

LIBERTY HIVE

A Guide to Salary Transparency



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Welcome

Hello,

This booklet introduces Liberty Hive's new inclusion proposition: to accelerate the pace of change by standing for salary transparency.

Within these pages, we will unpack:

- What do we mean when we say we stand for salary transparency at Liberty Hive?
- Why are we standing for salary transparency?
- How does salary transparency benefit both employers and candidates?
- What steps can you take towards salary transparency, and how can we support?

We hope you find this content insightful and helpful – if there's anything you'd like to discuss in more detail, we would love to catch up with you - please book a call with us by clicking this [link](#).

Laura and Kate

Laura Braithwaite & Kate Merritt
Co-Founders, Liberty Hive



Our manifesto

At Liberty Hive, we value freedom.

Because freedom energises people and working communities.

We believe one of the most powerful ways to ignite freedom is by honouring individuality – which is why we partner with forward-thinking companies who are building cultures where people feel they belong.

We know that the recruitment process can be one of the most powerful drivers of inclusion. And it can be one of the greatest blockers.

We are committed to being a part of the solution, not part of the problem, so...

we stand for **#SalaryTransparency**

What do we mean when we say we are standing for salary transparency at Liberty Hive?

- Every role we post will have a salary range guide
- We won't ask our candidates the salary history question
- We will work with our agency partners to share best inclusive recruitment practice
- We will leverage our platform to advocate for change

Why are we standing for salary transparency?

We want to help break the cycle

for those who've been historically underpaid – mainly women and those from under-represented groups. It's time to leave behind processes that uphold inequality and slow the pace of change.

There's a global movement gathering pace

to make salary transparency not only the latest trend, but the law. Countries that have taken this step are reporting hard evidence it works - from 21 states in the US and several EU countries – early research proves gender and ethnicity pay gaps are narrowing (see examples on next page).

We want to be proactive and not reactive – leaders of change!

A salary transparency pilot scheme where participating employers list salary details on job adverts and stop asking about salary history during recruitment was launched by Baroness Stedman-Scott in March 2022. This move indicates that legislation change may also become a reality in the UK.



Examples of legislation to bring greater salary transparency in North America and Europe

Iceland

In 2018, Iceland introduced the first policy in the world that requires companies and institutions with more than 25 employees to prove that they pay men and women equally for a job of equal value. Beginning in 2020, certification became a requirement and companies without certification incur a daily fine.

Norway

Existing salary information must be available upon request.

Denmark

A research study found the pay transparency legislation closed the gender pay gap by 13%.

Canada

The federal government passed the Pay Equity Act in December 2018, and new figures show that the pay gap between men and women working in the health and care sector has almost halved over the last decade.

USA

21 states have legislated to ban employers from asking about salary history. Direct side-by-side comparisons of these states with their neighbours over three years revealed that the move resulted in an average 8% pay increase for women and a 13% pay increase for Black employees. Turnover rates stayed the same, suggesting that organisations can still hire suitable candidates as efficiently as they could previously.

Latvia

A law enacted in 2019 makes it mandatory to post expected salaries on all job adverts.

Germany

Legislation has been introduced to advertise a salary band with every role; this allows companies to keep actual salaries confidential whilst still being transparent.

How does salary transparency benefit employers and candidates?

Benefits for employers

The application process, screening, and interviews are a significant investment of time and energy for both employers and candidates. Candidates need to know if the role is financially viable for them upfront. Employers need to know if the candidate is a real possibility – as early in the process as possible.

- Candidates view salary transparency as the #1 indicator of an employer's long-term potential
- 75% of candidates would be more likely to apply for a role that included a salary range
- 62% of candidates believe they should not be asked about their current or past salary in an interview – this figure increases to 73% amongst Asian workers and 75% for Black workers
- 57% of women and 54% of men felt less positive about a potential employer when they asked the salary history question

Liberty Hive Statistics

When salaries are displayed, the response time is over 50% quicker

Job applications with salaries have 67% more successful applicants

Since we introduced our new salary bands on the Liberty Hive Platform over 65% of our clients openly post compensation

Jobs posted without any indication of compensation makes the matching process 45% less effective as it results in a greater variation in experience of applicants

How does salary transparency benefit employers and candidates?

Benefits for candidates

People sometimes carry inequitable salaries throughout their career for various reasons: they might be from an under-represented group (that has historically been underpaid), or have taken time out to care for family, had extended time off for mental or physical health – or perhaps they simply started in a lower paid role, were promoted into a more senior position yet only achieved incremental yearly increases, rather than being compensated for the role they deliver now. Salary transparency can help to break this cycle.

80%

of candidates feel uncomfortable or extremely uncomfortable when prospective employers ask questions about their current salary (The Fawcett Society).

61%

of women say that the salary history question impacts their confidence to negotiate and...

53%

of men feel their confidence is impacted (The Fawcett Society)

58%

of women say they felt they had received a lower salary offer than they would have if the question had not been asked during the application process (growthbusiness.co.uk)

90.5%

of candidates say that salary history questions are an unfair way to determine someone's salary (The Fawcett Society)

What steps can you take towards salary transparency?

Go at the pace that's right for your business

You don't have to go all in as a first step – there's no need to publish every salary and display them on the noticeboard! Partial transparency works well for many companies: you share the salary range on all job ads and remove the salary history question from your interview process. The exact salary can then be determined during the hiring process and influenced by factors such as the candidate's experience.

