XpertHR
salarysurveys

Example of an XpertHR Salary Survey Report

Section 1: Overview

Not actual data – for example purposes only

What's inside?

This report is set out in the same format as an XpertHR Salary Survey report but is based on dummy data. This section includes:

Foreword

Sample composition

List of participating organisations

How to use the survey

Definition of levels and functions used within the survey

Contents of this section:

About the report: what's where?

This report is set out in the same format as an XpertHR Salary Survey report but is based on dummy data. The findings are published in 4 sections. The contents of each are set out below.

Section 1: Overview

Overview of the example salary survey, including:
Foreword
Sample composition
List of participating organisations
How to use the survey
Definition of responsibility levels
Definition of job functions

Section 2: Pay trends

Key trends from the example salary survey, including:
Movements in basic salary plus bonus and basic salary
Annual salary reviews: value, dates, forecasts
Labour turnover
Economic commentary

Section 3: Additional payments

Bonus payments
Car allowances

Section 4: Salary tables

Foreword

This report is set out in the same format as an XpertHR Salary Survey report but is based on dummy data. It is intended to demonstrate the approach XpertHR Salary Surveys takes to data reporting and to give an idea of the depth and breadth of a typical survey.

This particular example survey report is based on data from 38 companies who together supplied data on a total of 8,659 individuals at all levels, from directors to recent graduates.

XpertHR publishes data in a variety of formats. These include:

- A series of PDF reports setting out pay trends, salary tables and data on additional pay and benefit items;
- The online Job Pricing application, to which you have access throughout the period of your subscription. This application allows you to search the salary surveys database for appropriate roles and refine them using your own criteria.
- A suite of spreadsheet tools. Although some of these can be found online, others are created uniquely for your organisation and enable you to benchmark your employees individually or in groups against market pay rates. These will be sent to you directly in Excel format via secure means.

To find out more about XpertHR Salary Surveys or to subscribe, go to www.xperthr.co.uk/salarysurveys.

Mark Crail
Head of Salary Surveys and Benchmarking Services
XpertHR

Sample composition

Whole sample

Distribution of organisations

	Organisations No.	Individuals No.	Individuals %
Whole Sample	38	8,659	100.0

Location

Distribution of organisations

	Organisations No.	Individuals No.	Individuals %
Abbeystone	38	586	6.8
Bridgewater	38	1,255	14.5
Chibothgard	38	1,240	14.3
Dartville	38	1,243	14.4
Edentown	38	1,284	14.8
Firehosen	38	1,214	14.0
Great Sufent	38	1,208	14.0
High Wibble	38	629	7.3
Total	38	8,659	100.0

Industry

Distribution of organisations

	Organisations No.	Individuals No.	Individuals %
Tanning	3	734	8.5
Brewing	3	676	7.8
Coopering	7	1,683	19.4
Book Keeping	3	681	7.9
Coach Building	3	663	7.7
Wireless	3	479	5.5
Coal Mining	5	1,156	13.4
Millwork	4	969	11.2
Gas Lighting	6	1,371	15.8
Boat Building	1	247	2.9
Total	38	8,659	100.0

Number of employees

Distribution of organisations

	Organisations No.	Individuals No.	Individuals %
Under 500	2	481	5.6
500 to 999	2	332	3.8
1000 to 1499	4	957	11.1
1500 to 1999	3	702	8.1
2000 to 2499	2	490	5.7
2500 to 2999	5	1,106	12.8
3000 to 3499	4	967	11.2
3500 to 3999	1	111	1.3
4000 to 4499	5	1,143	13.2
4500 to 4999	2	479	5.5
Over 5000	8	1,891	21.8
Total	38	8,659	100.0

Turnover

Under 100 million	5	1,164	13.4
100 to 199 million	5	1,081	12.5
200 to 299 million	5	1,184	13.7
300 to 399 million	3	733	8.5
400 to 499 million	4	942	10.9
500 to 599 million	5	994	11.5
600 to 699 million	2	512	5.9
700 to 799 million	1	206	2.4
800 to 899 million	0	0	0.0
900 to 999 million	1	210	2.4
Over 1000 million	7	1,633	18.9
Total	38	8,659	100.0

