

The Quorum Group

Compensation Surveys: What to Expect!



Compensation surveys are the most effective way to determine pay for employees. But first, a brief review of compensation basics is necessary prior to discussing surveys.

Base Compensation

Base compensation is the foundation of all pay systems for recognizing job worth. Base compensation is the starting point in the design of other pay systems, such as sales incentives, pay for skills or knowledge, individual and team incentives, broad banding, and career ladders.

Base compensation is that pay which does not include:

- overtime,
- incentives,
- bonuses,
- commissions
- or other "add-on pay".

"add-on pay" includes such things as:

- Gain Sharing
- Geographical Differential
- Hazardous Duty Pay
- Relocation Differential
- Shift Differential/Premium
- Working Conditions Premium

All organizations must be able to attract, retain and motivate employees to carry out the corporate mission. Inherent in this is a competitive pay posture that will accomplish these goals without "giving away the store."

In determining a competitive pay posture, two areas must be considered.

➤ Internal Market:

Base salary is reviewed internally to determine the degree of equity and consistency.

➤ External Market:

Actual salaries are compared to the competitive labor market. This labor market typically is the local area for Hourly and Office jobs and increases to the national or international arena for upper level and management jobs.

There are many surveys available in the market place which can be used for comparative purposes.

Some are informal telephone or job title comparisons, others are in-depth comparisons with time consuming matching of job content based upon a written position description.

A Job Description is a written document that identifies, defines and describes a job in terms of:

- duties,
- responsibilities, and
- requirements.

The Job Description should contain the "essential job functions" and should address those factors which are commonly included in a point-factor job evaluation system.

Job Descriptions uses include:

- Job comparisons;
- Job measurement or evaluation;
- Regulatory compliance (ADA, ADEA, EEO, EPA, FLSA);
- Performance planning and measurement of results;
- Organizational analyses;
- ISO 9000 Certification;
- Recruiting;
- Evidence.

All companies have a Job Measurement or Job Evaluation program if there is any distinction of pay between employees.

Job measurement can be:

➤ as simple as “the boss says so”,

or

➤ as complex as a point-factor measurement tool specifically tailored to the organization.

Point-Factors may include:

- Accountability
- Education
- Financial Impact
- Human Relations Skills
- Job Skills
- Knowledge
- Managerial Breadth
- Managerial Depth
- Organizational Impact
- Problem Solving
- Responsibility
- Thinking Challenge
- Thinking Environment
- Work Environment
- Etc.

Compensation Surveys

The following characteristics should be present in a Compensation Survey:

- Confidential; important in light of Department of Justice and Federal Trade Commission enforcement actions.
- Reliable wage and salary data;
- Timely wage and salary data;
- Comprehensive analysis regarding external competitiveness;
- Consistent, and
- Diagnostic assistance in identifying current and potential internal equity issues.

Pay Policy

All organizations have adopted, informally or formally, a pay philosophy which answers the question:

How much should (can) we pay our employees?

Management must struggle with a complex array of factors such as:

- Base pay,
- Bonus, Incentive, Commissions,
- Benefits,
- Regulatory Benefits,
- External Pressures,
- Motivation,
- Affordability,
- etc. ?

The previous pages commented on surveys and compensation in general.

The following pages are specific to The Quorum Group's survey methodology.

Examples are provided from the 1999 Texas Wage & Salary Survey and the 1999 Oklahoma Wage & Salary Survey.

The data files used for illustration in the following pages were modified to fit this presentation format.

Quorum's Wage & Salary Surveys - Job Descriptions and Job Matching

- Each Survey Position is described in writing in terms of the duties and experience required.
- Each participant matches their position to the survey position based the duties, experience and supervision listed in the description.
- The participant then indicates the extent to which their position matches the description of the survey position.

The following slide is an example of the Survey Position Descriptions.

ASSEMBLER:

Performs a variety of tasks such as assembly of parts, disassembly, stamping, riveting, cutting, spot welding, soldering, etc. using a variety of hand and power tools and equipment.

Typical Requirement: Ability to read and follow verbal and written instructions.

5011 - Level I: Performs a very limited number of repetitive, short cycle bench or machine operations following prescribed instructions exactly.

5012 - Level II: Works from uncomplicated blueprints and sketches to accumulate parts, assemble, disassemble and perform minor alterations on a variety of standard products and components. May also set up and adjust equipment.

5013 - Level III: Performs assembly of complicated components or equipment requiring highly skilled and sensitive adjustments which includes the determination of defects, rework or replacement of parts, reassembly and sensitive adjustment. Works to close tolerances using extreme care in adjusting, fitting and alignment.

Hourly and Office/Clerical Survey Positions

The positions are ranked based upon the Survey Position Descriptions.

Exempt Survey Positions

A Quorum consultant ranks the positions matched by each organization, based upon each position matched and participant information provided in the submission kit.

Consideration is given to: existing grades, salary ranges, Degree of Match, size of the organization, type of entity, type of industry and product, etc.

Survey Components of Quorum's Wage & Salary Surveys

- The Survey contains detailed job-by-job tabular analysis showing the level of job match; the actual wages paid for each company; and the wage ranges for each position.
- The lowest, average, highest and median pay practices are reported for each job along with the number of collective bargaining units and the number of companies that pay bonuses/incentives.
- The Survey includes a summary and a comparison of the pay practices based upon company size and geographical location.
- Each participant receives their individual company scattergram and regression analysis with the purchase of the survey.

