

Compensation Programs and Practices Survey

A Report by WorldatWork,
Underwritten by Aon Hewitt
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research





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Introduction & Methodology

This report summarizes the results of a May 2016 survey of WorldatWork members to gather information about trends in compensation programs and practices. This survey focuses on the prevalence of base and variable pay programs as well as common practices used to administer and communicate these programs in today's workplace.

On May 18, 2016, survey invitations were sent electronically to 5,404 WorldatWork members. Participants were randomly selected U.S. and international WorldatWork members who have designated compensation and benefits in their titles.

The survey closed on June 3, 2016 with 660 responses, a 12% response rate. The dataset was cleaned and analyzed using statistical software. Any duplicate records were removed, resulting in a final dataset of 600 responses. Data comparisons with any relevant, statistically significant differences are noted in this report.

The demographics of the survey sample and the respondents are similar to the WorldatWork membership as a whole. The typical WorldatWork member works at the managerial level or higher in the headquarters of a large company in North America.

The frequencies or response distributions listed in the report show the number of times or percentage of times a value appears in a dataset. Due to rounding, frequencies of data responses provided in this survey may not total 100%.

WorldatWork conducted similar compensation practices surveys in 2014, 2012, 2010 and 2003. These reports can be viewed on the WorldatWork [website](#). Where possible, historical comparisons from data gathered in the previous survey are shown.

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Demographics

Figure 1: “Your organization is:” (n=552)

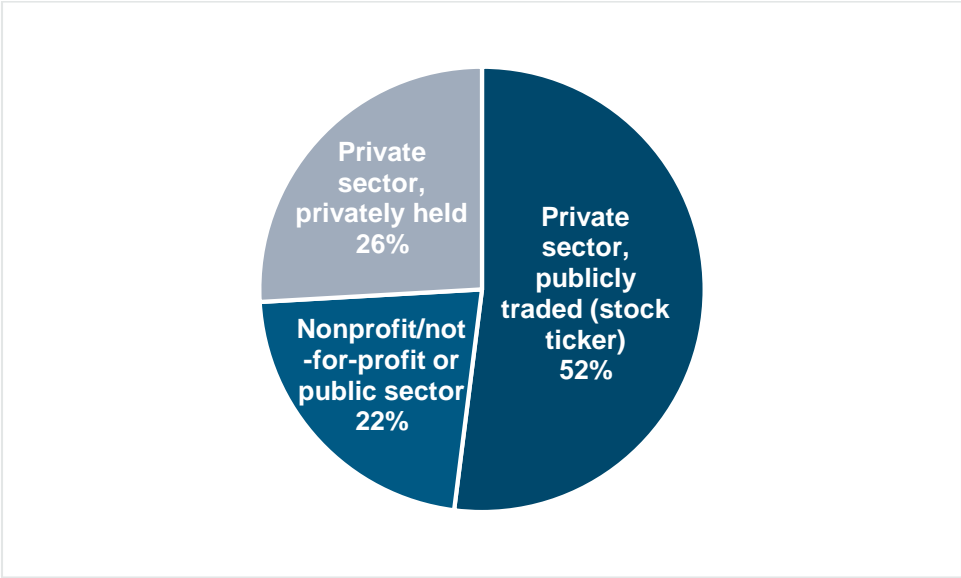


Figure 2: “Please choose the total number of full-time employees (FTEs) your organization employs worldwide:” (n=553)

Option	Percentage
Fewer than 100 employees	1%
100 to 499	3%
500 to 999	6%
1,000 to 2,499	19%
2,500 to 4,999	18%
5,000 to 9,999	20%
10,000 to 19,999	13%
20,000 to 39,999	7%
40,000 to 99,999	8%
100,000 or more employees	4%

Figure 3: “Please choose one category that best describes the industry in which your organization operates:” (n=554)
Industries with less than 2% are not listed in this table.

Option	Percentage
All Other Manufacturing	14%
Finance & Insurance	13%
Health Care & Social Assistance	11%
Consulting, Professional, Scientific & Technical Services	7%
Utilities, Oil & Gas	7%
Information (includes Publishing, IT, etc.)	5%
Retail Trade	5%
Computer & Electronic Manufacturing	3%
Public Administration	3%
Accommodations & Food Services	2%
Arts, Entertainment & Recreation	2%
Educational Services	2%
Pharmaceuticals	2%
Other	18%

Figure 4: “What is the approximate annual voluntary turnover for employees?” (n=521)

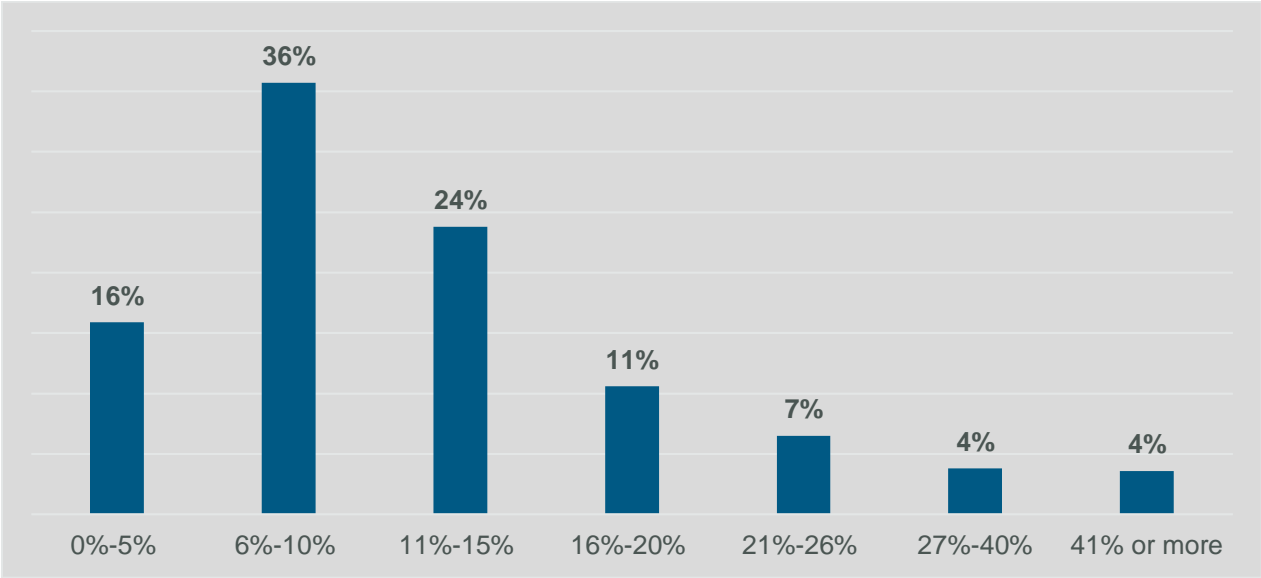
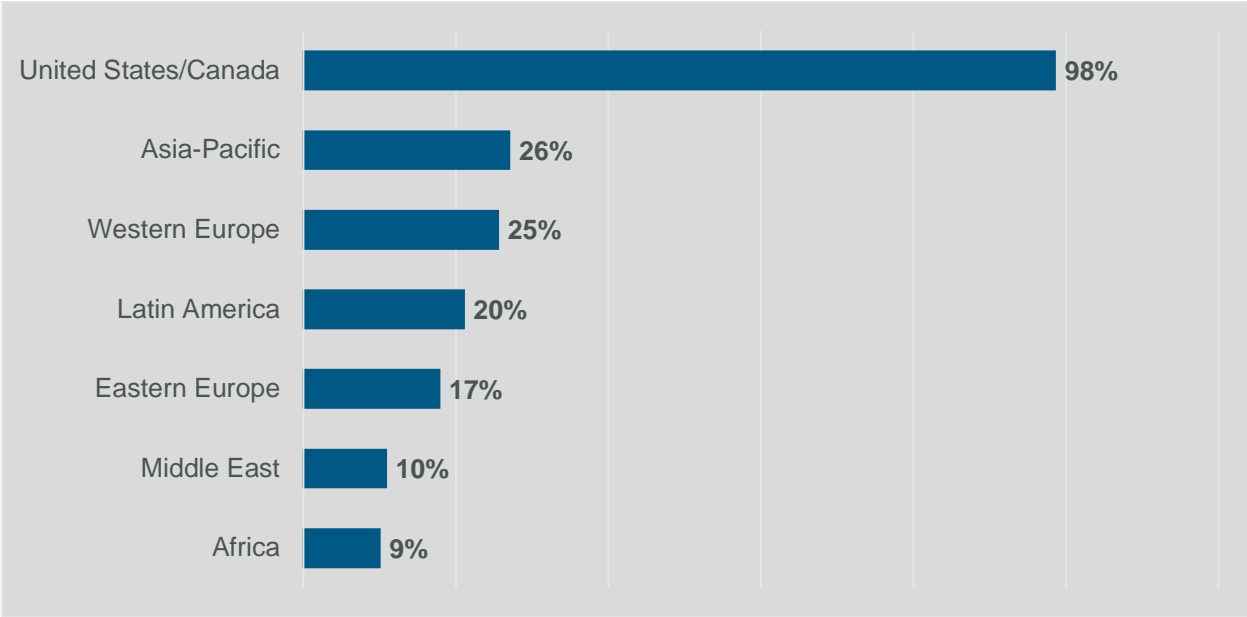
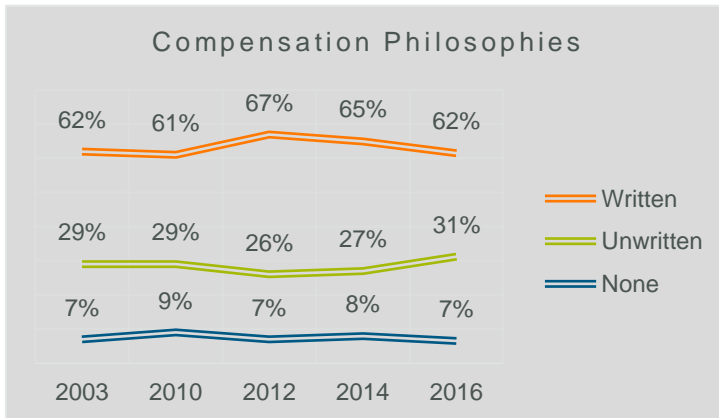


Figure 5: “For which regions of the world do you have responsibility? (Select all that apply.)” (n=599)



Executive Summary

More than 9 in 10 companies have a compensation philosophy. 62% have a written policy and 31% have an unwritten policy. (See Figure 6.) For the purposes of this survey, compensation philosophy is defined as a statement explaining an organization's beliefs about how people should be paid, as well as how that pay should support the business strategy and fit within organization culture. A key component is how the organization intends to pay its people relative to its competitors (i.e., the desired market position).



