

## Compensation Benchmarking Practices of Firms Concentrated in Metro Manila

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### *Abstract*

*This exploratory study utilized the survey technique to look into the driving and restraining factors that companies based in Metro Manila consider relative to conducting or participating in compensation surveys. This study also compares the characteristics of those companies that choose to engage in this type of benchmarking with the characteristics of those that do not. The results suggest that more companies choose not to benchmark. Those who do are mainly motivated to conduct compensation surveys in order to hire competent employees, while those companies who choose not to conduct or participate in compensation benchmarking perceive it to be costly for the company. Companies that conduct or participate in compensation studies have the following characteristics: well-established (large workforce and long existence in the market), foreign-owned, and have no/little union representation. Those that refuse to conduct or participate have the following*

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*characteristics: relatively new in terms of establishment, sole proprietorship company and small- to medium-sized workforce.*

## **Introduction**

The nature of work and the employer-employee relationship have changed significantly especially these days (Binghay, 2009) as people become more mobile and particular in selecting work and employment in general. Apparently, people not only want to have jobs, but also want to be equitably compensated based on their hard-earned qualifications and worth.

Some industries have grown more competitive in people management, but some have fallen behind due to various factors. Consequently, some business groups have been unable to see the growing need for competitive remuneration packages for their employees. Non-standardization of compensation has caused Filipino employees to explore opportunities outside of their organizations, and worse, outside the country.

The compensation aspect is indeed a major consideration for employees as they continuously scout for the best companies with the best working conditions, particularly the best remuneration. Compensation “represents both intrinsic and extrinsic rewards employees receive for performing their jobs” (Martocchio, 2011). If well-managed, a competitive remuneration package can serve as one of the tools in talent management, particularly in attracting, motivating and retaining individuals in the organization (Henderson, 2000; Bergman, Scarpello & Hills, 2002). It can help reinforce the organization’s culture and key values, and facilitate the achievement of its strategic business objectives in that, by rewarding desired results, an organization’s remuneration policies can reinforce employee behavior towards the realization of its strategic business objectives (Stone, 2008). Chua-Martin (2009) noted that many organizations in Asia are requiring rewards experts to help them formulate a good pay philosophy to be translated into a pay policy to be deployed in the organizations.

Sound people management practices, among others, ensure that employees are legally, reasonably and equitably compensated. Relevant ideas obtained from benchmarking are essential in helping companies determine their external comparability and in crafting the appropriate

rewards system. Thus, the competitive edge that companies need to maintain is derived not only from operational tactics to increase revenues, but is also the product of effective management informed through active observation of prevailing industry standards with respect to compensation and benefits.

The essential steps of benchmarking in order to identify the correct market references are as follows: (1) planning the survey (determining the purpose, the benchmark jobs and the market's definition, the specific information to be obtained, and the survey approach); (2) collecting information; (3) statistical treatment; (4) data tabulation; (5) establishing market pay line; (6) market positioning; and (7) combining internal structure and external market rates (Belcher & Atchison, 1987; Henderson, 2000; Bergman, Scarpello & Hills, 2002; Milkovich & Newman, 2008; Martocchio, 2011).

According to Armstrong and Murlis (1994), the types of data collected in compensation benchmarking include: basic pay, cash bonuses, total cash earnings, employee benefits, total remuneration, and salary structure information. Recently, employee benefits have increasingly become targets of research because benefits are a key element of market-competitive pay systems (Martocchio, 2011).

Over the years, compensation and benefits benchmarking have evolved from simple compilations of data on industry compensation packages to the more detailed statistical confluence of monetary and non-monetary remuneration standards per business type, and often broken down to very specific data sets such as benchmark positions. The comprehensive information gathered prove to be vital management tools in developing employee retention programs to prevent and counteract the negative effects of endless manpower inter-company movements.

Employers have two options: to develop their own instruments and administer them, or to depend on the findings of the researches done by others (Martocchio, 2011). Of the two alternatives, Martocchio (2011) explained that in theory, customized surveys are preferable in that researchers can tailor the survey instrument and select respondent firms to provide the most useful and informative data. He added that customized surveys would enable employers to monitor the quality of the research methodologies used. Third-party data sources include studies done by (1) government; (2) trade associations; (3) professional associations; and (4) consulting firms (Belcher & Atchison, 1987; Milkovich & Newman, 2008; Martocchio, 2011, Bergman, Scarpello & Hills, 2002). Belcher and Atchison

(1987) added another source of information: those collected and analyzed by trade unions.

