

ENGINEERING & SCIENCE INDUSTRY

From the 2018 Compensation Best Practices Report

175+ 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 175 respondents in the Engineering and Science (Eng & Sci) industries. Included are insights to guide your Eng & Sci organization, such as:

- Eng & Sci are more likely to recognize performance through base pay and bonuses.
- Eng & Sci have more competitive jobs, more open positions, and are more likely to target a higher market percentile than other organizations.
- Eng & Sci use more discretionary bonuses than other organizations, especially hiring and spot bonuses.

BASE PAY, MARKET STUDY AND BROAD COMP PRACTICE

80% of Eng & Sci organizations gave base pay increases in 2017 (vs. 79 percent of all).

Budgeted for Increases			Average Increase			Highest Increase		
	Eng & Sci	All		Eng & Sci	All		Eng & Sci	All
Less than 1.00%	2%	3%	Less than 1.00%	1%	3%	Less than 1.00%	3%	2%
1.00-1.49%	6%	6%	1.00-1.49%	4%	6%	1.00-1.99%	1%	3%
1.50-1.99%	5%	6%	1.50-1.99%	6%	6%	2.00-2.99%	2%	6%
2.00-2.49%	10%	14%	2.00-2.49%	16%	14%	3%	11%	7%
2.50-2.99%	8%	11%	2.50-2.99%	18%	11%	3.01-3.49%	0%	3%
3.0%	31%	31%	3.0%	21%	31%	3.50-3.99%	5%	3%
3.01-3.49%	8%	6%	3.01-3.49%	9%	6%	4.00-4.99%	4%	7%
3.50-3.99%	8%	4%	3.50-3.99%	2%	4%	5.00-5.99%	10%	13%
4.00-5.0%	8%	10%	4.00-5.0%	11%	10%	6.00-7.49%	15%	8%
More than 5%	13%	91%	More than 5%	12%	9%	7.50-9.99%	12%	9%
						10.0-14.99%	19%	20%
						15..00-19.99%	3%	7%
						20-30%	13%	9%
						More than 30%	1%	4%

TOP REASONS FOR BASE PAY INCREASES IN 2017:

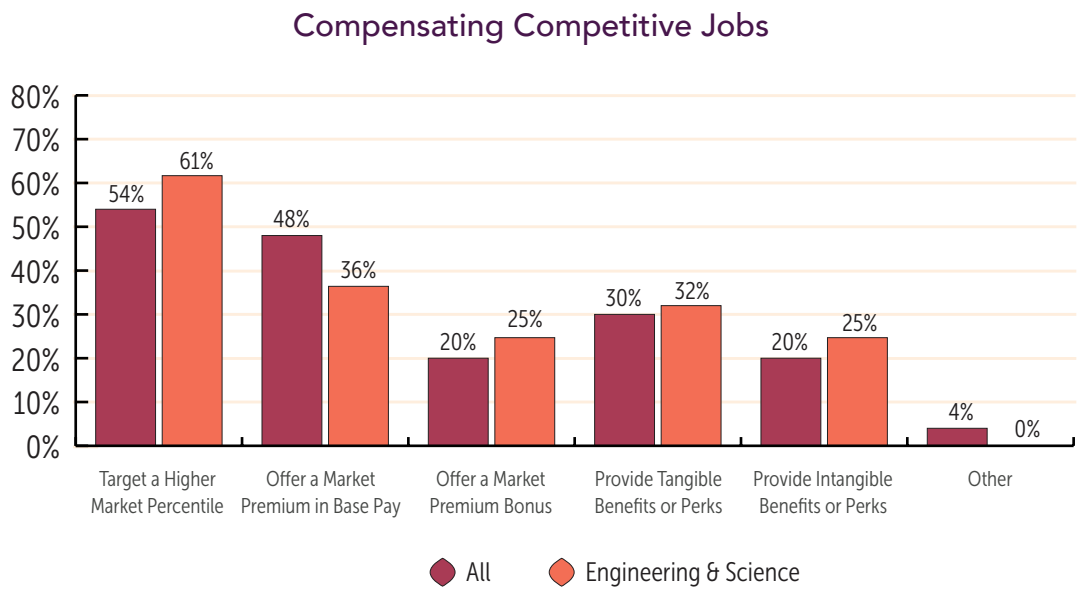
- Performance** (81 percent vs. 78 percent of all).
- Retention** (49 percent vs. 54 percent of all).
- Market Adjustment** (44 percent vs. 42 percent of all).

