International Study on Compensation and Pay Transparency Practices

CENTER FOR HUMAN RESOURCE MANAGEMENT (CEHRM)
UNIVERSITY OF LUCERNE
SWITZERLAND
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1 About the study

Relevance

Growing concerns about societal income inequality and about persistent pay gaps between men and women are leading governments and work organizations around the world to turn their attention to workplace compensation practices. To go beyond the basic question: “Are there pay differences among people in organizations?” and to understand and correct unjustifiable and unfair pay differences, it is important to understand both how companies actually pay people and how they communicate about pay.

Different countries have introduced new regulations in 2018 that force organizations to disclose pay information. For example, under the new German Pay Transparency Act, employees in organizations with more than 200 employees have the right to request information about the pay of work colleagues and about the criteria and procedures used in determining pay. Similarly, organizations in the United Kingdom with more than 250 employees have to publish gender pay gap information that will potentially reveal pay inequalities between male and female employees. And going one step further, companies in Iceland are required to demonstrate that they pay female and male employees equally for equal work.

Objective of the study

In this report we contribute in a unique and timely way to this conversation by providing evidence from over 1,500 respondents (mostly senior HR managers) from private, public and non-profit organizations in eight different countries (i.e., Croatia, Germany, Portugal, Slovakia, Switzerland, Turkey, USA and UK).

Our overall goal is to provide an overview of compensation and pay transparency practices and to highlight similarities and differences in these practices among private, public and non-profit-organizations in different countries.

We asked about the prevalence of actual pay practices in organizations (i.e., base pay, pay raise, variable pay and benefits), about the perceived effectiveness of pay systems, and whether organizations had conducted an equal pay analysis. In our surveys, we also collected data on pay transparency practices (i.e., pay process transparency, pay outcome transparency and pay communication transparency) and trends in such pay transparency practices over the last two years.
1 About the study

Ethics approval and confidentiality

The presented study received ethics approval from the Institutional Review Board at Rutgers University (U.S.). All participating HR professionals and their organizations were assured confidentiality.

Data collection

In 2017, the research team conducted surveys in eight countries (i.e. Croatia, Germany, Portugal, Slovakia, Switzerland, Turkey, United Kingdom and United States). Data collection methods differed across countries and are described in detail separately for each country, including the collaboration partner, sample size, response rate and time frame.

Limitations

Sample size as well as the response rate differ across countries and influences the generalizability of the findings. Additionally, for the analysis, data from public, private, mixed, and non-profit organizations were merged and this may confound the results. Therefore, we decided to only display descriptive statistics and not directly compare results from different countries (see Chapter 4).

However, we merged the results from all countries to display the general prevalence of compensation and pay transparency practices, as well as differences in compensation and pay transparency practices among private, public and non-profit-organizations (see Chapter 5).

Future research

The research team is involved in several research projects on pay transparency. Please contact us (alexandra.arnold@unilu.ch) if you would like more information or would be interested in participating.

To cite this report

2 Executive Summary

Definition of pay transparency
• **Pay process transparency** refers to the extent of information that is disclosed to employees on how pay is determined.
• **Pay outcome transparency** refers to the extent of information about actual pay level that is disclosed to employees.
• **Pay communication transparency** refers to the extent to which employees are free to discuss pay (i.e., as opposed to restricting communication about pay).

Pay transparency for different aspects
• Combined results from all countries show that **pay communication transparency is high**: About 60% of companies reported that employees are free to talk about pay-related issues regarding base pay, pay raises and variable pay while 80% said employees are free to talk about benefits.
• However, about one quarter of the organizations has **informal** and about 17% have **formal pay communication restriction policies** for base pay, pay increase and variable pay.
• Overall, combined results from all countries show that **pay process transparency is higher than pay outcome transparency**.

Pay transparency for different pay components
• In general, combined results from all countries show, that organizations are **most transparent when it comes to benefits**, followed by base pay, pay raises and team- or organization-level variable pay.
• Slightly lower **transparency** is observed for **individual-level variable pay**.

Pay transparency for different types of organizations
• Overall, combined results from all countries show, that pay process, pay outcome and pay communication transparency are **highest in public sector organizations**, followed by non-profit organizations. All aspects of pay transparency are **lowest in private sector organizations**.
• **Pay process transparency for variable pay**, however, is **relatively similar** among public, private and non-profit organizations.
2 Executive Summary

Pay transparency trends
- Combined results from all countries show that there is a slight trend towards more pay process and outcome transparency while pay communication transparency remained about the same over the last two years.
- More specifically, about 17% of the organizations increased (about 5% decreased) pay process transparency and about 13% increased (about 3% decreased) pay outcome transparency.

Pay transparency trends for different types of organizations
- Combined results from all countries show, that within the last two years, non-profit-organizations were more likely to increase transparency about how base pay is determined (26%) than private and public sector organizations (15%).
- However, private sector organizations were more likely to increase transparency about how variable pay is determined (≈ 20%) than public sector organizations (≈ 12%) or non-profit-organizations (≈ 13%) within the last two years.
- Moreover, within the last two years, private sector (≈13%) and public sector organizations (≈10%) were more likely to increase transparency about variable pay outcomes than non-profit-organizations (≈5%).

Pay practices: Determination of base pay
- Combined results from all countries show that skills, knowledge and competencies are the most important criteria to determine base pay levels, followed by experience, value of the position determined by job evaluation, market pricing and ability to pay.
- More detailed analyses show that the ability to pay and the market value of the position are less important base pay determination criteria in public sector organizations compared to private sector and non-profit-organizations.

Pay practices: Determination of pay raises
- Overall, to determine pay raises, individual performance is the most important criterion, followed by position in the pay range, skills, knowledge and competency acquisition, team- or organization-level performance, market value of the position, seniority, and general adjustments.
- Detailed analyses show that individual-, team- or organization-level performance are more important pay raise determination criteria in private sector organizations than in public sector and non-profit-organizations.
2 Executive Summary

Pay practices: Use of variable pay and benefits
- Combined results from all countries show that the majority of organizations offer some kind of individual-level variable pay (86%) or benefits (88%) to their employees. However, only about half of the organizations offer team- or organization-level variable pay to their employees.
- On the individual level, bonus (51%), merit pay raises (50%) and awards (50%) are the most frequent variable pay forms while on the team level, team bonus (20%) is the most frequently used form of variable pay.
- In general, private sector organizations are more likely to offer individual-level variable pay (90%) and team- or organization-level pay (55%) than public sector organizations (ind.: 79%; team: 29%) and non-profit organizations (ind.: 73%; team: 25%).

Pay mix
- Overall, base pay represents the largest proportion of the overall pay package for both management (77%) and other employees (86%).
- The proportion of variable pay in the overall pay package is twice the size for management (15%) compared to other employees (7%), while benefits represent about 7% of the overall pay package for management and other employees.
- More detailed analyses show that variable pay represents a higher proportion in private sector organizations (20% for management and 8% for other employees) compared to public sector (7% for management and 4% for other employees) and non-profit organizations (5% for management and 3% for other employees).

Pay effectiveness
- Combined results from all countries show that pay practices are perceived as moderately effective.
- More detailed analyses show that perceived pay effectiveness is slightly higher in private sector organizations than in public sector and non-profit organizations.