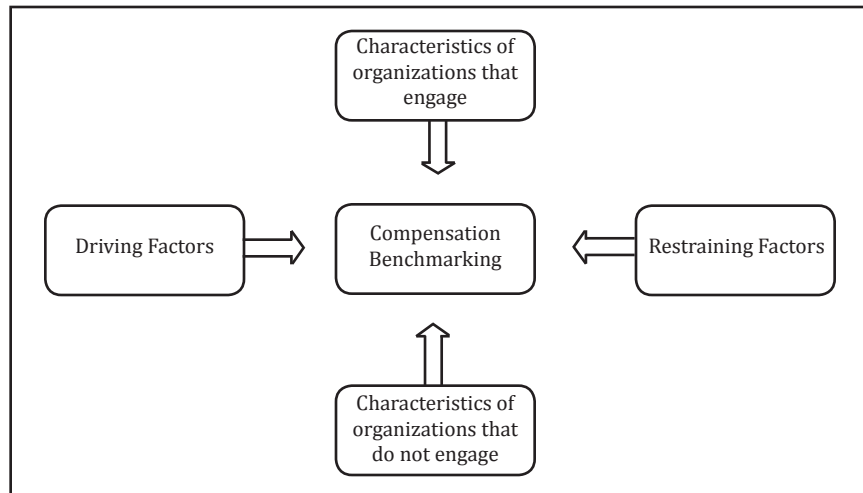
According to Briones (2012), the ultimate goal of compensation benchmarking is to identify and obtain reliable market preferences to determine the exact position of the company's compensation program and help mitigate the adverse effects that underpaying or overpaying employees may have on the organization. This observation is shared by Martocchio (2011), Henderson (2000), as well as Milkovich & Newman (2008), who separately enumerated more specific motivations why employers conduct studies of this nature: (1) to figure out how much to pay; (2) to formulate appropriate pay mix; (3) to promote productivity; (4) to develop an adequate and acceptable pay structure; (5) to recognize pay trends in the market; (6) to address special or problematic pay situations; (7) to estimate competitors' labor cost; and (8) to defend pay practices in court.

Based on the motivations raised by Briones (2012), Martocchio (2011), Henderson (2000), and Milkovich and Newman (2008), this research explores the practice of compensation benchmarking in firms concentrated in Metro Manila. It focuses on the forces that drive companies to engage in compensation benchmarking. It also looks into the restraining forces in this kind of benchmarking, also from the perspective of the companies. Finally, it compares the characteristics of those companies that participate in compensation studies with the characteristics of those that choose not to participate.

### **Research Framework and Methodology**

Based on the theoretical framework for compensation benchmarking (Figure 1), the factors affecting it are: driving and restraining forces, and the organizational characteristics of the companies that engage and of those that do not engage in this kind of undertaking.

Figure 1. Compensation Benchmarking Framework



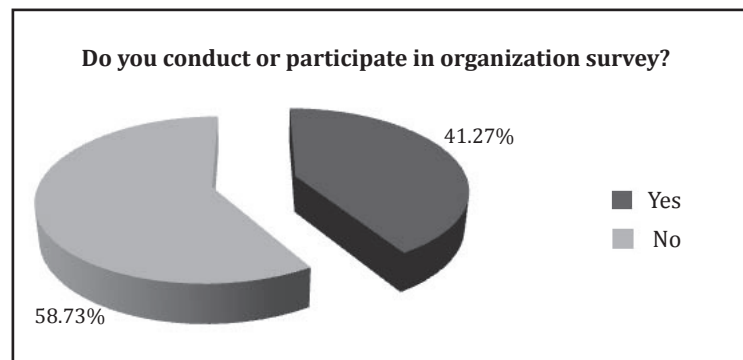
This is an exploratory and non-correlation study that aims to establish baseline information on the above-mentioned subject. Using the survey technique, a questionnaire was designed to generate data from the graduate students of the School of Labor and Industrial Relations (SOLAIR) of the University of the Philippines Diliman, in Quezon City, Philippines. Most of the students of this institution are employed as human resource and industrial relations professionals in their respective industries. Many queries in the survey focus on the demographics and conditions of compensation benchmarking in their respective companies. This instrument was designed by the researchers, and first piloted to a group and fine-tuned before reaching the desired population of the research.

The school's student record examiner revealed that a total of 302 students were enrolled in SOLAIR as of the second semester of academic year 2011-2012. Using convenience sampling, forty-two percent (42%) of the student population, or a total of 126, were randomly selected as respondents for the study. Data-gathering was done between February and March 2012. The data were processed and analyzed using descriptive statistics such as frequency and measure of central tendency, particularly the mean, and such were presented in tables, graphs and figures as the data's descriptive statistics.

## Findings and Discussions

Based on the data gathered from the survey, 59% of the respondents do not conduct or participate in compensation benchmarking in their respective companies (Figure 2). This shows that more companies are not yet appreciating the role of compensation benchmarking in the formulation of strategic policies relative to rewards management.

