

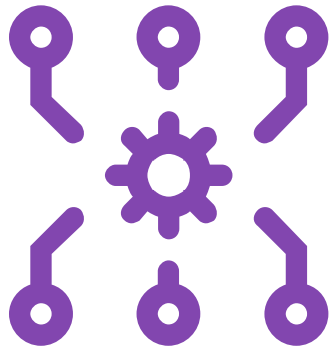
Productivity, Purpose, and Profit: Illuminating the path

Navigating the world of pay transparency

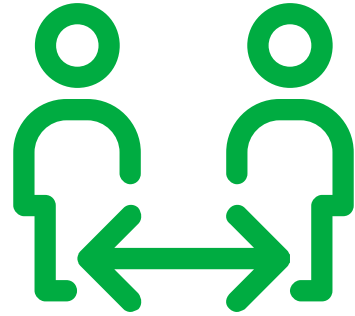
Why are we talking about pay transparency?



How did we get here?



Proliferation of data
on social sites



Shifting societal and
employee
expectations

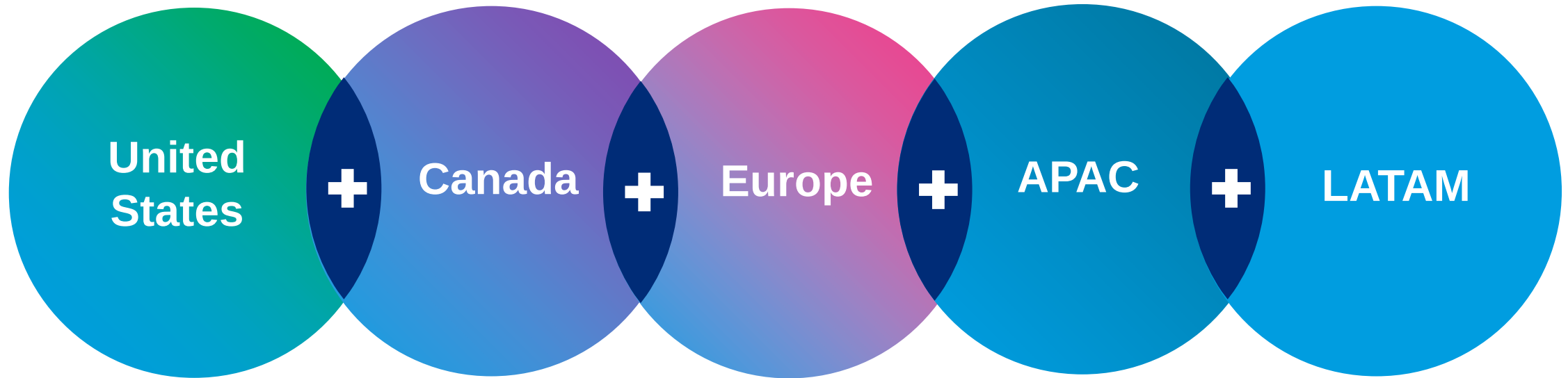


Sustainability



Legislative
action

Pay transparency legislation is on the rise globally but showing up differently across different regions



