

How a Custom Salary Survey can Jump-Start Recruiting for “Hot” Jobs

AUTHOR



Rebecca Toman
*Vice President,
Survey Business
Unit*

Hiring managers are scrambling to fill open positions with a dwindling pool of qualified candidates as the unemployment rate plummets to 3.9%—the lowest rate since 2000.¹ In this increasingly competitive job market, human resources departments must ensure their compensation is on target to recruit and retain the best talent. Salary surveys are an excellent tool to confirm that your compensation is competitive, but often, even more narrowly targeted data is needed for “hot” jobs that are challenging to fill. A custom survey—one that allows your company to control the content and participants—is an excellent way to source the most up-to-date compensation practices of your competition.

The major advantage of a custom survey is you can design every aspect of the report: the jobs that are included, which companies are invited to participate, and what elements of compensation data will be measured. By tailoring the participant list, you ensure that you are obtaining the most relevant information on “peer” companies that are vying for the same candidates. The benefit for your peers in participating is that they can validate the benchmarks and incentives they are currently using to recruit and retain these candidates and potentially tailor their own incentives to position themselves better in the market.

Many salary surveys cover “traditional” roles that have been reported on for years (e.g., CEO, scientist, and IT manager). Boutique surveys may focus only on one facet of the employee population, for example research and development. A custom survey is useful for uncovering compensation data on emerging and “non-traditional” roles that have been created recently based on employers’ evolving needs.

Cyber security is an excellent example of such a sought-after skillset. Since 2015, Pearl Meyer has been commissioned to run an annual Cyber Security Salary Survey to address

¹<https://www.nytimes.com/2018/05/04/business/economy/jobs-report.html>

the need for targeted pay information for this evolving and in-demand population. The survey includes only two jobs—internal and external cyber security—but examines multiple levels of experience, education, and skill-sets within those two jobs. The sponsoring organizations determined that the survey needed to collect and report key components of pay and relevant policies and practices information including base salary, sign-on and retention bonuses, offer acceptances, turnover rates, and salary increase budgets. The information provided is detailed, objective, and has provided an excellent tool for the participating companies' recruiting and succession-planning efforts.

The survey results provided extremely valuable insights not available elsewhere to both sponsors and participating organizations including:

- 64.6% of participants hire at the upper end of their pay range for cyber security employees;
- 31.9% move cyber security staff to higher pay grades to accommodate pay requirements; and
- 72% of participants pay sign-on bonuses.

This information allows a hiring manager to extend an enticing offer when sourcing potential candidates. In addition, the report's relevant statics on the frequency and amount of retention bonuses, the career level with the highest turnover rate, and the change in salary increase budgets from last year are extremely useful metrics for performance reviews, annual budget discussions, and designing performance strategies to keep these highly skilled employees engaged.

Cyber security is just one example of an employee population where a custom survey is beneficial. Tailored surveys can also be useful for new or emerging industries such as renewable energy, cannabis, or artificial intelligence. The first step to create your own salary survey is to contact a reputable survey vendor and request a detailed proposal. There are a number of ways to determine if a vendor is credible:

- **Legal Compliance** – Ensure that the vendor maintains the confidentiality of participant data by following Safe Harbor Guidelines established by the U.S. Department of Justice and the Federal Trade Commission which require the following:
 - All data reported in summary form only;
 - No data reported for any job at any level where there are less than five companies matching;
 - The information provided by survey participants is based on data more than three months old; and
 - No organization's data will represent more than a 25% of the sample for any job.

- **Data Validation** – Quality survey vendors will contact participants after data submission to confirm and/or correct any potential errors or outliers in the data submitted.
- **Survey Methodology** – Review the summary of the methodology to make sure it's consistent with standards set forth by reputable industry associations such as WorldatWork. Be sure that the organization is surveying human resources or compensation professionals within a company.

The average timeframe for completion of a custom survey is eight to 10 weeks. The process will include: soliciting participation, developing the survey collection instrument, programming of data, launching to participants, reviewing and verifying results, and distributing the report. The survey sponsor(s) should work with the vendor to determine the date that the data is effective. To comply with the Federal Trade Commission/Department of Justice Safe Harbor Guidelines, the survey should be published at least three months after the data effective date.

