



## CompAnalyst Market Data Methodology

Kenexa's CompAnalyst market pricing database is comprised of data from hundreds of commercially available, top-tier surveys as well as local, industry, and association surveys. These surveys are comprised of 100 percent employer-reported salary information. Kenexa's Certified Compensation Professionals collect, analyze and aggregate data from these surveys to deliver our proprietary market pricing database.

Kenexa compensation analysts adhere to WorldAtWork standards in the selection and use of compensation surveys. Each survey is reviewed annually for data integrity. If a survey no longer meets our rigorous standards, it is removed from our library. New surveys are added only if they meet our requirements. Using the same type of proprietary methodology a compensation consultant would use for a client we analyze the survey data and develop a Kenexa composite market rate for each of the 4,000 jobs in the CompAnalyst database. In addition, we've developed rigorous data auditing practices (both automated and manual) to ensure the consistency and integrity of each data point. CompAnalyst data is fully scoped to reflect pay practices that are specific to a selected industry, organization size, and geography.

Here are the detailed steps and processes we use to price jobs with CompAnalyst Market Data:

### 1. Survey Selection

The first step in market pricing is to identify reliable sources of compensation data. Kenexa uses only those sources that meet the following criteria:

- The survey sponsor is reputable.
- The original source of the raw data is employers, not individuals or recruiters.
- The participant group must be an adequately sized sample and must remain reasonably stable year over year.
- The data within the same survey is relatively consistent year over year.
- Each job description provides enough detail to ensure a proper match.
- All data analysis and reporting techniques are consistent with accepted statistical methods.
- Data reported must be consistent with Survey Safe Harbor Guidelines.
- The effective dates of the data must be current.
- There is ample availability of scoped data to provide accurate insight on the effect of industry, size and location on pay.

## **2. Job Matching**

To make the best use of survey data, our analysts and must carefully match jobs from Kenexa's proprietary taxonomy to each survey's jobs. The compensation team uses the following principles to match jobs to salary surveys:

- Match based on job content and descriptions, not job title.
- Consider only those jobs that are at least a 70 percent match.

## **3. Analysis and Interpretation of Survey Statistics**

Kenexa's compensation analysts analyze the data in the following manner:

- Ensure that common terms such as "mean" are used consistently from one source to the next.
- Review the dispersion of the data through a standard deviation, interquartile range, or other means.

## **4. Calculation of Market Composites**

Kenexa's compensation analysts adhere to the following standard practices when developing market composite data from salary surveys:

- Use multiple survey sources from different publishers to assure data independence and to reduce any inherent biases in survey participant pools.
- Age the data to a common date, using market sources such as budget surveys and year-over-year increases in median pay from single survey sources as guidelines in developing aging factors.
- Apply additional adjustment factors based on market trends by industry, job level, and geographic location.