Communication
of pay ranges

Communication
of pay ranges

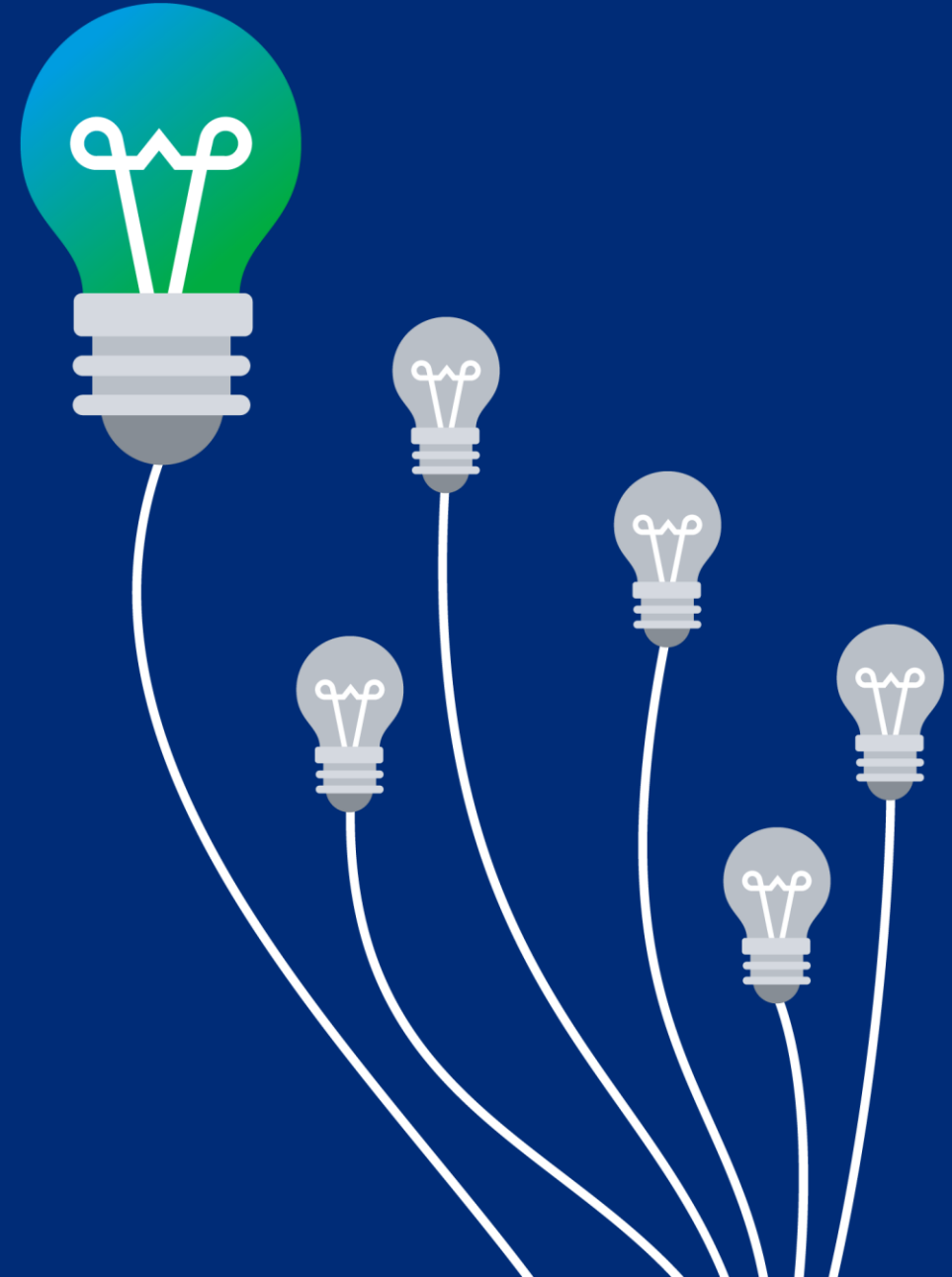
Historically, **pay gap
reporting**

From 2027
**communication of
pay ranges**

**Pay gap
reporting**

**Increased
attention**, overall
levels of focus are low

**What is pay
transparency?**



**Pay Transparency, Pay Equity
and Pay Gap reporting are often
intertwined – but are separate.**

Definitions...



Pay Transparency

Where an employer shares what, why, and how their employees are compensated relative to the current market and context



Pay Gap Reporting

Public pay gap compliance reporting is increasingly a legislative requirement, especially in Europe.

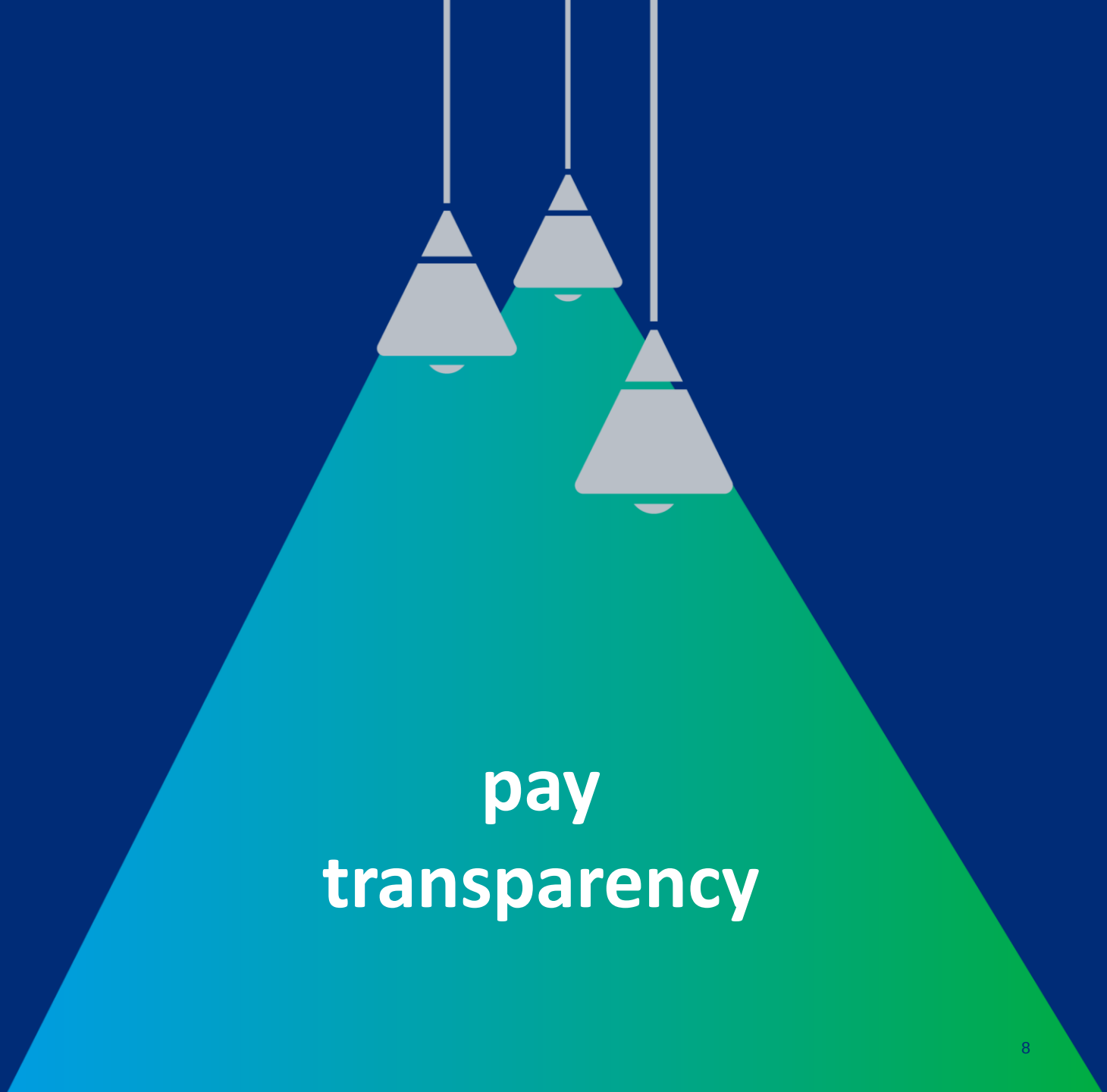
For example –
average pay gaps
between
males / females



