



# AGENCIES & CONSULTANCIES

From the 2018 Compensation Best Practices Report

200+ RESPONDENTS



PayScale's 2018 Compensation Best Practices Report gathered information from 7,000+ respondents across industries, geographies, and organizational sizes. This fact sheet shares compensation practices from more than 200 respondents in the Agencies and Consultancies industries. Included are insights to guide your organization, such as:

- Agencies and Consultancies are more likely to have competitive jobs.
- Agencies and Consultancies are less likely to pay more for those competitive jobs.
- Agencies and Consultancies are more likely to have variable pay.

## BASE PAY, MARKET STUDY AND BROAD COMP PRACTICE

**67%** of Agencies and Consultancies gave base pay increases in 2017 (vs. 79 percent of all).

Budgeted for Increases			Average Increase			Highest Increase		
	Agencies & Consultancies	All		Agencies & Consultancies	All		Agencies & Consultancies	All
Less than 1.00%	3%	3%	Less than 1.00%	3%	3%	Less than 1.00%	2%	2%
1.00-1.49%	7%	6%	1.00-1.49%	10%	6%	1.00-1.99%	5%	3%
1.50-1.99%	5%	6%	1.50-1.99%	4%	8%	2.00-2.99%	3%	6%
2.00-2.49%	11%	14%	2.00-2.49%	5%	16%	3%	10%	7%
2.50-2.99%	10%	11%	2.50-2.99%	8%	14%	3.01-3.49%	2%	3%
3.0%	27%	31%	3.0%	34%	25%	3.50-3.99%	1%	3%
3.01-3.49%	7%	6%	3.01-3.49%	2%	6%	4.00-4.99%	8%	7%
3.50-3.99%	3%	4%	3.50-3.99%	5%	4%	5.00-5.99%	19%	13%
4.00-5.0%	12%	10%	4.00-5.0%	17%	9%	6.00-7.49%	9%	8%
More than 5%	13%	9%	More than 5%	11%	10%	7.50-9.99%	7%	9%
						10.0-14.99%	18%	20%
						15.00-19.99%	9%	7%
						20-30%	4%	9%
						More than 30%	3%	4%

## TOP REASONS FOR BASE PAY INCREASES IN 2017:

**Performance** (84 percent vs. 78 percent of all).

**Retention** (62 percent vs. 54 percent of all).

**Cost-of-Living** (41 percent vs. 42 percent of all)

# MARKET AND DATA STUDY

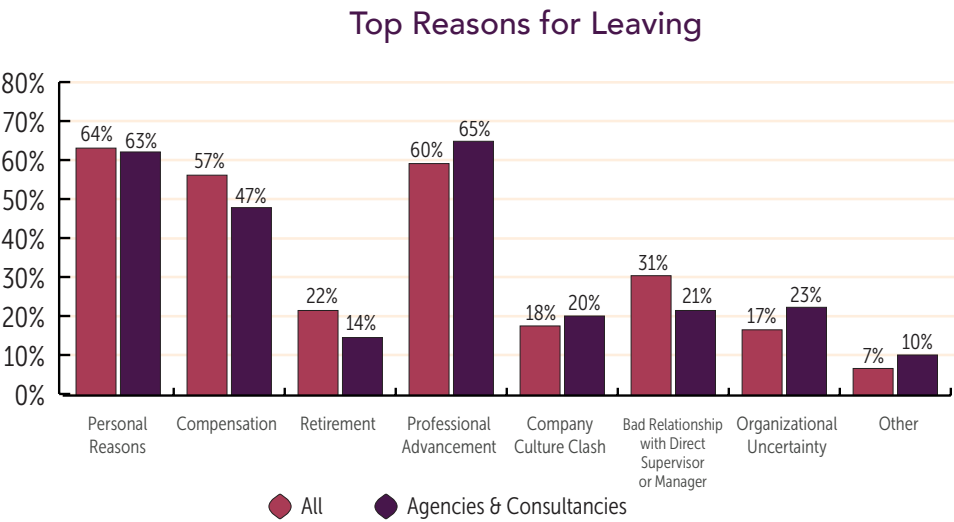
- 50%** of Agencies and Consultancies completed a full market study within the past year (vs. 52 percent of all).
- 54%** of Agencies and Consultancies reference market data for jobs at least twice a year (vs. 52 percent of all).
- 89%** of Agencies and Consultancies use two or more sources of market data (vs. 82 percent of all)

