



105 Compensation: Techniques for Getting Your Department What You Need

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Faculty Biographies

Lynne M. O. Brickner

Lynne M. O. Brickner is vice president and assistant general counsel of Northrop Grumman Corporation in Los Angeles. She is responsible for overseeing legal advice with respect to intellectual property, employment benefits, labor and employment, and environmental law, and for the law department budget.

She joined Northrop Grumman following the acquisition of Litton Industries, Inc., where she was vice president and corporate secretary and was responsible for all corporate securities, tax, labor, and intellectual property matters. Prior to joining Litton, Ms. Brickner was vice president, general counsel, and secretary of Meggitt U.S.A and vice president, general counsel, and secretary of Whittaker Corporation. She had also been in private practice at the law firm of Kaye, Scholer, Fierman, Hays & Handler in Los Angeles where she focused on corporate securities and mergers and acquisitions.

Ms. Brickner earned her undergraduate degree at Scripps College, her master's degree at the University of Chicago, and is a graduate of Columbia University School of Law.

Melissa G. Royle

Melissa G. Royle is the human resources director serving the GCO at First Data Corporation in Denver, CO. Her responsibilities include provided executive coaching to the general counsel and leadership team, succession management, workforce planning, and compensation design.

Prior to joining First Data Corporation she served as a senior business partner supporting varied client groups including sales and marketing, consulting, and support centers at PeopleSoft and JDEdwards. She effectively managed the retention of employees through the tech explosion of the late 90's and PeopleSoft and Oracle acquisitions.

She has her Senior Professional in Human Resources (SPHR) certification. She currently spends her free time managing geriatric care and has volunteered with the senior citizen community in the area of financial planning and tax preparation.

Ms. Royle received her B.S. from North Dakota State University and her Masters from the University of Phoenix.



Voice of the Audience

- Compensation: Techniques for Getting Your Department What You Need
- Burning questions?



Compensation

- Base Salary
 - Challenges related to recruiting attorneys with specific areas of expertise in a tight market
 - Law Department must fit into overall compensation structure
 - Corporate HR Guidance
 - We work closely with HR
 - Push back when necessary with supporting data
 - Demonstrate cost savings by hiring an expert in-house rather than continue to pay outside counsel fees
 - Use of market studies to support new hires and equity adjustments
 - Market Studies
 - Towers Perrin, Altman Weil, Hildebrandt (former PWC), General Counsel Roundtable, Mercer, Watson Wyatt, Culpepper, Hay, Association of General Counsel.
 - Regional distinctions
 - Refer to Market Pricing Handout



Compensation Analysis

- Complete Job Analyses
 - EG - Associate Counsel
- Job is sent to Market Pricing Committee
 - Consists of Compensation Employees
- Job is measured against selected cuts from several surveys
- Job is priced against the average data
 - See Handout – Market Pricing Example



Compensation (Continued)

- Annual performance evaluation drives all compensation awards
 - Objective Based Bonus Plans
 - Discretionary Bonus Awards
 - Stock Compensation
 - Merit Salary Increases



Compensation (Continued)

- Objective Based Annual Bonus Plans
 - Attorneys and non-lawyer Officers
 - Paralegals
- Components
 - Company performance
 - Legal division performance
 - Personal performance
- See Handout – Objective Based Bonus Calculation Tool



Compensation (Continued)

- Discretionary Bonus Awards
 - Non-paralegal / non-officer professionals (EG, Financial Analysts, IT Developers, Office Managers)
- Spot Bonuses
- Stock Appreciation Rights/Restricted Stock Rights
 - Company parameters dictate eligibility



Compensation (Continued)

- Annual Merit Salary Increases
 - Based on performance evaluations
 - Corporate targets based on performance ratings are published and adhered to
 - \$ budget amount assigned to Legal
 - Total % increase per employee is limited
 - % among employees can vary as long as the division average % per employee meets the corporate target
 - Amounts awarded essentially equate to annual cost of living increases
 - Offshore attorneys – challenge for local non-U.S. attorneys linking them to U.S. pay



