

COMPENSATION PROFESSIONAL SUCCESS:

A study and analysis of the work, career paths, and success in the compensation profession.

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So: What is it that makes the person that has chosen a career doing work called “compensation management” successful? Is it unique knowledge or skill? Is it a matter of “knowing the right person”, “being in the right place at the right time”, or being a math genius? Or, is it just the result of changing jobs and companies?

There seem to be lots of opinions, but very little credible data or information to support them. The suspicion is that many of the compensation and HR leaders have pretty good opinions about how they have been able to achieve success, but it is anecdotal and difficult to pass on to the next generation of compensation professionals. One VP of Compensation related that her success was due to having a great mentor who advised and supported her in her career. Well, that’s wonderful; but exactly what does it mean? What did she actually do to be successful? What characteristics and factors does the profession agree are important for success?

There seem to be opinions, but little data or information to support them.

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Executive Review:

When asked what defines the successful compensation professional, and what differentiates the successful ones from the unsuccessful ones the responses generally referred the question to some “authority.” Unfortunately, the “authorities (consultants, associations, etc.)” all offered some information; but, for the most part, referred to each other as the place to get a complete picture. Salary.com was engaged by the question and offered to support a study aimed at answering it. With Salary.com support we have been able to collect data and arrive at a reasonably comprehensive picture of the successful compensation professional and what characteristics differentiate them from others.

There were clear common areas of characteristic excellence: Personality, work results, and analytical skill.

There were three separate research activities conducted between October, 2005 and March, 2006. The first was an analysis of job listings for compensation professionals on the internet. The second was a review and analysis of position descriptions for compensation jobs in the Salary.com database. The third surveyed over 14,000 compensation professionals in the U.S.. The integration of the results creates a look at what the companies say they want (recruiting), what they say they pay based on (the compensation database), and what the profession really values (the compensation professional career survey).

While there were expected differences between what each of the three groupings emphasized, there were clear common areas of characteristic excellence: Personality, work results, and analytical skill.

From the perspective of hiring compensation professionals, the most important considerations are focused on compensation specific knowledge, skills, and abilities (KSAs). These individual attributes also emphasize work-specific characteristics. The formal listing of job requirements is, as for any position, found in the compensation database. The analysis of that database reflects position requirements emphasizing technical and functional related characteristics. Again, the emphasis was on the KSAs needed to do the work. The next emphasis in the data was on the competency in HR and the business. This includes compensation, but broadens the preference to a larger competency than the specific work of compensation. As the positions move higher in the hierarchy, the emphasis becomes stronger. The data representing the opinions of the surveyed compensation professionals and HR executives was clear. On an individual level,

personality was most important for success! However, it was immediately followed by the skill to do the work and the resulting high quality results. The person successful in the compensation function was, quite simply, “effective” with other characteristics fairly evenly rated.

Purpose of Study:

There is a significant lack of published information regarding the work, career path, and success factors for accomplishing the creation, planning, implementation, and management of activities and programs dedicated to the human resources management function traditionally called “compensation.”

The compensation professional career is dependent on many factors.

This study looks at that body of work and articulates how it is accomplished by professional workers specializing in doing this work. The study reviews and analyzes the work structuring and career management aspects of the function participants.

The compensation professional career has been assessed and reviewed within the context of understanding what factors contribute most to the success of compensation professionals that have achieved success.

This is a qualitative study to discover the description of the successful compensation professional. Assessing the specific factors in a scientifically quantitative manner will require the design and completion of an additional study.

Introduction:

For most of the 20th Century the cost of labor had increasingly become an important part of managing successful businesses. As the century drew to a close the economy of the United States had firmly shifted (over 50% of the GDP) from being a product and goods dominated economy to a services dominated economy. Some of this was driven by the growth of information and process oriented consultancies such as PWC, Accenture, and Deloitte; and by the shift in large industrial companies such as IBM to service revenues. As the consumer services area of the GDP became a key economic driver more and more millions of service workers became employed by retail, hospitality, food service, transportation, and leisure industries. These industries are significantly more labor intensive than the old 20th Century industries that could increase effectiveness by reducing labor content. This makes labor cost, and therefore, compensation management, even more of a critical business factor. Consider the computer industry. The computer company rarely dealt directly with an end-user or consumer of its product; but, rather, with an intermediary (company computer specialist, distributor, retailer, etc.). Today, the primary competition among computer companies is how well it directly satisfies each end-user customer at home or in the office.

Labor cost, and therefore, compensation management are even more of a critical business factor than ever.

By the beginning of the 21st Century a large percentage of the American workforce was primarily engaged in intellectual and

emotional labor in business and service industries. In many of the 21st Century businesses the cost of labor and associated expenses is 100% of the cost of running the business. In terms of total labor cost (wages, salaries, benefits, human infrastructure costs, governmental and legal compliance, etc.) today's typical company spends from 37% to 94% of its operating expenses on human labor. The intense financial and market pressures in today's highly competitive global business environment mandate strict management of the cost of labor.

Compensation management has moved from "Nellie the bookkeeper's" weekly paycheck writing role to sophisticated, highly complex, and professional financial and operational labor management work. The compensation functional role is a body of continuous professional work around which a hierarchy of specialized roles have developed. These roles have evolved into a professional career.

Discussion

Often, during discussions pertaining to how the work of Human Resources Management is accomplished, the role and characteristics of the compensation professional are included. As stated previously, the business cost of employing people to accomplish the work of the organization is often the largest factor in the success or failure of the enterprise. How much it costs the business to pay these people can be the difference between being competitive or not competitive. Even in the non-profit sector, the lack of effective control of pay results in the loss of key employees and not meeting organizational budget requirements.

It is the competency of the compensation resources used by a company that will determine whether or not its pay practices and total labor cost are competitive and supportive of the organizational goals and objectives. There are a number of ways that a company can feel confident that it has effective compensation programs and practices. Three common approaches are to:

1. Create and maintain a high-performing full compensation function.
2. Create and maintain a competent, outcome-focused compensation management capability.
3. Outsource the compensation functionality to an external compensation consulting firm.

It is the competency of the compensation resources that will determine whether or not its pay practices and total labor cost are competitive.

Analysis of the Positions:

There are many people both within the human resources function and elsewhere in the enterprise who do compensation work who are not included in this analysis. There are non-compensation human resource workers (HR generalists and specialists) and others in firms (partners, finance employees, general managers, bookkeepers, operations managers, store managers, etc.) who do the work of the compensation function to a greater or lesser degree depending on the size, structure, and type of company. There are also a large number of compensation professionals working for consulting and service companies to whom businesses may outsource their compensation management work.