# STRATEGY

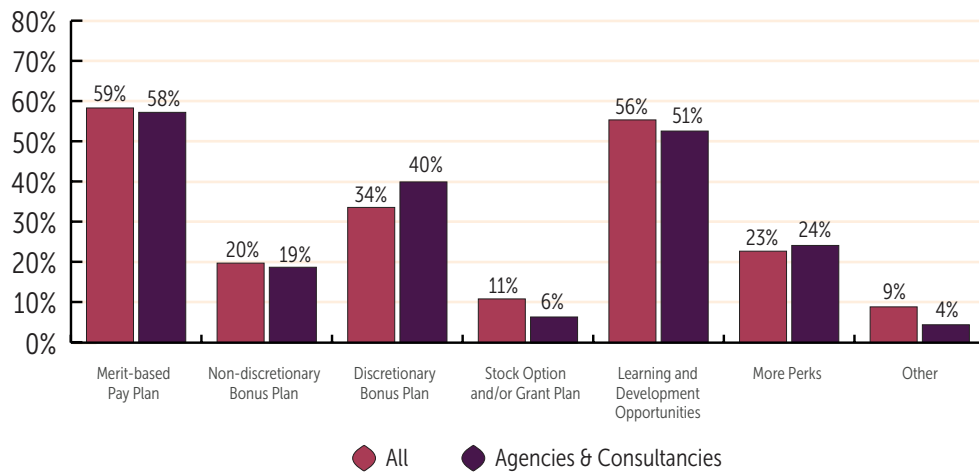
- 35%** of Agencies and Consultancies have a compensation strategy (vs. 37 percent of all), and another 38 percent are developing one (vs. 37 percent of all).
- 34%** of Agencies and Consultancies report that over half their jobs are competitive (vs. 23 percent of all).
- 38%** of Agencies and Consultancies pay more for competitive jobs (vs. 51 percent of all).

# RETENTION

Agencies and Consultancies are less likely to counter-offer a hard-to-fill position or high-performing employee who received an outside offer (55 percent vs. 59 percent of all).



## Rewards to Attract/Retain High-Performing Employees



**25%** of Agencies and Consultancies have had open positions for six months or more.

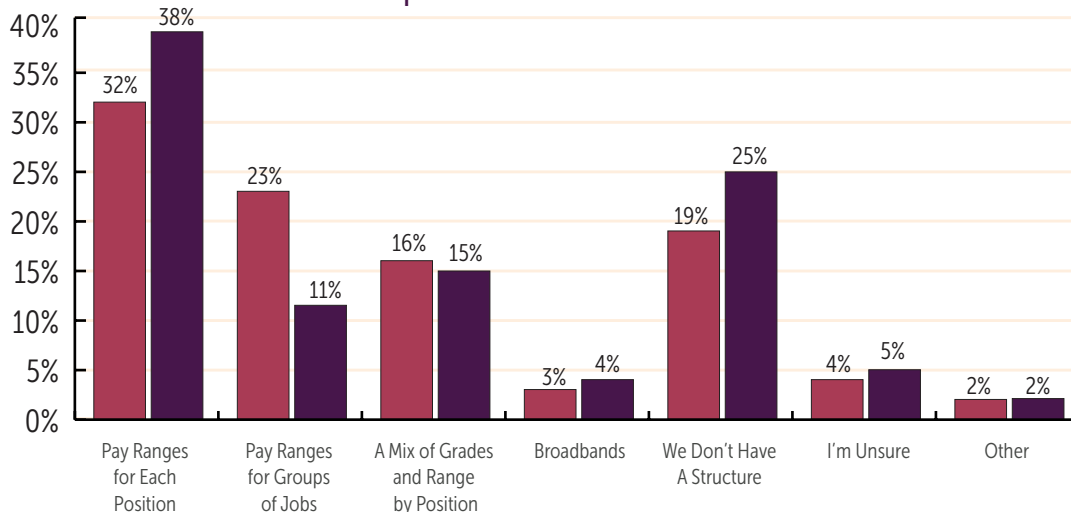
## GUIDELINES FOR PAY AND PAY STRUCTURE

**56%** of Agencies and Consultancies have updated their ranges in the past year (vs. 61 percent of all).

**34%** of Agencies and Consultancies adjusted ranges due to market movement (vs. 36 percent of all).

**27%** of Agencies and Consultancies adjusted ranges due to annual or regularly occurring review (vs. 25 percent of all).

### Compensation Plan Structure



Agencies and Consultancies differentiate pay by geography: Forty percent of companies with multiple locations differentiate pay by geography, equal to other organizations overall.

# VARIABLE PAY AND TOTAL REWARDS

**75%** of Agencies and Consultancies have variable pay (vs. 71 percent of all).

Type of Variable Pay				
	Bonus	Incentive	Commissions	None
Executives	84%	27%	13%	8%
Directors and Managers	82%	33%	15%	6%
Sales Employees	44%	21%	56%	11%
Professional, Technical and Administrative Exempt Employees	75%	16%	13%	15%
Non-Exempt Employees	58%	11%	4%	33%

Basis for Variable Pay			
	Company Performance	Team Performance	Individual Performance
Executives	88%	26%	41%
Directors and Managers	81%	49%	54%
Sales Employees	46%	27%	70%
Professional, Technical and Administrative Exempt Employees	63%	20%	66 %
Non-Exempt Employees	55%	19%	41%

# BENEFITS AND PERKS

	Agencies & Consultancies	All
Employer-paid medical, dental, etc.	67%	75%
Accrued or granted PTO	49%	54%
Unlimited PTO	14%	6%
Accrued or granted vacation	36%	44%
Paid vacation (reimbursed)	20%	26%
Accrued or granted sick	44%	45%
403b or 401k (or other retirement contributions)	60%	67%
Pension	2%	15%
Equity	7%	11%
Commute time	6%	3%
Remote work	61%	39%
Paid sabbatical	3%	4%
Unpaid sabbatical	12%	6%
Paid family leave	38%	29%
Education or tuition reimbursement	39%	46%
Gym membership or reimbursement	23%	22%
Transportation allowance	22%	19%
Paid childcare	2%	2%
Other	15%	12%