Figure 2. Companies conducting/participating in compensation surveys vs. Companies that do not

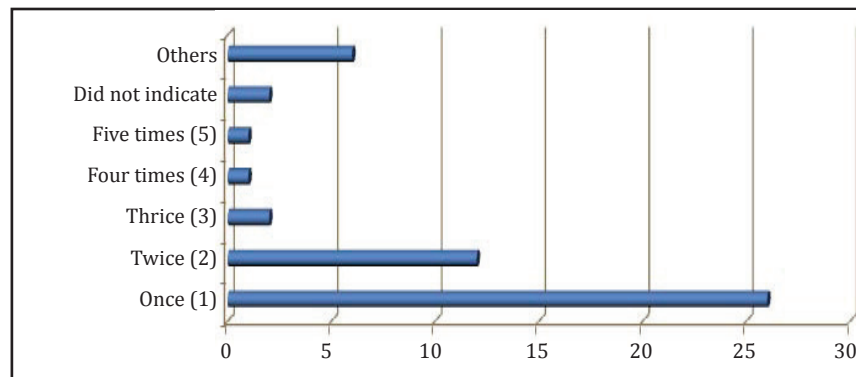


That response echoes the duration of the company's existence in the industry. Majority of the companies that participate in compensation benchmarking were established between 1951 and 2000 (Table 1). It appears that those that have survived for almost half a decade utilize compensation benchmarking, which perhaps helped in keeping their companies competitive in the market. Also, most of those that participate in compensation benchmarking only conduct it once in their respective companies (Figure 3). Yet those newly established companies (2001 to present) choose not to conduct compensation benchmarking for reasons that shall be discussed later.

Table 1. Participation of companies in compensation surveys and company age

		Do you conduct/participate in compensation surveys?		
		Yes	No	Total
Year company was established	Below 1950	6	7	13
	1951 to 2000	29	39	68
	2001 to present	11	20	31
	Did not indicate	6	8	14
Total		52	74	126

Figure 3. Number of times companies conduct their own compensation survey



Most of those companies that participate in compensation benchmarking are owned by foreign organizations (21), followed by stock corporations (16) (Table 2). These two types of organizations have equal numbers of respondents in the survey (36). Those companies that have more than 1,101 members of the regular workforce (Table 3) participate more in compensation research. Those with the largest number of regular employees have the tendency to conduct compensation benchmarking (Table 3).

Table 2. Company ownership vs. Propensity of companies to conduct/participate in compensation surveys

Company Ownership	Do you conduct/participate in compensation surveys?		
	Yes	No	Total
Sole Proprietorship	2	14	16
Partnership	3	7	10
Stock Corporation	16	20	36
Non-stock Corporation	6	11	17
Foreign-owned	21	15	36
Government-owned & Controlled Corporation (GOCC)	1	2	3
Government/Government Agency	1	2	3
Cooperative	0	1	1
Did not indicate	2	2	4
Total	52	74	126

Table 3. Company size vs. Propensity of companies to conduct/participate in compensation surveys

Size of Regular Workforce	Do you conduct/participate in compensation surveys?		
	Yes	No	Total
Below 100	6	20	26
101 to 400	12	18	30
401 to - 1,100	8	20	28
More than 1,101	25	16	41
Did not indicate	1	0	1
Total	52	74	126

Majority of those organizations that conduct compensation benchmarking are located within Metro Manila (Table 4). Since most of the respondent companies are from Metro Manila, the most number of companies that do not conduct compensation survey are also from the same region.



Table 4. Location of company vs. Propensity of companies to conduct/participate in compensation surveys

		Present organization conducts its own compensation survey		
		Yes	No	Total
Location of company	Within Metro Manila	44	62	106
	Outside Metro Manila	5	10	15
	Did not indicate	3	2	5
Total		52	74	126

While most companies are concentrated in Metro Manila, companies with no union representation are more likely to conduct compensation surveys of their employees (Table 5). Those with union representations have little participation in benchmarking. But majority of the respondents, whether or not a union exists in their organization, choose not to conduct compensation benchmarking.

Table 5. Employee representation vs Propensity of companies to conduct/participate compensation surveys

		Do you conduct/participate compensation survey?		
		Yes	No	Total
Employee representation	Without union	42	55	97
	With union	5	9	14
	With union, without Labor-Management Council	2	4	6
	With union, with Labor-Management Council	3	6	9
Total		52	74	126

It is interesting to note that the most sought-after piece of information in compensation benchmarking is employee benefits (Figure 4). Ninety-five percent (95.35%) of those that conduct remuneration surveys specified a preference for generating employee benefits data. This finding is consistent with that of Martocchio's (2011). This perhaps indicates the increasing role of employee benefits in motivating people in

the organization, although basic pay, fixed allowances and variable pay are given almost as much importance by the respondents.