While the majority of all organizations have a compensation philosophy, 53% indicate that most or all employees do not understand it. (See Figure 7.) Furthermore, 46% of organizations indicate they share minimal information with employees regarding their individual salaries. (See Figure 29.)

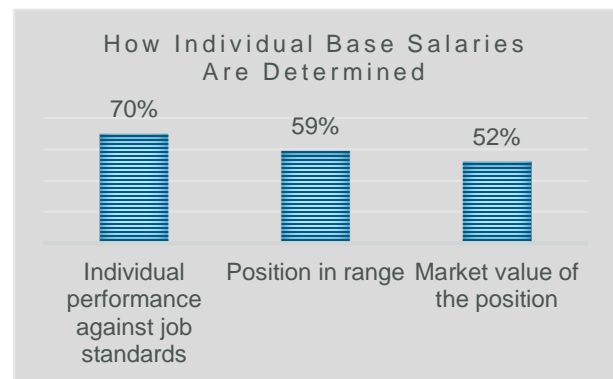
88% of organizations use variable pay, not including sales commission plans, as shown in Figure 10, and the most frequent type of plans used by those companies are bonuses (81%), followed by recognition (65%) and

performance sharing (62%). (See Figure 11.)

Individual Base Salary Increase Determination

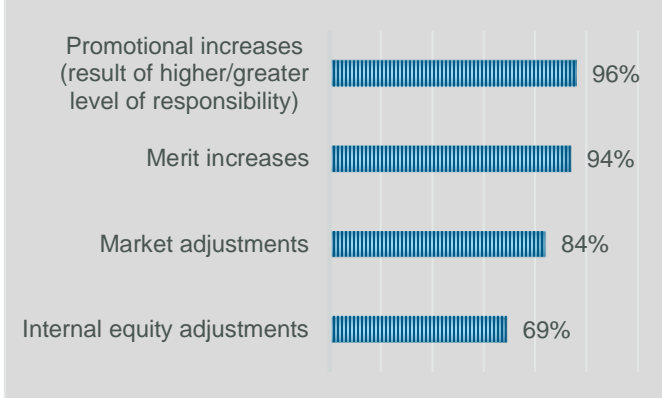
Individual base salary increases are often determined by individual performance against job standards (70%), followed by position in range (59%) and market value of the position (52%). (See Figure 13.)

More than 80% of organizations have a formal employee performance management program with a rating that is shared with the employee. (See Figure 14.) However, 67% of companies do not rank employees. Of the 32% that rank employees based on performance, 15% of those rankings are integrated with rankings of employees of other managers or the entire department/division. (See Figure 14a.) 65% of organizations tie salary increases to performance rating and 22% of salary increases are influenced by ranking. (See Figure 14b.)



Moderate variation, an increase for top performers that is 1.5 times the average, continues to be the most typical variation in salary increase between average and top performers. (See Figure 15.) While many organizations continue to rely on a merit matrix used as a guide for determining annual increases (44%), with discretion to deviate if appropriate, an increasingly large number of companies cited that no guidance is provided other than the overall budget figure (13%). This increase suggests that organizations are placing a larger responsibility on line managers in making salary increase decisions. (See Figure 16.)

Types of Salary Increases Awarded



Nearly all organizations award some or all employees promotional increases (a result of higher/greater level of responsibility) (96%) and merit increases (94%), and trending upward this year, market adjustments (84%). (See Figure 28.)

Base Salary Structure Design

91% of organizations that use market pricing to determine the value of jobs, and 53% assess the market value of jobs on an annual basis. (See Figures 9 and 21.) Most organizations (84%) use

formal salary structures, and 58% have five or more separate structures in place. (See Figures 22 and 24.) These structures are most often defined or identified by geographic region (60%) or job category/role (48%), as shown in Figure 25, and regularly consist of salary grades. (See Figure 26.)

Pay Program Communications

The number of organizations providing minimal pay-related information continues to increase; 39% in 2014 to 46% in 2016. (See Figure 29.) While this appears contrary to the increased focus on pay transparency, it may be the result of a belief that since there has been little movement in budgets for the past several years, additional communication is unnecessary. This may create the mistaken impression that employees have enough information when in fact, the opposite may be the case. When information about the pay program is communicated to employees, it is most often through individual discussions with supervisors (81%). (See Figure 30.) Typically, these conversations occur annually, practiced by 81% of organizations, as shown in Figure 31, and the discussions are approached through brief written communication (59%) or brief verbal communication (58%). (See Figure 32.)

Evaluation of Salary Policies and Practices

Management primarily uses employee turnover or retention data (61%) and employee satisfaction survey metrics (47%) to determine the effectiveness of salary programs. (See Figure 33.)

Compensation Data Administration and Analysis

Most organizations (38%) have one primary system to maintain compensation-related employee data, but it does not store any nonemployee data used by other functions, such as financial or logistics. 34% of organizations have an enterprise system that stores all employee data as well as data to manage other functions of the organization. (See Figure 34.) 97% of organizations purchase, lease or subscribe to their compensation-related employee data storage systems. (See Figure 35.) 53% of organization systems offer some analytical capability, but other programs are often required to perform additional analyses. (See Figure 36.) General compensation analyses, such as merit budgeting and salary structure adjustments, are performed by 97% of organizations. 70% use analyses related to pay equity in terms of ongoing pay levels or how merit increases have been allocated. (See Figure 37.)

Global Practices

For organizations with multinational operations, 82% have a compensation philosophy that is the same across the company (see Figure 38), and the majority of performance management programs are also applied consistently to all countries (86%). (See Figure 41.) 53% primarily or exclusively design variable

pay programs at the corporate level, although 47% do allow for limited adaptation at the local level. (See Figure 39.)

Results and Analysis

Compensation Philosophy

Figure 6: “Does your company have a compensation philosophy for paying employees?”

	2003	2010	2012	2014	2016
n=		1,381	996	621	600
We have a written compensation philosophy	62%	61%	67%	65%	62%
We have an unwritten compensation philosophy	29%	29%	26%	27%	31%
We do not have a compensation philosophy	7%	9%	7%	8%	7%
Other	2%	1%	1%	1%	1%

Figure 7: “To what extent do employees understand the company’s compensation philosophy?”

Participants responding, “We do not have a compensation philosophy” in Figure 6 did not receive this question.

	2003	2010	2012	2014	2016
n=		1,237	921	561	547
Virtually no employees understand the compensation philosophy	6%	7%	6%	7%	11%
Most do not understand the compensation philosophy	32%	35%	38%	38%	42%
About half of employees understand the compensation philosophy	28%	29%	28%	26%	27%
Most employees understand the compensation philosophy	31%	26%	26%	27%	19%
Virtually all employees understand the compensation philosophy	4%	3%	2%	1%	3%

Figure 8: “Compared to the relevant labor market, what is your organization’s:”

	n=	25 th percentile	Above 25 th but below 50 th percentile	50 th percentile, or median	Above 50 th but below 75 th percentile	75 th percentile or above
Base salary target (or goal)	560	0%	4%	89%	6%	1%
Base salary practice	557	1%	21%	67%	10%	1%
Total cash target (or goal)	478	1%	4%	80%	13%	3%
Total cash practice	478	2%	19%	60%	16%	4%

Figure 9: “How does your organization determine the relative value of jobs (job evaluation method)? (Select all that apply.)”

	2012	2014	2016
n=	989	611	590
Market pricing	88%	89%	91%
Classification	17%	18%	16%

Point factor	20%	18%	15%
Ranking	15%	13%	13%
Other method	7%	7%	7%
No method in place	1%	1%	1%

Figure 10: “Does your organization use variable pay (not including sales commission plans)?”¹

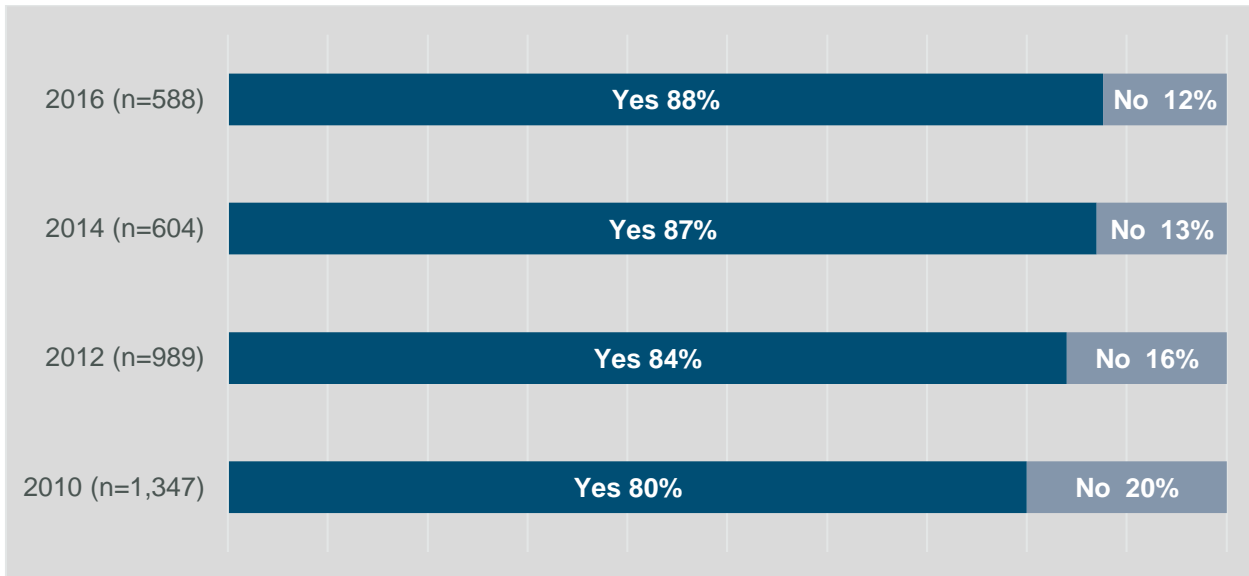


Figure 11: “Which of the following types of variable pay plans does your organization use for some or all employees? (Select all that apply.)” Only participants responding “Yes” in Figure 10 received this question.