These Surveys enable businesses to determine the appropriateness of wage and salary programs by:

- Accurately comparing their wage or salary to the actual pay practices of other companies in their area, and across the state;
- Implementing and effectively monitoring "geographical" pay differentials; and
- Developing, implementing and monitoring an over-all pay policy that supports the corporate strategy.

The next three slides illustrate the display of line-by-line data as used in Quorum's Wage & Salary Survey, in this case the Assembler II position from the Texas Survey.

Job 5012 : Assembler II

1999 TEXAS WAGE & SALARY SURVEY								
Data as of July 1, 1999								
					Number			
CODES				PES	of	ACTUAL WAGE PAID		
Job	Region	Size	Match	Grade	Employees	Average	Lowest	Highest
a	b	c	d	e	f	g	h	i
5012	GULF	1	S	3	1	18.50	18.50	18.50
5012	GULF	2	S	3	1	16.82	16.82	16.82
5012	DFW	3	S	3	13	15.07	13.70	16.38
5012	GULF	1	S	3	3	14.00	13.00	15.00
5012	GULF	2	S	3	30	12.81	12.81	12.81
5012	DFW	3	H	3	123	12.07	11.77	12.12
5012	E-C-W	1	L	3	1	11.24	11.24	11.24
5012	DFW	1	L	3	1	11.12	11.12	11.12
5012	GULF	3	S	3	19	11.11	6.95	16.02
5012	GULF	2	S	3	57	11.00	9.00	13.00
5012	DFW	3	S	3	10	10.97	10.09	13.46
5012	DFW	3	S	3	93	10.71	7.51	12.39
5012	DFW	1	S	3	6	10.03	9.25	11.10
5012	DFW	1	S	3	10	9.86	9.71	10.00
5012	E-C-W	3	S	3	15	9.84	8.58	11.64
5012	GULF	2	S	3	11	9.53	8.73	10.61
5012	DFW	2	S	3	6	9.42	8.61	9.89
5012	GULF	2	S	3	5	9.34	8.50	10.00
5012	E-C-W	2	S	3	1	8.95	8.95	8.95
5012	E-C-W	1	S	3	1	8.86	8.86	8.86
5012	DFW	2	S	3	4	8.69	8.50	9.25
5012	GULF	2	S	3	3	8.65	7.50	9.80
5012	E-C-W	2	S	3	29	8.24	7.13	10.72
5012	DFW	3	S	3	77	8.20	6.25	10.08
5012	E-C-W	2	S	3	25	7.96	6.28	8.10
5012	E-C-W	1	S	3	10	7.50	7.00	8.50
5012	E-C-W	2	S	3	28	6.49	5.85	8.00

Job 5012 : Assembler II

1999 TEXAS WAGE & SALARY SURVEY							
Data as of July 1, 1999							
CODES				PES	WAGE RANGE		
Job	Region	Size	Match	Grade	Minimum	Midpoint	Maximum
a	b	c	d	e	j	k	l
5012	GULF	1	S	3			
5012	GULF	2	S	3	16.65	17.73	18.80
5012	DFW	3	S	3	10.80	13.50	16.20
5012	GULF	1	S	3			
5012	GULF	2	S	3			
5012	DFW	3	H	3	10.67	11.21	11.75
5012	E-C-W	1	L	3			
5012	DFW	1	L	3	11.12	13.91	16.69
5012	GULF	3	S	3	10.78	14.55	18.32
5012	GULF	2	S	3			
5012	DFW	3	S	3	10.00	12.00	16.00
5012	DFW	3	S	3	7.51	9.95	12.39
5012	DFW	1	S	3			
5012	DFW	1	S	3			
5012	E-C-W	3	S	3			
5012	GULF	2	S	3			
5012	DFW	2	S	3	8.25	9.30	10.35
5012	GULF	2	S	3			
5012	E-C-W	2	S	3	8.00	9.00	10.00
5012	E-C-W	1	S	3			
5012	DFW	2	S	3	8.12	9.06	10.35
5012	GULF	2	S	3	7.25	7.63	8.00
5012	E-C-W	2	S	3	6.75	8.50	10.91
5012	DFW	3	S	3	6.25	8.20	10.08
5012	E-C-W	2	S	3	6.28	7.15	8.10
5012	E-C-W	1	S	3	8.00	9.00	11.00
5012	E-C-W	2	S	3	5.95	6.83	7.70

Each line represents the data from a particular company. Data is arrayed from high to low on average wage/salary (column **g**).

Job Code: Identifies the position by Job Number.

Region Code: Indicates the location of the organization for survey purposes.

Size Code: Indicates the size of the organization based on the total number of employees at this location as follows:

Size 1 - Less than 100 employees

Size 2 - Between 100 and 300 employees

Size 3 - More than 300 employees

Match: The indication by the participant of the degree of the job content match. The participant reported their job to be:

L - Lighter than the job described.

S - The same as the job described.

H - Heavier than the job described.

PES Grade: The equivalent level or value of the position to the organization. The **Position Evaluation System** developed and copyrighted by The Quorum Group was used to rank the positions.

The following slide is an example of the summary tabular results from the 1999 Texas Wage & Salary Survey.

You will notice that the pertinent summary information is shown for each position.