Figure 4. Focus of conducting compensation benchmarking

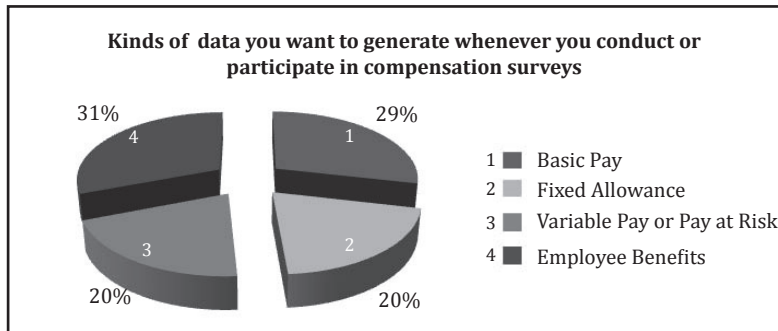


Table 6 shows that 42% of respondents from the companies choose to utilize both external and internal experts in gathering data for benchmarking. This means that outside researchers and the companies' HR staff collaborate in conducting the project. It is interesting to note that 25% use internal experts in conducting the study, an indication that their HR staff have the competencies in this regard. Their possession of such competencies might be attributed to the proliferation of schools and training centers like the U.P. School of Labor and Industrial Relations, De La Salle-College of Saint Benilde, University of Santo Tomas, and Human Resource Development Center of the People Management Association of the Philippines that offer courses related to compensation management in the Philippines.

Table 6. Mode of conducting/participating compensation benchmarking  
Mode of Survey Delivery

Modes		Frequency	Percent
Do it by utilizing internal experts	Yes	13	25.00
Do it by utilizing external experts	Yes	14	26.92
Do it by combining internal and external experts	Yes	22	42.31
	Did not indicate	3	5.77
	Total	52	100.00

There are various reasons why companies choose to conduct or participate in compensation surveys (Table 7). The first reason focuses on retaining competent people in the fold. Today's younger workers are more mobile and tend to hop from one employer to another. This is the situation in the business process outsourcing industry wherein poaching is a prevalent practice. Blue-collar workers are not the only ones who have more and wider options outside the country; many Filipino professionals have also been migrating to more affluent nations to seek greener pastures.

Table 7. Reasons for conducting/participating compensation benchmarking

Reasons	Average Ranking	Final Rank
To retain competent people	3.89	1
To motivate and engage people	4.13	2
To hire competent people	4.54	3
To formulate salary structure	5.41	4
To determine pay trends in marketplace	5.60	5
To determine how much to pay	7.89	6
To determine appropriate pay mix (basic pay, fixed allowances, variable pay, benefits)	8.26	7
To make people more productive	8.67	8
To determine pay-related benefits	9.50	9
To practice strategic compensation policies	9.53	10
To correct salary/wage distortion	9.66	11
To estimate competitors' labor cost	10.15	12
To determine what benefits to offer to workers	11.04	13
To figure out what compensation to give to special situations/cases (lack of labor supply, etc.)	11.66	14
To participate in compensation surveys like others	13.94	15
To arrest restlessness of people (complaints)	14.08	16

Reasons	Average Ranking	Final Rank
To use research results as input to HR planning	14.39	17
In compliance for Collective Bargaining Agreement (CBA)	14.94	18
To have inputs for crafting CBA package	15.19	19
To follow tall order of top management	17.00	20
To comply with Labor-Management Council (LMC) agreements	17.36	21

The second-priority reason raised is closely related to the first-priority reason, though this puts more premium on motivating and engaging talents to become highly committed. The third-priority reason is based on the premise that hiring competent people maybe facilitated once a firm offers competitive compensation package to job applicants. For instance, talents such as IT specialists have plenty of options and tend to be restless and more mobile in their job movements from company to company.

The fourth-ranked reason for engaging in competition benchmarking is in line with the formulation of an equitable salary scale consistent within and outside the organization by factoring in competitive market pay. This is similar to the contention of other authors (Martocchio 2011, Henderson 2000, Milkovich & Newman, 2008) that employers conduct benchmarking so that they can develop adequate and acceptable pay structure.

The fifth-ranked reason is anchored on trending on specific job rates, perhaps those so-called jobs that cut across industries, giving job incumbents much wider options for job movements. Jobs that are generic may include the following occupations: finance, IT, human resource management, legal, corporate communication, corporate planning and administration, among others. Pay trending is also necessary for highly important positions in a wide array of industries, such as the academe, hospitals, hotels and resorts, banking and finance, insurance, and media. This fifth reason is aligned with the statement of Briones (2012) that the ultimate goal of compensation benchmarking is to identify and obtain reliable market references to determine the exact position of the company's compensation program, and to help mitigate adverse effects that underpaying or overpaying employees may have on the organization. Others (Martocchio, 2011, Henderson, 2000, Milkovich & Newman, 2008)

share the same thought that employers conduct compensation surveys to recognize pay trends in the market.

