How to create an effective compensation data strategy



Today's Presenters



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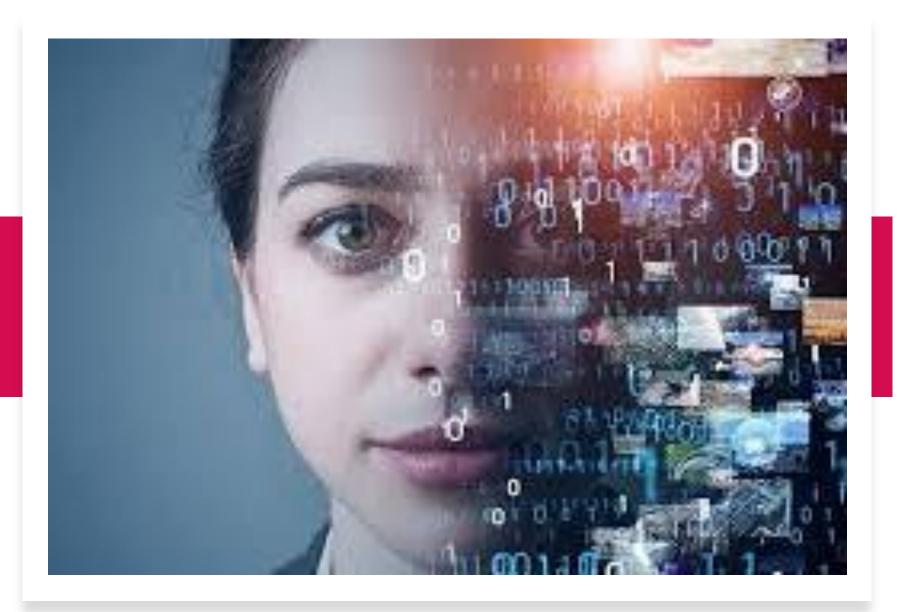
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Today's Agenda

- Overview of data sources
- Emerging trends in compensation data
- How should we be using data? What are the potential challenges?
- How to build the best data strategy for your organization





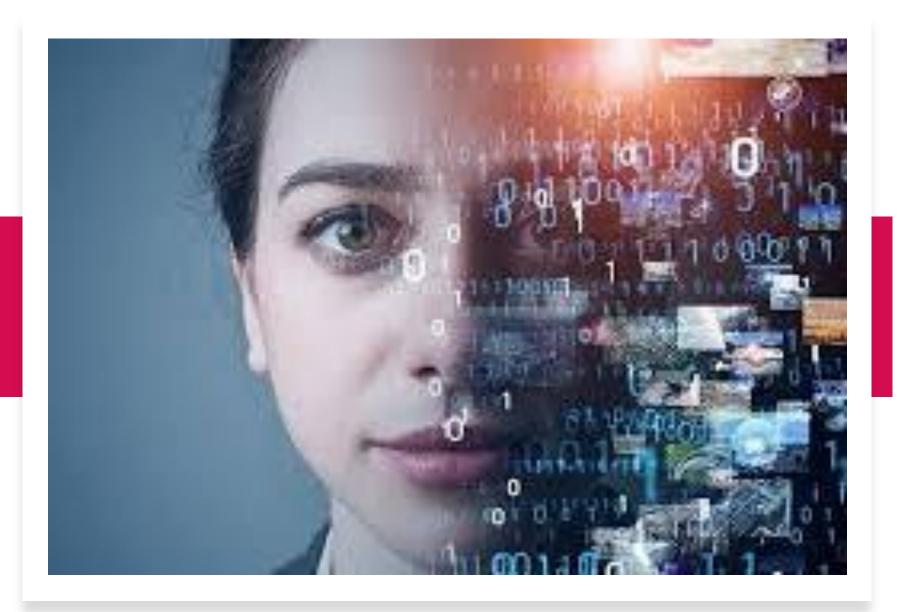
Overview of data Sources

Recruitment Types of market data **Employee-Annual** Data from **Publicly** reported recruiters available **HR-reported** (e.g. BLS) TikTok / Blind / Live Club/ Job offer letters HRassociation posting reported surveys inferred databases Job salaries posting ranges Live employee-Annual Anecdotal / reported Aggregated surveys HR databases surveys Derived community data **Current** payscale