This study reviews the corporation internal compensation function and its professional employees. A comprehensive analysis was conducted of compensation jobs included in the large Salary.com database. The positions included (See Table 1)

TABLE 1

Compensation Analyst I
Compensation Analyst II
Compensation Analyst III
Compensation Analyst IV
Executive Compensation Manager
Compensation Manager
Compensation & Benefits Manager
Compensation Director
Compensation and Benefits Director
Top Compensation Executive
Top Division Human Resources Executive
Top Compensation and Benefits Executive
Top Human Resources Executive

Source: Salary.com, 2005

It is at the Director level in the compensation profession where the perceived role and value of the person begins to be associated directly with the performance of the company.

Compensation Professional's Pay:

Average annual base pay (All figures are in US dollars.) for the compensation profession ranges from an average of \$45,800 for the Compensation Analyst I to an average of \$156,80 for the Top Compensation and Benefits Executive and \$205,40 for the Top Human Resources Executive. (Refer to the CompAnalyst Multi job report in appendix A for more detail.)

Interestingly, additional compensation for individual contributors and manager titles only adds between 1.5% and 6% to their total cash compensation. Beginning with Director titles, however, the

percentage of base pay that is added to total cash compensation jumps to 17% and grows to 33% for the Top Human Resources Executive (an average of \$69,000 in additional cash).

One of the conclusions derived from this salary data is that it is at the Director level in the compensation profession where the perceived role and value of the person begins to be associated directly with the performance of the company and the outcome of the compensation functional goals and objectives.

Professional Career Growth – Multiple Ladders of Success:

For the most part Compensation professionals are recruited into the role at an entry level (Compensation Analyst I or Compensation Analyst II depending on education, experience, and salary requirements). The person hired may be a current employee (such as a compensation / benefits or HR coordinator or assistant), an employee in the HR department doing other than compensation specialist work (Many HR generalists initially do limited compensation work such as salary planning and administration.), or a recent graduate from a college or university. For example, some students in my human resources management courses at Bentley College have begun their HR careers as compensation analysts.

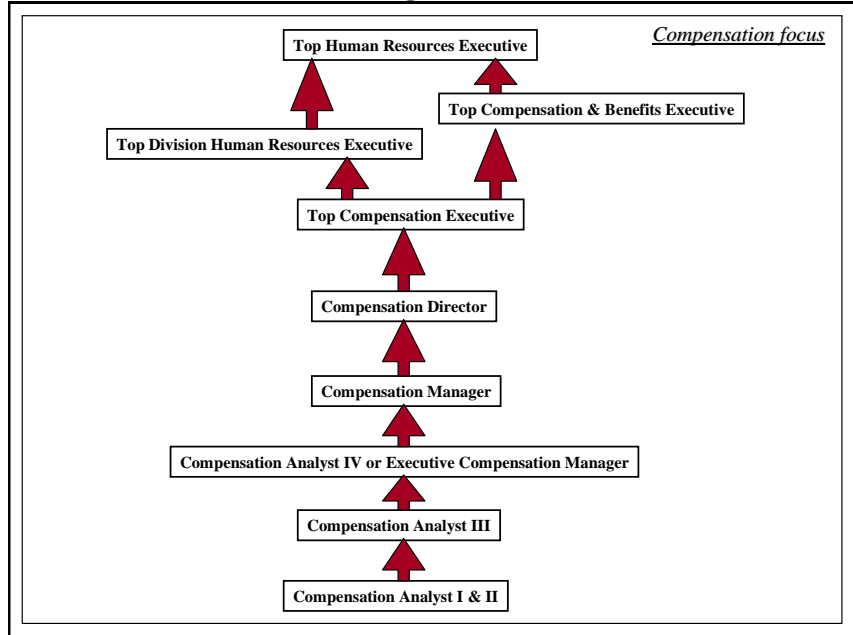
The normal progression is a promotion to Compensation Analyst III. Following the level three Compensation Analyst role, the compensation professional has a number of avenues depending on the company and their interests and skills.

There are numerous possibilities for the lower level professional to move into other line and staff roles within the company (finance, operations, manufacturing, logistics, marketing, sales, administration, purchasing, etc.). For the professional desiring a career in the Human Resources function, the path always leads to the top Human Resources Executive for the company (generally, a senior vice president or executive vice president position reporting to the CEO or COO and sometimes to the CFO). While circumstances often design the actual path for individuals, there are three planned career progressions for the compensation analyst to pursue to reach the top: The Compensation focus; the Benefits focus; and the Human Resources Management focus.

There are three planned career progressions for the compensation analyst to pursue to reach the top.

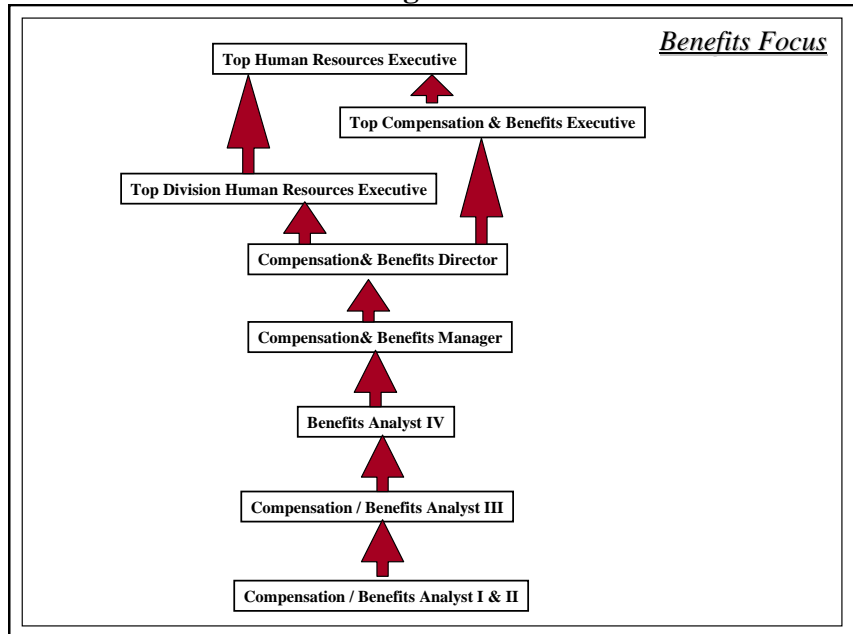
The Compensation focus career path:

