Bloomberg BNA

Report on Salary Surveys™

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Surveys Find Pay Rises For Finance Pros as Roles Evolve

Salaries for financial professionals are rising faster than average as their role within the organization changes, according to several salary surveys.

Companies rely on key data compiled by financial professionals to make important decisions, according to Mariam Lamech, director of survey research, the Association for Financial Professionals, said in an interview with Bloomberg BNA. ''Everyone needs the technical skills, but what we are seeing is they are also business partners,'' she said.

As financial professionals rise up in their careers, there is changing demand for certain skills, according to Lamech. Financial professionals not only have to be able to gather that vital data, but to be able to communicate it effectively and concisely, she said.

Future Issues

- Salaries for IT Professionals
- Pay for Paralegals
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- Survey of Manufacturing Compensation

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The demand within the accounting profession is ''very healthy,'' according to Rebecca Blough, Senior Manager, College & University Initiatives at the American Institute of Certified Public Accountants. ''There is record level hiring with public accounting,'' she said.

Companies expect accountants to take a more strategic role in the business, according to Blough. Organizations need accountants to help with areas such as big data, cyber security and management accounting, she said.

''The detailed financial background a CPA has can offer inherent value to these operations. The value of a CPA is growing,'' Blough said.

Above average pay increases. Pay for financial professionals rose 3.5 percent in 2015, according to the ''2016 AFP Compensation Survey.'' This is lower than the 4.1 percent increase the previous year, but higher than the 3 percent increase that was projected for 2015, according to the AFP survey. The AFP survey is based on responses from over 4,698 incumbents at 2,640 organizations.

Pay increases for a few positions were even higher, the AFP survey found. Senior accountants saw pay rise by 4.5 percent, to reach a base of $67,616 (see Table 1). Similarly, pay for an accounting manager grew 4 percent, to a base of $87,058, the AFP survey found.

Table 1
Average base salary for financial professionals
by title

Title	2016 Base	% increase
Chief financial officer	$210,374	3.2%
VP Finance	$191,608	2.1%
Treasurer	$193,410	3.6%
Accounting Managers	$87,058	4.0%
Senior Accountant	$67,616	4.5%
Accountant II	$57,452	3.5%
Accountant I	$47,854	4.0%
FP&A Director	$152,201	4.2%
FP&A Manager	$110,372	3.9%
Senior FP&A Analyst	$86,164	4.5%

Source: AFP A BNA Graphic/rssg7g1

Financial planning and analysis (FP&A) positions also fared well, with a 4.5 percent increase in the base pay for a senior FP&A analyst, to $86,164. Finance analysts are often younger employees, and the fact that their salaries are almost level with those of senior accountants indicates the level of demand for FP&A positions, according to Lamech.

FP&A positions are responsible for compiling and analyzing the organization's long-term financial strategy, and those with certification are in particular demand, according to Lamech. Certifications help to provide upward mobility for many positions, Lamech said.

It takes more than pay. Another survey, the ''Financial Executive Compensation Survey 2016,'' found average pay increases of 3.1 percent. The

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survey, from Grant Thornton and the Financial Executives Research Foundation (FERF), reports that this pay increase is slightly less than last year. Broken out by private and public, pay increases were 3.7 percent at public firms, and 4.1 percent at private organizations, according to the Grant Thornton study.

A chief accounting officer at a public firm earns an average base salary of $303,380, compared with $201,250 at a private firm, according to the Grant Thornton study. The VP of finance also sees quite a difference in pay, earning $240,286 at a public company, compared with $177,289 at a private organization.

Companies will need to look beyond pay to attract and retain the financial professionals they need, according to the survey. Organizations are offering sign-on and retention bonuses, as well as stock options and variable pay, the Grant Thornton survey found.

Education pays well. Financial professionals with an advanced degree earned an average base salary that is $10,000 more than salaries of those with only a bachelor's or high school diploma/associate degree. Management level financial professionals holding an MBA or graduate degree earned an average of $13,000 more, and those at the executive level with advanced degrees earned an average of $20,000 more.

Overall, financial professionals with an MBA or graduate degree experienced an 8 percent increase in average base salary in 2015, according to the AFP survey. In comparison, financial professionals with a bachelors degree, associate degree or high school diploma saw an average base salary increase of 3 percent.

Most receive a bonus. Most financial professionals received more than base pay; 75 percent of organizations handed out bonuses, up from 72 percent the year before, according to the AFP survey.

At the executive level, the average bonus is $60,696, or 34 percent of base pay, the survey said. Sixty-one percent of companies based bonuses on income/EBITDA targets, while 51 percent based them on the completion of specific projects, according to the AFP survey.

Broader skill sets needed. Leadership and people skills are considered key business compe-

Calendar

2015 Executive Compensation Forum. Huntington Beach, Calif., July 17-19. Contact: WorldatWork, 877–951–9191 or customerrelations@worldatwork.org; http://www.worldatwork.org.

2016 Employee Engagement Conference. Denver, July 18-20. Contact: Human Capital Institute, 866-538-1909 or http://www.hci.org.

