffing trends.

<https://www.social-current.org/2025/02/navigating-workforce-challenges-2025-trends-and-solutions-for-the-social-sector/>

# State of the Non-profit recruitment market



Top reasons for losing candidates are;

- misaligned pay expectations
- lack of required skills
- competition from faster-moving employers



- 45% of organizations still report difficulty finding qualified staff
- Applicant quality remains a concern especially in fundraising and program management roles.



- Executives are remaining in place longer and highlighting the needs to strengthen mid-level pipelines.
- Hybrid work is the dominant model

# Interest in Non-Profit Leadership is declining

- In 2016, 50% of white and 40% of BIPOC respondents were interested in these roles whereas in 2022 this fell to 46% for white and 32% for BIPOC respondents.
- The non-profit sector is at a critical moment. We must close the gap on barriers to leadership pipelines, including;
  - lack of mentorship and support opportunities
  - eschew rigid job requirements
  - proactively address burnout and inadequate salaries



# Requisitions and the (odd) Job Market

- Application volume continues to outpace hiring demand.
- Highly competitive for candidates and employers can be more selective.
  - Applicant volume is up 31%
  - Requisition volume is up 7%
- Most organizations are prioritizing high-quality candidates vs. filling roles fast, and they are having trouble finding the right fit.
- LinkedIn is clocking 11,000 applications per minute and AI tools have made it easier to make experience match job postings when they don't have the experience needed.

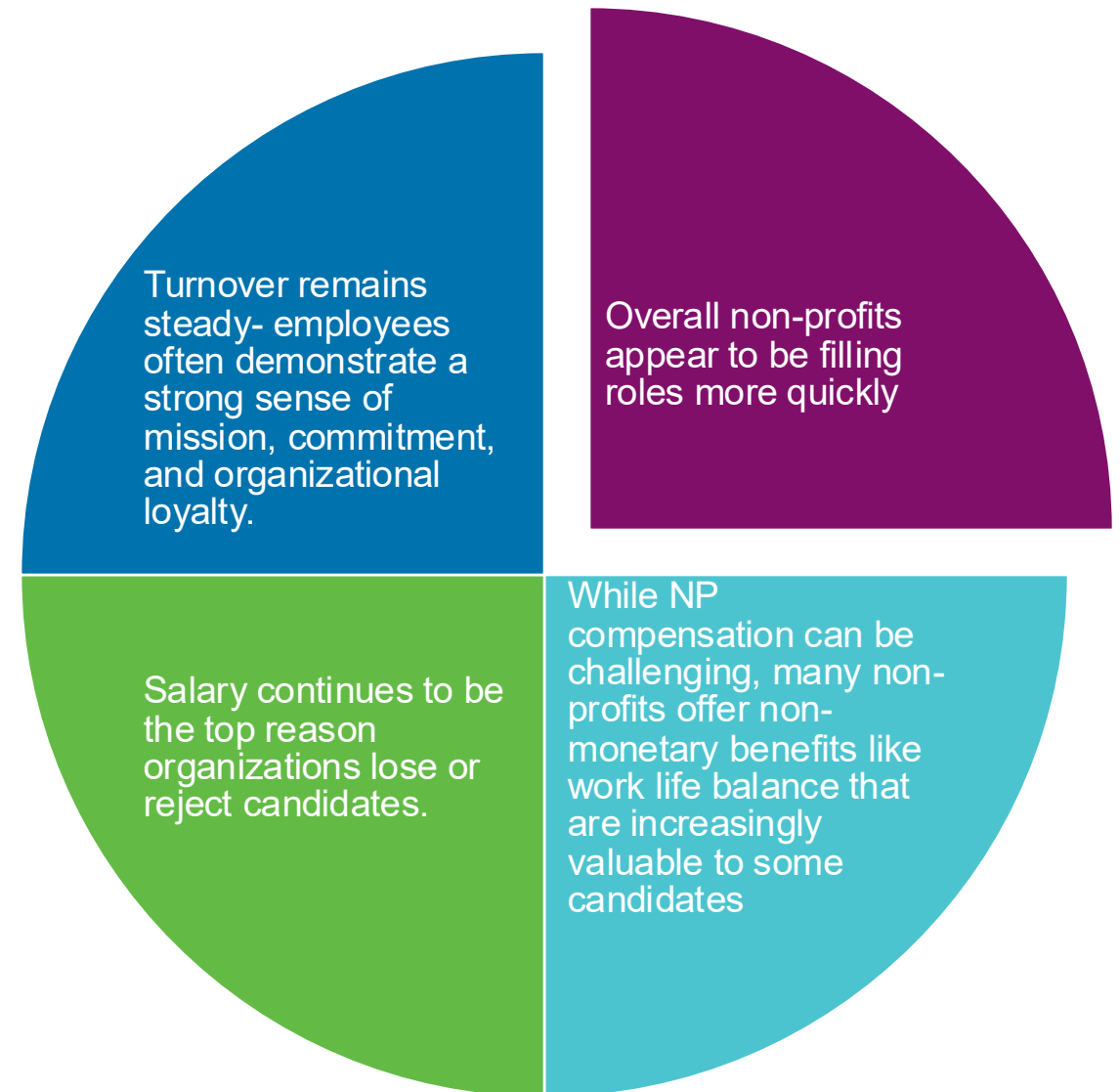
The following table shows the number of requisitions and applications generated by industry:

Industry	Requisitions Generated*	Applications Generated*
Communications, Media, and Technology	1,761,846	23,183,961
Education	626,255	3,972,339
Energy and Utilities	448,007	3,855,929
Financial Services	2,716,186	29,602,324
Healthcare	2,806,882	9,302,606
Hospitality	664,239	6,567,063
Manufacturing	2,962,180	24,385,897
Nonprofit	193,115	2,037,158
Professional and Business Services	1,994,274	22,606,092
Public Sector	261,865	1,774,878
Retail	4,348,881	42,133,323
Transportation	471,947	3,653,795

# Recruiting challenges are easing a bit in a tight job market

While the overall unemployment rate remains unchanged at 4.2% from 2025 to 2026, the job market remains tight with a 4.1% job openings rate.

Compare this to 2022 post pandemic hiring, the overall unemployment rate was 3.6% and the peak of openings was 7.4%



# Nonprofit Drivers of Turnover

- There is a broader shift in how people approach work- tenure is shorter.
- Burnout and Excessive Workloads
- Compensation Reality Gap
- Career Development Desert
- Toxic Culture and Poor Management
- Mission Connection Erosion



Nonprofit turnover is hovering around 20%-22% annually compared to roughly 12-13% across other sectors

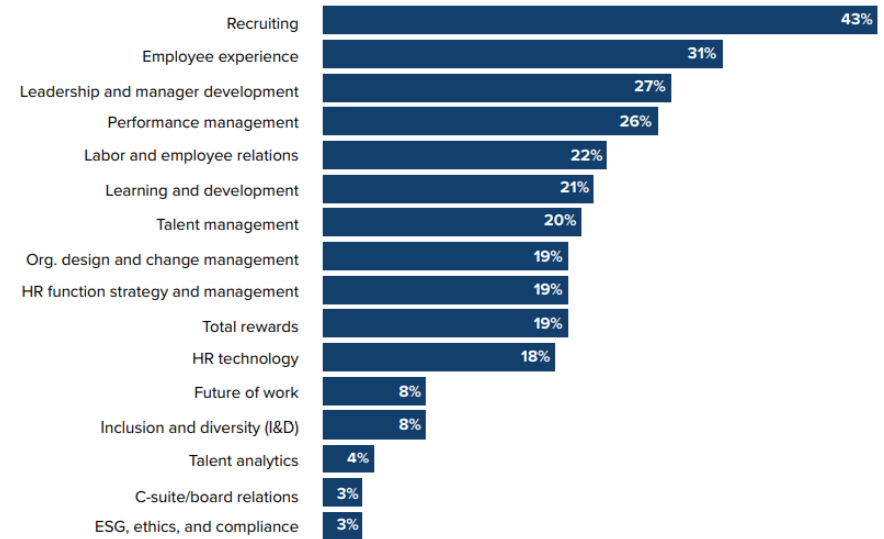
<https://socialimpactarchitects.com/nonprofit-turnover/>

# Challenges and Workplace Priorities

- Recruiting continues to be a persistent but common challenge, with high numbers of applicants, but not necessarily applicants with the right skills and experiences
- Top organizational priorities
  - Employee experience
  - Leadership and manager development
  - Learning and development
- Top priority for employees
  - Compensation and total rewards reflecting concerns around inflation and the economy

## Top HR Priorities in 2024

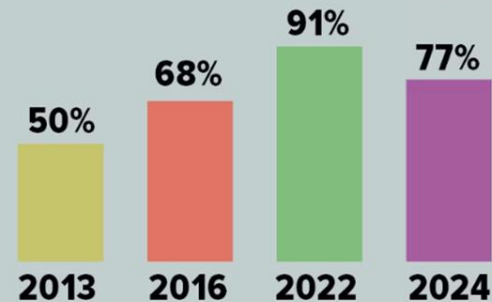
Respondents could select up to three options across 16 HR practice areas



Results based on responses from 1,615 HR professionals.  
Percentages have been rounded to the nearest whole number.

