



## MINI CASE STUDY

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# Executives are People Too!

The health care, health sciences and medical industry has been through many dramatic changes in the past few years. The one still looming is pay for performance. Under this model providers are rewarded for meeting quality and efficiency measures. Taking a page from this trend in the health sciences industry, a client asked that we help develop a total executive reward strategy with the foundational premise being a pay-for-performance meritocracy that balanced individual and team contributions.

The company founder believed that if executives thought they had “jobs for life”, at best, their performance would be average. The founder also believed that his personal work ethic would ensure his company’s success and he expected this from all of his executives and employees. That ethic required that every day of every month of every year one would arrive at work with the intention to challenge oneself, challenge the marketplace and challenge the organization to perform better than its competitors.

His philosophy of employment was simple: come, make a contribution, and stay. But, since there were no “job is for life”, when it’s time for the executive and company to part ways (regardless of who initiated the departure), they part ways as friends with mutual respect.

With this as the mission, we developed a performance based incentive program that had both individual and team based components. We also added a severance program that allowed the individual some time to search for better-suited job regardless of who initiated the decision to part ways. The incentive program offered “upside” potential while the severance program offered a “soft landing” should the executive not be successful at the organization.

The program gave most of the executives the confidence to truly challenge themselves, the organization and marketplace because they were secure in knowing that if they did not wish to stay, they would be treated fairly and offered a “soft landing” during a period of severance.