Fundamentals of Human Resources Management. Dallas, July 18-20; San Francisco, July 27-29; New York, Aug. 1-3. American Management Association, 800-262-9699 http://www.amanet.org.

Spotlight on Sales Compensation. Chicago, Aug. 22-24. Contact: WorldatWork, 877–951–9191 or customerrelations@worldatwork.org; http://www.worldatwork.org.

Leadership Development Forum. Seattle, Sept. 27-28. Contact: SHRM, 800–283–7476 or https://conferences.shrm.org/leadership-development-forum.

11th Annual Human Capital Analytics Conference. New York, Oct. 20-21. Contact: The Conference Board, 212-339-0345; http://www.conference-board.org or customer.service@conference-board.org.

Table 2:
Median total compensation for accounting and financial professionals

Overall	$120,000
By Experience	
1 to 5 years	$69,500
6 to 10 years	$97,300
11 to 15 years	$120,000
16 to 20 years	$129,400
More than 20 years	$135,000
Designation	
No CMA/CPA	$97,000
CMA only	$127,200
CPA only	$126,000
Both CMA and CPA	$141,000

Source: IMA A BNA Graphic/rssg7g2

tencies for financial professionals, according to the AFP survey. Financial professionals also need reporting and communications skills to interact with other departments, according to Lamech.

''These skills are important for them to do well in their job,'' she said.

Even so, 45 percent of companies said financial professionals lack these leadership and people skills, and 42 percent said financial professionals lack strategic planning skills, according to the AFP survey. The lack of these skills is holding back their job performance and career growth, the survey found.

According to respondents, the most-cited criterion for career advancement is increased job responsibility (83 percent), followed by contributing to profitability (65 percent).

Meanwhile, respondents considered earning one of AFP's professional certifications almost as important as earning an MBA or other advanced degree (32 percent versus 35 percent).

The AICPA is introducing a new version of the CPA exam, which will go into effect in April 2017. The next version of the exam will include increased assessment of higher-order cognitive skills such as critical thinking, problem solving and analytical ability, according to the AICPA.

Every accountant needs an entry-level skill set to operate, but the expectations in practice require more, according to Blough. ''They need higher level skills and to apply that to real life,'' she said.

Pay is up for accountants. Both base salary and total compensation increased by a median of just over 6 percent in 2015, according to the ''2015 IMA Survey'' from the Institute of Management Accountants.

It is the second year in a row that the IMA survey has shown an upward growth in salaries and bonuses. The survey is based on responses from 680 IMA members who are full-time employees or self-employed.

Overall, median total compensation is $120,000, according to the IMA survey (see Table 2). The percentage of participants with the CMA (Certified Management Accountant) certification rose from 54 percent to 58 percent, the IMA survey found.

Those with certification earn more, according to the IMA survey; an accountant with no certification earns a median of $97,000, compared to $127,200 for an accountant with CMA certification. Accountants with both CMA and CPA designations earn the most, at $141,000, the IMA survey said.

Gender pay gap is closing. There is a persistent gender gap between male and female accountants, although it has decreased at certain experience levels, according to the IMA survey.

Women with between 11 to 15 years of experience and more than 20 years of experience show a higher percentage of men's median total compensation than last year.

Women with more than 20 years of experience continue to have the second highest percentage in median salary and total compensation, which are both at more than 80 percent of what men earn, according to the IMA survey.

In addition, the number of female respondents in senior level positions increased, and women senior managers earn 87 percent of what men are paid, the IMA data reports.

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Table 3
Salary ranges for accounting professionals by title

Title	San Fransisco	New York
Chief Financial Officer	$260,000 to $500,000	$250,000 to $400,000
Finance Director	$170,000 to $300,000	$140,000 to $180,000
VP Finance	$180,000 to $250,000	$180,000 to $250,000
Controller - SVP	$190,000 to $370,000	$190,000 to $370,000
Controller/Deputy - VP	$150,000 to $190,000	$150,000 to $190,000
Accounting Manager	$100,000 to $130,000	$100,000 to $130,000
Financial Analyst	$75,000 to $100,000	$75,000 to $100,000
Senior Accountant	$70,000 to $90,000	$70,000 to $90,000

Source: Robert Walters A BNA Graphic/rssg7g3

Retention is a focus. Improved economic conditions led to greater hiring by organizations, to the extent that talent was in short supply, according to the ''2016 U.S. Salary Survey'' from Robert Walters, an employment agency.

Companies are now more concerned with holding on to the talent that they have, the survey said. This means a 10 percent salary increase over the previous year for accounting and financial professionals, and more training and career development, the survey found.

The Robert Walters survey is based on ''the analysis of permanent, interim and contract placements made across each of our geographies and recruitment disciplines during 2015,'' according to Robert Walters.

Ranges in two cities. In San Francisco, the salary range for a chief financial officer is $260,000 to $500,000, according to the Robert Walters survey (see Table 3).

An accounting manager can expect to be paid within the same salary range in both San Francisco and New York, at $100,000 to $130,000, the survey said.

Supply is up, but so are hiring plans. Hiring is strong for accounting professionals, Blough said.

