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WorldatWork and Deloitte Release Results of 2019 Survey of Salary Structure Policies and Practices

January 22, 2019 — Scottsdale, Ariz. — The "2019 Survey of Salary Structure Policies and Practices" conducted by WorldatWork and Deloitte Consulting LLP reveals that market-based salary structures remain the most prevalent type of pay structure in use today (55%). Broadband structures, historically favored by organizations, is waning, with only 5% of organizations reporting use of this type of structure, as compared to 12% when the survey was last conducted, in 2012.

Key Findings:

- Market-based ranges continue to be the most prevalent type of salary structure used by organizations today
- 18% of those surveyed use the pure market pricing approach (also referred to as "job-based pay ranges") within their organization, while 11% use it exclusively to administer pay
- The use of broad bands is down to 5% prevalence, a significant decrease from the 12% reported in the "2012 Survey of Salary Structure Policies and Practices"
- 96% of organizations reported tying midpoints to the market median
- 75% of participants reported they adjust their salary structures annually which is up from the 70% that was reported in 2012.

In this year's survey, the pure market pricing approach (also referred to as "job-based pay ranges") was also measured, with about 18% of organizations indicating they use this approach to guide pay decisions. This appears to be more prevalent for executive-level jobs than lower job levels. Eleven percent (11%) of organizations reported using this approach exclusively.

"It is critical for all organizations to consider the types of salary structures, competitive positioning, frequency of adjustments and overall design to offer the best and most successful reward systems that engage and retain all employees," said Scott Cawood, President and CEO of WorldatWork. "This survey is a great source to benchmark externally but can also provide keen insight into effectively managing pay equity and transparency of internal programs. Market-based structures have struck a chord with

organizations because they combine the more well-defined parameters of a traditional structure with the range spread flexibility of broad bands."

While most organizations keep salary structures, competitive positioning, and frequency of update consistent, variation by job function, job level, critical workforce segment, and/or geography is not uncommon. Of note, 21% of organizations use different types of structures by job function/family and 19% based on critical workforce segments.

"This survey also reinforces how closely organizations are monitoring the market today, based on the types of structures being utilized and the frequency with which they are being evaluated," said Gregory Stoskopf, Managing Director and National Practice leader of Compensation Strategies for Deloitte Consulting LLP.

NOTE: Journalists may request a complimentary copy of the survey report by contacting Judy Kalvin, judy@companyb-ny.com.

About the Study

WorldatWork and Deloitte Consulting LLP collected survey data for the "2019 Survey of Salary Structure Policies and Practices" from September 19, 2018 to October 12, 2018. The survey report was based on 331 responses. Survey respondents were WorldatWork members and Deloitte Consulting LLP contacts employed in the HR, compensation and benefits departments of mostly U.S. organizations: 68% from the private sector and 32% from public sector and nonprofit.

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