



# "You want how much?"

**Kevin McBride** highlights the challenge of managing remuneration programmes.

"Hi Jo, it's Sam here. How's business?"  
 "We're struggling along. How can I help?"  
 "Our sales manager is demanding a pay rise, and I'm not sure whether it's justified. I know you recently appointed someone in a similar role, so you must know what the market is currently offering. Will you tell me and help me out here?"  
 "No problem. Let me have a look and I'll get back to you."

This conversation, or ones very similar to it, probably takes place daily across all industries, including the hospitality sector. Quite apart from the fact that such sharing of personal information (an employee's remuneration) is illegal in the UK, this informal approach to a key management process has practical risks and raises a number of questions:

**How do you validate the answer you get?**

- If it 'feels right' is that good enough?
- If you ask a different colleague, how confident are you that you would get a similar answer?

**How relevant is the data?**

- Is the business supplying it, the same size?
- Targeting the same customers?
- In the same geographic region?

**Are the two roles actually the same?**

- Did you compare the job descriptions?

This informal approach therefore, while popular, may not be that sensible. So what are the other options for a busy business manager?

**Personal research**

An attractive fall-back may be to undertake personal research using your own network, contacting a wider range of peers, looking at current and recent recruitment advertising, or checking recruitment sites online. All sensible sounding stuff. Whilst this may provide a wider range of data than the contacting of a single person, it brings with it the same range of questions over the validity, accuracy and relevance of what you learn. In short, you may have more data, but no greater confidence in it. And it is so time-consuming.

**Recruitment databases**

Many recruitment companies now offer remuneration reports based on the data they collect from the recruitment activities they carry out for their clients. The jury is still out on just how accurately these reports reflect market practice. After all, they consider only the remuneration 'offered' during the advertising of a role and take no account of the salaries of those already employed in those roles – or the final offer. So, while undoubtedly more reliable than informal enquiries and personal research you need to be

aware of the limitations when using recruitment-based data.

**What can you use?**

You may well have heard of remuneration – or salary – surveys, but not realised quite how widespread they are used in the hospitality sector. They are conducted by specialist survey firms, which collect data directly from employers who see the real benefit of being part of such a subscription or licensed-basis survey. These organisations pass their salary and benefits package data for their current employees to this third party, specialist firm for detailed analysis. Critically, as the reports produced are based on remuneration of current employees, they are not confined to those roles which happen to be vacant at present.

With a potentially larger sample size, remuneration surveys offer employers an increased ability to 'slice and dice' the data to reflect organisational size, location and sector accurately and a greater depth of analysis of benefits and other payments.

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