

Why salary surveys are so darn popular

Cultivating confidence in your compensation data strategy



Salary surveys are a cozy comfort.

Participating in the same surveys year after year is reassuring. With their meticulous methodology, you can count on them to deliver quality results.

Their popularity is undeniable. Every year, we ask comp experts about the data they use to make market pricings. And every year, surveys from traditional publishers top the list. They also rank as the most trustworthy data source.

HR practitioners may debate the merits of different types of surveys. Do you need org data to complement incumbent data? Should you really participate in a pet benefits survey? But they don't question the value of surveys themselves and we don't either. Survey data is popular because it's so darn reliable.

This doesn't mean surveys are perfect. They have strengths and weaknesses like any data type. Their reliability doesn't mean organizations shouldn't consider equally trustworthy salary sources to fill data gaps. Or ways to automate participation workflows to save time.

At Payscale, we don't offer flashy gimmicks. Just proven solutions to get the most from surveys and address data gaps.

Now that's out of the way, let's dig deeper into the pros and cons of survey data.

The benefits and biases of survey data

Survey data from traditional publishers



- Reliable Coverage (for most roles): Surveys offer strong data for established roles.
- **Data Transparency:** Providers follow rigorous data collection processes, offering transparency into how pricings are derived.
- **Creditability:** Comp experts can trust traditional survey data because it's vetted and validated employer-reported data.



- Coverage Gaps: Survey data may not cover specific jobs, especially new or emerging roles.
- Outdated Data: Survey data is collected annually and reported six to nine months later, making it a poor source for tracking market trends.
- Costly to Access: High fees make survey data less accessible, especially for small organizations.

First, let's examine what comp experts look for in salary data and how surveys address their needs.

Coverage: Can you find enough job matches? Or is it difficult to match your incumbents with participation matches? Presumably, comp folks wouldn't participate in surveys that only offered a handful of relevant matches. They'd switch up providers or buy other surveys.

But let's be honest. How many of you have stuck with a survey because that's what you've always done?

It's easy to fall into this trap. Instead of evaluating the return on survey investments, some comp experts drift into participation autopilot. If comp professionals don't regularly assess the value of their surveys, they may miss the opportunity to invest in more relevant surveys or other HR-reported data sets.

It's also important to recognize that all surveys have coverage gaps, especially for new or emerging jobs.

- Repeatability: How easy is it to find the same relevant
 matches over time? Have your surveys become "noisy"
 with irrelevant data? HR practitioners should evaluate their
 surveys at least annually. If the number of relevant matches
 decreases, they can look into purchasing different surveys
 or leveraging other data sources.
- **Transparency:** How is the data calculated? Are data elements gathered in a consistent way.

This is where salary surveys really shine. Providers' methodologies are straightforward. They typically share a participant list so you can see the organizations, including competitors, also taking part. With this visibility, comp professionals ensure that salary benchmarks align with the market on a yearly basis.

At the same time, salary surveys tend to skew toward larger organizations. Even with their transparent methodologies, survey data from traditional publishers may not be as helpful to smaller orgs.

 Freshness: How old is your data? Survey data does suffer from a significant timeliness bias. Most providers collect data once a year and report it six to nine months later.
 The market can move a lot in nine months.

Survey data checks many of the boxes comp folks desire. It delivers accurate market pricings, equipping you to build consistent pay structures. It offers invaluable data on bonuses for your annual compensation cycle. Most importantly, surveys' rigorous methodology unlocks reliable insights into your competitors' pay practices.



But are they enough to gain a strategic advantage in the talent market?

If you're simply following what other organizations do every year — participating in the same surveys and generating the same benchmarks — what's your competitive edge? **Do salary surveys really help you gain an upper hand in your talent strategy?**

No, not really. You need more recent market insights beyond annual surveys to build the best talent strategy. Market pricings can move quickly, especially for specific, new, or emerging positions.

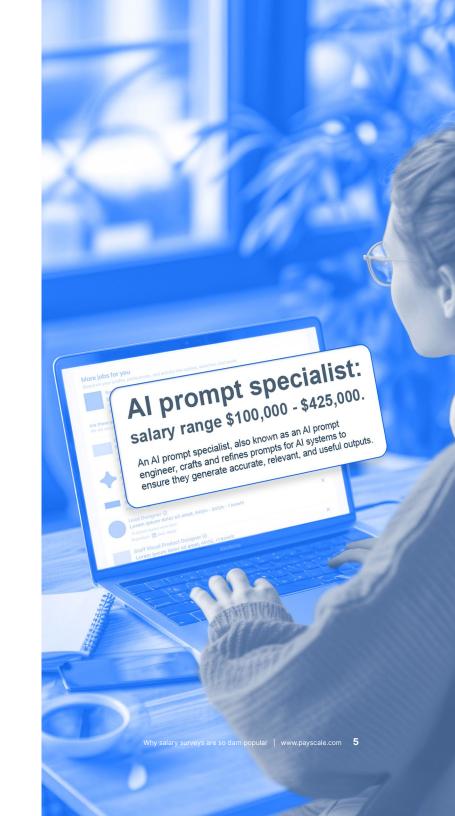
So, let's return then to survey data's timeliness bias. It's important. As you know, survey data is gathered and published annually. When you receive pricings back from providers, the data might already be decrepit.

