



Compensation Survey Planner:  
*A Compensation Survey Development Tool*

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## INTRODUCTION

Answering the questions: "Are our employees paid competitively?" and "What are the trends in our industry?" present ongoing challenges for organizations of all types and sizes. To accomplish the job, a standard tool of compensation professionals is the *survey*. This survey planning tool is provided to client firms of Denarius Human Resources, Inc. to facilitate a discussion so that project objectives and survey design are efficiently completed.

Participants in today's discussion:

Date: \_\_\_\_\_

_____	_____
_____	_____
_____	_____

## SURVEY OBJECTIVES

1. **What** are the *key* questions which we should be able to answer by the time the survey project is completed?
2. **How** will the information gained from the survey be used? **When** is this information needed?
3. **What decisions** will be made/**what actions** will be guided by the information provided by the survey? **When** will these decisions be made? **Who** will make them?
4. **How** will the survey results need to be reported to the people who will use the information? **What formats** do they prefer for analyzing/understanding competitive benchmarking data? (graphical, tabular, text, other)
5. **What** are the internal practices/benchmarks/standards/information that the survey results will be compared to?

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## SURVEY SPONSOR TEAM

Note: You may need to go through other questions in this planning tool before the following questions can be answered.

6. Who is the *executive sponsor* of the survey project?
7. Is there a *budget* for the survey project?
8. Who are the *internal* contacts that should participate in the survey project? If possible, list the project team.
9. What role will each person have? (Complete the following chart.)

Major Task	Role					
	<i>Note initials of person responsible for task and date due.</i>					
	Input	Do Task	Review	Approve	Coordinate	Due Date
Determine method of surveying						
Establish participant list						
Define survey jobs						
Develop survey questions						
Distribute the survey						
Compile survey data						
Define format of survey report						
Analyze survey data						
Draft survey report						
Produce survey report						
Distribute survey report						

## SURVEY PARTICIPANTS

10. What are the names of the organizations which should be invited to participate?  
(*Make separate list if needed.*)
11. Is a list of *contact names* (person & organization), *addresses* and *phone numbers* for each of the participating organizations available, or will one need to be developed?
  - Available now
  - Needs to be developed. Who will develop the list? \_\_\_\_\_
12. Are the participating companies generally aware of the intention to conduct a survey?

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13. Have you exchanged compensation practice information with the participants in the past?

14. Will it be OK if the participants know who is the survey sponsor?

15. Is it OK to provide each survey participant with a *summary of results*?

16. Can the survey participants be assured of confidentiality of their data submissions?

## SURVEY JOBS

17. What job titles will be included in the survey?  
(*Make separate list if needed.*)

18. Are written descriptions of the jobs available, or will they need to be developed?

Available now

Need to be developed. Who will develop them? \_\_\_\_\_

## SURVEY DATA

19. What **CASH COMPENSATION** programs will be surveyed?

	Program Design *	Actual Amounts Paid	Notes
Base salary			
Short term ( <i>One year or less</i> ) cash incentive programs			
Long term ( <i>More than one year</i> ) cash incentive programs			
Other cash payments			

\* *Program design includes structural components of program, salary ranges, merit increase guideline amounts, payouts under hypothetical business results scenarios, eligibility criteria, etc.*

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20. What **COMPENSATION STATISTICS** are needed (Refer also to Survey Objectives.):

- Low/High
- Median
- Average
- Weighted Average
- P75/P25
- P90/P10
- Job match quality
- Availability of incumbents
- Position scope data

21. What **NON-CASH COMPENSATION** items should be included?

	Program Design *	Actual Awards	Notes
Executive comp programs			
Benefits			
Perquisites			
Other			

22. What **ORGANIZATION PRACTICES** need to be surveyed? (See list provided separately.)

23. What **GENERAL INFORMATION** about participants should be included?

- Revenues
- Employees
- Union/non-union
- Other

## SURVEY METHOD

24. What method will be used to conduct the survey?

- Telephone
- Mail (hard copy and / or electronic)
- On-site visits

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### SPECIAL CLIENT SERVICE NEEDS

25. In what aspects of the survey does the client want to be most actively involved? (Refer again to the section on Survey Sponsor Team.)
  
  
  
  
  
  
  
  
  
  
26. What are the most important things for Denarius Human Resources, Inc. to know about how we can be of most assistance in this project?
  