MARKET AND DATA STUDY

- 67% of Eng & Sci have completed a full market study within the past year (vs. 52 percent of all).
- 57% of Eng & Sci reference market data for jobs at least twice a year (vs. 52 percent of all).
- 86% of Eng & Sci use two or more sources of market data (vs. 82 percent of all). Just five percent don't use market data (vs. four percent of all).

STRATEGY

- 40% of Eng & Sci have a compensation strategy (vs. 37 percent of all), and another 41 percent are developing one (vs. 37 percent of all).
- 36% of Eng & Sci report that over half of their jobs are competitive (vs. 22 percent of all).
- 58% of Eng & Sci pay more for competitive jobs (vs. 51 percent of all).

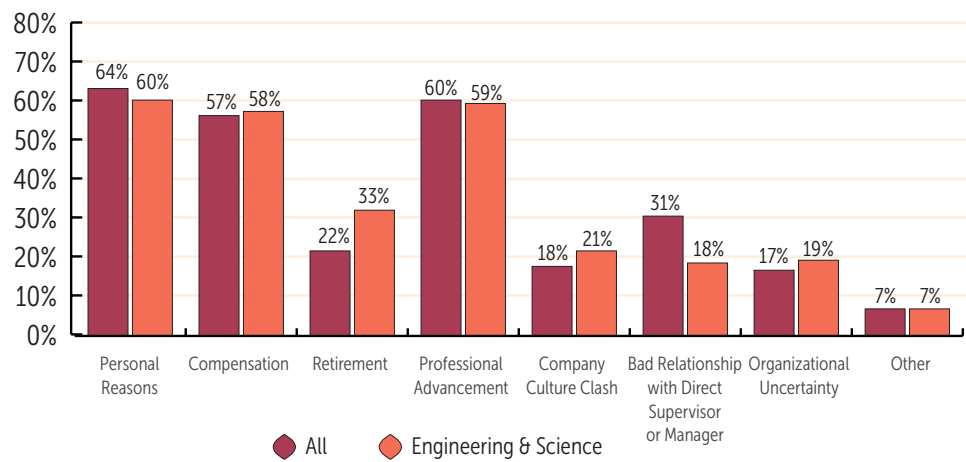


The main reasons for Eng & Sci to adjust comp strategy in 2017 were retention (75 percent vs. 76 percent of all), recruitment (68 percent on par with organizations overall), and pay for hot skills (64 percent vs. 56 percent of all). Eighteen percent of Eng & Sci are changing comp strategies to accommodate millennials (vs. 23 percent of all).

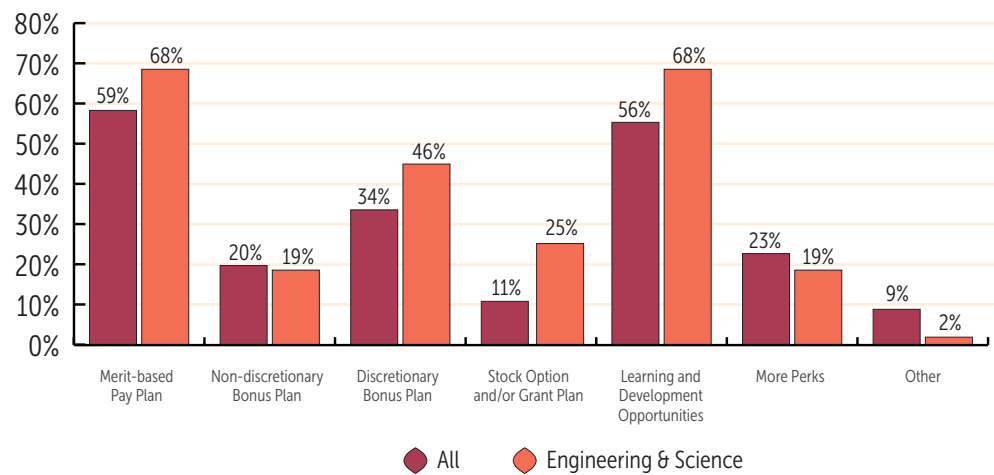
RETENTION

Eng & Sci are more likely to counteroffer a high-performing employee who received an outside offer (24 percent vs. 20 percent of all).