## HELP WANTED

Percentage of organizations reporting difficulty recruiting for full-time regular positions in the last 12 months by year



Source: 2024 Talent Trends Report, SHRM.



# Develop

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# Strategic Priority Employee experience

Employee experience is a key factor in attracting and retaining top talent

Employee experience and engagement account for 42% of turnover intent

4 Essentials to a positive employee experience

- Being part of a cohesive team
- Finding purpose in one's work
- Receiving fair treatment
- Being recognized for their contributions

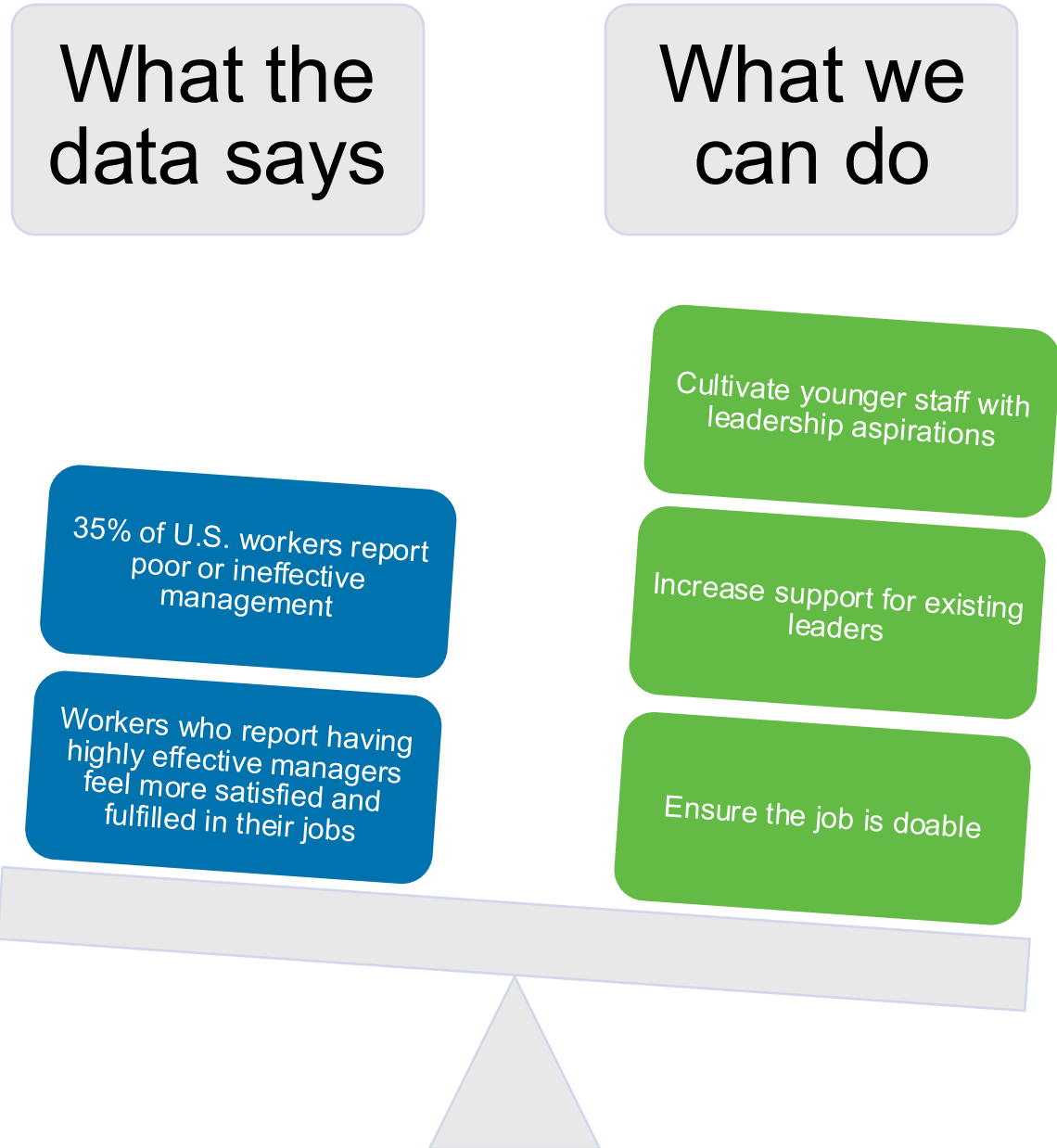


# Strategic Priority Leadership and Manager Development

Management development focuses on enhancing the skills needed for efficient task execution and process optimization

