

Pearl Meyer

# Quick Poll: Workplace Policies and Pay Transparency

Executive Summary

December 2024

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# Introduction

Post-pandemic, workforce dynamics continue to impact an organization's strategic direction and ability to execute. Two significant factors in this ongoing relationship shift between employees and employers are workplace policies (e.g., work-from-anywhere and return-to-office) and pay transparency.

Via a short quick poll, conducted in November 2024, we sought fresh data on how organizations are approaching both issues going into the new year. The data presented here represents input from 301 respondents, including 117 publicly traded; 129 private, for-profit; and 55 private, not-for profit or mission-based organizations.

While policies around returning to the office and pay disclosure appear to be well defined, the impact of these policies on the workforce is mixed. Continued communication, education, and training for managers and employees will be important for the overall morale of the organization and effectiveness of the policies themselves.

**Please feel free to contact us with any questions.**

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# Key Highlights



## Workplace Policies

- + As organizations begin to refine their return-to-office policies, Pearl Meyer's survey results found that 65% of organizations do not allow their employees to choose the number of days per week they spend in a physical location.
- + More than 60% require the majority, if not all, of employees to be in office at least two days per week, but 50% of participants do not require employees to be in office five days a week.
- + Results are mixed on the impact returning to the office has had on employee morale. 37% of organizations report improved employee morale while 42% report diminished employee morale.
- + Many organizations are unsure as to the impact return-to-office policies have had on employee recruitment and retention. 67% report no impact on executive recruitment.



## Pay Transparency

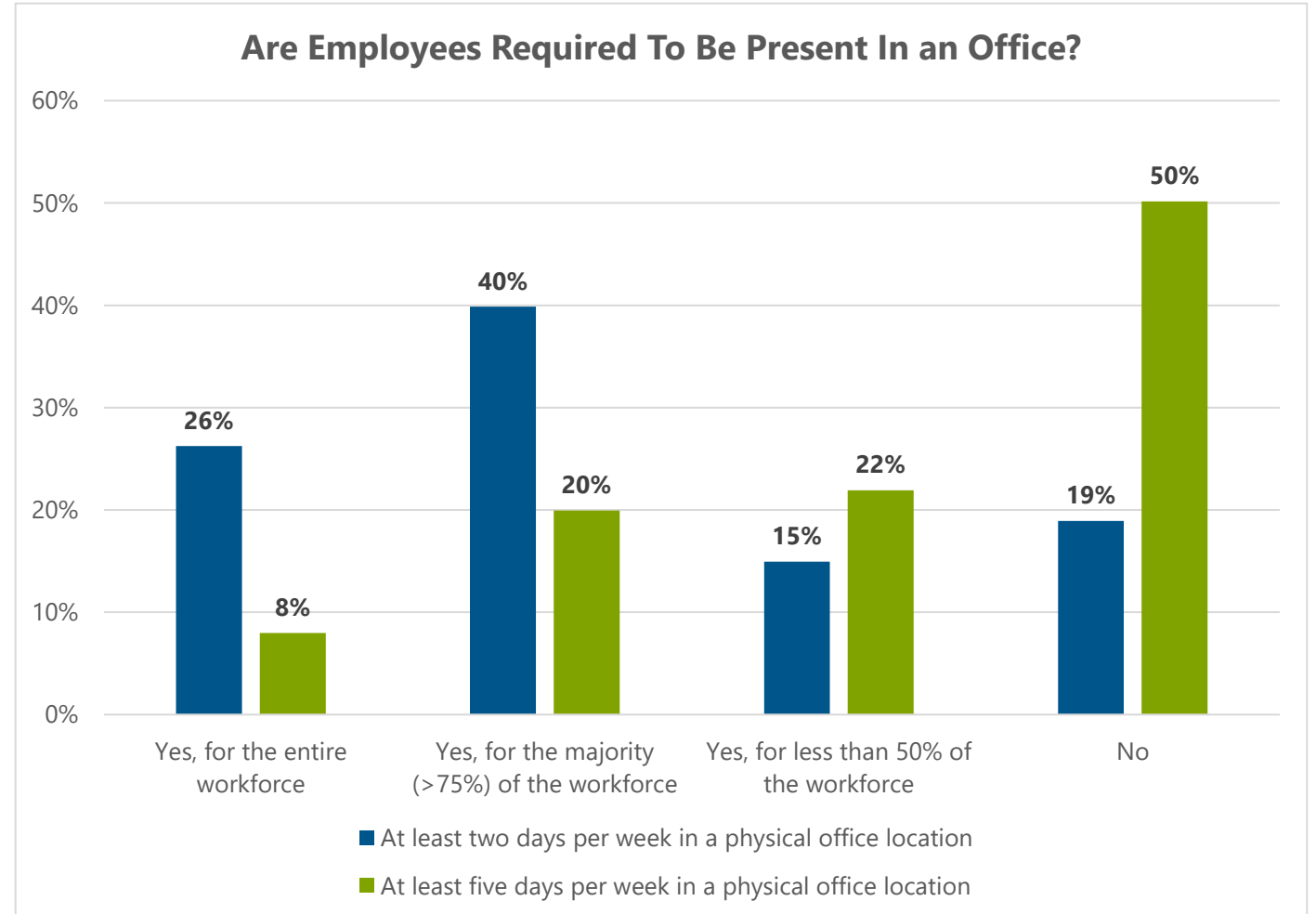
- + While 44% of organizations surveyed publish ranges in order to comply with state or local legislation, another 24% do so because it is part of their compensation philosophy.
- + 42% reported that a benefit of pay transparency is that it promotes better awareness and understanding among managers of the organization's approach to compensation.
- + Conversely, the challenges around pay transparency are centered around ensuring a balance between competitive pay ranges and internal equity, and communicating and training managers and employees on how pay for employees is positioned within a range.
- + While 39% of participants do not publish pay ranges due to closely managing communications, about 60% have concerns with their managers' preparedness to handle communications and with outdated or no compensation systems/structure in place.

