

Fitting Survey Data to Your Reality

There may not be many companies exactly like yours in business strategy, organization structure, job design, etc.



Survey jobs must be defined broadly enough that they match to and can provide comparisons across a range of jobs and companies, so that a critical mass of pay data can be collected.

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Is the survey description a close enough fit to our job and its responsibility?

The 70% Rule

As a general **rule of thumb**, we consider a valid “match” to be one where 70% or more of the survey job content is similar to the content of your company’s job



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What if your company's job is a little broader or narrower in scope?

- Your Machine Operator position is responsible for the quality of their work to a degree that is unique among similar jobs at other companies.



Adjustment factors

Large differences: add or subtract 10%

Small differences: add or subtract 5%



Manufacturers Alliance

Sharing Education & Resources Peer-to-Peer

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Hybrid Jobs

Positions where employees wear multiple hats, where they cover a combination of responsibilities that are typically stand-alone jobs in other companies.

There are multiple approaches, but the trick is matching the approach to the particular talent “purchase” scenario.

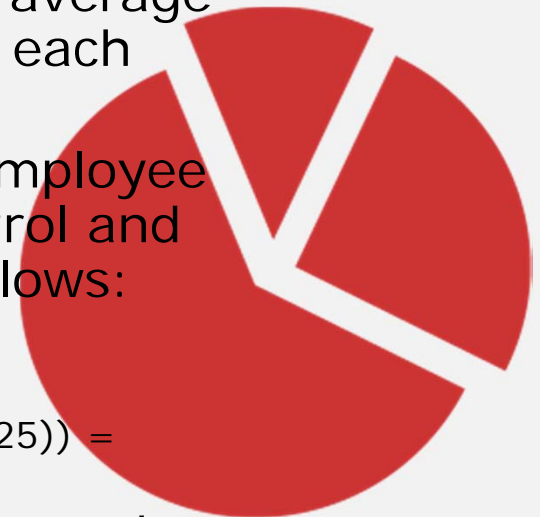


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Hybrid Jobs

Approach 1: The Proportional Split

- Identifying job matches and collecting survey pay rates for each function, then calculating a weighted average which reflects the proportion of time spent on each function.
- For example, calculating the pay rate for an employee who spends 75% of time doing inventory control and 25% of time doing purchasing would go as follows:
 - Purchasing Survey Going Rate (\$55,000)
 - Inventory Control Survey Going Rate (\$57,000)
 - Estimated Pay Rate for Job $((\$55,000 \times .75) + (\$57,000 \times .25)) = \$55,500$
- Most common approach. Best suited for situations where no significant disparity in value or skill level is being straddled.

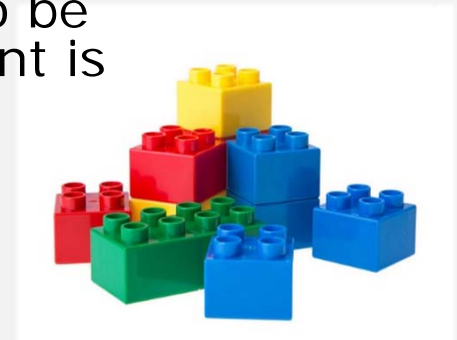


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Approach 2: Setting Rate at Highest Valued Skill

- May identify job matches and collect survey pay rates for each function, but pay rate is set at the level of the highest valued skill which must be “purchased.”
- For example, setting the pay rate for a senior and highly specialized project engineer who will also be supervising a small production team. Time spent is 60% engineering, 40% supervising:
 - Project Engineer Survey Going Rate (\$93,000)
 - Production Supervisor Survey Going Rate (\$63,000)
 - Recommended Pay Rate for Job \$93,000
 - WHY?
- Best suited for situations where you cannot attract and retain an employee with the higher priced skillset unless you pay the higher price.



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Approach 3: Setting Rate at Highest Valued Skill PLUS Premium

- May identify job matches and collect survey pay rates for each function, but pay rate set at a premium (typically 10%) above the level of the highest valued skill which must be “purchased.”
- For example, setting the pay rate for a senior and highly specialized project engineer who will also be supervising a small production team. Time spent is 60% engineering, 40% on supervision:
 - Project Engineer Survey Going Rate (\$93,000)
 - Production Supervisor Survey Going Rate (\$63,000)
 - Recommended Pay Rate for Job $\$93,000 + 10\% = \$102,300$
 - WHY?
- Less common but sometimes required in situations where you cannot attract and retain an employee with the higher priced skillset unless you provide a premium above the going rate for their highest valued skillset to address the additional responsibilities.