Gender equal pay analysis
- Overall, about half of the organizations did not conduct a gender equal pay analysis in the calendar year 2016.
- However, 31% did conduct an internal self-evaluation and 6% had an external evaluation done.
3 About the study authors

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4 Individual country results

4.1 Croatia

4.2 Germany

4.3 Portugal

4.4 Slovakia

4.5 Switzerland

4.6 Turkey

4.7 USA

4.8 UK
4.1 CROATIA
### CROATIA: SAMPLE

#### Data collection

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time frame</td>
<td>Sept – Oct 2017</td>
</tr>
<tr>
<td>Sample size</td>
<td>700 members of HRcentar</td>
</tr>
<tr>
<td>Total number of respondents</td>
<td>30</td>
</tr>
<tr>
<td>Response rate</td>
<td>4.3%</td>
</tr>
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</table>

#### Position of participants

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head HR</td>
<td>42%</td>
</tr>
<tr>
<td>Management</td>
<td>19%</td>
</tr>
<tr>
<td>Division Head / Team Leader</td>
<td>12%</td>
</tr>
<tr>
<td>Consultant</td>
<td>11%</td>
</tr>
<tr>
<td>General HR</td>
<td>8%</td>
</tr>
<tr>
<td>HR Business Partner</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

#### Legal form

<table>
<thead>
<tr>
<th>Form</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector organization</td>
<td>83%</td>
</tr>
<tr>
<td>Public sector organization</td>
<td>7%</td>
</tr>
<tr>
<td>Non-profit-organization</td>
<td>7%</td>
</tr>
<tr>
<td>Mixed organization (public and private sector)</td>
<td>3%</td>
</tr>
</tbody>
</table>

#### Size of organization

<table>
<thead>
<tr>
<th>Size range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 employees</td>
<td>20%</td>
</tr>
<tr>
<td>10 - 249 employees</td>
<td>56%</td>
</tr>
<tr>
<td>250 - 999 employees</td>
<td>17%</td>
</tr>
<tr>
<td>1000 and more employees</td>
<td>7%</td>
</tr>
</tbody>
</table>
RESULTS CROATIA
Pay transparency
(% of respondents)

Pay process transparency
- Base Pay: 45% high, 21% medium, 35% low
- Pay Raises: 55% high, 21% medium, 24% low
- Individual Variable Pay: 36% high, 16% medium, 48% low
- Team Variable Pay: 50% high, 8% medium, 42% low
- Benefits: 75% high, 6% medium, 19% low

Pay outcome transparency
- Base Pay: 42% exact, 21% aggregated, 38% no/minimal
- Pay Raises: 58% exact, 21% aggregated, 21% no/minimal
- Individual Variable Pay: 35% exact, 30% aggregated, 35% no/minimal
- Team Variable Pay: 46% exact, 18% aggregated, 36% no/minimal
- Benefits: 89% exact, 11% aggregated, 0% no/minimal

Pay communication transparency
- Base Pay: 28% no restriction, 24% informal restriction, 48% formal restriction
- Pay Raises: 55% no restriction, 24% informal restriction, 55% formal restriction
- Individual Variable Pay: 48% no restriction, 24% informal restriction, 48% formal restriction
- Team Variable Pay: 58% no restriction, 17% informal restriction, 58% formal restriction
- Benefits: 56% no restriction, 13% informal restriction, 28% formal restriction
RESULTS CROATIA
Trend pay transparency (% of respondents)

Trend over the last two years:
Pay process transparency

- Base Pay
  - Increased: 7%
  - Stayed the same: 11%
  - Decreased: 82%

- Pay Raises
  - Increased: 12%
  - Stayed the same: 20%
  - Decreased: 68%

- Individual Variable Pay
  - Increased: 9%
  - Stayed the same: 22%
  - Decreased: 70%

- Team Variable Pay
  - Increased: 30%
  - Stayed the same: 10%
  - Decreased: 60%

- Benefits
  - Increased: 19%
  - Stayed the same: 6%
  - Decreased: 75%

Trend over the last two years:
Pay outcome transparency

- Base Pay
  - Increased: 11%
  - Stayed the same: 7%
  - Decreased: 82%

- Pay Raises
  - Increased: 15%
  - Stayed the same: 19%
  - Decreased: 65%

- Individual Variable Pay
  - Increased: 9%
  - Stayed the same: 14%
  - Decreased: 77%

- Team Variable Pay
  - Increased: 30%
  - Stayed the same: 10%
  - Decreased: 60%

- Benefits
  - Increased: 14%
  - Stayed the same: 14%
  - Decreased: 86%

Trend over the last two years:
Pay communication transparency

- Base Pay
  - Increased: 12%
  - Stayed the same: 4%
  - Decreased: 85%

- Pay Raises
  - Increased: 8%
  - Stayed the same: 4%
  - Decreased: 89%

- Individual Variable Pay
  - Increased: 4%
  - Stayed the same: 4%
  - Decreased: 91%

- Team Variable Pay
  - Increased: 10%
  - Stayed the same: 10%
  - Decreased: 80%

- Benefits
  - Increased: 7%
  - Stayed the same: 12%
  - Decreased: 87%
RESULTS CROATIA
Pay practices

Importance of different base pay determination criteria*
- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

Use of individual-level variable pay**
(multiple answers allowed)
- No individual variable pay: 10%
- Bonus: 50%
- Merit pay raise: 43%
- Awards: 43%
- Incentive plan: 27%
- Commissions: 13%
- Piece rate pay: 27%

Importance of different pay raise determination criteria*
- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

Use of team- or organization-level variable pay**
(multiple answers allowed)
- No team- or organization-level variable pay: 57%
- Bonus for teams: 20%
- Incentive plan for teams: 10%
- Stock option plans: 3%
- Gain sharing plans: 3%
- Profit sharing plans: 10%
- Risk sharing plans: 0%

Use of benefits**
(multiple answers allowed)
- No benefits: 37%
- Education/training break: 33%
- Extended maternity/paternity/family leave: 7%
- Pension schemes: 7%
- Flexible benefits: 30%
- Private health care schemes: 20%
- Childcare allowances: 3%
- Career break schemes: 3%
- Workplace childcare: 7%
- Life insurance schemes: 7%

* arithmetic mean of responses
** % of respondents
Our pay policies and practices appear to enjoy widespread acceptability among employees.

Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.

Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.

Our pay policies and practices are highly effective.

