

Salary surveys and salary survey participation

Author: Tatenda Emma Matika . August 2021

Employees are a valuable asset for organizations. Therefore, employee compensation decisions are an essential part of Human Resources practices. To make decisions about employee compensation, organizations sometimes need salary surveys that inform them about market practices and help them to make better decisions for their employees. A salary survey is a systematic process of collecting and making judgments about the compensation paid by other employers. We conduct Salary surveys for comparable organizations. These are usually in similar industries or job markets. They are generally undertaken by region, sector, or job classification for comparability. [Salary surveys](#) provide valuable information to attract, support, and retain employees.

Salary surveys can either be generic for the general market or sector or customized to specific organizations. These surveys determine the low, high, and average salaries for a given position and provide a sense of what other organizations are paying. Most organizations obtain salary surveys from other firms, usually consulting firms, but others prefer to independently carry out the salary surveys.

Salary surveys are essential and valuable for organizations for the following reasons:

- Salary surveys provide data for setting pay policies relative to the competition.

Organizations need to stay competitive to keep their employees happy and retain their key talent. Therefore, it is always important to keep up with salary policies relative to their competitors.

- They provide a snapshot of the market situation at a set time.

The market situation is continuously changing significantly in Zimbabwe. Salary Surveys report the market situation at set times. IPC salary surveys are carried out every quarter of the year.

- They show wage differentials between jobs in the market. Wage differentials between jobs are essential for companies when they determine their salary structures. Keeping up with market wage differentials is necessary as this keeps companies informed and competitive. Wage differentials are no longer determined by job titles alone or job grades alone. Organizations need to know what their competitors are doing so that they can have competitive policies.
- Most companies seek salary surveys so that they can make salary adjustments.
- Organizations use them to establish salary structures.

Contents of a salary survey report

The end product of salary surveys is a report that shows salary rates for jobs and job grades in the market. IPC salary surveys mainly have two categories, i.e. salaries by job grades and salaries by job titles. These categories match the various job grading systems used by multiple organisations. The matching process allows the data received from various organizations to be comparable. Results show the following categories:

1. **Measures of Centrality:** This includes establishing for each position and level of employment the mean, 25th percentile, median, 75th percentile, and 95th
2. **Measures of Variability:** This establishes the spread of benefits for each position and level of employment. We use standard deviation and coefficient of variation to measure salary variability. In conjunction with the measures of centrality above, these measures assist in determining the chances of an employee getting a better salary offer elsewhere.
3. **Compa – Ratio Analysis:** This entails establishing for each employee title and grade, whether they are overpaid, underpaid, or paid with a range of the target market.
4. **Employee Flight Risk Analysis:** This analysis is based on each employee's current pay (compa–ratio analysis) and how other employees in similar positions are being remunerated (salary variability analysis).

Salary survey reports from other organizations also contain dimensions such as pay period, monthly or yearly compensation. They also include years of experience, years of experience with the company, salary trends, labor market determination, etc. However, dimensions such as future salary trends cannot be included in our surveys as the economic situation in Zimbabwe is continuously changing.

Salary surveys also contain information about benefits or allowances given to employees. Some of these benefits include pension, transport allowances, housing allowances, etc. Some of these allowances are provided to cover the cost of living that is continuously changing. These can be hardship allowance or cost of living allowance. Recently, we have seen COVID19 allowances that are given to cushion employees against the challenges brought by the COVIDpandemic.

At IPC, when collecting data for salary surveys, the following is a list of some of the information requested:

- Job Title
- Internal grade
- IPC Level
- Gross Basic Salary
- Transport allowance

- Housing Allowance
- Cell phone Allowance
- Lunch Allowance
- Entertainment
- Other Allowances
- Security Guard Provided
- Subsidized Meals
- Medical Aid Contribution
- Pension
- School fees Assistance
- Education Assistance paid out
- Club Fees
- DSTV Subscriptions
- Organizational Vehicle Type
- Vehicle Allowance
- Fuel allowance
- Vehicle Replacement period
- Vehicle insurance per annum

Sources of Salary Surveys

It is essential to know the available options for obtaining salary surveys. This helps in making a good choice that is relevant for an organization. There are many different sources available for salary surveys. Consultants do provide salary surveys while others do their own surveys.