Failing to track market movements, especially if your competitors are doing this, puts you at a significant disadvantage. It undermines data confidence in pricing certain positions.

For instance, how much should you pay an Al prompt specialist? Has the price for nurse practitioners changed over the past nine months? Survey data often doesn't provide these answers.

To create an effective compensation data strategy, you must fill in data gaps from surveys by truth-testing them against other sources. How it's done is up to you. Maybe you end up on Indeed, feverishly searching for Al prompt specialists. Or maybe you phone a recruiter friend to ask what others are offering for this position. Perhaps you just wing it and pick a salary out of a hat.

Of course, you could always leverage fresher HR-reported data.





There's a reason top providers trust us.

Lets discuss



Solutions for sharpening your survey data strategy

We're not suggesting you leave any of your providers. In fact, they're our friends. Payscale partners with Aon, Mercer, and Culpepper to offer survey participation templates, equipping you to generate reports instantly.

We understand that salary surveys are a driving force in your compensation data strategy. Our goal is simply to make participation as painless as possible. This is why we introduced Al matches suggestions that save countless hours of tedious manual work by finding matches for you.

Since we're on the same team, would you at least hear us out on the benefits of our data set? If you're relying entirely on salary surveys, there will be data gaps. It's inevitable. You know the old saying: death, taxes, and survey data gaps are the only certainties in life.

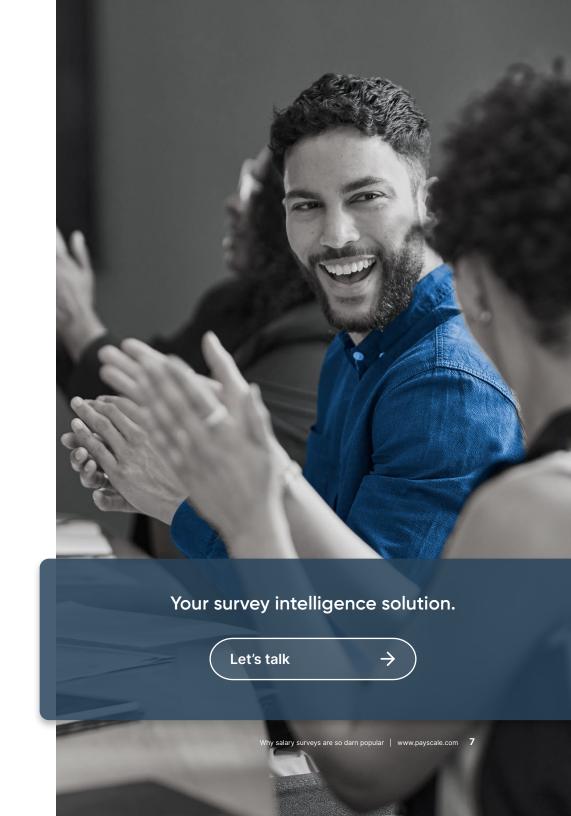
We simply want to help you navigate the challenges they pose. It's what gets us out of bed at 11 am.

So, how can we help?

WE HAVE FRESHER HR-REPORTED DATA! (Sorry, our caps lock acts up sometimes). With pricings updated daily, you don't have to guess the salary range for nurse practitioners or any other position where survey data lags.

Additionally, we offer survey management tools for accelerating workflows around your planned and purchased surveys. Finally, with Payscale, you can easily format your survey data and track usage metrics, ensuring your survey investment delivers a meaningful business impact.

While it's up to you to decide what works best for your compensation data strategy, partnering with Payscale gives you a leg up over the competition. One thing's for sure: leveraging our HR-reported data to complement surveys offers an enormous advantage in the competition for talent.





Additional resources

Enjoy these insights from our compensation experts.

Webinar:

Getting the right data mix to market price your jobs

Whitepaper:

How to benchmark jobs using salary data

Ebook:

Best Practices 2025: Salary data and market pricing



About Payscale

As the industry leader in compensation management, Payscale is on a mission to help job seekers, employees, and businesses make sustainable fair pay a reality. Empowering 65% of the Fortune 500, Payscale provides a combination of diverse and dynamic data sources, experienced compensation services, and scalable software to enable organizations such as Panasonic, ZoomInfo, Chipotle, AccentCare, University of Washington, American Airlines, and PetSmart to make fair and appropriate pay decisions.

Pay is powerful.

To learn more, visit www.payscale.com.