Pay mix

- Management
  - Base pay: 76%
  - Variable pay: 17%
  - Benefits: 8%

- Other employees
  - Base pay: 85%
  - Variable pay: 11%
  - Benefits: 4%

Pay effectiveness*

- Not at all
- Partly
- To a great extent

- Management
  - Not at all: 24%
  - Partly: 67%
  - To a great extent: 9%

- Other employees
  - Not at all: 15%
  - Partly: 48%
  - To a great extent: 37%

Gender equal pay analysis in calendar year 2016**

- No gender equal pay analysis: 47%
- Internal self-evaluation: 38%
- External evaluation: 0%

* arithmetic mean of responses
** % of respondents
4.2 GERMANY
## GERMANY: SAMPLE

### Collaboration partner

German Association of Human Resource Management

### Position of participants

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Head HR</td>
<td>38%</td>
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<tr>
<td>Compensation Specialist</td>
<td>38%</td>
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<tr>
<td>General HR</td>
<td>8%</td>
</tr>
<tr>
<td>HR Business Partner</td>
<td>8%</td>
</tr>
<tr>
<td>Management</td>
<td>4%</td>
</tr>
<tr>
<td>Division Head / Team Leader</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Legal form

<table>
<thead>
<tr>
<th>Legal form</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector organization</td>
<td>97%</td>
</tr>
<tr>
<td>Public sector organization</td>
<td>3%</td>
</tr>
<tr>
<td>Non-profit-organization</td>
<td>---</td>
</tr>
<tr>
<td>Mixed organization (public and private sector)</td>
<td>---</td>
</tr>
</tbody>
</table>

### Size of organization

<table>
<thead>
<tr>
<th>Size of Organization</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 employees</td>
<td>----</td>
</tr>
<tr>
<td>10 - 249 employees</td>
<td>3%</td>
</tr>
<tr>
<td>250 - 999 employees</td>
<td>23%</td>
</tr>
<tr>
<td>1000 and more employees</td>
<td>74%</td>
</tr>
</tbody>
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### Data collection

<table>
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<tr>
<th>Data collection</th>
<th>Information</th>
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<tr>
<td>Time frame</td>
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<tr>
<td>Sample size</td>
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<td>Total number of respondents</td>
<td>30</td>
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<tr>
<td>Response rate</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
**RESULTS GERMANY**

**Pay transparency**

(% of respondents)

---

**Pay process transparency**

- **Base Pay**
  - High process transparency: 61%
  - Medium process transparency: 32%
  - Low process transparency: 7%

- **Pay Raises**
  - High process transparency: 64%
  - Medium process transparency: 21%
  - Low process transparency: 14%

- **Individual Variable Pay**
  - High process transparency: 46%
  - Medium process transparency: 21%
  - Low process transparency: 32%

- **Team Variable Pay**
  - High process transparency: 77%
  - Medium process transparency: 18%
  - Low process transparency: 6%

- **Benefits**
  - High process transparency: 67%
  - Medium process transparency: 26%
  - Low process transparency: 7%

---

**Pay outcome transparency**

- **Base Pay**
  - Exact individual pay outcome information: 46%
  - Aggregated pay outcome information: 29%
  - No or minimal pay outcome information: 25%

- **Pay Raises**
  - Exact individual pay outcome information: 73%
  - Aggregated pay outcome information: 23%
  - No or minimal pay outcome information: 5%

- **Individual Variable Pay**
  - Exact individual pay outcome information: 42%
  - Aggregated pay outcome information: 25%
  - No or minimal pay outcome information: 33%

- **Team Variable Pay**
  - Exact individual pay outcome information: 57%
  - Aggregated pay outcome information: 29%
  - No or minimal pay outcome information: 14%

- **Benefits**
  - Exact individual pay outcome information: 60%
  - Aggregated pay outcome information: 30%
  - No or minimal pay outcome information: 10%

---

**Pay communication transparency**

- **Base Pay**
  - No communication restriction: 44%
  - Informal communication restriction: 25%
  - Formal communication restriction: 31%

- **Pay Raises**
  - No communication restriction: 46%
  - Informal communication restriction: 38%
  - Formal communication restriction: 17%

- **Individual Variable Pay**
  - No communication restriction: 46%
  - Informal communication restriction: 42%
  - Formal communication restriction: 13%

- **Team Variable Pay**
  - No communication restriction: 67%
  - Informal communication restriction: 27%
  - Formal communication restriction: 7%

- **Benefits**
  - No communication restriction: 64%
  - Informal communication restriction: 27%
  - Formal communication restriction: 9%
## RESULTS GERMANY
Trend pay transparency (% of respondents)

### Trend over the last two years: Pay process transparency

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>7%</td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td>Pay Raises</td>
<td>11%</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>Individual Var Pay</td>
<td>12%</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Team Var Pay</td>
<td>13%</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>12%</td>
<td>88%</td>
<td></td>
</tr>
</tbody>
</table>

### Trend over the last two years: Pay outcome transparency

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>4%</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>Pay Raises</td>
<td>4%</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>Individual Var Pay</td>
<td>8%</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Team Var Pay</td>
<td>13%</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>4%</td>
<td>92%</td>
<td></td>
</tr>
</tbody>
</table>

### Trend over the last two years: Pay communication transparency

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>4%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Pay Raises</td>
<td>4%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Individual Var Pay</td>
<td>8%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Team Var Pay</td>
<td>13%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>4%</td>
<td>96%</td>
<td></td>
</tr>
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</table>
RESULTS GERMANY
Pay practices

Importance of different base pay determination criteria*
- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

Importance of different pay raise determination criteria*
- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

Use of individual-level variable pay** (multiple answers allowed)
- No individual variable pay: 3%
- Bonus: 60%
- Merit pay raise: 47%
- Awards: 50%
- Incentive plan: 37%
- Commissions: 30%
- Piece rate pay: 3%

Use of team- or organization-level variable pay** (multiple answers allowed)
- No team- or organization-level variable pay: 37%
- Bonus for teams: 17%
- Incentive plan for teams: 3%
- Stock option plans: 17%
- Gain sharing plans: 43%
- Profit sharing plans: 17%
- Risk sharing plans: 17%

Use of benefits** (multiple answers allowed)
- No benefits: 0%
- Education/training break: 73%
- Extended maternity/paternity/family leave: 10%
- Pension schemes: 87%
- Flexible benefits: 33%
- Private health care schemes: 37%
- Childcare allowances: 30%
- Career break schemes: 27%
- Workplace childcare: 27%
- Life insurance schemes: 13%

* arithmetic mean of responses
** % of respondents
RESULTS GERMANY
Pay mix, pay effectiveness and gender equal pay analysis

Pay mix

- Management: 72% Base pay, 22% Variable pay, 8% Benefits
- Other employees: 89% Base pay, 8% Variable pay, 3% Benefits

Pay effectiveness*

- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.
- Our pay policies and practices appear to enjoy widespread acceptability among employees.
- Our pay policies and practices are highly effective.

