GM Compensation Discussion

* Required

7 out of 9 Directors participated in this survey.

Number of years on the Board (optional):

6 responses

Looking ahead to the future of the organization, do you see the organization growing and changing or staying the same? How important is the role of GM in this future? Why?

7 responses

Growth in some form is inevitable. Whether its a second location or new location for the existing store, or growth within the existing store, there will need to be actions taken to keep the Co-op viable. We are currently fairly level in sales and member count. The GM is the sole person that can move the Co-op in any direction from an operational position. The GM needs to work with the board to plan out what steps the Co-op takes, and the GM needs to explore potential options that she can bring to the board for discussion. The GM also needs to be a leader in area of growth by bringing potential options/ideas forward, or by voicing caution if a proposed plan is not good for the Co-op.

Changing, possibly being replaced by a large coop or chain if growth continues at the current pace. A GM with interest in innovation and excellence is key if the coop is to remain viable should new grocery retailers enter this market.

I hope the Coop will grow and I think it is critical that the GM works with the Board to create a vision for the Coop the has some built in flexibility.

I can envision the coop growing in terms of services offered, even if the physical footprint of the store remains the same. The GM would need to be on board with taking on new challenges associated with that growth.

I anticipate the Co-op will open up additional satellite locations and potentially even additional stores eventually, and what specifically all depends on what the Ownership is interested in. I foresee the Co-op taking advantage of emergent technologies and store formats that will allow it to creatively meet the needs of the Owners, but always maintaining a traditional grocery store format with the flagship store. It's also possible that the Co-op could build on its "Why" and branch beyond grocery into other sectors, e.g. to acquire other community resources to preserve them.
Wherever we go, the role of the GM is critical for helping establish strategy and leading the staff. The GM needs to be well versed in the options and how to implement them well, and be adept at balancing the triple bottom line of People, Place, & Profit.

Definitely growing and changing consistently in accordance with our Ends and Co-operative values. The GM is important in cultivating this culture within the Coop staff

I think the question is asking if the organization should grow and change, not whether I see that it is likely to do so. My answer is yes, it should. The niche MFC is currently filling is shifting around, and other stores are increasingly elbowing their way into it. To stay on top of that, the MFC will need to make creative and active decisions about change and growth.

The GM's role is completely crucial with respect to making these decisions. The board's role seems to be more about monitoring policy compliance, so the actual leadership about potential growth and change will likely come mainly, perhaps solely, from the GM.

What worries or concerns do you have about the process we will use?

7 responses

My big concern is two-fold. First, I am concerned that growth, especially if it is a second location, will occur without the expertise in planning and implementation that will insure success. I don't think we can do major expansion without personnel that are knowledgeable and skilled in this area. Furthermore, adding more responsibility to the existing staff will simply not be fair of effective. Secondly, I am concerned that we will be too conservative or comfortable in the present that we won't take any action.

Currently, there is no MBO criteria to guide or direct the current GM towards innovation and excellence with specific goals/outcomes

I would like to learn more about GM annual performance review and how this review is linked to the compensation process.

I am not sure what "process" you are referring to. Based upon the next question, I assume you mean the process you will use to determine compensation. I have concerns about accurately incorporating staff feedback. The board is not supposed to communicate with anyone but the GM, but the GM's ability to work with staff is at the core of the job.

This process seems very sound. I'm pleased it calls for building a dialogue first, as well as proactively involving the GM.

The first time around will definitely be a lengthy process, but I hope this will reduce the amount of debate and back and forth conversations every time this topic comes up.

I don't have worries, but I am excited to have some explicit targets or objectives for the GM to shoot for. That will make the compensation and evaluation process clearer for everyone involved.

What worries or concerns do you have about the resulting compensation plan?

7 responses

My concern is that the GM compensation plan will not result in fair or competitive compensation. I am also concerned that the board will deadlock as we have done in the past two years.

Without a MBO in place, no current compensation plan exists

A minor concern is that the compensation plan will impact the Coop budget negatively.

I don't know at this point.

I am interested in it being fair to the GM, who has accepted lower compensation than the Board probably ought to have offered for years. That being said, it must of course be financially sound and meet the other criteria, like in the example RFP.

None at the moment- I think we'll see some things in this first year that we can note for next year and adapt and modify as needed.

Again, I'm not really worried about anything. The more clear and explicit we can be about the objectives in the plan, the less contentious the process will be.

Within the context of your work as a director, how important is the GM compensation plan?

7 responses

Fair and competitive compensation is critical to signaling to the GM that her work is valued and important, and sets a level of expectation of performance for the GM, and an expectation for fair compensation by the board.

Very important, otherwise no way to objectively guide GM to carry out innovation and excellence

It is very important (8 on a 10-pt scale). The GM is the person that has the most intimate knowledge of the Coop and it is critical to have a smart, empathetic GM with a vision. Fair compensation is important for retaining high quality people. I think we need to spend time making sure that other employees are compensated and motivated also.Some people on the floor seem unhappy to be working at the coop.

It needs to be explainable and defendable to the GM, any future GM, other staff, and the members.

Very. It is one of the key functions of the Board to strategically determine GM compensation, including incentives. I'm looking forward to this process as the most strategic compensation decision in my time on the Board.

I like that it will be more objective and consistent that what has been done in the past, and I hope it will make it less daunting for the GM to propose a salary increase when it is much needed and deserved.

I'm not quite sure what is meant here by the phrase "within the context of your work as a director." The GM compensation plan is important to the extent that it ends up accomplishing two things: keeping the GM's pay equitable in comparison with other people in the organization, and keeping the GM's pay competitive in the market so we can retain and attract top-notch GMs.