

Methodology/Disclaimer

SalariesReview

Salaries, Wages, & Remuneration Skill-Based Survey

(of Local National Pay)

SalariesReview surveys are on-line, real-time databases quite unlike any traditional surveys you might have used before. SalariesReview was created by and operates under license from **ERI Economic Research Institute** to provide online survey capabilities and, in March of 2005, won the Patent for online interactive salary surveys. Data for SalariesReview surveys is gathered from non-copyrighted sources and inputs from on-line Internet participants with a focus on skills and skill-based pay. For example, if the database contains ten measures for a position and an eleventh is added, then the median, weighted average, low, and high salaries will be adjusted, as will the number of participants and organizations, if applicable. Inputted data is tested against a standard error for the position. If within the acceptable range, it is included. Data not included is "flagged," and an e-mail is sent to ERI researchers to have this data reviewed before it is included in the database.

Survey data is contributed on-line via the Internet. Respondents include compensation and benefits professionals, one-time Human Resource and Internet inquirers, and non-copyrighted additions. SalariesReview.com's term definitions were originally taken from abandoned national surveys and the Dictionary of Occupational Titles, all now rewritten and enhanced by ERI. SalariesReview utilizes the international version of **PAQ's enhanced Dictionary of Occupational Titles (eDOT)**, a document and methodology from the U.S. that, although used for over half a Century (1939 - 1991), was abandoned by the U.S. in 1992. PAQ's eDOT contains skill-based pay and complementary transferable skills analyses databases and are now the only such databases available.

Since data is collected at various times with varying effective dates, as is the case with all surveys, data will be adjusted slightly to reflect a standardized Latest Data Collection Date of the first day of the quarter preceding any inquiry. Data which reflect levels and practices preceding this date by more than 24 months are excluded. Therefore, data collected for a position may decrease in sample size from one month to another, and data results may change slightly from one quarter to another because of this aging.

As noted above, this SalariesReview survey has adopted the terms and definitions used by various governments, excluding their broad job group descriptions, since abandoned. Data found in this survey are the result of either Internet visitor inputs and/or data leased from various National Statistics offices, all further refined by ERI.

Use of This Data - Disclaimer

This data is provided "as-is," and SalariesReview and ERI make no warranty, either express or implied, including but not limited to, warranties of correctness and fitness for a particular purpose. In no event will SalariesReview or ERI be liable for any indirect, special, consequential or other damages however caused.

Report Fields and Search Results

Position Title

This report includes over 4,000 position titles, all found in PAQ's enhanced Dictionary of Occupational Titles. Some jobs have multiple or alternate titles. Initially each of the 189 countries had at least 24 positions reported in 1999. As Internet inquirers' input is collected, this number continues to grow for each country.

Requested City

Any of over 5,000 cities may be selected. Each city has been cross-walked to a respective employment area, roughly described as an area in which a working commute may be made. For all countries, a catch-all area exists, described as "other," that may include wages from cities thousands of miles apart, as in Russia, or thirty miles apart, as in Aruba.

Salary Survey Median

A median wage is a boundary. An occupational median wage estimate is the boundary between the highest paid 50% and the lowest paid 50% of workers in that position. Half of the workers in a given occupation earn more than the median wage, and half the workers earn less than the median wage.

Survey/Source Name

Named SalariesReview International Internet-Based Salary Survey, this is one of several interactive surveys found at SalariesReview.com on the Internet.

Survey Publisher

The publisher is SalariesReview.com.

Survey Publication Date

This is the date on which the salary survey is accessed and printed. SalariesReview assumes that the system date is in fact the correct date.

Latest Data Collection Date

This date is defined as either 1 Jan 200x, 1 Apr 200x, 1 Jul 200x, or 1 Oct 200x using the European/International day, month, year sequence. In reality, if an Internet inquirer submits data for the position for which a report is requested, the data will be adjusted by that input, if only slightly because of sample size. This adjustment, however, will be slightly reduced in order to match the quarter collection date, unless, for example, the data is inputted on 1 July when the adjustment would be zero percent. Data entered may or may not affect the median with values expressed as whole numbers.

Population

This count of number of inputs is, to begin, a low of either "1", representing SalariesReview's initial survey consensus collection, or "11" representing SalariesReview researcher's field audit. Each additional Internet survey input will increase this count by "1" or the number of incumbents and/or entries made.

Currency

The currency will vary by the country where information is collected. For example, Canadian salaries are reported in Canadian currency.

Number of Organizations

This value is estimated initially by SalariesReview and matches the population numbers described above. One should expect that this number will be larger than traditional salary surveys as the number should increase proportionately to the number of Internet survey inputs. Typically, both Population and Number of Organizations will increase by one with each Internet survey input.

Salary Survey Area

Areas shown are those commutable and metropolitan working areas defined by ERI. These areas are each most often defined as a collection of finite counties. The logic behind these areas is that they represent areas in which individuals might live and commute to work.