The fee for a custom survey is largely dependent on the jobs included, the number of participants, the depth of data elements covered, and whether policies and practices information is included in the report. There are numerous ways to make sponsoring a custom survey more affordable:

1. **Conduct a feasibility study before launching a new survey**

Perhaps the biggest challenge in running a custom survey is securing participation. It can be difficult and time consuming to identify the correct human resource/compensation contacts at the targeted organizations and to convince them to take part. Typically the sponsor covers the entire survey cost, allowing participants to receive a complimentary survey report, which can help bring them into the process. Response rates for salary surveys tend to be low, so it is important that the number of participants is as large as possible. The survey vendor can only report data when there are responses from at least five organizations, and since participants may not match to every position, it is advisable to invite as many peers as possible to join the survey. When asked to conduct a custom survey, many survey vendors (including Pearl Meyer) will strongly advise clients to conduct a feasibility study before proceeding. During this relatively inexpensive step, the vendor creates a prospectus document with all of the key survey information including the value proposition, identifies contact information at the targeted organizations, distributes the material to prospects, and follows up with telephone calls and email messages to encourage participation. At the end of this process, which typically takes about two weeks, there is a list of committed participants to share with the sponsoring organization, who can then determine whether to proceed.



2. Enlist Co-Sponsors

You can cut the cost of a custom survey in half (or more) by partnering with other organizations. Identify other firms—often peers—that are also struggling to attract and retain the roles covered in the survey and ask them to help sponsor the survey. A knowledgeable vendor should be able to recommend other organizations that may be willing to be co-sponsors.

3. Get to Work

Sponsors further reduce costs by helping to create some of the survey material (e.g., writing the job descriptions or drafting the policies and practices questions). Inquire with your survey vendor about other ways you can get directly involved to minimize fees. It's important to remember, however, that survey sponsors may never be involved in the collection of confidential survey data as Safe Harbor Guidelines state that a third-party vendor should be used in order to avoid wage collusion.

Custom salary surveys are a creative tool to consider when you are hiring for “hot” jobs and more non-traditional roles. You only have one chance when extending a job offer to a talented candidate, and metrics pulled from custom surveys will ensure that the proposed pay is competitive based on industry standards within your peer group. Similarly, when reviewing compensation for existing employees in non-traditional roles, a custom survey will offer a fresh perspective to help you retain these skilled employees for many years to come.

About the Author

Rebecca Toman is vice president of the survey business unit at Pearl Meyer. In this role, Rebecca designs and publishes compensation and benefits surveys for a wide range of industries and employee populations. Rebecca is also a faculty member in the Business and Economics department at Framingham State University where she teaches a graduate course on Compensation and Performance Management.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management on the alignment of executive compensation with business and leadership strategy, making pay programs a powerful catalyst for value creation and competitive advantage. Pearl Meyer's global clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private companies to the Fortune 500 and FTSE 350. The firm has offices in New York, Atlanta, Boston, Charlotte, Chicago, Houston, London, and Los Angeles.



Pearl Meyer

NEW YORK

570 Lexington Avenue, 7th Floor
New York, NY 10022
(212) 644-2300
newyork@pearlmeyer.com

ATLANTA

One Alliance Center
3500 Lenox Road, NE, Suite 1708
Atlanta, GA 30326
(770) 261-4080
atlanta@pearlmeyer.com

BOSTON

93 Worcester Street, Suite 100
Wellesley, MA 02481
(508) 460-9600
boston@pearlmeyer.com

CHARLOTTE

3326 Siskey Parkway, Suite 330
Matthews, NC 28105
(704) 844-6626
charlotte@pearlmeyer.com

CHICAGO

123 N. Wacker Drive, Suite 860
Chicago, IL 60606
(312) 242-3050
chicago@pearlmeyer.com

HOUSTON

Three Riverway, Suite 1575
Houston, TX 77056
(713) 568-2200
houston@pearlmeyer.com

LONDON

Collegiate House
9 St. Thomas Street
London SE1 9RY
+44 (0)20 3384 6711
london@pearlmeyer.com

LOS ANGELES

550 S. Hope Street, Suite 1600
Los Angeles, CA 90071
(213) 438-6500
losangeles@pearlmeyer.com

**For more information on
Pearl Meyer, visit us at
www.pearlmeyer.com or
contact us at (212) 644-2300.**