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**WorldatWork Survey Reveals Broad Pay Transparency,  
A Hallmark of Pay Equity, Remains Uncommon**

February 19, 2019 — Scottsdale, Ariz. — The “Compensation Programs & Practices Survey” conducted by WorldatWork, with underwriting by Willis Towers Watson, reveals that broad pay transparency, a hallmark of pay equity, remains uncommon and has worsened since 2010 when the survey was first conducted. Other results indicate that while “internal equity adjustments” has been one of the top four factors in salary increases since 2010, its rate of use is consistent with 2010 results. The survey, conducted every two years, gathers information about trends in compensation programs and practices, focusing on the prevalence of base and variable pay programs, as well as common practices used to administer and communicate these programs in today’s workplace.

**Key Findings:**

- 47% of organizations stated they provide employees minimal pay-related information, indicating more employers are now sharing less information about individual salaries than in 2010.

- Promotional increases (98%), merit (95%), market adjustments (84%) and internal equity adjustments (71%) are the most common variables used to make salary adjustments. While market adjustments increased from 76% in 2010, the other variables – including those for internal equity adjustments -- have stayed consistent since 2010.
- Formal assessments of performance and use of performance ratings are trending down, from 84% in 2016 to 74% in 2018.
- Compensation philosophies are prevalent, with 53% of respondents indicating their employees having some understanding of them. This indicates there is an opportunity to improve employee understanding.
- Since 2012, there have not been significant changes in job evaluation methods used; market pricing remains the dominant leader (90%).
- Most organizations target median/50<sup>th</sup> percentile of the market for base and variable pay (87% and 78%, respectively).
- Almost half (48%) of organizations market price annually.

“The results point to the need for much more transparency about how compensations programs work, especially when we see continued concerns about miscommunication, wage gaps, and pay inequities,” said Scott Cawood, President and CEO of WorldatWork. “This isn’t the time to retreat into sharing less information with your employees which, in fact, that could backfire. People want to know how to succeed in organizations and that starts with understanding how compensation programs are designed and administered.”

“At a time when employers are engaged in a hyper competitive environment for talent and open platforms are increasing the level of pay information available to current employees and recruits, the need to build a solid pay communication strategy has never been greater,” said Catherine Hartmann, North America Rewards practice leader at Willis Towers Watson. “While many employers recognize the important role their pay and performance management programs play in attraction and retention, the study

demonstrates relatively few employers have moved to a deeper, more comprehensive and transparent approach to pay communications. We believe employers who have yet to expand and become more transparent in their pay communication with employees will need to do so as top talent will demand it.”

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**NOTE:** Journalists may request a complimentary copy of the survey report by contacting Judy Kalvin, [judy@companyb-ny.com](mailto:judy@companyb-ny.com).

### **About the Study**

The WorldatWork “Compensation Programs and Practices Survey” was conducted between October 17, 2018 and November 16, 2018. A total of 348 public and private sector employers participated. Survey respondents were WorldatWork members employed in the compensation, HR and benefits departments at the participating organizations. Willis Towers Watson provided underwriting for the survey.

### **About WorldatWork®**

WorldatWork ([www.worldatwork.org](http://www.worldatwork.org)) is the leading nonprofit professional association in compensation and total rewards. We serve those who design and deliver total rewards programs to cultivate engaged, effective workforces that power thriving organizations. We accomplish this through education and certification; idea exchange; knowledge creation; information sharing; research; advocacy; and affiliation and networking. Founded in the United States in 1955, today WorldatWork serves total rewards professionals throughout the world working in organizations of all sizes and structures.

### **About Willis Towers Watson**

Willis Towers Watson provided underwriting support for the survey. Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has over 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at [willistowerswatson.com](http://willistowerswatson.com)