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there.in black and white

Transparency and authenticity are changing the world of work and the way we communicate HR elements, including cash compensation.

If you have operations in Ontario, you may have held your breath last year when the

### [Pay Transparency Act](#)

was introduced, only to be paused by the new government. This pause was a relief to many organizations, especially smaller ones that weren't necessarily ready to disclose compensation information to potential candidates, let alone to their current employees.

Nonetheless, things are changing quickly... and disruption needs no law to shake our industry.

total  
rewards

## TOTAL REWARDS CONVERSATIONS – PART I

# To transparency and beyond



## TRANSPARENCY ISN'T COMING... IT'S HERE

Have you seen the LinkedIn salary module? This feature provides access to market data to pretty much anyone with an account. All you need to do is enter the job title you are inquiring about, and up pops a salary range, including a distribution and a median. Somewhat concerning is that it even compares salaries offered by other organizations for this specific role. Yes, the algorithms are fed by individual entries, and we can argue whether the data is valid and/or reliable. However, this doesn't change the fact that in the eyes of employees, this LinkedIn feature will become an easy and accessible way of gathering salary information for benchmarking themselves.

“ The good news for organizations is that pay-related taboos are crumbling, and their employees are interested in learning more. In other words, this is in fact a great communication opportunity, one that’s not to be missed. ”

## EMPLOYEES WANT TO KNOW

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In 2015, a study conducted by Glassdoor showed that “66% of Canadian employees wish they had a better understanding of what fair market pay is for their position”. When broken down by age group, the results reveal that this desire is significantly stronger amongst the younger demographic (77%).

## LEAD THE CONVERSATION

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A great way to begin shifting the transparency level around pay in your organization is to start by sharing highlights of your compensation philosophy. How does the organization want to pay its employees, what does the organization value? For instance, you could say that rewarding employees fairly for their job is part of your priorities. You could explain that the organization considers skill requirements, level of accountability and complexity of tasks when establishing the salary for a specific role. Depending on how you make salary decisions, you could say that the salary can vary for the same role, based on the employees’ experience, mastery of technical skills or level of contribution.

When it comes to transparency, there isn’t a specific target or level of transparency where your organization should be. It all depends on your culture and how aligned your compensation practices are. What is clear, however, is that if you still have many discrepancies in your salary structure—or even no salary structure at all—you may want to do something about it... quick.

## YOUR MANAGERS SHOULD CARRY THE TRANSPARENCY TORCH

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Quite often, pay-related questions are raised by employees to their immediate manager. Therefore, managers are the ones with real influence on the employees’ perception of their pay, including pay increases. For sound compensation communication, it is paramount that managers are equipped and comfortable having this discussion with employees. If you aren’t confident about your managers’ current level of understanding and comfort, consider training them and providing them with tools that are both easy to use and to understand, like a Q&A dedicated to pay concerns, a short preparation guide for salary discussions, or a manager’s version of the employee compensation statement – one that includes communication tips.

## EXPAND YOUR HORIZONS: SPEAK TOTAL REWARDS

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Yes, it is essential to address your employees' understanding and perception of their salary – and yes, sometimes employees will leave for a job with a better salary. That being said, the scope of total rewards is much larger than cash compensation.

The total rewards package is often misunderstood and underappreciated. In many cases, employees are simply unaware of the variety of services or benefits they have access to, or don't understand how to make the most of their programs. Organizations should therefore consider improving their communications to maximize the perceived value by their employees.

## FOCUS ON YOUR EMPLOYEE EXPERIENCE

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How do total rewards support your employees in their professional and personal journeys? How easily can they find relevant information, or get help when they have questions or wish to use their programs? How can total rewards programs help employees take better care of themselves and their loved ones, improve as professionals or save for projects they cherish?

For tips on leveraging total rewards to enhance your employee experience, stay tuned for PART II of this article.

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## about Normandin Beaudry

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Founded in 1992, with offices in Toronto, Montreal, and Quebec City, Normandin Beaudry is now among the largest Canadian-owned total rewards consulting firms.

With over 225 experts, we help hundreds of clients drive human capital and financial performance every year. Our team of compensation professionals approach situations from a targeted results standpoint. Whether through very specialized assignments or on-site interventions, we deliver simple and innovative solutions to meet your strategic and tactical needs. Our knowledge of market practices includes every aspect of total rewards, from base pay and incentive pay to employee benefits plans and retirement plans, as well as paid time off.