Alternate Titles

Additional titles are provided so that any one job may be reported more than one time. Data for one title may, in fact, match that of an alternative title.

Survey Position Description

Survey descriptions are provided.

Position Data

These fields match the data input fields found at SalariesReview.com:

Position

Position title as described above.

Incumbents

The combined ERI initial seeding (1 or 11) with Internet input additions.

Firms

The combined ERI initial seeding (1 or 11) with Internet input additions.

Low

The 10th percentile of data collected. Salaries are for local nationals.

Median

The median as described above. Salaries are for local nationals.

High

The 90th percentile of data collected. Salaries are for local nationals.

Bonus

The average bonus among those reporting receipt of an incentive cash payment.

Methodology/Disclaimer

As found in this prose.

Salary Survey Data by Industry

Because of the limitations of the Internet, mainly caused by the constant need to refresh data input screens, this survey cannot take into account organization size, industry, or other factors at this time.

Survey Date

Survey Date is the date on which the Search Report is generated on the Internet.

Definitions

Original definitions and descriptions of survey methodology and reliability are as follow:

An **Establishment** or **Firm** is the physical location of a certain economic activity, for example, a factory, mine, store, or office. Generally, a single establishment produces a single good or provides a single service. An enterprise (a private firm, government, or non-profit organization) could consist of a single establishment or multiple establishments. A multi-establishment enterprise could have all its establishments in one industry, as in a chain, or could have various establishments in different industries, as in a conglomerate. SalariesReview assumes that each individual respondent represents a single, new establishment unless that company name and address is already found within the database.

The **Number of Organizations** is the combination of establishments and Internet providers of information. Since more than one individual may report data from the same organization and since SalariesReview does not store or necessarily require the name of the organization for confidentiality reasons, the number of organizations may consist of a double count. It is the one number reported that may be overinflated. **Number of Organizations** and **Firms** are synonymous.

An **Industry** is a group of establishments that produces similar products or provides similar services. For example, all establishments that manufacture automobiles are in the same industry. A given industry, or even a particular establishment in that industry, might have employees in dozens of occupations. SalariesReview uses the EU/UK NACE, UK SIC, and the new North American Classification (NAICS) system to group positions into similar industries.

An **Occupation** is a set of activities or tasks that employees are paid to perform. Employees that perform essentially the same tasks are in the same occupation, whether or not they are in the same industry. Some occupations are concentrated in a few particular industries; other occupations are found in the majority of industries.

A **Position** contains a more detailed set of activities than an occupation.

Survey Position Titles and the descriptions of these positions are those in this site and are the matches to which one refers in inputting data.

Incumbents: SalariesReview counts each Internet input as an individual incumbent unless the number in the incumbents field is greater than one (an override in data input available to our field researchers).

Employees are all part-time and full-time workers who are paid a wage or salary. This survey does not cover the self-employed, owners, and partners in unincorporated firms, household workers, or unpaid family workers.

Number of Employees is a *dynamic* number and will change daily. Additions (due to Internet users' contributions), subtractions (as data older than 24 months is deleted), and other factors (as each year population data will be updated) will cause changes. **Number of Employees** and **Incumbents** are synonymous.

A **Mean** wage is an average wage. A mean wage estimate is calculated by summing the wages of all the employees in a given position and then dividing the total wages by the number of employees.

A **Median** wage is a boundary. An occupational median wage estimate is the boundary between the highest paid 50% and the lowest paid 50% of workers in that occupation. Half of the workers in a given occupation earn more than the median wage, and half of the workers earn less than the median wage.

Number of Organizations and **Employment Estimates** are created by SalariesReview. At this time, SalariesReview has no way of knowing the number of organizations found in any one industry in a foreign country.

Wage & Salaries are straight-time, gross pay, and exclusive of premium pay. Included are base wage and salary rates, cost-of-living allowances, guaranteed pay, hazardous-duty pay, incentive pay including commissions and production bonuses, and on-call pay. Excluded are back pay, jury duty pay, overtime pay, severance pay, shift differentials, non-production bonuses, and tuition reimbursements.

Mean Annual Salary/Wage is calculated by multiplying the mean wage by a year-round, full-time hours figure of 2,080 hours per year (52 weeks by 40 hours). Thus, the annual wage estimates may not represent the actual annual pay received by the employee.

Mean Hourly Salary/Wage is the estimated total wages for a position divided by its weighted survey employment. All SalariesReview survey data are annualized.

Median Hourly Wage is the estimated 50th percentile of the distribution of wages; 50 percent of workers in an occupation earn wages below, and 50 percent earn wages above the median wage.

Low Salaries are the average of the lower third of the sampling frame population, which is enhanced by Internet inquirer submitted data.

High Salaries are the average of the top two-thirds of the sampling population, which is enhanced by Internet inquirer submitted data.

