

---

# Salary Data On The Internet

*By Sandra Lim, CPRW, CCM  
A Better Impression - Toronto, ON, Canada  
Email: [newcareer@abetterimpression.com](mailto:newcareer@abetterimpression.com)*

---

With the fairly recent proliferation of salary data on the Internet, how many of us have directed a client to a salary survey Web site to determine the viability of a career change, or prepare for salary negotiations, or for any number of other reasons? How many of us have gone to the site ourselves and found the “number” for the client?

Just because the information is on the Internet, and it is free, does not necessarily mean the data is accurate. We could be providing misleading information to our clients more than arming them with solid data upon which to make career decisions.

## Salary Surveys on the Internet – Reliable or Not?

Prior to establishing A Better Impression, I worked for three years as a Compensation Consultant in Ernst & Young’s Compensation Consulting Practice. Salary surveys had long been the domain of compensation consulting firms that produced and sold published salary surveys to employers each year. These surveys cost employers thousands of dollars to purchase. Compensation consulting firms were also often hired to conduct custom compensation surveys for clients – ensuring credibility and sound methodology and data analysis.

When I left the company in 1998, free salary data was just beginning to appear on the Internet. This caused some controversy among compensation practitio-

ners, as validating data integrity – reliability, validity, and methodology – came into question. In addition, purchasers of salary data had always been HR professionals within companies, for the purpose of developing compensation strategy, whereas now individuals/job seekers had free access to data previously unavailable to them. It has been three years since I have practiced as a compensation professional, so I have a special interest in researching current thought on this issue by compensation experts.

WorldatWork, a professional association for compensation, benefits and human resources professionals, is dedicated to knowledge leadership in compensation, benefits and total rewards. WorldatWork was formed from the former the American Compensation Association and the former Canadian Compensation Association, and offers the Certified Compensation Professional, Certified Benefits Professional, and Global Remuneration Professional designations.

I consulted literature available on the WorldatWork Web site, specifically:

- WorldatWork Issue Statement on Salary Surveys
- The Value of Pay Data on the Web: Nominal or Real?  
John A. Menefee, Ph.D., Watson Wyatt Worldwide
- Dollars & Sense: Salary Surveys

from A-Z

Jeremy Handel, WorldatWork

## Criteria for Evaluating Salary Data on the Web

The WorldatWork articles cautioned readers to be mindful when reviewing free, online survey information. Numerous issues may affect the reliability and validity of the data reported. It is strongly suggested that users ask themselves the following questions:

What is the purpose of the data site? Who maintains the site? What is the site’s targeted audience – employers or job seekers/employees?

The foremost concern is how data is collected and reported. Users need to make sure they can verify the source of a survey’s data. The majority of the established compensation survey firms traditionally consulted by employers currently host some type of Web site that provides either access to data or the opportunity to order data from their ongoing compensation surveys. These companies routinely disclose the methodology used to gather and analyze the data.

Few, if any of the new sites targeting individuals offering pay data, conduct statistically valid salary surveys to obtain their data. It is important for users to check the extent of documentation on the data sources used.

Where is the data coming from? Is the data from employer-based surveys, or self-reported by individuals?

Another danger is that the survey data do not include position descriptions, relying on job title alone. Matching on title alone can be misleading. Human resources professionals are trained in submitting salary survey data that is based on accurate position matching, thus employer-based surveys would be considered reliable.

On the other hand, a site that allows Web surfers to submit their own salary allows room for inflating data and improper position matching (for example, an individual may submit the salary he earns as a Business Analyst, yet his actual job responsibilities may not represent typical Business Analyst duties in the majority of organizations). Obviously, with no external data checks on the accuracy of hundreds or thousands of entries would result in misleading data.

What is the typical sample size for reported jobs?

Small sample sizes lead to unreliable results. The job the data is representing must have an adequate sample size reported to ensure the information is valid.

How old is the survey data?

Make sure the data is timely and up-to-date – would a 1999 information technology survey contain relevant data for today's market?

### Conclusion: Caveat Emptor

According to Watson Wyatt's John A. Menefee, Ph.D., a number of sites are middlemen simply pulling together similar and disparate data sources... "For example, some of these sites simply take data out of classified ads in newspapers, job postings in trade publications, or off other Web sites and resell it as current market data. Others are

taking public access, government data files and are compiling databases that contain estimated data 3-to-4 years old."

On a personal note, I have completed five out of the nine courses/exams required to earn the Certified Compensation Professional designation, and in the future I plan to integrate my compensation consulting knowledge into a new service offering to clients (individuals and/or corporate) once I complete my CCP designation. I know I would want to be sure that I am providing clients with accurate salary data – how about you?



Increase the value of your career package. Include a copy of **Walt Schuette's** newest book in your client's package.

This book is packed full of strategies, tactics, and ideas that make sense and work.

Solid, common sense advice to help your clients improve and enhance their chance of selection.

Information to help your clients:

- Focus on appropriate jobs
- Understand the "cost" vs. "value" concept
- Identify and target those great jobs
- Negotiate the highest salary
- Ace the interview

**800 200-1884**  
**www.WaltSchuette.com**  
**PARWCC Member Discount**

**VALUABLE BONUS CD-ROM**  
Interactive CD-ROM with  
Sample Documents,  
Worksheets, Network Contact Sheets,  
and Pre-Interview Checklist.  
Windows PC users.