The sixth-ranked reason is meant for positioning vis-à-vis the competition. Is and should the company be at par with the market? Is it lagging behind the market? Should it be the leader? Positioning is a function of company philosophy on compensation that Top Management and HR leaders have to discuss and come to an agreement about in order to make compensation a tool in promoting organizational objectives of attracting, motivating and retaining talents. Martocchio (2011), Henderson (2000) and Milkovich and Newman (2008) agree that employers conduct compensation surveys in order to figure out how much to pay.

The seventh most important reason speaks about the right mixture of the various dimensions of rewards, such as how much to give in terms of basic pay, fixed allowances, variable pay and employee benefits other than those mandated by law. This perspective looks into the total picture of the rewards spectrum. Martocchio (2011), Henderson (2000), and Milkovich and Newman (2008) are in agreement with this reasoning when they said that employers conduct compensation surveys in order to formulate the appropriate compensation mix.

The eighth-ranked reason is similar to what Martocchio (2011), Henderson (2000), Milkovich and Newman (2008) said, that employers conduct benchmarking in pursuit of making their workers more productive. With today's cut throat competition brought about by globalization, leaders are poking their noses into increasing productivity in all dimensions, workers included.

Authors such as Martocchio, (2011), Henderson (2000) and Milkovich and Newman (2008) are in agreement with reason no. 12: to estimate competitors' labor cost. Reason no. 14 is shared by Martocchio (2011), Henderson (2000) and Milkovich and Newman (2008), who said that employers conduct compensation surveys in order to address special or problematic pay situations.

Data revealed that many companies prefer not to conduct or participate in compensation surveys for a number of reasons. Many are hindered by the cost of conducting or participating in compensation benchmarking, whether it is money, time or effort, and their competency in doing the survey (Table 8). Some companies even view compensation benchmarking as something they do not prioritize. In addition, they find that it requires a lot of effort. Many said that their Top Management does not support projects of this nature, and many also said that their Top Management would not adjust employees' compensation anyway.

Table 8. Reasons for not conducting/participating in compensation benchmarking

<b>Reasons</b>	<b>Average Ranking</b>	<b>Final Rank</b>
It is costly.	6.85	1
There are more important priorities to attend than compensation benchmarking.	6.85	2
It is time consuming.	7.62	3
We have no competency to do our own compensation survey.	8.53	4
It requires a lot of effort from the company.	9.05	5
Top Management doesnot support company surveys.	9.50	6
Top Management would not adjust compensation anyway.	9.52	7
It creates unnecessary higher expectations from workers.	9.65	8
The task is not an easy thing to do.	9.89	9
Collecting compensation data is difficult to generate.	9.90	10
We know how we stand vis-à-vis our competitors.	10.08	11
We have fears that such data would leak to competitors.	10.09	12
Research takes time and the compensation data would likely end up stale.	10.19	13
Our business is unique and so we donot have basis for comparing compensation data.	10.87	14
We donot have difficulty hiring qualified people thus our compensation package must be attractive enough.	11.04	15
Our people are satisfied and productive at work.	11.11	16
Our people attrition rate is very low and acceptable.	11.78	17
We believe that we are the leader in the industry.	11.83	18
Our competitors are not likely to participate in the same survey.	11.85	19
It is difficult to draw conclusions on compensation study that has a small population.	12.00	20
We lack network for possible respondents in the study.	12.60	21
We donot trust research firms and institutions conducting compensation surveys.	14.87	22

The reasons that ranked at numbers 4, 19 and 1 were also specified by Martocchio (2011), who said that most companies choose not to develop and implement their own surveys because (1) most companies

lack employees qualified to undertake this task; (2) rival companies are reluctant to surrender information about their compensation packages to competitors because compensation systems are instrumental to competitive advantage issues; and (3) the custom development can be costlier.

In relation to reasons ranked 5 and 9 (Table 8), Martocchio (2011) said that compensation surveys contain immense amounts of information that are mind-boggling even to the most mathematically-inclined individuals. Rank no. 14 was also emphasized by Heneman (2002), who said that wide-scale availability can lead to the careless selection of market data in pricing jobs in the marketplace. He added that there has been no systematic study on the effects of differences in market definition, participating firms, types of data collected, analysis performed and/or results. Rank no. 19 (Table 8) was also cited by Martocchio (2011) and Milkovich and Newman (2008) that survey data could be outdated, because there is a lag between data collection, processing, publishing and application of data by users.

Henderson (2000) cited other de-motivating factors in compensation benchmarking such as: difficulty in obtaining a proper job match (Rank no. 14); collecting useful data (Rank no.10); ensuring acceptable sample (Rank no.20); and relating data to organizational pay policies (Rank no.14).

Twenty respondents, or 27% of those who said they do not conduct/participate in benchmarking, indicated another major reason why they do not participate/conduct compensation surveys, and that is because they utilize data available online. But Milkovich and Newman (2008) warned about the use of online data because such data may suffer from lack of reliability and validity. They said that the data are often not specific enough to be used wholesale, because tailoring analyses to fit specific industry, select companies and specific job content is not easy. They added that while the Internet today can provide a wealth of easily accessible data to everyone, the quality of much of the data on the Internet is highly suspect. Ten respondents, or 14% of those who are not into benchmarking, feel that integrating market pay data with internally generated job-worth data and pay structure design data is difficult. This matter is shared by Henderson (2000).