1999 Texas Wage & Salary Survey
Data as of July 1, 1999

State Results
Hourly Positions

Job	Survey Title	ACTUAL WAGE PAID							
		Number of		Company	Employee	Median	Lowest Average Wage	Highest Average Wage	
		Cos	EEs	Weighted Average	Weighted Average				
5011	Assembler I	23	721	8.34	8.57	8.04	5.90	15.94	
5012	Assembler II	27	583	10.63	10.34	9.86	6.49	18.50	
5013	Assembler III	22	296	12.06	10.91	11.63	7.22	21.26	
5021	Building Maintenance Mechanic I	14	68	10.33	12.63	10.00	7.82	16.24	
5022	Building Maintenance Mechanic II	16	56	13.17	13.33	12.38	8.50	20.85	
5023	Building Maintenance Mechanic III	20	50	16.49	15.59	16.83	10.75	24.70	
5031	Custodian I	17	134	8.18	7.60	8.00	6.43	12.21	
5032	Custodian II	12	62	8.31	8.20	8.24	6.63	10.38	
5051	Electrician I	7	12	15.41	14.52	14.41	10.89	24.23	
5052	Electrician II	13	38	17.55	16.84	16.31	12.18	26.54	
5053	Electrician III	12	25	20.32	21.13	20.20	13.29	29.42	
5061	Electronics Technician I	9	40	11.54	12.10	11.65	8.35	13.98	
5062	Electronics Technician II	13	78	13.27	14.30	13.04	9.55	16.43	
5063	Electronics Technician III	18	107	18.33	19.37	17.38	10.66	25.44	
5064	Electronics Technician IV	10	41	17.85	19.14	16.84	13.00	25.00	
5071	General Machinist I	16	90	12.60	12.53	11.75	7.75	22.41	
5072	General Machinist II	21	78	13.81	14.82	13.55	9.40	19.01	
5073	General Machinist III	19	86	17.08	17.74	17.21	11.16	23.04	

All wage/salary amounts are shown in HOURLY figures.

Job: The Survey control number for the position.

Survey Title: The Survey Title for the position.

Number of Cos: The number of companies matching the position.

Number of EEs: The total number of employees in this position as reported by all participants.

Actual Wage Paid

Company Weighted Average: The average actual wage/salary paid by all the companies. Computed by adding all values and dividing by the number of companies.

Employee Weighted Average: The average actual wage/salary paid to all employees. The Employee Weighted Average takes into consideration the distribution of employees among the companies.

Median: The 50th percentile. One half of the companies have an **average** wage/salary above this level and one half below.

Lowest Average Wage: The lowest **average** wage paid by one of the companies.

Highest Average Wage: The highest **average** wage paid by one of the companies.

Summary results are also shown for the State,
each region and company size.

The following 4 slides show the Summary results
for Job 5012 - Assembler II position from the
Texas Survey.

Job 5012 : Assembler II

1999 TEXAS WAGE & SALARY SURVEY								
Data as of July 1, 1999								
				ACTUAL WAGE PAID				
	Number of		Company	Employee		Lowest	Highest	
	Cos	EEs	Weighted	Weighted		Average	Average	
			Average	Average	Median	Wage	Wage	
State Results	27	583	\$10.63	\$10.34	\$9.86	\$6.49	\$18.50	
Company Size 1	8	33	\$11.39	\$9.86	\$10.58	\$7.50	\$18.50	
Company Size 2	12	200	\$9.83	\$9.63	\$9.15	\$6.49	\$16.82	
Company Size 3	7	350	\$11.14	\$10.79	\$10.97	\$8.20	\$15.07	
Gulf Region	9	130	\$12.42	\$11.36	\$11.11	\$8.65	\$18.50	
Company Size 1	2	4	\$16.25	\$15.13	\$16.25	\$14.00	\$18.50	
Company Size 2	6	107	\$11.36	\$11.27	\$10.27	\$8.65	\$16.82	
Company Size 3	1	19	\$11.11	\$11.11	\$11.11	\$11.11	\$11.11	
DFW Region	10	343	\$10.61	\$10.73	\$10.37	\$8.20	\$15.07	
Company Size 1	3	17	\$10.34	\$9.99	\$10.03	\$9.86	\$11.12	
Company Size 2	2	10	\$9.06	\$9.13	\$9.06	\$8.69	\$9.42	
Company Size 3	5	316	\$11.40	\$10.82	\$10.97	\$8.20	\$15.07	
E-C-W Region	8	110	\$8.64	\$7.92	\$8.55	\$6.49	\$11.24	
Company Size 1	3	12	\$9.20	\$7.93	\$8.86	\$7.50	\$11.24	
Company Size 2	4	83	\$7.91	\$7.57	\$8.10	\$6.49	\$8.95	
Company Size 3	1	15	\$9.84	\$9.84	\$9.84	\$9.84	\$9.84	

Job 5012 : Assembler II

1999 TEXAS WAGE & SALARY SURVEY							
Data as of July 1, 1999							
				WAGE RANGE			
	Number of			No. of	Average	Average	Average
	Cos	EEs		Cos	Minimum	Midpoint	Maximum
State Results	27	583		16	\$8.90	\$10.47	\$12.29
Company Size 1	8	33		2	\$9.56	\$11.46	\$13.85
Company Size 2	12	200		8	\$8.41	\$9.40	\$10.53
Company Size 3	7	350		6	\$9.34	\$11.57	\$14.12
Gulf Region	9	130		3	\$11.56	\$13.30	\$15.04
Company Size 1	2	4		0	\$0.00	\$0.00	\$0.00
Company Size 2	6	107		2	\$11.95	\$12.68	\$13.40
Company Size 3	1	19		1	\$10.78	\$14.55	\$18.32
DFW Region	10	343		8	\$9.09	\$10.89	\$12.98
Company Size 1	3	17		1	\$11.12	\$13.91	\$16.69
Company Size 2	2	10		2	\$8.19	\$9.18	\$10.35
Company Size 3	5	316		5	\$9.05	\$10.97	\$13.28
E-C-W Region	8	110		5	\$7.00	\$8.10	\$9.54
Company Size 1	3	12		1	\$8.00	\$9.00	\$11.00
Company Size 2	4	83		4	\$6.75	\$7.87	\$9.18
Company Size 3	1	15		0	\$0.00	\$0.00	\$0.00