''The evolving business environment means more opportunity for CPAs,'' Blough said. This is great news for the growing number of accounting students, both at the undergraduate and graduate level, she said.

The "2016 AFP Compensation Survey" from the Association of Finance Professionals is available at http://www.afponline.org/CompReport/.

The "Financial Executive Compensation Survey 2016," from Grant Thornton and the Financial Executives Research Foundation (FERF), can be found at http://www.grantthornton.com.

The "2015 IMA Survey" from the Institute of Management Accountants can be found at http://www.imanet.org/resources-publications/thought-leadership-new/salary-survey.

The Robert Walters "2016 U.S. Salary Survey" can be found at https://www.robertwalters-usa.com.

Pay Gap Partially Caused by Non-Discriminatory Factors

Although women make less money than men on average, a recent report from the Congressional Research Service shows that a number of factors other than discrimination likely contribute to the wage gap.

Women employees made about 17 percent less than their male counterparts on a weekly, median basis in 2014, according to ''Pay Equity: Legislative and Legal Developments,'' a CRS analysis of Labor Department data.

CRS researchers said women tend to be concentrated in lower-paying jobs—like those in the service and personal care industries—and generally log fewer full-time hours on the job per week (40.8) than male employees (43.4).

The report comes as lawmakers, the employer community and worker advocates continue to debate the extent of the wage gap and how to close it.

Lawmakers disagree about changing law. Despite some bipartisan support for moves to give workers' better access to pay information, lawmakers disagree about whether existing law should be changed to make it easier to prove pay discrimination in court.

The CRS said the data might support the idea that pay differences among men and women workers are largely a result of lifestyle choices and other factors unrelated to discrimination.

It noted that the wage gap was smaller—about 10 percent—among younger, unmarried men and women who didn't have children.

CRS researchers Jody Feder and Benjamin Collins also said the figures could be interpreted as a sign of less direct forms of bias, like tracking women to lower-paying jobs and declining to give them the advancement opportunities available to their male colleagues.

They concluded that ''no widely accepted methodology has been able to attribute the entirety of the pay gap to factors other than the sex of the worker, making it difficult to eliminate the possibility of discrimination.''

"Pay Equity: Legislative and Legal Developments" from the Congressional Research Service can be found at https://www.fas.org/sgp/crs/misc/RL31867.pdf.

Studies Find Salary Growth for Project Managers

Efficiency is crucial for organizations, and project managers can play an important role in ensuring projects are done correctly and on time.

But there may not be enough people in the field to meet the need, according to Brian Weiss, Vice President, Practitioner Career Development at the Project Management Institute, an industry organization.

''Organizations realize the benefits of project management,'' Weiss said in an interview with Bloomberg BNA.

Between 2010 and 2020, an estimated 1.5 million jobs related to project management will be created, but without enough people to fill those roles, according to PMI research. This means the future is bright for project managers, according to Weiss.

''There aren't any boundaries for a project manager,'' Weiss said. ''You don't see a day where construction, health care, and many other fields won't need a project manager. Every government needs infrastructure or disaster relief, and all need project managers to pull it off,'' Weiss said.

Total compensation is up. The PMI survey found that the average salary for project managers across all countries, roles and experience levels is $81,000.

Overall, 72 percent of participants report total compensation increased in the past 12 months, with 27 percent reporting a 5 percent raise, according to the PMI research.

The PMI survey is based on self-reported salary information from more than 26,000 project management professionals in 34 countries, with the largest proportion of responses from the U.S., at 9,677.

In the U.S. alone, the average salary for a project management professional is $108,200, the PMI survey found (see Table 1).

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Table 1
Compensation for project management professionals
by position

	Median
Overall	$108,200
Director of PMO	$135,000
Portfolio manager	$128,000
Program manager	$120,000
Project manager III	$105,000
Project manager II	$95,000
Project manager I	$87,000
Project management specialist	$85,000
Project management consultant	$110,000

Source: PMI A BNA Graphic/rssg7g4

The country with the highest average salary for a project manager is Switzerland, at $130,000 (U.S. dollars), followed by Australia, at $108,546 (U.S. dollars). The U.S. ranks third for overall pay.

By title, the director of project management earns the most, with an average salary of $135,000, the PMI survey said. A project management specialist earns an average of $85,000, according to the PMI survey.

By experience, a project management professional with 20-plus years of experience earns an average salary of $125,000, the survey said. In contrast, a project management professional with experience of three years or less earns an average of $74,900.

Salary by region. The average salary for a project manager can vary widely by region and size of company, according to the ''2016 Salary Guide'' from Adecco. The salary figures are based on research conducted by CareerBliss.

As defined in the Adecco salary guide, the project manager oversees all aspects of projects, sets deadlines, monitors progress and prepares status reports. This position is expected to have a bachelor's degree and two to four years of experience.

A project manager at a small firm (under $250 million in revenue) earns the most in the West, where the average salary is $79,497, the Adecco guide said (see Table 2).

