

Best Practices Utilizing Market-Based Surveys

Scoping Approaches

Selecting the appropriate market:

- ◆ *Sector or industry and non-industry factors*: the labor market for some positions is closely related to an industry or sector; certain positions are only found in the public sector; others may exist across broad industries.
- ◆ *Geography and location of operations*: the labor market for some positions is determined by the geography. Certain positions may be recruited only from the local area. Other positions might be recruited from a regional or even national geography. In cases where recruitment occurs outside the local geography, it is important to consider differences in the cost-of-labor between the affected geographies.
- ◆ *Organizational size*: this factor can influence levels of pay for particular positions. At certain job levels, the complexity created by organizational size is directly related to the scope of responsibility of the position and, consequently, its pay.

Using Survey Sources

Matching jobs to survey positions:

- ◆ Use “capsule” descriptions
- ◆ Consider job responsibilities
- ◆ Age (or trend) different survey matches (published and custom) to a common date

Quality review survey data:

- ◆ Review job content; not just job titles
- ◆ Look for large discrepancies in wages/salaries
- ◆ Review for appropriate sample size (i.e. minimum of three to five organizations)
- ◆ Follow-up with questionable matches or data

Attributes of Valid, Useful Data

<i>What To Look For</i>	Reliable Survey Source
Data collection date? How current?	Specified and timely, with annual continuity
Independent/objective data source?	Professional, independent firm (e.g. Milliman)
Quality control/survey methodology?	Proven, accepted process, with confidentiality
Who participated?	Participating organizations listed
What industry? What size organizations?	Industry cuts with size parameters
What geographic area?	Reflects your labor market
What is the sample size for each position?	Specified
Detailed data?	Base salary, bonus, total cash, etc.
Source of data? Method of job match?	From HR professionals, matched by job description