Pay Equity

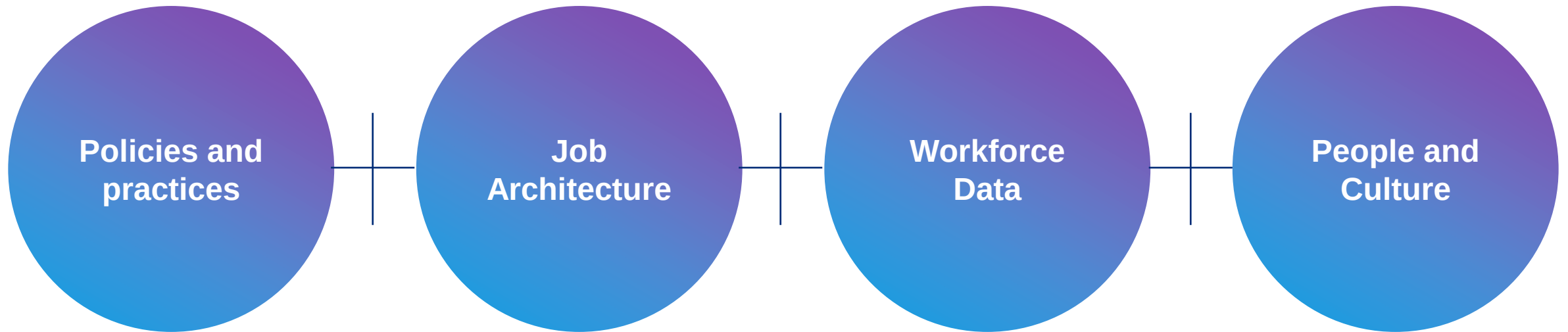
Ensuring fair pay for similar work regardless of gender or race / ethnicity

Shedding light on
the different
elements of ...