Table 2
Average salary for project managers
by region and size of company

Northeast	Salary
Small	$78,416
Medium	$84,791
Large	$91,504
Middle-Atlantic	
Small	$77,980
Medium	$82,963
Large	$88,319
Midwest	
Small	$75,965
Medium	$81,657
Large	$87,521
South	
Small	$73,813
Medium	$80,158
Large	$86,954
West	
Small	$79,497
Medium	$85,558
Large	$94,426

Source: Adecco A BNA Graphic/rssg7g5

At a medium firm, which has $250 million to $1 billion in revenue, the average salary is $85,558 in the West, while at a large firm (with over $1 billion in revenue), the average salary is $94,426, according to the Adecco guide.

The IT project manager. IT project managers are often broken out separately in salary surveys, but the concepts they work with are fairly similar, according to Weiss.

They plan projects within a company and ensure the projects stay on-track through every stage of the process, he said.

''I think sometimes because of the nature of IT, with the work being very regimented, people might have the perception it's different in that role, but it's absolutely not different,'' Weiss said.

The IT project manager earns a median salary of $84,798 per year, according to Payscale.

The salary range for this title is $53,971 to $120,197, Payscale said. The Payscale data is based on 15,464 responses.

Certification pays for project managers. Employers pay more for project managers who hold the PMI Project Management Professional certification, according to the PMI survey.

In the U.S., a project management professional with PMP (project management professional) certification earns an average of $111,000, while those without certification earn $91,000, the PMI survey said.

Companies are paying for the demonstrated competencies and dedication to continue development, according to Weiss.

''It indicates that it's not just a nice-to-have, but a must-have for project managers,'' Weiss said.

Project Management Institute's (PMI) "2016 Pulse of the Profession: The High Cost of Low Performance" can be found at http://www.pmi.org/learning/Pulse.aspx.

The "Project Management Salary Survey" from PMI is available at http://www.pmi.org.

The "2016 Salary Guide" from Adecco is available online at http://www.adeccousa.com/salaryguide.

Data from Payscale can be found at http://www.payscale.com.

Salaries Rise for Quality Professionals

After several years of pay fluctuations, salaries for quality professionals are up, according to several salary surveys.

Increases are on par with the national average, according to the 29th annual ''Salary Survey'' from *Quality Progress* magazine, an industry publication.

Pay is up 2.78 percent for quality professionals in the U.S., according to the *Quality Progress* survey. The data is based on 8,500 responses from a broad range of industries and market sectors, according to *Quality Progress*.

Organizations increasingly are seeing the value of quality professionals, and are appreciating the benefits and value of quality and continuous improvement programs, Andrew Baines, Managing Director, American Society for Quality Global, said in an interview with Bloomberg BNA.

''There is no doubt that quality saves organizations money, but quantifying the total impact of quality can be difficult,'' Baines said.

Organizations must be able to clearly demonstrate quality's financial impact as the 'economics of quality' underpin the strategic advantage of deploying quality tools and techniques, he said.

A recent study from the ASQ, the ''Global State of Quality 2,'' found that 36 percent of organizations see quality as a strategic asset and competitive differentiator, up from 22 percent in 2013. The study is based on nearly 1,700 respondents worldwide.

The growing use of data and analytics is boosting the careers of quality professionals, according to Baine, who was also on the Research Advisory Panel for the ''Global State of Quality 2'' report.

Data is a tool for organizations to increase the quality of their products and services, and a way to identify and respond to the needs of their customers, he said.

''While many organizations are moving toward using data as part of their quality and continuous improvement efforts, it's important that organizations identify and effectively use the data that will impact them the greatest,'' Baine said.

Since many quality professionals have strong backgrounds in analytics, they can best use the data to enhance their quality programs, helping their organizations respond accordingly to their customers' wants and needs, all the while avoiding setbacks due to poor quality, according to Baine.

Certifications matter. The overall average salary for a quality professional is $90,878, according to the *Quality Progress* survey (see Table 1).

Certifications make a substantial difference in salary, according to the survey.

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Table 1
Salaries for quality professionals by title and certification

Overall	$90,878
Title	
VP/Executive	$165,299
Directors	$130,791
Master Black Belts	$127,875
Certifications	
No certifications	$87,015
1 certification	$89,533
2 certifications	$97,369
3 certifications	$102,243
4 certifications	$100,996
5 certifications	$99,327
6 certifications	$115,024

Source: Quality Progress A BNA Graphic/rssg7g6

A quality professional with no certifications averages $87,015 in salary, according to the Quality Progress survey. A professional with six certifications earns the most, at $115,024, although only 0.8 percent actually had that many certifications, the survey found.

Quality professionals that complete at least one Six Sigma training program earn $99,943, compared to $82,238 for those without any training, according to the *Quality Progress* survey.

Six Sigma remains a popular quality tool, according to Baines.

''Qualified individuals have worked hard to gain these qualifications, they deliver real results to their employers and are therefore valued accordingly,'' he said.

Salaries in seven cities. The overall salary for a quality manager is $107,220, according to the ERI Salary Expert.

The survey defines the quality manager's role as ''manages, plans, coordinates, and heads the quality control program designed to ensure continuous production/service consistent with established standards.''

The salary data is based on a compilation from thousands of available salary surveys, which are evaluated for validity and reliability, according to ERI.

