

Why is a market-based approach so popular?

“Market-based ranges have demonstrated an ability in many cases to provide “the best of both worlds – flexibility to recognize differing market rates of pay based on performance, skill level or market conditions, but also a reasonable level of control over salary costs and internal equity. This balance has satisfied both line managers desiring flexibility and compensation professionals and senior management seeking some level of control.” (2)

Gregory A. Stoskopf, Deloitte & Touche, WorldatWork Journal, Fourth Quarter 2002, P 33

A WorldatWork Survey reports that market pricing is the dominant job evaluation method used in companies. *Workspan*, March 2005