Below are some of the salary survey sources that can be used.

Consultants Surveys

This is the major source of salary data for larger organizations. In addition, several major Consultants can provide sophisticated wage data tailored to an organization's needs. As a result, the quality of data from these sources is high.

Government Surveys

Some governments provide average compensation reports for free. The information is usually published as average labor and compensation surveys by sector. However, it is essential to note that all government surveys are, by nature, political.

Internet Surveys

The internet has changed how work is done in many ways. Instead of moving around with a questionnaire, the internet brings computer technology and survey software into the office. Survey questionnaires are posted on the internet for use in the collection of data. Some surveys still collect this data in fixed-length files where information is reviewed both statistically and visually. Some of the newer surveys check input data. If it falls within a pre-set standard error (range), the data is automatically integrated into the study. The result is that Internet-based surveys can be interactive, real-time, and reflect data gathered up to the minute.

Employee and Employer Representatives Survey

Many employees and employers representative organizations conduct salary surveys for their members. The wages are usually set to balance the interest of both parties, considering the changes in the living costs of the employees. The data is generally shared for free or at a small fee.

Since multiple sources of surveys exist, it is challenging to select the appropriate survey. The following are some of the factors to consider when selecting the source of the survey that is relevant for your organization:

1. Organizational fit
2. Data provider
3. Methodology
4. Cost

For factors such as cost, it is also important to identify which type of survey is best for your organization. After selecting the source, it is essential to determine whether a customized survey would be best or a generic survey would be best as these have different prices. For the data provider, it is essential to know which organizations participated in the survey. It might not be helpful for large organizations to be compared to smaller organizations, even for the same industry/sector. It is also important to note when the data being used in the survey was collected. Data that is old could cause a challenge for unstable economies.

Salary Survey Participation

Human resources professionals are constantly contacted to populate salary survey templates. For countries with stable economies, the frequency may be low; however, for a country such as Zimbabwe, where inflation is high, the frequency is higher. Due to the high frequency of requests for data collection, most HR professionals now have negative attitudes towards the activity. However, an organization needs to participate in these surveys.

A recent analysis at IPC showed that most HR professionals give similar excuses for not participating in the survey. The most common reasons are failing to obtain approval from higher authorities, not having enough time to complete the exercise, and some are just tired of repeating this exercise. The white paper by HRN Performave Solutions also states the excuse of not having enough time to complete the exercise. This could be a common challenge in many countries. However, some of these companies will

require salary surveys in the future when they need to compare their salaries to the market.

Human resources professionals need to pay attention to what is happening in the market as this helps them retain their key talent. Most organizations in Zimbabwe seem to understand this as salary surveys are always in demand. However, these surveys need participants to be informative.

Salary surveys are challenging to carry out, even for organizations that regularly conduct them. As a result, they are highly-priced. The most significant advantage for organizations participating in surveys is that they receive a considerable discount. For example, at Industrial Psychology Consultants, participants receive a discount of over 50% of the report's price. For organizations in an unstable economy, where salaries are continuously changing, this is worth participating in the salary surveys. Instead of paying for the surveys now and then, organizations can reduce their costs by participating in salary surveys.

For customized salary surveys, participants do not have to pay for the report. This is the most significant discount that is offered at Industrial Psychology Consultants. Customized Surveys are usually specific to an organization; therefore they ensure that the data used for the report is highly comparable to their organization. This is useful for participants as they can get the same report for free. Of course, the participants' report is generalized and does not contain information for the client that requested the survey.

Most organizations can attest that sometimes surveys take long to be completed, especially when urgently needed. This is a result of participants not having time to complete the surveys. HR professionals know the importance of surveys, and they eventually require them to make remuneration decisions. Therefore, setting up some time to complete the survey will also help the reports be produced on time.

Salary survey results always depend on the companies that have participated in the survey. The more the participants, the better the salary survey

Tatenda Emma Matika is a Business Analytics Trainee at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm.

<https://thehumancapitalhub.com/articles/salary-surveys-and-salary-survey-participation>