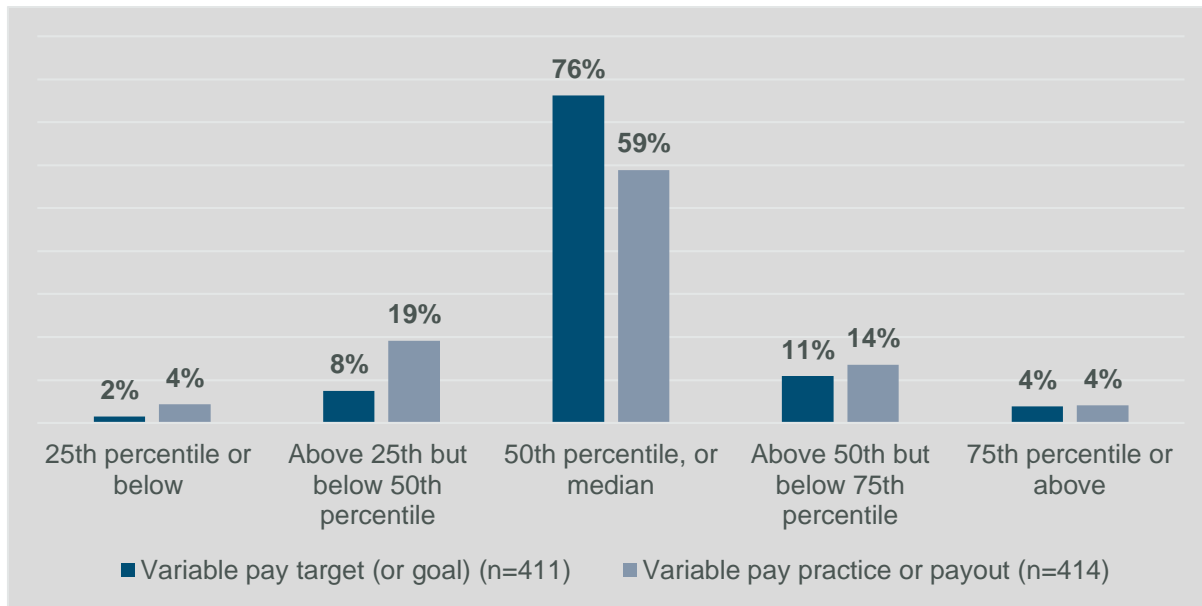
	2010	2012	2014	2016
n=	1,066	820	523	510
Bonuses (e.g., sign-on, retention)	59%	76%	82%	81% ²
Recognition (e.g., spot award)	60%	66%	66%	65%
Performance sharing (based on other financial or nonfinancial goals)	57%	58%	65%	62%
Individual incentives (other than sales incentives)	67%	59%	42%	39% ³
Profit sharing	19%	19%	19%	20%

¹ In 2016, the percentage of organizations using variable pay was statistically significantly higher (88%) than in 2012 (84%) and 2010 (80%).

² A statistically significantly higher percentage of participants cited using bonuses (e.g., sign-on, retention) as a type of variable pay in 2016 (81%) compared to 2010 (59%).

³ A statistically significantly lower percentage of participants cited using individual incentives (other than sales incentives) as a type of variable pay in 2016 (39%) than in 2012 (59%) and 2010 (67%).

Figure 12: “Compared to the relevant labor market what is your organization’s:” Only participants responding “Yes” in Figure 10 received this question.



Individual Base Salary Determination

Figure 13: “How are base salary increases typically determined for employees? (Select all that apply.)”

	2010	2012	2014	2016
n=	1,337	979	605	580
Individual performance against job standards	73%	66%	71%	70%
Position in range	54%	56%	59%	59%
Market value of the position	55%	50%	49%	52%
Individual performance against MBOs or similar personal objectives	44%	58%	49%	47%
Skill or competency acquisition	25%	20%	22%	25%
Education/certifications	10%	9%	10%	16%
Years of service	13%	9%	11%	14%
General increase – everyone receives the same increase	11%	12%	9%	14%
Other	4%	4%	6%	5%

Figure 14: “Do you have a formal employee performance management program, resulting in a performance rating or score that is shared with the employee?”

	2016
n=	581
We have a formal program with a performance rating that is shared with the employee	84%
We have a formal program with a performance rating, but the rating is not shared with the employee	2%
We formally assess performance, but do not assign a performance rating	8%

No, we do not formally assess performance	6%
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Figure 14a: “Does your organization rank employees based on performance?”

	2016
	n= 584
Managers rank their own employees, but rankings are not integrated with other managers’ teams/units	13%
Employees are ranked, and those rankings are integrated with rankings of employees of other managers or the entire department/division	15%
Employees are ranked, and those rankings are integrated with rankings of all employees of the organization	4%
No, we do not rank employees	67%

Figure 14b: “Are salary increases tied to the performance rating or ranking? (Select all that apply.)”
Participants responding “No” in both Figures 14 and 14a did not receive this question.

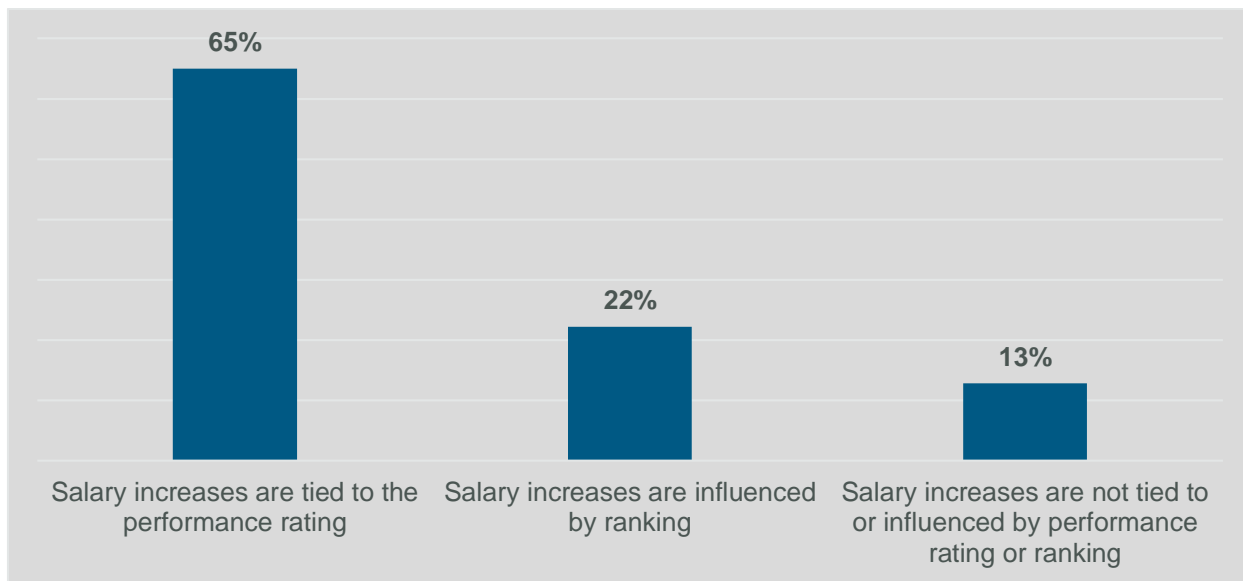


Figure 15: “If salary increases are based on performance, what is the typical variation in salary increases for 2016?”

	2010	2012	2014	2016
	n= 836	679	432	434
Base salary increase is based on something other than individual performance	1%	2%	3%	2%
No variation (approximately the same increase for everyone)	4%	4%	3%	4%
Small variation (increase for top performers is 1.25 times the average)	24%	24%	27%	28%
Moderate variation (increase for top performers is 1.5 times the average)	43%	45%	45%	45%
Considerable variation (increase for top performers is 2 times the average)	25%	23%	19%	20%
Extreme variation (increase for top performers is 3 times the average)	2%	2%	3%	1%

Figure 16: “If your organization allocates annual increases based on performance, indicate the method for determining the actual increase:”

	2012	2014	2016
n=	677	425	457
A merit matrix is published that managers use as a GUIDE, but they have discretion to deviate if deemed appropriate	51%	52%	44%
A merit matrix is published that managers MUST follow in which a specific RANGE of increases is published for each box of the matrix	11%	13%	11%
A merit matrix (position in range and performance rating) is published that managers MUST follow in which a specific percentage increase is published for each box of the matrix	12%	13%	10%
A specific guide providing one increase percentage or a range of increase percentages for each level of performance (position in salary range is not considered) is published as a GUIDE only	10%	10%	9%
A specific guide providing one increase percentage or a range of increase percentages for each level of performance (position in salary range is not considered) is published that MUST be followed	8%	6%	5%
Other type of guidance is provided	5%	5%	8%
No guidance is provided other than the overall budget figure	3%	1%	13%

Figure 17: “How many performance ratings levels/categories are used when assessing individual performance? (Please do not include levels such as ‘Too new to rate,’ ‘New hire,’ etc.)”