Gender equal pay analysis in calendar year 2016**
(multiple answers allowed)

- No gender equal pay analysis: 37%
- Internal self-evaluation: 33%
- External evaluation: 3%

* arithmetic mean of responses
** % of respondents
4.3 PORTUGAL
## PORTUGAL: SAMPLE

### Collaboration partner
Portuguese Association of People Management

### Data collection
<table>
<thead>
<tr>
<th>Parameter</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time frame</td>
<td>Oct - Nov 2017</td>
</tr>
<tr>
<td>Sample Size</td>
<td>1000 APG Members</td>
</tr>
<tr>
<td>Total number of respondents</td>
<td>65</td>
</tr>
<tr>
<td>Response rate</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

### Position of participants

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head HR</td>
<td>33%</td>
</tr>
<tr>
<td>General HR</td>
<td>17%</td>
</tr>
<tr>
<td>CEO/CFO/COO</td>
<td>12%</td>
</tr>
<tr>
<td>Management</td>
<td>12%</td>
</tr>
<tr>
<td>Division Head / Team Leader</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
</tr>
<tr>
<td>Compensation Specialist</td>
<td>3%</td>
</tr>
<tr>
<td>Consultant</td>
<td>3%</td>
</tr>
<tr>
<td>HR Business Partner</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Legal form

<table>
<thead>
<tr>
<th>Legal form</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Organization</td>
<td>84%</td>
</tr>
<tr>
<td>Public Sector Organization</td>
<td>8%</td>
</tr>
<tr>
<td>Non-Profit-Organization</td>
<td>8%</td>
</tr>
<tr>
<td>Mixed organization (public and private sector)</td>
<td>---</td>
</tr>
</tbody>
</table>

### Size of organization

<table>
<thead>
<tr>
<th>Size of organization</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 employees</td>
<td>17%</td>
</tr>
<tr>
<td>10 - 249 employees</td>
<td>51%</td>
</tr>
<tr>
<td>250 - 999 employees</td>
<td>14%</td>
</tr>
<tr>
<td>1000 and more employees</td>
<td>18%</td>
</tr>
</tbody>
</table>
RESULTS PORTUGAL
Pay transparency
(% of respondents)

Pay process transparency

- Base Pay: 54%
- Pay Raises: 46%
- Individual Variable Pay: 50%
- Team Variable Pay: 52%
- Benefits: 62%

Pay outcome transparency

- Base Pay: 36%
- Pay Raises: 41%
- Individual Variable Pay: 38%
- Team Variable Pay: 47%
- Benefits: 41%

Pay communication transparency

- Base Pay: 66%
- Pay Raises: 68%
- Individual Variable Pay: 56%
- Team Variable Pay: 65%
- Benefits: 81%

Graphs show the percentage of respondents with different levels of transparency for base pay, pay raises, individual and team variable pay, and benefits.
RESULTS PORTUGAL
Trend pay transparency
(% of respondents)

Trend over last two years:
Pay process transparency

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>20%</td>
<td>12%</td>
<td>69%</td>
</tr>
<tr>
<td>Pay Raises</td>
<td>25%</td>
<td>15%</td>
<td>61%</td>
</tr>
<tr>
<td>Individual Variable Pay</td>
<td>23%</td>
<td>13%</td>
<td>64%</td>
</tr>
<tr>
<td>Team Variable Pay</td>
<td>20%</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td>Benefits</td>
<td>25%</td>
<td>5%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Trend over the last two years:
Pay outcome transparency

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>12%</td>
<td>12%</td>
<td>77%</td>
</tr>
<tr>
<td>Pay Raises</td>
<td>12%</td>
<td>12%</td>
<td>77%</td>
</tr>
<tr>
<td>Individual Variable Pay</td>
<td>15%</td>
<td>5%</td>
<td>80%</td>
</tr>
<tr>
<td>Team Variable Pay</td>
<td>14%</td>
<td>14%</td>
<td>71%</td>
</tr>
<tr>
<td>Benefits</td>
<td>10%</td>
<td>5%</td>
<td>86%</td>
</tr>
</tbody>
</table>

Trend over the last two years:
Pay communication transparency

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>10%</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Pay Raises</td>
<td>10%</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Individual Variable Pay</td>
<td>8%</td>
<td>5%</td>
<td>92%</td>
</tr>
<tr>
<td>Team Variable Pay</td>
<td>14%</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Benefits</td>
<td>7%</td>
<td>7%</td>
<td>93%</td>
</tr>
</tbody>
</table>
RESULTS PORTUGAL
Pay practices

Importance of different base pay determination criteria*

- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

Importance of different pay raise determination criteria*

- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

Use of Individual-level variable pay** (multiple answers allowed)

- No individual variable pay: 35%
- Bonus: 38%
- Merit pay raise: 30%
- Awards: 25%
- Incentive plan: 25%
- Commissions: 18%
- Piece rate pay: 6%

Use of team- or organization-level variable pay** (multiple answers allowed)

- No team- or organization-level variable pay: 57%
- Bonus for teams: 27%
- Incentive plan for teams: 19%
- Stock option plans: 3%
- Gain sharing plans: 5%
- Profit sharing plans: 11%
- Risk sharing plans: 0%

Use of benefits** (multiple answers allowed)

- No benefits: 30%
- Education/training break: 38%
- Extended maternity/paternity/family leave: 5%
- Pension schemes: 5%
- Flexible benefits: 5%
- Private health care schemes: 54%
- Childcare allowances: 10%
- Career break schemes: 2%
- Workplace childcare: 5%
- Life insurance schemes: 18%

* arithmetic mean of responses
** % of respondents
RESULTS PORTUGAL
Pay mix, pay effectiveness and gender equal pay analysis

### Pay mix

<table>
<thead>
<tr>
<th></th>
<th>Base pay</th>
<th>Variable pay</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>73%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Other employees</td>
<td>84%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

### Pay effectiveness*

- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.
- Our pay policies and practices appear to enjoy widespread acceptability among employees.
- Our pay policies and practices are highly effective.

### Gender equal pay analysis in calendar year 2016**

- No gender equal pay analysis: 54%
- Internal self-evaluation: 32%
- External evaluation: 5%

* arithmetic mean of responses
** % of respondents
4.4 SLOVAKIA
## Collaboration partner

<table>
<thead>
<tr>
<th>Data collection</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time frame</strong></td>
<td>Oct - Nov 2017</td>
</tr>
<tr>
<td><strong>Sample Size</strong></td>
<td>1400 HR Comm members</td>
</tr>
<tr>
<td><strong>Total number of respondents</strong></td>
<td>35</td>
</tr>
<tr>
<td><strong>Response rate</strong></td>
<td>2.5%</td>
</tr>
</tbody>
</table>

## Legal form

<table>
<thead>
<tr>
<th>Legal form</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Organization</td>
<td>74%</td>
</tr>
<tr>
<td>Public Sector Organization</td>
<td>18%</td>
</tr>
<tr>
<td>Non-Profit-Organization</td>
<td>---</td>
</tr>
<tr>
<td>Mixed organization (public and private sector)</td>
<td>9%</td>
</tr>
</tbody>
</table>

## Position of participants

<table>
<thead>
<tr>
<th>Position of participants</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Head HR</td>
<td>52%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
</tr>
<tr>
<td>General HR</td>
<td>9%</td>
</tr>
<tr>
<td>Compensation Specialist</td>
<td>9%</td>
</tr>
<tr>
<td>Management</td>
<td>6%</td>
</tr>
<tr>
<td>CEO / CFO / COO</td>
<td>6%</td>
</tr>
<tr>
<td>Division Head / Team Leader</td>
<td>3%</td>
</tr>
</tbody>
</table>

## Size of organization

<table>
<thead>
<tr>
<th>Size of organization</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 employees</td>
<td>6%</td>
</tr>
<tr>
<td>10 - 249 employees</td>
<td>27%</td>
</tr>
<tr>
<td>250 - 999 employees</td>
<td>32%</td>
</tr>
<tr>
<td>1000 and more employees</td>
<td>35%</td>
</tr>
</tbody>
</table>
RESULTS SLOVAKIA
Pay transparency
(% of respondents)

