Drive progress and performance with compensation analytics and insights

The power of data and software — Part 2

Compensation professionals can drive progress and performance using powerful data analytics and insights.

Only 14% of organizations today have achieved digital maturity, according to our 2018 Artificial Intelligence and Digital Talent Survey. Using data analytics to support digital strategy is one of the key actions that helped these "digital leaders" to sprint ahead of the rest. On the flip side, digital novices say that a lack of data insights is one of the major challenges in their digital transformation journey.

Pay data is multifaceted and complex. Traditional methods and manual tools are no longer suitable for the increasingly complicated work of compensation management. In Part 1 of this series, we looked at some of the immediate improvements to expect from an integrated approach to compensation data and software — a boost in productivity, data quality and cybersecurity. We now shift focus to using data analytics and insights to drive HR strategy and support compensation decisions.

Automated and on-demand data reporting from an intuitive platform can reduce the numerous manual routines involved in assembling pay data. At the click of a button, compensation professionals can have immediate access to massive amounts of data, bringing you straight toward more insightful analytics.

The existence of advanced data analytics software has bigger implications for compensation professionals, besides technological enablement. Essentially, it presents a huge opportunity to reinvent how you perform compensation work.

Why reinvent compensation management?

Today's compensation professionals are facing immense pressure to take Total Rewards programs to the next level. There are new jobs and new skills to understand. There are diverse pools of talent to attract. And at the same time, your competitors are tapping the same sources and skills. Furthermore, cultural shifts in the workplace have helped to elevate key social themes around fair pay, such as gender pay equity and pay transparency.

Ultimately, by equipping compensation professionals with the right software solution for data analytics and insights, you can unlock their potential to do more for your business.

Compensation professionals can drive progress and performance with powerful data analytics and insights.

Contribute to **strategic** workforce planning and **decision making**.

Strengthen your **competitive pay position**.

Simulate the **cost** of alternative **pay designs**.

Take a **broader view** of salary structures.

Visualize and **present** your data in different ways.

With powerful data analytics and insights you can:

1 **Contribute to strategic workforce planning and support decision making:**

- Organize jobs internally using a common methodology to ensure consistency.
- Identify opportunities in your organization and the wider labor market.
- Deliver an innovative compensation program that ensures equal pay for equal work.

2 **Strengthen your competitive pay position in the market:**

- Benchmark and market price jobs using data from multiple vendors.
- Understand where the talent market is heading and how your organization stacks up.
- Modernize your Total Rewards program to successfully attract, engage and retain coveted talent.

3 **Simulate the cost and effectiveness of alternative pay designs:**

- Consider the implications of implementing new or modified pay designs.
- Use cost impact analysis to calculate overall cost and employee distribution across ranges.
- Model key compensation actions with bring-to-target and Merit Matrix analytics.

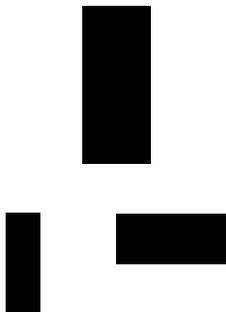**4** **Take a broader view and understanding of salary structures:**

- Analyze multiple data sets across geographies, functions and market data providers.
- Propose new and creative approaches to benchmarking, pay design and reward practices.
- Build or refresh salary structures and design new job structures using a software that assists with job grading.
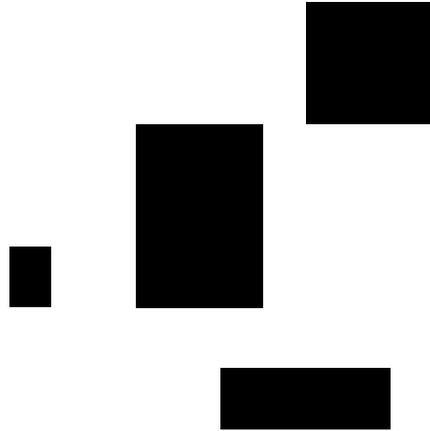
5 **Visualize and present your data in different ways:**

- See compensation data from multiple dimensions and quickly uncover discrepancies.
- Access key data insights at the click of a button with on-demand and customizable reporting.
- Develop management-ready reports to support smart HR decisions and address pay challenges.

Intuitive technology, data and analytics can reduce complexity and support decision making when designing and managing compensation programs. If you are equipped with the right solution, you can see the big picture, drill into the details, answer a range of strategic questions around competitive compensation and, perhaps most importantly, take action.

Part three in our power of data and software series will help you to prepare and successfully navigate the evolution of salary benchmarking and future of work.

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