Figure 1



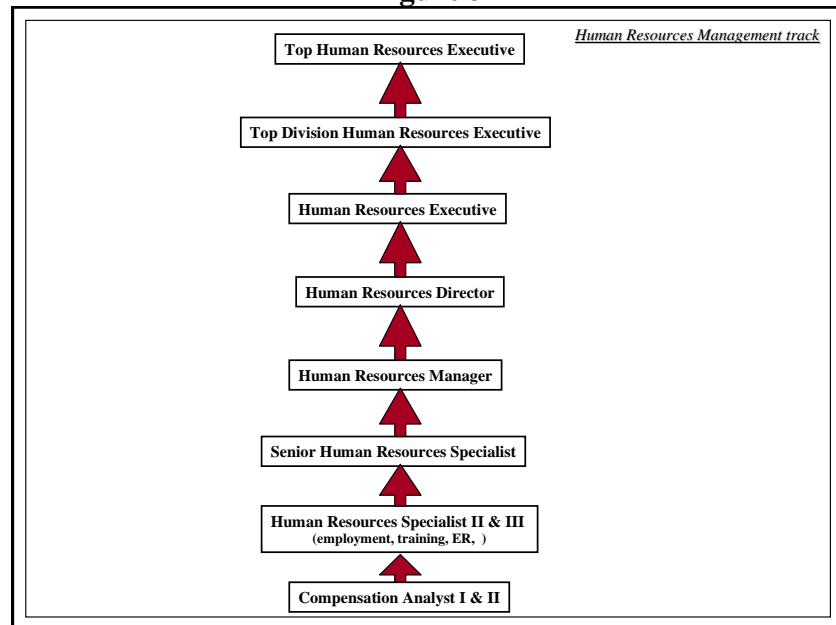
The Benefits focus career path:

Figure 2



The Human Resources Management career path:

Figure 3



Compensation Functional Success:

There have been some studies representing opinions on what makes a human resources management compensation function successful in the view of business executives, human resource management executives and experts, and the compensation profession through its global professional association, WorldatWork. While this report does not have a focus on functional performance, some of the “functional” characteristics of success certainly translate into individual characteristics and behaviors within the function. In April, 2005 the World at Work Compensation Advisory Board reported on a survey (506 respondents primarily at the manager and higher level) that the driving business forces in changing the compensation function were: Compliance issues; Greater requirements for analysis; Sarbanes-Oxley; Compensation assuming more responsibilities; Increased executive / board interaction; Governance issues; and Increased international compensation. The associated skill sets that they noted for the compensation professionals were (in order – most important first): Strategic thinking; Understanding of company operations; Executive presentation skills; Project management skills; Legal Knowledge; Accounting knowledge; Business case development; Understanding of financial statements; Tax knowledge; Knowledge of board compensation; and International business understanding.

Functional characteristics of success translate into individual characteristics and behaviors.

These factors help create the context within which the compensation professional at all levels must learn to be successful. The question we are addressing in this study is: How do you get to be individually successful where personal success depends on both the functional expertise and the interpersonal experience?

Compensation professional employee success factors:

There are numerous aspects to be considered when determining what makes one person successful and another person not as successful. In this report we are assessing factors contributive to success in three primary areas: KSAOs (Knowledge, Skill, Ability, Other); Behaviors; and Environment. The areas are interdependent as they are in any business function. For example, the KSAO profile for a successful compensation analyst may be identical in both the manufacturing division and the sales organization of a company; however, because of the different cultures (environment), a person with introverted and shy behaviors may be successful in manufacturing but not successful in the sales organization where a friendly and outgoing behavior style is necessary for success.

Senior managers had clear ideas of success

In preliminary discussions with senior managers and HR executives the characteristics in table 2 below were the factors and influences felt to critical to consider in determining whether or not a compensation professional would be successful or not.

Table 2

KSAs	BEHAVIORS	ENVIRONMENT
Math skill / Analysis	Flexibility	Organizational culture
Business knowledge	Creativity	Country / region
Knowledge of laws (FLSA, EEO,	Organized	Type of industry / business
Administration and process; project management	Common sense; balanced	Company Support (or lack) of Compensation Profession
Survey management	Social	Global economy / politics
Communication Skills	Works efficiently	
Accounting and finance	effective	
Tax laws and requirements	Quality work	
Executive & Int'l comp	positive relationship with boss	
OTHER Characteristics:	positive relationship with mgrs	
Integrity, Honesty; Trust		
Likeable; personable		

Data Collection and Analysis:

There were differences between both the relative importance and the actual identified characteristics found through three different research efforts: Knowledge, skills, and abilities (KSAOs) in the listings of compensation professional positions found on the internet; the characteristics included in the company job descriptions submitted as part of company compensation survey participation; and a large survey of thousands of practicing compensation professionals.

The on-line position characteristics Findings:

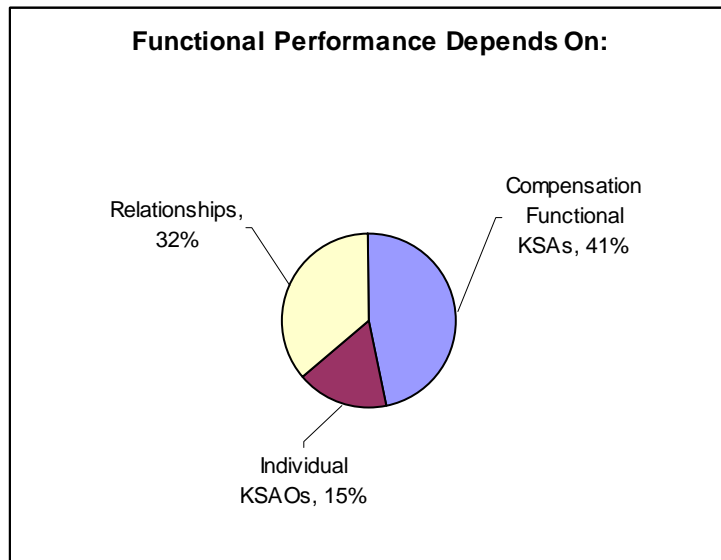
The research included 3188 incidents of the selected 51 KSAOs. These were extracted from 357 specific professional compensation position listings found on the Internet.

Two different analyses were conducted: one relating a focus on functional characteristics and the other with a focus on the individual.