  
  
  
  
  
  
  
  
  
27. What does the client **not want**?
  
  
  
  
  
  
  
  
  
  
28. **When should we talk** to one another? What is the best way to communicate?
  
  
  
  
  
  
  
  
  
  
29. What **must** stay confidential?

## APPENDIX A

### Additional Tips on Planning a Compensation Survey

#### Major steps in a typical survey project, and general guidelines regarding total time estimates:

- Establishing survey specifications (20%)
- Preparing survey materials (25%)
- Obtaining survey data (15%)  
(Higher with telephone survey; much higher with personal visits to participants)
- Survey data review and preparing participant report (25%)
- Completing specialized client survey analysis and assisting client with interpretation and actions related to results (15%)

*Note: Whether conducted totally by the sponsoring organization or with the assistance of an outside service firm, the time required (and therefore the "cost") of a compensation survey is driven by: 1) the number of jobs surveyed; 2) the survey method (personal visits and sometimes telephone survey techniques may be considerably more expensive); and 3) the number of organizations which participate.*

*Other aspects which have an important impact on the time and cost of conducting a survey include the extent of organization practice questions included, the comprehensiveness of the survey results report, and the extent of analysis of survey results.*

#### Comparison of Alternatives for Cash Compensation Surveys

	Description	Advantage	Disadvantage
<b>Salary Indexing</b>	Uses general salary information. Estimates competitive pay based on comparison to national norms indexed (adjusted) to specific geographic areas.	<ul style="list-style-type: none"> <li>√ Cheapest</li> <li>√ Quickest</li> </ul>	<ul style="list-style-type: none"> <li>√ Lower reliability</li> <li>√ Precision</li> <li>√ Management/employee communications</li> </ul>
<b>Published Surveys</b>	Wage and salary surveys sponsored by an association, industry group or consulting firm.	<ul style="list-style-type: none"> <li>√ Readily available</li> <li>√ Reasonable cost</li> </ul>	<ul style="list-style-type: none"> <li>√ Irregular quality</li> <li>√ Irregular job matches</li> <li>√ Controlled by sponsor</li> <li>√ May not include key jobs</li> </ul>
<b>Custom Surveys</b>	Survey sponsored by organization needing the information. In other respects, may be similar to "Published Surveys."	<ul style="list-style-type: none"> <li>√ Sponsor control over data and participants</li> <li>√ Data credibility to employees</li> <li>√ Best job matches</li> <li>√ Sponsor control</li> </ul>	<ul style="list-style-type: none"> <li>√ May be costly</li> <li>√ May be time consuming</li> </ul>

## APPENDIX B

### Organization Practices

*This list, while not exhaustive, includes items that are often the subject of compensation surveys.*

#### Methods of Organization and Doing Work

- Organization hierarchy (organization chart)
- Use of self-managed work teams, quality circles
- Other employee involvement techniques
- Job sharing

#### Salary Administration Practices

- Job evaluation
- Salary grades and ranges
- Job descriptions
- Performance evaluation
- Skills based pay
- Broad banding pay practice
- Salary adjustments
- Career ladders

#### Incentive Programs

- Individual employee incentives
- Sales incentives
- Gainsharing
- Team/small group incentive programs
- Employee Stock Ownership Plans (ESOPs)
- Cash profit sharing
- Pay-for-quality reward programs

#### Recruiting and Retention Issues

- Sign-on bonuses
- Referral bonuses

#### Executive Compensation

- Annual incentive plans
- Long term incentive plans
- Stock options
- Restricted stock
- Other stock-based pay
- Compensation of the Board of Directors

#### Benefit Programs

- Health
- Dental
- Disability
- Time off with pay
- Leaves of absence
- Pension, profit sharing, 401(k)
- Life and survivor protection plans

#### Perquisites

- Perquisites
- Car
- Travel
- Spouse travel
- Supplemental pension plans/ERISA excess plans
- Non-qualified, deferred compensation plans
- Club memberships

#### General Work Issues

- Hours of work
- Overtime pay practices
- Shift differentials
- Call-in pay/on-call and other premiums
- Meals
- Uniforms & tools
- Educational assistance
- Child/elder care arrangements
- Company sponsored activities
- Career planning
- Pre-retirement counseling
- Severance pay
- Vehicle allowances/Mileage reimbursement
- Relocation practices
- Smoking policy
- Drug testing