pay
transparency

You will need to address this holistically across the organisation



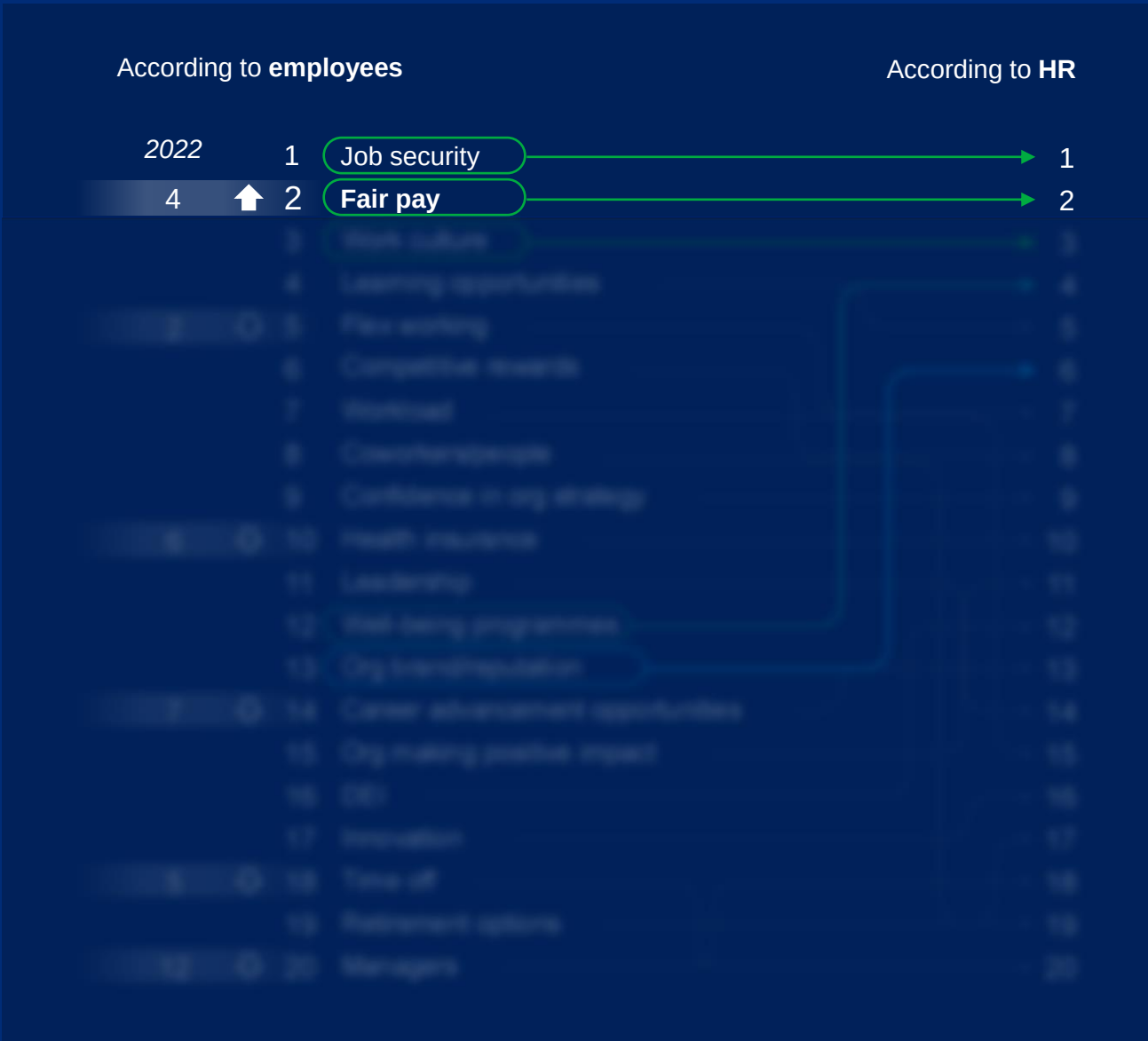
**Why is transparency
important for
employees?**



Fair pay makes employees stay

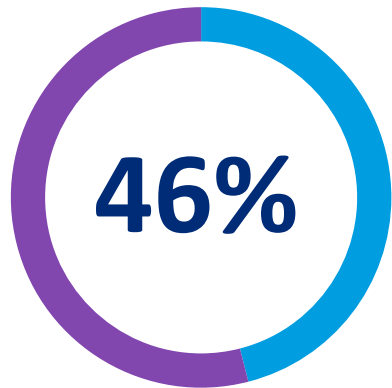
Fair pay is the #2 reason, after job security*

Source: 2024 Global Talent Trends



* Respondents were able to select up to five choices.

Among employees who believe they are paid fairly...



... are unlikely to apply if compensation information is missing in the job posting

2x

More likely to say they understand how their organisations determine their compensation

