

# Wasting Away in Surveyville:

## 6 Hazards of Pricing Jobs to Market (and How to Avoid Them)

*A White Paper offered by*

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Manual data gathering & reporting is inefficient, labor intensive, and (worst of all) error-prone.

Compensation professionals often rely on complicated and time-consuming data gathering and reporting processes to track salary survey data from a multitude of sources. In order to report current market comparables to managers who may be clamoring to hire for difficult-to-fill positions, analysts must navigate their way through some hazardous territory. The process can be inefficient, time consuming, and (worst of all) error-prone.

### Hazard #1: Wasting Away in Surveyville

Market survey analysis is a job that is often delegated to the newest or lowest level analyst. The comp analyst must work their way through multiple surveys and a seemingly infinite variety of job titles. Usually, they're using Excel spreadsheets for their calculations. The survey companies generally offer software applications to analyze their data, but these tools are unique and proprietary to each survey, so it remains an iterative and tedious process to update spreadsheets manually with the data from each survey and recheck each calculated field to ensure the added data is included and weighted appropriately.

**Solution:** Input survey data from any source into a single program

Market analysis software that is non-proprietary to the survey company can be used for all survey sources. This allows organizations to quickly and accurately know where their compensation programs fall relative to the market - whether they are underpaying or overpaying. Also, market analysis software can help analysts complete the job matching task faster and more importantly - complete it with greater accuracy because the job descriptions and data are in one application.

## Hazard #2: Are You Aging Gracefully?

Manual aging of survey data is where many calculation errors tend to occur.

Manually maintained survey data provides a snapshot in time - but if you need to see the cumulative results they must be manually revised as well. This is a common area for calculation errors to occur. One misplaced decimal can affect the salary decisions of every division up and down the line, and it's a mistake that is often difficult to catch.

The automatic data aging feature in compensation software eliminates this problem. The analyst can count on automatic, perfect-every-time results without even having to think about it

## Hazard #3: Compared to What?

Many companies experience significant turnover of employees in difficult to find positions. The costs of recruiting and training, and the disruption to workflow, are an ongoing problem. Maintaining competitive salaries within a climate of evolving job descriptions, especially in technology fields, is the only way your organization can hope to keep those positions filled. The Compensation analyst's challenge is to establish a comparable pay package when there are often few comparable positions listed among the vast inventory of job descriptions on any given survey.

The analytical tools in a good software program provide immediate visibility to help the analyst find comparable market jobs and understand their organization's position to market. And, you can quickly observe how the market is reacting to critical positions.

## Hazard # 4: Trophy Fishing With the Wrong Lure?

When it comes to hot hires in new fields, Comp pros are often simply taking their best guess at what kind of package will appeal most.

To stay competitive, your company has to design a compensation package that's uniquely attractive to those types of candidates, and that gives you an edge over other companies bidding for their services. When it comes to new job descriptions or hot hires, compensation pros are often simply taking their best guess at what kinds of packages will have the most appeal.

Analytical software gives you a better way to competitively price a new job based on the market data, which is collected and distributed in real time so it's always current. At a glance, you can tell whether you're underpaying or overpaying in any given job category, at any given moment in time.

## Hazard # 5: Reports with Hidden Errors

If your data is maintained manually on internal spreadsheets or on multiple survey software applications, pulling it all together into one report is both time-consuming and fraught with potential error. Importing and incorporating information from several sources means creating your own fields, and performing your own calculations.

The one-click convenience of creating comprehensive analytics and reports from a single software platform containing all the information in one place represents a significant gain both in time savings and in the confidence you gain from knowing it's all correctly presented.

## Hazard # 6: Analysis Paralysis

One of the unspoken but common approaches to reviewing the salary market includes adding and adjusting the jobs used in market summaries. Let's say the analyst matched only one job on their first pass in a survey

Salary & range structures can't be static. Data will need to be manipulated for "What If" analyses.

participation spreadsheet. Later, she finds after getting the results that other matches should also be included to give a better market picture. Or, the job description is modified by the hiring manager, which requires a blended job match.

Creating structures using the market data addresses this challenge. The experienced Analyst will complete salary and range structures that allow the data to be manipulated according to different scenarios. Depending on how that's done, the information used may vary, even within the same time period. A good market analysis product will allow you to complete "what if" analysis and adjust your matches with very little effort, and with consistent application of relevant data.

## Conclusion

Despite the high degree of training and critical judgments required of Compensation professionals, they still perform many tedious tasks where inevitable human error occurs no matter what their education or skill level.

In recent years, software for analyzing salary and bonus packages against the latest market trends has been introduced to the compensation professional world. One of the main benefits is that it enables a company to stay more competitive by empowering managers with better decision-making tools, so they can nimbly respond to changes in the competitive environment.

ROI Value: Market Analysis Software pays for itself in just a few survey cycles.

Although initial adoption and configuration represents an investment of time and money, the cost of keeping the status quo may be ultimately even greater. Market analysis applications eliminate the need for tedious data retrieval, and long-term spreadsheet maintenance (where a single formula mistake can go undetected over several cycles). The cost savings of reduced errors and increased productivity on other tasks make survey analysis software worth serious consideration.