### **Summary, Conclusion and Recommendations**

Based on the data gathered, 74 respondent-companies (59%) do not subscribe to compensation benchmarking. The four primary concepts related to compensation benchmarking are further expounded by consolidating the top answers of the respondents in the survey (Figure 5). Companies that facilitate compensation benchmarking have the following organizational characteristics: they have already been in the business for more than 10 years, and are fully established in the industry. In addition, they manage more than 1,101 employees, meaning the company is large and competent enough to survive in the market, although most of these companies are owned by foreigners.

The companies that do not engage in compensation surveys are characterized as follows: They range from small- to medium-sized companies (below 100 to 1,100 employees). Most recently established companies (from 2001 to the time of the survey, i.e., 2012) choose not to conduct compensation benchmarking in their organizations. Companies with sole proprietorship also comprise the greatest number of companies that do not engage in benchmarking. This affirms that most small to medium companies would rather not conduct compensation surveys in their company.

The driving factors that fuel companies to engage in compensation benchmarking come from their aim to be competitive, founded on the work force's motivation to do their jobs well. The competitive remuneration package attracts more employees that match the company's requirements, and makes hiring competent new employees easier. Satisfactory working conditions also serve to push a company's workforce to be more productive.

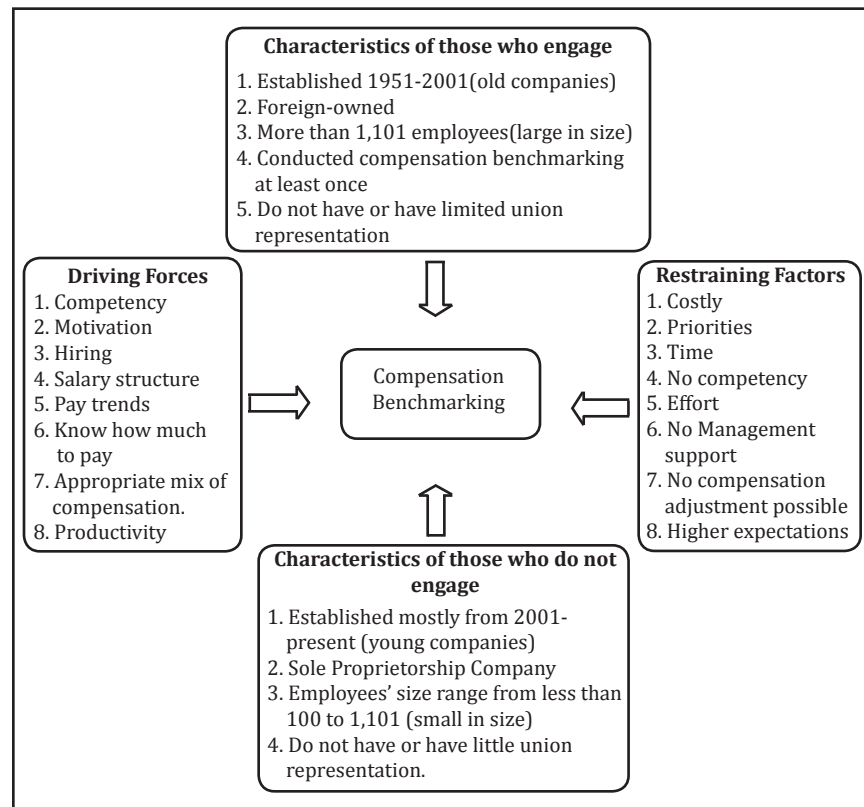
Compensation benchmarking is an effective means to identify an organization's stature in the industry. However, the restraining factors that cause companies to choose not to participate can be summed up in limited resources. Compensation benchmarking requires investment in time, money and effort, thus making it costly for some companies. Conflicting priorities within the internal processes of the organization would dissuade companies from conducting compensation benchmarking, especially if no specific person or unit exists within the organization to focus on this activity.

For decades, more and more Filipinos, college degree-holders or not, have been finding themselves among the ever-growing number of unemployed citizenry. People do not just seek jobs anymore, they seek



gainful employment that provides them equitable compensation based on their hard-earned qualifications and perceived worth. In this day and age, to say that everyone wants to have a job is an understatement—even among Filipinos.

Figure 5. Summary of key findings



In earlier years, the Philippine social landscape was characterized by a high regard for working within the country. Back then, adequate pay was not the gravitational pull that made a good majority stay in the Philippines, and in the same company, to earn a living. Rather, it was the Filipino value of strong familial ties that propagated relationships among people in a business organization and kept them intact for years.