The requirements used in the recruitment of professional compensation professionals that are related to the person's functional performance place the most emphasis on Compensation functional KSAs (41%), the KSAOs needed to accomplish the work of the compensation function (32%), and the relationships necessary to accomplish the work (15%).

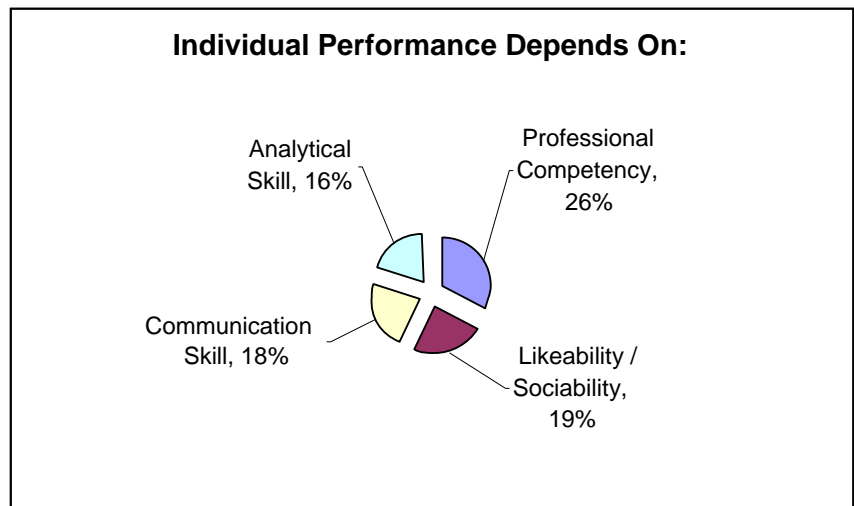
The primary characteristics that are found in the descriptions posted on job boards and company web sites center around the work.

Figure 4
KEY AREAS



In an evaluation of the characteristics as they describe the individual person the emphasis is similar. The greatest emphasis is on competency in the business and HR/ Compensation area (26%) followed by personal likeability and sociability (19%), communication skills (18%), analytical skills (16%)

Figure 5
KEY AREAS



Integrity, trust, and honesty were not key factors.

An interesting observation is that the characteristics relating to integrity, trust, and honesty were not prominent.

The primary characteristics that are found in the descriptions posted on job boards and company web sites center around the work of compensation rather than the individual traits and characteristics necessary to successfully accomplish the work. There is, of course, some historical logic in this emphasis since the normal recruiting process begins with a focus on the quantitative elements of the candidate qualification and selection process. It is really the post-recruiting activities that determine the qualitative, personal elements needed in the individual candidates for success as a compensation professional.

It is not unexpected that the listing of characteristics compiled from a recruiting database would have few qualitative characteristics included because of the sensitivity of public company job requirements information. Only the most quantifiable and validated characteristics will generally be listed.

Table 3
Analysis of KSAs found in jobs on the internet

Percent	Count	Individual Characteristics
41%	1317	Technical/function specific
2%	53	Personality
1%	22	Integrity / honesty
5%	145	Business Knowledge
15%	463	Relationships
5%	157	Company Citizenship
32%	1031	Work (skill /quality)
	3188	= Total KSA count
	357	= Total job listings reviewed
Percent	Count	Functional Characteristics
16%	518	analytical
18%	583	communication
19%	620	likable/social
1%	37	trustworthy
9%	293	effective
26%	823	business/HR competency
10%	314	resourceful

The Job Descriptions from the Company Compensation Database (Salary.com):

Formal job descriptions used by companies are often inadequate to the task of extracting quantifiable knowledge, skills, abilities, and other characteristics (KSAOs) due to the generic nature of “official” published job descriptions. To really determine the KSAOs one would need to evaluate all of the performance and goal documents from the compensation professionals.

However, there are some individual responsibilities and some functional outcomes consistent across all of the compensation job descriptions in the database.

An analysis of the company job description data as related to our key descriptors (table 4) shows that the primary position factors were job-specific such as knowledge and skill specific to the compensation work (technical – 21%), the result / outcome of the work (work – skill / quality – 10%), and the business and HR competency necessary to accomplish compensation work (business/HR competency – 18%). One important area of emphasis here is that compensation professionals must be competent in more than only compensation. They need to also be competent in HR and business.

the company job description data shows that the primary factors were job-specific to the compensation work

**Table 4
Frequency of Selected Descriptors**

Compensation Jobs database - job descriptors found		
# of incidents	% Of total incidents	= comp job descriptors 403
Individual codes / factors		
83	21%	Technical/function specific
0	0%	Personality
0	0%	Integrity / honesty
20	5%	Business Knowledge
28	7%	Relationships
5	1%	Company Citizenship
40	10%	Work (skill /quality)
Functional codes / factors		
11	3%	analytical
5	1%	communication
36	9%	likable/social
0	0%	trustworthy
30	7%	effective
73	18%	business/HR competency
21	5%	resourceful

Source: Salary.com, 2005

It is necessary for descriptions to include only those criteria that are common, sustainable over time, and defensible under legal scrutiny.

The focus on the quantitative aspects of the jobs is, as found in the internet job listings, understandable since the formal needs for documentation and continuity in published descriptions is important. For purposes of continuity, comparison, performance management, market analysis and comparisons, and to ensure legal compliance, it is necessary for descriptions to include only those criteria that are common, sustainable over time, and defensible under legal scrutiny.

Those characteristics above in table 4 were derived from the listing below (table 5), the frequency of the factors (how many jobs the factor was included), and an analysis within the structure of common keywords.

Another aspect of analyzing compensation database listings is that a company often desires a certain “timelessness” in the descriptions so that positions may be easily compared and tracked over time. Of course, that requires inclusion of only timeless characteristics.

Table 5
Listing of specific Factors included in compensation survey
database of professional compensation positions

Individual factors	Functional factors
administers	compensation goals
analyzes	compensation programs
conducts surveys	competitive market position
designs	concepts
directs	cost effectiveness
evaluates	deferred compensation
exercises judgment	executive compensation
leads others	incentive programs
manages	legal requirements
modifies	market intelligence
reviews	organizational ability
uses creativity	practices
uses experience	procedures
works with latitude	relationship with HR
	relationship with Sr. execs
	salary reviews
	strategic objectives
	surveys

Source: salary.com job description database

The Characteristics of a Successful Career in Compensation according to Surveyed Compensation Professionals:

We asked: “What Characteristics, behaviors and actions make a compensation professional successful?”

