

From: Claiborne Guy
Sent: Friday, March 07, 2014 2:06 PM
To: OFM Performance and Planning
Cc: Cara Welch
Subject: WorldatWork Comments on SEC Draft 2014-2018 Strategic Plan, Release No. 34-71466

WorldatWork respectfully submits these comments regarding the Securities and Exchange Commission's (SEC) draft strategic plan for 2014-2018. Please see the attached document and contact me with any questions. Thank you.

March 10, 2014

Securities and Exchange Commission
Attn: Vikash Mohan, Program Analyst
100 F Street, NE
Washington, DC 20549-2521

RE: Draft 2014-2018 Strategic Plan, Release No. 34-71466

To Whom It May Concern:

WorldatWork respectfully submits these comments regarding the Securities and Exchange Commission's (SEC) draft strategic plan for 2014-2018. We appreciate the opportunity to provide feedback to the commission.

WorldatWork Background Information

WorldatWork (www.worldatwork.org) is a not-for-profit human resources association for professionals and organizations focused on compensation, benefits, work-life effectiveness and total rewards — strategies to attract, motivate and retain an engaged and productive workforce. WorldatWork and its affiliates provide comprehensive [education](#), [certification](#), [research](#), [advocacy](#) and [community](#), enhancing careers of professionals and, ultimately, achieving better results for the organizations they serve. WorldatWork has more than 65,000 members and subscribers worldwide; 95 percent of Fortune 500 companies employ a WorldatWork member. Founded in 1955, WorldatWork is affiliated with more than [70 local human resources associations](#) and has offices in Scottsdale, Ariz., and Washington, D.C.

WorldatWork members are human resources professionals who believe there is a powerful exchange relationship between employer and employee, as demonstrated through the [WorldatWork Total Rewards Model](#). Total rewards involves the deliberate integration of five key elements that effectively attract, motivate and retain the talent required to achieve desired organizational results. The five key elements are: compensation, benefits, work-life, performance and recognition, and development and career opportunities.

This model recognizes that total rewards operates in the context of overall business strategy, organizational culture and human resources strategy, as well as a complex external environment. Within this context, an employer leverages the five elements to offer and align a value proposition that benefits

the organization and the employee. An effective total rewards strategy results in satisfied, engaged and productive employees, who in turn deliver desired performance and results.

Comments on the Draft Strategic Plan for 2014-2018

We are encouraged to see the commission considering the role of proxy advisory firms in shareholder and company communications, per Strategic Objective 1.1. WorldatWork members have long expressed concerns regarding potential conflicts of interest in the business model of proxy advisory groups. Because they serve as both advisers to institutional shareholders as well as consultants to the companies preparing proxy statements, they wield substantial influence over the outcome of a company's say-on-pay process.

Recently, proxy advisory firms have revised their methodologies for evaluating executive pay practices in light of some of the concerns expressed by businesses. Peer groups, in which companies' compensation structure was compared against similar businesses, often reflected a vast gap between those that the proxy advisory firms considered peers and those determined by the company itself. Under new internal guidelines, proxy advisory firms will now weigh more of a company's self-determined peers in their decision making. Realizable pay will also become a greater factor in estimating a company's executive pay practices.

While these changes are a welcome first step, such voluntary changes on the part of proxy advisory firms are simply not enough to alleviate the potential conflicts of interest that arise when the firms are advising both parties in a say-on-pay vote. Recent attention to this matter, namely in the proxy advisory services roundtable held by the commission on Dec. 5, 2013, is appreciated. We hope the commission will use the opinions expressed during the roundtable and comments from outside stakeholders to take a closer look at the role of proxy advisory firms involved in both shareholder advice and corporate consultation.

Strategic Objective 1.3 establishes the commission's goal of conducting robust economic analysis of proposed rules and soliciting public comment from stakeholders. Economic analysis should carefully weigh the compliance costs of proposed rules while considering the relevance and value of the information to the investor community. As the stakeholders who would be most impacted by future rules, we certainly welcome the opportunity to comment and share our expertise with the commission. However, the commission should carefully consider the amount of time necessary for such stakeholders to provide comments of the highest quality. Most proposed rules are undoubtedly complex, and the amount of information sought from stakeholders should be commensurate with the time necessary to produce that information.

WorldatWork shares the concern expressed by both Chair White and in the commission's December 2013 Report on Review of Disclosure Requirements in Regulation S-K that investors could be facing "information overload." Strategic Objective 3.1 states that the commission will reassess core corporate disclosure requirements and eliminate those which are redundant or not useful to investors. WorldatWork members are responsible for compliance with the many regulations stemming from Sarbanes-Oxley, Dodd-Frank, and the JOBS Act. We are encouraged that the commission is open to broadly reviewing the entire body of reporting requirements on the books, and possibly streamlining and reducing them. This would benefit shareholders, potential investors, consumers and companies alike.

WorldatWork appreciates the opportunity to provide comments on the commission's draft 2014-2018 strategic plan. On behalf of WorldatWork's 65,000 members, we look forward to working with the commission on this issue and future endeavors. Please do not hesitate to contact me at 202-315-5500 for further information.

Sincerely,

Cara Woodson Welch, Esq.
Vice President, Public Policy, News & Publications