# Workplace Policies Data



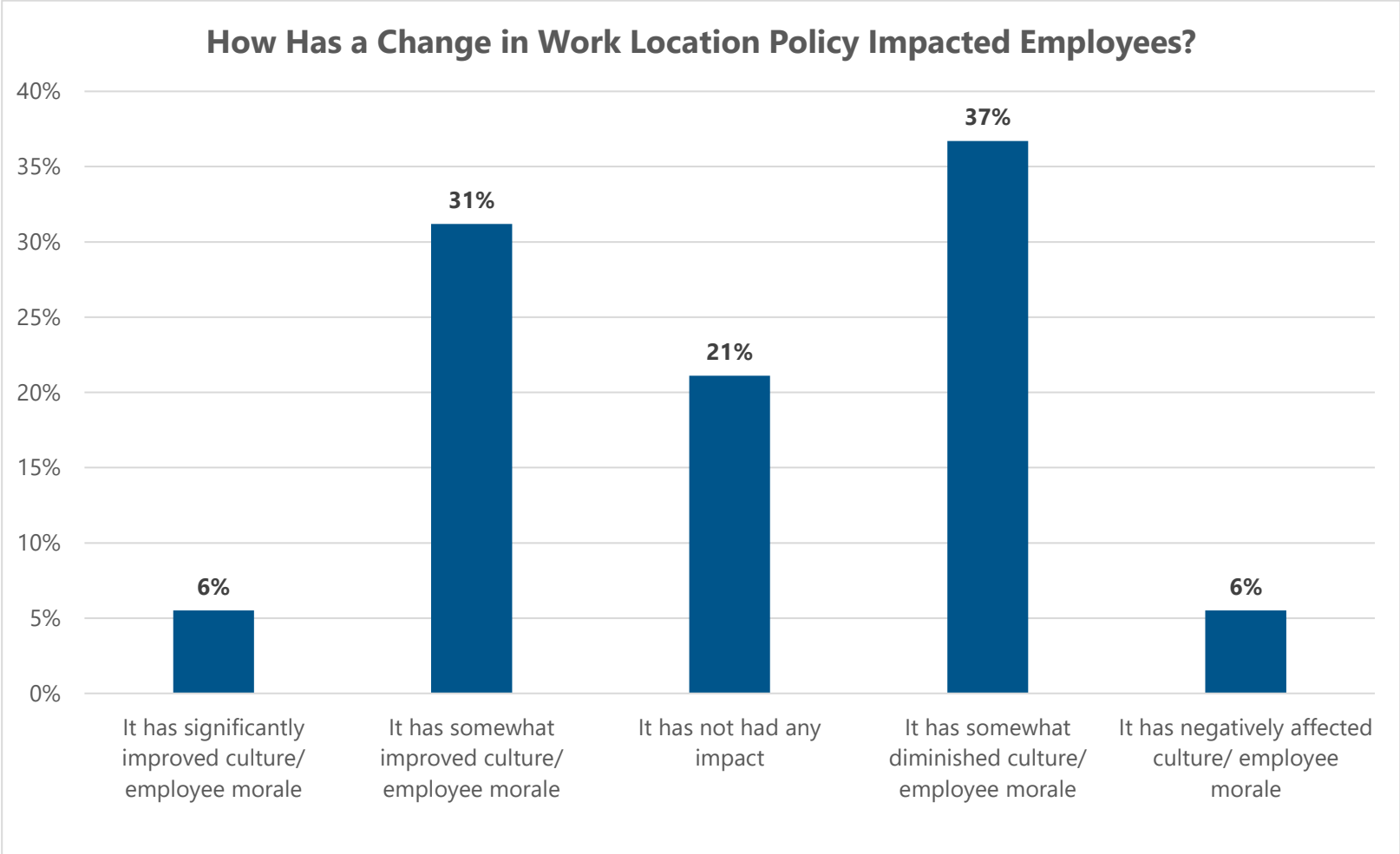
# Return-To-Office Requirements

- + 65% of participants do not allow employees to choose the number of days per week they spend in a physical location versus remote work, which suggests that most organizations have defined return-to-office policies.
- + For those organizations that have policies in place, more than half of participants (66%) require at least two days per week in office for more than 75% of the workforce.
- + Only 19% do not require employees to be in-office for at least two days.
- + Being present five days per week in-office is less common. 50% do not require employees to be in office at least five days a week.