Level

Distribution of individuals

	Organisations No.	Individuals No.	Individuals %
Owner	19	23	.3
Manager	38	610	7.0
Supervisor	38	3,649	42.1
Professional	38	3,687	42.6
Trainee	38	690	8.0
Total	38	8,659	100.0

Function

Distribution of individuals

	Organisations No.	Individuals No.	Individuals %
Organisation	38	1,422	16.4
Projects	38	2,898	33.5
Product	38	2,891	33.4
Support	38	1,448	16.7
Total	38	8,659	100.0

List of participating organisations

The following institutions provided employee data used in this report. Some additional participants have indicated that as a matter of policy they do not wish to be named and have therefore not been included

Organisation 1

Organisation 2

Organisation 3

Organisation 4

Organisation 5

Organisation 6

Organisation 7

Organisation 8

Organisation 9

Organisation 10

Organisation 11

Organisation 12

Organisation 13

Organisation 14

Organisation 15

Organisation 16

Organisation 17

Organisation 18

Organisation 19

Organisation 20

Organisation 21

Organisation 22

Organisation 23

Organisation 24

Organisation 25

Organisation 26

Organisation 27

Organisation 28

Organisation 29

Organisation 30

Organisation 31

Organisation 32

Organisation 33

Organisation 34

Organisation 35

Organisation 36

How to use the survey

This report is intended to be used by pay specialists as part of a suite of services which includes online Job Pricing and other tools that show how salaries in your organisation compare against market rates and to help you manage your reward strategy.

Using this suite of XpertHR Salary Survey services, you will be able to:

- check salaries for specific jobs against current market rates;

- set up a new pay and benefits structure; and

- check and update existing reward arrangements in your organisation.

XpertHR salary surveys are based on a participation model. Organisations which contribute pay data will get far more out of the survey because the tools we provide enable you to see your own salary levels set against market rates.

Different elements of a salary survey subscription

A full subscription to any one XpertHR Salary Surveys job family or specialist survey includes the following elements:

- unlimited use of XpertHR Job Pricing – enabling you to create your own salary tables for a job or range of jobs by refining the data in our easy-to-use online tool by seniority, function, location and other criteria. Participants can also see their own organisation's average salaries set against the survey data for ease of benchmarking, create charts from the data at the touch of a button, and download the finished result in Excel for use in reports and presentations. A detailed guide to XpertHR JobPricing can be found on our website.

- a report – setting each survey's findings in context, providing commentary and analysis of the data, reporting on trends from one year to the next, and detailing employee benefits, including annual leave entitlements, pension contributions and car allowances. Each salary survey report also includes the most commonly requested salary tables, with basic pay and bonus levels broken down by seniority, function, location and other criteria.

- Benchmarking Groups – a spreadsheet unique to your organisation which includes data from all salary tables in the report set against the relevant figures for similar jobs drawn from your own pay data. The reporting tool in this service provides a colour-coded warning where pay levels in your organisation differ from the market rates by a significant amount, and allows you to refine and chart data.

- Benchmarking Individuals – a spreadsheet unique to your organisation which includes data from all salary tables in the report set against the relevant figures from individual employees

in your organisation. The reporting tool in this service provides a colour-coded warning where an individual pay level differs from the market rates for similar posts by a significant amount.

- Survey Results – an Excel spreadsheet including data from all tables in the survey report, for ease of loading to your own analytical systems.

- Table Viewer - creates all of the salary tables you would expect to find within our annual report, in an Excel spreadsheet which allows for easy comparison of salaries at all levels of the organisation.