Various factors disabled the management groups of certain businesses from seeing the growing need for competitive remuneration packages for their employees. While some companies have grown more

competitive people management-wise, some have fallen behind. This non-standardization of compensation has caused Filipino employees to explore opportunities outside their respective business organizations and, worse, outside of the country.

The compensation aspect is indeed a major consideration as employees continuously scout for the best companies with the best working conditions and, most importantly, the best remuneration. This reality has led business organizations to develop strategic means of attracting, motivating, retaining and engaging their most valued employees. This is made possible through specialized information-gathering practices and data assessment techniques that make significant impact on management level decision-making and strategy formulation.

Studies on compensation and benefits are done not just to ensure employee satisfaction. Beyond this, compensation benchmarking is done by the company to attain external competitiveness as part of a wider industry. External competitiveness pertains to the “pay relationships among organizations, the organization’s pay relative to its competitors” (Milkovich, Newman & Hart, 2011).

However, external competitiveness is shaped by factors such as labor market factors, labor demand, marginal product, marginal revenue and labor supply. Developing a total compensation strategy must be conducted to ensure that a systematic and logical decision on compensation is made. According to Milkovich, Newman and Hart (2011), there are four steps to the development of a total compensation strategy:

First, assess total compensation implications. In this first step, the company has to rethink its past, present and future in areas such as business strategy, competitive dynamics, HR strategy, culture and values, social and political context, employment/union needs and other HR systems.

Second, map the total compensation strategy, in which the objectives, alignment, competitiveness, contributions and management may be evaluated.

Third, implement strategy. Implementing strategies would need design systems to translate strategy into action and choose techniques to fit strategy into action and choose techniques to fit strategy.

Lastly, reassess. The whole process is about assessing. Reassessing continuously can help the company realign itself as conditions change and as strategy changes.

Further, consider how compensation benchmarking can be strategically made by addressing the following queries:

- a. Objectives: How should compensation support business strategy and be adaptive to the cultural and regulatory pressures in the global environment?
- b. Internal alignment: How differently should the different types and levels of skills and work be paid within the organization?
- c. External competitiveness: How should total compensation be positioned against competitors?
- d. Employee contributions: Should pay increases be based on the individual's and/or team performance, on experience and/or continuous learning, on improved skills, on changes in cost or living and personal needs such as housing, transportation, health, and the like and/or on each businesses unit's performance?

These considerations, when answered comprehensively and logically, can provide a reliable solution-pattern in making compensation strategy work for an organization and its employees (Milkovich, Newman& Hart, 2011).

Based on the conclusion and the scope covered by the study, the following recommendations have been drawn: First, the Top Management and HR practitioners should explore the possibility of sharing and networking their data to make their compensation benchmarking accurate and efficient. By integrating data within the same categorical industry of the companies, benchmarking may be accurate in their specific fields.

Second, it is hoped that more companies will engage in compensation benchmarking, with the help of the academe and consulting outfits that would provide HR practitioners with the necessary tools, techniques and especially competencies in this kind of undertaking.

Third, this study must be expanded to the other regions in the country aside from Metro Manila, and to include and correlate more variables. And since more companies choose not to participate in compensation benchmarking, what strategies can be applied in order for them to do so?

