



Salaries: To Publish, or Not To Publish

By Ken Godevenos, MBA, CCP, CHRP

When I was learning the ropes of human resources, one of my mentors gave me this advice: "Never let the curiosity of one person override the privacy of another."

I think his advice applies to the issue of whether or not to publish salaries. Generally, what a particular job pays shouldn't be grist for the common curiosity mill.

Now that you know where I stand on the matter, a closer look at the pros and cons will help you decide what to do at your church.

A Distinction Worth Making

Compensation practitioners distinguish between what a position is worth and what an incumbent is paid. First, doing so makes sense when comparing apples with apples. For example, we might want to see how one church values the position of its music director, with respect to compensation, compared to another church — and that's appropriate. It might not, however, make sense to compare the salaries paid to the two incumbents if one has just graduated from college and the other has been doing the job for 15 years and is exceeding expectations.

Instead, we compare what compensation experts call the "job rate" for the position. It basically asks, *What's this job worth in Church A vs. Church B, assuming a hypothetical incumbent does it competently?* This distinction is also helpful when it comes to publishing information about jobs; it's much less invasive when we publish a job rate vs. what person X earns.

Any negative impact of publishing rates can further be mitigated when we publish the official salary range for a job. For example, we could say an associate pastor's position is paid in Salary Range A, which has a minimum of \$30,000, a job rate of \$40,000 and a maximum of \$50,000. So, any associate pastor in our church could be compensated in that range depending on experience and performance. His or her actual salary would be disclosed only on a need-to-know basis.

So, Uh, Who Wants to Know?

Many involved members want to know what various members of staff are paid. Some argue they have a right to know since they're the financial contributors of the salary dollars. A few might say it's because it's their "calling" to make sure God's servants are provided for. Others see what the pastor is driving, or where he or she is vacationing, and assume overcompensation is a problem. Then, of course, there are staff members who want to know what everyone is earning to make sure they're working for a fair, equitable employer.

As good as some of these reasons might sound, they don't cut the mustard.

Who Really Needs to Know

In a church setting, people's salaries aren't just between them and their immediate supervisors; several others need to know. First, there's the personnel or human resources committee, which needs to ensure fairness in application and treatment (although this doesn't mean everybody should be paid the same).

Second, finance committees need to at least be aware of the aggregate cost of current salaries so they can plan next year's budget. In fact, they often work with personnel committees and supervisors to recommend salary budgets and increases, subject to the board's approval.

Third, the individuals who prepare payroll need to know salaries.

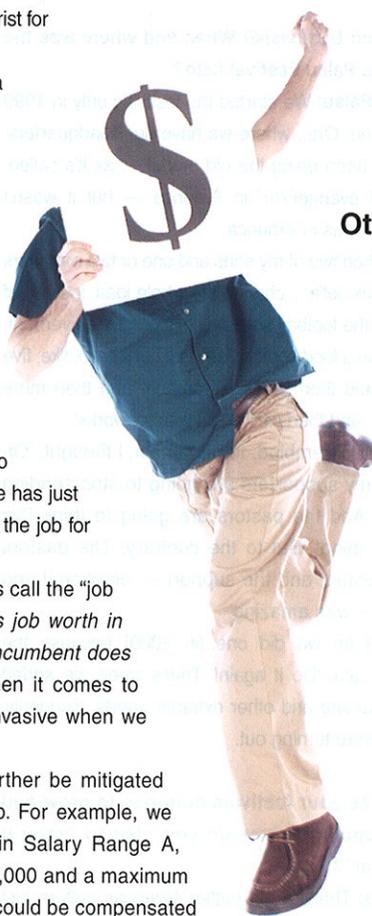
Other Considerations

The question of what to reveal in your budget often arises around annual report time and general meeting time. Many churches opt for a combined figure simply labeled "salaries." Others choose to list "pastoral salaries" and "administrative salaries," then indicate the number of incumbents in each category. Some show the cost of benefits separately, and others combine it with the cost of salaries and call it "compensation and benefits costs."

Other key considerations are, of course, your staff's feelings — especially for those who might not be earning a lot. Or, staff morale might be damaged if the reasons for published salaries that show great disparity aren't readily understood or explainable.

Before you publish salary information, pinpoint your rationale for doing so. Can all salaries be justified with respect to the external market (other churches and the community rates)? And can they be justified internally when comparing one job to another? Finally, can they be justified given the makeup and demographics of the church itself?

Salaries are very personal. Right or wrong, those of us who get paid see our salaries as indications of our worth, even though we know better, as children redeemed by Christ. You'd do well to recognize the sensitivities surrounding publishing this information.



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