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The First 90 Days as Compensation Committee Chair

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A newly appointed compensation committee chair inherits a lot at once. An annual calendar is already in motion, an independent advisor relationship is already in place, and the ongoing proxy cycle is not going to wait while the new chair gets comfortable.

While some new chairs are also new to the committee, more often they have already served on it and know the compensation program reasonably well. What changes is their perspective. Committee members generally see the formal meetings and materials. The chair has greater visibility into the work that happens around those meetings, including agenda setting, preparation with management and the advisor, and making sure the committee is ready to make the decisions in front of it.

Every director takes a different approach as they step into that role. The strongest rarely begin by trying to remake the compensation program. They listen first. They stay curious and do not assume they have all the answers. They ask difficult questions and seek to understand why the program works the way it does before deciding what should change.

That balance matters. The first 90 days are an opportunity to develop an independent point of view without rushing to impose one.

Days 1–30: Listen

Whether these relationships are new or well established, the transition is a good opportunity for focused conversations with the people who know how the committee really operates.

- The CEO. The new chair should understand the business priorities, leadership agenda, and where compensation helps or hinders business goals. They should also establish how they will work with the CEO when a pay decision becomes difficult or sensitive.
- The chief human resources officer (CHRO) and compensation leader. The chair should get their perspective on talent, succession, and how the compensation program operates in practice, including where decisions tend to become difficult.

- The independent compensation advisor. This conversation should be candid. The chair should seek to understand the history behind the compensation philosophy, incentive design, and goal setting, as well as how the program has evolved over time. Just as important, the chair should understand how the relationship has worked in practice, including what has worked well, where there have been challenges, and what issues remain unresolved.
- The general counsel. The chair should understand the governance and disclosure issues that intersect with the committee's work and how legal, HR, and the committee work together.
- The outgoing committee chair. There is no substitute for institutional history. The new chair should ask what worked, where the committee struggled, and what unfinished business they are inheriting.

The objective is not to create an agenda for change. It is to understand what the new chair is walking into.

Days 31–60: Understand

Even for a long-serving committee member, taking the chair is a good reason to step back and look at the program as a whole. Review the charter and annual calendar through the lens of the new role. Understand not only what the committee owns and what goes to the full board, but when important decisions need to begin and how compensation, succession, leadership, and broader human capital responsibilities fit together. Then they can learn more about the compensation architecture, including why the peer group was selected, what the incentive plans are intended to accomplish, how goals are established, and how the program has evolved as the business has changed.

It is critical to look backward as well as forward. The chair should review the previous year's proxy and say-on-pay results to better understand what shareholders and proxy advisors said, what the committee changed in response, and the philosophy behind what it consciously chose not to change.

Most importantly, they need to know what decisions are coming. A good annual calendar should tell the chair more than when the meetings occur: it should show when the important decisions need to begin.

- When are incentive goals approved?
- When is executive pay reviewed?
- When does the committee address CEO pay and succession?
- When does proxy drafting begin?

Learn From Experience Without Relying on the Old Playbook

While analyzing what has happened before and the company’s current situation, new chairs should keep in mind that their prior experience can create its own trap. Chances are, they are viewing all of this information through the lens of their prior experience. That experience is valuable, but it is important not to over-rely on an old playbook.

Compensation programs reflect a company's strategy, business model, talent market, performance cycle, ownership structure, and history. Practices that were successful at a former employer, on another board, or even in the past on this board may not be right for the current company's situation.

The strongest chairs use their experience to broaden the conversation rather than narrow it. They ask whether another approach has been considered rather than assuming the approach they already know is the answer.

Days 61–90: Establish the Rhythm

By this point, the new chair should have enough context to establish how the committee will work. From there, it is important to remember that strong committees depend as much on the preparation before a meeting as on the meeting itself.

Questions should surface before the committee walks into the boardroom. Regular conversations among the chair, management, and the independent advisor can identify difficult issues early, clarify what requires a decision, and avoid surprises. There will also be times when the chair and advisor should speak independently. The goal is not agreement before every meeting, but making sure important issues and different perspectives are surfaced early.

The objective of these conversations is not more meetings, it is better meetings. Materials should make clear what requires a decision and what is there for discussion. And after each meeting, the chair should always look ahead. What is the next important decision, and when does the work on it need to begin?

Challenge Before You Change

A fresh perspective is one of the best things a new chair brings to the role. The strongest chairs use it. They ask questions that may not have been asked recently, challenge assumptions that have carried forward from year to year, and push management and the advisor when the rationale is unclear.

But they also distinguish between challenging the status quo because it could make a true business impact, and changing something simply to better fit a personal preference.

Sometimes the right first-year improvement is a refreshed peer group or more thoughtful goal setting. Sometimes it is better linkage between succession and compensation discussions or a stronger committee process.

And sometimes the right conclusion is that the program is working well. The important thing is that change follows understanding, rather than the other way around.

The first 90 days offer permission to ask basic questions and revisit assumptions—conditions that become harder to recreate later. The goal is not to leave those 90 days with a list of changes, but with the understanding needed to know which changes are worth making.

About the Author

Pat has 25+ years advising boards and senior management on incentive design, performance measurement, and corporate governance, with deep experience supporting both private and public companies.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.