2x

More likely to say their managers / employers provide them with their pay ranges

85%

Are more engaged

60%

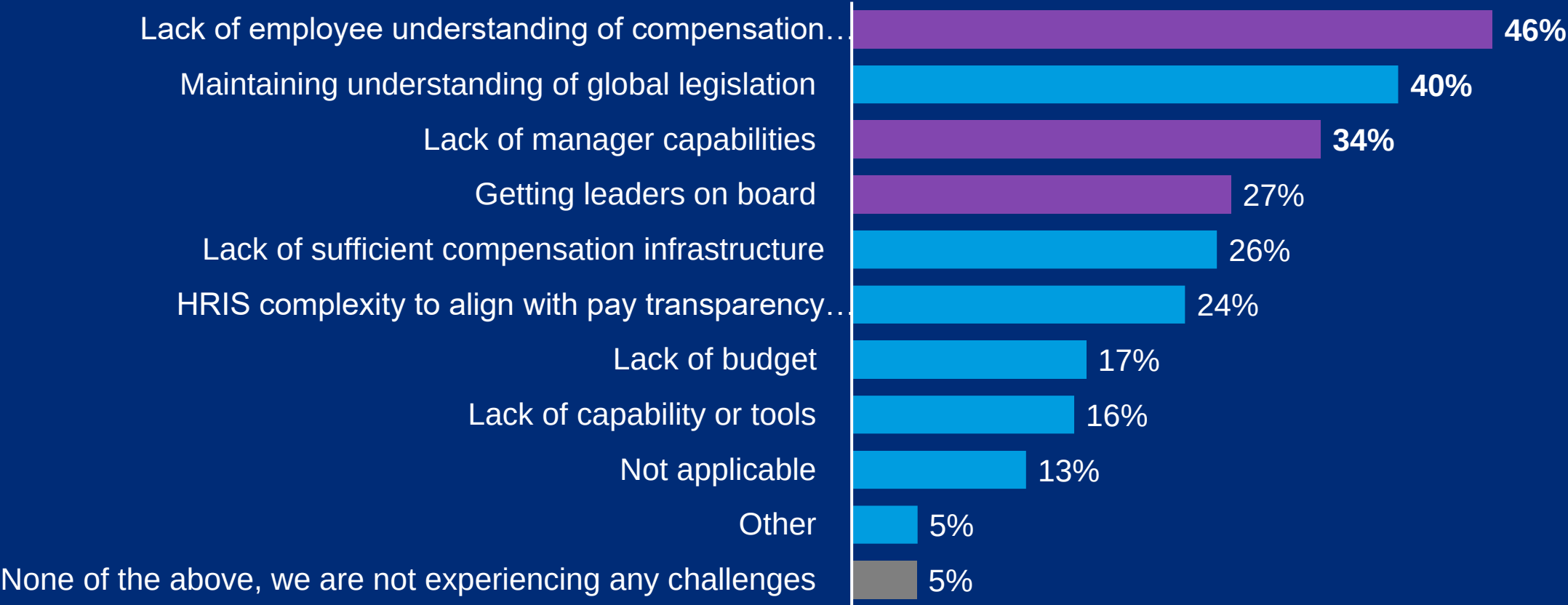
Are more committed to their organisations

Yet compliance is the key driver for creating a pay transparency strategy...



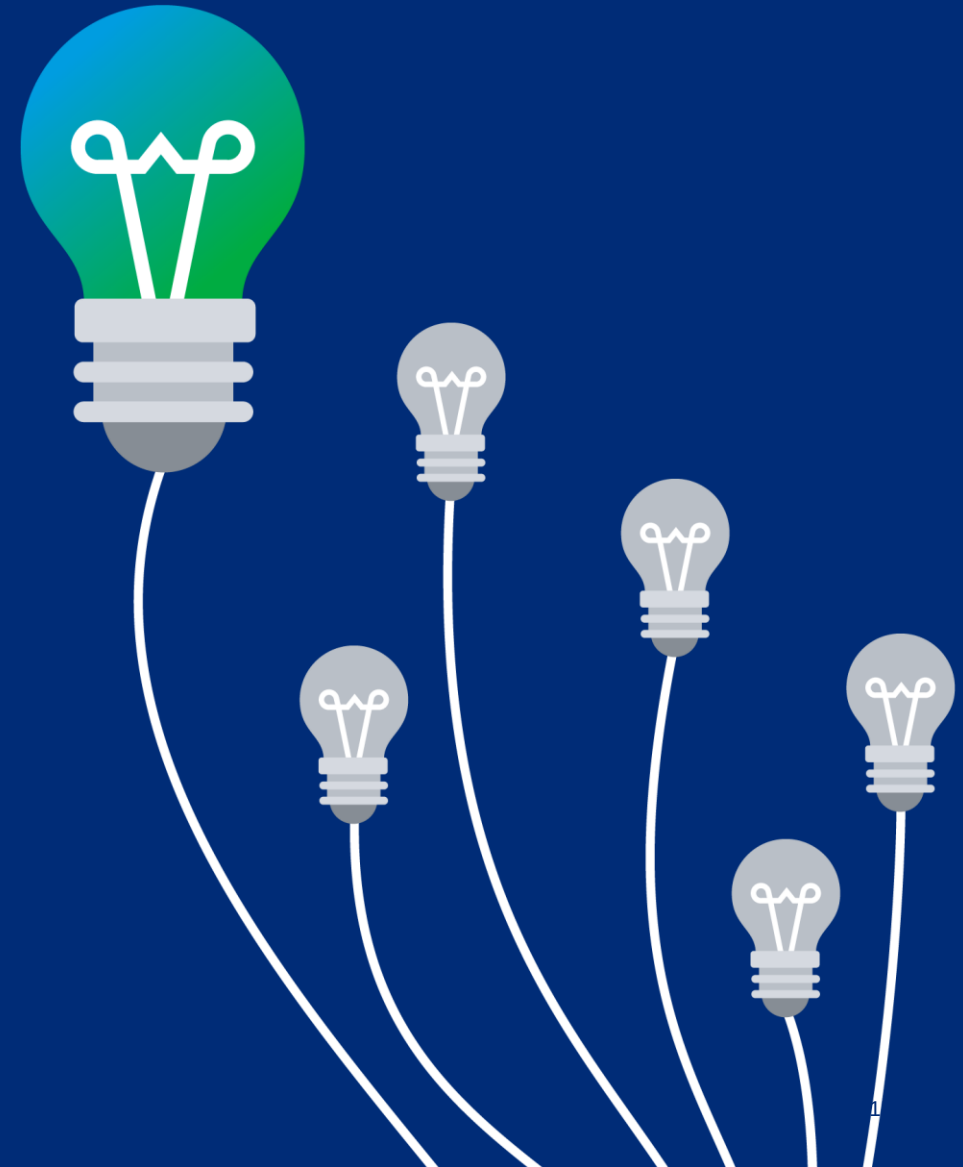
Source: Mercer's 2024 Global Pay Transparency survey