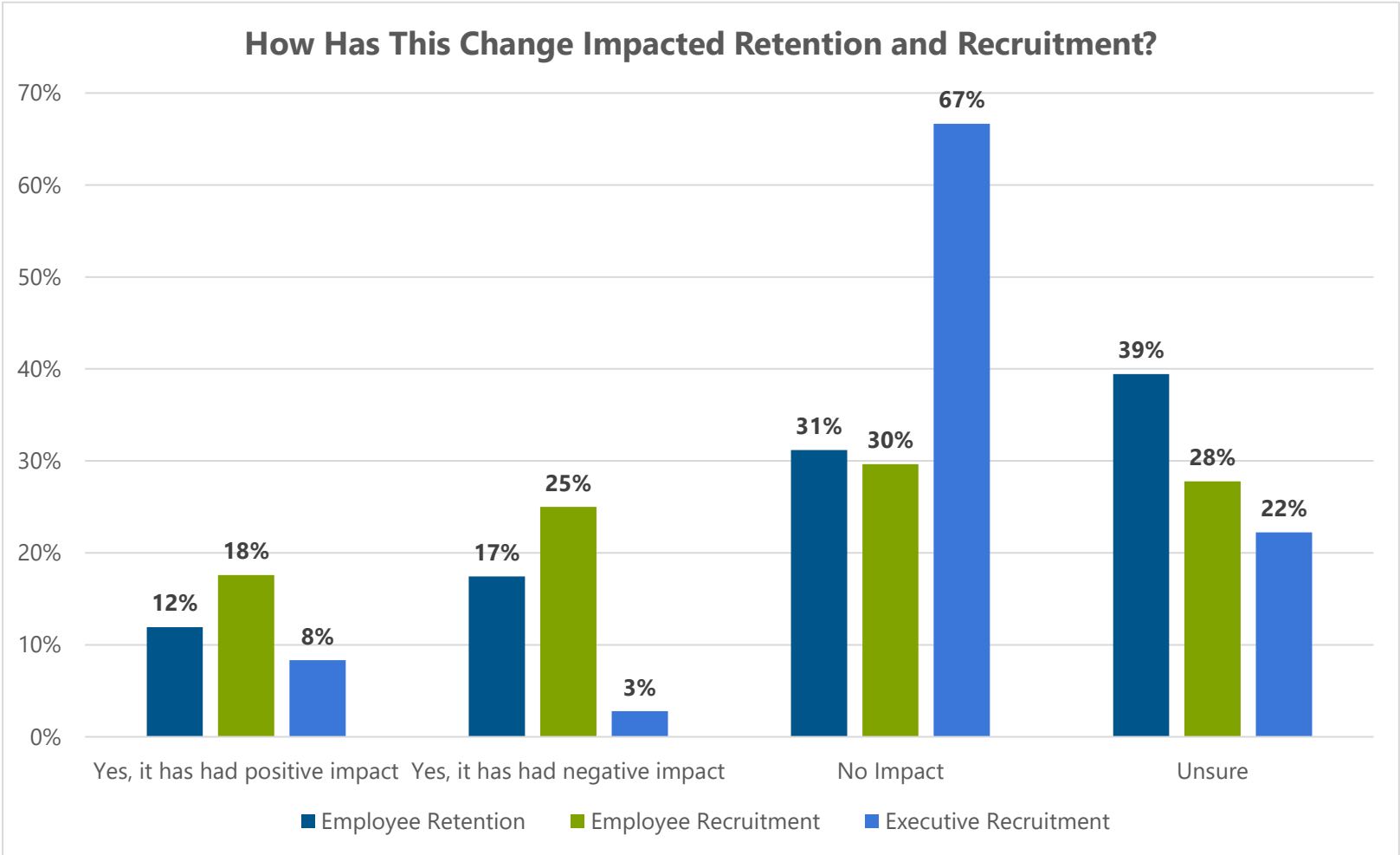
# The Impact of a Change in Work Location Policy

- + 63% of participants have not made significant changes to their work location policy within the last two years (January 2023 to present).
- + For those organizations that have made changes, the results are mixed on how this has impacted employee morale. 37% report having improved culture/employee morale.
- + 42% report the impact having diminished employee culture/morale.
- + Only 21% report that return to office has had little to no impact on employee morale.



# Impact on Retention and Recruitment

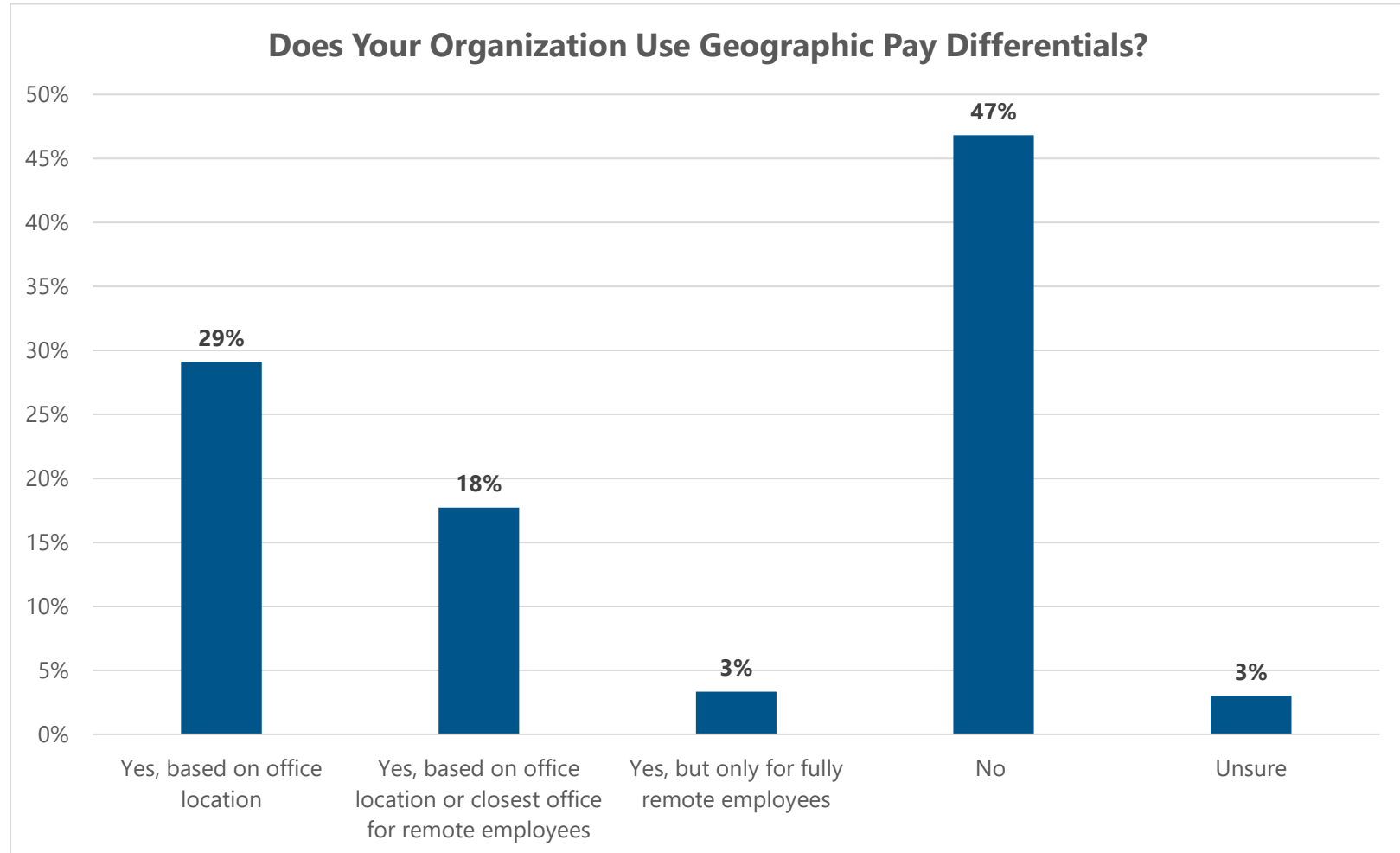
- + Similar to employee culture/morale, the results are mixed on the impact to retention and recruitment.
- + The results are almost equally split on employee retention: about one-third report some impact whether positive or negative, one-third report no impact, and just over one-third are unsure.
- + Less than half (43%) report some impact whether positive or negative on employee recruitment, and 30% report no impact.
- + 67% report no impact on executive recruitment. This is not surprising given the mobility and market for executive talent.





