

In the war for talent, pay is still an important retainer for your best people as well as being one of the main lures for new recruits. Quite often, we will happily discuss our wider remuneration package - whether our gym membership is subsidised, if childcare vouchers are offered and if private healthcare is provided by an employer. Yet the subject of salary is a taboo one, shrouded in mystery and an unlikely topic for the 'water cooler' gossip.

However, there are differing cultural views on salary. In the US, there is a growing trend for young professionals to be more transparent about their earnings. Collectively, this enables them to understand their market worth and so negotiate better pay deals.

More recently, the Italian government published every Italian's declared salary and tax contributions on the web. The website was inundated with those curious to know what their neighbours were earning. Yet the website was eventually disabled amid widespread outrage. Suggesting Italians, at least, were not as open as the government believed them to be.

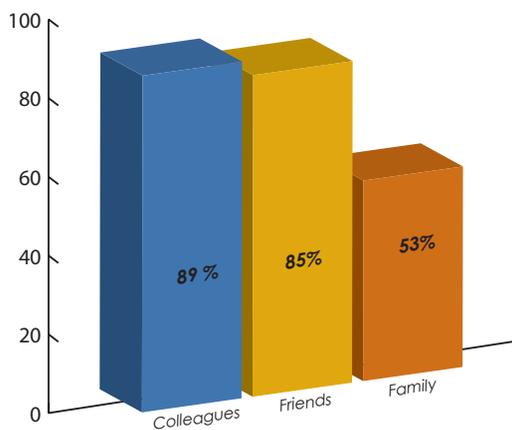
New research commissioned by Ceridian, one of the largest providers of human resource services in the world, explored the views of UK employees on salary disclosure and pay rises. Are we likely to follow the trend and be as open about salary as our American cousins or do we exhibit the traditional British reserve we are so famous for?

The survey, conducted by independent research agency Lightspeed, interviewed over 1,000 people in permanent employment in the UK. Responses were collected over a two week period in June 2008. The sample included a cross section of ages, salaries and industries.

## Key Conclusions - Sharing salary details

### People are reluctant to share their salary details

This graph illustrates the % of people who do not share their salary details with colleagues, friends and family



Not shown on the graph - 27% of people won't share their details with anybody.

The first question in our survey looked at who respondents would be least likely to share their salary details with.

Perhaps unsurprisingly, 89% of people were reluctant to share their details with colleagues with a similar number, 85%, also avoiding the conversation with their friends.

However, more shockingly, 53% of our sample wouldn't discuss their salary with their family.

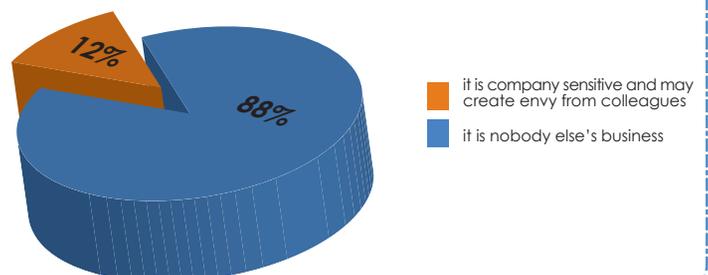
Interestingly, 27% of our sample wouldn't share their salary details with anyone.

Of these, 12% wouldn't discuss it because of loyalty to the company.

Specifically, it was viewed as company sensitive information that may create envy from colleagues.

### People are reluctant to share their salary details

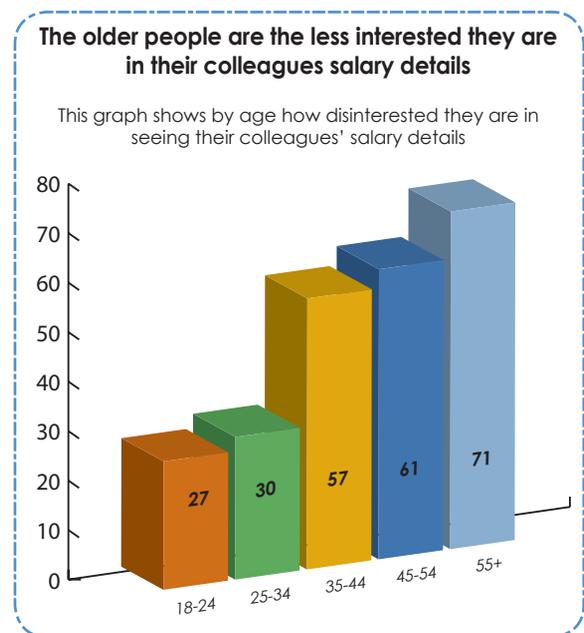
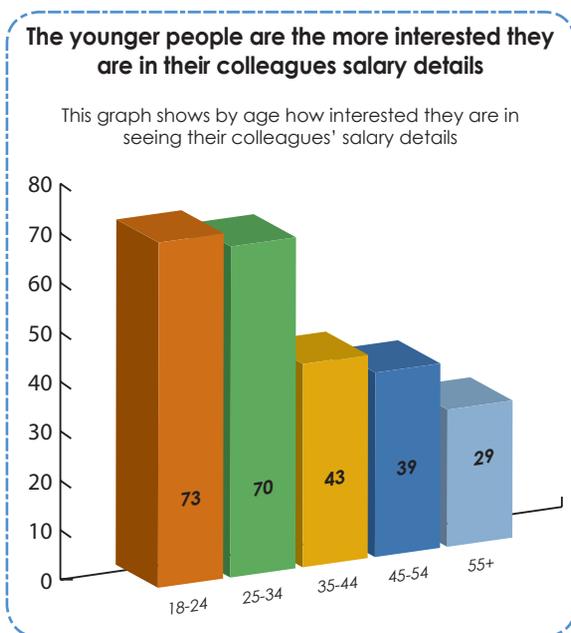
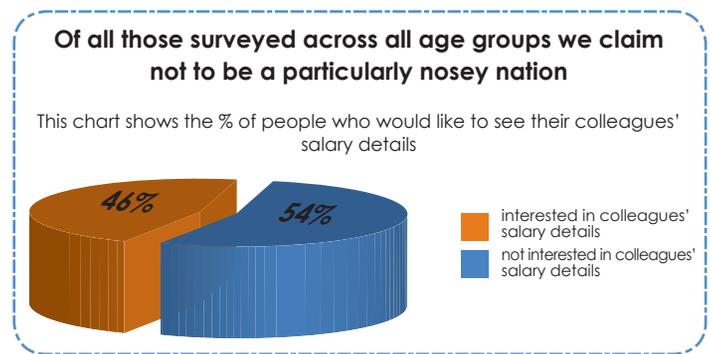
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## Key Conclusions – Interest in others salary details

