

## **The Security Leader's Guide to Obtaining Fair Compensation for Staff**

Anyone who's ever managed in business knows that it's difficult to find the right people for the right price, and it can be even harder to keep them. The compensation manager's job is to establish competitive salaries while minimizing the costs to the company. Your job as the security leader is to establish salaries that allow you hire the best people possible. This can sometimes put the two at odds. It's important to base compensation decisions on strong research rather than thriftiness or generosity.

Generally, companies look to compensation survey reports to determine the external value or market competitiveness of each of their positions. All jobs—from entry-level to executive—have a defined value in the marketplace, and salary survey reports provide solid evidence of what the market is willing to pay for a particular position.

There are three main types of compensation survey: club, trade association and third party. A club compensation survey is sponsored by a specific company and is designed to target a select sample of peer or competitive companies. The survey is by invitation only, and the sponsoring company retains a compensation consulting/survey firm to conduct and produce the survey. This approach, using a third party, meets the requirements of the Department of Justice's Safe Harbor Guidelines, which are designed to prohibit companies from colluding in the marketplace to set wages and salaries. Companies are willing to participate because most of the jobs are applicable to their industry and they receive the results without charge.

Trade association surveys report compensation information obtained through industry association survey sources or association members. Most trade association surveys are conducted by the association itself and are typically free to members. Historically, compensation surveys conducted by trade associations have been questioned due to creditability issues: The association members are asked to submit their own information, which may appear to be self serving, and this form of input cannot be validated by the administrator.

Third-party surveys are conducted by independent firms. Participating companies pay a fee to the survey firm to participate and receive the final data. Like club surveys, these surveys meet Safe Harbor Guidelines. Because they are entirely in the hands of a third party, they are totally objective in their evaluations and reporting of compensation information. Survey input data that appears to be inappropriate will be challenged by the survey firm to ensure the validity of the final report.

Third-party survey participants often receive reports for drastically lower cost than non-participants, so it's worthwhile to participate in a reputable survey. Most compensation managers are not aware that there is a compensation survey for the security profession: the Security and Compliance Compensation Survey by Foushée Group, Inc. Foushée has just launched its 2008 survey, which can be viewed at

<http://www.fousheesurvey.com/>

## Tips

1. Ask the survey sponsor to send you the survey's position descriptions. These descriptions will probably be generic to ensure that most companies can match the survey position to the company's internal position. If there is an 80- to 90-percent match, you can feel comfortable with the survey data when it is returned.
  2. Ask your Human Resources group or the compensation department within your organization to participate in the survey. The compensation group is regularly solicited by numerous recognized compensation consulting firms that conduct position- and industry-specific surveys. It is their job to gather and input the required information.
  3. If you have repeatedly asked compensation to participate and they have not, you can take the matter into your own hands. Do an informal survey using anecdotal information from your peers. You can also use magazine surveys and material from trade organizations such as ASIS. But more than likely, compensation will tell you that they do not accept these sources because they are self-reported data. Only a professional compensation study that includes positions that match the jobs in your company is generally accepted.
- If this is the case, you may want to appeal it to HR leadership or your manager. And if that does not work, the security group can provide the information and pay for the report itself.
4. Once compensation or security pulls together all the information the survey solicits and establishes the internal position matches, schedule a meeting prior to submitting your company's information. The meeting will allow you to audit the position matches, make changes and come to a consensus. This eliminates discrepancies when the survey results are received and the market numbers are published.
  5. Once the results are submitted and the survey report is published, schedule a meeting with your Human Resources group to go over the data. The data will give you market targets for your positions and identify any discrepancies in your base and total compensation program.

Participating in a third-party compensation survey is not difficult if you use your internal resources. If you run into resistance, don't take no for an answer. Competitive compensation is key to attracting and retaining the best security staff, and knowing where to set the bar will pay you dividends.

*This guide draws in part from the book *Security Careers*, by Jerry Brennan and Steve Walker. For information on this title, visit*

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