With the human element often forgotten or missed



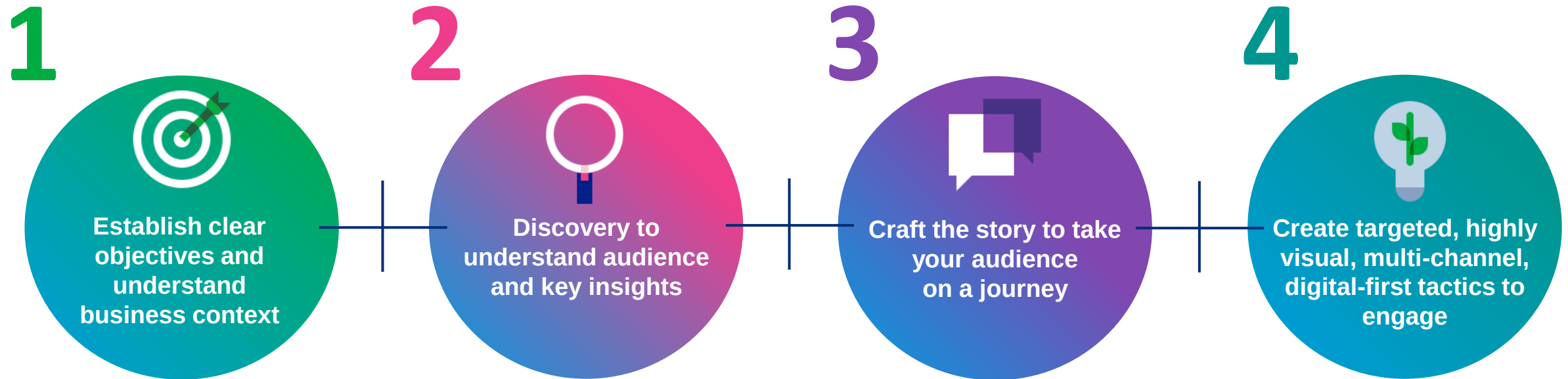
Source: Mercer's 2024 Global Pay Transparency survey

**Most organisations don't
know where to start – and
are nervous about telling
their 'story of pay'.**



Effective reward communications requires thought

We recommend taking a holistic and structured approach



Consider your audiences

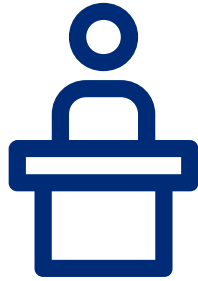
What do you want them to 'think', 'feel' and 'do'