Leadership development cultivates the ability to inspire, motivate, and guide teams toward a shared vision

Effective organizations use both!



# Strategic Priority Learning and Development

Focused on enhancing employee knowledge, skills and abilities to improve both individual performance and overall business outcomes.

It includes:

- Improving employee performance
- Supporting Career growth
- Building a learning culture

A strong L&D program can be a major draw for potential employees and can help retain existing staff by demonstrating a commitment to their professional growth.

**Top 5 Key Drivers of Loyalty by Tenure**

	3-6 months	6-12 months	1-2 years	2-4 years	4-7 years	7-10 years	10+ Years	
Organizational Fit	Organizational Fit	Career Path	Career Path	Adequate Compensation	Adequate Compensation	Adequate Compensation		Driver 1
Strategy Communication	Adequate Compensation	Adequate Compensation	Trust in Strategy	Career Path	Trust in Strategy	Trust in Strategy		Driver 2
Accomplishment	Growth	Inspired by Strategy	Organizational Fit	Trust in Strategy	Career Path	Organizational Support		Driver 3
Free Options	Career Path	Organizational Support	Adequate Compensation	Fair Compensation Procedures	Organizational Support	Career Path		Driver 4
Inspired by Strategy	Inspired by Strategy	Fair Compensation Procedures	Organizational Support	Organizational Fit	Fair Compensation Procedures	Fair Compensation Procedures		Driver 5

# Strategic Priority Competitive Total Rewards

A well-designed total rewards strategy creates a competitive advantage by providing a holistic package of rewards that align with the company's goals, culture and values.

It includes:

- Compensation
- Benefits
- Career Development
- Recognition and rewards
- Employee wellbeing

## Total Rewards Strategy



# Compensation Philosophy

Fahe's compensation philosophy acts as a Northstar for all hiring and promotion decisions.

It helps us clearly communicate our total rewards package to prospective and current employees

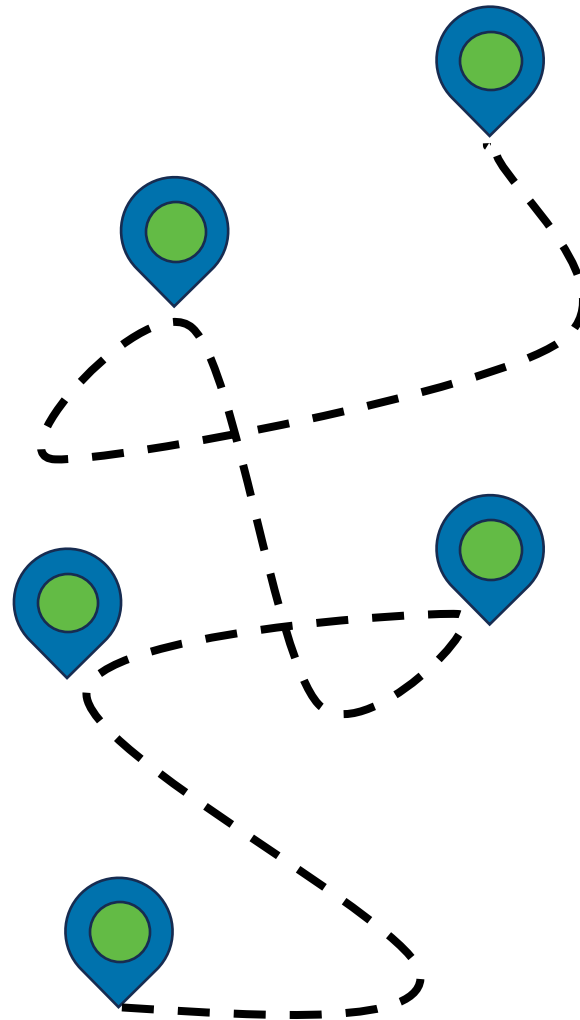
## Some changes we made to our philosophy