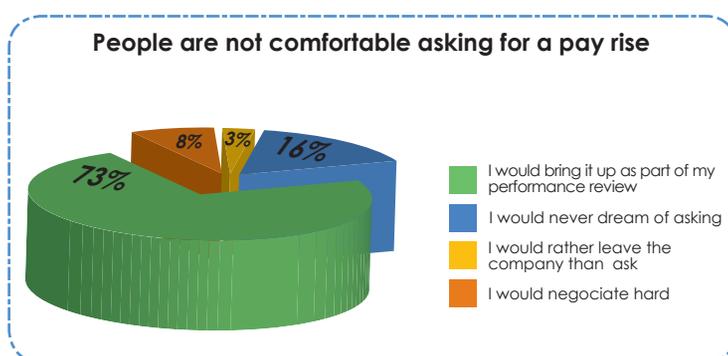
The survey results suggest a general unwillingness to discuss salary information. However, when it came to knowing what other people earn the majority of our sample claimed not to be 'nosy' with 54% saying they were not interested in their colleagues salary details.

Our research did indicate clear age differences, with 73% of 18-24 year olds stating they would be interested to know what their colleagues were earning compared to only 29% of people aged 55 and over.



## Key Conclusions – Pay discussions with line managers

Our sample were asked how comfortable they felt asking for a pay rise. Performance reviews were the most likely place for this discussion to be raised, with the majority (75%) opting to broach the subject at this time.



Worryingly, 1 in 33 people would rather leave the company than ask for a pay rise with 1 in 6 admitting they would never dream of asking.

To put this in real terms, 3% of the UK working population equates to 886,200<sup>1</sup> employees. Taking into consideration the labour costs incurred through the recruitment process, the average cost of filling a vacancy is estimated at £5,800<sup>2</sup>. Therefore, unnecessary leavers may be costing British organisations up to £5.14 billion in needless recruitment costs.

1. Taken from the Office for National Statistics, Economic and Labour Market Review June 2008 edition who put the UK's total employment at 29.54 million

2. The CIPD's recruitment, retention and turnover annual report 2008, states that the average recruitment cost of filling a vacancy per employee is £4,667, increasing to £5,800 when organisations are also calculating the associated labour turnover costs.

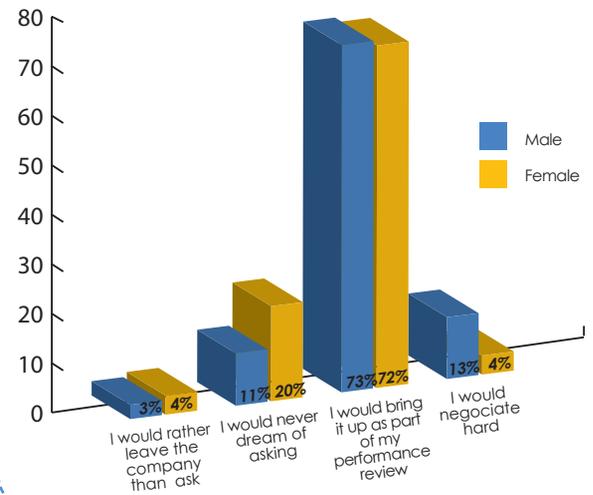
### Key Conclusions – Gender difference when asking for pay increases

Gender differences were apparent when asking for a pay rise. Whilst the majority of those surveyed would use their performance review to discuss an increase in salary, 20% of women admitted they would never dream of asking for a pay rise.

This was almost double the amount of men (11%). Of our sample, 8.2% claim to negotiate hard, three quarters of which were men.

#### Men are more likely to negotiate hard than women

8.2% claim to negotiate salary increases hard – ¾ of which are men



### Key Conclusions – Feelings on salary disclosure without permission

Nearly 70% of our sample reported they would not be happy or would not tolerate having their salary details published. Interestingly, only 31% would be happy to share their details. Compare this to the earlier question where 46% of our sample stated they would be interested to know their colleagues salary details and it's clear to see some disparity, with some respondents happy to know what others are earning, without divulging their own information.

#### We are not happy about having our salary details disclosed

