Pearl Meyer

ADVISOR BLOG | JAN 2017

How to Select a Great Salary Survey



Rebecca Toman

VICE PRESIDENT, SURVEY BUSINESS UNIT

As HR teams wrap up year-end performance reviews and gear up for another busy recruiting season, we thought it would be helpful to summarize what compensation professionals should consider when selecting a salary survey.

Budgets are tight, resources are limited, and you are looking to get the most bang for your buck to ensure your compensation packages are attractive to new employees and competitive enough to retain your best workers. Based on years of survey and consulting experience in the compensation industry, we recommend the following:

Know your audience/target market.

Setting clear goals for how the survey results will be used by your company is vital to selecting the right survey. Specifically, does the survey report on the type of data you are analyzing (e.g., base salaries, short and long term incentives, cash bonuses etc.) and does the survey include the companies that your present employees are recruited to *and* the companies that you hire from? A good rule of thumb is that the survey should include 75% or more of the positions that you are looking to price.

Ensure there is easy data submission and retrieval.

Your time is limited and involvement in a salary survey should benefit your team, not deplete resources. A submission process that is documented clearly, makes prior submissions available, and offers a vendor contact to interpret and deliver results is recommended for success. It is rare that a survey submission does not have missing or incorrectly entered data and the vendor should clarify up front how these issues are managed to ensure accuracy in the finished product. If a survey only requires one round of data submission without further communication with the vendor to address any data anomalies, you should be wary of the quality of the final report.

Ease of retrieval of the final report, via download from a website that is available 24/7, is equally important. Having the data available in multiple formats (e.g., PDF and Excel) also ensures your team can utilize the information successfully by isolating key data points such as geography or asset size, to hone in on trends and relevant changes.

Know the reputation of the survey vendor and the quality of their data.

The U.S. Department of Justice and the Federal Trade Commission have published safe harbor guidelines for sharing healthcare survey data that have been widely adopted by other industries for sharing compensation data. They are as follows:

- Is the survey managed by a third party?
- Is the information provided more than three months old?
- Are there at least five participants reporting information on each data point published in the survey?
- Is the data weighted so that no company accounts for more than 25% of any data point?

These safeguards not only protect the confidentiality of your data, but also ensure the accuracy of the final results.

Look for added value.

Does the survey vendor facilitate networking amongst survey participants by offering results meetings, job matching seminars, etc.? Does the vendor assist in interpreting the results by relating the data to the current labor market and economic trends? Are you able to isolate pieces of data easily in the final report or through custom reporting with the vendor’s help? Is the vendor open to feedback and suggestions on how they can enhance the survey in the future? All of these variables are relevant in finding the strongest survey value for your team.

About the Author

Rebecca Toman is the vice president, Survey Business Unit at Pearl Meyer. In this role, she designs and publishes compensation and benefits surveys for a wide range of industries and employee populations. Rebecca is on the WorldatWork faculty where she teaches a course on Job Analysis and Documentation.

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.