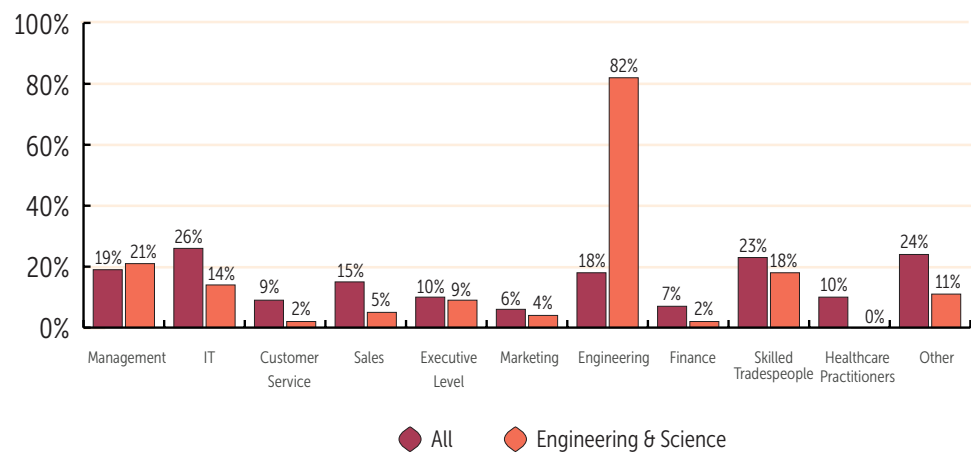
Top Reasons for Leaving



Rewards to Attract/Retain High-Performing Employees



Tough-to-Fill Roles



40% of Eng & Sci have had open positions for six months or more (vs. 35 percent of all).

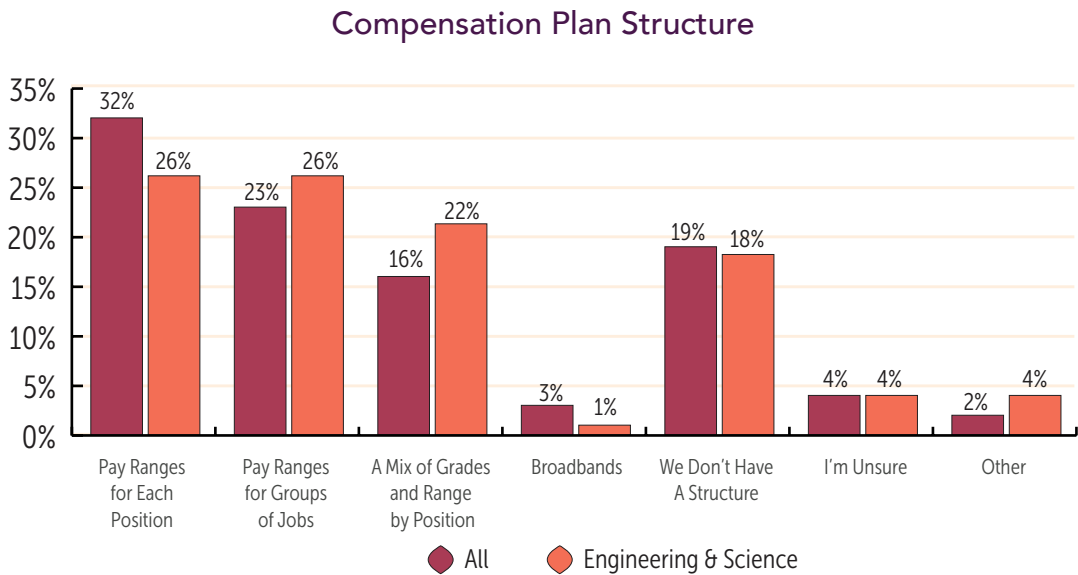
What makes those positions tough to fill? The number one answer for Eng & Sci was scarcity of qualified applicants (91 percent vs. 77 percent of all), followed by the inability to offer a competitive salary (21 percent vs. 34 percent of all).

GUIDELINES FOR PAY AND PAY STRUCTURE

63% of Eng & Sci have updated their ranges in the past year (vs. 61 percent of all).

38% of Eng & Sci adjusted ranges due to market movement (vs. 36 percent of all).

