



Mineral



Question of the Week

September 13, 2023

Question

What is pay transparency, and how does it help employers?

ANSWER

Pay transparency refers to sharing information about pay with applicants, employees, and possibly the entire world. While some states and localities require that employers include a pay range with job postings, many employers now choose to do this on their own to stay competitive. But pay transparency can be taken much further. Employers that really want to commit to the project will often share pay ranges for positions or job types with their entire organization.

While being transparent about pay may feel uncomfortable, and may not go smoothly at first, it does have advantages. First, it saves time during the recruitment process. By disclosing compensation up front, typically in the job posting, employers discourage people who wouldn't accept the salary offer from ever applying. Second, pay transparency on job postings has been shown to increase the number of applicants significantly. Many job seekers are unwilling to apply for positions that don't indicate a pay range, and others will value the transparency for what it says about the organization. Third, it encourages compliance with equal pay laws by essentially forcing employers to choose and stick with a logical pay range for a position, at least on a going-forward basis. Finally, internal pay transparency, like sharing position pay ranges with the entire company (not each person's individual wage rate), can reduce pay paranoia and gossip while also enabling

employees to see what they can look forward to as they advance in their career.

You can learn more about pay transparency on the platform.

This Q&A does not constitute legal advice and does not address state or local law.