**Pay process transparency**

- **Base Pay**:
  - High: 65%
  - Medium: 27%
  - Low: 9%

- **Pay Raises**:
  - High: 61%
  - Medium: 27%
  - Low: 12%

- **Individual Variable Pay**:
  - High: 58%
  - Medium: 27%
  - Low: 15%

- **Team Variable Pay**:
  - High: 65%
  - Medium: 27%
  - Low: 8%

- **Benefits**:
  - High: 90%
  - Medium: 27%
  - Low: 10%

**Pay outcome transparency**

- **Base Pay**:
  - High: 27%
  - Medium: 39%
  - Low: 35%

- **Pay Raises**:
  - High: 35%
  - Medium: 42%
  - Low: 23%

- **Individual Variable Pay**:
  - High: 58%
  - Medium: 35%
  - Low: 8%

- **Team Variable Pay**:
  - High: 56%
  - Medium: 28%
  - Low: 17%

- **Benefits**:
  - High: 63%
  - Medium: 25%
  - Low: 13%

**Pay communication transparency**

- **Base Pay**:
  - High: 61%
  - Medium: 27%
  - Low: 12%

- **Pay Raises**:
  - High: 47%
  - Medium: 38%
  - Low: 16%

- **Individual Variable Pay**:
  - High: 45%
  - Medium: 32%
  - Low: 23%

- **Team Variable Pay**:
  - High: 41%
  - Medium: 33%
  - Low: 26%

- **Benefits**:
  - High: 66%
  - Medium: 27%
  - Low: 14%
RESULTS SLOVAKIA
Pay practices

**Importance of different base pay determination criteria***
- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

**Use of individual-level variable pay**
(multiple answers allowed)
- No individual variable pay: 3%
- Bonus: 79%
- Merit pay raise: 50%
- Awards: 79%
- Incentive plan: 65%
- Commissions: 47%
- Piece rate pay: 12%

**Use of team- or organization-level variable pay**
(multiple answers allowed)
- No team- or organization-level variable pay: 18%
- Bonus for teams: 56%
- Incentive plan for teams: 29%
- Stock option plans: 6%
- Gain sharing plans: 21%
- Profit sharing plans: 24%
- Risk sharing plans: 6%

**Use of benefits**
(multiple answers allowed)
- No benefits: 3%
- Education/training break: 47%
- Extended maternity/paternity/family leave: 6%
- Pension schemes: 62%
- Flexible benefits: 38%
- Private health care schemes: 35%
- Childcare allowances: 3%
- Career break schemes: 3%
- Workplace childcare: 3%
- Life insurance schemes: 29%

*** arithmetic mean of responses
** % of respondents
RESULTS SLOVAKIA
Pay mix, pay effectiveness and gender equal pay analysis

Pay mix

<table>
<thead>
<tr>
<th></th>
<th>Base pay</th>
<th>Variable pay</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>71%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Other employees</td>
<td>76%</td>
<td>19%</td>
<td></td>
</tr>
</tbody>
</table>

Pay effectiveness*

- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.
- Our pay policies and practices appear to enjoy widespread acceptability among employees.
- Our pay policies and practices are highly effective.

Gender equal pay analysis in calendar year 2016**
(multiple answers allowed)

- No gender equal pay analysis: 41%
- Internal self-evaluation: 44%
- External evaluation: 9%

* arithmetic mean of responses
** % of respondents
### Collaboration Partner

- **HR Swiss**

### Position of Participants

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head HR</td>
<td>52%</td>
</tr>
<tr>
<td>General HR</td>
<td>10%</td>
</tr>
<tr>
<td>CEO/CFO/COO</td>
<td>9%</td>
</tr>
<tr>
<td>Management</td>
<td>7%</td>
</tr>
<tr>
<td>Compensation Specialist</td>
<td>6%</td>
</tr>
<tr>
<td>Division Head / Team Leader</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>HR Business Partner</td>
<td>3%</td>
</tr>
<tr>
<td>Consultant</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Legal Form

- **Private Sector Organization**: 66%
- **Public Sector Organization**: 17%
- **Non-Profit-Organization**: 9%
- **Mixed organization (public and private sector)**: 7%

### Size of Organization

- **Less than 10 employees**: 11%
- **10 - 249 employees**: 40%
- **250 - 999 employees**: 25%
- **1000 and more employees**: 24%

### Data Collection

- **Time frame**: May - August 2017
- **Sample Size**: 6648 HR Swiss members
- **Total number of respondents**: 524
- **Response rate**: 7.8%
**RESULTS SWITZERLAND**

**Pay transparency**

(% of respondents)

<table>
<thead>
<tr>
<th>Pay process transparency</th>
<th>Pay outcome transparency</th>
<th>Pay communication transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>Base Pay</td>
<td>Base Pay</td>
</tr>
<tr>
<td>Pay Raises</td>
<td>Pay Raises</td>
<td>Pay Raises</td>
</tr>
<tr>
<td>Individual Variable Pay</td>
<td>Individual Variable Pay</td>
<td>Individual Variable Pay</td>
</tr>
<tr>
<td>Team Variable Pay</td>
<td>Team Variable Pay</td>
<td>Team Variable Pay</td>
</tr>
<tr>
<td>Benefits</td>
<td>Benefits</td>
<td>Benefits</td>
</tr>
</tbody>
</table>

- **high process transparency**
- **medium process transparency**
- **Low process transparency**

- **exact individual pay outcome information**
- **aggregated pay outcome information**
- **no or minimal pay outcome information**

- **no communication restriction**
- **Informal communication restriction**
- **formal communication restriction**

<table>
<thead>
<tr>
<th>Category</th>
<th>High Process Transparency</th>
<th>Medium Process Transparency</th>
<th>Low Process Transparency</th>
<th>Exact Individual Pay Outcome Information</th>
<th>Aggregated Pay Outcome Information</th>
<th>No or Minimal Pay Outcome Information</th>
<th>No Communication Restriction</th>
<th>Informal Communication Restriction</th>
<th>Formal Communication Restriction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>52%</td>
<td>25%</td>
<td>23%</td>
<td>22%</td>
<td>39%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay Raises</td>
<td>51%</td>
<td>25%</td>
<td>24%</td>
<td>18%</td>
<td>36%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Variable Pay</td>
<td>40%</td>
<td>26%</td>
<td>34%</td>
<td>19%</td>
<td>34%</td>
<td>47%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team Variable Pay</td>
<td>52%</td>
<td>23%</td>
<td>25%</td>
<td>20%</td>
<td>42%</td>
<td>38%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>69%</td>
<td>18%</td>
<td>13%</td>
<td>16%</td>
<td>33%</td>
<td>51%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RESULTS SWITZERLAND
Trend pay transparency
(% of respondents)

Trend over the last two years:
Pay process transparency

- Base Pay: 15% increased, 3% stayed the same, 82% decreased
- Pay Raises: 14% increased, 4% stayed the same, 82% decreased
- Individual Variable Pay: 13% increased, 3% stayed the same, 83% decreased
- Team Variable Pay: 16% increased, 3% stayed the same, 81% decreased
- Benefits: 15% increased, 1% stayed the same, 84% decreased