## CULTURE (ENGAGEMENT, PERFORMANCE, COMMUNICATION)

**24%** of Agencies and Consultancies measure engagement on an ongoing or real-time basis (vs. 17 percent of all).

**50%** of Agencies and Consultancies agree that comp drives engagement (vs. 48 percent of all).

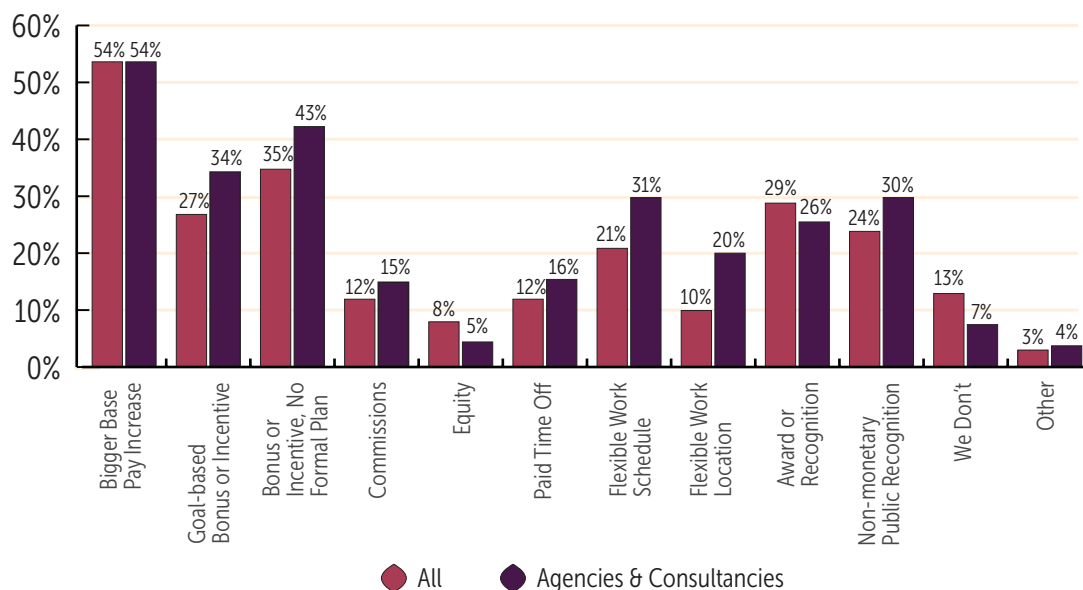
**27%** of Agencies and Consultancies have changed pay as a result of engagement survey feedback, equal to all companies.

		Level 1 Your organization tells employees when and what to expect on their paycheck	Level 2 Your organization shares some market data with employees	Level 3 Your organization has a comp plan and shares pay ranges with individual employees	Level 4 Your organization's comp plan reflects org culture, drives talent strategy, and is open to EEs	Level 5 Ranges and employee pay information is available to all employees
Agencies & Consultancies	2017 Level	39%	18%	23%	16%	4%
	2018 Target	26%	9%	25%	33%	7%
All Companies	2017 Level	48%	21%	17%	7%	6%
	2018 Target	24%	19%	27%	22%	8%

**43%** of Agencies and Consultancies are currently transparent about pay (vs. 30 percent of all); that goes up to 65 percent of Agencies and Consultancies aiming to be transparent in 2018 (vs. 57 percent of all).

Agencies and Consultancies are less likely to evaluate performance on an annual basis (53 percent vs. 63 percent of all). Eleven percent don't conduct performance reviews (vs. 8 percent of all).

### Recognizing Top Performers



# INDUSTRY DEMOGRAPHICS

Full-time Employees		
	All	Agencies & Consultancies
1-99 employees	48%	72%
100-749 employees	29%	16%
750-4,999 employees	13%	6%
5,000 or more employees	10%	5%

Separate Locations		
	All	Agencies & Consultancies
1 Exclusive Location	37%	52%
2-10 Separate Locations	42%	36%
11-20 Separate Locations	7%	3%
21+ Separate Locations	14%	8%

Part-time or Contract Employees		
	All	Agencies & Consultancies
0 part-time or contract employees	48%	22%
1-99 part-time or contract employees	48%	67%
100-749 part-time or contract employees	29%	5%
750-4,999 part-time or contract employees	13%	2%
5,000 or more part-time or contract employees	10%	3%

Role in Compensation			
	Approve	Recommend	Communicate
CEO	80%	33%	26%
CFO	28%	18%	9%
COO	20%	15%	12%
Board of Directors	17%	4%	3%
Function Vice President	11%	18%	9%
Function Director	15%	28%	19%
Function Manager	9%	20%	25%
HR Team/HR Manager	15%	42%	39%
Comp Team/Comp Manager	5%	12%	12%



# ABOUT PAYSCALE

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