Equity Adjustments

- Mid-year adjustment
 - See Handout – Equity Adjustment Analysis
- Do we award disloyalty?
 - EG – bending to attorneys with other job offers



Rewards & Recognition

- Leverage the company's program and electronic rewards system
 - Empowers Managers to make cash awards to their employees, peers and peers' employees
 - \$50 - \$500 +
 - CLO encourages regular use and tracks it



Career Advancement

- Attorneys
 - Developing clear career paths and criteria for advancement
 - Management Track
 - Parallel Expertise Track
 - See Handout Dual Career Path
 - Change management
 - Specific career path steps
 - Specific skills sets



Career Advancement

- Attorneys continued...
 - Opportunities to transfer to business unit clients who need related expertise in their operations (EG Capital Markets Negotiations)
 - Many opportunities for holder of a JD/MBA degree
 - More attractive if career advancement opportunities within law department are perceived as limited



The Intangibles to Career Advancement

“I’ve satisfied the competencies, and worked through my development plan, now what?”

There’s more.....

“The Intangibles”



The Intangibles to Career Advancement

- Intellectual Curiosity
 - Asking why?, Are there hidden issues?, Impact
- Peripheral Vision
 - What is the bigger picture? Has it been done before?
- Engaging in Co-thinking
 - Peel the Onion, How does the business see it?



The Intangibles to Career Advancement

- **Appropriate Decision Making**
 - Resolve it, take a stance, and be ready to defend.
 - Take risks after careful analyses and mitigation.
- **Increase Responsibility and Visibility**
 - Volunteer, Ask what you can take off your manager's plate.

The Intangibles to Career Advancement

- **Demonstrate Leadership**
 - Are you the calm in the storm or the lightning rod for a perfect storm?
 - Are you inspiring a vision or do you get easily stuck in the roadblocks?
 - Do you get asked to mentor, lead or hear "can I run something by you?" -- if not, you are not seen as a leader.
 - Be self-confidant but not self-important.



Career Advancement (Continued)

● Paralegals

- Advancement within the paralegal career path is limited to a level III supervising paralegal
- Other opportunities
 - Law School
 - Other divisions within the company that need specific expertise (EG – compliance and legal documentation intensive operations)
 - Specialized legal subject matter expertise and an ability to manage projects and people may lead to an alternative career path within Legal and opportunity for officer-level advancement



Career Advancement (Continued)

● Law Analysts

- Self-contained career path
- Law school graduates and others admitted to practice
- Decision to forego practice and yet provide critical technical skills
- New position to address needs of changing workforce

Dual Career Path

Employees have the option to grow their careers as an individual contributor to a similar extent as those who manage employees.

Management	Salary Range	Individual Contributor
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Deputy General Counsel	Range - Range	*No equivalent
Deputy	Range - Range	*No equivalent
General Counsel	150,000 – 250,000	General Counsel - Specialized
Associate General Counsel	125,000 – 225,000	Associate General Counsel - Specialized
Business Unit Counsel	115,000 - 215,000	Business Unit Counsel
Senior Counsel	100,000 - 200,000	Senior Counsel
Counsel	75,000 – 135,000	Counsel
Associate Counsel	65,000 – 115,000	Associate Counsel
Assistant Counsel	50,000 – 100,000	Assistant Counsel

Employee Name Equity Analysis				
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Current	Range Penetration	Min	Max	
78,628	USD	28%	62,700	120,100