# Use Of Geographic Pay Differentials

- + The results are almost equally split between those organizations that do and do not use geographic pay differentials.
- + Surprisingly, 47% of organizations do not use geographic pay differentials.
- + Nearly one-half (47%) apply geographic differentials based on office location or closest office for remote employees.
- + Only 3% use geographic differentials for fully remote employees.

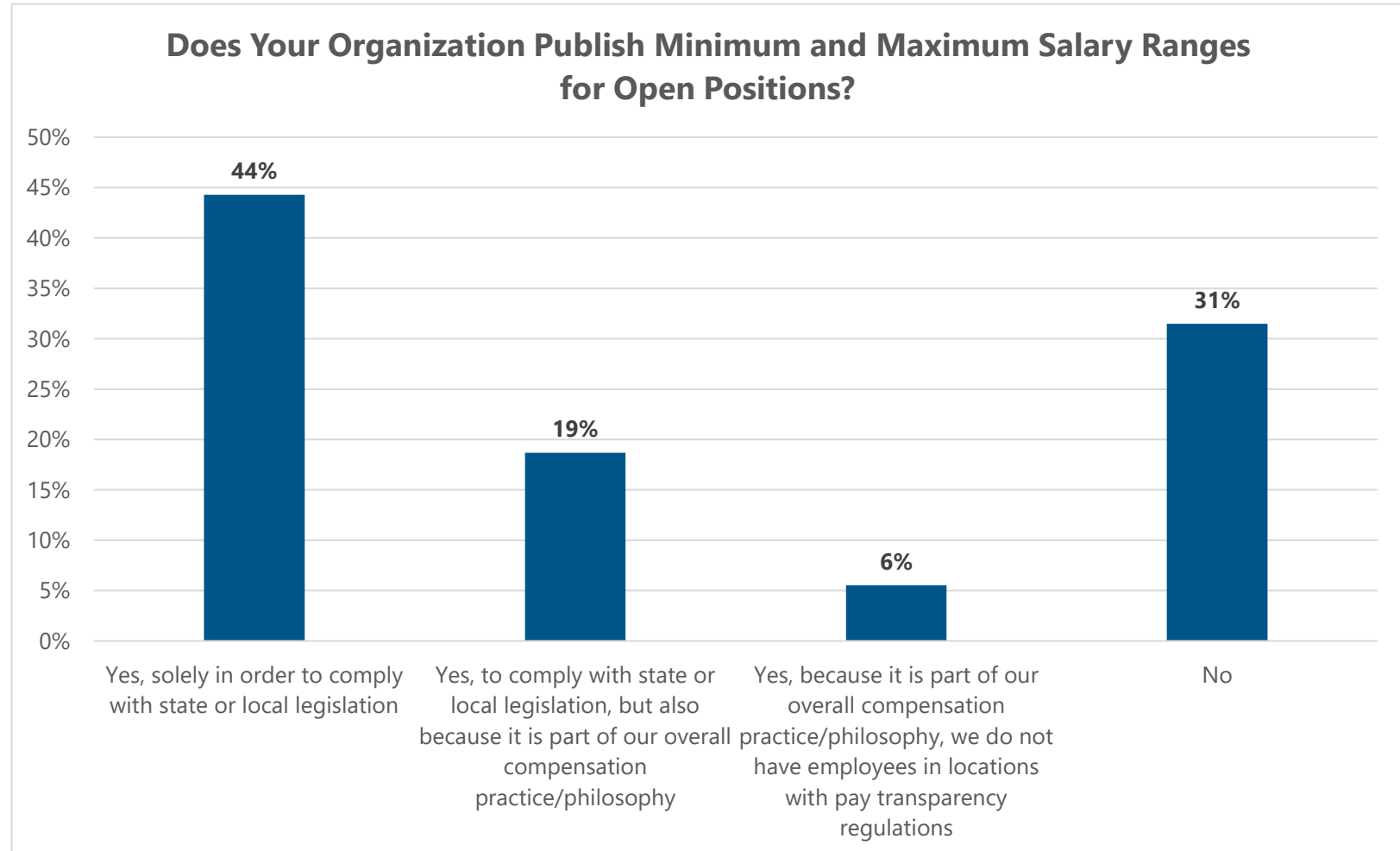


# Pay Transparency Data



# Prevalence of Publishing Minimum and Maximum Salary Ranges

- + 69% of organizations disclose pay ranges either due to compliance with legislation or because it is a part of their compensation philosophy.
- + Less than half (44%) of organizations publish pay ranges solely to comply with state or local regulations.
- + But 25% do so because it is part of their overall compensation philosophy, and not just because they must comply with legislation.