Trend over the last two years:
Pay outcome transparency

- Base Pay: 10% increased, 3% stayed the same, 88% decreased
- Pay Raises: 9% increased, 3% stayed the same, 88% decreased
- Individual Variable Pay: 8% increased, 3% stayed the same, 89% decreased
- Team Variable Pay: 10% increased, 3% stayed the same, 87% decreased
- Benefits: 9% increased, 2% stayed the same, 89% decreased

Trend over the last two years:
Pay communication transparency

- Base Pay: 4% increased, 1% stayed the same, 94% decreased
- Pay Raises: 4% increased, 2% stayed the same, 95% decreased
- Individual Variable Pay: 4% increased, 2% stayed the same, 94% decreased
- Team Variable Pay: 6% increased, 2% stayed the same, 92% decreased
- Benefits: 4% increased, 2% stayed the same, 94% decreased
RESULTS SWITZERLAND

Pay practices

**Importance of different base pay determination criteria***
- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

**Importance of different pay raise determination criteria***
- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

**Use of individual-level variable pay**
(multiple answers allowed)
- No individual variable pay: 14%
- Bonus: 53%
- Merit pay raise: 53%
- Awards: 53%
- Incentive plan: 29%
- Commissions: 26%
- Piece rate pay: 2%

**Use of team- or organization-level variable pay**
(multiple answers allowed)
- No team- or organization-level variable pay: 54%
- Bonus for teams: 18%
- Incentive plan for teams: 10%
- Stock option plans: 10%
- Gain sharing plans: 13%
- Profit sharing plans: 11%
- Risk sharing plans: 0%

**Use of benefits**
(multiple answers allowed)
- No benefits: 11%
- Education/training break: 0%
- Extended maternity/paternity/family leave: 26%
- Pension schemes: 48%
- Flexible benefits: 38%
- Private health care schemes: 16%
- Childcare allowances: 14%
- Career break schemes: 12%
- Workplace childcare: 9%
- Life insurance schemes: 7%

* arithmetic mean of responses
** % of respondents

- Use of benefits**
(multiple answers allowed)
- No benefits: 11%
- Education/training break: 0%
- Extended maternity/paternity/family leave: 26%
- Pension schemes: 48%
- Flexible benefits: 38%
- Private health care schemes: 16%
- Childcare allowances: 14%
- Career break schemes: 12%
- Workplace childcare: 9%
- Life insurance schemes: 7%

* arithmetic mean of responses
** % of respondents

- Use of benefits**
(multiple answers allowed)
- No benefits: 11%
- Education/training break: 0%
- Extended maternity/paternity/family leave: 26%
- Pension schemes: 48%
- Flexible benefits: 38%
- Private health care schemes: 16%
- Childcare allowances: 14%
- Career break schemes: 12%
- Workplace childcare: 9%
- Life insurance schemes: 7%

* arithmetic mean of responses
** % of respondents

- Use of benefits**
(multiple answers allowed)
- No benefits: 11%
- Education/training break: 0%
- Extended maternity/paternity/family leave: 26%
- Pension schemes: 48%
- Flexible benefits: 38%
- Private health care schemes: 16%
- Childcare allowances: 14%
- Career break schemes: 12%
- Workplace childcare: 9%
- Life insurance schemes: 7%

* arithmetic mean of responses
** % of respondents

- Use of benefits**
(multiple answers allowed)
- No benefits: 11%
- Education/training break: 0%
- Extended maternity/paternity/family leave: 26%
- Pension schemes: 48%
- Flexible benefits: 38%
- Private health care schemes: 16%
- Childcare allowances: 14%
- Career break schemes: 12%
- Workplace childcare: 9%
- Life insurance schemes: 7%

* arithmetic mean of responses
** % of respondents

- Use of benefits**
(multiple answers allowed)
- No benefits: 11%
- Education/training break: 0%
- Extended maternity/paternity/family leave: 26%
- Pension schemes: 48%
- Flexible benefits: 38%
- Private health care schemes: 16%
- Childcare allowances: 14%
- Career break schemes: 12%
- Workplace childcare: 9%
- Life insurance schemes: 7%

* arithmetic mean of responses
** % of respondents
RESULTS SWITZERLAND
Pay mix, pay effectiveness and gender equal pay analysis

**Pay mix**
- **Management**
  - Base pay: 80%
  - Variable pay: 15%
  - Benefits: 5%
- **Other employees**
  - Base pay: 92%
  - Variable pay: 8%
  - Benefits: 0%

**Pay effectiveness***
- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.
- Our pay policies and practices appear to enjoy widespread acceptability among employees.
- Our pay policies and practices are highly effective.

**Gender equal pay analysis in calendar year 2016**
- No gender equal pay analysis: 38%
- Internal self-evaluation: 39%
- External evaluation: 9%

* arithmetic mean of responses
** % of respondents
4.6 TURKEY
### Collaboration Partner

<table>
<thead>
<tr>
<th>Data Collection</th>
<th>Position of Participants</th>
<th>Legal Form</th>
<th>Size of Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time frame</td>
<td>Sept - Oct 2017</td>
<td>Head HR</td>
<td>43%</td>
</tr>
<tr>
<td>Sample Size</td>
<td>3000 PERYÖN members</td>
<td>Management</td>
<td>20%</td>
</tr>
<tr>
<td>Total number of respondents</td>
<td>31</td>
<td>Other</td>
<td>13%</td>
</tr>
<tr>
<td>Response rate</td>
<td>1.0%</td>
<td>General HR</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CEO / CFO / COO</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consultant</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Division Head / Team Leader</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other positions</td>
<td>Other positions</td>
</tr>
</tbody>
</table>
RESULTS TURKEY
Pay transparency (% of respondents)

Pay process transparency

- Base Pay: 40%
- Pay Raises: 38%
- Individual Variable Pay: 39%
- Team Variable Pay: 54%
- Benefits: 82%

Pay outcome transparency

- Base Pay: 35%
- Pay Raises: 50%
- Individual Variable Pay: 59%
- Team Variable Pay: 57%
- Benefits: 62%

Pay communication transparency

- Base Pay: 13%
- Pay Raises: 13%
- Individual Variable Pay: 11%
- Team Variable Pay: 14%
- Benefits: 21%

Scale: high process transparency, medium process transparency, low process transparency.

Exact individual pay outcome information, aggregated pay outcome information, no or minimal pay outcome information.

