

Getting Started with Your Compensation Survey Results

Understanding where you stand in the market helps you ensure that employee compensation spend is optimized for your firm. Overpaying relative to performance and the market could lead to increased shareholder pressure and sub-optimal financial results. Underpaying could weaken your firm's ability to attract, motivate, and retain talent.

A successful, market competitive, total rewards program is driven by a deep understanding of the competitive market through compensation benchmark data. With high quality market data and the appropriate peer groups, you will be well-equipped to develop an effective compensation plan that optimizes desired business results.

This article outlines four key steps that will help you effectively assess your competitive standing in the market and drive decisions as you review your compensation results.

1. Get grounded

Don't wait around—get right to it and download your compensation survey results as soon as they become available. This allows you to get an early take on your firm's reward positioning relative to the market. The McLagan Management Summary shows a job based overview of your firm's competitive positioning across each survey, providing a high-level diagnostic for key compensation elements. Our recently launched [McLaganLive](#) platform enables you to interact with your compensation data and allows you to customize the jobs and data elements according to what is most relevant to you and your firm.

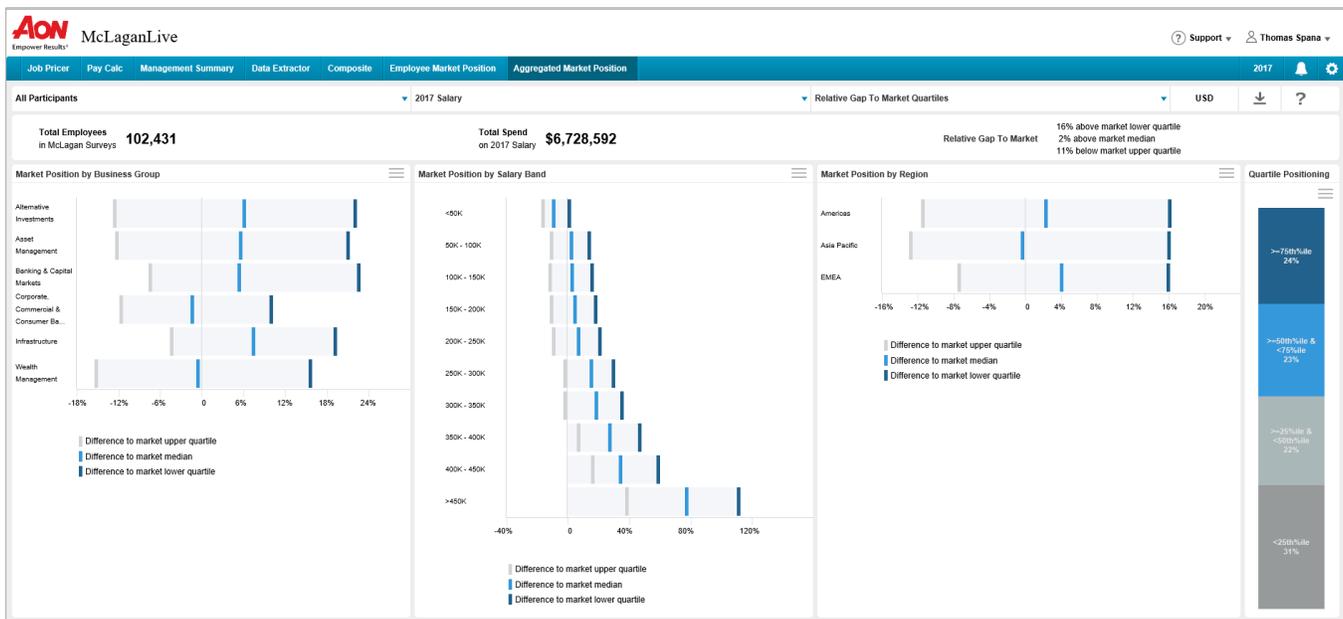
2017 McLagan Information Technology - US (ITU) - Management Summary

Firm: MC Client
Market: McLagan Live Demo
Currency: USD (000s)