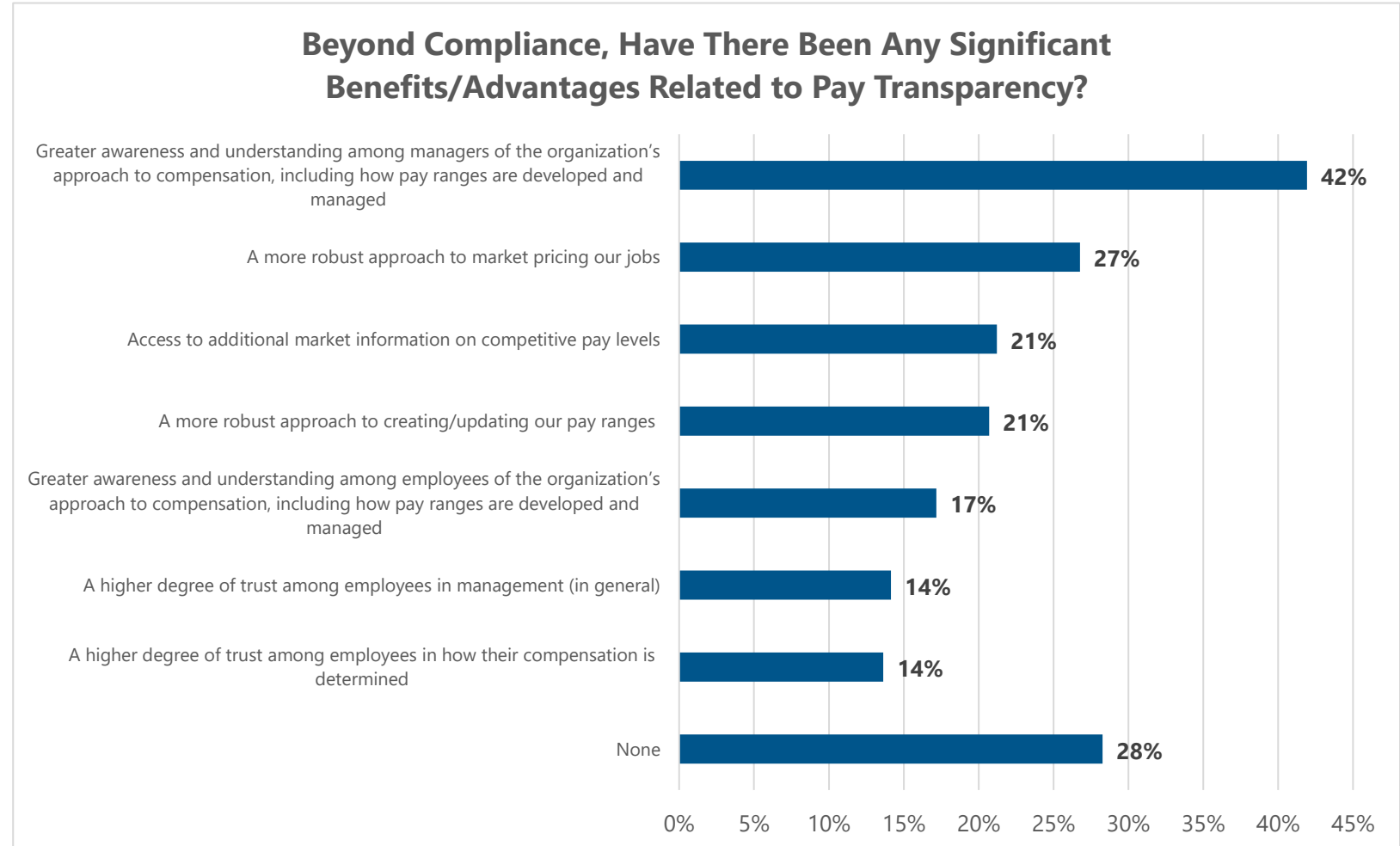
# Pay Transparency-Related Actions Taken

- + In response to compliance with pay transparency legislation, many organizations have focused on ensuring employees are paid competitively with 49% or more updating market data, updating pay ranges, or conducting an equity analysis.
- + Around one-fourth have focused efforts on communications, training managers and/or employees, or designing/updating their job architecture.
- + The relative lack of emphasis on communications and training may have been impacted by aggressive timeframes to comply with legislation.