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**APPENDIX**

**Profile of Respondents**

Figure 6. Sex of Respondents

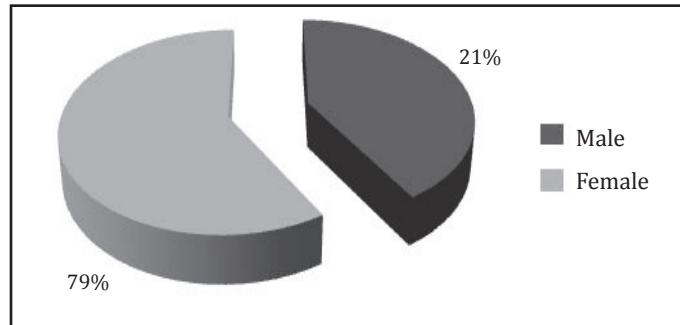


Figure 7. Number of years respondent is connected with the current organization

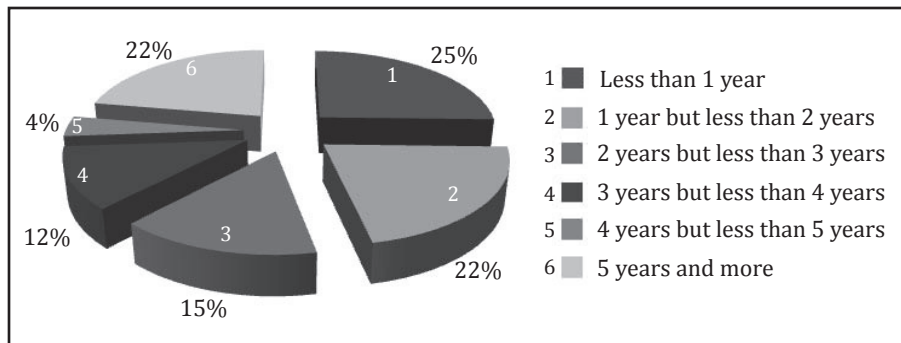


Figure 8. Number of years respondent is holding current position

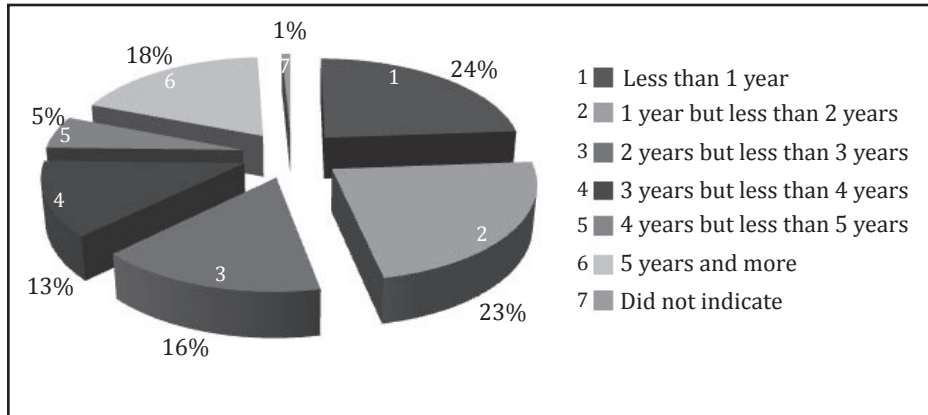
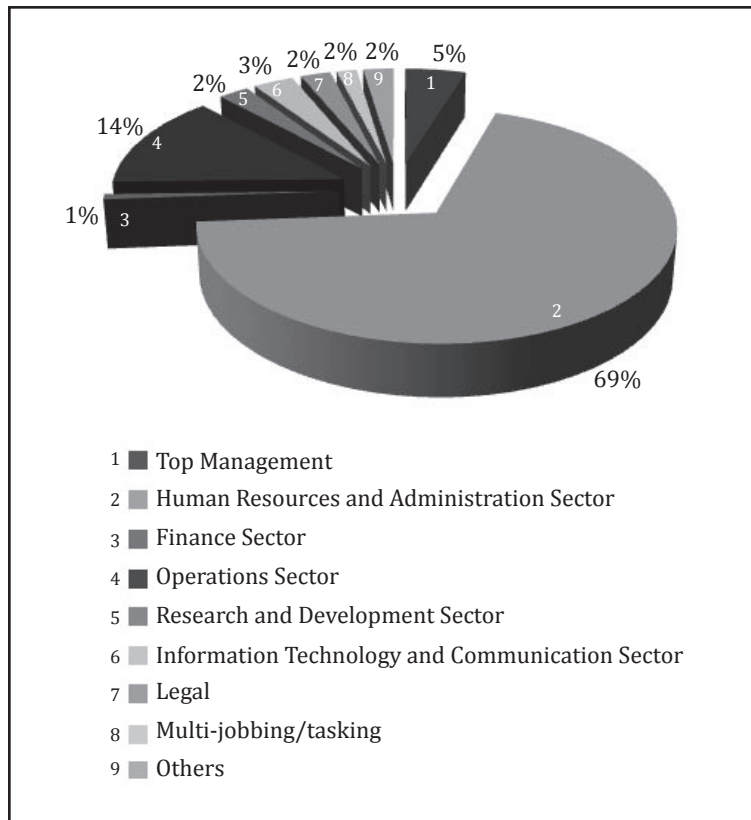


Figure 9. Position categorization of respondents



## Profile of Organizations

Table 9. Industry Affiliation

Industry affiliation	Frequency	Percent
Agro-Industrial	1	0.79
Automotive & Automotive Products	1	0.79
Banking	8	6.35
BPO/Call Center	15	11.90
Chemical & Chemical Products	1	0.79
Community & Social Services	3	2.38
Construction & Real Estate	2	1.59
Consumer Products	11	8.73
Education & Research	17	13.49
Financial Intermediary/Insurance	2	1.59
Food & Beverage	5	3.97
Hotel & Restaurants	3	2.38
Legal Services	3	2.38
Management & Business Services	7	5.56
Manpower & Security Services	5	3.97
Media & Entertainment	1	0.79
Semi-Conductor	1	0.79
Textile & Wearing Apparel	2	1.59
Trading & Marketing	4	3.17
Transportation/Cargo & Storage	3	2.38
Telecommunication & Computer	6	4.76
Utilities	3	2.38
Multiple Industries	12	9.52
Others ( <i>renewable energy, engineering, financing, government, manufacturing, publishing</i> )	7	5.56
Did not indicate	3	2.38
Total	126	100