Glossary of terms used in XpertHR salary surveys

Salary tables

Table Title

Basic salary

	LQ £	Med £	UQ £	Av £	Ind. No.	Org. No.
Level						

Lower decile: When all salaries are set out in ascending order, the figure below which one-tenth of all salaries lie. Shown in salary tables as LD.

Lower quartile: When all salaries are set out in ascending order, the figure below which one-quarter of all salaries lie. Shown in salary tables as LQ.

Median: When all salaries are set out in ascending order, the figure below which half of all salaries lie. Shown in salary tables as Med.

Upper quartile: When all salaries are set out in ascending order, the figure below which three-quarters of all salaries lie. Shown in salary tables as UQ.

Upper decile: When all salaries are set out in ascending order, the figure below which nine-tenths of all salaries lie. Shown in salary tables as UD.

Average: The sum of all individual salaries divided by the number of individuals. Shown in salary tables as Av.

Sample: The data used in a given survey or table. NB: the sample size (ie number of records) for many tables is likely to be less than the sample size for the survey as a whole as refinements (eg by region or job function) will lead to the exclusion of some individuals.

Number in sample: The number of individual salaries in the sample. Shown in salary tables as Ind. No.

Organisations: The number of companies or organisations whose salary data is included in a sample. Shown in salary tables as Org.No.

Basic pay increase or basic salary increase: Rise in basic pay applied as a result of an annual pay review, excluding performance bonus and without regard to any change in responsibilities or to increments.

Inflation: Movement in the Retail Price Index. Although there are other measures, RPI is used most consistently by pay setters in the private sector.

Basic pay or basic salary: Annualised cash payment of basic salary including London or other location allowances, merit/performance pay and skills supplement if they are pensionable items and excluding Mortgage subsidies, standby allowances, car allowances, shift, overtime and bonus payments.

Basic salary plus allowances: Basic salary (as defined above) plus any bonus payments, supplementary allowances and other substantive / contractual allowances.

Total pay or total salary: Basic annual salary before deductions for tax, national insurance, pension contributions etc but including London or other location allowances, performance or skills supplements plus any bonuses, commission payments and mortgage subsidies as well as any shift or standby allowance paid.

Total earnings: For this survey Total earnings is the same as Total pay or Total salary, as defined above.

Total remuneration: The total remuneration package value for each individual to cover the total of annual salary, including all bonuses/ commissions, allowances including shift pay and standby payments plus contractual benefits. Contractual benefits should cover the following:

- Car allowance (as an annual figure)

- Fuel allowance as an annual figure)

- Holiday entitlement (calculated as 1/260th of annual salary for each day of annual leave entitlement, excluding public/statutory holidays)

- Employer's pension contribution (based on a % of salary)

- Health screening

- Life assurance

- PHI cover

- Private medical cover

- Dental insurance

- Plus any other benefit not listed above

Annual bonus: The gross value of any bonus payments, profit share payments etc received in the 12 months prior to the data collection date.

NB: Salary tables in reports exclude overtime payments and shift allowances, which are analysed separately in the commentary section, where relevant.

How we collect the data

XpertHR uses a consistent methodology to collect, verify and analyse data.

All data for any given survey is collected as accurate on a given date, to ensure that pay data is consistent from one participant to the next, and to allow year-on-year trends (eg in salaries and labour turnover to be accurately calculated and reported.

Participants are asked to complete two questionnaires for each survey:

- an organisation questionnaire which establishes characteristics of the company which can be applied to all individuals within it (eg the number of employees, sales turnover and industry group); and

- an individual questionnaire which collects demographic, pay and benefits data for each employee as a unique line in a standard spreadsheet. Please note that for data protection reasons we cannot accept data which includes individual employee names, initials or similar information which might lead to their identification. However, we do ask participants to provide a unique but anonymous number or code enabling us to track changes in pay and employment status from one year to the next.

Data submitted to XpertHR on both questionnaires is further anonymised by the removal of the company name and contact details before it is added to our database and analysed.

