



2022

National Sales Compensation Survey

Association Name

Website

Phone number



The National Network for Local Workplace Solutions

2022 National Sales Compensation Survey

An Employer Associations of America (EAA) sponsored survey, coordinated by MRA – The Management Association in cooperation with employer associations nationwide.

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This survey is provided with the understanding that the information will:

- Remain strictly confidential
- Be restricted to authorized personnel only
- Not be used in collective bargaining or grievance proceedings
- Protect, completely, organizational identity



The National Network for Local Workplace Solutions

NATIONAL SURVEYS PRODUCED BY THE EAA INCLUDE:

- National Business Trends Survey
- National Executive Compensation Survey
- National IT & Engineering Compensation Survey
- National Policies & Practices
- National Sales Compensation Survey
- National Wage & Salary Survey

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Section One: Survey Information

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SURVEY INFORMATION



July 1, 2022
Data Effective



November 2022
Data Published



21
Jobs Surveyed



1,418
Participating
Companies



7,342
Employee Rates
Reported

The 2022 National Sales Compensation Survey evaluates the current market compensation for sales related roles, intending to provide accurate information for compensation planning for your organization.

THANK YOU!

Thank you to all survey participants, who submitted data and worked with the hosting association to ensure correct and complete data. Your participation is vital to maintaining the strength and integrity of the Employer Associations of America surveys.

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CO-SPONSORING ASSOCIATIONS



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Section Two: Executive Summary

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EXECUTIVE SUMMARY

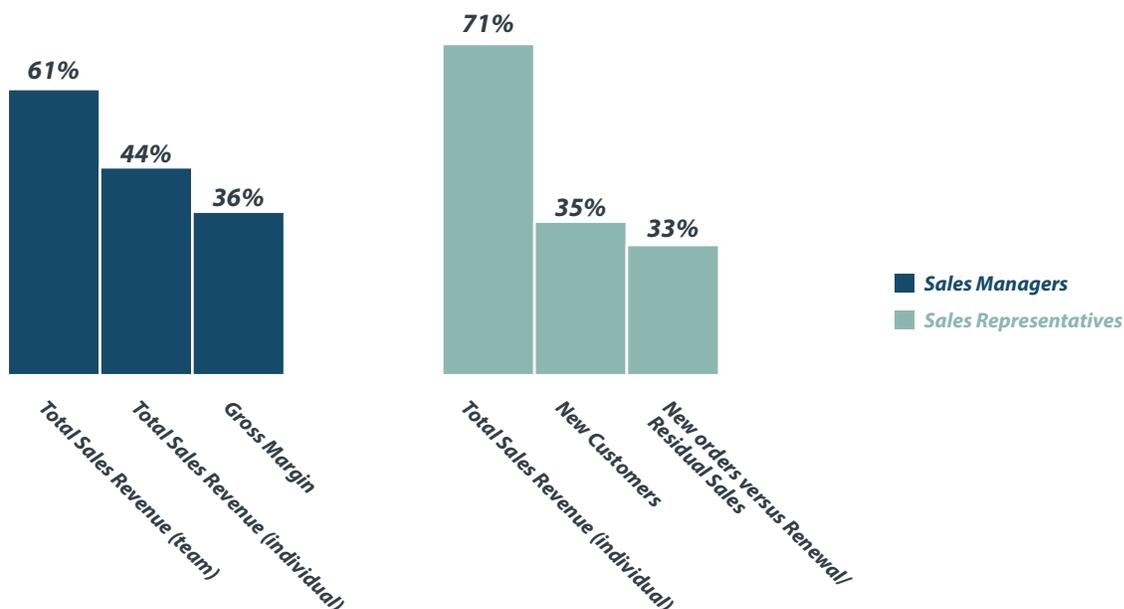
Over the past couple of years, the ongoing need to recruit and retain qualified employees has only gotten more difficult for employers. Like many industries, the disruptions and changes from the last couple of years has affected sales employees. Organizations have begun looking beyond base pay adjustments and are offering bonuses, long-term incentives, and more. Creating a competitive and robust total rewards package can help with employee satisfaction, engagement, and level of commitment to an organization.

Ultimately, the employee will make an employment decision based on their personal needs, goals, and with the employer that provides the most meaningful incentives to them. However, giving top talent a reason to accept or remain in a position with your company long term can be crucial to the success of your organization. Reviewing the information provided in this survey should help in understanding the current market compensation for sales roles, as you assess your sales compensation plan to develop the right plan for your organization.

Incentivize Sales Employees

Incentives offered to employees does differ by position. Sales management and sales representative have different performance plans as the top three options to incentivize employees. Sales representatives are most likely to be incentivized by their own individual total sales revenue on an individual level where management is incentivized most by their team's revenue performance.

Top Three Incentives for Employees by Employee Group:



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EXECUTIVE SUMMARY

Additional Benefits Eligibility for Sales Representatives

Finding an edge to attract and maintain talent has led some organizations to consider creative ways to recognize employees by providing additional benefits. This year, the top award or way organizations are recognizing employees is through providing gift cards (51 percent) to their employees. This is up from last year where 27 percent gave their employees gift cards. The top three awards and recognition sales teams are eligible for are:



*Annual bonus plan (six mentions), recognition award, sales award, spot award, spot bonus.

Base Pay for Sales Representatives

Compensation, primarily base pay, is the largest piece of the total reward commitment employers make to employees. Organizations should consistently review and understand their compensation strategy to ensure it is also the most valuable piece to employees. Although sales individuals usually have a different compensation setup, it typically includes base salary, commission, and any additional incentives to encourage them to meet or exceed their quota.

Like incentive plans, there are many ways an organization can approach base pay for performance positions. This approach can vary depending on the industry. It is important to recognize that each business has different goals, values, and culture that can play into its total rewards. The top three ways organizations manage base pay for sales representatives, as broken out by industry, is:

- **Durable Goods Manufacturing:**
 - Reps are eligible for an annual merit adjustment (57 percent)
 - Reps have different base salaries due to variable compensation or incentive arrangements (39 percent)
 - There are different pay rates to recognize geographic differences (32 percent)
- **Non-Durable Goods Manufacturing:**
 - Reps are eligible for an annual merit adjustment (64 percent)
 - Reps have different base salaries due to variable compensation or incentive arrangements (42 percent)
 - There are different pay rates to recognize geographic differences (35 percent)
- **Non-Manufacturing:**
 - Reps have different base salaries due to variable compensation or incentive arrangements (45 percent)
 - Reps are eligible for an annual merit adjustment (44 percent)
 - There are different pay rates to recognize geographic differences (21 percent)

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Employee Turnover

While employee management and talent acquisition has been a challenge for employers, it is important to remember that employee turnover is a natural part of an organization's operations. It is not something that should necessarily be viewed as a negative. Turnover can be opportunity for an organization to grow and improve. It can be used as a time to evaluate employees, ensuring compensation and benefits plans are in alignment with the organizational culture, and improve upon communication to its employees.

When examining turnover, there are two types to consider — voluntary and involuntary. Voluntary turnover happens when an employee leaves a job, whether that is due to taking a job elsewhere, taking an internal transfer, or retirement. Typically, this type of turnover is more costly because it often involves the loss of a high performing employee. Involuntary turnover includes layoffs, reductions in work force and terminating poorly performing employees. The latter could be beneficial to the organization, as previously stated. Regardless of whether the separations from an organization were voluntary or involuntary, the turnover rates have increased across the board for sales representatives and sales management. In 2021, turnover rate for sales representatives increased to 15.2 percent from 12.8 percent.

Turnover by Employee Group