Keep your salary range information for potential candidates' eyes only

We know that one of our clients' greatest concerns with sharing salary ranges is the war for talent between media companies. Posting your salary range publicly might mean that your competitors also benefit from this information. In situations where you're bidding for the same top candidate, this can put the competitor in a stronger negotiation position. For this reason, at Liberty Hive, we will only share your salary range information with candidates – it's not available to view for other media businesses.

Get on the front foot of mandatory reporting and client requests

The next gender pay gap reporting is in March 2023 for all companies over 500 employees. To promote their commitment to equal opportunities, 19% of UK employers have opted to share their ethnicity pay gap data.

If pay scales don't exist in your business – starting as soon as possible with the preparation – such as role levelling and determining rough salary banding, will help you to get on the front foot.

This groundwork can also serve you well by feeding into the internal diversity reporting requirements that so many businesses are now insisting upon to meet targets and commitments set by their holding groups or investors. Within new business RFIs and subsequent pitches, requests for pay gap figures and details of key DE&I initiatives have become the norm. To achieve their supplier-chain sustainability targets – clients are increasingly choosing to only select partner agencies that can demonstrate they have shared DE&I values and commitments

Review your compensation strategy

Salaries determine between 40-60% of a company's expenditure, so it seems like an obvious place to start when costs need to be reduced. But short-term fixes can cause longer-term problems. Moving towards salary transparency is an opportunity to assess your compensation strategy. Consider: what are the key drivers of reward – how are these determined, measured and communicated?

For example, if you describe your compensation approach as a meritocracy, it's important to group employees roughly into pay bands that represent the value they deliver to the business today - rather than their historical pay scale, which may have been accelerated due to other factors (negotiation skills, knowing the right people, starting on a better salary, buy-back deals etc.). This analysis can clarify previous factors that determined salary decisions - and what you might need to do differently moving forward.

Train managers in having these conversations in the recruitment process

When the pressure is on to hire talent quickly, and a manager is experiencing the effect of this challenging recruitment market – it's easy for them to fall into tricky negotiation that leads to over-inflated salary offers. Whilst the candidate in question might exceed the agreed budget – it's essential to determine whether their

expertise and experience also exceed the role specification. Salary transparency encourages businesses to make clear decisions about the tangible value of each role to the business – it prompts them to get clear on the necessary skills, experience and competencies required from the candidate to determine the salary level within the specified range.

Assess your employee branding

Salary is the number one consideration when applying for a role (Glassdoor). However, other essential factors attract the top talent to your organisation. Take time to review your employer brand and how well you communicate this on your website and job portals.

- Does it champion the vibrant culture you've created?
- Is your Employee Value Proposition clear?
- What else are you offering above and beyond salary? For example, have you recently updated your policies (maternity/paternity, menopause support, family leave)?
- How clearly are you communicating your stance on hybrid working? (With 9 out of 10 jobseekers now saying that hybrid working is as important to them as financial benefits – this has never been more essential) ([hrnews.co.uk](https://www.hrnews.co.uk))

Lean into the support Liberty Hive can offer

Salary insights and benchmarking

We know that every role is unique, and agility is essential when identifying and securing the best candidates for each role. Whether you are replacing existing talent or creating a brand-new role - determining the right salary level can be tricky. We can support you with this process in two ways:

- By identifying existing Liberty Hive candidates with the appropriate expertise and experience to help you to build a rationale for a salary range.
- We are introducing new technology to our portal, which will provide us with a broader data set that we can use to provide you with benchmarking for specific roles as needed.

The Liberty Hive Inclusive Recruitment Community

Following the masterclass, you will have the opportunity to join the Liberty Hive Inclusive Recruitment Community. We will meet regularly to share best practice, achievements and challenges whilst empowering the group to collaborate on building solutions – drawing on the expertise of our facilitator.

Masterclass in inclusive recruitment

We will be holding a masterclass on inclusive recruitment, which we will offer to all our clients – this will be held in central London.

This session will provide you with insights, tools and techniques to build greater inclusivity into your recruitment process. We will also take this opportunity to discuss the challenges of salary transparency and share tips and strategies from companies that successfully implemented this approach.

There are a limited number of places available - if you would like to be the first to know when tickets are released, please click [here](#).





"When leaders courageously address the deeper barriers to justice and equity, the effect is powerful: trust and psychological safety increases and inclusion becomes a reality.

Liberty Hive are not only placing inclusion at the heart of their recruitment processes - but also offering the support and resources for other businesses to do the same.

That's truly leading change"

**Rudi Symons, Global Director of Inclusion & Diversity,
AstraZeneca Conscious Leadership,
IPA iList 'game-changer'**

We hope you have found this guide helpful and inspiring. Inclusivity is at the heart of the Liberty Hive community, which is why we are committed to breaking the cycle of inequality in our industry and making salary transparency a goal that we can all work towards.

In the UK, talking about pay has been a taboo subject for too long, but this must change as the global movement continues to drive change for the better. That's why we believe now is the time to challenge ourselves to take steps to a more transparent workplace.

We therefore want to thank you for your support and if there's anything you'd like to discuss in more detail, we would love to catch up with you.

Please book a call with us by clicking this [link](#).

Many thanks,
Kate and Laura

Acknowledgements

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