



BEST PRACTICES USING MARKET-BASED SURVEYS

Scoping Approaches

Selecting the appropriate market:

Sector or industry and non-industry factors: the labor market for some positions is closely related to an industry or sector; certain positions are only found in the public sector; others may exist across broad industries.

Geography and location of operations: the labor market for some positions is determined by the geography. Certain positions may be recruited only from the local area. Other positions might be recruited from a regional or even national geography. In cases where recruitment occurs outside the local geography, it is important to consider differences in the cost-of-labor between the affected geographies by adjusting the data for geographic location so it is representative of the local labor market pool.

Organizational size: this factor can influence levels of pay for particular positions. At certain job levels, the complexity created by organizational size is directly related to the scope of responsibility of the position and, consequently, its pay.

Scope Details for City of Tacoma study:

Survey Source	Scope	Methodology
Custom National	Operating Budget \$100M-\$900M	Captured Cities both below and above Tacoma, capped on both sides to avoid distortion
Custom Regional	I-5 Corridor Comparables	Local comparable organizations and cities
Custom Utilities	Operating Budget \$400M-\$1.5B	Captured regional and national utilities
Custom Water	Operating Budget \$24M-\$3.5B	Captured regional and local water utilities
Milliman Published Data	All (Adj Tacoma)	All surveyed organizations, geographic adjustment to Tacoma
Watson/Wyatt Published	All (Adj Tacoma)	All surveyed organizations, geographic adjustment to Tacoma
Mercer Published Data	All (Adjusted for Tacoma)	All surveyed organizations, geographic adjustment to Tacoma
American Public Power Association (APPA)	>\$100 million revenue	Highest revenue scope, matched to higher level TPU classifications
Large Public Power Council (LPPC)	Top 20 Utilities	Top national utilities matched to higher level TPU classifications
American Water Works Association (AWWA)	Gallons Employees	National water organizations matched to top water classes
CompData Survey	All (Adjusted for Tacoma)	All surveyed organizations, geographic adjustment to Tacoma
Cable & Telecom HR Assoc.(CTHRA)	All (Adjusted for Tacoma)	Matched to cable and telecommunications classifications

Using Survey Sources

Matching jobs to survey positions:

Use “capsule” descriptions from published survey sources to identify matches to core job duties and requirements.

Consider broad job responsibilities: 70% job match (recommended by “World at Work”)

Use multiple matches when possible: at least five matches (Federal Guidelines)

Age (or trend) different survey matches (published and custom) to a common date. July 1, 2009

Quality review survey data:

Review job content; not just job titles

Look for large discrepancies in wages/salaries (two standard deviations from the mean) and follow up with questionable matches or data to avoid distortion.

Review for appropriate sample size (at least five matches/organizations)

Internal Alignment and Equity Considerations

Acknowledge market data while using internal alignment and equity considerations for situations that are unworkable, unrealistic or unreasonable (e.g., market data results in a manager’s salary to be higher than the City Manager).

Set anchor points in classification structure by using quality market data results. From those anchors, existing relationship calculations are used to derive alignment figures.

Best Practices Using Market-Based Surveys: Attributes of Valid Useful Data

What To Look For	Reliable Survey Source
Data collection date? How current?	Specified and timely, with annual continuity
Independent/objective data source?	Professional, independent firm
Quality control/survey methodology?	Proven, accepted process, with confidentiality, and data checking and verification
Who participated?	Participating organizations listed
What industry? What size organizations?	Industry cuts with size parameters
What geographic area?	Reflects your labor market
What is the sample size for each position?	Specified
Detailed data?	Base salary, bonus, total cash, etc.
Source of data? Method of job match?	From HR professionals, matched by job description