The critical aspect of this study was to determine what the professionals within the compensation profession believe are the most critical knowledge, skills, abilities, and other characteristics that define and create successful careers in the compensation field. To that end, a survey was conducted of compensation professionals across the U.S..

The focus of the survey was the question:

What Characteristics, behaviors and actions make a compensation professional successful?

The responses were captured in the following categories:

- **Personal:** (examples: Likeability, Availability, Politically astute, common sense, integrity, trustworthy, etc)
- **Interpersonal:** (examples: Friendly, Respectful, Leadership, etc.....)
- **Work Habits:** (examples: Collaborative, maintains confidentiality, thorough, accurate, efficient, speed, etc ...)
- **Interaction with others:** (examples: boss, co-workers, client managers, manager above boss, consultants, vendors, employees, ..)
- **Other:** (examples: honesty, integrity, trustworthy, etc...)

The objective was to determine the qualitative characteristics that make a compensation professional successful and support a successful career in the compensation field.

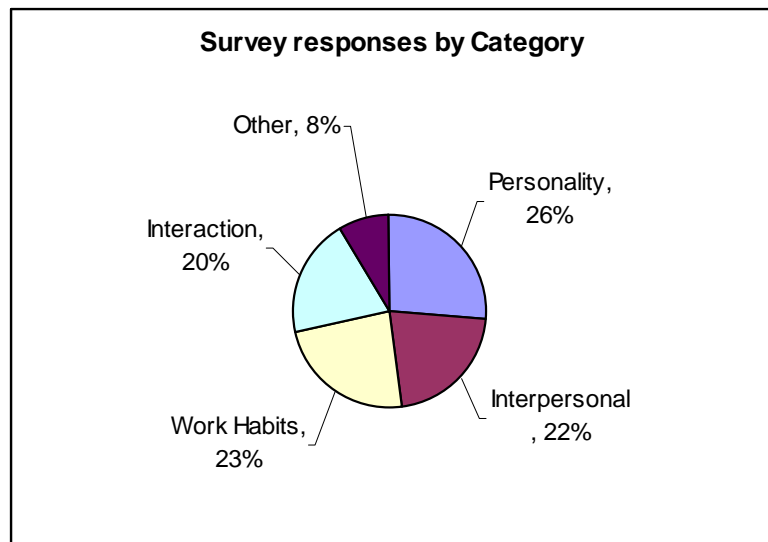
We surveyed over 14,000 compensation and senior HR professionals (See survey instrument in appendix D) with the help of Salary.com, Bentley College, Boyd Associates, and Gatti HR. Special thanks to Salary.com for donating resources and email distribution to this effort.

The analysis of the survey results suggest that the primary characteristics of the successful compensation professional are work specific (analytical, work skills, and work outcomes) followed closely by individual traits (personality, social skills, character).

Each of the descriptive words submitted by the survey participants was categorized and coded for analysis. There were 1524 unique characteristics (keywords) collected in the survey. They were fairly evenly distributed over the four survey answer categories or groupings (chart 6)

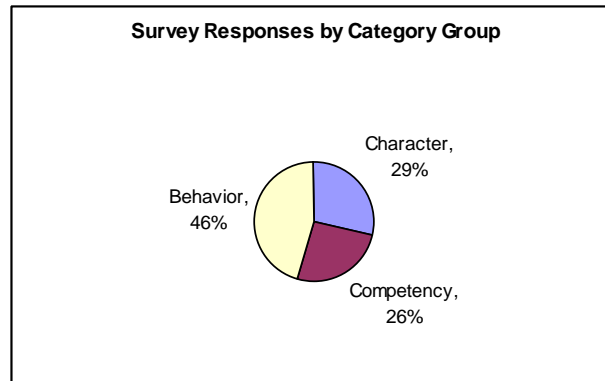
Whether we like to admit it or not, personality is important.

Chart 6



Those responses were grouped into three focused areas: behaviors, individual characteristics, and competencies. About half of the entries were focused on behaviors (46%). Other characteristics represented 29% while issues of competency made up 26%.

Chart 7



The results showed that the most important individual characteristic is personality (24%) followed closely (23%) by the work skill and quality from the individual (Table 6)

Table 6

Individual factors	
Technical/function specific	17%
Personality	24%
Integrity / honesty	6%
Business Knowledge	6%
Relationships	18%
Company Citizenship	6%
Work (skill /quality)	23%

Personality and Effectiveness sit at the top of success factors.

As the characteristics relate directly to the compensation functional success, the emphasis was on how effective the individual is in accomplishing the work of the compensation function (20%). Other factors germane to professional success in the function were fairly evenly distributed (table 7)

Table 7

functional factors	
analytical	13%
communication	12%
likable/social	16%
trustworthy	10%
effective	20%
business/HR competency	16%
resourceful	14%

An additional analysis of the survey results was accomplished by using the most commonly used terms from the survey responses and normalizing the full set of responses using those high-use terms. While the distribution was reasonably even, the clear emphasis was on results (table 8)

Table 8

Normalized term:	Percentage of word frequency
analysis	8%
personable	6%
team	3%
results	15%
creative	3%
business competency	5%
communicate	9%
learn	4%
relationships	5%
relate	6%
balanced	6%
trust	7%
negotiate	1%
ethics	1%
detail	5%
competent	5%
collaborate	4%
change	1%
accurate	3%
positive	3%

As in any business activity, results are key.

Interestingly, in the analysis of these commonly used terms, 100% of the respondents included “approachable” in their responses while 46% included ”analytical.” (See table 9)

100% of the respondents included “approachable”

Table 9

High Incident Keywords:	
Keyword	Percentage of people that responded and included this keyword
analytical	46%
trustworthy	18%
strategic	5%
detail	23%
personable	5%
teamwork	8%
accurate	16%
approachable	100%
collaborative	13%
curiosity and learning	1%
ethics	1%
flexible	20%
good listener	15%
honest	25%
inquisitive	4%
organized	33%
persistent	8%
professional	11%
resilient	1%

How The Compensation Professional Gets Promoted:

We also asked: *“What is the most common reason for promotions in the compensation profession?”*

The result was clear (table 10): Most career progression in the compensation profession is due to Competence in Compensation knowledge and work.

Competence drives promotions.

