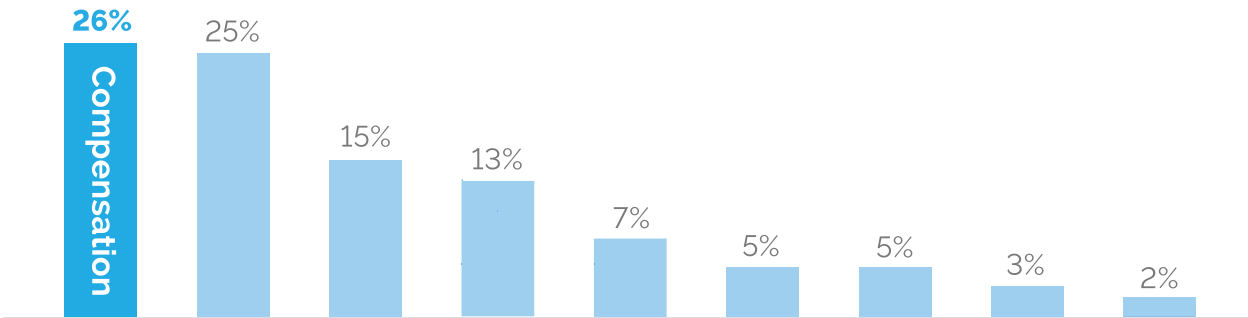


How to Decide Which Jobs
to Include in Your
**Compensation
Study**



How to Decide Which Jobs to Include in Your Compensation Study

In an ever-tightening labor market, employers who want to attract and retain top talent can't afford to ignore a desire for appropriate and competitive compensation. A recent survey by The QTI Group revealed that **compensation was the number one reason employees resigned**. However, less than half of employers surveyed regularly review their workers' pay for market competitiveness. Given competing business priorities, **what's an HR pro to do?**



To start, employers can leverage compensation studies to make sure their pay structures are fair, realistic, and competitive in today's market. Here's how:

Anatomy of a Good Compensation Study

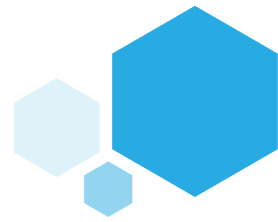


When determining which jobs to include in your compensation study, start by identifying all of the unique jobs within your company, including the number of people in each job and their pay grade, if utilized, within the organization.

Ideally, you want to have at least 70% of your employee population represented.

Compensation Study

A compensation study is a tool used to help determine market pay for one or more jobs in an organization using reputable compensation data sources. Employee data can then be compared to the market data to get a sense of competitiveness.



Key Considerations:

Based on business initiatives, you may need to add or remove jobs from the list before launching a study. The following considerations may help you refine your focus:

Reasons for Adding Jobs

They're critical to your business.

While all jobs may be important to keeping your company running successfully, you should be sure to include all of the critical jobs in your compensation study to ensure market competitiveness. These may be single incumbent jobs (e.g., chief executive officer), but still add great value to the business.

They are part of broader initiatives.

If the compensation study is intended to support broader initiatives (e.g., short-term incentive plan design), jobs may need to be added to reflect the eligible population.

Their grade level is not sufficiently represented.

When assessing pay grades, it is best practice to have at least three to five jobs per grade, preferably more. Add jobs to the list, where appropriate, to meet this threshold.

They have high turnover.

Jobs having issues being filled may be selected for the study to better understand why they aren't being filled and if a change in compensation could be the solution.

Reasons for Removing Jobs

They're well represented.

If you are trying to remove jobs from your list, you may want to target roles that are overrepresented (again, try to have at least three to five jobs per grade, preferably more, included in the study).

They are similar to other jobs that are already included.

When jobs are similar in level and responsibility (e.g., administrative assistant - marketing and administrative assistant - human resources), you may choose to price only one of them.

Their roles are unique to your company.





Jobs that are unique to your company are also candidates for removal. These jobs may have few market matches available anyway.

They never stay open for long.

If a job is always easy to fill, the position may be attractive enough in the market and most likely wouldn't need compensation changes. However, a compensation study may be helpful to understand if pay levels are set too high.

What's an HR pro to do?

Every compensation study can and should be unique. However, there are a few essential steps that can be applied across the board to ensure your study will yield actionable insights for your business:

-  Inventory all job types, noting those that are highly unique to your business
-  Revise your list based on representation, priorities, and other relevant considerations
-  Evaluate your sample and compare with multiple reputable benchmarks
-  Review findings with stakeholders to determine if compensation updates are necessary

Need a hand or a second opinion? We can help you perform an effective compensation study.

ABOUT THE QTI GROUP

The QTI Group, headquartered in Madison, WI, is a privately owned human resources (HR) organization providing staffing solutions, professional and executive recruiting, HR consulting, and HR partnership services to businesses and organizations. Our key services help businesses compete, gain ground, lead, and succeed. The QTI Group has been an active member of the business community since 1957. With a rich history of growth, innovation, and community engagement, QTI has nine offices in Wisconsin. For more information about how The QTI Group can help you with your human resources needs, call **608.257.1057** or email **qti@qtigroup.com**.