

What is a salary survey?

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[Salary surveys](#) are a very effective technique for benchmarking wages and benefits. They are critical for developing an appropriate compensation strategy and tracking and monitoring the intended target pay practices.

What is a salary survey in HR?

A salary survey is a unique tool used by remuneration specialists to arrive at a fair and competitive salary for an organization's. Pay data from multiple employers are reviewed to provide a better picture of the market compensation practices. Surveys may concentrate on one or more job titles, geographic locations, employer size, and sectors. [Salary surveys](#) can be undertaken by employer associations, survey providers, or individual businesses.

Survey data is frequently time-sensitive and can soon become out-of-date. Because of the time-sensitive nature of the information, surveys are commonly identified by the year or quarter in which the data was collected. Monthly or quarterly surveys operate best in high inflationary conditions.

Salary surveys are classified into two types: [generic surveys and customized surveys](#). General surveys are off-the-shelf surveys offered in generic job titles and job grades.

On the other hand, generic surveys may contain companies that are not comparable to yours. This may affect the applicability of the findings to your unique organisation.

On the other hand, customised wage surveys are tailored to your company's specific needs. The survey is tailored to the organisations you want to be included in the sample, the job titles you want the survey to cover, and the benefits you want to learn about. Furthermore, you can quantify the risk of losing your employees and how much it will cost your organisation if you match the salaries to competitors..

On the other hand, customised salary surveys require time, and there is no certainty that your chosen comparator organisations will participate.

How do you do a salary survey?

Conducting a salary survey is a procedure that involves careful organisation and preparation. The

following guide covers the general processes that must be taken while conducting a salary survey:

The goal of the salary survey

Salary surveys are used to make [strategic decisions](#) about an organisation's pay policy level. This choice directly impacts the type and quality of the organisation's personnel, as well as its labor expenditures.

Employees are an organisation's most valuable asset. Employee gross salary and allowances amount to between 50 and 80 percent of a company's total income. How a company compensates its most valuable asset significantly impacts overall company performance. The utilisation of a high-quality, independent salary survey is an important component of the compensation plan since it keeps a company on track to recruit and retain the top personnel in the industry.

Role of interest

Choose which jobs you want to include in your salary survey. A broad survey could consist of all job titles within an organisation, from the lowest to the highest. On the other hand, a different survey may demand you to evaluate management-level roles just within a specific industry.

Choosing Target Market

Who is the relevant market for the jobs that you are investigating?

Job Titles and Job Descriptions That Match

The goal is to find a match between your jobs and those in compensation surveys. This is a subjective procedure; the job descriptions are unlikely to be identical. You must locate the job in the survey that is most similar to yours. If the two job descriptions are 70% the same, they can be called a match. You seek a match between the work activities and the knowledge, abilities, and experience required to do the job. This is possibly the essential step in determining the going wage for the job.

Project Inception

Make a list of the industries and geographic areas from which you will [collect data](#). For example, if you want to focus your salary survey on nurses' hospital earnings in a metropolitan area with fewer than 500,000 people, choose four to six hospitals in that geographic region.

Choose the occupational groupings that will be the focus of your research. Keep your job titles to ones that are generally used so that you may compare comparable jobs.

Data collection process

Create a letter introducing yourself and the company on whose behalf you are performing the research.

Please send your credentials and a copy of any past income and wage surveys you have completed. Employers are generally reluctant to share salary information, so you must prove yourself as a legitimate professional by including a confidentiality clause with the letter. In your letter, state that you will contact the recipient by phone. Your phone call aims to establish a rapport with the survey respondents.

Design your data collection template that has the following demographics;

- Basic salaries
- All cash allowances
- Bonuses
- Non-cash benefits
- Policy trends in each of the remuneration areas listed above
- Gratuities
- Position levels/structure
- Grades and grading system

Data Cleaning

Data cleaning is removing or deleting incorrect, corrupted, incorrectly formatted, duplicate, or incomplete data from a dataset. When combining information from many sources in Excel, we first look for duplicated and mislabeled data. We do the coding and fill in the Generic titles and IPC levels that correspond to the participants' job titles and internal grading system.

Data Analysis Process and Tools

Data will be entered and analysed using SPSS. The following analysis will be carried out:

Measures of Centrality

This includes determining the mean, 25th percentile, median, 75th percentile, and 95th percentile for each position and level of employment.

Measures of Variability

We will establish how spread out or clustered the salaries are for each position and level of employment. We will use the standard deviation and coefficient of variation as measures of salary variability. In conjunction with the measures of centrality above, will assist in determining the chances of an employee getting a better salary offer elsewhere.

Compa – Ratio Analysis

The [compa-ratio](#) is to guide how far a salary is from a target comparative point. It assists the company in determining the competitiveness of pay for individuals, grades, and any employee category group.

Bring to Market Analysis

A corporation may define its competitive pay policy line. This comprises determining how much it would cost a company to pay all of its employees' wages within the range of the intended pay, i.e. pay policy line. Pay policy examples include the 25th percentile, median, and 75th percentile.

Report Writing

Compile your findings and narratives into a presentation or detailed document that you can show to potential employers.

Conclusion

Finally, implementing a reliable salary survey is critical to the efficiency of the compensation plan and retention strategy.

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