How we check the data

XpertHR carries out a series of validation checks and audits on data to ensure that it is accurate and to identify anomalies that can be checked before being released for analysis and reporting. These include:

- checks within one organisation's spreadsheet – to ensure that all salaries submitted are within expected parameters, and that answers to linked questions are as expected;

- checks between one organisation's data and the whole survey data – to ensure that the salaries for one organisation are not consistently out of line with those for all other organisations; and

- checks from one year's survey database to the next – to ensure that trends are either as expected or can be explained.

Where anomalies are identified, XpertHR staff will ask participants to verify or amend data to ensure it is accurate. Further audits of the data are then carried out to ensure that no organisation dominates any given survey or table.

Where an organisation has previously submitted data for a XpertHR salary survey, this will be returned to the organisation for checking before subsequent publication – saving the participant from the time and effort involved in the initial submission.

How we analyse the data

Our reports include the most commonly requested salary tables. Where the data permit, they include, for any given survey, every possible breakdown by job level and job function plus one other variable (e.g. location, industry, or company size). This particular survey also shows industry and function grouped by company turnover. Further and more detailed breakdowns are available using the online JobPricing tool.

Where possible, the sample size is shown on each line of every table. By default, we report the average, median and quartile salaries for each line. However, to protect the identity of participating organisations and individual employees:

- no figures of any sort will be shown where the sample is less than four;

- median or average figures only are shown where the sample is greater than four; and

- a full quartile distribution is shown where the sample is greater than eight.

As an additional safeguard, no data will be published where all individuals in a data line are drawn from a single company.

Explaining unexpected movement in pay between surveys

Strange things can happen when you are working on data sets as big and as complex as those used to produce XpertHR Salary Surveys. Sometimes, even though average salaries have clearly increased between one report and the next, the median pay levels for some staff appear to have fallen.

What follows is an attempt to illustrate and explain this apparent anomaly using a particularly extreme example. Take a look at the salary table below. This shows basic pay for level 16 (section manager) employees in outer London and comes from the XpertHR Computer Staff Salary Survey.

Basic salary

	Med £	Av £	Ind. No.	Org. No.
Dec 2009	56,751	57,355	2180	104
Dec 2010	55,000	56,405	2497	103

You can see above that over the 12 month period the median rate has fallen by approximately 3%, from £56,751 to £55,000. And yet during this period the survey tells us that overall basic salaries have increased by 2.2% and basic salaries for level 16 staff in Outer London have increased by 1.8%. So how do we account for this?

First, the movement in salary figures are movement in average salaries - while the people using the pay tables typically focus on median salaries. And second, the movement in salary figures are based on a constant sample of matched individuals. So these figures are based only on those individuals who were part of the survey sample for both the December 2009 and December 2010 surveys.

The salary tables are comprised of all data submitted towards the survey, irrespective of whether they took part in the previous survey. In the example above, the sample looks fairly stable - 104 companies in one survey and 103 in the following survey. When we examine the raw data we see that between the two surveys only 79 companies form a constant sample - 31 companies who took part in the 2009 survey did not take part in the survey 12 months later, while 30 companies who took part in the 2010 survey did not take part in the previous edition.

To assess the impact this will have had on the results we have calculated the quartile distribution of those companies leaving and joining the survey during this period:

Basic salary

	Med £	Av £	Ind. No.	Org. No.
Dec 2009	58,000	58,135	611	31
Dec 2010	51,250	52,978	467	30

As we can see, those leaving the survey tended to be higher paying companies than those joining it (median salary 11.6% higher in companies leaving the survey) - this will have had a significant impact on the median salaries from one survey to the next and accounts for the fall in the median rate.

Now at the distribution of salaries for those companies who took part in both the 2009 and 2010 surveys:

Basic salary

	Med £	Av £	Ind. No.	Org. No.
Dec 2009	56,045	57,051	1569	79
Dec 2010	56,030	57,193	2030	79

Here we see that the medians are much closer, and the average salaries have actually increased. It still does not amount to the 1.8% increase we reported in the movement in basic salaries statistics. However, the number of individuals has increased by almost 500 records between the surveys, so while the sample of companies above is constant, it is not a constant sample of individuals.