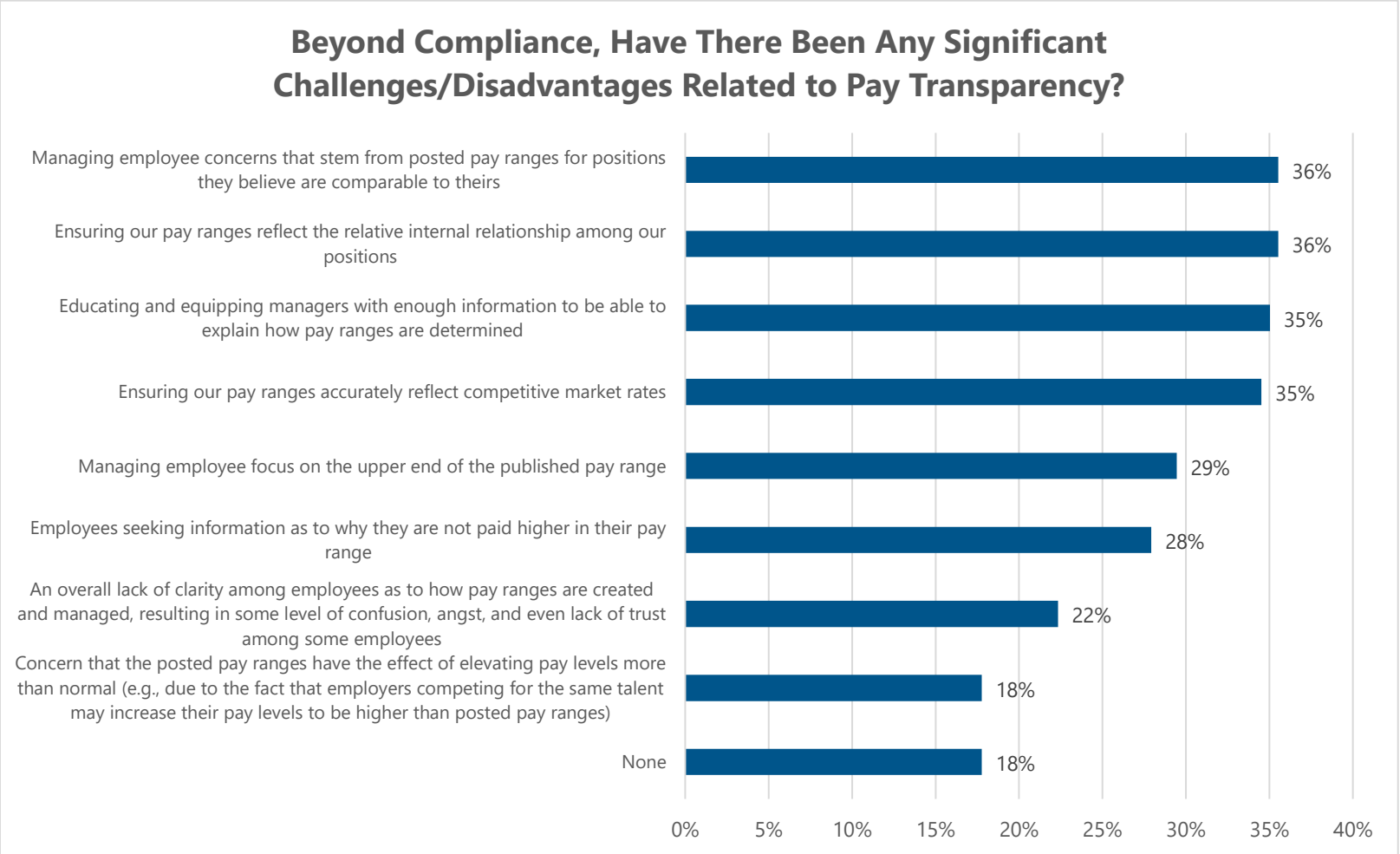
# Benefits/Advantages Related to Pay Transparency

- + 42% report the main benefit of pay transparency has been the understanding and awareness among managers of the organization's approach to compensation.
- + Over 20% report an improved approach to accessing and using market data.
- + However, less than 20% report a greater awareness among employees of the organization's approach to compensation, or a higher degree of trust in management or how their compensation is determined.
  - More emphasis on communications and education could help improve these benefits.



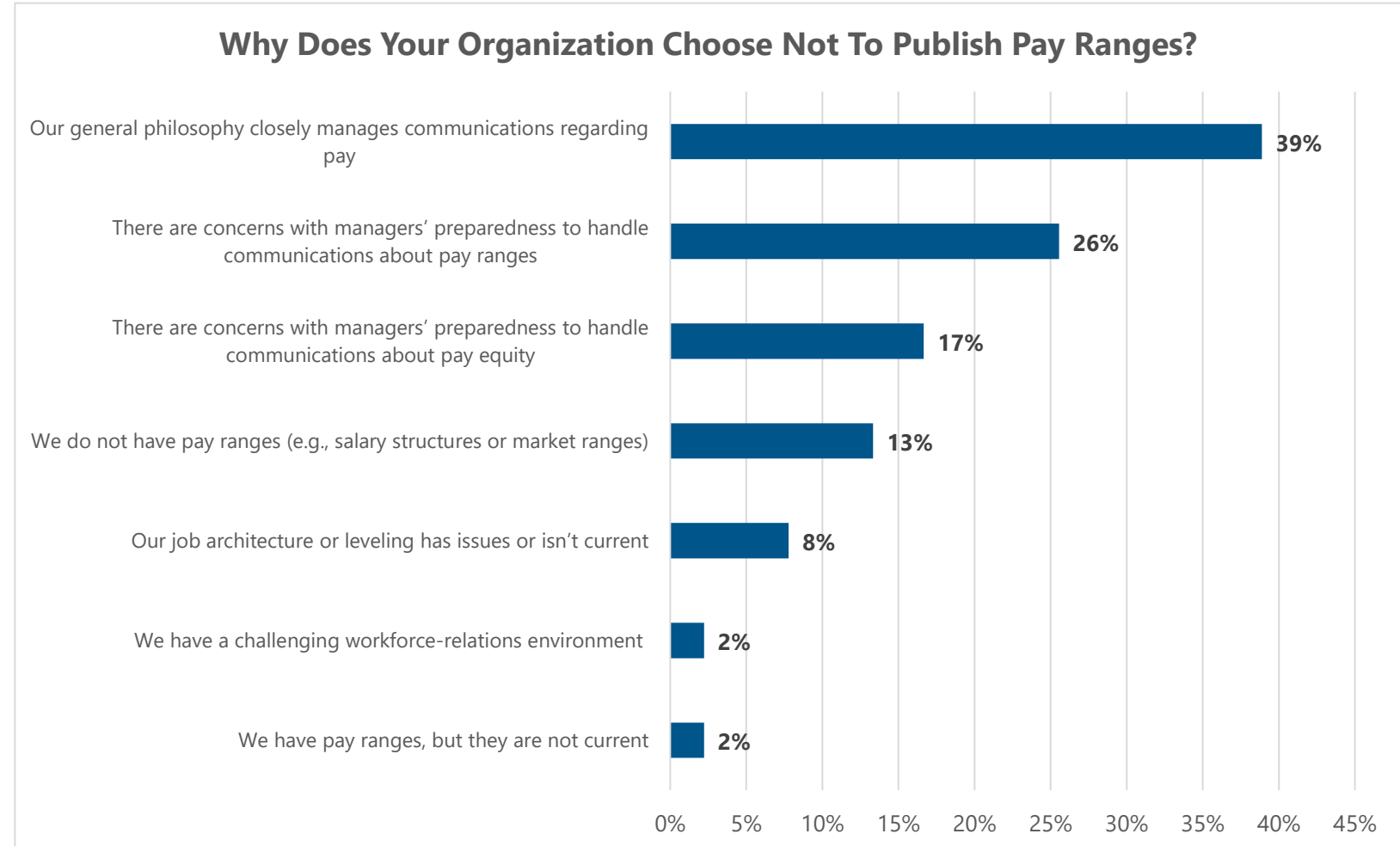
# Challenges/Disadvantages Related to Pay Transparency