The overall average salary for a quality control manager is highest in New York City, at $129,957, according to the ERI Salary Expert (see Table 2). Los Angeles is the next highest, at $122,847.

Quality across the company. The responsibility for quality is moving from being the role of the quality manager and quality department to being a responsibility of everyone, according to Baines.

''Quality practitioners as well as quality professionals will benefit from actively learning quality skills and will see their careers enhanced and progressed through successful use of quality as part of their work, in whatever discipline that might be,'' he said.

Although quality is transitioning to the responsibility of everyone, organizations continue to invest in quality, according to Baines.

Over the last three years, 54 percent of companies said they increased their investments in quality, the ''Global State of Quality 2'' found, he said.

The "Salary Survey" from Quality Progress can be found online at http://asq.org/quality-progress/2015/12/salary-survey-2015-a-winning-hand.html.
The "Global State of Quality 2" report from the American Society for Quality (ASQ) is available at http://asq.org/global-state-of-quality/about.aspx.
The ERI Economic Research Institute Salary Expert is available at https://www.salaryexpert.com/.

Table 2
Average salary for quality manager in seven cities

U.S. overall	$107,220
New York City	$129,957
Los Angeles	$122,847
Dallas	$114,074
Miami	$109,844
Atlanta	$107,997
Chicago	$114,329
Phoenix	$105,154

Source: ERI Salary Expert A BNA Graphic/rssg7g7

Conference Report: WorldatWork

The WorldatWork 2016 Total Rewards Conference was held June 6-8 in San Diego. Salary surveys, pay transparency, compensation, retention, paid leave, wellness, and engagement were among the topics discussed during the conference. In addition to the following coverage of those and other topics, Bloomberg BNA interviewed WorldatWork President and CEO Anne Ruddy. To view that interview, go to http://players.brightcove.net/68290866001/default_default/index.html?videoId=4934631724001.

HR Executives Make Business Case For Participating in Salary Surveys

Companies rely on data to set pay levels for positions, and there is a business case to be made for spending the time and money to participate in a salary survey, a panel of HR executives said during a discussion on the return on investment for participating in such surveys.

HR must outline the return on investment for buying or participating in a salary survey, said Kenneth Cardinal, managing director of Pearl Meyer, who moderated the June 8 panel discussion during the WorldatWork conference in San Diego.

Surveys are much-needed tools to determine market pricing and set salary levels, he said.

Sometimes a job family or division is so unique that it is difficult to find the necessary data; that was the scenario for IBM's aviation division, according to Patrice Daprino, senior program manager, compensation global market pricing, IBM.

Unable to find an existing salary survey that covered aviation positions, IBM partnered with a survey firm to conduct one, gaining the participation of 30 other aviation operations over the year, she said.

The survey has gained popularity over the years, with increased participation and networking opportunities that has made it well worth the cost of conducting, Daprino said.

There is a lot to consider when searching for valid survey data for a hard-to-find position, Randy Yu, president of the HR Alliance Association, said.

When looking at survey data, ''you can look at the accountability, responsibility, and authority level of a position,'' as well as make internal comparisons with other jobs, and examine outside surveys with salary data that is in the range of your estimate for a position, Yu said.

Another starting point is to consider what the person is currently earning in a position, since someone had to set that level for a reason, he said. ''At least it gives you one data point to use,'' Yu said.

The cost of participating in a survey or purchasing a survey from a trustworthy source can be worth it, since it can be difficult to find valid data for certain positions, according to Frank Brady, director of shared service, HRL Laboratories.

His organization may spend as much as $50,000 on surveys when re-evaluating salary levels, he said.

''We would always look for a third party that controls the data and reports it in a manner that we like. I don't think we are very trusting about matching senior scientist to senior scientist when it can differ between Raytheon and our company,'' Brady said. Even so, his company will purchase a survey if it includes positions that are unavailable in other sources, he said.

HR Alliance has spent up to $30,000 in one year, but it can be much less, according to Yu. ''Each year, we figure out what ones we want to purchase. It depends on whether we need to do a total refresh of our data,'' he said.

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Conference Report: WorldatWork

WD-40 Adopts Pay Transparency Plan To Create More Accountability, Engagement

WD-40 decided to become more transparent with its pay practices to create more accountability and engagement among its employees, with positive results, according to two of the company's HR executives.

''Transparency creates trust, and trust leads to improved team performance, longevity and commitment,'' Kimberly Juntunen, director of global compensation and benefits at WD-40, told the WorldatWork conference in San Diego June 8.

In 2011, WD-40 created a global HR structure that would encompass locations in 15 countries, according to Juntunen. The company took that opportunity to make pay more transparent, she said.

The first step was gaining buy in and support from the company's C-suite executives, Rachelle Snook, WD-40 global talent acquisition manager, said.

''We had to explain that we needed a compensation program that was fair to both employees and the company,'' Juntunen said. WD-40 needed to have a consistent program that may not always be equal in other countries, but is fair and competitive in each labor market, she said.

WD-40 didn't have all the tools for the program, such as fair and complete job descriptions, organizational design or career ladders, according to Snook. The company worked with managers to write job descriptions for employees and construct career paths, she said.