The apparent anomaly between the change in salary reported above and the 1.8% increase in average basic salaries reported comes down to the additional individuals included in these 79 companies survey submission for 2010 - on average they are enjoying lower basic salaries than those individuals who were already part of the survey dataset.

Your organisation's reward strategy

At its most basic level, a reward strategy will attempt to tie together the different elements of pay and benefits as a consistent whole. More ambitiously, it will be a tool through which both the wider HR function and the organisational as a whole can deliver their objectives.

Further information on how to develop and manage a reward strategy, including a series of case studies can be found on XpertHR (subscription required).

XpertHR salary surveys can be used to help define and manage a reward strategy by providing data that shows where your organisation's current pay levels and benefits fit in relation to the wider market and to model changes in the rewards on offer.

To identify the relevant pay benchmarks, you will need to consider:

- where your organisation's salaries and benefits should be in relation to those offered by other employers – do you wish to reward employees in line with the market median, the upper quartile or the lower quartile;

- whether you are focusing on basic pay or total earnings as a key measure;

- the relative importance of keeping salaries and pay differentials consistent within the organisation or of matching each job level and function against the market;

- the importance of matching companies of a similar size;

- The relative significance of geography or industry as an influence on pay levels;

- the importance of the benefits package and the extent to which this affects the costs of employment to the organisation and its attractiveness as an employer.

By having a clear idea of your organisation's position on these issues, you will be able to decide which salary tables you should use within this report, or the variables you want to apply in creating your own salary tables in JobPricing.

- Company size: This is one of the most significant factors in reward. There is almost always a strong correlation between the size of organisation and the levels of pay on offer. Although company size can be measured either by number of employees or by turnover, the most consistent measure for use in pay setting for private sector employers is sales turnover.

- Responsibility levels and job functions: XpertHR uses broadly consistent job levels for salary surveys, but with some variation to accommodate differences in specific industries. As a result, job levels for XpertHR core business surveys (sales and marketing, human

resources, finance staff, engineering, pensions staff, actuaries and our national management salary survey) are interchangeable.

- Job functions inevitably differ from survey to survey as they describe the area of work carried out by the individual.

Conducting equality audits

XpertHR salary surveys typically provide a breakdown of pay data by gender, and many also do so using broad age bands.

Survey reports provide a top-level analysis of pay by gender, and more detailed and specific tables using any of the variables used in the report can be created using our JobPricing tool. Similar tables can also be created online to show variations by age group.

Using these tools and the facility to show your own organisation's data you can use Job Pricing to:

- create tables showing pay differences by gender and age in specific job levels, job functions and locations;

- view data for the market as a whole based on these criteria;

- see how your organisation's pay divide compares with that of similar organisations;

- download data tables and charts to Excel for use in reports and presentations.

Geographical regions and locations

XpertHR uses consistent geographical regions across our core salary surveys. Questionnaires ask for the post code of the location of the place of work for each individual to be provided. We in turn use this information to generate the following broad regions::

Inner London –The City, Westminster, West End, Marylebone and Docklands, i.e. approximately the postal districts EC1, EC2, EC3, EC4, SE1, SW1, WC1, WC2, W1 and E14.

Outer London – approximately the London commuting area covering places within a circle of up to 50 miles radius from Central London (excluding Location 1 – Inner London). Covers the whole of Hertfordshire, Surrey and parts of Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Essex, Hampshire, Kent, Oxfordshire, and Sussex.

South East – Parts of Bedfordshire, Berkshire, Buckinghamshire, Essex, Hampshire, Kent, Oxfordshire and Sussex not included in Locations 1 or 2.

South West – Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset and Wiltshire.

East Anglia - Cambridgeshire (excluding those areas included in Location 2), Norfolk and Suffolk.