- + Around 35% of organizations are challenged with managing employee concerns and equipping managers with proper information.
- + Around 35% have concerns with ensuring pay ranges reflect the competitive market but also ensure they reflect relative internal relationships.
- + Fewer organizations (18%) are concerned that posted pay ranges would have the effect of elevating pay levels more than normal.



# Reasons For Not Publishing Pay Ranges

- + Not surprisingly, 39% report a general philosophy of closely managing communications regarding pay as the main reason for not disclosing pay ranges.
  - Historically, this has been the reason why many organizations have not disclosed pay ranges.
- + While 26% report concerns with managers' preparedness to handle communications around pay ranges, only 17% report concerns about their preparedness to handle questions around pay equity.
- + Less than 15% report concerns around not having, or having an outdated, job architecture or compensation program in place.



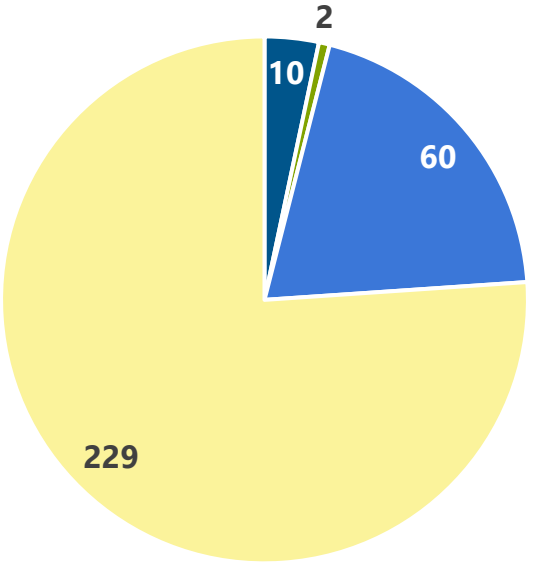
# Demographics





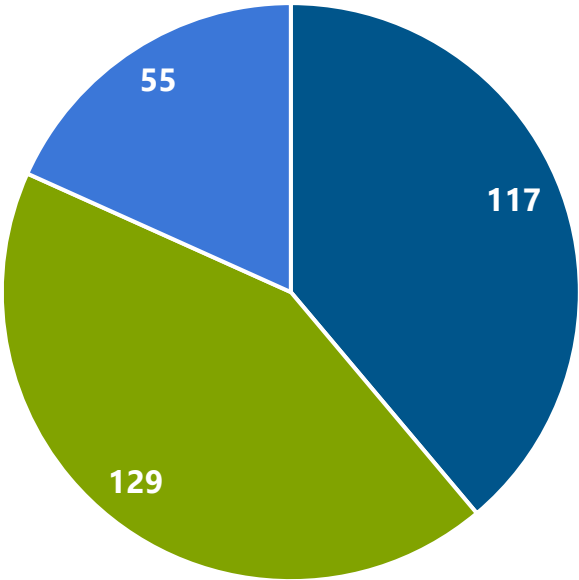
# Demographics

Respondent Role



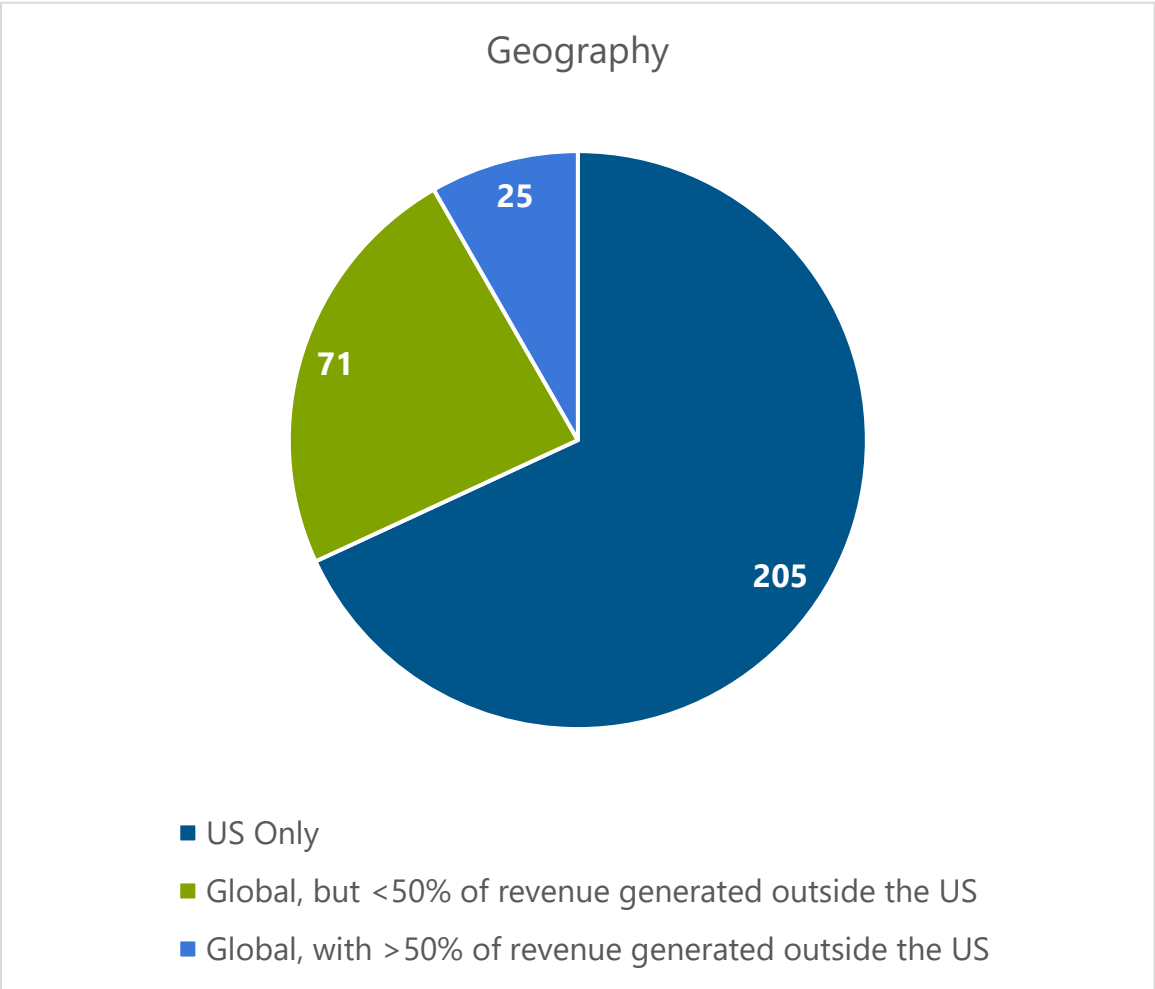
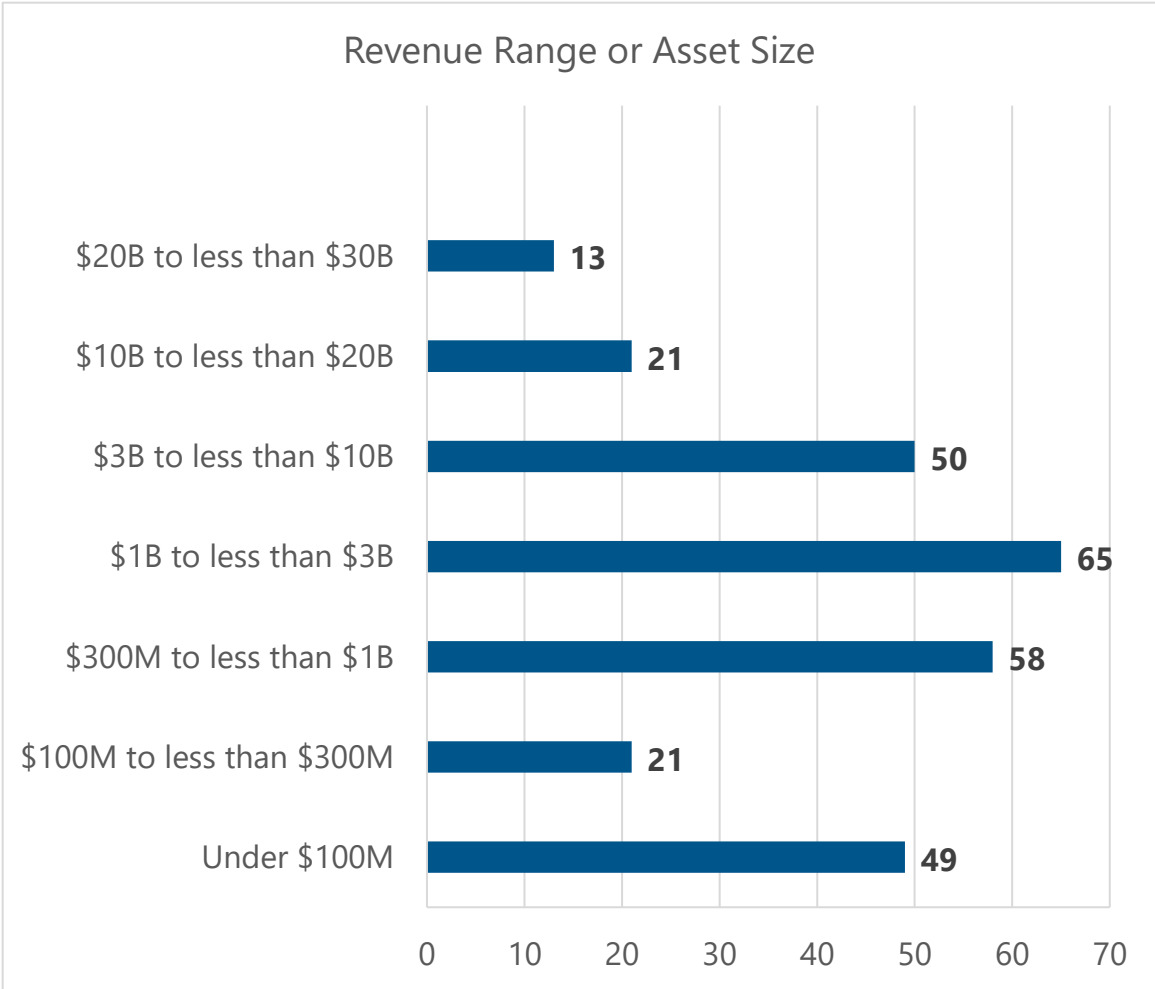
- Compensation Committee Member
- Other Board Member
- Employee - C-Suite
- Employee - HR

Organization Ownership



- Publicly Traded
- Private, For-Profit
- Private, Not-for-Profit/Mission-Based

# Demographics



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**Thank You**

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