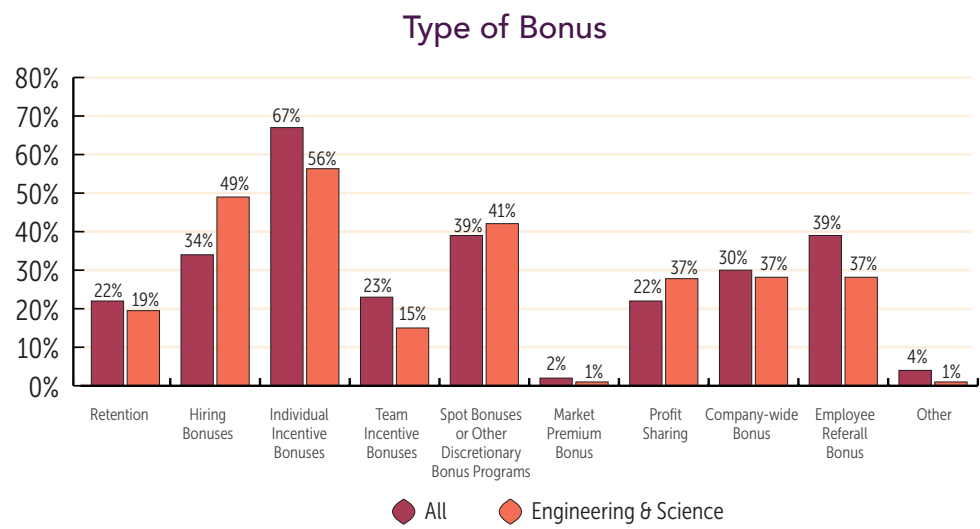
12% of Eng & Sci adjusted ranges due to changing priorities (vs. 19 percent of all).



Eng & Sci differentiate pay by geography: 48 percent of Eng & Sci with multiple locations differentiate pay by geography (vs. 40 percent of all).

VARIABLE PAY AND TOTAL REWARDS

78% of Eng & Sci have variable pay (vs. 71 percent of all).



30% of Eng & Sci give bonuses more frequently than annually (vs. 34 percent of all).

BENEFITS AND PERKS

	Tech	All
Employer-paid medical, dental, etc.	80%	75%
Accrued or granted PTO	52%	54%
Unlimited PTO	22%	6%
Accrued or granted vacation	35%	44%
Paid vacation (reimbursed)	21%	26%
Accrued or granted sick	39%	45%
403b or 401k (or other retirement contributions)	63%	67%
Pension	8%	15%
Equity	32%	11%
Commute time	4%	3%
Remote work	63%	39%
Paid sabbatical	5%	4%
Unpaid sabbatical	6%	6%
Paid family leave	39%	29%
Education or tuition reimbursement	40%	46%
Gym membership or reimbursement	36%	22%
Transportation allowance	29%	19%
Paid childcare	2%	2%
Other	11%	12%

CULTURE (ENGAGEMENT, PERFORMANCE, COMMUNICATION)

16% of Eng & Sci measure engagement on an ongoing or real-time basis (vs. 17 percent of all).

59% of Eng & Sci agree that comp drives engagement (vs. 48 percent of all).

25% of Eng & Sci have changed pay as a result of engagement survey feedback (vs. 27 percent of all).

27% of Eng & Sci are very confident about their managers' abilities to have tough pay conversations with employees (vs. 17 percent of all).

40% of Eng & Sci train their managers to talk about pay (vs. 29 percent of all).

36% of Eng & Sci share total compensation statements with employees - on par with all organizations overall.

		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
Eng & Sci Companies	2017 Level	52%	24%	12%	7%	4%
	2018 Target	25%	23%	23%	23%	5%
All Companies	2017 Level	48%	21%	17%	7%	6%
	2018 Target	24%	19%	27%	22%	8%

INDUSTRY DEMOGRAPHICS

Organization Headquartered		
	All	Eng & Sci
United States	73%	61%
Australia	2%	1%
Canada	8%	11%
India	5%	6%
New Zealand	1%	1%
South Africa	2%	3%
United Kingdom	2%	5%
Other	8%	12%

Full-time Employees		
	All	Eng & Sci
1-99 employees	48%	44%
100-749 employees	29%	32%
750-4,999 employees	13%	12%
5,000 or more employees	10%	12%

Separate Locations		
	All	Eng & Sci
1 Exclusive Location	37%	29%
2-10 Separate Locations	42%	48%
11-20 Separate Locations	7%	8%
21+ Separate Locations	14%	16%

Part-time Employees		
	All	Eng & Sci
0 part-time or contract employees	48%	15%
1-99 part-time or contract employees	48%	66%
100-749 part-time or contract employees	29%	11%
750-4,999 part-time or contract employees	13%	3%
5,000 or more part-time or contract employees	10%	5%

Role in Compensation			
	Approve	Recommend	Communicate
CEO	72%	27%	17%
CFO	32%	18%	5%
COO	24%	12%	7%
Board of Directors	25%	12%	3%
Function Vice President	21%	29%	18%
Function Director	13%	29%	24%
Function Manager	12%	33%	38%
HR Team/HR Manager	21%	50%	39%
Comp Team/Comp Manager	9%	18%	10%

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