
Benchmarking for Competitive Advantage

How Do You Measure Up?



The information explosion has created smart consumers across the globe, spanning every facet of our lives, including the workplace. Now, your employees and potential candidates have access to a wealth of data on the Internet about your organization and your industry. To stay ahead of your competition, it's essential that your leadership team has accurate and up-to-date benchmarking information across the full spectrum of Human Capital Management (HCM).

Yet, with so much information available, you'll want to be careful to consider your sources. There are potential pitfalls of utilizing online review sites and your competitors' job postings to take stock and benchmark what others in your industry are offering. Salary surveys can provide insight, in theory — but in reality, they quickly become outdated because of the swiftly changing workforce and industry dynamics. A survey from six months ago will not serve as a proper barometer for the current landscape. These tools are too limited to truly provide effective information.

You want the most robust and reliable data to inform the right decisions for your workforce. The good news is that current and actionable benchmarking data is much more accessible than you might think.

Intelligent Intelligence

With traditional methods falling short, HR leaders have been challenged to understand exactly how their organization stacks up. Recent advances in technology have provided smarter and more sophisticated alternatives.

With the power of big data analytics, you can access up-to-

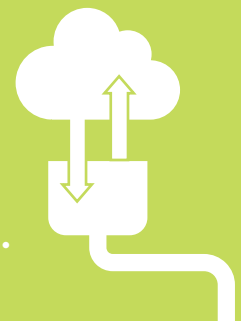
date, aggregated and anonymized data from a variety of industries and geographical regions. Gaining visibility to the latest trends across similar industries, locations, and organizations of your size will empower your team to develop business strategies that go beyond HR strategies, to offer a competitive edge.

Don't Forget Your Long-Term Employees

According to Josh Bersin, of Bersin by Deloitte, "tenured employees drive far greater value than those who are 'cycling through' the business."¹ With a large volume



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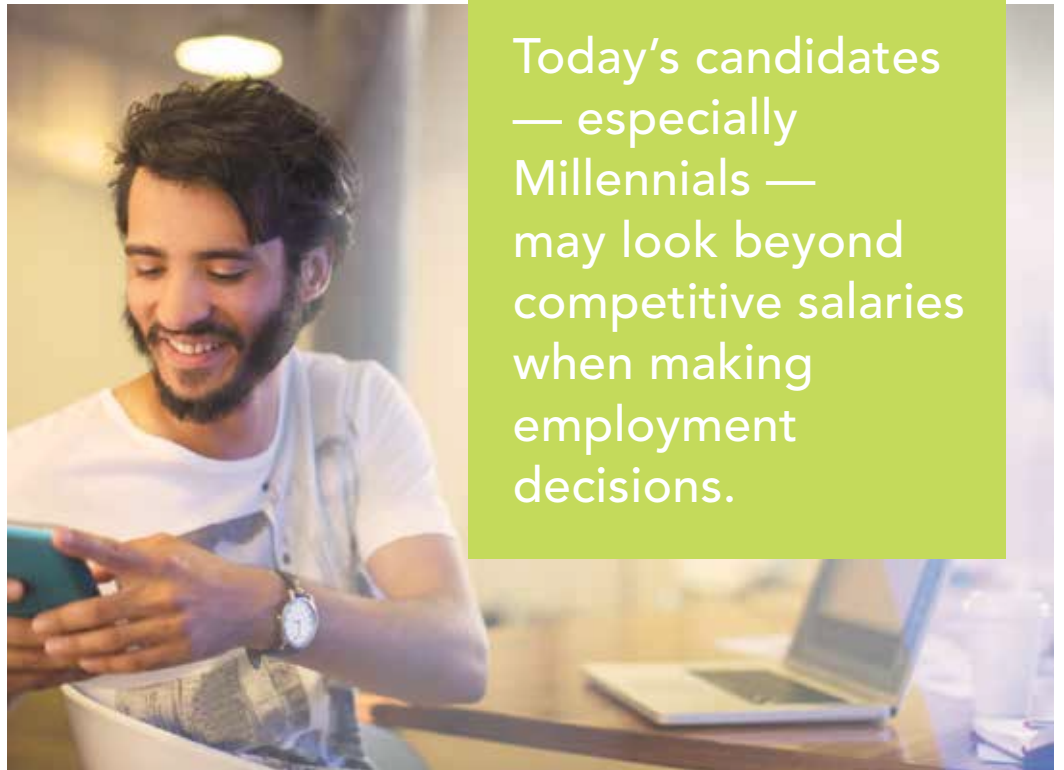
¹ Employee Retention Now a Big Issue: Why the Tide Has Turned, John Bersin

of information available to you from benchmarking, and so many decisions to make, it's easy to miss out on opportunities to enhance your organization from within. Even if you're consistently doing things right, such as giving employees regular raises, other details, like the state of current salaries, can fall between the cracks.

The reality is that some jobs increase in value more quickly than others. If you only provide a two percent merit and/or cost-of-living increase, you may find that your employees are leaving at an alarming rate for a compensation package that they view as more in-line with their perceived worth on the open market.

It's Not Just About Salary

Bersin also highlights that today's organizations are going "through a 'crew shift' as boomer generation employees retire, and Millennials and young people enter management and high-value positions." Candidates today, especially Millennials, may look beyond competitive salaries when they make their employment decisions.² Consider other elements of the employee experience when creating overall compensation packages, including benefits, overtime and scheduling flexibility, as well as extra perks



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such as gym memberships, free coffee and snacks, and the opportunity to work from home.

To fully understand how employees across generations perceive the way your organization stacks up, it is vital for you to have access to current benchmarks across multiple dimensions, such as:

- **Workforce diversity**
Average age, head count by generation, female percentage, etc.
- **Workforce trends**
Average tenure, turnover rate, new hire turnover, etc.
- **Compensation**
Average earnings, annual compensation, etc.

Be Prepared to Share

You already know that you're never going to attract a head of marketing for \$25,000 a year, but keeping salaries competitive is only a piece of the puzzle in the current market. Your employees and prospective candidates may be using tools that are outdated, but they are still actively seeking to gauge where your organization's offerings stand in the market. You should be prepared to respond to their questions with valid benchmarking data that can back up your offers, benefits and compensation adjustments. This level of data-driven insight, coupled with open and transparent communication, will help ensure you attract and retain only the best for your business. ■

² Millennials want more flexibility in workplace schedule, survey says, New York Times.com, 2015