Managers also received training on how to have compensation conversations with current employees and potential hires, according to Snook.

Now, every potential hire is shown a compensation spreadsheet that breaks out the components of their rewards package when they are offered the position, Snook said. ''We have a 98.5 percent offer-to-acceptance ratio,'' she said.

Existing employees can also get a total compensation spreadsheet that explains their pay, according to Snook.

WD-40 separates pay increases from performance reviews, with performance reviews conducted four times a year, according to Juntunen.

Employees fill out the performance evaluation form and then have conversations with their managers, she said. The managers provide examples of what the employee has done well, and outline the experiences needed for employees to reach the next level of competency, which will allow them to advance in their careers and pay levels, she said.

Managers, and not HR, are expected to have compensation conversations with employees, and are coached to acknowledge the emotional aspects of compensation and performance reviews, according to Snook.

WD-40 was concerned that pay transparency could create jealousy among employees or discourage those who were surprised about their pay levels compared to their colleagues, but most of those issues were allayed with education, according to Juntunen. Educating managers and employees about job structures and requirements helped to make expectations clear, she said.

Employees have responded well to the new career structures and the pay transparency, Juntunen said. Company engagement reached 92 percent in 2015, with 93.6 percent of employees saying they felt encouraged to continually improve on the job, she said.

Technology, Demographic Changes Pushing Firms to Rethink Approach to Total Rewards

Changes in technology and demographics are pushing companies to rethink and revamp their approaches to total rewards, career development and talent strategies, three consultants said during a panel discussion at the WorldatWork 2016 Total Rewards Conference in San Diego.

Conference Report: WorldatWork

A survey of C-suite executives, conducted by Korn Ferry Hay Group, found that executives place a ''considerable focus'' on the changing nature of work and see it as having a positive impact on their organization, Melvyn Stark, vice president, Korn Ferry Hay Group, said at a June 7 session.

Another panelist said the concerns that executives have about the future of the workforce are lining up with the concerns of human resources. HR has the opportunity to gain the cooperation of executives to implement new programs, according to Dow Scott, professor of HR and employment relations at Loyola University.

Both HR and C-suite executives are concerned about the composition of the workforce; the capabilities of the workforce and future leaders over the next 10 years; and how to attract, engage and retain talent, Scott said.

The pace of change has sped up, from requiring changes every six to 12 months, to a pattern of nearly continuous change, according to Thomas McMullen, vice president, reward practice leader for North America, Hay Group.

Organizations need to consider the five ''rights'' in their future plans, according to Stark. These ''rights'' include the right people with right skills, the right number of employees, the right composition of abilities and the right pay. ''You can't simply do one and not the other,'' Stark said.

The classic base pay systems are unlikely to ever go away but will need more flexibility to accommodate paying for ''hot'' skills, according to Scott. This flexibility might include a stipend or bonus for a particular job, he said. It is critical to look at current market rates for pay, while also considering the demand level for a particular skill, which can wax and wane over the course of a year, he said.

The focus on pay fairness—paying equitably for skills and experience—is growing among C-suite executives and HR alike, according to McMullen. The concept of pay fairness is also leading to the desire for greater pay transparency among employees, he said. More and more states are passing laws that protect employees who share pay information with each other, he said.

Overall, employees want more transparency about pay, about the business in general, and about their role in the business—and employers will need to comply if they expect to attract and retain the talent they need, according to McMullen.

Influx of Tech Jobs Requires New Approach to Attraction, Retention

The influx of technology positions in many companies calls for a different approach to attraction and retention, including a focus on market pay and building career paths, according to Laurie Bienstock, North America Practice Leader at Willis Towers Watson.

''The employment relationship is really changing and the plurality of work is already here,'' Bienstock told a June 8 session of the WorldatWork conference in San Diego.

Companies need to think of the relationships they have with workers, whether they need talent as a full-time hire or as a contract worker, she said.

''What's the cost of having that talent?'' she asked. ''If we need someone a few times a year, should we hire them as an employee, or should we hire them off of a platform such as Top Coder as we need him?''

Organizations must change the way they look at work if they are to understand their talent needs, Bienstock said. Positions, assignments and tasks can be deconstructed to determine the actual needs required, she said.

Organizations have to decide how much to deconstruct and disperse, and how to reward for those tasks, according to Bienstock.

This approach allows firms to hire the specific talent they need, whether it is through a full-time hire, contract workers or outsourcing, she said.

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It allows greater portability for employees' jobs and allows them to develop their skills, she said. On the down side, companies have to consider how to retain knowledge and what risks are being shifted onto workers, such as healthcare, taxes and retirement savings.

Companies need to construct career paths to attract and retain employees, according to John Brothers, senior director of learning and development, Walmart Global eCommerce.

Brothers said Walmart Global eCommerce examined its career philosophy and framework, specifically to create more job levels for individual contributors. Previously, he said, the job level for individual contributors would stop at a certain point.

''We have a lot of high-tech experts and we wanted to reward them for their work and moved them into manager roles when it wasn't the right fit,'' Brothers said. Expanding the job levels for individual contributors allowed them to advance in their careers while still doing the work they were hired to do.