Job 5012 : Assembler II

1999 TEXAS WAGE & SALARY SURVEY							
Data as of July 1, 1999							
			Number of		Bonus Percent Paid		
	Number of		Bonus	Union	Bonus	Percent	
	Cos	EEs	Cos	Cos	Cos	Average	
State Results	27	583	9	4	6	14.8%	
Company Size 1	8	33	2	0	1	16.0%	
Company Size 2	12	200	5	2	3	19.3%	
Company Size 3	7	350	2	2	2	7.3%	
Gulf Region	9	130	3	2	2	26.0%	
Company Size 1	2	4	0	0	0	0.0%	
Company Size 2	6	107	3	2	2	26.0%	
Company Size 3	1	19	0	0	0	0.0%	
DFW Region	10	343	4	2	3	10.2%	
Company Size 1	3	17	2	0	1	16.0%	
Company Size 2	2	10	0	0	0	0.0%	
Company Size 3	5	316	2	2	2	7.3%	
E-C-W Region	8	110	2	0	1	6.0%	
Company Size 1	3	12	0	0	0	0.0%	
Company Size 2	4	83	2	0	1	6.0%	
Company Size 3	1	15	0	0	0	0.0%	

Wage Range

No. of Cos.: The number of companies reporting a Wage Range.

Average Minimum: The average **minimum** Wage Range reported by all the companies. Computed by adding all minimums and dividing by the number of companies.

Average Midpoint: The average **midpoint** Wage Range reported by all the companies. Computed by adding all midpoints and dividing by the number of companies.

Average Maximum: The average **maximum** Wage Range reported by all the companies. Computed by adding all maximums and dividing by the number of companies.

Number of Bonus Cos: This is the number of companies that reported this position is eligible for "extra compensation" such as bonuses, incentives.

Number of Union Cos: This is the number of companies that reported this position is covered by a collective bargaining agreement.

Bonus Paid Bonus Cos: This is the number of "bonus" companies that reported the average amount of bonus paid.

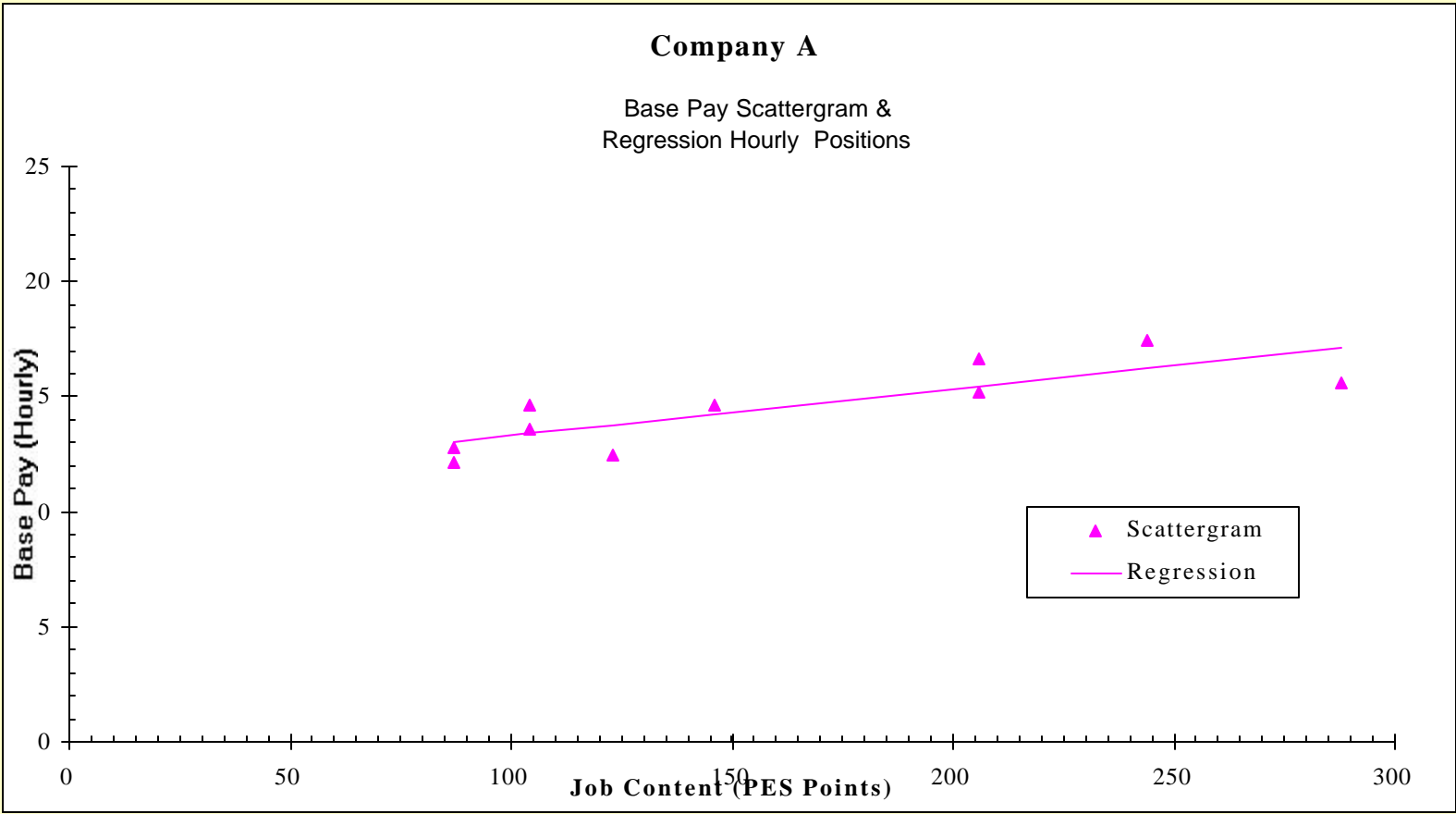
Bonus Paid Percent Average: This is the average bonus paid expressed as a percentage of average base salary.