Poll Question 1: What data sources do you use

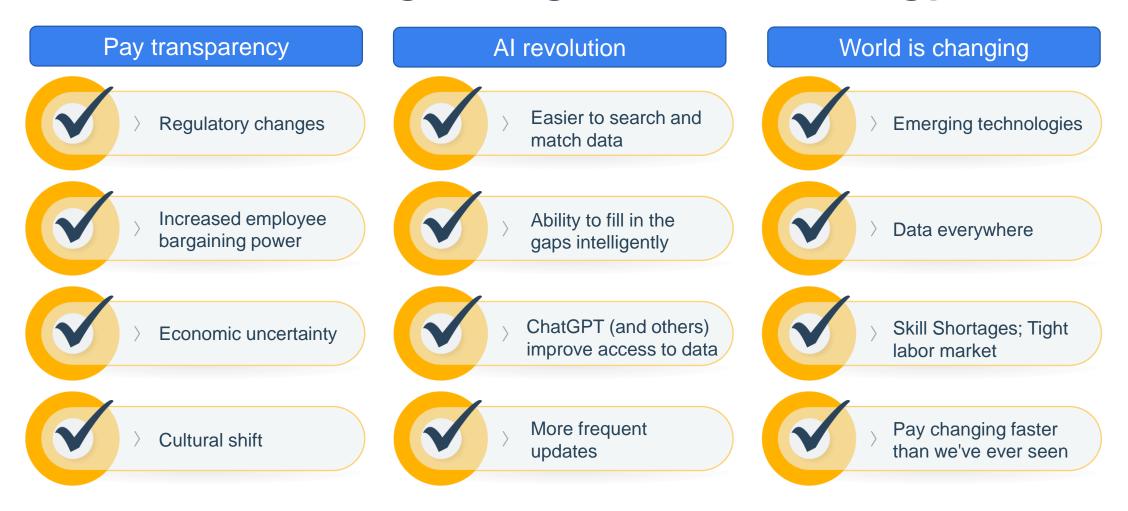
- A. Publicly available data (eg BLS)
- B. Annual survey
- C. Club / association survey
- D. Aggregated survey
- E. Live HR-reported database
- F. Live Employee-reported database
- G. Anecdotal / HR community
- H. Data from recruiters
- I. Derived data
- J. Job posting inferred data (eg LinkedIn, Indeed, etc)
- K. Pay ranges from job postings
- L. Employee directly shared (eg TikTok, blind, offer letters)



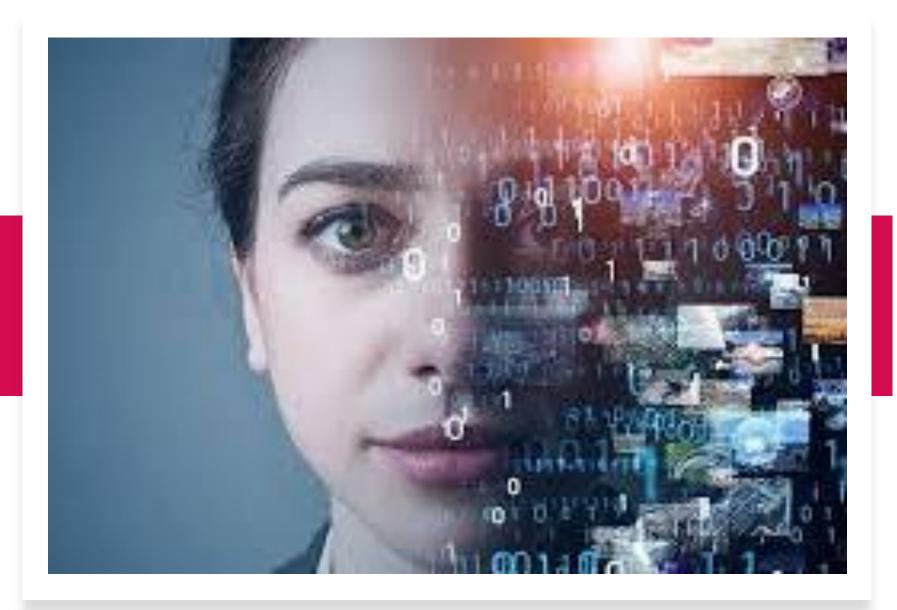


What are the emerging trends?

What's driving changes in data strategy?