Talented employees reacted positively to the changes, since it provided them with a clear path and the ability to grow and develop their skills without having to leave the organization, Brothers said.

Walmart Global eCommerce conducted a series of training sessions to introduce the changes, Brothers said. The company also held a career development day where associates could learn about networking and developing their career and managers could learn how to discuss it, he said.

Many Lessons Learned From Infancy Of Hospital's Paid Parental Leave Program

Leadership at Children's National Health System wanted to afford their employees adequate time to bond with newly born or adopted children, making the hospital's paid parental leave program the right thing to do, Carol Ann Parker, director of compensation and benefits at the Washington, D.C., hospital, said June 7.

A comprehensive paid parental leave program also can help employers attract and retain top talent, and addresses the needs of the changing workforce, Parker said at the WorldatWork 2016 Total Rewards Conference in San Diego.

Millennials in particular are demanding time off for both maternity and paternity leave, she said.

For Children's National, the decision to adopt a paid parental leave program was largely due to the demographic make-up of its employees, Parker said, as 78 percent of the hospital's employees are female, many of whom are between the ages of 20 and 45. Fifty-six percent of male employees are between the ages of 20 and 45.

The hospital's paid parental leave program provides six weeks of maternity leave at full pay, and eight weeks for caesarean section births, according to Parker.

It also provides two weeks paternity leave at full salary, and six weeks of adoption leave with full salary, including leave for same-sex parents or surrogate births, she said.

Still in its infancy, Children's National expects the program to cost $1.2 million and about 170 women are expected to be covered by the benefit.

According to Parker, when designing a paid parental leave program, it's important to keep in mind that one size does not fit all, and employers have to be flexible.

Employers also need to address how leave will be managed, whether through a third-party administrator or in-house, and how the system will be structured, she said.

Another major component of implementing such a program is communication, Parker said.

She said Children's National began educating employees on the new leave benefit about four months before it took effect, both through an e-mail campaign and on-site informational events,

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and conducted focus groups to receive feedback from employees on the proposed program.

Year one lessons learned. In the first year of the program, 108 employees have used the paid parental leave, including for eight adoptions, 51 six-week maternity leaves of absence, 39 eight-week maternity leaves of absence and 10 paternity leaves of absence.

To gauge the success of the program, Parker said, Children's National has added the parental leave program to its annual employee engagement survey.

Parker recommended that when designing a paid parental leave program, employers should be aware of the costs, define what types of leave will be included, determine who is eligible and what the benefit covers, decide whether the leave will run concurrent with FMLA leave, comply with state leave laws and regulations, and understand the unique family needs of the company's workforce.

Once the program is in place, employers must measure the successes or failures through employee surveys, Parker said.

For example, based on feedback from employees, Parker said, Children's National plans to eventually amend the program so that the paternity leave and same-sex leave options are more flexible throughout the year.

Employers Should Communicate With Employees About Financial Benefits

Although many employers offer financial wellness benefits, employees' lack of knowledge about these benefits could be curbing their efficacy, practitioners said June 8 at the WorldatWork 2016 Total Rewards Conference in San Diego.

That's exactly the problem that Home Depot experienced when it began looking into its financial wellness program, Brant Suddath, director of compensation at the home goods giant, said.

According to Suddath, Home Depot surveyed its employees to learn how they were spending their money and making financial decisions.

The company also asked employees what kinds of financial benefits were helpful to them and whether HR's communications of those benefits and training about the benefits were effective, Suddath said.

The survey results indicated that despite the many financial benefits offered to employees of Home Depot, such as a 401(k) match and tuition reimbursement, employees were not enrolling in the benefits because they ''just simply didn't know they existed,'' Suddath said.

For many employers, a new financial wellness strategy doesn't necessarily mean investing in new benefits, but rather better communication of the current offerings, Jennifer Benz, chief executive officer and founder of Benz Communications, said.

The majority of Americans live paycheck to paycheck, Benz said, and it's affecting work performance. Stress from tight finances can affect an individual's ability to be productive, or even to just show up to work, Benz said.

''There's a good opportunity for employers to intervene here'' because people really trust their employers when it comes to financial matters and they want their employers to offer financial advice, she added.

Benz recommended that employers try to help all their employees reach a financially secure status. This can be achieved through choosing benefits that engage employees, clearly defining different programs and communicating about the availability of these benefits year-round, she said.

Some of the benefits employers might offer, Benz said, include tools for financial wellness diagnosis; financial counseling; emergency savings and loans; cash flow management; sophisticated education and budget management; simple investing; and credit counseling and debt consolidation.

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Suddath recommended any financial wellness program has to be streamlined for employees. ''If it feels complex to us, just think of how it feels'' to employees, he cautioned.

Fitness Retailer Alters Policies, Practices To Attract, Retain and Motivate Millennials

The influx of millennials into the workforce is pushing employers such as fitness retailer Finish Line to change their strategies so they can better attract, retain and motivate these younger workers.

Organizations should be concerned because the Bureau of Labor Statistics forecasts that by 2020 millennials will comprise more than half of the U.S. workforce, Debbi Davidson, national practice leader at Willis Towers Watson, said June 6 at the WorldatWork 2016 Total Rewards Conference in San Diego.