1 HR



Coach

2 Leaders



Storyteller

3 Managers



Implementer

4 Employees



Receivers

5

Candidates &
Recruiters

Shareholders & future
investors

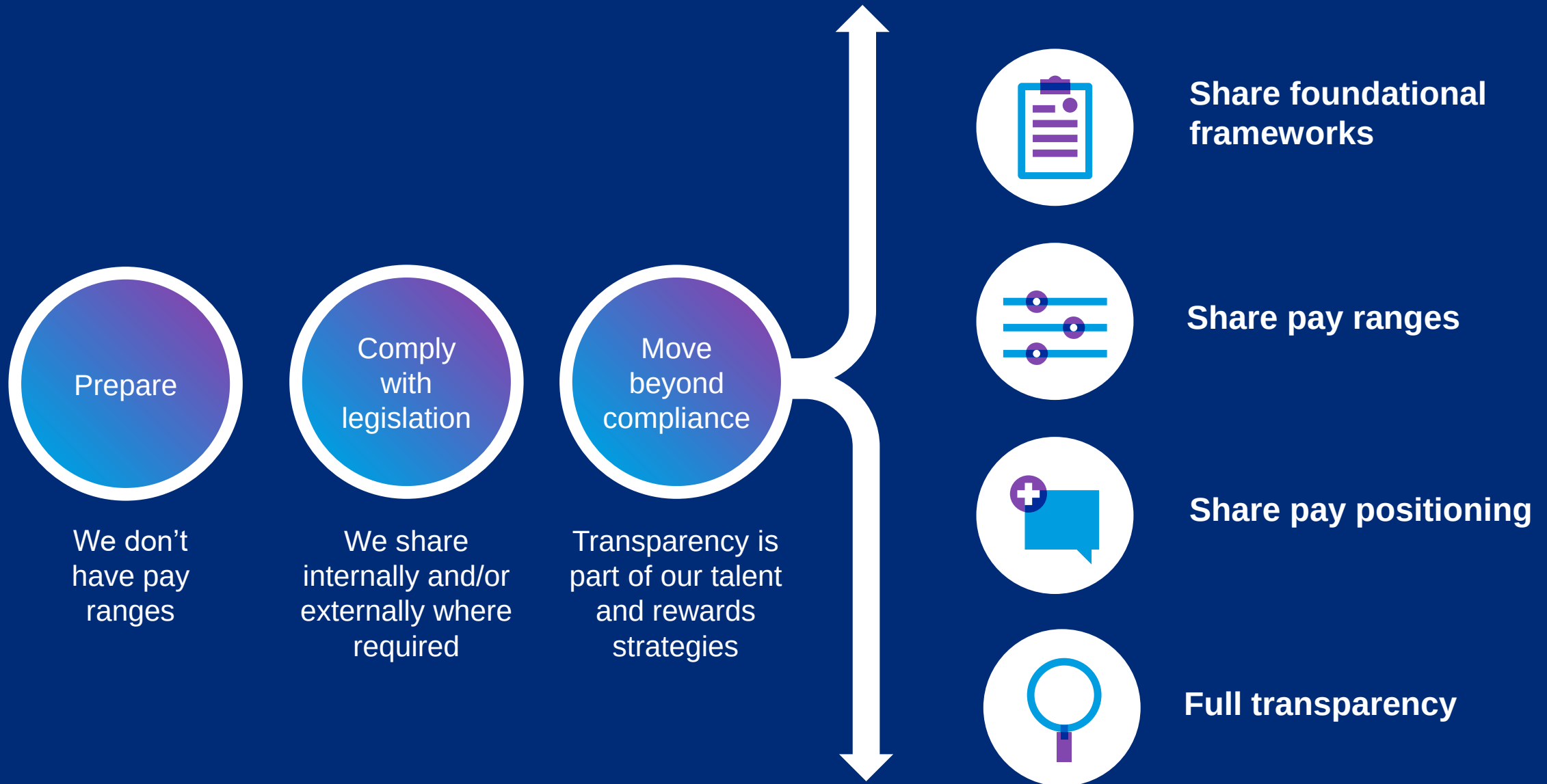
Media

Government

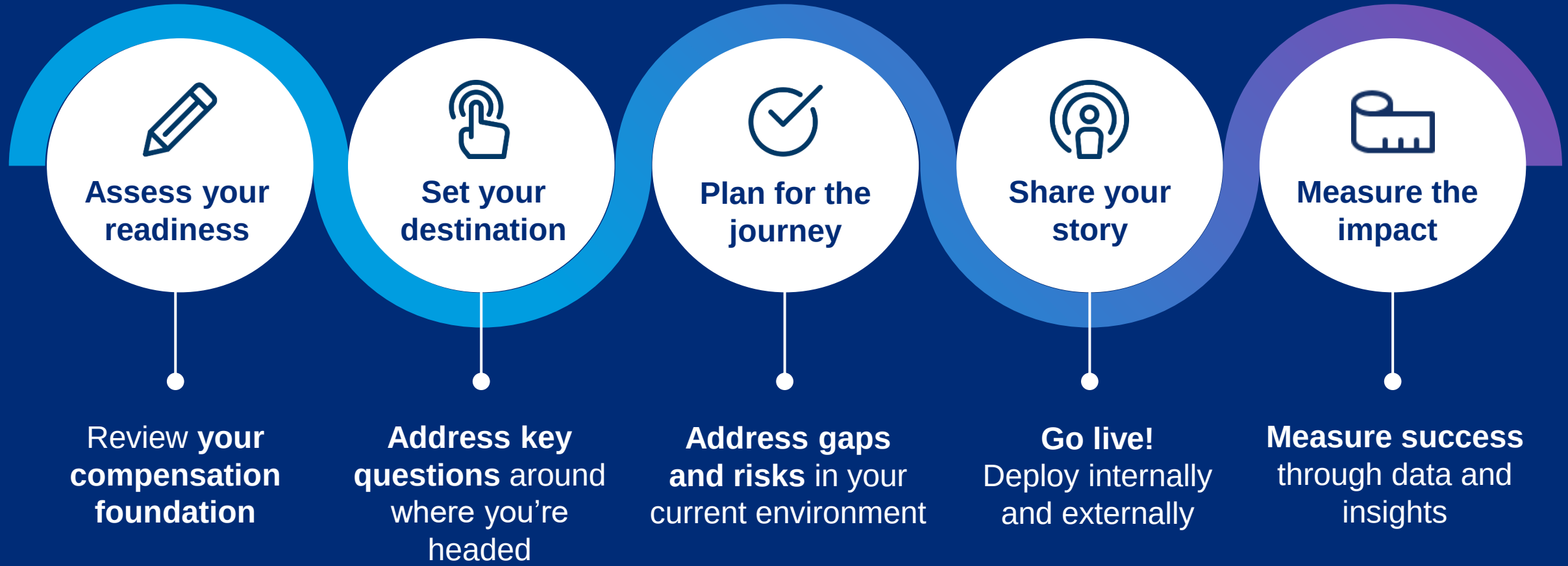
What comes next?



