

Navigating the pay transparency journey

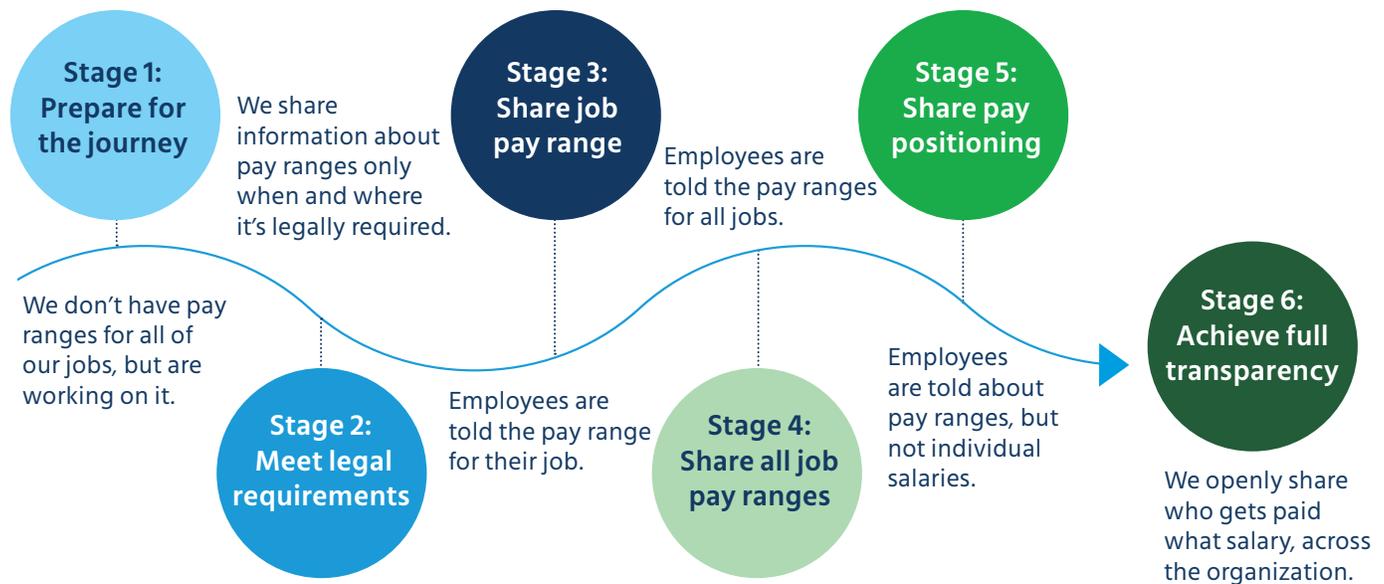
Citing benefits like greater job satisfaction and employee productivity, a majority of companies view pay transparency as a rising priority. Yet only a small percentage of employers have implemented pay transparency practices and processes.

According to WorldatWork’s January 2020 survey:

- 67% of organizations say pay transparency has become increasingly important
- 60%+ say managers are not trained to effectively deliver pay communications
- 42% of employers do not share information about how jobs are valued and compensated
- Only 16% of employers provide access to salary ranges for all positions
- 24% of employees have ongoing access to their own salary range

Where is your company on the pay transparency journey?

As you plan your journey, it’s helpful to know where your company is now and how far you need to go (as opposed to how far you might want to go). Where is your company on your journey today?



Pay transparency vs. pay equity: what’s the difference?

Pay equity	Pay transparency
<p>Ensuring fair pay for similar work regardless of gender or race/ethnicity. This includes:</p> <ul style="list-style-type: none"> • Compensation based on factors such as job, location, and experience • The full range of payments and benefits, including basic pay, non-salary payments, bonuses, and allowances 	<p>How open an employer is about what, why, and how their employees are compensated as it compares to the current market and context. This includes:</p> <ul style="list-style-type: none"> • An understanding of a company’s compensation philosophy, strategies, and practices • Information on purpose, design and understanding of all forms of pay • Practices that result in fairness in pay and advancement opportunity regardless of gender or race/ethnicity

The journey to pay transparency: A step-by-step overview

Regardless of where your company stands on the transparency spectrum, these steps can help guide you toward a culture of greater equity and compliance with a more satisfied and productive workforce. From defining your pay story to implementing change, the consultants at Mercer have put together a proven six-step approach to help your company evolve effectively.

1

Assess your situation

Start at your foundations—which include job architecture, pay strategy, pay equity, and employee perception—and make an honest assessment of each. Start by looking at how well defined your jobs are and if a compensation philosophy exists.

2

Define your story

By defining your story, you can help foster a culture of trust and fairness that matches your public perception. Think about who you'll share your story with, how you'll share it, and why it's important.

3

Solidify your foundations

Study your ecosystem and fix the foundations that are lacking or don't make sense. Ensure your jobs are well-defined and revise salary structures to support your pay philosophy.

4

Implement transparency

Use tools such as digital platforms and manager tool kits to implement changes. By highlighting and supporting the value to employees—such as skill development and future earnings potential—you can create a positive, compelling culture shift.

5

Share your story

Define your broad message then craft specific messaging to reach your different audiences—from job candidates, to new hires and managers.

6

Measure impact

By using tools such as candidate surveys and employee engagement surveys, you can assess your impact. Explore topics like why candidates are interested in working for your organization and why they decide to stay.

Ready to tell your story? Let Mercer help.

Whether you're a large firm or a small startup, just beginning your pay transparency journey or ready to implement, Mercer consultants are here to help you get future-ready and deliver bottom-line results. Help build the future of work for a better tomorrow.

Contact us at mercer.us/contact-us.html or reach out to Tauseef Rahman, Partner, US Pay Transparency Leader, tauseef.rahman@mercer.com.