

A decorative graphic consisting of three blue circles of varying sizes, each with a lighter blue ring around it. Two thin blue lines intersect at the top left, forming a large 'V' shape that frames the circles. The circles are positioned in the upper right and lower right areas of the page.

# Salary Benchmarking

For Accounting Firms

Salary benchmarking tools allow firms to understand the true cost of hiring the right candidate and structure pay and rewards accordingly. It is a critical part of the recruitment and review process in any firm.

**Benchmarkme**

## SALARY BENCHMARKING FOR ACCOUNTING FIRMS

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### Salary Benchmarking

In the world of business today, accounting firms have to be cautious in their approach to salaries and remuneration. Even a 5% underpayment in salary could prove costly for a firm that may risk losing its key employees to competition. While many organisations have recognised the need to keep in touch with the market in order to attract and retain the best talent, the time needed to identify, gather, and compare salaries in the market can be costly and consuming. Today, the need is for quality market intelligence with the help of a benchmarking service that has the ability to provide comparative and realistic reports of the salary package landscape for accounting professionals. This can help an accounting firm attract talent, improve retention, and make better, informed decisions as well.

### Why Benchmark Your Salaries

The primary motivation for an employee is financial reward, which is also one of the highest costs a firm incurs. Achieving a balance that suits an employee as well as the employer is a challenging task that can be best accomplished with salary benchmarking tools.

The availability or lack of a talent pool can virtually make or break an accounting firm. Approaching remuneration from a conservative viewpoint may not result in attracting top talent. Relying on data that is too generic can never really meet a firm's needs. Therefore, it is critical to have a real time mechanism that is readily available to demonstrate the real market of a particular position in the accounting industry at any time. Overall, benchmarking your salaries helps in three basic ways:

- Identifying whether you are paying your staff a fair and reasonable salary
- Ensuring that your salaries are competitive with your peers and competitors
- Managing salary expectations

### Who Should Be Comparing Your Data

Partner with a company that has your best interest in mind and one that is trustworthy and reliable. Here are a few characteristics to look for:

**Independent:** It is important to work with an independent source that is not biased in any way. Their tools should not be used as a means to try and sell you additional services.

**Confidential:** The Company should be able to maintain the privacy of your critical information and data.

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**Trustworthy:** Choose a company that has a clean track record of reliability as you will be basing important decisions on the consolidated reports presented through their research.

**Secure:** The Company should be able to harness the powers of technology to bring you uninterrupted services from across the country.

**Experience:** They should have an understanding of your industry, including your terminology, business profile and staff roles and responsibilities.

### How Do You Compare?

Companies need pay related data in order to define their own remuneration strategy. The main reason is to compare their own payment structure with competitors. Moreover, in-depth analysis is a prerequisite for a competitive remuneration policy. Potential employees are much better informed today about salaries paid for the same position in multiple companies. Therefore, salary benchmarking plays a crucial role in designing a pay package. It is an essential tool for HR managers and executive management to attract and retain talent.

### How Competitive Are Your Salaries?

One of the most important reasons for benchmarking is to ensure a firm's competitiveness is not compromised. Salaries vary according to the region while bonus schemes and long-term incentives are under pressure. To begin with, salaries need to be competitive in order to attract qualified and experienced accounting professionals, which any firm will always desire to hire.

Determining if a firm offers a fair and reasonable salary is a daunting task without the right salary benchmarking tools. Paying staff even a few percentage points more than the average industry rate, can cost a firm thousands of dollars without any productive gains. Therefore, benchmarking helps a firm determine their stance in the talent market and gives them the ability to modify positioning to attract required skills.

For the most part, having comparable benchmarks help bring about stability in the workforce as accounting professionals continue to lobby for higher wages, increased increments, and other benefits. Armed with appropriate data, it makes it easier for HR when it comes to negotiations. In addition, it helps a firm determine where they stand in terms of competitiveness.

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### **The benefits of salary benchmarking tools**

One of the major benefits of salary benchmarking tools is that they eliminate a lengthy review process by HR. In normal circumstances, HR staff spends hours collating information, which leaves them with less time to dedicate to important strategic decision making processes.

Further, it increases your competitiveness. With the right tools HR managers are easily able to monitor trends in the market to ensure that pay levels are right and they can continue to attract and retain the best available talent.