Midlands - West Midlands, Herefordshire, Worcestershire, Shropshire, Staffordshire, Warwickshire, Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire.

North West - Greater Manchester, Merseyside, Cheshire and Lancashire.

North and North East - Yorkshire, Tyne & Wear, Cleveland, Cumbria, Durham and Northumberland.
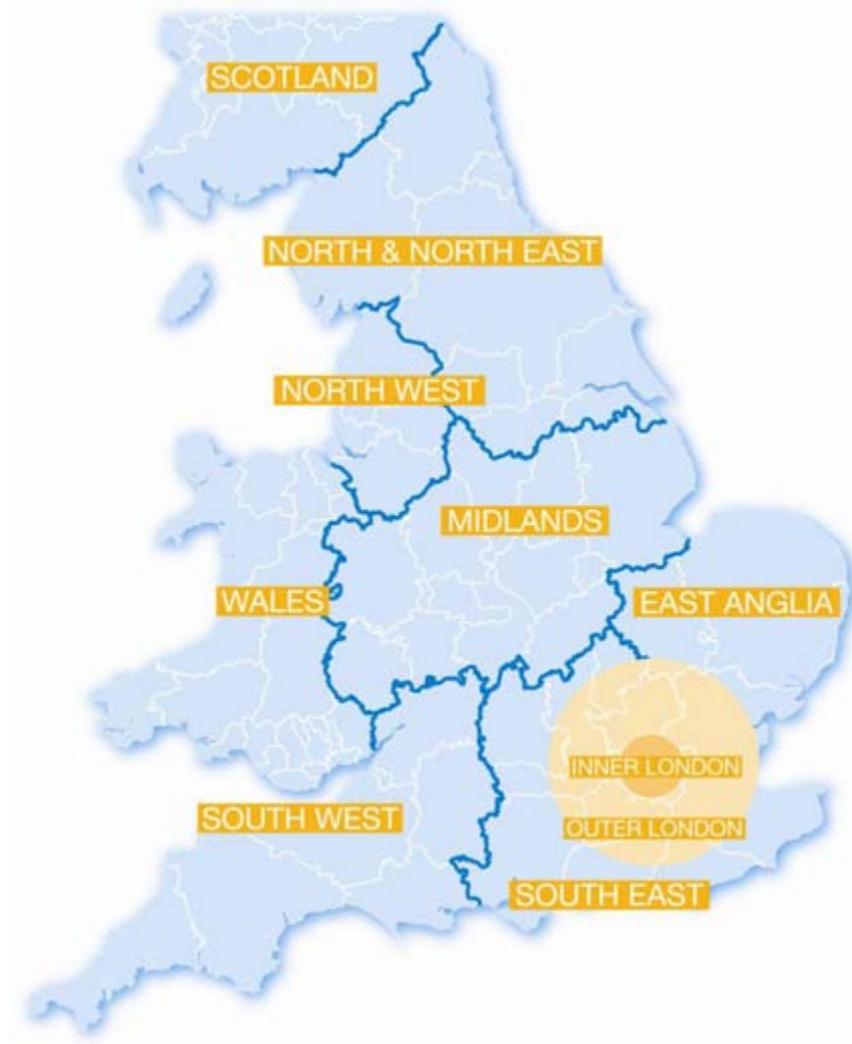
Scotland

Northern Ireland

Republic of Ireland

Wales

Mobile staff – No fixed location

Definition of responsibility levels

Level 1: Owner

Strategic scope

Leads on formulation and application of strategy.
Has extensive experience of delivering strategy for an entire function and operating at a senior managerial level.
Makes decisions critical to the organisation's success
Normally on the board of the company.

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Job titles often found here

- Owner / Manager
- Director

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Business skills

Develops long term strategic relationships with customers and industry leaders.
Has a full range of management & business skills.
Can present complex technical ideas to both technical and non-technical audience at all levels in a persuasive and convincing manner.