	2010	2012	2014	2016
n=	1,126	844	529	489
None	0%	0%	1%	0%
Two	0%	1%	1%	1%
Three	12%	12%	12%	12%
Four	27%	23%	20%	21%
Five	54%	57%	60%	58%
Six or more	7%	7%	7%	8%

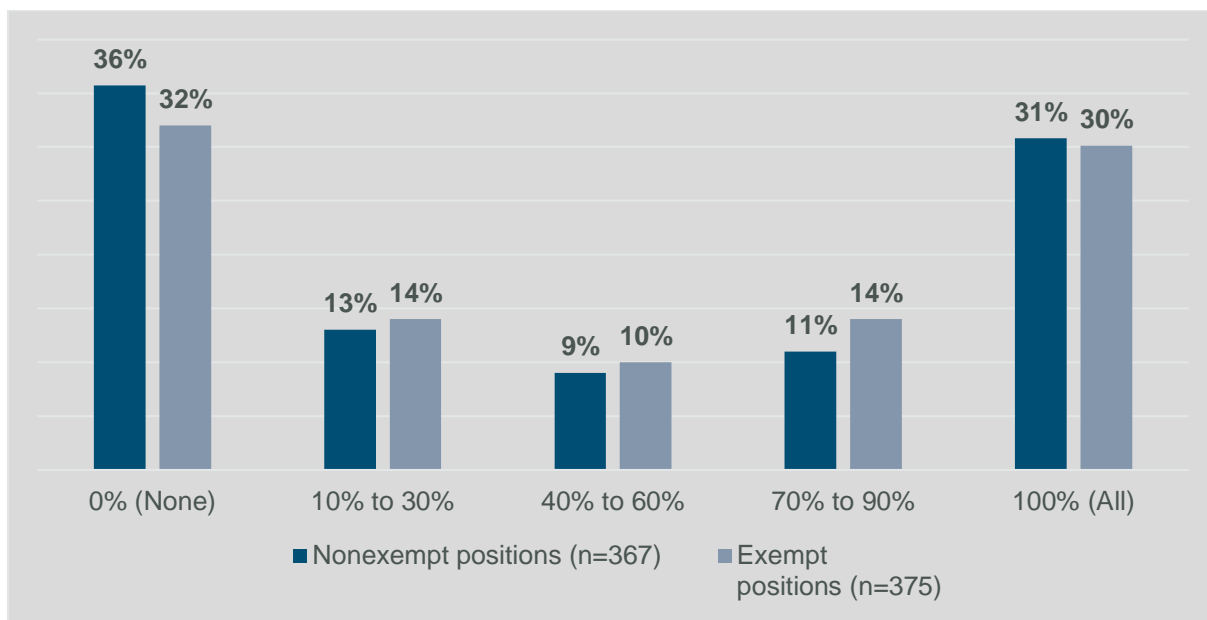
Figure 18: “How were employees distributed across these performance categories for 2015 or for the last performance period?”

	2010	2012	2014	2016
n=	1,112	839	526	485
Most people fell into the middle, with a bell-shaped distribution around the middle	54%	54%	50%	45%
Spread is skewed toward higher performance ratings	39%	41%	42%	43%
Spread is skewed toward lower performance ratings	1%	1%	1%	1%
Employees are spread approximately evenly across performance ratings	1%	0%	1%	2%
Do not track this information	5%	5%	6%	9%

Figure 19: “What portion of your organization’s U.S. positions/jobs are exempt from Fair Labor Standards Act of 1938 (FLSA) requirements?”

	2010	2012	2014	2016
n=	998	709	446	422
0% (None)	4%	3%	2%	3%
10% to 30%	32%	32%	36%	30%
40% to 60%	36%	38%	36%	38%
70% to 90%	26%	27%	27%	30%
100% (All)	1%	1%	0%	0%

Figure 20: “For what portion of your organization’s U.S. positions/jobs do you maintain FLSA exemption status documentation?”



Base Salary Structure Design

Figure 21: “How often do you assess the market value of jobs (i.e., pricing benchmarks or all jobs with salary survey data)?”

	2010	2012	2014	2016
n=	1,315	956	590	565
Once a year	55%	59%	57%	53%
Less than once every two years	5%	4%	3%	5%
Once every two years	13%	11%	14%	15%
Multiple times per year	7%	6%	6%	6%
Never	1%	0%	0%	1%
Not consistently (as needed based on market conditions)	19%	20%	20%	21%

Figure 22: “Does your organization use a formal salary structure(s)?”

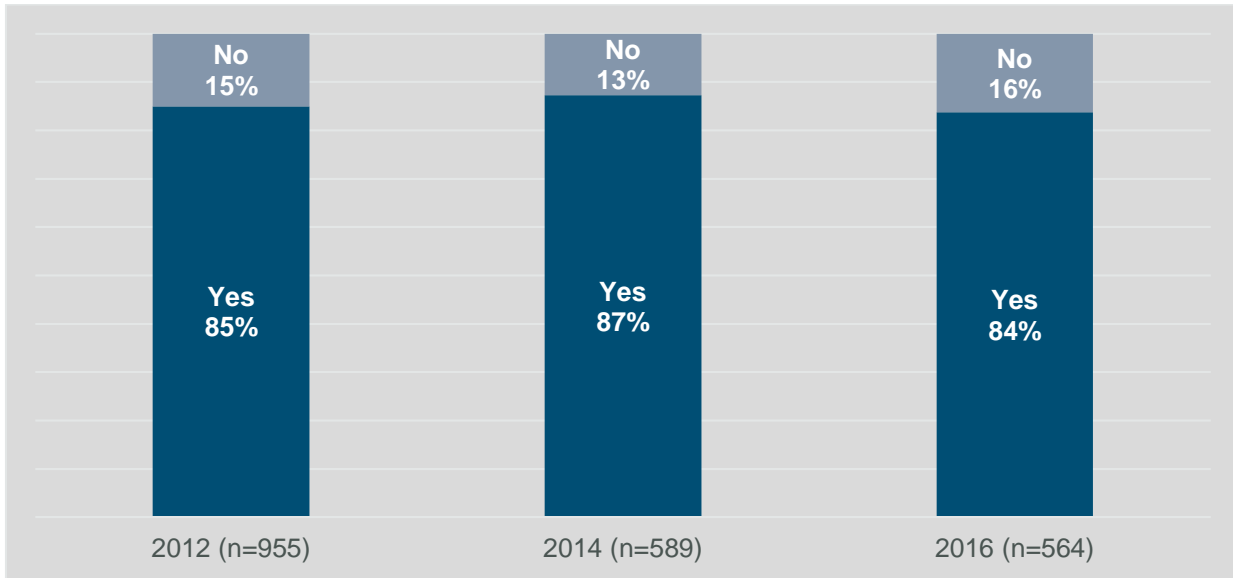


Figure 23: “How often do you typically adjust base salary structures for employees?”

	2010	2012	2014	2016
n=	1,280	929	514	469
Once a year	58%	55%	59%	60%
Not consistently adjusted (or as needed, based on market conditions)	30%	31%	24%	24%
Less than once every two years	3%	4%	3%	3%
Once every two years	9%	9%	14%	12%
Multiple times per year	0%	0%	0%	0%

Figure 23a: “Does your organization have more than one salary structure?”⁴

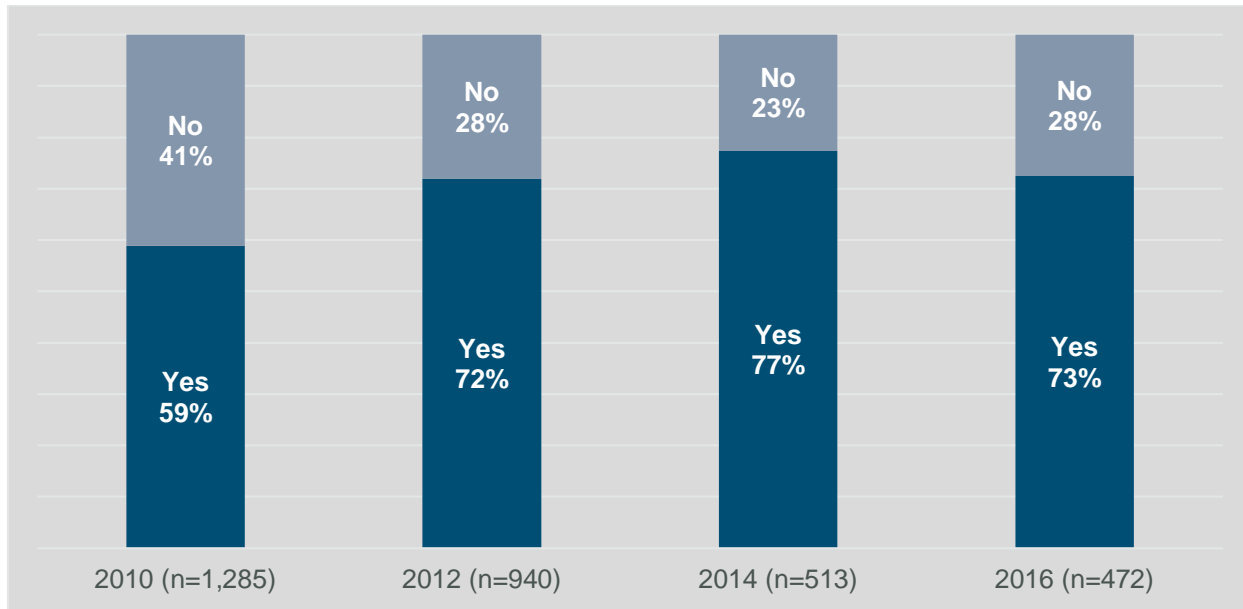
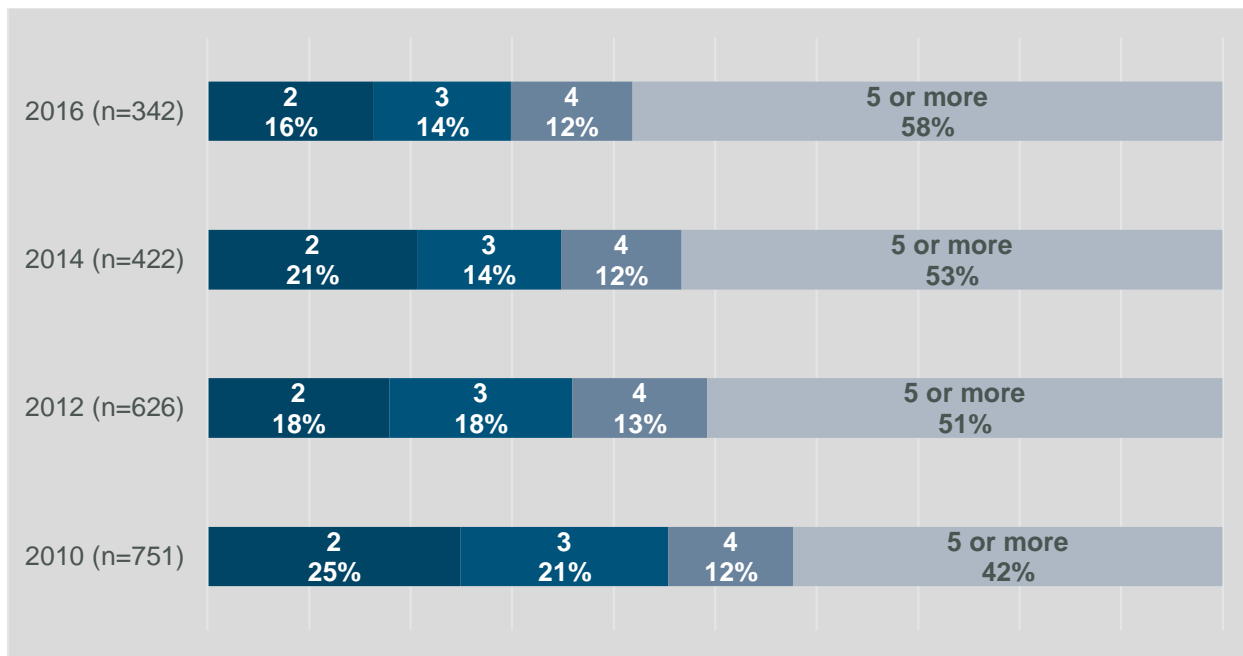


