



Best-in-Breed vs. All-in-One:

Why Compensation Management Deserves Its Own Tool

HR can feel like an “all-in-one” job. Benefits, payroll, performance, engagement, and compensation are just a few of the items weighing on your mind.

Naturally, teams turn to technology to help lighten the load. Today, there are products for each HR focus area – and some that purport to do it all.

We get it. When you’re strapped for time and resources, the last thing you want is to implement another system. But while some functions lend themselves to consolidation, compensation management doesn’t. We’ll go through the reasons why this critical part of your role deserves a dedicated tool.

1 Flexibility is king.

Pay is personal. Every company has their own philosophy and approach to how compensation should work. For example, some link their pay decisions closely to performance reviews. Others tailor their approach to compensation by department, business unit, or office location.

At the end of the day, there isn’t a one-size-fits-all approach to compensation strategy. Most all-in-one HR software vendors, already spread thin across payroll, benefits, and HR administration, just don’t have the versatility to meet most company’s compensation needs. In the “best” cases, HR teams might find awkward workarounds involving spreadsheets or other manual processes. In the worst cases, they submit to the limits of their HR system-effectively letting the software dictate their compensation strategy, not the other way around.

2 Pay isn't just HR's priority.

While HR teams might sign off on pay decisions, they're hardly the only ones involved. Managers, your finance team, and even the board might have a say depending on your organizational culture or the role in question. Rather than rely on HR to pull reports or make changes, these stakeholders can securely review pay information (and only the information they need) using employee compensation software.

Being in HR, your time already comes at a premium. Empower managers to model their reports' merit increases, bonuses, and equity grants on their own using a robust modeling engine. While you can set rules and maximums on the back-end that serve as guardrails, managers can model a variety of total rewards options without HR intervention.

3 Dedicated solutions have better reporting.

Compensation decisions aren't something to be made on a whim. Annual pay adjustments, merit increases, and bonuses all impact your retention numbers, engagement scores, and company budgets. In other words, pay decisions are high-stakes decisions. Before making the call, you'll want the right data at your fingertips.

While an all-in-one HR solution might allow you to pull a basic report on employee salaries and bonuses, the complexity tends to end there. Dedicated compensation management software gives your HR team a 360-degree view of employee pay. Admins can consider budget, performance ratings, gender pay ratios, and more from a single dashboard. Bundled solutions might check a few of those boxes, but they lack the reporting and modeling capabilities of a more nuanced, cloud-based compensation tool.

All-in-one HR solutions generally don't factor budgets at all, since that information usually resides in separate financial planning software. Dedicated solutions like [Compright](#) integrate with the rest of your tech stack, meaning you can bring financials and other non-HR data points into the mix.

One more thing: Having all this data in one place doesn't just benefit HR teams and managers. It also makes it easier to generate total rewards statements for your team. These summarize all the forms of compensation your employees receive, from base pay to their 401(k) match. Annual total rewards statements are an effective retention tool and help demonstrate your value as an employer. For an example of one, see below:

Total Reward Statement: Susan Williams

Basepay

\$79,000.00

Basepay Increases

Merit: \$1000.00

Bonus Awarded

\$1,680.00

Benefits

401K Match	\$320.00
Commuter Allowance	\$120.00
Gym Reimbursement	\$890.00
Health Premium	\$6,645.00

- Basepay
- Basepay Increase
- Benefits
- Bonus Awarded



The total value of your compensation: \$90,095.00

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“All-in-one” doesn't work for global compensation.

Even before the pandemic, distributed teams were increasingly becoming the norm. But meeting the needs of your employee base in a single city or state is one thing – scaling HR internationally is another. That complexity, largely due to state or country-specific norms, isn't lost to tech vendors. Most all-in-one HR solutions, especially the ones who handle payroll processing, can't accommodate the needs of international teams.

Compensation management vendors don't process payroll, they facilitate the decisionmaking that goes into it. That means they aren't subject to the same roadblocks and can actually meet the needs of international teams.

Developing unique compensation plans for employees based on their country of residence, in their currency, is simple in tools like Compright. That means that even your total rewards statements can include local currency – so your value as an employer never gets lost in translation.

5

Compensation planning software *actually* scales.

Whether you're at an early-stage startup or enterprise company, there's an HR platform for every company size. Most solutions readily admit to being built with a segment in mind. So while your all-in-one solution might work now, what happens when you outgrow it? Switching HR vendors is a messy endeavor given the sensitive information involved.

And pay? That's a different story. Employee compensation is table stakes no matter your headcount. If you need to adjust your compensation philosophy or guidelines along the way, that isn't going to require you to start shopping for software all over again. If you want to consider implementing spot-bonuses, stock grants, or other rewards, your technology doesn't have to hold you back. Compright can be customized – without a dedicated resource help – to meet your company's pay philosophy no matter how complex it is.

HR tech buying decisions shouldn't be taken lightly. While you don't want to overload on software, you also don't want to compromise on quality by defaulting to an all-in-one solution.

Details are everything in compensation – and employee pay is just too important to be left to broad strokes. Compright believes that technology can empower HR teams to make better decisions about pay and reward top performers. To see how cloud-based compensation software can help evolve your approach to pay, schedule a [product tour](#) today.