

Compensation Management

Enabling best practices in the in-house management of compensation
2025 CONSTELLATION SHORTLIST

The Constellation ShortList™ presents vendors in different categories of the market relevant to early adopters. In addition, products included in this document meet the threshold criteria for this category as determined by Constellation Research. This Constellation ShortList of vendors for a market category is compiled through conversations with early adopter clients, independent analysis and briefings with vendors and partners.

ABOUT THIS SHORTLIST

Because employee cost is the top cost category in almost all industries, enterprises need to raise the level of how they measure, plan and execute compensation management. The sad reality is that in many organizations, compensation decisions are made by people leaders using Microsoft Excel. With the war for talent waging and the next best (often also better paid) job is around the corner, enterprises need to give people leaders better tools to make their compensation decisions more effective.

To be a compensation vendor in this list, vendors must support compensation analysis, planning and the execution of compensation cycles. They also need to have interfaces with the popular human capital management (HCM) software suites (see the Constellation ShortLists for Global HCM Suites and North American SMB Payroll). With the push to global talent comes the need for global compensation, so the vendors need to be present/active on three continents. Their platforms need to be cloud-based, or they are in the process of migrating to a cloud-based platform in the next 12–18 months. Finally, they need to support the necessary analytics on central planning for finance and HR departments, as well as for line-of-business (LOB) leaders and managers to execute compensation cycles. This includes augmented analytics (e.g., flight risk, attrition risk, engagement impact) that the vendors need to support.

6 SOLUTIONS TO KNOW

Constellation evaluates over 30 solutions categorized in this market. This Constellation ShortList is determined by client inquiries, partner conversations, customer references, vendor selection projects, market share, and internal research.



ADP



BEQOM



HRSOFT



PAYLOCITY



PAYSCALE



SALARY.COM

LIKE WHAT YOU SEE?

Consider partnering with Constellation Research on your go-to-market-strategy. Email ShortList@ConstellationR.com for more info.

To learn more about Constellation Research Shortlists visit: www.constellationr.com/ShortList



THRESHOLD CRITERIA

Constellation considers the following criteria for these solutions:

- Compensation planning capability for finance, HR departments and LOB users
- Compensation cycle execution for finance, HR and LOB
- Explanations of compensation changes to employees
- Out-of-the-box interfaces for popular HCM suites
- Basic and advanced/augmented analytics with key KPIs
- Cloud-based
- Customers and support for at least three continents
- Continuous improvement of the enrollment experience
- More than 1200 customers and/or more than 1,75 million employees' compensation affected
- Mobile support for people leaders and at least 300,000+ users

BUSINESS THEMES



Future of Work



New C-Suite



Technology Optimization

ABOUT CONSTELLATION RESEARCH

As an award-winning Silicon Valley-based strategic advisory and futurist analyst firm, Constellation Research serves leaders and organizations navigating the challenges of digital strategy, business-model disruption and digital transformation. Constellation works closely with solution providers, partners, C-suite executives, board of directors, and its Constellation Executive Network of buy-side leaders to lead the way in research coverage and advise clients how to achieve valuable business results.

FREQUENCY OF EVALUATION

Each Constellation ShortList is updated at least once per year. Updates may occur after six months if deemed necessary.

EVALUATION SERVICES

Constellation clients can work with the analyst and the research team to conduct a more thorough discussion of this ShortList. Constellation can also provide guidance in vendor selection and contract negotiation.



Holger Mueller
Vice President & Principal Analyst

Holger Mueller focuses on the synergies between people and software. As the hand-to-machine ratio radically changes over the next decade (primary factors: age dynamics and technology innovation), enterprises need to find the appropriate balance between changes in a dynamic workforce and the creation and adoption of next-generation applications, all determining the Future of Work and helping enterprises accelerate. Mueller provides strategy and counsel for key clients, including CTOs, CHROs and CIOs as well as investment analysts, VCs, PE firms and technology buyers.