Each participating organization in the Survey receives individualized analysis of their data. The following graph visually displays the base wage/salary practice for participating Company A. This scattergram and regression analysis provides valuable information regarding Internal Equity and provides a quick overview of the external competitiveness.

The X-axis (horizontal) displays the size of the job as determined by the PES points. The Y-axis (vertical) displays the salary dollars.

For each position matched by Company A, a ▲ has been plotted at the coordinates of that position's pay versus that position's job content. As you will notice - moving along the graph from left to right - pay tends to increase with the increase in job content; i.e. the bigger the job - the more the pay.

The line placed on the scattergram is a statistically computed least-squares-regression line which represents the overall pay trend. This regression line is sometimes referred to as the "line of central tendency" or the "line of best fit."



The following statistical data was used in developing the scattergram for Company A.

This statistical data identifies the positions on the scattergram and enables the company to identify present and potential internal equity problems.

Following the statistical data are the definitions of the columns and the terms used.

Company A								
Base Pay Scattergram & Regression - Hourly Positions								
Job #	Survey Title	PES Grade	PES Points	No. of EEs	Average Pay	Range Midpoint	R-LINE	% of R-Line
a	b	c	d	e	f	g	h	i
5143	Tool & Die Maker III	10	288	1	15.56	15.56	17.10	91%
5063	Electronics Technician III	9	244	2	17.47	17.47	16.21	108%
5052	Electrician II	8	206	8	16.64	16.60	15.44	108%
5072	General Machinist II	8	206	3	15.18	15.11	15.44	98%
5103	Machine Operator III	6	146	31	14.65	14.50	14.23	103%
5123	Warehouse Worker III	5	123	7	12.46	12.33	13.77	90%
5081	Inspector I (Assembly)	4	104	2	14.60	12.40	13.39	109%
5102	Machine Operator II	4	104	10	13.55	13.47	13.39	101%
5012	Assembler II	3	87	30	12.81		13.04	98%
5101	Machine Operator I	3	87	5	12.14	12.05	13.04	93%
Total Number of Matches		10		Total Annual Pay		\$2,870,878		
Total Number of Employees		99		Total PES Points		12,722		
Average Hourly Wage		\$13.94		Average PES Points		129		
				<u>Hourly</u>		<u>Annual</u>		
				Regression Slope		\$0.0202		\$41.97
				Regression Intercept		\$11.29		\$23,478
COEFFICIENT of DETERMINATION								66%

Regression Analysis

The line placed on the scattergram is a statistically computed least-squares-regression line which represents the overall pay trend. This regression line is sometimes referred to as the "line of central tendency" or the "line of best fit."

- a **Job #:** Identifies the position by Job Number.
- b **Survey Title:** The Survey Job Title.
- c **PES Grade:** The Quorum Group assigned grade for the position based upon the job as designed and described for survey purposes. The PES Grade ranges from 1 (lowest) to 10 (highest) for hourly positions.
- d **PES Points:** The Quorum Group assigned points based upon the PES Grade and used for a graphical representation of your pay practice.
- e **No. of EEs:** The number of employees (incumbents) reported by your organization for each position matched.
- f **Average Pay:** The numerical average of the actual wage/salary being paid to the number of employees reported for each position matched.
- g **Range Midpoint:** The Range Midpoint, if any, as reported for this position.

- h** **R-Line:** The value of the statistically computed least-squares-regression line at the appropriate PES Points. This line represent the overall pay trend and is sometimes referred to as the “line of central tendency” or the “line of best fit.” The line value is computed using the formula $Y = mX + b$ where: **X** is the PES Points, **m** is the Regression Line Slope, **b** is the Regression Line Intercept and **Y** is the resulting value of the Regression Line.
- i** **% of R- Line:** The ratio of the Average Pay to the Regression Line. A percent greater than 100% means the position is paid “above” the line, a percent less than 100% means the position is paid “below” the line.

Total Number of Matches	Total Annual Pay
Total Number of Employees	Total PES Points
Average Hourly/Monthly/Annual Pay	Average PES Points

Regression Slope: The rate at which salaries (Y) increase with increased job content (X). Calculated from two data points by the "change in Y" divided by the "change in X". The value of "m" in the linear equation.

Regression Intercept: The value of Y (Salary) computed when X (Job Content) is zero; Sometimes referred to as the "warm body constant". The value of "b" in the linear equation.