Table 10

Reason for Promotion - analysis:	Percent
Grade level promotions due to normal progression =	22%
Competence in compensation knowledge and work =	42%
Change in organization or company =	29%
Other =	7%

This finding is certainly consistent with the results of the study of career success factors. It is the KSAOs that are required for success in the compensation function that drives promotion. Assuming the empirical validity of these results, they support the analyses and findings of this study of compensation professional success factors.

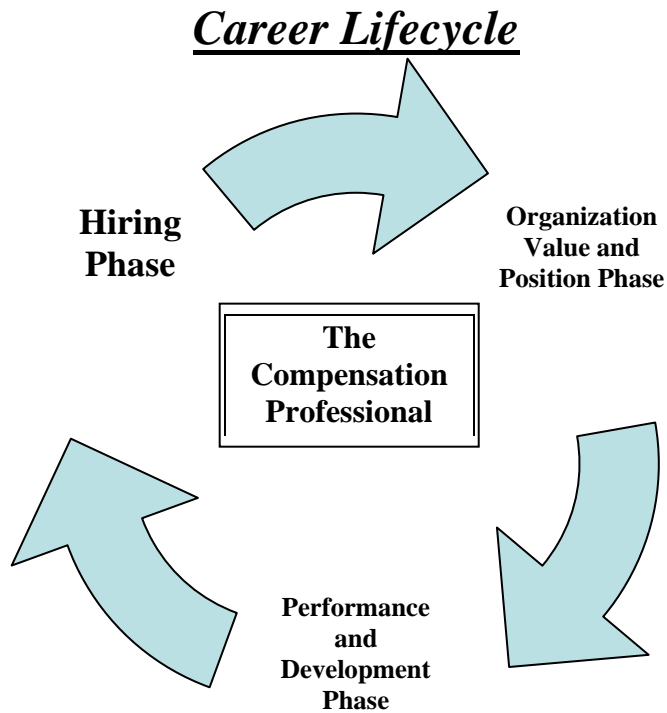
The Career Lifecycle:

Characteristics vary depending on where one is in the career lifecycle

While there are some clear areas that are key to success, the specific characteristics seem to vary greatly depending on the career lifecycle aspect: the hiring phase; the hierarchy and organizational value positioning (or learning and producing); and the performance and development phase.

When reviewing the results of analysis of all the aspects (Internet jobs review; company positions descriptions review; and compensation professional career survey) of the compensation professional career lifecycle it is apparent that success is not a static phenomenon, but rather a dynamic one.

While we did not collect survey data on the characteristics for success as they were tied to a career lifecycle, there is difference we can interpret from the responses relative to common business practice and the responses from survey participants. The overall career success is dependent on the increasing level of each of the characteristics we have analyzed. The business expectation is that the professional will have lower levels of the competencies, knowledge, skills, and other characteristics than they will have after experiencing continuing success.



Research Methodology (See Appendix B):

There were three primary research efforts:

1. On-line (Internet) job listings were collected and analyzed to determine the KSAOs used for the recruitment of compensation professionals.
2. The Salary.com compensation database was analyzed to determine the KSAOs used by companies to designate roles, responsibilities, and requirements for compensation positions.
3. A brief survey asking what the important keywords were in describing the successful compensation professional was conducted.

Summary and Conclusions:

Within the context of the professional career lifecycle the analyses in this study of the compensation professional career offers some clear conclusions. For those who have achieved career success, the conclusions reinforce their experience. For those desiring success, there are some suggestions:

- Be fully competent in the why, what, and how of your work. Your superiors respect results.
- Develop a personality that is perceived as approachable and helpful. Behave that way.
- Relationships and the ability to influence peers, subordinates, superiors, and clients (managers) will be important. You will never manage without that strength.

Analysis, Impact, and perceived social desirability will enable or exclude.

The results of this study were not intended to create a new paradigm of success, but rather to capture and validate the common knowledge of the compensation leadership. The study does provide some valuable insight as to the success factors for the compensation professional.

If you are liked, your chance of success is greater.

On the knowledge, skill, and ability side, being able to analyze compensation and effectively use that analysis to positively impact on the business is key. A big part of this ability is communication and relationship management.

On the character side, the perception that the person is a personally desirable work colleague is critical. They must be socially acceptable. As in any role, if you are liked, your chance of success is greater.

APPENDIX A

CompAnalyst Multi job report

Source: Salary.com Market Analysis

Effective date: June 01, 2005 Currency: US Dollars (000's):

	Job Title	Base Average	TCC Average	Additional Cash comp (% of base)	Job description:
1	Compensation Analyst I	\$45.80	\$46.80	2.18%	Evaluates and analyzes salary data. Administers company compensation programs. May require a bachelor's degree in a related area and 0-3 years of experience in the field or in a related area. Has knowledge of commonly-used concepts, practices, and procedures within a particular field. Relies on instructions and pre-established guidelines to perform the functions of the job. Works under immediate supervision. Primary job functions do not typically require exercising independent judgment. Typically reports to a manager.
2	Compensation Analyst II	\$52.60	\$53.40	1.52%	Evaluates and analyzes salary data. Administers company compensation programs. Requires a bachelor's degree in a related area and 2-4 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a manager. A certain degree of creativity and latitude is required.
3	Compensation Analyst III	\$68.30	\$70.60	3.37%	Evaluates and analyzes salary data. Designs and administers company compensation programs. Requires a bachelor's degree in a related area and 4-8 years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on experience and judgment to plan and accomplish goals. Performs a variety of complicated tasks. May lead and direct the work of others. May report directly to an executive or head of a unit/department. A wide degree of creativity and latitude is expected.
4	Compensation Analyst IV	\$79.20	\$82.50	4.17%	Evaluates and analyzes salary data. Designs and administers company compensation programs. Requires a bachelor's degree in a related area and at least 8 years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a manager or head of a unit/department.