''Is there really something so different about the millennial generation, or is it a lifecycle phase? It's both,'' she said.

Finish Line has an employee demographic that is similar to its customer base, with an average age of 21 in the store and 35 in the corporate headquarters, Kim Kurtz, director of benefits and wellness at the company, said during the conference session.

Finish Line sought to improve its employee engagement and retention and become one of the ''Best Places to Work,'' Kurtz said.

The employer has a ''committed leadership'' and culture to support the theme of ''Life's Biggest Possibilities,'' which helped the transition, she said.

Most companies struggle with attraction and retention issues and are especially concerned about retaining millennials as Baby Boomers retire, Davidson said. Finish Line worked with Willis Towers Watson, using survey data to examine what millennials and other workers value.

All ages appreciate perks. The Willis Towers Watson surveys found that employees of all ages value competitive pay, along with career paths, work/life balance and meaningful work.

Based on the findings, Finish Line offered learning and development programs, ongoing performance feedback, mentoring and coaching, Kurtz said.

Performance ratings are no longer a once-a-year event, Kurtz said. It's a culture change to provide continuous feedback, she said. ''You have to teach your managers how to have these coaching discussions on a regular basis,'' she added.

To create better work/life balance, Finish Line adopted parental leave, telecommuting and flexible work schedule programs.

Further, the company allows flexible unlimited paid time off and requires a minimum of three weeks be taken each year, according to Kurtz.

Finish Line also initiated health and wellness programs that reward employees with points or cash for healthy habits, such as exercising or scheduling a check-up with a doctor, she said.

Accenture Layers Data Intelligence To Guide Decisions on Employees, Pay

Drawing on multiple sources of data allowed Accenture to make better decisions about employees and compensation that led to substantial savings, Christine Brand, director of total rewards at Accenture, told a conference audience.

Management consulting firm Accenture has 370,000 employees in 60 countries. ''Our biggest asset is our people, but it is also our biggest cost item, creating a pressing need to determine exactly how to invest our rewards. We needed to tackle this strategically, to provide insights that will drive us to the right outcome,'' Brand said.

HR found that traditional market data often lagged too far behind, particularly in areas with rapidly changing skill sets, such as information technology, according to Brand. The pay market

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for IT skills can change within six to 12 months, and Accenture needed more current data for its pay decisions, she said June 6 at the WorldatWork 2016 Total Rewards Conference in San Diego.

Besides market data, Accenture also relied on its own internal data, based upon the 2.5 million resumes it receives and 90,000 hires made each year, Brand said. Accenture also creates a database from exit interviews, finding out not only why people leave, but where they go to work and how much they are earning there.

Accenture uses market data, internal data and online salary sources to create a more comprehensive picture of what the current market rates are for a position, Supriya Bahri, the company's total rewards senior manager, said during the session. Accenture also tracks the hiring demand levels for various positions to determine which skills are trending upward and downward, so pay can be adjusted accordingly.

This focus on data intelligence allows Accenture to better allocate its compensation budget, ultimately saving money by spending it more efficiently, Bahri said.

There are other benefits as well, she said. ''As we improve our market position, we increase loyalty and increase retention'' and get ''more acceptances on recruiting offers. By spending the money wisely, you reduce your overall investment,'' Bahri said.

Pace of Technology Evolution Leaves Workers Struggling to Maintain Skills

As technology and digital media rapidly evolve, it's increasingly difficult for employees to keep up with the skills needed to do their jobs, Ravin Jesuthasan, managing director and global practice leader of Willis Towers Watson, said June 7.

Speaking at the WorldatWork 2016 Total Rewards Conference in San Diego, Jesuthasan warned that this technological trend will have ''a very negative effect on companies' ability to compete in the future.''

''The pace of change is orders of magnitude greater'' than previous industrial revolutions, Jesuthasan said, and the global economy is starting to see ''rapid fragmentation'' of work.

To further complicate matters, most current in-demand occupations or specialties didn't exist 10, or even five, years ago, he added. According to Jesuthasan, two forces are driving this change: the democratization of work and empowerment through mobile technology.

The global marketplace has created at least one solution to the problem through technology platforms that allow companies to get work done through freelancing, Jesuthasan said.

Platforms have the ability to improve employee productivity through better talent matches to jobs, greater employment overall and higher labor force participation, by linking individuals who are currently inactive in the workforce to projects for part-time and freelance work, Jesuthasan said.

Jesuthasan also noted declining value given to technology skills and the increasing adoption of robotic technology to accomplish tasks throughout the globe.

For example, 35 percent of all investments in robotics are made in China, mostly for assembly line work, essentially replacing the already low cost of labor in that part of the world, he said.

In the U.S., declining education standards in technology have created a stark shortage of workers for these jobs, he said. In fact, Jesuthasan said, 77 percent of organizations list missing skills as the single biggest impediment to finding employees for digital jobs.

According to Jesuthasan, organizations need to shift fundamentally to address these issues. Companies will need to become the organizers of work and talent, as opposed to simply the places that contain employees.

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