

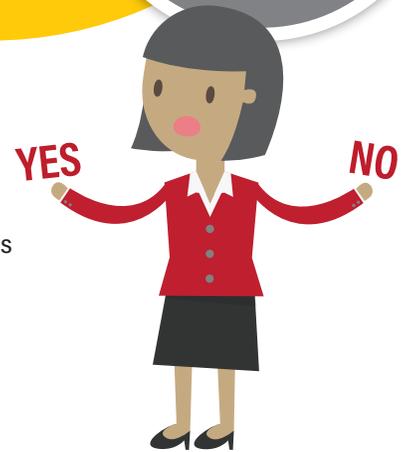
# 5 BEST PRACTICES TO EFFECTIVE COMPENSATION CONVERSATIONS

Are your managers empowered with the insights, skills, and tools they need to make pay decisions and have compensation conversations with their employees? Would your managers like to feel more in-control, and your employees feel more valued? Here's what you can do to make managers the champions of your employee compensation program.

**70%**  
of employees believe salary transparency is good for employee satisfaction  
(Glassdoor)

## 1 IMPROVE COMPENSATION PROGRAM LITERACY

- ▶ Train managers on the basic, objective components of your program, like calculating base pay or bonuses)
- ▶ Provide managers with guidance on handling more subjective areas, such as evaluating employees' soft skills
- ▶ Develop a strong compensation communications strategy that educates employees on compensation and performance topics throughout the year



## 2 EMPOWER MANAGERS TO OWN COMPENSATION DECISIONS

- ▶ Provide managers with tactical guidance on allocating budgets to get managers comfortable with determining pay actions
- ▶ Prepare them to anticipate questions, respond to push-back, and even turn a negative conversation into one that's constructive
- ▶ Share examples of how to apply your company's compensation framework to scenarios they're likely to encounter

**24%**  
of employees only think their manager is effective at communicating pay  
(CEB)

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## IMPROVE EMPLOYEE PAY PERCEPTIONS

- ▶ Educate managers on how to explain your company's compensation philosophy and the connection between the employee and their role in advancing the company's mission
- ▶ Prepare managers to articulate that pay is just one part of the total compensation package, which could include benefits, equity, bonuses, health insurance, paid vacation days, etc.



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## MAKE THE CULTURE CONNECTION

- ▶ Help managers understand how company culture ties to your compensation program
- ▶ Educate managers on they should talk about pay especially if your program recognizes people for how their contributions support your company culture

**47%**  
of top performing companies embraced compensation transparency  
(PayScale)



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## ARM MANAGERS WITH EFFECTIVE COMMUNICATIONS TOOLS

- ▶ Educate managers in the most simplistic way possible so they can easily digest the information
- ▶ Simplify and present information via video, mobile, and interactive communications that is available anytime anywhere
- ▶ Customize information to your company voice and brand to help create an emotional bond and sense of identification with your company