	2016 TOTAL CASH					2016 TOTAL COMPENSATION					2017 SALARY					
	MIN	Q1	Q2	Q3	MAX	MIN	Q1	Q2	Q3	MAX	MIN	Q1	Q2	Q3	MAX	
IT - Technology Infrastructure																
ITU-AN-ASD In Prof All Roles	113.0	188.0	202.0	267.0	312.0	167.0	262.0	272.0	312.0	312.0	254.0	268.0	272.0	288.0	312.0	312.0
ITU-AN-ASD In Prof All Roles	113.0	188.0	202.0	267.0	312.0	167.0	262.0	272.0	312.0	312.0	254.0	268.0	272.0	288.0	312.0	312.0
ITU-AN-ASD In Prof All Roles	162.0	272.0	282.0	312.0	312.0	212.0	262.0	272.0	312.0	312.0	254.0	268.0	272.0	288.0	312.0	312.0
IT - IT Security																
ITU-CA-AAA Head of IT Security	282.0	358.0	368.0	368.0	368.0	282.0	358.0	368.0	368.0	368.0	282.0	358.0	368.0	368.0	368.0	368.0
ITU-CA-AAA In Prof Mgr All Roles	282.0	358.0	368.0	368.0	368.0	282.0	358.0	368.0	368.0	368.0	282.0	358.0	368.0	368.0	368.0	368.0
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ITU-CA-AAA In Prof Mgr All Roles	113.0	188.0	202.0	267.0	312.0	167.0	262.0	272.0	312.0	312.0	25					

2. See the big picture

Compensation survey results can also provide a macro view on total compensation spend, offering a valuable perspective on how to make allocation decisions. A big picture view, in addition to the detailed job data, will enable you to successfully adjust your salary spend, bonus pool, or long-term incentive program to position appropriately against the market. Combining a broad view with an understanding of financial performance provides a basis for the distribution of compensation across businesses, regions, and levels within your firm. We recommend considering the total gap to market and examining what is driving the gap across each business area, geographic region, or compensation band. It is important to ask yourself, is the gap to market consistent with the allocation intent or does it offer the opportunity to more optimally spend the compensation pools? Below is one way we look at it through a McLaganLive premium app, Aggregated Market Position.



3. Create a data driven narrative

Now it's time to tell your firm's story—a story comprised of the gained insights from getting grounded and seeing the big picture, combined with your context of what's happening in the market. A firm-wide narrative covering aggregate spend, allocation decisions, and mix of pay design is necessary for senior leadership and corporate functions, such as HR, strategy, and finance. Digging into the detailed results on a business, functional, and key role basis will create a more specific line of business narrative. Of course, each story will be different and is largely dependent upon the firm's business results and compensation philosophy. Business, market, and competitor context are all important variables of the compensation narrative. To help this process, your external compensation consultants can partner with you beyond just providing data, collaboratively working to understand how the data fits your firm's story, deliver market-driven insights, and support any changes your firm needs to make in its reward strategy.

4. Start to prepare for year-end

After identifying key talking points, seeing the big picture, and crafting your firm's reward narrative, it is time to begin shifting the focus to year-end, which will be here before you know it. Start by leveraging the data you've received and the insights you've gathered from the market to make changes within your firm. A proper analysis of your compensation survey results should provide insights for setting up merit budgets, bonus pool size, incentive plan design changes, and overall reward strategy. The focus should be on allocating compensation more effectively, including differentiating for individual performance and ensuring that top performers are paid competitively for their contribution.

To ensure a comprehensive understanding and context of the compensation market, be sure to attend one of our client conferences this fall. You can also [contact our team](#) to learn more about your compensation survey results, and how to adjust existing pay practices to remain competitive and prepare for a successful year ahead.

Author Contact Information

Ephraim Edelman

Partner, McLagan

Aon

1.203.602.1247

eedelman@mcclagan.com

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McLagan provides tailored talent, rewards, and performance expertise to financial services firms across the globe. Since 1966, we have partnered with the largest and smallest financial services firms to help them make data-driven decisions to hire, retain, and engage the top talent for keeping the global economy running. Our compensation surveys are the most comprehensive, in-depth source of rewards data covering over 150 countries from more than 2,500 clients. Our consultants work with hundreds of firms annually to design total rewards programs and benchmark financial performance for boards of directors, executives, employees, and sales professionals. McLagan is a part of Aon plc (NYSE: AON). For more information, please visit mcclagan.aon.com.

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