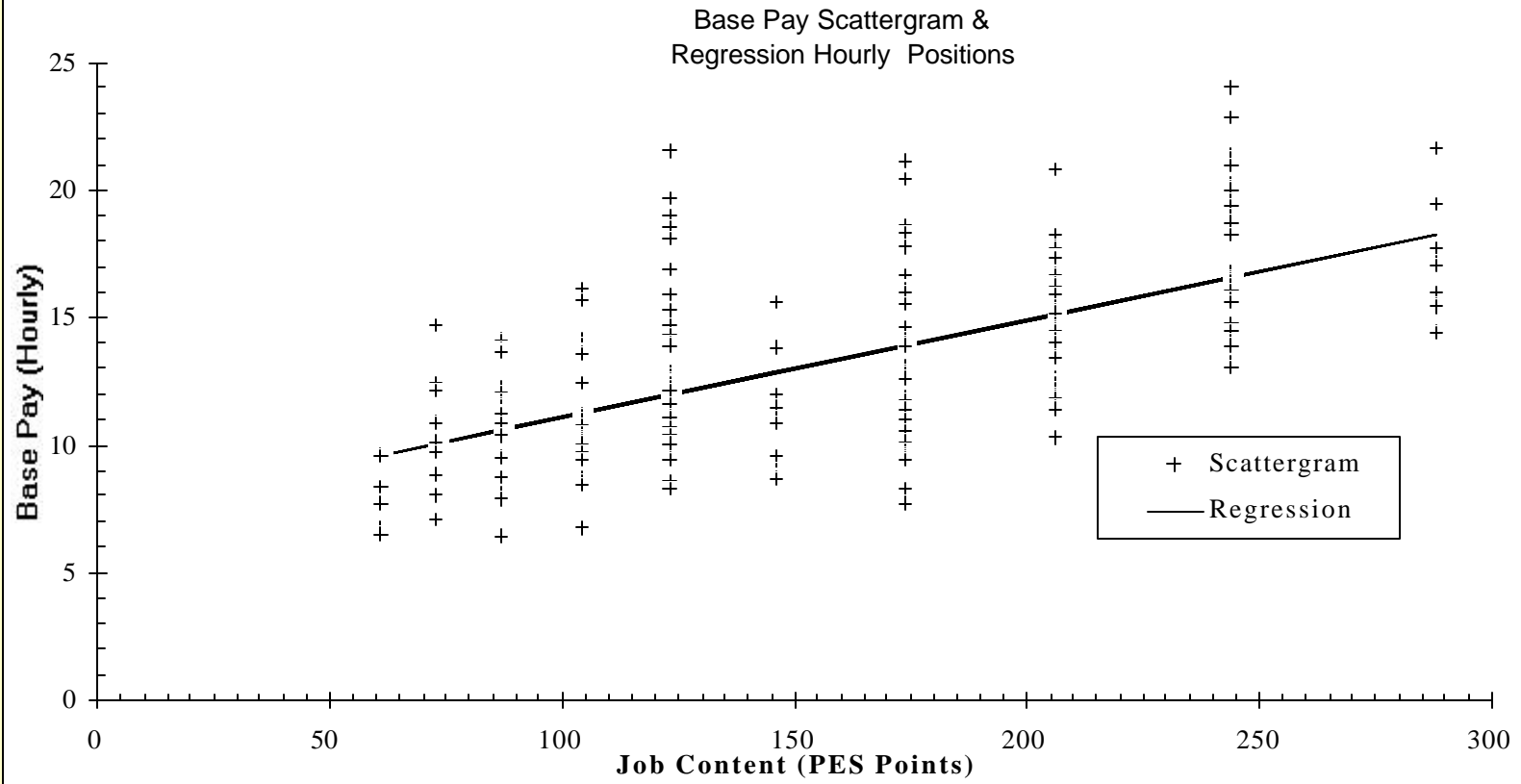
Coefficient of Determination: The portion of the dependent variable (Y, Salary) which is directly related to the value of the independent variable (X, Job Content). The remaining portion is due to other factors.

Community Pay Practice

The following chart is a composite scattergram for the Tulsa Region from the 1999 Oklahoma Wage & Salary Survey. This chart was developed by combining the individual scattergrams developed for each company.

A quick picture of the external competitiveness can be obtained by superimposing “your” individual scattergram on the regional scattergram.

Tulsa Region



The following shows the regression line intercept values at selected PES points.

Points	61	73	87	104	123	146	174	206	244	288
Tulsa	9.58	10.04	10.57	11.22	11.95	12.83	13.90	15.13	16.59	18.27
OKC	8.29	8.76	9.32	9.99	10.74	11.65	12.76	14.03	15.53	17.27
Non-M	8.95	9.43	10.00	10.68	11.45	12.37	13.50	14.79	16.32	18.10
State	8.94	9.42	9.97	10.65	11.41	12.32	13.44	14.71	16.22	17.97