Figure 24: “How many separate structures are in place?”⁵ Only participants who answered “Yes” in Figure 23a received this question.



⁴ A statistically significant higher percentage of organizations have more than one salary structure in 2016 (73%) compared to 2010 (59%).

⁵ In 2016, a greater number of organizations have five or more separate structures in place (58%) than in 2010 (42%).

Figure 25: “How are the separate structures defined/identified? (Select all that apply.)”

	2010	2012	2014	2016
n=	836	627	433	341
By geographic region	45%	52%	52%	60% ⁶
By job category/role	32%	23%	44%	48% ⁷
By FLSA exemption status or other regulatory classification	35%	33%	27%	29%
By business unit/subsidiary	25%	31%	18%	17% ⁸
By bargaining unit/union	7%	5%	15%	13%
Other				
• By country	4%	4%	11%	6%

Figure 26: “Does your salary structure(s) consist of salary grades or broadbands?”

	2010	2012	2014	2016
n=	1,284	628	507	471
Salary grades	73%	86%	87%	89% ⁹
Broadbanding approach	14%	8%	9%	6%
Other				
• Mix of both approaches	13%	6%	5%	4%
• Step progression				

⁶ A statistically significantly higher percentage of organization’s structures are defined/identified by geographic region in 2016 (60%) than 2010 (45%).

⁷ In 2016, a greater number of organization’s structures are defined/identified by job category/role (48%) than in 2012 (23%) and in 2010 (32%).

⁸ A statistically significantly smaller percentage of organization’s structures are defined/identified by business unit/subsidiary in 2016 (17%) than 2012 (31%).

⁹ A statistically significantly higher percentage of organization’s salary structure(s) consist of salary grades in 2016 (89%) than 2010 (73%).

Figure 26a: “For hourly positions, what is the typical spread [(maximum/minimum) -1] of ranges in your structure(s)?” Only participants responding “Salary grades” in Figure 23 received this question.

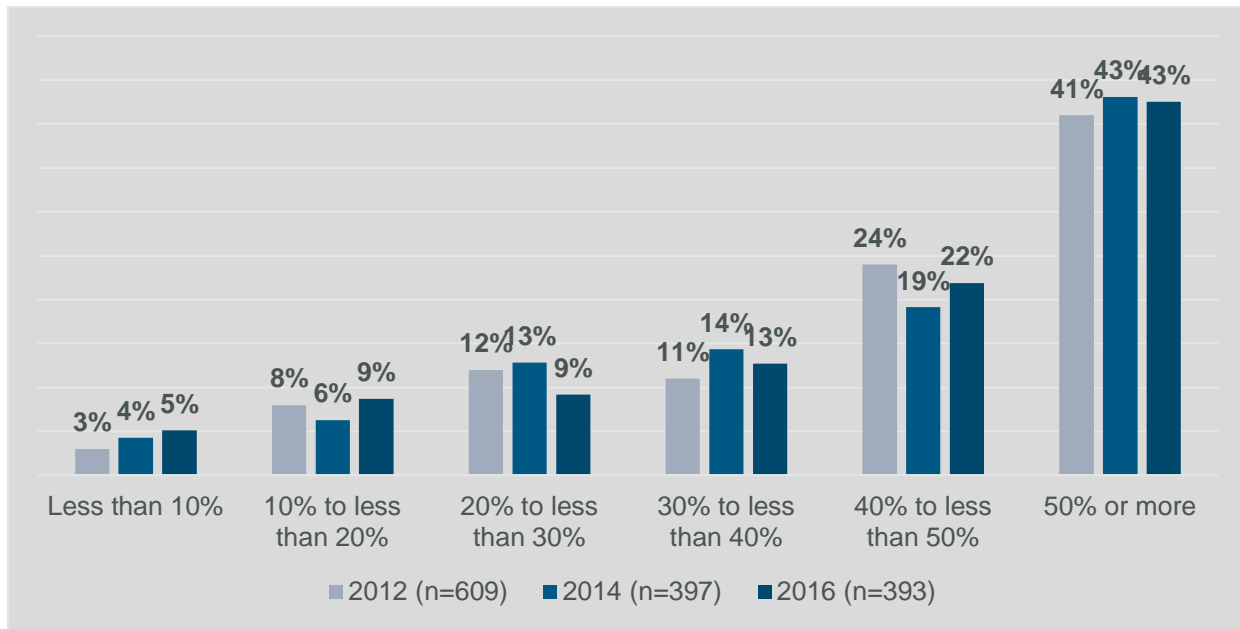


Figure 26b: “For salaried (except executive) positions, what is the typical spread [(maximum/minimum) -1] of ranges in your structure(s)?” Only participants responding “Salary grades” in Figure 23 received this question.

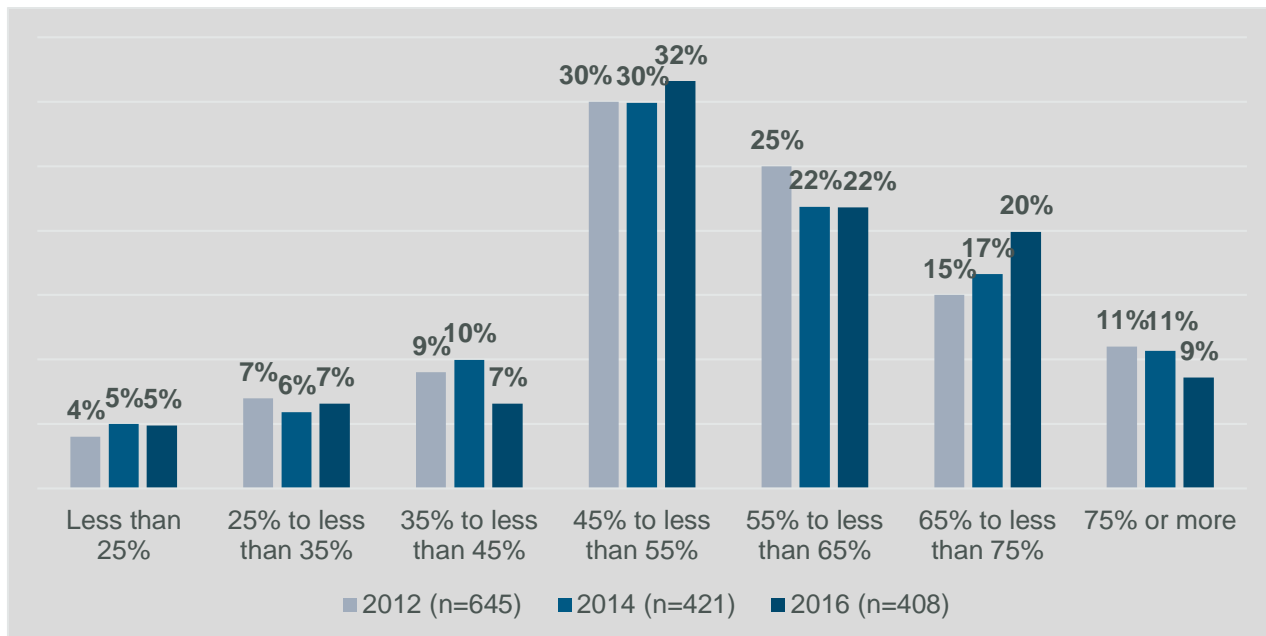


Figure 26c: “For executive positions, what is the typical spread [(maximum/minimum) -1] of ranges in your structure(s)?” Only participants responding “Salary grades” in Figure 23 received this question.