With salary benchmarking tools you can compare directly with your peers and competitors. It provides reliable and up to date information on salaries and benefits to guide the remuneration policies of a firm. This includes an independent snapshot of the market base salary, short and long-term incentives, and benefits for individual positions in an accounting firm. These tools can be customised to suit a firm's individual needs.

### **Budgeting for tomorrow**

Benchmarking tools are a cost effective way to survey the marketplace and develop remuneration policies while a firm continues to maintain a salary structure pertinent to the prevailing market. It acts as a remuneration guide for new recruits and helps improve employee retention as well. A reliable benchmarking tool is the best way to compare cash and total remuneration packages with other accounting firms in the market. It also provides a base for salary budgets for the next year. In addition to being able to evaluate compensation packages closely to ensure labour costs are in line, benchmarking helps determine growth opportunities by measuring how positions and companies compare on a regional and national level.

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### Salary benchmarking tools – The options

#### Commercial tools

Some human resource professionals rely on commercial software tools and surveys as a benchmarking tool. These tools offer a variety of compensation reports based on job titles for companies large and small. Reports usually include a comparison of salary information as well as salary by percentile, based on demographics, years experience and more. However, these reports may not suit a business' particular needs.

#### Online tools

There are several online tools including Salary Analyser developed by Benchmarkme.

#### Benchmarkme – Salary Analyser

**About:** Salary Analyser is an on-line tool to help decision makers with their Salary Review process. It will allow you to accurately gauge what is a fair and reasonable salary for your staff. It is an independent source that works without any bias. Further, it is tested and proven to offer reliable and trustworthy inputs that are kept in absolute confidentiality.

**Services:** Salary Analyser provides real data in real time, anytime. It offers current and projected salaries from your company and your competitors. Salary comparisons are made between peers and competitors. Clients receive instant access to all data Australia-wide, including size of company and a number of staff criteria. Further, they will know the exact sample size details in terms of how many companies and staffs make up the calculated results. Lastly, the transparent system shows the client who is supplying the comparable data, but not which data belongs to which source.

Benchmarkme is among the best sources for compensation benchmarking data for accounting professionals that can greatly benefit accounting firms in Australia in their salary review process. The company understands the significance of paying professional staff a fair salary, in addition to a charge-out rate based on industry standards.

#### 1. Independent and unbiased reporting

Benchmarkme works with small, mid-tier and large-tier accounting firms across Australia to help them meet their business needs and provide 100% independent and unbiased real time reports on salary trends in the accounting industry. As an example, participants include over 80% of the mid-tier firms.

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Among the major criteria considered in order to produce accurate reports are the Company's State and Firm's Size as well as the staff member's year's experience, qualifications and area of practice.

### **2. Monitor salary trends**

Benchmarkme offers 'Salary Analyser', an online tool that allows organisations to monitor salary trends and maintain employee details in a secure web-based environment. The online tool allows you to instantly compare salaries with your peers and competitors. It provides transparent and instant results based on inputs, and allows you to compare internal salary data directly with market data.

### **3. Compare both Current and Projected Salaries and Charge Rates**

Users can compare rates with participating companies throughout Australia in order to accurately identify the Industry Average for salaries and Charge-out rates. Benchmarkme offers a no obligation free trial period with a 14-day money-back guarantee. One of the unique features of Salary Analyser is that it is transparent in letting members know who contributes data in a secure and confidential manner. The online tool is backed up with online video tutorials, regular webinars, online user tutorials, and customer support as well.

### **4. Save on administrative costs**

Salary benchmarking tools like Salary Analyser can significantly reduce the resources required in administrative activities. Most importantly, it helps a firm visualise its competitive position in the market by offering a true reflection of the marketplace based on their size of a business.

### **Summary**

Salary benchmarking tools allow firms to understand the true cost of hiring the right candidate and structure pay and rewards accordingly. It is a critical part of the recruitment and review process in any firm. If an employer does not do it, employees and potential jobseekers will definitely do so in order to determine if they are being compensated according to current market trends. Increasing mobility amongst employees makes it imperative for an accounting firm to use salary benchmarking tools and make sure they aren't under-paying or over-paying staff. The outcome is an optimised salary policy that can be tested and compared at any time. With the help of in-depth reports a firm can at any point have the relative value of their remuneration plan and be able review their salary budget periodically. Employers need to model salary packages to get a better understanding of how an individual contribution maps to relative pay, which is why benchmarking plays an important role in the process.