

## Compensation: The Elephant in the Room

By Amy Polefrone and Kim Grounds

**HR Strategy Group, LLC**

Compensation is a touchy subject among employees and employers. Often staff members will have questions about why their salary doesn't match the "average salary" for the position when they download information off the web. Employers question why do we give pay raises across the board when some positions should really have a cap? They wonder what really is the best pay structure and what are we trying to reward? Both groups have questions and they are rarely ones that are openly and easily discussed.

For both employers and employees, using tools such as compensation studies can assist in providing baseline data to make informed decisions. Whether your company is expanding and you need to understand how to "price" new positions, or you are considering going for a higher position in your company and you want to understand its earning potential – compensation studies can provide a wealth of information.

Many tools are available on the market to assist in this area and we have recently selected **PayScale** as our compensation report vendor. **PayScale** offers comprehensive tools that allow us to obtain information specific to your company size, industry, location, and employment positions. We can designate specific skill sets that your staff members possess to define pay ranges vs. forcing you to use more generic job descriptions that don't accurately reflect your workforce. Whether you are looking to determine the appropriate pay range for a particular position or you are trying to define an entire compensation structure for a new division, compensation studies provide vital insight for HR and management decision makers.

Recently, **HR Strategy Group** did an analysis for a client, a government contractor specializing in Information Technology, using **PayScale** for the compensation report. After providing input for a set of job positions, including certifications required, number of year experience, number of staff being supervised, etc., into **PayScale**, we are able to produce a **Compensation and Benefits Summary** specific to the client's requirements. It included salary information by employer type, number of employees, skills and experience, and more. Other key areas for this employer included data by security clearance level and specific network training and certification level. With the vast amount of data specific to your employees and candidates all at your finger tips, you can more accurately define salary ranges and entire pay structures for your staff and even contractors. Based on information updated daily, **PayScale** provides the most up-to-date data available – you no longer need to rely on analyses that are available based on data gathered once a year. Then, we can use that data to make informed decisions on how to shape the compensation program in your company!

“Knowledge is power” and using compensation studies, you can make informed decisions for your business. To learn how **HR Strategy Group** can support you in defining your compensation strategy, contact us today at 410-505-8723 or [amy@hrstrategygroup.com](mailto:amy@hrstrategygroup.com).

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