




The Call for “Fresh” Data – The Future of Compensation Research in a Rapidly Changing Market

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Agenda

- Rapidly Changing Market
 - How did we get to this point?
- Importance and challenges of gathering and applying fresh data in a rapidly changing environment
- The Future
 - How can compensation research meet the needs of the business?
- Group discussion

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Rapidly Changing Market—How Did We Get to This Point?



- COVID-19 Pandemic
- War for Talent
 - Great Resignation continuing
 - Smaller Labor Force
 - Low Unemployment
 - More Agile Decision Making Within Companies
- Wage Compression
- Pay Transparency
- Remote Pay
- State of Economy

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Latest Survey Data Swings/Trends




- Significant upward trends in pay compared to previous years
- Wide variances between companies and job families
- Significant increases on COLA due to inflation
- Mid-year increases over and above annual increases
- Bonuses
- 57% of companies have a salary structure in place

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Discussion Point




What has been happening in your market?

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Consequences




- Rapid Change drives need for fresh data—need for speed
- Proliferation of resources
 - Employer Associations (EAA)
 - Consulting Firms (Mercer, Deloitte etc.)
 - Other Associations (World at Work, SHRM, etc.)
 - On-line resources (Salary.com, Glassdoor, Indeed, etc.)
 - Social media (LinkedIn, Facebook, etc.)

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Challenges




- Salary information is more available to employees than ever—this, plus a tight labor market, gives employees the ability to demand more from current employer or find it elsewhere
- Drawbacks—how accurate is the data?
 - Often don't share data sources (location, timing, etc.)
 - Is it a geographical differential applied to a national survey?
 - Is it aged 12 months—or longer?
 - Self-reported data by employee is less likely to be accurate

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Challenges



- Traditional Surveys have faced challenges
 - 12 months is an eternity, 6 months is forever
 - 2022 data will not fully show changes due to rising inflation
- What can Compensation Teams do about it?
 - Build a solid foundational salary structure
 - Ensure good internal equity & external competitiveness
 - Increase frequency of data collection and structural reviews
 - Twice per year, or when a hire is made
 - Custom Research—survey data specific to location/jobs/industry
 - Are teams resourced to meet these needs? Companies willing to pay for increased resources?

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Challenges



- Compensation Administration Guidelines
 - Do you have a policy when an employee asks why they are paid that amount?
- Pay Transparency/Equity
 - Pay Equity Audit
 - Justifications for ranges and pay decisions
 - Career paths, including salary development

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The Future



- Technology
 - Finding the right tools to support good decisions in real time:
 - Evergreen
 - Real-time
 - Robust
 - Reliable
 - Self-service
- Compensation
 - More demand for compensation expertise to help leverage employees as a critical business asset

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Voice of the Member



- Total Rewards
 - Compensation is no longer just about pay— we all recognize it's about Total Rewards & our data needs to reflect that
 - Total Rewards Statements
 - Educate managers on compensation and Total Rewards – enable them to educate their employees
 - Pay Philosophy
 - Enable managers to be leaders and not rely on pay as the only tool in their toolkit

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Group Discussion



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Thank You!

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