

# Your guide to effectively communicating pay transparency



# Guiding principles for communicating about pay transparency

As you prepare to navigate your pay transparency journey, developing a plan to communicate with your audiences is essential.

While transparency around pay and career has come to be perceived as table stakes for many employees, your company may be considering pairing your approach to implementing pay transparency with a **compelling change management and communication plan** to ensure the overall experience is well-received by employees, leaders, change agents and candidates.



## Articulate your employee value proposition

Pay transparency provides a prime opportunity for your company to fully **articulate your employee value proposition** and communicate your differentiated investment in employees. In addition, it may serve as a means of strengthening how your external brand is perceived.



## Establish your point of view

The first step is understanding what you are doing about pay transparency and why you're doing it — what is your point of view and **what are your guiding principles?** Establishing how pay transparency aligns with your business objectives, as well as the employee experience, will enable successful communication about it to your audiences.



## Go beyond compliance

It is also important to note that, while compliance requirements exist, pay transparency creates an opportunity for you to market your employee value propositions **above and beyond compliance**. Creating a pay transparency journey tailored to your specific business goals, level of readiness and employee experience objectives is critical.



## Think like an employee

Sharing information openly about pay is a way to **foster trust and loyalty** among employees, as well as signal information about your values and employee experience to candidates. According to Mercer's 2024 Global Talent Trends report, companies that post pay ranges are **more likely to have thriving employees**, meaning those who feel their psychological, financial, physical and purpose-driven needs are being met by their employer.

While compliance requirements may suggest that pay transparency is an exercise for external audiences, data show that employees are routinely using such information — as well as speaking with colleagues — to gather this information. Creating a strategy to provide equitable information to candidates and employees is a must.

When sharing pay ranges or other compensation information with employees and candidates, **it's important to put yourself in their shoes** and consider the questions they may ask upon experiencing greater transparency around pay.

When you think about how to answer these questions, consider the following factors:

- **Why am I positioned where I am in the pay range?**
  - To answer this question, it will be helpful to provide education about your compensation philosophy and structure, as well as how you help employees progress through a salary range.
- **How can I earn more?**
  - Building on the compensation education you may have provided to answer the first question, this question is an opportunity to provide information about career mobility (such as if you have a job levels, job families or a complete career framework), as well as your performance management approach.
  - Your compensation philosophy, structure and career framework serve as roads and bridges to enable pay and career opportunity. Your performance management approach — how employees may set and meet goals, partner with their manager and are rewarded for their contribution — serves as your employee's map toward greater pay and career opportunity.
- **If I see another company paying more, why should I continue working here?**
  - **Consider all the ways you create a top-tier experience for employees.** You may offer robust benefits and leave policies to invest in employee well-being. You may also offer learning opportunities to enrich your employees' proficiency in their roles, as well as policies that support work/life balance.
  - **What is your company's vision and role in the world? How do employees contribute to this on a daily basis?** Clearly communicating the full spectrum of your employee value proposition — that is, the unique "deal" you have with your employees — can help employees better understand and appreciate the big picture of their experience.
  - **Raise employees' awareness of all the ways you help them meet their short-term and long-term financial goals.** These benefits could include an employer match to a retirement savings plan, core health plans, subsidized child and elder care, college preparation services, discount programs, wellness programs and more.



## Empowering key stakeholders

Your core compensation and HR teams are stakeholders who may serve as capable ambassadors for articulating your pay transparency narrative.

There are three other critical stakeholders who may benefit from preparation so they can be empowered to succeed in their roles:

- **People managers:** Often, people managers are the **first line of defense** for employee questions about anything pertaining to their work experience. Enabling your people managers to confidently and competently discuss your company's approach to pay transparency and what it means for employees is a good way to promote a successful journey. People managers may benefit from education about your employee value proposition pillars; having **clear guidance for speaking with their direct reports**, including conversations that may feel challenging; and understanding that they are supported by your HR team. See your people managers as catalysts for change in telling your story.
- **Talent acquisition:** Your approach to pay transparency can be a way to **attract the critical talent you need** to propel your business priorities. That's why enabling your talent acquisition personnel with talking points and materials about pay transparency, compensation, career opportunity and your broader total rewards package can help you succeed in being regarded as an employer of choice from an important external audience — candidates.
- **Leaders:** Openly discussing pay and rewards is another way that leaders can motivate their workforce to align with their business priorities, helping to **inspire individuals** to contribute to the larger mission overall.





## Raising awareness of your narrative

Offering a **central employee experience portal** that includes relevant information for both employees and candidates is an easy, simple way of raising awareness of your pay transparency journey and narrative. Employee portals can encompass various aspects of your employee value proposition. This includes providing information on compensation and benefits, as well as offering a comprehensive summary of the total rewards package. This summary communicates the overall investment made in employees compensation, covering elements such as base salary, company-specific perks and additional rewards like adoption assistance.

These types of employee experience portals often include an opportunity to facet content by audience, making this one-stop destination a key channel when communicating with your people managers and providing them with a useful toolkit to enable their conversations with direct reports.

In addition to creating a robust touchpoint, you could consider additional communication channels for promoting your approach and narrative that are relevant to your organization. These may include:

- In-person or virtual town halls or other live touchpoints
- Personalized videos to communicate an individual employee's compensation and career opportunity
- Easy-to-read brochures for all audience groups
- On-site ads that point to your portal for more information
- Other push communication channels, such as email

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