Recommended	Range Penetration	Min	Max	
83,500	USD	36%	62,700	120,100

\$ Increase	% Increase
4,872	6.20%

COMPARITORS				
Job Title	Job Code	Comp Rate	Service Dt	Time at Company
Job Title		\$103,000.00	2003-03-24	3.23
Job Title		\$105,338.67	2002-07-01	3.96
Job Title		\$85,647.00	2002-04-22	4.15
Job Title		\$93,680.00	2001-05-07	5.11
Job Title		\$116,817.00	2005-05-16	1.08
Job Title		\$72,421.00	1996-10-28	9.64
Job Title		\$79,312.00	1991-02-01	15.38
Job Title		\$109,803.00	1995-12-18	10.50
AVG SALARY		\$95,752.33		

Market Pricing Summary

Job Code: Title: Attorney Job – Level 2		Pay Range: 62,700 - 120,100 Avg Base:				Incumbents: 16	
Benchmark Job Number, Title, Scope & Description	Match Remarks	Wgt	Adj	# of Cos	# of Inc	Target Mkt Rate (Base)	Target Mkt Rate (TCC)
ALTLEGAL - 42 - Attorney (National–All) Requires four or more years of experience. This position may train, but is unlikely to supervise, younger lawyers on a day-to-day basis. Work performed requires independent judgment and often involves direct client contact.		1.00	1.00	179	1,276	104,962	
ALTLEGAL - 42 - Attorney (National–Co. Size 15,000 EE's +) Requires four or more years of experience. This position may train, but is unlikely to supervise, younger lawyers on a day-to-day basis. Work performed requires independent judgment and often involves direct client contact.		1.00	1.00	66	725	102,445	
ALTLEGAL - 42 - Attorney (National–Law Dept Size: Over 25 lawyers) Requires four or more years of experience. This position may train, but is unlikely to supervise, younger lawyers on a day-to-day basis. Work performed requires independent judgment and often involves direct client contact.		1.00	1.00	77	985	103,494	
ECSPS - 3440-2 - Attorney (All Organizations) Prepares and reviews contracts involving leases, licenses, purchases, sales, real estate, employment, insurance and other matters. Gives legal advice with respect to administration, and prepares resolutions and forms. Reviews and approves advertising copy and public statements from a legal standpoint. Anticipates and guards against legal risks involving the organization. Participates in major legal actions.		1.00	1.00	200	1,413	84,201	88,553

Market Pricing Summary

Job Code: Title	Wgt	Adj	# of Cos	# of Inc	Target Mkt Rate (Base)	Target Mkt Rate (TCC)
EMPLEG - AT4 - Associate Attorney (All Participants) This position supports other, more senior professionals, in providing legal advice and recommendations for action to executives and management regarding matters of complexity and may deal directly with more routine legal matters. This position is generally focused on applying its knowledge of one or more legal specialties as it develops a deeper knowledge of the business operations of the company. This position generally receives specific direction from management or more senior law professionals as to the outcomes, process and schedules expected. This position may research legal principles and precedents, consult with outside counsel, draft and execute legal documents, gather relevant case related information using multiple sources and methods, provide work guidance to paraprofessional and support staff in developing solutions to problems presented. Incumbents are likely to 3 to 5 years of post bar experience in a combination of law firm and corporate settings. May be a member of the bar of multiple states.	1.00	1.00	58	298	91,134	
GCRLAW - 70 - Attorney (All Participants) An attorney with four or more years of experience whose duties include Level discount based upon survey direct client contacts. Attorneys may train younger lawyers on a participants day-to-day basis.	1.00	.90	3	541	116,784	
HATCM – 19 Attorney - Intermediate – General Mid-level attorney, who provides counsel to the company on legal rights and obligations pertaining to a specific legal area such as anti-trust, securities, or taxation. Assists in preparing and reviewing legal documents prior to execution to accurately convey the company's intent. Reviews legal publications and pending legislation and advises management of changes that impact the company. Gains general exposure to the law by executing smaller, less-complex tasks delegated by senior attorneys. May represent the company in negotiations.	1.00	1.00	75	634	116,706	133,798
HILDELAW - ASA - Associate Staff Attorney (All Participants) An attorney who has been practicing law for less than four years and may still be in training to support client or practice areas.	1.00	1.15	32	122	109,586	
MER-MBD - 110.21 6.350 - Attorney - Int (National: All Data) Under general supervision, responsible for handling a variety of moderately complex assigned legal projects. Typically requires four to eight years of experience after receiving law degree. Frequently reports to a Managing Attorney.	1.00	.90	430	2,640	87,164	92,610

