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## Newsline

### Compensation Complexity Demands Better Tech Tools

Nov. 18, 2017 — Compensation complexities can make more it difficult for HR departments to keep employees productive, satisfied and motivated, let alone paid equitably.

Findings from Ventana Research's [latest benchmark survey](#), "Total Compensation Management," reflect that scenario. For example, 47% of responding employers said they are making compensation equity a priority to ensure they are paying their professionals fairly across gender and race. Other findings:

- 32% of respondents called it "very important" to manage their performance and compensation processes using a total compensation management system
- 40% said they view it as important.
- 46% percent said they are confident they're currently managing their compensation processes effectively, with most not have fully automated these processes or other aspects of compensation.

According to a company release, Ventana Research undertook its benchmark research to determine the attitudes, requirements and future plans of those who use compensation management systems, and to identify the best practices of organizations that perform the best with it.

Mark Smith, Ventana Research CEO and chief research officer, explained that the company set out to examine both the commonalities and the qualities specific to major industry sectors and across sizes of organizations, considering employers manage compensation, issues they encounter in the process, and how their use of compensation management and related technology is evolving.

"Four-fifths of organizations said is important or very important to have a comprehensive view of information on all aspects of compensation, including not only base, merit and bonus pay, and executive compensation, but also benefits and variable incentives," Smith said. Yet, he added, most employers store compensation-related information in a variety of HR management, talent management and payroll systems. In turn, that causes issues, the research confirmed, of which the most substantial is information scattered across silos of files and systems.

Managing compensation effectively and integrating its supporting processes and information requires software. However, the research found a relatively low level of satisfaction with existing compensation management software, with only one-fifth of organizations reporting being satisfied.

"Two-thirds of organizations said the inadequacy of their systems is a barrier to compensation planning. And one-quarter of organizations said they are planning to evaluate a new software provider," Smith said.

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