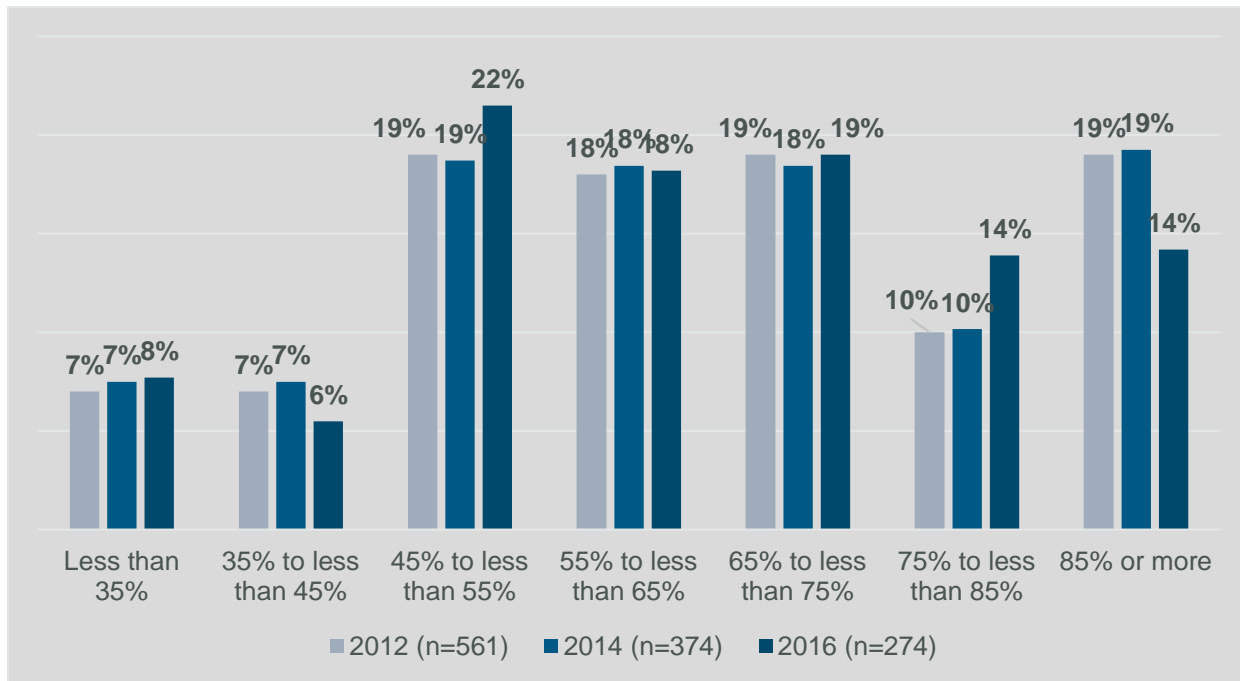


Figure 27: “For structures covering U.S. employees, what is the general midpoint progression?”

	n=	Less than 5%	5% to less than 9%	10% to less than 14%	15% to less than 19%	20% to less than 30%	Greater than 30%	Midpoint not defined	Varies
Hourly	414	3%	18%	33%	17%	7%	1%	5%	16%
Salaried	421	2%	7%	32%	26%	13%	3%	2%	15%
Executive	389	1%	1%	14%	15%	17%	8%	25%	18%

Figure 28: “What types of salary increases and/or adjustments does your organization award to some or all employees? (Select all that apply.)”

	2010	2012	2014	2016
n=	1,306	946	584	558
Promotional increases (result of higher/greater level of responsibility)	94%	97%	96%	96%
Merit increases	92%	94%	95%	94%
Market adjustments	76%	77%	77%	84% ¹⁰
Internal equity adjustments	64%	69%	70%	69%
Pay differentials (usually related to atypical schedule, hazardous or unsecure work environment, special skill set or responsibility, etc.)	42%	49%	45%	48%
Geographic differential	n/a	n/a	33%	36%

¹⁰ A statistically significantly greater percentage of organizations award market adjustments to some or all employees in 2016 (84%) compared to 2014 (77%), 2012 (77%) and 2010 (76%).

Temporary special assignment pay	36%	39%	40%	35%
Cost-of-living adjustments (COLAs)	11%	12%	11%	12%
General across-the-board increases not considered COLA or market adjustments	12%	13%	10%	12%
Length of service	n/a	n/a	3%	5%
Other	4%	4%	3%	3%

Pay Program Communications

Figure 29: “How much information is shared with employees about their individual salaries? (Select all that apply.)”

	2010	2012	2014	2016
n=	1,300	940	575	552
Minimal pay-related information is shared	32%	34%	39%	46% ¹¹
Information regarding the design of the pay program (e.g., strategy, compensation markets, link to performance)	49%	46%	44%	41% ¹²
Base salary range for the employee’s pay grade	43%	44%	44%	37%
Base salary ranges for all pay grades or jobs	19%	18%	16%	15%
Actual pay levels for all employees	1%	2%	4%	4%
Other	4%	5%	5%	2%

Figure 30: “In the past 12 months, how did employees receive communications about the pay program? (Select all that apply.)”

	2010	2012	2014	2016
n=	1,299	940	582	555
Individual discussions with their supervisor	73%	79%	82%	81% ¹³
Memos, emails	43%	37%	42%	40%
Periodic total rewards or compensation statements	n/a	n/a	43%	38%
Company website/intranet	42%	41%	41%	37%
Individual discussions with HR/compensation department	30%	29%	28%	29%
Employee meetings	27%	23%	23%	24%
Employee handbook or orientation manual	21%	20%	15%	20%
No pay communications	7%	7%	4%	7%
Other				
• Letters or statements that accompany pay increases	6%	7%	3%	4%

¹¹ In 2016, statistically significantly more organizations share minimal pay-related information with employees (46%) than 2012 (34%) and 2010 (32%).

¹² A statistically significantly lower percentage of organizations share information regarding the design of pay programs in 2016 (41%) compared to 2010 (49%).

¹³ A statistically significantly higher number of participants received individual discussions with their supervisor (81%) about the pay program compared with 2010 (73%).

Figure 31: “How often did employees receive communications about their individual pay in the past 12 months?”

	2010	2012	2014	2016
n=	1,297	872	551	509
Never	6%	5%	2%	2%
At least once	76%	79%	77%	81%
Twice	12%	12%	16%	11%
Three times	3%	3%	3%	4%
Four times	1%	0%	0%	0%
Five times or more	2%	2%	2%	2%

Figure 32: “The approach to communicating individual pay increases is: (Select all that apply.)”

	2010	2012	2014	2016
n=	871	871	552	510
Brief written communication	54%	54%	55%	59%
Detailed written communication	22%	25%	28%	20%
Brief verbal communication	49%	51%	53%	58%
Detailed verbal communication	24%	25%	20%	20%
We never communicate pay information	2%	1%	1%	0%

Evaluation of Salary Policies and Practices

Figure 33: “How does management determine if the salary program is effective? (Select all that apply.)”

	2010	2012	2014	2016
n=	1,258	922	563	537
Employee turnover or retention	59%	63%	62%	61%
Employee satisfaction survey metrics	46%	50%	53%	47%
Business/operating results	32%	29%	30%	28%
Senior leadership tells us that it is working	21%	21%	19%	25%
Management does not evaluate salary program effectiveness	22%	20%	22%	22%
Employees tell us that it is working	18%	19%	16%	18%
Employee productivity metrics	17%	16%	15%	15%
Labor cost is controlled/lowered	15%	15%	14%	14%
Other	3%	4%	2%	4%

Compensation Data Administration and Analysis

Figure 34: “What best describes your organization’s system(s) to maintain compensation-related employee data?”

	2016
	n= 555
We have an enterprise (includes all employees in entire organization) system that is used to store all employee data as well as data to manage other function(s) of the organization such as financial, logistics, etc.	34%
We have one primary system that stores employee data for all employees within the organization, but it does not store any non-employee data used by other function(s)	38%
We have multiple HRIS/payroll systems that store employee data and we must merge data to perform analyses on an organization-wide basis	23%
We enter and maintain data in a basic spreadsheet, software program(s) or other database that was not exclusively designed to store employee data	5%
Other system(s)	1%

Figure 35: “How was this system acquired?” (n=403)

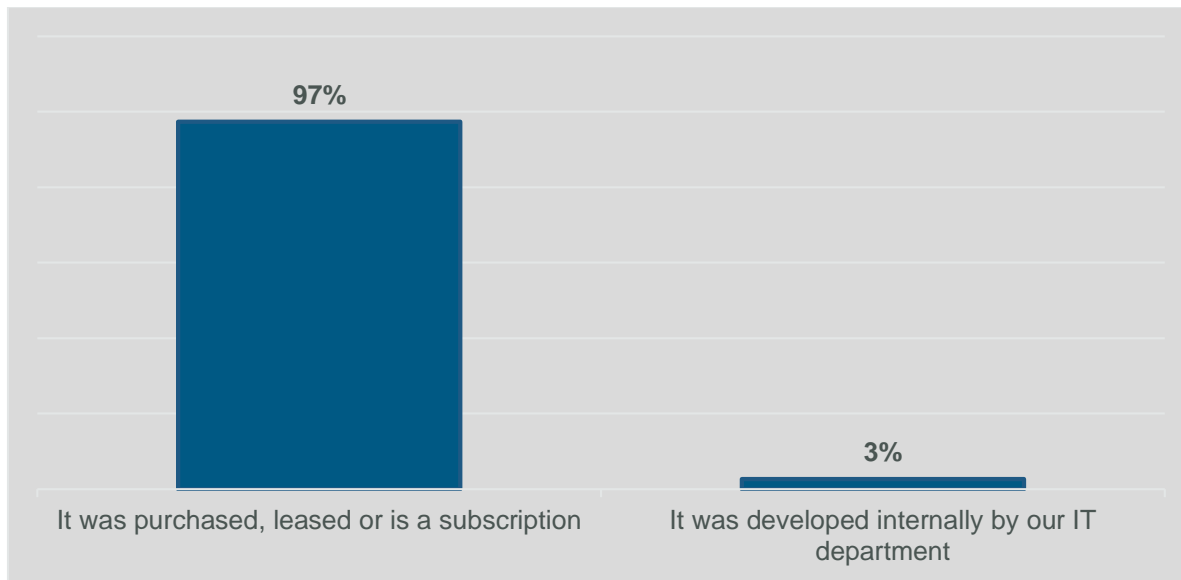


Figure 36: “What is the primary method(s) you use to analyze compensation-related data?” (n=545)

