

Measuring worth

As hiring picks up in the Triangle, more people are questioning their salary: Is it enough? What is your co-worker making? And how did they come up with the amount anyway? Everyone has a different opinion about what a job is worth -- and amounts sometimes vary by several thousand dollars.

By **KARIN RIVES**, Staff Writer

The stars are aligned.

Companies are hiring, and wages going up. You're tired of your job and ready for a move.

Question is, what are you worth?

Employers say they offer "competitive" wages.

But they won't explain why, in your particular case, this translates into an annual salary of \$20,000 or \$49,000 or \$88,000.

It all depends, they say, on the experience, skills and talents you bring to a particular job in a particular market -- and on personal attributes with subjective value. This is why wage-setting is such an inexact science and the issue of pay a mystery to many.



"Even the most scientific method always involves some subjectivity," said E. James Brennan, product manager at SalaryExpert.com, a Vancouver, Wash.-based online salary data firm. "That's the reason no two people are ever paid the same, and why we have such a distribution in wages."

Today, many companies spend millions in consultant fees and salary data from SalaryExpert.com and other data outfits to figure out how to set fair and reasonable wages. The surveys give them an idea of what the market pays and provide leverage against disgruntled employees.

The demand for such information has been soaring in recent months as more employers worry about retaining good workers amid an improving economy.

Drake & Associates, a Chapel Hill human resource consulting firm, has seen requests for its salary surveys jump 30 percent in the last year, said founder and president Mary Lou Drake. Other survey companies report a similar spike in business.

Pay is only part of the overall compensation package, and workers have other reasons for staying in a job. "But you're always going to have to look at the dollar," Drake said.

A bevy of online salary information sites also provide ammunition for workers wanting higher pay. Today they can turn to their computers and assess their value in the job market in a matter of minutes, and many appear to take the posted estimates literally.

"They go to these Web sites and slap the information on their HR person's desk, saying 'Do you realize I'm \$20,000 underpaid?'" Drake said. "That's when employers come to us asking us if we will do a customized survey for them."

Checking the Web

About 2.4 million people now look at Salary.com's wage estimates at least once a month. That's an 84 percent increase over this time last year, the Massachusetts company reports.

"Everyone wants to be paid exactly what they're worth as long as they're paid better," Brennan said. "But most companies have good reasons for paying what they do. They just don't explain it, or they're not confident they can explain it."

Lynette Williams of Raleigh says she didn't know how her former employer, a Triangle radio station, set its wages. But five years into her job she began scanning the classifieds, only to realize that many sales jobs similar to hers paid more than her wage of \$9 an hour.

"That's how you realize you're underpaid," she said of her own, informal survey. "I thought I was worth more."

Today Williams, 48, instead works for her husband's electrical contracting firm.

Such restlessness in the makes a headache for corporate HR departments, many of which also remain under strict orders to keep expenses in line.

Some companies are now re-evaluating their compensation structure -- and in some cases, coming up with new price tags.

In the last year, for example, The Castleton Group has been freeing its human resource professionals of tasks such as answering phones and shuffling papers.

It was time-consuming work that entry-level administrative assistants could better perform while the professional staff spent more time in the field helping clients, said Jay McLamb, chief financial and chief operating officer of the Raleigh human resource outsourcing company. It also improved morale in the professional staff, because people were now able to spend most of their time on work that they trained for, he said.

Five new administrative positions were created to pick up the office work, all paying between \$12 and \$18 an hour. Human resource professionals receive a starting salary of \$40,000.

"Our client retention rate already is a lot better, and it helps us keep labor costs at a level that we can predict and accept," McLamb said.

It also boosted revenue. Last year, The Castleton Group brought in \$16 million in revenue, nearly 30 percent more than the year before. That helped enable the company to hire three more professional positions.

Traditionally, employers have been paying a lot of attention to the fact that some employees perform better than others, and vice versa.

"What they haven't been paying attention to is that there are jobs that have higher impact than others," said Chris Ellis, a senior vice president of Sibson Consulting in Cary. "So many companies fall into a trap where they think they need to pay as much as they can for all positions."

His advice to clients that want to grow and still hold the rein on cost: Pay above market for those jobs that drive company strategy and boost the bottom line, and below-market for jobs with little impact on revenue flow.

The job that Ross Berkowitz started Monday is all about revenue, and he negotiated feeling certain he knew exactly what he was worth.

After completing a contract job in the finance industry four months ago, Berkowitz enlisted recruiters to help him land a permanent job as a finance executive. They helped him price himself in a competitive and rapidly changing market. So did the people in the industry with whom he diligently networked.

Berkowitz, who's 42 and single, found a match at a Fortune 500 technology company in Lexington, Ky., and will put his Raleigh home up for sale this week. He says his salary savvy is an acquired skill that he honed for years in the corporate world.

"When I first got out of school, I had no idea what jobs should pay," he said. "I'm sure I was underpaid."

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