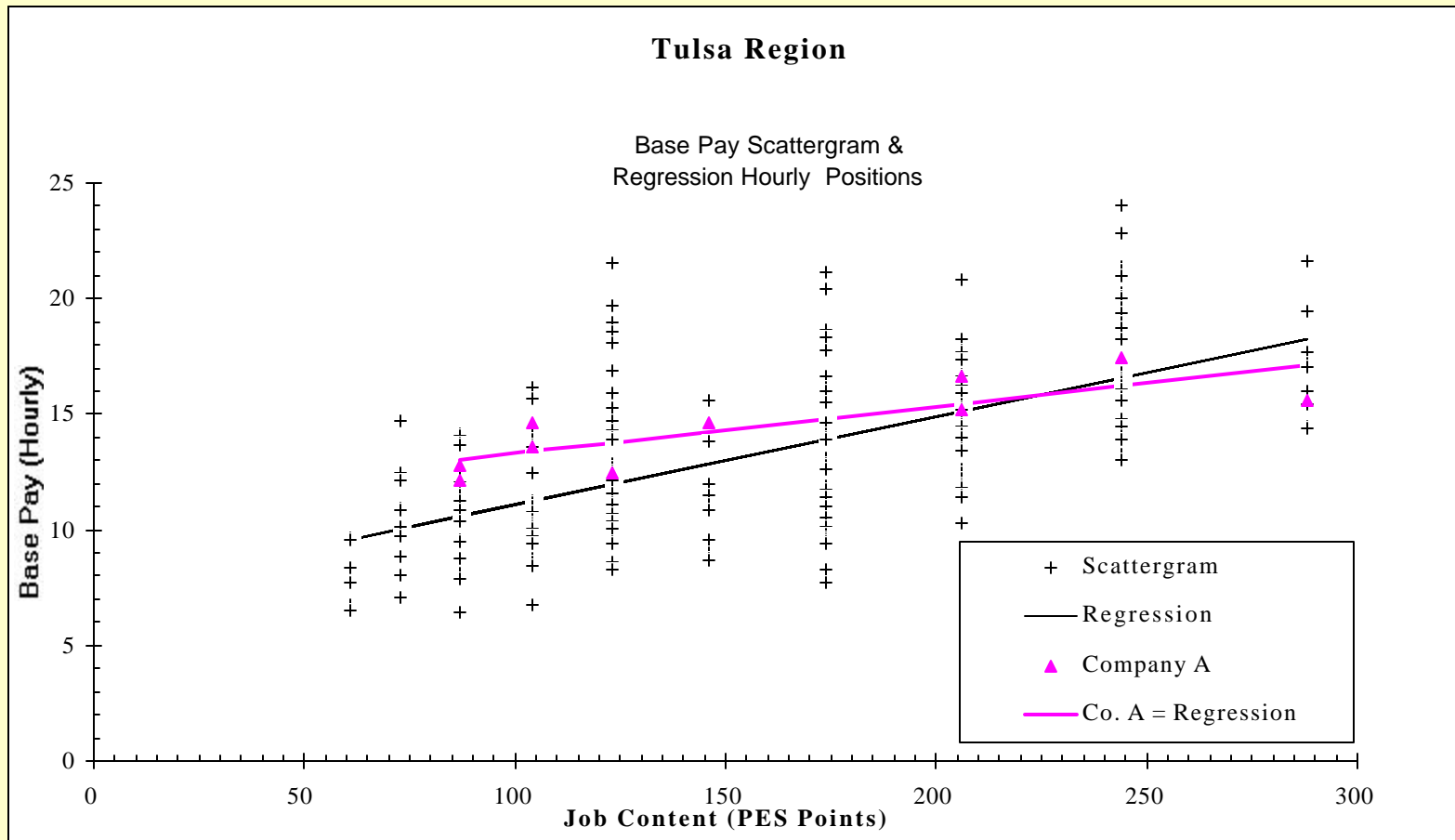
1999 Oklahoma Wage & Salary Survey								
Base Pay Scattergram & Regression - Hourly Positions							Tulsa	Region
Job #	Survey Title	PES Grade	PES Points	No. of EEs	Average Pay	Range Midpoint	R-LINE	% of R-Line
a	b	c	d	e	f	g	h	i
5064	Electronics Technician IV	10	288	1	25.30	25.90	18.27	138%
5073	General Machinist III	10	288	58	21.65	15.89	18.27	119%
5143	Tool & Die Maker III	10	288	2	19.49		18.27	107%
5073	General Machinist III	10	288	18	17.71	15.22	18.27	97%
5073	General Machinist III	10	288	6	17.24	16.21	18.27	94%
5073	General Machinist III	10	288	8	17.06	14.35	18.27	93%
5143	Tool & Die Maker III	10	288	3	15.98	16.61	18.27	87%
5064	Electronics Technician IV	10	288	3	15.53	13.43	18.27	85%
5073	General Machinist III	10	288	1	15.41		18.27	84%
5073	General Machinist III	10	288	9	14.43		18.27	79%
5073	General Machinist III	10	288	1	14.41	12.42	18.27	79%
5073	General Machinist III	10	288	2	14.36	12.57	18.27	79%
5023	Building Maintenance Mechanic III	9	244	1	30.21	24.98	16.59	182%
5023	Building Maintenance Mechanic III	9	244	1	24.03	20.75	16.59	145%
5063	Electronics Technician III	9	244	4	22.85	22.37	16.59	138%
5053	Electrician III	9	244	18	21.37	19.55	16.59	129%
5133	Welder III	9	244	5	21.25	19.53	16.59	128%
5133	Welder III	9	244	1	21.00	20.50	16.59	127%
5053	Electrician III	9	244	1	20.25	15.96	16.59	122%

Total Number of Matches	234			Total Annual Pay	\$69,604,101	
Total Number of Employees	2448			Total PES Points	360452	
Average Hourly Wage	\$13.67			Average PES Points	147	
				<u>Hourly</u>	<u>Annual</u>	
		Regression Slope		\$0.0383	\$79.65	
		Regression Intercept		\$7.24	\$15,061	
				COEFFICIENT of DETERMINATION	38%	

The scattergram and regression graph may be used in several ways to aid your salary budgeting and planning process.