Market Pricing Summary

TPMM&P - 0104 - Attorney I (All Disciplines: Total Sample - Total Sample)

Attorney I performs a variety of routine legal assignments and projects. Scope premium	1.00	1.10	40	417	91,928	99,772
Conducts legal research, drafts simple legal documents and assists more experienced attorneys in preparing and conducting litigation and legal transactions. This is the entry-level position. Typically requires less than four years of experience.						

Estimated Market Value 100,841 103,683

Manager Name: _____ Signature: _____ Date: _____

Comments: _____

OBJECTIVE BASED BONUS PLAN [Company Name] ____ Incentive Worksheet, NAME				
Opportunity	Base Salary	Bonus %	Target Bonus	Bonus Opportunity
	\$ 115,000	10%	\$ 11,500	\$ 13,800
Corporate Objectives				
Target Amount/Weight for Objective	\$ 1,725.00	15%		
EPS (See Table)				
	Result \$8.40	Multiplier 125%		
PAYOUT for Corporate Objective:				\$ 2,156.25
Division/Department Objectives				
Target Amount/Weight for Objective	\$ 1,725.00	15%		
Goal	Target Allocation	Rating	Multiplier	Payout
Goal 1: Ensure that Legal Department provides expert and timely legal services to company.	50%	3	100%	\$ 862.50
	\$ 862.50			
Goal 2: Ensure that Legal Department provides legal services to company in an efficient manner (e.g. best use of time practices employed for attorneys, paralegals and staff, proper allocation of internal and external legal resources).	50%	4	120%	\$ 1,035.00
	\$ 862.50			
PAYOUT for Division/Department Objectives:				\$ 1,897.50
Personal Objectives				
Target Amount/Weight for Objective	\$ 8,050.00	70%		
Goals	Target Allocation	Rating	Multiplier	Payout
Goal 1: Thinking skills.	20%	3	100%	\$ 1,610.00
	\$ 1,610.00			
Goal 2: Productivity, process skills and effort	20%	3	100%	\$ 1,610.00
	\$ 1,610.00			
Goal 3: Interpersonal and communication skills.	20%	2	70%	\$ 1,127.00
	\$ 1,610.00			
Goal 4: Self-management.	20%	4	120%	\$ 1,932.00
	\$ 1,610.00			
Goal 5: Leadership	10%	3	100%	\$ 805.00
	\$ 805.00			
Goal 6: Management skills	10%	1	100%	\$ 805.00
	\$ 805.00			
PAYOUT for Personal Objectives:				\$ 7,889.00
Payout				
Corporate Objectives	\$ 2,156.25			
Division Objectives	\$ 1,897.50			

3/02/06/ACC/objbonus plans/performance criteria and form 042300

Personal Objectives	\$ 7,889.00
Total Payout	\$ 11,942.75

Corporate EPS Table

EPS	\$ 5.26	\$ 5.26	\$ 6.07	\$ 6.88	\$ 7.69	\$ 8.09	\$ 8.33	\$ 8.57
Payout %	0%	65%	75%	85%	95%	100%	125%	150%

Rating Table

Rating	Description	Factor
0	Little to no significant progress was made by the employee towards meeting the Objective.	0%
1	The Objective evaluated was performed by the employee at levels that did not meet expectations, but significant progress was made.	40%
2	The Objective evaluated was performed by the employee at levels that partially met expectations, or was not completed within specified timeframes.	70%
3	The Objective evaluated was performed by the employee at levels that met expectations.	100%
4	The Objective evaluated was performed by the employee at levels that exceeded expectations.	120%