Complexity

Applies the highest level of leadership & management skills.
Has a thorough understanding of their industry including the implications of any emerging technologies, legislation or business practice on their organisation.
Responsible & accountable for ensuring organisation responds to any legislative changes that affect the company.

Level 2: Manager

Strategic scope

Leads on formulation and application of strategy.
Has extensive experience of delivering strategy for an entire function and operating at a senior managerial level (but below board level) in an organisation.
Leads the function in following the organisation's strategic plan
Makes decisions critical to the organisation's success

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Job titles often found here

- Senior Manager
- Other Manager
- Example Manager

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Business skills

Heads a major function within the organisation.
Accountable for Financial performance in several specified areas.
Has a broad and deep knowledge of their technical or professional specialty and is able to apply that knowledge and its implications to the wider business.

Complexity

Represents the company and or their Industry at high levels (i.e. nationally or internationally).
Understands, explains and presents complex technical ideas to both technical and non-technical audiences at all levels up to the highest in a persuasive and convincing manner.

Level 3: Supervisor

Strategic scope

Has the freedom to make decisions within the medium-term objectives for a single department. (e.g. set individual targets and define sales areas, sales roles). Has a range of management and leadership skills but may have limited management experience.

Business skills

Responsible for the day-to-day management of a small department, section, project or activity. Involved in the operational or transactional part of the business but also has some influence on strategy and budgets for their business area.
Keeps up to date with changes and new developments in their area of expertise.

Complexity

Creatively applies a wide range of technical and/or management principles.
Performs a range & variety of technical, professional or financial activities.
Demonstrates clear leadership and the ability to influence and persuade.

Autonomy

Establishes objectives for their work area & delegates responsibilities.
Accountable for actions and decisions made not only by themselves but subordinates.

Technical roles

May have no supervisory or management responsibility.
Subject matter expert within their own discipline and has a broad understanding of all aspects of IT.
Advises on their wider area of expertise. Maintains awareness of developments in the industry.
Understands the implications of new technologies on their area of specialty.

Level 4: Professional

Business skills

Demonstrates an analytical and methodical approach to problem solving.
Absorbs and applies technical information.
Has a thorough understanding of their job and how role relates to other roles and to the business of the employer.

Complexity

Has defined areas of responsibility.
Due to experience gained may provide guidance to more junior or less experienced staff.
May be responsible for a defined part of a project, small internal business project or a new process.
Uses discretion in identifying and resolving complex problems.
Performs a broad range of work, sometimes complex and non-routine, in a variety of environments.

Autonomy

Accountable for delivering assigned tasks within broader projects.
Operate as a competent professional with minimum supervision.
Limited decision-making scope on how tasks are to be fulfilled.
Can easily determine when work should be escalated to a higher level.

Level 5: Trainee

Business skills

Demonstrates a rational and organised approach to work.
Understands and uses appropriate methods (i.e. systems, processes etc)
Learns new skills and can apply them.
Is able to effectively communicate with colleagues and/or customers.
Absorbs and applies technical information.
Contributes to identifying personal development opportunities.

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Job titles often found here

- Student
- Graduate
- Example trainee

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Complexity

Is able to plan, schedule and monitor own work within agreed deadlines.
Responsible for checking the quality and accuracy of own work.
Produces routine letters, reports and other documents from standard templates.

Performs a range of activities in a variety of structured environments.

Autonomy

Operates within a defined role, but may have some limited autonomy in how tasks are delivered.
Can easily determine when work should be escalated to a higher level.

Definition of job functions

Some individuals may perform in more than one functional area. Where this is the case we asked participants to select the function that covers the majority of their work activity, where the majority of their effort is directed.

NB. Functions do not denote seniority, so one function will include all employees for that area of work. Seniority is reflected in job level definitions.

Function	Definition: a general guide to the area of work	Function code
Organisation	Example text which describes this function.	1
Projects	Example text which describes this function.	2
Product	Example text which describes this function.	3
Support	Example text which describes this function.	4