5	Executive Compensation Manager	\$79.10	\$82.90	4.80%	Responsible for the analysis and administration of executive compensation programs including executive salary surveys, annual and long term incentive programs, and deferred compensation plans. Provide consultation on executive compensation matters to senior executives and human resources. Requires a bachelor's degree in a related area and at least 7 years of experience in the field. Generally manages a group of executive compensation analysts. Relies on experience and judgment to plan and accomplish goals. Typically reports to an executive.
6	Compensation Manager	\$83.00	\$87.80	5.78%	Designs, plans, and implements corporate compensation programs, policies, and procedures. Responsible for achieving organization's desired position in market and compensation goals, and conducting or participating in surveys. Ensures the compensation program enhances the organization's ability to recruit and retain employees. Requires a bachelor's degree in a related area and at least 7 years of experience in the field. Generally manages a group of compensation analysts. Relies on experience and judgment to plan and accomplish goals. Typically reports to an executive.
7	Compensation & Benefits Manager	\$87.90	\$93.30	6.14%	Designs, plans, and implements corporate benefits and compensation programs, policies, and procedures. Responsible for reviewing programs, suggesting modifications, and ensuring achievement of competitive market position and other goals identified by the organization. Responsible for ensuring programs meet employees needs, comply with legal requirements, and are cost effective. Ensures the compensation and benefits programs enhance the organization's ability to recruit and retain employees. Requires a bachelor's degree in a related area and at least 7 years of experience in the field. Generally manages a group of compensation and/or benefits analysts. Relies on experience and judgment to plan and accomplish goals. Typically reports to an executive.
8	Compensation Director	\$112.70	\$132.20	17.30%	Responsible for overall design, implementation, communication, and administration of the organization's compensation programs. Ensures that compensation programs support the organization's strategic objectives. Requires a bachelor's degree in area of specialty and at least 10 years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. Leads and directs the work of others. A wide degree of creativity and latitude is expected. Typically reports to top management.
9	Compensation and Benefits Director	\$118.50	\$139.80	17.97%	Responsible for overall design, implementation, communication, and administration of the organization's compensation and benefits programs. Ensures that compensation and benefit programs support the organization's strategic objectives. Requires a bachelor's degree in area of specialty and at least 10 years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. Leads and directs the work of others. A wide degree of creativity and latitude is expected. Typically reports to top management.

10	Top Compensation Executive	\$135.40	\$163.30	20.61%	Plans and directs certain aspects of human resources relating to compensation policies, objectives, initiatives. Responsible for development and administration of all compensation programs designed to attract and retain employees within budgetary constraints. Requires a bachelor's degree with at least 15 years of experience in the field. Demonstrates expertise in a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. Leads and directs the work of others. A wide degree of creativity and latitude is expected. Typically reports to top management.
11	Top Division Human Resources Executive	\$140.00	\$179.10	27.93%	Responsible for directing the human resources function of the division. Responsible for employment, placement, orientation and training, labor relations, compensation, benefits, and employee services. Ensures division compliance with current, applicable labor laws. Requires a bachelor's degree and at least 10 years of direct experience in the field. Demonstrates expertise in a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. Leads and directs the work of others. A wide degree of creativity and latitude is expected. Typically reports to top management.
12	Top Compensation and Benefits Executive	\$156.80	\$200.90	28.13%	Plans and directs certain aspects of human resources relating to compensation and benefits policies, objectives, initiatives. Responsible for development and administration of all compensation and benefit programs designed to attract and retain employees within budgetary constraints. Requires a bachelor's degree with at least 15 years of experience in the field. Demonstrates expertise in a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. Leads and directs the work of others. A wide degree of creativity and latitude is expected. Typically reports to top management.
13	Top Human Resources Executive	\$205.40	\$274.70	33.74%	Plans and directs all aspects of an organization's human resources policies, objectives, and initiatives. Responsible for employment, placement, orientation and training, labor relations, compensation, benefits, and employee services. Ensures company compliance with current, applicable labor laws. Requires a bachelor's degree with at least 15 years of experience in the field. Demonstrates expertise in a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. Leads and directs the work of others. A wide degree of creativity and latitude is expected. Typically reports to top management.

APPENDIX B

Research Process and Methodology:

Information was collected from public and private sources that are known to collect data regarding compensation practices, human resource functional metrics, and compensation specialist job and career information.

- Telephone, email, and web-based surveys were conducted of over 14,000 compensation professionals, primarily at the Compensation Manager, Compensation Director, and Vice President levels in large companies with over 1000 employees in the United States. The distribution was as broad as possible:

One mailing was representative of the survey distribution methodology: It was created from a listing of over 1200 compensation professionals which included 145 VPs, 306 Directors, 331 Managers, and 167 individual contributors. 30% were located in the NE US; 30% in the Western US; 20% in the North Central US; and 20% in the Southern US.

- In-person and telephone interviews and discussions were conducted by Dr. Boyd with professionals in the Human Resources Management field who are regarded as HR and Compensation “best-practice” leaders.

All collected data and information was categorized, coded, and aggregated in comparable groupings for analysis and conclusions.

The desired outcome was to collect descriptive words that reflected each participant’s own idea of what drove success rather than to try and force the responses into a narrow set of predetermined descriptors.

- Information and web sources researched included:
 1. Salary.com (job category titles and descriptions, job level differentiators, pay ranges and averages, etc.)
 2. Salary.com compensation experts
 3. Bureau of Labor Statistics
 4. Compensation professionals in businesses.
 5. Individual Leaders and managers in business, human resources management, and compensation management.
 6. Professional Association and Consultant Resources:
 - a World-at-Work; SHRM; NEHRA; Human Capital Institute; AOEP
 - b BNA
 - c Chamber of Commerce information
- Telephone and on-line interviews and surveys were conducted of compensation professionals in large companies with over 1000 employees in the United States who are clients of Salary.com.
- Based on an analysis of all three surveys and research a taxonomy was designed to comparatively analyze all data from all of the sources within the same context. (see Taxonomy below.)

Taxonomy of Data and Survey Analysis:

Keyword	Survey Grouping	Category group (Consolidation Code translated)	sub-group 1 (Individual Characteristics)	sub-group 2 (function-specific characteristics)
words from survey	what the keyword describes: 3 groups: Characteristic; Competency; and Behavior	What category the keyword describes	Grouping terms used to group keywords. This would be the list of major success factors that each individual will have that reflect on them as an individual professional	These terms differentiate the key terms describing them relative to successfully accomplishing compensation professional outcomes
	Characteristic	Character	Technical/function specific	analytical
	Competency	Competency	Personality	communication
	Behavior	Behavior	Integrity / honesty	likable/social
			Business Knowledge	trustworthy
			Relationships	effective
			Company Citizenship	business/HR competency
			Work (skill /quality)	resourceful

APPENDIX C

Internet Positions Research:

There was a search of on-line job sites. The research included 3188 incidents of the selected 51 KSAOs

Job Sites Used:	number of jobs from site
Career Builder	39
World of Work	135
Monster	128
SHRM	27
Company	28
Total	357

