



DESIGNING PAY STRUCTURE WITH MARKET DATA

CERTIFICATE COURSE



HR CAN USE THE MARKET DATA TO
DEVELOP THE ACTUAL PAY STRUCTURE BY
CONSTRUCTING JOB GRADES, BUILDING A
MARKET PAY LINE AND CALCULATING THE
PAY RANGES.

CONTACT US

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SESSION PLAN

DESIGNING PAY STRUCTURE WITH MARKET DATA

- Compensation Surveys, Types of Surveys, Survey Data Analysis
- Job Equivalence, Job Evaluation and Salary Data
- Grade Point and Market Salary, Median Pay, Percentiles, Compensation Ratios, Salary Rates, Salary Equity, Market Parity.
- Evolution of Compensation Structures
- Types of Employee Rewards, Standard Reward Practices, Flexible Pay Programs
- Developing Different Compensation Structures
- Communicating of Compensation and Benefits Structures as 'Employee Value Proposition'
- Practical Exercise on Designing Pay Structure with Market Data

WHEN DONE, THIS WOULD THEN CONCLUDE THE JOB PROGRAM EXERCISE IN THE COMPANY.

YOU WILL LEARN TO DESIGN A PAY STRUCTURE

PRACTICALLY, YOU WILL DO:

- Write a job description using the O*NET website.
The website is free, easy to navigate, and has a wealth of information.
- Use the point method to conduct a job evaluation.
Point Method is the most commonly used job evaluation method.
Calculate the job evaluation points for the benchmarked jobs. Provide a rationale for assigning specific degrees to the various jobs.
- Analyze pay survey data for benchmark jobs.

To ensure that the pay structure is externally competitive, a pay survey will be conducted.

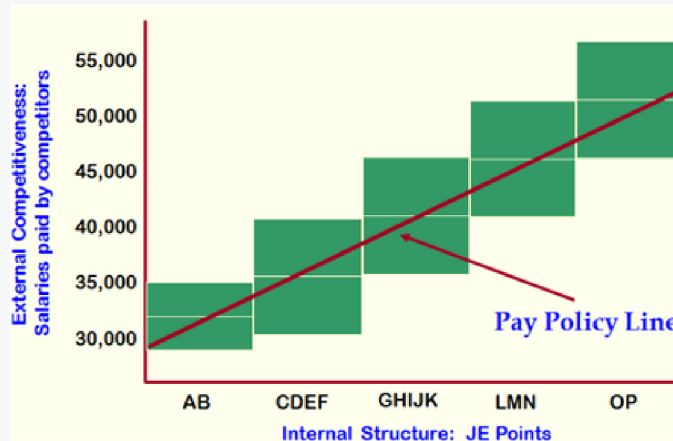
Remove the outliers. Assume no extreme data points exist in the dataset.]

Calculate the weighted means (for base pay) for each benchmark job.

LEARNING OBJECTIVES

Is from purely practical standpoint.

Apply your learning in group exercises to design payline structure with Market Data in the context of an organisational structure.



- Create a market pay line in Excel.
Conduct a simple regression in Excel to create a market pay line by entering the job evaluation points (on the X axis) and the respective weighted average market base pay (on the Y axis) for each benchmark job.
Identify the slope and y-intercept and write the equation for the market pay line.
What is your R squared (variance explained)? Is it sufficient to proceed?

- Create a pay policy line based on a stated pay-level strategy.

Next, adjust the market pay line based on the organization's lead pay level strategy; to create the pay policy line

- Calculate the predicted base pay for each benchmark job.

$y = mx + b$, where x is the job evaluation points, b is the y-intercept, and m is the slope coefficient

Example : your company wants to lead in base pay by 3 percent, adjust the predicted »» pay rates to determine the base pay rate you will offer for each benchmark job.

- Create pay grades.
Create pay grades by combining any benchmark jobs that are substantially comparable for pay purposes. Clearly label your pay grades and explain why you combined any benchmark jobs to form a grade.
- Establish pay ranges.
Determine the pay range (i.e., minimum and maximum) for each pay grade.
- Assignment
Design Pay Structure using Regression

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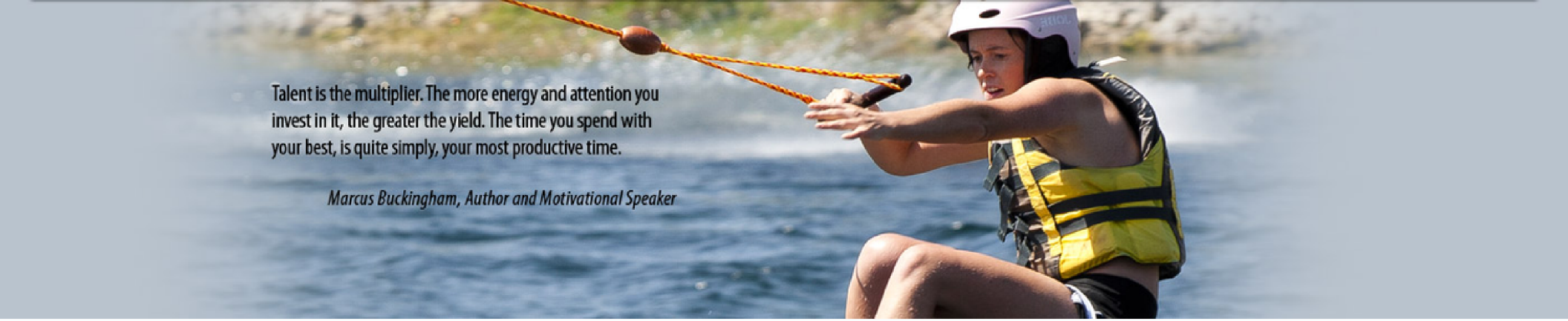
POINT TO CONSIDER



Given the pay structure you have generated, consider the following:

- »» Does this pay structure make good business sense? Do you think it is consistent with the organization's business strategy?
- »» What are the implications of this pay structure for other HR systems, such as retention and recruiting?

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Talent is the multiplier. The more energy and attention you invest in it, the greater the yield. The time you spend with your best, is quite simply, your most productive time.

Marcus Buckingham, Author and Motivational Speaker

What you will get?

Manual User Guide Book

Detailed Pre-reading material before the session

Recording of the session

Practical assignments during the session and follow-up assignments

On completion, you will receive

"Completion Certificate for Designing Pay Structure with Market Data" with Grades.

Your Name will be listed in the Meritt Training Directory.



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Some organizations which have benefited from our consulting and services practice areas