Communication restriction: no communication restriction, informal communication restriction, formal communication restriction.
RESULTS TURKEY
Trend pay transparency (% of respondents)

Trend over the last two years: Pay process transparency

Trend over the last two years: Pay outcome transparency

Trend over the last two years: Pay communication transparency
RESULTS TURKEY
Pay practices

**Importance of different base pay determination criteria***
- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

**Importance of different pay raise determination criteria***
- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

**Use of individual-level variable pay**
- No individual variable pay: 10%
- Bonus: 32%
- Merit pay raise: 13%
- Awards: 48%
- Incentive plan: 48%
- Commissions: 74%
- Piece rate pay: 0%

**Use of team- or organization-level variable pay**
- No team- or organization-level variable pay: 52%
- Bonus for teams: 23%
- Incentive plan for teams: 16%
- Stock option plans: 16%
- Gain sharing plans: 7%
- Profit sharing plans: 10%
- Risk sharing plans: 3%

**Use of benefits**
- No benefits: 19%
- Education/training break: 10%
- Extended maternity/paternity/family leave: 7%
- Pension schemes: 16%
- Flexible benefits: 32%
- Private health care schemes: 65%
- Childcare allowances: 13%
- Career break schemes: 3%
- Workplace childcare: 19%
- Life insurance schemes: 19%

* arithmetic mean of responses
** % of respondents
# RESULTS TURKEY

Pay mix, pay effectiveness and gender equal pay analysis

## Pay mix

<table>
<thead>
<tr>
<th></th>
<th>Base pay</th>
<th>Variable pay</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>79%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Other employees</td>
<td>85%</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

## Pay effectiveness*

- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.
- Our pay policies and practices appear to enjoy widespread acceptability among employees.
- Our pay policies and practices are highly effective.

## Gender equal pay analysis in calendar year 2016**

- No gender equal pay analysis: 39%
- Internal self-evaluation: 55%
- External evaluation: 3%

* arithmetic mean of responses  
** % of respondents
4.7 USA
## Data Collection

<table>
<thead>
<tr>
<th>Time frame</th>
<th>May - Sept 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample Size</td>
<td>10 900 email addresses from Leadership Directories</td>
</tr>
<tr>
<td>Total number of respondents</td>
<td>145</td>
</tr>
<tr>
<td>Response rate</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

## Position of Participants

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head HR</td>
<td>43%</td>
</tr>
<tr>
<td>Compensation Specialist</td>
<td>23%</td>
</tr>
<tr>
<td>General HR</td>
<td>16%</td>
</tr>
<tr>
<td>CEO / CFO / COO</td>
<td>6%</td>
</tr>
<tr>
<td>Management</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>Consultant</td>
<td>2%</td>
</tr>
<tr>
<td>Division Head / Team Leader</td>
<td>1%</td>
</tr>
</tbody>
</table>

## Legal Form

<table>
<thead>
<tr>
<th>Organization Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Organization</td>
<td>21%</td>
</tr>
<tr>
<td>Public Sector Organization</td>
<td>49%</td>
</tr>
<tr>
<td>Non-Profit-Organization</td>
<td>27%</td>
</tr>
<tr>
<td>Mixed organization (public and private sector)</td>
<td>---</td>
</tr>
</tbody>
</table>

## Size of Organization

<table>
<thead>
<tr>
<th>Employee Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 employees</td>
<td>1%</td>
</tr>
<tr>
<td>10 - 249 employees</td>
<td>23%</td>
</tr>
<tr>
<td>250 - 999 employees</td>
<td>19%</td>
</tr>
<tr>
<td>1000 and more employees</td>
<td>57%</td>
</tr>
</tbody>
</table>
RESULTS USA
Pay transparency
(% of respondents)

Pay process transparency
- Base Pay: 56% high, 20% medium, 25% low
- Pay Raises: 56% high, 19% medium, 25% low
- Individual Variable Pay: 53% high, 27% medium, 20% low
- Team Variable Pay: 53% high, 28% medium, 19% low
- Benefits: 88% high, 13% medium, 8% low

Pay outcome transparency
- Base Pay: 43% exact, 42% aggregated, 15% no
- Pay Raises: 53% exact, 25% aggregated, 22% no
- Individual Variable Pay: 36% exact, 50% aggregated, 15% no
- Team Variable Pay: 51% exact, 37% aggregated, 11% no
- Benefits: 79% exact, 37% aggregated, 9% no

Pay communication transparency
- Base Pay: 66% no restriction, 9% informal, 25% formal
- Pay Raises: 65% no restriction, 9% informal, 26% formal
- Individual Variable Pay: 62% no restriction, 9% informal, 29% formal
- Team Variable Pay: 65% no restriction, 10% informal, 25% formal
- Benefits: 89% no restriction, 8% informal, 3% formal
### RESULTS USA

**Trend pay transparency**
(% of respondents)

#### Trend over the last two years:
**Pay process transparency**

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the Same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>23%</td>
<td>3%</td>
<td>74%</td>
</tr>
<tr>
<td>Pay Raises</td>
<td>19%</td>
<td>4%</td>
<td>78%</td>
</tr>
<tr>
<td>Individual Pay</td>
<td>19%</td>
<td>3%</td>
<td>78%</td>
</tr>
<tr>
<td>Team Pay</td>
<td>19%</td>
<td>8%</td>
<td>73%</td>
</tr>
<tr>
<td>Benefits</td>
<td>25%</td>
<td>3%</td>
<td>72%</td>
</tr>
</tbody>
</table>

#### Trend over the last two years:
**Pay outcome transparency**

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the Same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>15%</td>
<td>3%</td>
<td>82%</td>
</tr>
<tr>
<td>Pay Raises</td>
<td>13%</td>
<td>3%</td>
<td>84%</td>
</tr>
<tr>
<td>Individual Pay</td>
<td>9%</td>
<td>3%</td>
<td>88%</td>
</tr>
<tr>
<td>Team Pay</td>
<td>8%</td>
<td>6%</td>
<td>86%</td>
</tr>
<tr>
<td>Benefits</td>
<td>19%</td>
<td>2%</td>
<td>79%</td>
</tr>
</tbody>
</table>

#### Trend over the last two years:
**Pay communication transparency**

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the Same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>6%</td>
<td>1%</td>
<td>93%</td>
</tr>
<tr>
<td>Pay Raises</td>
<td>5%</td>
<td>1%</td>
<td>94%</td>
</tr>
<tr>
<td>Individual Pay</td>
<td>6%</td>
<td>3%</td>
<td>95%</td>
</tr>
<tr>
<td>Team Pay</td>
<td>4%</td>
<td>5%</td>
<td>96%</td>
</tr>
<tr>
<td>Benefits</td>
<td>5%</td>
<td>2%</td>
<td>93%</td>
</tr>
</tbody>
</table>
RESULTS USA
Pay practices

Importance of different base pay determination criteria*

- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

Importance of different pay raise determination criteria*

- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

Use of individual-level variable pay** (multiple answers allowed)

- No individual variable pay: 13%
- Bonus: 47%
- Merit pay raise: 59%
- Awards: 45%
- Incentive plan: 34%
- Commissions: 23%
- Piece rate pay: 1%

Use of team- or organization-level variable pay** (multiple answers allowed)

- No team- or organization-level variable pay: 61%
- Bonus for teams: 19%
- Incentive plan for teams: 12%
- Stock option plans: 12%
- Gain sharing plans: 2%
- Profit sharing plans: 8%
- Risk sharing plans: 1%

Use of benefits** (multiple answers allowed)

- No benefits: 9%
- Education/training break: 35%
- Extended maternity/ paternity/ family leave: 43%
- Pension schemes: 45%
- Flexible benefits: 53%
- Private health care schemes: 48%
- Childcare allowances: 9%
- Career break schemes: 8%
- Workplace childcare: 15%
- Life insurance schemes: 69%

* arithmetic mean of responses
** % of respondents
RESULTS USA
Pay mix, pay effectiveness and gender equal pay analysis

Pay mix

- **Management**
  - Base pay: 66%
  - Variable pay: 10%
  - Benefits: 24%

- **Other employees**
  - Base pay: 69%
  - Variable pay: 26%

Pay effectiveness*

- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.
- Our pay policies and practices appear to enjoy widespread acceptability among employees.
- Our pay policies and practices are highly effective.