51 specific Characteristics were extracted:	Number	% of total
analytical	217	60.61%
quantitative	52	14.53%
Problem solving	90	25.14%
strategic thinking/understand company objectives	23	6.42%
use judgment /make sound decisions/recommendations	69	19.27%
verbal communication	248	69.27%
written communication	257	71.79%
interpersonal skills	100	27.93%
develop and build relationships	53	14.80%
proactive	41	11.45%
confident	6	1.68%
presentation skills	76	21.23%
influence/convince/negotiation	55	15.36%
work independently	60	16.76%
work quickly/fast-paced environment	47	13.13%
work in team	80	22.35%
positive interaction with staff at all levels	90	25.14%
positive interaction with senior staff/board	108	30.17%
leadership/manage others	57	15.92%
unselfish/team-player	77	21.51%
plan/set goals	25	6.98%
project-management	90	25.14%
attention to detail	68	18.99%
multi-task	82	22.91%
prioritize	41	11.45%
organization/time management	96	26.82%
meet deadlines	41	11.45%
ability to travel	23	6.42%
adaptable/flexible	37	10.34%

energetic	10	2.79%
maintain confidential and sensitive information/trustworthy	22	6.15%
customer-service skills	41	11.45%
research skills	14	3.91%
creativity	13	3.63%
consultative skills	15	4.19%
knowledge of statistical analysis	43	12.01%
knowledge of HR function	26	7.26%
listening	2	0.56%
accuracy	3	0.84%
knowledge of business issues	7	1.96%
knowledge of FLSA and other regulatory compliance	86	24.02%
knowledge of state and local laws	77	21.51%
knowledge of compensation theory	90	25.14%
knowledge of tax laws	5	1.40%
knowledge of accounting/financial statements	31	8.66%
proficient in Microsoft office	251	70.11%
expert in Microsoft office	20	5.59%
knowledge of HRIS	42	11.73%
proficient in HRIS	41	11.45%
expert in HRIS	2	0.56%
knowledge of PeopleSoft	29	8.10%
proficient in PeopleSoft	9	2.51%

The Total Number of Characteristics included: 3188

Appendix D ----- form for Compensation professional survey:

Please return to Professor Mike Boyd – mboyd@Bentley.edu . <i>Thanks for your inputs.</i>
Hello, I am in the process of creating a report for human resource management executives. This is a study of the career path and success factors of compensation professionals. The study will probably be available through Bentley College, Salary.com, World-at-Work, Human Capital Institute, and other professional groups. Participants will receive their own copy from me. What makes a compensation professional successful? What best practices create the most career success for the compensation professional?

What words describe the successful compensation professional? – as few / many as you like

What Characteristics, behaviors and actions make a compensation professional successful?			
Personal: (examples: Likeability, Availability, Politically astute, common sense, integrity, trustworthy, etc)			
Interpersonal: (examples: Friendly, Respectful, Leadership, etc.....)			
Work Habits: (examples: Collaborative, maintains confidentiality, thorough, accurate, efficient, speed, etc)			
Interaction with others: (examples: boss, co-workers, client managers, manager above boss, consultants, vendors, employees, ..)			
OTHER:			

What is the most common reason for promotions in the compensation profession? Just one:	
	Grade level promotions due to normal progression.
	Competence in compensation knowledge and work. (Certification?)
	Change in Organization for new job (new company or division, etc.)
	Other?....
What percentage % of the HR budget is the Compensation Department / Function budget or Cost for the organization you are reporting on ? _____ %	
What is the total budget / cost for the HR function for the organization you are reporting on ? Total \$\$ _____ or % of company operating expense.. _____ %	
Comment:	

Your Name: _____ **Title:** _____ **Email:** _____
Company: _____ **Phone:** _____

Thanks for your input. Your individual response will not be shared with anyone.
 Professor H. Michael Boyd, PhD; Bentley College; 175 Forest St.; Waltham MA 02452

Biography:



<http://www.BoydAssociates.net>

Info2@BoydAssociates.net

H. Michael Boyd, Ph.D. is an internationally recognized expert in the field of management and human resources with over 30 years of corporate experience, and is professionally active as an educator, consultant, writer, and speaker.

Dr. Boyd is a full-time professor of Human Resources Management at Bentley College and has lectured at Cambridge College. He is a Research Consultant to Salary.com and on the advisory board of BrassRing, Inc.. He is an expert panelist for the Human Capital Institute, hosted a discussion board on Monster.com, and consults to enterprises from Fortune 100 companies to startups.

Dr. Boyd was the creator and Practice Manager of the Human Resource Strategies program at IDC where he concentrated on critical workforce factors including hiring, retaining, developing, and managing. Previously, he was at Quantum Corporation as the Corporate Manager of Technology Education and the Libraries; Digital Equipment Corp. where he held a number of Senior HR positions (Worldwide Manager Technical, Management, Quality and Distance Education; Senior Human Resources Organization Consultant; Corporate Human Resources Consulting & Projects Manager; Group HR Business and Employment Manager; HR Transition Management Manager; HR Planning & Development Manager; HR Systems Manager; and Staffing and Placement Manager); and HR and Sales roles at Honeywell Inc; The Foxboro Company; GTE Sylvania (Defense Systems Group); Union Carbide Corp.; and, the U.S. Army (Medical Corps).

He is professionally active in HR as an instructor, lecturer, consultant, and contributing author. He is a founder of the Association of Employment Professionals; was President of the New England Region of the Employment Management Association, and founder of the New England Personnel Network (NEPN); served as President of the Norfolk County Personnel Association; executive committee member of the Electronics Industries Personnel Association; Vice-President of the Association of Human Resource Systems Professionals; Chairman of the Massachusetts area public welfare advisory board; and, an arbitrator for the Industry/Agency Arbitration Committee. In addition, he is a member Northeast Human Resources Human Resources Association; Society for Human Resource Management; American Society For Training and Development; Human Resource Planning Society; Human Resources Council; and American Sociological Association.

He received a BA in Pre-Law from The Pennsylvania State University, a MS in Management from Lesley University, and a Ph.D. in Sociology from Northeastern University.



<http://www.Salary.com>

Salary.com is the technology leader in providing employee compensation data, software, and services to enterprises, small businesses, and individuals. Our enterprise software helps companies manage their compensation expenditures with real-time, decision-ready data and analytical tools. The Salary.com website is one of the most widely recognized destinations for those seeking reliable information about employee pay levels and compensation-related best practices, trends, and policies.

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For a copy of this Report go to: <http://www.boydassociates.net/HMB/PUBS/CPS2006.pdf>