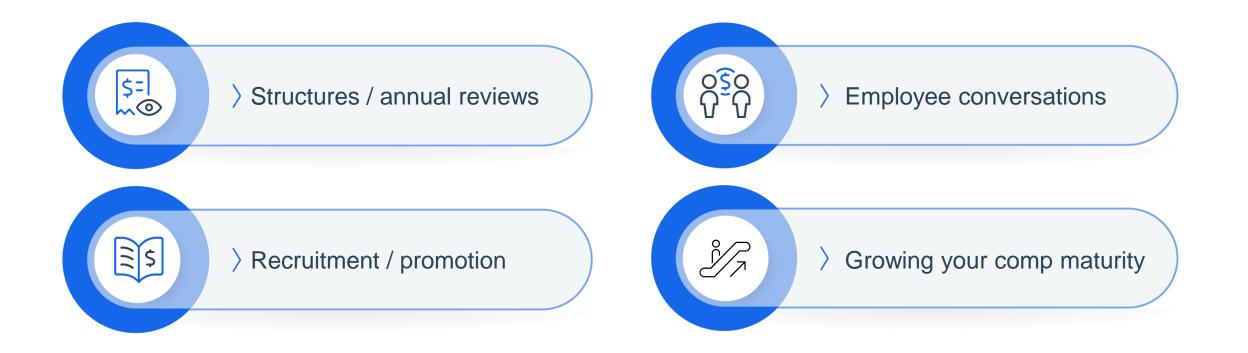






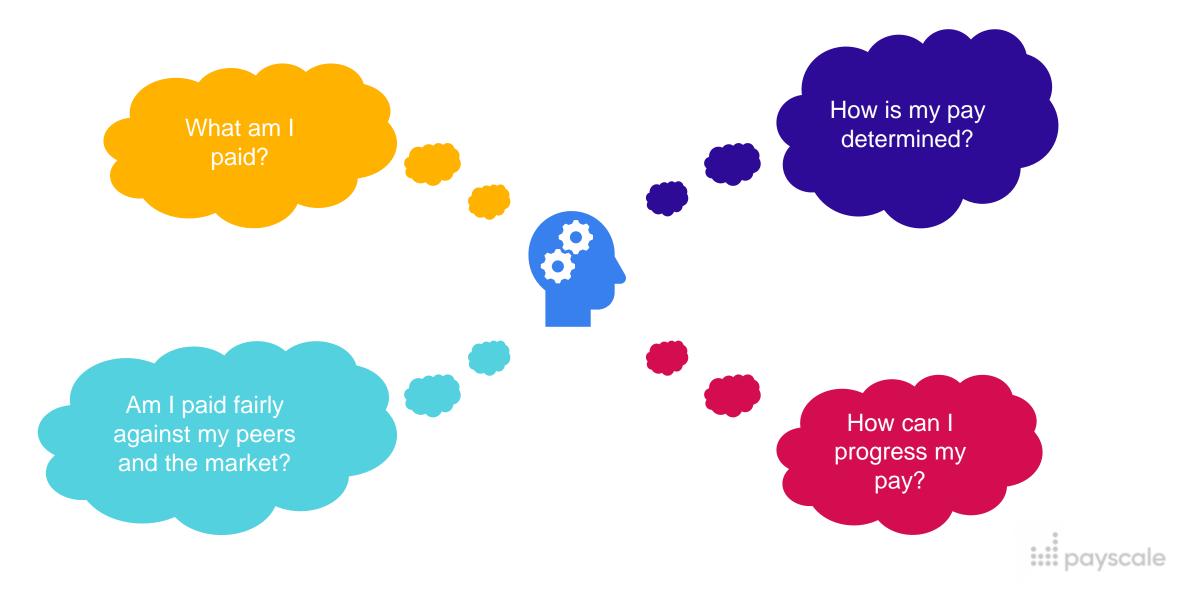
How should we be using data and what are the potential challenges?

What do you need data for?





What do employees want to know?



Poll Question 2a: What data do you use for structures?

- A. Publicly available data (eg BLS)
- B. Annual survey
- C. Club / association survey
- D. Aggregated survey
- E. Live HR-reported database
- F. Live Employee-reported database
- G. Anecdotal / HR community
- H. Data from recruiters
- Derived data
- J. Job posting inferred data (eg LinkedIn, Indeed, etc)
- K. Pay ranges from job postings
- L. Employee directly shared (eg TikTok, blind, offer letters)
- M. None
- N. We don't have structures



Poll Question 2b: What data do you use for recruitment / promotions?