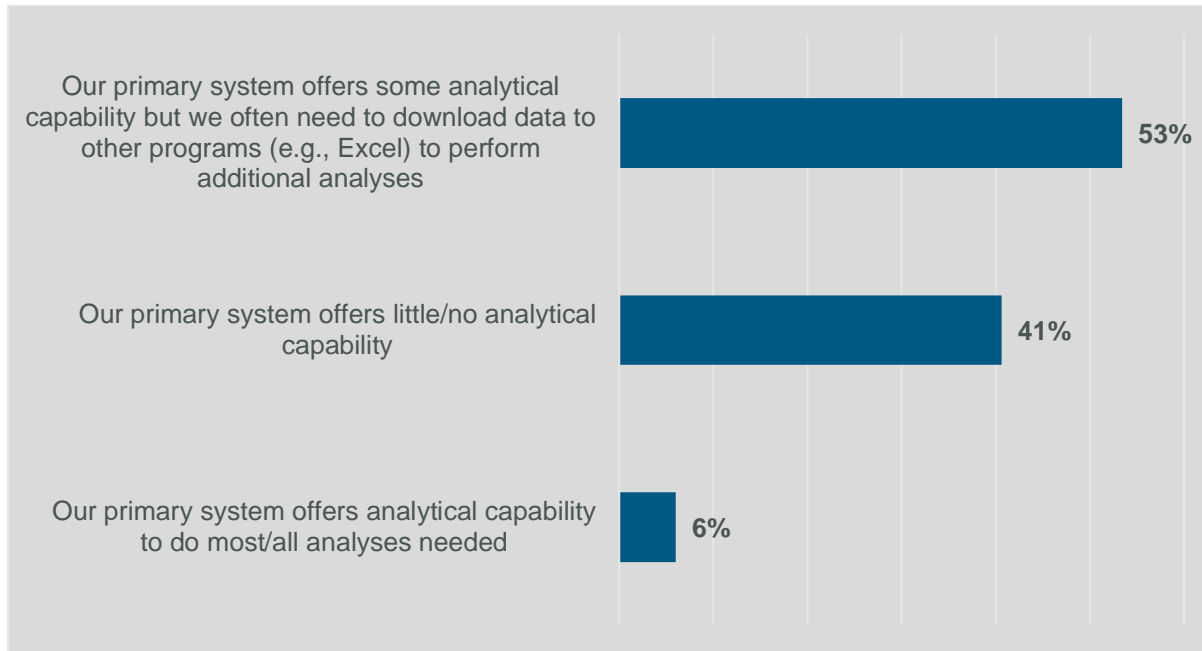


Figure 37: “What are the general types of analyses that are performed? (Select all that apply.)”

	2016
	n= 545
General compensation analyses, such as merit budgeting, position-in-range analyses, salary structure adjustments and general compensation position versus market analyses	97%
Analyses related to pay equity in terms of ongoing pay levels or how merit increases have been allocated	70%
Analytics used for predictive or modeling purposes, which may result in proactive changes to a compensation-related policy or practice	30%
Analyses to produce various statistics on an ongoing basis, which may be included in a recurring department or company report, such as key performance indicators (KPIs) or similar	25%

Global Practices

Only participants with responsibility for more than one region or country (see Figure 5) received the following questions.

Figure 38: “If you have a compensation philosophy, is it the same across the company or does it vary by country or region?” Only participants with a written or unwritten compensation philosophy from Figure 6 received this question.

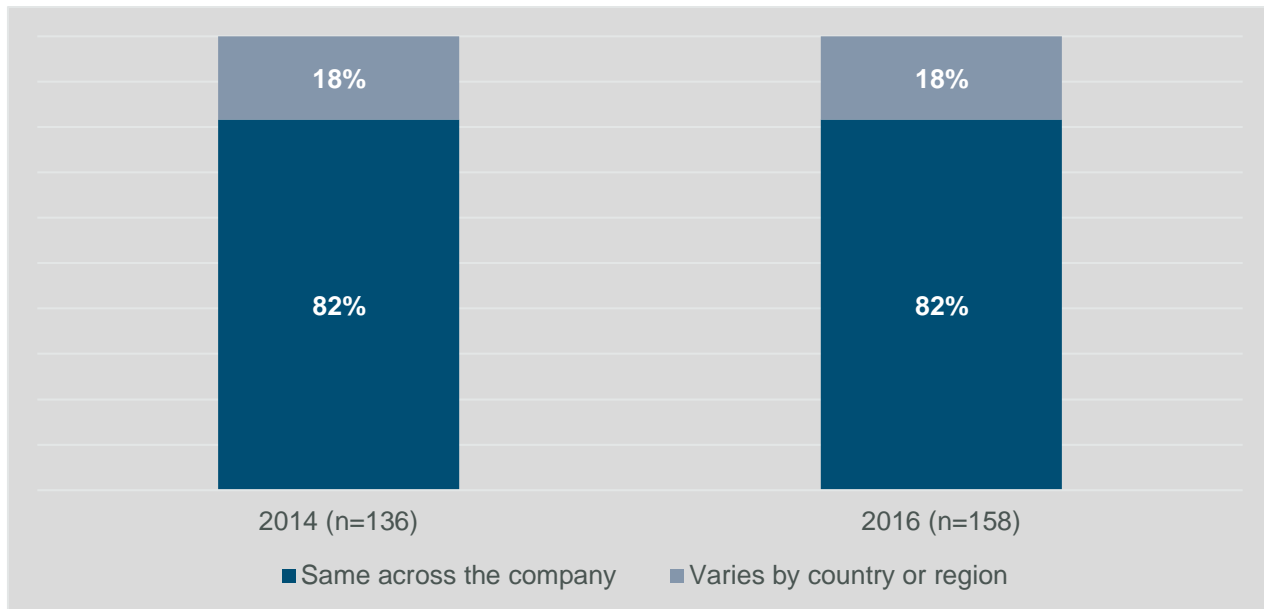


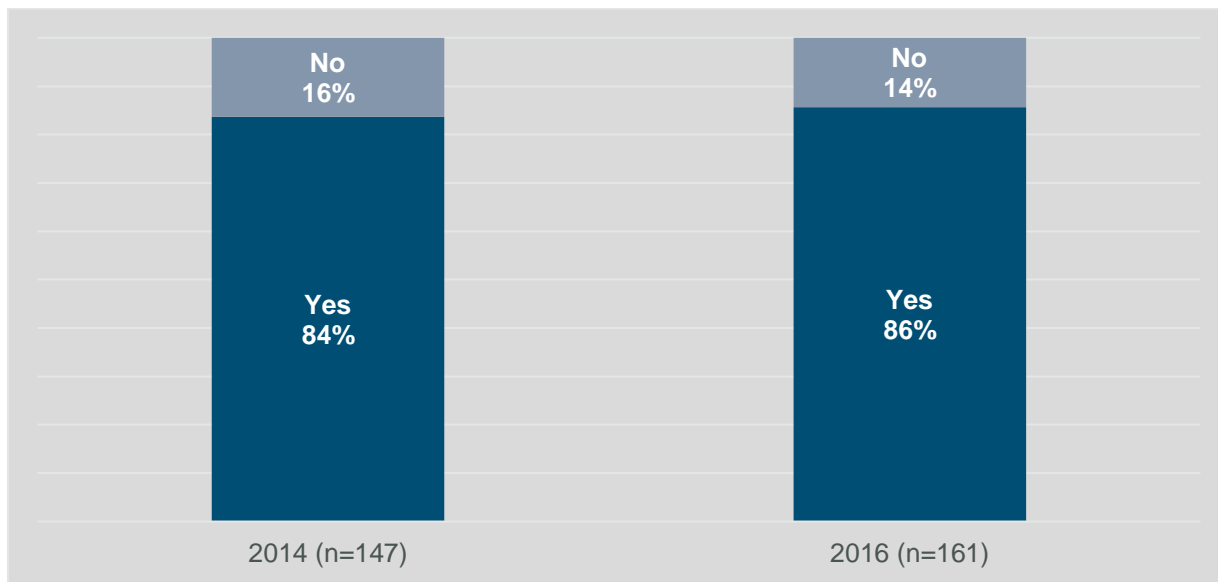
Figure 39: “If you have employees in multiple countries, how are your variable pay programs designed and administered?”

	2012	2014	2016
n=	235	147	165
Variable pay programs are designed primarily at the corporate level, and all employees usually participate in the same programs, with flexibility for local countries to make limited adaptations or implement unique programs of nominal cost.	47%	50%	53%
Variable pay programs are designed exclusively at the corporate level, and all employees worldwide participate in the same programs.	33%	33%	31%
Variable pay programs are designed with significant input from local HR and/or line management. One or a few core variable pay programs exist companywide; however, different countries have significant latitude to implement additional local programs based on local practice and competitive factors.	17%	13%	15%
Variable pay programs are designed and administered primarily at the local level to ensure they are meeting the unique needs of local employees.	3%	4%	1%

Figure 40: “Which of the following types of variable pay plans does your organization use for some or all employees based on the regions you are responsible for? (Select all that apply.)”

	n=	Profit sharing	Performance sharing (based on other financial or nonfinancial goals)	Individual incentives (other than sales incentives)	Bonuses (e.g., sign-on, retention)	Recognition (e.g., spot award)
United States/Canada	162	19%	65%	52%	80%	73%
Africa	44	16%	66%	43%	66%	59%
Asia-Pacific	135	13%	67%	53%	68%	64%
Eastern Europe	90	14%	66%	56%	66%	64%
Western Europe	126	16%	67%	52%	71%	64%
Middle East	51	14%	61%	45%	73%	67%
Latin America	103	19%	64%	57%	68%	62%

Figure 41: “Is your performance management program applied consistently to all countries?”