Bonuses are all cash equivalent incentives paid during a calendar year. They include gainsharing, variable pay, bonuses, awards, commissions, and similar payments. **Average Bonuses** are weighted means estimated utilizing algorithms developed by ERI. Since many firms do not pay bonuses, the bonus amounts as reported by SalariesReview and other sources are small. That is, bonus amounts are not the average bonus of bonus paying companies, but rather those bonuses spread across all reporting organizations. Over time, bonus amounts should increase as Internet users submit more data.

Salary Survey Weighted Average is a mean, weighted by the population and altered over time with the individual additions of Internet respondents. As reported, it equals the mean salary plus the bonus amount reported for local nationals. It is the sum of the average wage/salary plus any cash payments of incentive pay received during a calendar year.

Salary in Bonus Paying Organizations is a mean, weighted by the population and altered over time by the individual additions of Internet respondents for firms that pay bonuses.

Variable Pay in Bonus paying Organizations is synonymous with bonus.

Salary/Total in Non Bonus/Bonus Paying Firms is the sum of salary in non-bonus paying organizations and variable pay in bonus paying organizations. The sum of average/mean and bonus in the bottom table of each printout reflects bonuses in bonus paying companies.

The **Sampling Frame** for this survey includes all data from Internet participants, field research, and the potential seeding of data from non-copyrighted sources. The latter is minimal.

Method of Collection: Data is submitted by participants over the Internet.

Latest Data Collection Date: This is defined as either 1 Jan 200x, 1 Apr 200x, 1 Jul 200x, or 1 Oct 200x using the European/International day, month, year sequence. In reality, if an Internet inquirer submits data for the position for which a report is requested, the report data will be adjusted by that input, if only slightly because of sample size. This adjustment, however, will be slightly reduced so as to match the quarter collection date unless, for example, the data is inputted on 1 July when the adjustment would be zero percent.

Survey Publication Data: This is the date on which the Salaries, Wages & Remuneration Skill-Based Survey Report is accessed and/or printed.

Estimation Methodology: SalariesReview surveys reflect the evolving use of the Internet and its ability to collect sample sizes large enough to be considered significant. All data is collected over time, with older data being updated to match current input. SalariesReview data are updated/adjusted to the first day of the preceding Quarter using structure change forecasts equal to approximately 60% of the inflation rate of a country. Such a procedure assumes that each occupation's wage moves according to the average movement of all positions and that there are no significant geographic differences. Since this may not be the case, the wage-updating procedure has some quality limitations.

Improvement of Data: As data for positions are collected, the effect of this modeling will be minimized. Over time, it is expected that datasets will become heavily weighted by inputs from Internet respondents. Initially, one should expect data to be more heavily weighted by the seeding of non-copyrighted and contributing organizations' data. It is noted that because each Internet inputting inquirer will be counted as a "1" for both the incumbent and the firm count, SalariesReview surveys will have much higher firm counts than traditional surveys. Should two different employees report data for the same organization, the number of organizations reported will be overstated. This will not affect the accuracy of the reported mean wages.

Statement as to the Relevance and Reliability of Data

Relevance is totally determinable by the circumstances and situation presented. See this Methodology's Disclaimer.

Reliability is described in a four part, non-exclusive summary to match the *Daubert* challenge as now required for statistical evidence in the United States.

Theory/Technique Demonstrations

Methodologies accompany each SalariesReview survey and Internet presentation. These methodologies include definitions of terms, examples of calculations, and identifications of sources and data updates.

Subject to Publication and Peer Review

SalariesReview surveys, SalaryExpert and ERI's Internet visits now exceed 500,000 a month to <http://www.salariesreview.com> and related sites. ERI's peers are its competitors, those firms that also provide data analyses to their clients.

Known or Potential Rate of Error

Each SalariesReview survey illustrate via a "Reliability Statistics" link, the beginning of a statistical overview of ERI data.

General Level of Acceptance within the Discipline's Community

Internet online surveys should be differentiated from free Internet data sites that do not disclose their source data.

Individuals who contribute data are not charged for their first, single data retrieval. Select one of the surveys below:

Salaries, Wages & Remuneration Skill-Based Survey

A report of any one of 24,000 position title's competitive salary and incentive data in any of 8,400 locations; data is shown in the currency of the country.

Cost-of-Living Survey

A report listing 18 key cost items affecting housing, transportation, taxes, services, and consumables for 8,400 cities/locations with an area's COL compared to the national average of the country selected.

Employee Benefit Survey

A survey of 48 key employee benefit practice measures, including employee and organizations' costs in 49 industries across 76 states, provinces, and territories and 647 metropolitan employment areas; US & Canada only.

College Graduate Offer Skill-Based Survey

A report of salary and first year incentive offers to college graduates in any of 7,200 worldwide locations for any one of 1,800 degrees using a 5,100 worldwide college/university database.

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