- Different departments benchmarked against different salary survey's- ex. Lending benchmarked against other CDFI's vs. banking.
- Not benchmarking every job, a minimum of 60% of jobs should be benchmarked and must be an 80% match to the benchmarked role.
- Slotting in additional positions based on Fahe's structure.
- Bringing fully competent staff in closer to the midpoint
- Standardizing increase ranges for in grade merit awards vs. promotions
- Streamlining job description development with a focus on the purpose and core functions of a role, not more than 10 key responsibilities



# Career growth and frameworks

- The career growth framework is a roadmap that outlines job levels, expectations, and competencies.
- It provides employees a clear path for upward or horizontal advancement
- It provides the organization a standardized way to evaluate performance and support talent development



Determine department and organizational personnel needs before slotting people in



Build in growth based on skill, experience, and tenure



Clarify tracks for individual contributors vs. management/leadership

# Performance Management

- Connects daily employee tasks with overarching employee goals- driving engagement and motivation
- Identifies skills gaps and provides a structured path for continuous learning and career progression.
- Drives growth through continuous feedback and development



Revisit annual workplans and goals regularly to connect employee's efforts to organizational strategy



Every employee can improve and grow- especially high performers



Reframing feedback as investment not punishment

# Retention and Human Capital Strategy

- Critical to preserve valuable institutional knowledge
- A company that retains top talent is more likely to grow, innovate, and remain stable in the marketplace
- Ensures our workforce capabilities align with our goals
- Allows us to respond quickly to market shifts, ready to scale, pivot, or redeploy workforce without unnecessary delays



Review and update critical positions annually



Use KPI's to indicate if our strategy is working and where it needs to change



Build standard and individualized development plans

# Implement

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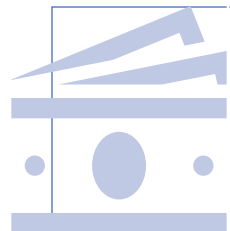
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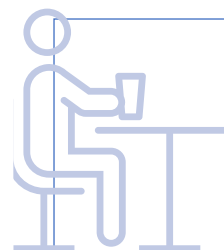
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# Fahe's Planned Steps



## Compensation

- Ensure that compensation is meeting market and budget needs
- Update compensation philosophy
- Bring in fully functional incumbents closer to the mid range



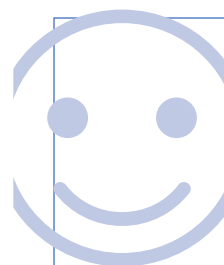
## Succession plans for high-risk positions

- Work with each impacted department to identify any internal staff who, with training, could grow into these important roles
- Create department structures that show a clear path for career growth



## Benchmark and review total rewards to ensure we are meeting staff needs

- Regular evaluation of grading and job structures
- Evaluate benefit offerings to ensure we are meeting employee needs



## Improve employee experience

- Annual Fahe in person staff event with opportunities for training, collaboration, and strategy alignment
- Development of a recognition program for customer service and delivering on strategic goals
- Invest in learning and development opportunities

# Key Performance Indicators



Budgeted position status- Filled, on hold, cancelled, unfilled



% of positions not to be filled



Average time to fill from post to hire (quarterly and annually)- goal is 30 days or less



Average number of applicants per position (quarterly and annually)



Annual turnover rate- goal is less than 10%

# Align

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# Milestone Update- 1 year in

## Hosted Fahecon

To connect our employees to each other and to our mission we hosted an event with opportunities for collaboration, training, and connection

## New Pay Structure

After reviewing market pay across all positions, we are taking a proposal to our board to update our pay structure to better align with market

## Succession Planning

Identified critical positions, slotted potential candidates, drafted formal development plans, or if no staff identified- drafted alternate solutions

## Total Rewards Statement

Provided each employee with a total rewards statement which quantified the total investment Fahe offers to employees

## Deployed Employee Development Plans

Formalized our development plan process and included coaching and mentoring support along with training and knowledge

# On the Horizon- 1 year out



## **Department Structure**

We still need to finalize department structures- clarify functions needed and levels needed

## **Learning and Development Program**

We still need to formalize our learning and development program ensuring access to all staff across the organization

## **Recognition Program**

We need to gather more information on how and when employees want to be recognized outside of the merit cycle and create a program that supports it.

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# Thank you for your time!