Participating Organizations

AAM
Abacus Technology
ABRH
ACCO Brands
Accuray
ACH Food Companies Inc.
ACS Technologies
ADP
ADT
ADTRAN Inc.
Advanced Technology Services (ATS)
Advantage Care Physicians
AgFirst Farm Credit Bank
Aimia Inc.
Air Methods
Alion Science and Technology
Alkermes
Alliance Data
Alliant Energy Corp.
Allina Health
Allscripts
AM Castle Metals
Amcor Flexibles
American Chemical Society
American Family Insurance
American National Bank of Texas
American Public Media Group
AMERICAN SYSTEMS
American Trim
Ampath Trust
Anthem Inc.
Apogee Enterprises Inc.
Applied Materials
Apptio
Arcadis US Inc.
Archrock
Argonne National Laboratory
Arizona Public Service
Arkansas Electric Cooperatives Inc.
Armstrong Flooring Inc.
Arrow Electronics
ARUP Laboratories
ASM Research
Aspen Technology
Associated Bank
Aurora Health Care
Automobile Club of Southern California
Avery Dennison
AXA US
Bank of Nova Scotia
Baxter
Bell Canada
BJ's Wholesale Club Inc.
Black Hills Corp.
Blue Cross Blue Shield of Arizona
Blue Cross Blue Shield of Kansas
BlueCross BlueShield of South Carolina
BlueCross BlueShield Of Tennessee
Bluegreen Corp.
BMO Harris Bank
BNSF Railway Co.
Boston medical center
Boston Scientific
Box
Breakthru Beverage
Brigham Young University
Bristol Myers Squibb
Bristow Group Inc.
Brown University
Build-A-Bear Workshop
Bunge Limited
C & J Clark America Inc.
C. R. Bard Inc.
Caleres Inc.
California Casualty
Callaway Golf Co.
Canadian Natural Resources Limited
Canadian Nuclear Laboratories
Canon Solutions America Inc.
Capital One
Capital Power Corp.
CareCentrix
CareerBuilder
Carpenter Technology Corp.
Cash America International
Cengage Learning
Centene Corp.
CGI Technologies and Solutions Inc.
Chapters Health System
Chico's FAS Inc.
Children's Health
Children's Home Society of Florida
CHRISTUS Health
Ciena
Cincinnati Children's Hospital Medical Center
City of Ann Arbor
City of Austin
City of Columbus
City of Hope
City of Kitchener
Clarins, USA
Clean Harbors
Clearwater Paper Corp.
CME Group
Coca-Cola Refreshments
Colgate Palmolive
Connecticut Children's Medical Center
Cru (Campus Crusade for Christ)
CSG International
CUNA Mutual Group
Curtiss-Wright Corp.
CVR Energy
D+H
Dairy Farmers of America
Dana Holding Corp.
Deere & Co.
Delta Dental Plan of Michigan
DENSO International America Inc.
Desert Schools Federal Credit Union
Dewberry
Dex Media Inc.
Dick's Sporting Goods
Digi International
Dignity Health
Direct Energy
Discover Financial Services
Discovery Communications
Driscoll's
Dun and Bradstreet
Eaton
Education Corp. of America
EmblemHealth
Emory Healthcare
Enerflex Ltd.
Enerplus Corp.
Engility Corp.
EnLink Midstream
Enesco plc
Equinix Inc.
ESP LLC
Essendant
Everbridge
Express Scripts Inc.
F.N.B. Corp.
Federal Reserve Bank of Atlanta
Federal Reserve Bank of Cleveland
Federal-Mogul
Ferguson Enterprises Inc.
Ferrara Candy Co.
Ferring Holding Inc.

Fidelity Investments
Fike Corp.
First Financial Bank
FirstEnergy Corp.
Florida Blue
FOCUS Brands
Foresters Financial
Forsythe Technology Inc.
Fossil Group Inc.
Freeman
Freeport LNG Development,
L.P.
FTD Inc.
Galderma
GameStop
Gannett
Gap Inc.
Geisinger Health System
Gemological Institute of America
General Electric
General Mills Inc.
Genworth Financial
Gillette Children's Specialty
Healthcare
Glanbia Performance Nutrition
Glens Falls Hospital
Goodwill Industries of
Southeastern WI
Google
Government of Alberta
Government of British Columbia
Graybar Electric Co.
Great Canadian Gaming Corp.
Group Health Cooperative of
South Central Wisconsin
GRUPO KUO
Halcon Resources
Hancock Holding Co.
Harrisburg Area Community
College
Hawaii Employers Council
HDR Inc.
Helzberg Diamonds
Hennepin Healthcare System
Hess
Hilti North America
HMS
Horace Mann Companies
HSN
HubSpot
ICW Group
Idaho National Laboratory
IDEXX Laboratories
Ignite Restaurant Group
IHS
Ikea
IM Flash Technologies
Imperial Supplies
Incyte Corp.

Indeed.com
Independence Blue Cross
Insight Enterprises
Insight Performance Inc.
Insitu
Institute of Electrical and
Electronics Engineers
Intact Financial Corp.
Integra Life Sciences
Intelligrated
Intermedix Corporation LLC
International Development
Research Centre of Canada
International Paper
Intrawest
Invitation Homes
Ixia
J. J. Keller & Associates Inc.
J.R. Simplot Company
Jackson health system
Johns Manville
Kabam Inc.
Kelly Services
Kelsey-Seybold Clinic
Kforce
KONE Inc.
L Brands Inc.
L-3 Communications Aerospace
Systems
Lancaster General Health
Land O'Lakes
Landis&Gyr
Lehigh Hanson Inc.
Lennox International Inc.
Level 3 Communications
LexisNexis Risk Solutions
Liberty Mutual Insurance
LifeWay Christian Resources
Lincoln Financial Group
Lionbridge Technologies
London Health Sciences Centre
Los Alamos National Laboratory
Lovelace Health System
LPL Financial
Lumentum
LVMH Moet Hennessy Louis
Vuitton Inc.
LyondellBasell Industries
Magellan Health Inc.
Magellan Midstream Partners
MAHLE
Management Sciences for
Health (MSH)
Manhattan Associates Inc.
Manulife Financial
Maricopa Community College
District
Maritz Holdings Inc.
Martin Marietta

Mary Kay Inc.
Mattel Inc.
McCormick & Company Inc.
Media General Inc.
Meijer Inc.
Memphis Light Gas and Water
Division
Merrill Corp.
MFS Investments
MGIC
MGM Resorts International
Microsoft Corp.
MidMichigan Health
MillerCoors
Miraca Life Sciences
Moody's
Moog Inc.
Mosaic
MSA
Murphy USA
National Exchange Carriers
Association
National Radio Astronomy
Observatory
National Rural Electric
Cooperative Association
NAV CANADA
Navient
NCI Building Systems
Nebraska Public Power District
Nestle Purina PetCare Co.
Neustar
New York Community Bancorp
Inc.
NFI
Nike Inc.
NiSource Inc.
Nordson Corp.
Northwell Health
Nu Skin Enterprises
Nuance Communications
NuStar Energy L.P.
Office Depot Inc.
OhioHealth
Oncor Electric Delivery
One Call Care Management
OneAmerica Financial Partners
Inc.
ONEOK Inc.
Oracle
Owens Corning
Owensboro Health
Pacific Dental Services
PacifiCorp
Panera Bread
Paycor
Pembina Pipelines
Penn State Hershey Medical
Center

Perkins Coie
Pharmavite
Pinnacle Foods
PNC
PNM Resources Inc.
Polaris Industries Inc.
Population Council
Port of Seattle
PPD
ProHealth Care Inc.
ProQuest
Protective Life
Public Service Enterprise Group
Quad Graphics
Qualcomm
Quantum Corp.
RAND Corp.
Raytheon Co.
Regeneron Pharmaceuticals
Inc.
Regions Hospital
Reinsurance Group of America
Republic Airways Holdings
Research Now
RingCentral
Roche Diagnostics Corp.
Roche Pharma
Rockwell Automation
Rowan
Royal Bank of Canada
Ryder System Inc.
Saint Luke's Health System
Salesforce
Sanofi
Savannah River Nuclear
Solutions LLC
Save the Children US
Savers Inc.
SC Johnson & Son Inc.
SCANA
SCI
Scientific Research Corp.
Seagate
Seattle Children's Hospital
Shamrock Foods Co.
Siemens Healthineers
Siemens US
Snap-on Inc.
Sonic Corp.
Southern Co.
Southern New Hampshire
Health
Splunk
Zurich North America

Sprouts Farmers Market
SPX Corp.
SRC Inc.
SRI
St. Jude Medical
St. Louis County Government
St. Luke's Health System
StanCorp Financial Group
StandardAero
Stanford Health Care
State Auto
STIHL Inc.
STMicroelectronics Inc.
Superior Energy Services
Symantec
Symetra
Syniverse Technologies
Teacher Retirement System of
Texas
Tennessee Valley Authority
Terracon Consultants Inc.
Texas Children's Hospital
Textron
The Allstate Corp.
The Auto Club Group
The Boeing Co.
The Brick Group Ltd.
The Children's Mercy Hospital
The Compensation Depot
The E.W. Scripps Co.
The Estee Lauder Co.
The Hain Celestial Group
The Marcus Corp.
The Maschhoffs
The MITRE Corp.
The National Academies of
Sciences, Engineering and
Medicine
The Port Authority of NY & NJ
The Queen's Medical Center
The Rockefeller Group
The TJX Companies Inc.
The Trustmark Co.
The Walt Disney Co.
Thomson Reuters
Toray Plastics (America) Inc.
Tower International
Toyota Boshoku America
Tribune Publishing
Truven Health Analytics, an IBM
Co.
TTCU The Credit Union
Tufts Health Plan

Tupperware Brands Corp.
Twentieth Century Fox
U.S. Bancorp
UBS
UCB
UCSF
UFA
UMass Memorial
UNFI
Unicomer
Unilever
Union Bank & Trust
Union County Local
Government
United Services Automobile
Association (USAA)
Univar
University of Florida Health-
Shands
University of Massachusetts
Medical School
University of Minnesota
Physicians
University of Toronto
University of Vermont Medical
Center
US Pharmacopoeia
USG Corp.
Vectren Corp.
Vencore
Verisign Inc.
Virtua Health
Vulcan Materials Co.
Walt Disney Parks and Resorts
Wellmark Blue Cross Blue
Shield
Wells Enterprises
Westfield Group
Whirlpool Corp.
Whole Foods Market
Wind River Systems
Wolters Kluwer
Wood Group Mustang
Workplace Safety & Insurance
Board
WVU Hospitals
Wycliffe Bible Translators Inc.
Xactly Corp.
Xcel Energy
Xero
Xerox Canada Ltd.
Zoetis Inc.
Zurich Insurance NA