The path beyond compliance has many decisions



Navigating the path to pay transparency



5 key takeaways based on our research and experience

1

Pay transparency is **not a passing fad**

2

Be honest about the strength of your foundations

3

Understand what your **different audiences need to know**

4

Set a **global strategy** and communicate **clearly and consistently**

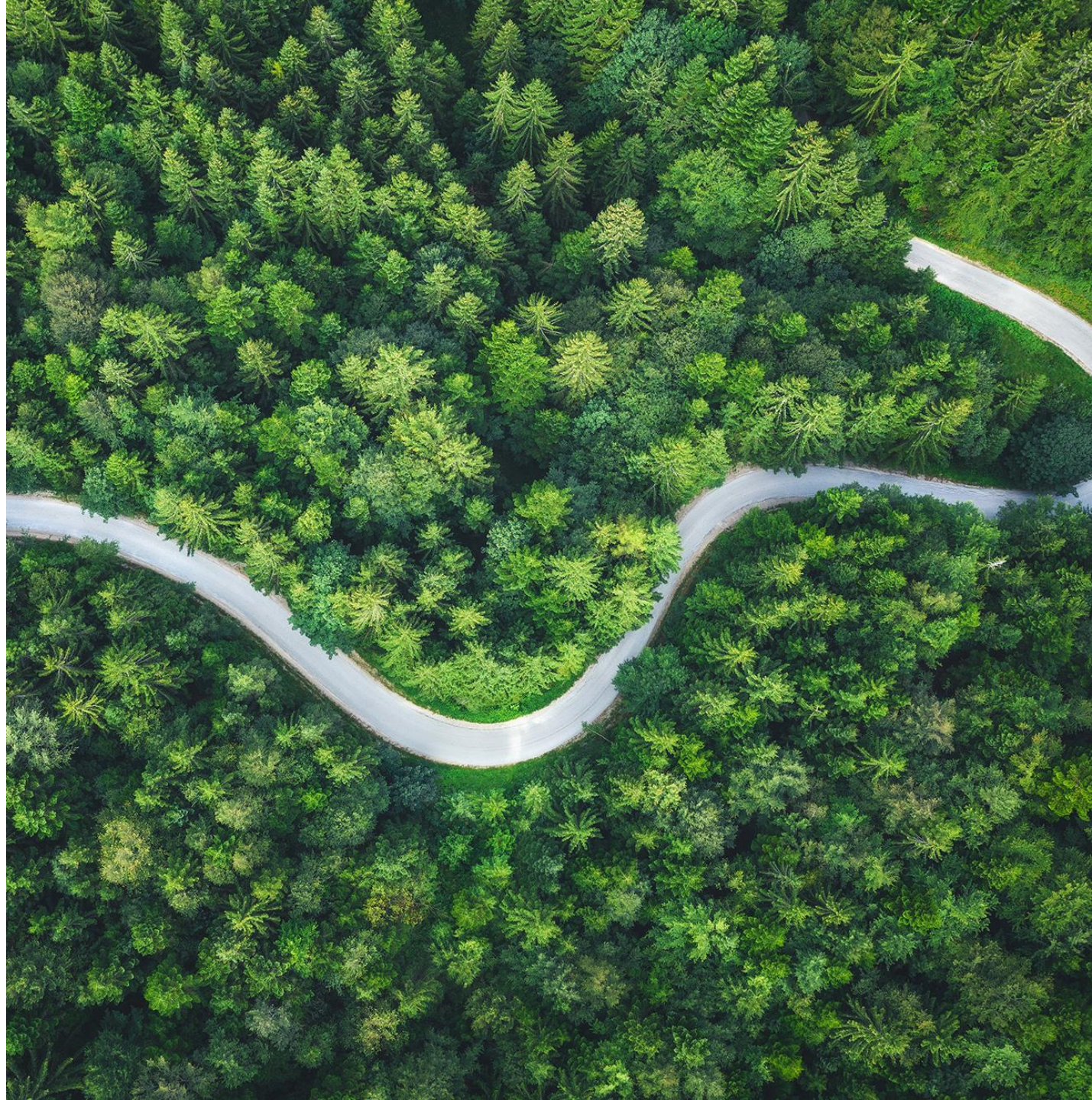
5

Take a **long-term approach** – this is a journey



The path to transparency
is long, with many
obstacles in the way.

To be successful you need
to think holistically... Start
now!



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