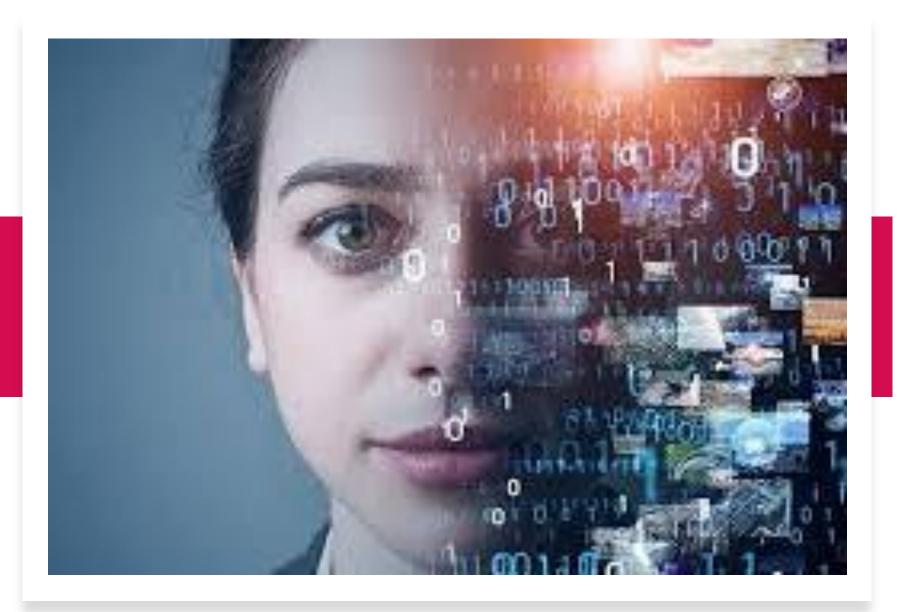
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- F. Live Employee-reported database
- G. Anecdotal / HR community
- H. Data from recruiters
- I. Derived data
- J. Job posting inferred data (eg LinkedIn, Indeed, etc)
- K. Pay ranges from job postings
- L. Employee directly shared (eg TikTok, blind, offer letters)
- M. None
- N. We don't do recruitment / promotions



Poll Question 2c: What data do you use for employee communications?

- A. Publicly available data (eg BLS)
- B. Annual survey
- C. Club / association survey
- D. Aggregated survey
- E. Live HR-reported database
- F. Live Employee-reported database
- G. Anecdotal / HR community
- H. Data from recruiters
- I. Derived data
- J. Job posting inferred data (eg LinkedIn, Indeed, etc)
- K. Pay ranges from job postings
- L. Employee directly shared (eg TikTok, blind, offer letters)
- M. None
- N. We don't do employee communications





Building the best data strategy for your organization Data:
Annual,
HRreported,
Derived

Data:
Structures
Bonus from
annual
surveys

We use our new structures, and our internal equity analysis to determine what annual increase our employees should receive. We pay for performance via our bonus scheme.

We provide employees with the following:
Where they are in their pay structure.
The pay structure for the role above.
How the pay structure is created and why this is different to market ranges.
How they can increase their pay within their current range and how they can move to the role above.

Employee

communications

Data:
Structures
Compensable
factor data
from EEreported

We validate and update our pay structures each year following our external data review. We develop a US national structure for all our jobs.

Structures

We pay our people fairly against the market and internally. We pay for experience, skills and performance. We aim to be transparent with our current and potential employees about how they are paid, and how to progress their pay.

Merit cycle

We validate our job architecture and job matches once a year and at points of recruitment / change. We develop pay ranges that are for each job level and job family combination. Our market reference point is 65% so that the pay structures stay robust for the year

We check:

The pay range the job will fit in.
The employees in that range.
The market range for the job used when creating the range.
The current market range for the job.

Recruitment

Structures
Up to date,
Live HR /EE
databases,
Job posting
data

Data:

Pricing strategy



Compensation strategy

Recommendations



Aim for consistency of methodology.



Aim for transparency so you can explain each number.



Understand the whole market.



Understand the variety and determine when you will use them.



Data is great! It just needs to be used well.



Payscale's Diverse & Dynamic Data Portfolio

Intelligent streams of curated, validated, compensation data

Employee Reported

The world's largest real-time salary database

100 M salary profiles (all time)40M salary profiles in use350,000 new profiles/month15,000 jobs

8.000 skills/certifications

HR Market Analysis

A composite of analyst curated employer reported survey data

1 billion+ data points 4,900 jobs 15 countries





Peer

A transparent & dynamic HR reported data network

2,400 organizations **4,500** jobs

7M employees **100+** industries

Compensation Survey

A modern, quarterly compensation survey

1,350 organizations 6,111 jobs

2.9M employees

Published Survey Data

Trusted data partner

10,000 surveys

From 300+ publishers







Q&A

Feel free to ask any questions in the chat!