- The wide range of salary practices is illustrated at each level of job content.
- Individual participant practice scattergrams and regression analysis is provided by The Quorum Group to each participating organization. A transparency of the participant's practice can be made and overlaid on the graphs to visually illustrate and compare the pay differences.
- The participating organization may also identify each of their positions on these graphs to illustrate their practice versus the appropriate community group.

The following chart shows Company A's scattergram superimposed on the composite scattergram for the Tulsa Region from the 1999 Oklahoma Wage & Salary Survey.

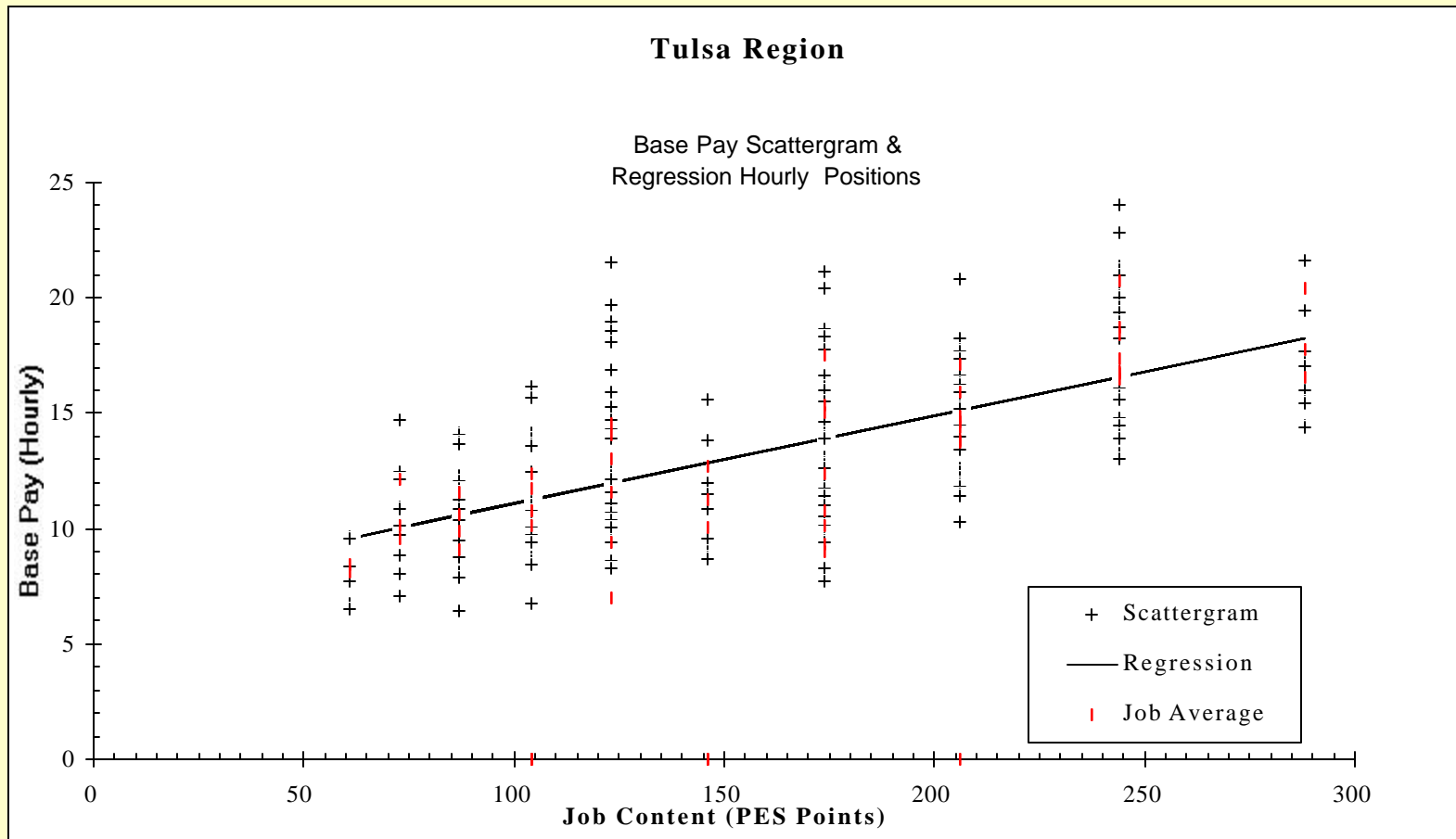


The following slide shows the **Tulsa** scattergram with the average pay for each individual job superimposed in red.

This slide shows which jobs are paid a premium in the community and which jobs are not paid a premium.

This actual slide is not provided in the survey, however, the data to create this and other custom slides is provided on the accompanying CD-ROM Disk.

The slide following the scattergram identifies the positions shown by the red dots in the scattergram.



1999 Oklahoma Wage & Salary Survey								
Base Pay Scattergram & Regression - Hourly Positions							Tulsa	Region
Job #	Survey Title	PES Grade	PES Points	No. of EEs	Average Pay	Range Midpoint	R-LINE	% of R-Line
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In closing, it is important to bear in mind that there are many factors to consider when selecting and using a compensation survey.

- The organization should have a pay philosophy that reflects their desired position in the market place.
- Select a survey that meets the needs of the organization.
- Base pay is only one component of total compensation, but it is the foundation for all other components.

Contact The Quorum Group for more information about:

- Texas Wage & Salary Survey,
- Oklahoma Wage & Salary Survey,
- custom surveys for particular geographic locations,
- custom surveys for industry specific occupations, or
- compensation and human resource consulting.

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