Gender equal pay analysis in calendar year 2016**

- No gender equal pay analysis: 45%
- Internal self-evaluation: 27%
- External evaluation: 11%

* arithmetic mean of responses
** % of respondents
4.8 UK
CIPD integrated the following questions in their already established compensation survey: pay process transparency, pay outcome transparency, trend pay outcome transparency and equal pay analysis. The other variables were not collected by CIPD and therefore are left blank in the following slides.
Pay process transparency

- **Base Pay**
  - High process transparency: 31%
  - Medium process transparency: 38%
  - Low process transparency: 32%

- **Pay Raises**
  - High process transparency: 31%
  - Medium process transparency: 39%
  - Low process transparency: 29%

- **Individual Variable Pay**
  - High process transparency: 20%
  - Medium process transparency: 36%
  - Low process transparency: 44%

- **Team Variable Pay**
  - High process transparency: 21%
  - Medium process transparency: 38%
  - Low process transparency: 41%

- **Benefits**
  - High process transparency: 18%
  - Medium process transparency: 31%
  - Low process transparency: 51%

Pay outcome transparency

- **Base Pay**
  - Exact individual pay outcome information: 20%
  - Aggregated pay outcome information: 34%
  - No or minimal pay outcome information: 46%

- **Pay Raises**
  - Exact individual pay outcome information: 20%
  - Aggregated pay outcome information: 41%

- **Individual Variable Pay**
  - Exact individual pay outcome information: 14%
  - Aggregated pay outcome information: 58%

- **Team Variable Pay**
  - Exact individual pay outcome information: 11%
  - Aggregated pay outcome information: 54%

- **Benefits**
  - Exact individual pay outcome information: 28%
  - Aggregated pay outcome information: 30%

Pay communication transparency

- **Base Pay**
  - High process transparency: 31%
  - Medium process transparency: 38%
  - Low process transparency: 32%

- **Pay Raises**
  - High process transparency: 39%
  - Medium process transparency: 41%

- **Individual Variable Pay**
  - High process transparency: 29%
  - Medium process transparency: 31%

- **Team Variable Pay**
  - High process transparency: 29%

- **Benefits**
  - High process transparency: 39%
  - Medium process transparency: 38%

**RESULTS UK**
Pay transparency (% of respondents)
RESULTS UK
Trend pay transparency
(% of respondents)

Trend over the last two years:
Pay process transparency

Trend over the last two years:
Pay outcome transparency

Trend over the last two years:
Pay communication transparency

- **Base Pay**: 17% increased, 2% decreased, 82% stayed the same
- **Pay Raises**: 16% increased, 3% decreased, 82% stayed the same
- **Individual Variable Pay**: 14% increased, 3% decreased, 83% stayed the same
- **Team Variable Pay**: 13% increased, 2% decreased, 85% stayed the same
- **Benefits**: 23% increased, 2% decreased, 75% stayed the same
Gender equal pay analysis in calendar year 2016** (multiple answers allowed)

- No gender equal pay analysis: 65%
- Internal self-evaluation: 32%
- External evaluation: 3%

* arithmetic mean of responses
** % of respondents
5 COMBINED RESULTS OF ALL COUNTRIES

5.1 Pay transparency

5.2 Pay transparency trends

5.3 Pay practices

5.4 Pay mix, pay effectiveness and gender equal pay analysis
5.1 PAY TRANSPARENCY
Overall results by pay component (% of respondents)

Pay process transparency  
(Includes data from all countries)

Pay outcome transparency  
(Includes data from all countries)

Pay communication transparency  
(Includes data from all countries except UK)
5.1 PAY TRANSPARENCY

Who was most transparent?

Results by pay component and organization type (% of respondents)

High pay process transparency
(Includes data from all countries)

- Base Pay: 33% (Private sector), 50% (Public sector), 72% (Non-profit)
- Pay Raises: 33% (Private sector), 48% (Public sector), 68% (Non-profit)
- Individual Variable Pay: 32% (Private sector), 43% (Public sector), 38% (Non-profit)
- Team Variable Pay: 37% (Private sector), 37% (Public sector), 43% (Non-profit)
- Benefits: 58% (Private sector), 74% (Public sector), 77% (Non-profit)

Full transparency about individual pay outcome
(Includes data from all countries)

- Base Pay: 24% (Private sector), 31% (Public sector), 50% (Non-profit)
- Pay Raises: 28% (Private sector), 37% (Public sector), 50% (Non-profit)
- Individual Variable Pay: 24% (Private sector), 38% (Public sector), 27% (Non-profit)
- Team Variable Pay: 24% (Private sector), 28% (Public sector), 40% (Non-profit)
- Benefits: 38% (Private sector), 41% (Public sector), 53% (Non-profit)

No pay communication restriction
(Includes data from all countries except UK)

- Base Pay: 54% (Private sector), 76% (Public sector), 68% (Non-profit)
- Pay Raises: 53% (Private sector), 67% (Public sector), 77% (Non-profit)
- Individual Variable Pay: 51% (Private sector), 75% (Public sector), 67% (Non-profit)
- Team Variable Pay: 56% (Private sector), 70% (Public sector), 67% (Non-profit)
- Benefits: 73% (Private sector), 88% (Public sector), 84% (Non-profit)
## 5.2 PAY TRANSPARENCY TRENDS

### Overall results by pay component (% of respondents)

#### Trend over the last two years: Pay process transparency
(Includes data from all countries except UK)

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay (N = 815)</td>
<td>16%</td>
<td>5%</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>Pay Raises (N = 805)</td>
<td>16%</td>
<td>6%</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Individual Variable Pay (N = 672)</td>
<td>16%</td>
<td>6%</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Team Variable Pay (N = 347)</td>
<td>19%</td>
<td>6%</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>Benefits (N = 683)</td>
<td>18%</td>
<td>3%</td>
<td>79%</td>
<td></td>
</tr>
</tbody>
</table>

#### Trend over the last two years: Pay outcome transparency
(Includes data from all countries)

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay (N = 1,413)</td>
<td>14%</td>
<td>3%</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Pay Raises (N = 1,400)</td>
<td>13%</td>
<td>4%</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Individual Variable Pay (N = 1,083)</td>
<td>11%</td>
<td>3%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Team Variable Pay (N = 697)</td>
<td>12%</td>
<td>3%</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Benefits (N = 1,151)</td>
<td>16%</td>
<td>2%</td>
<td>82%</td>
<td></td>
</tr>
</tbody>
</table>

#### Trend over the last two years: Pay communication transparency
(Includes data from all countries except UK)

<table>
<thead>
<tr>
<th>Component</th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay (N = 784)</td>
<td>5%</td>
<td>2%</td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td>Pay Raises (N = 780)</td>
<td>5%</td>
<td>2%</td>
<td>94%</td>
<td></td>
</tr>
<tr>
<td>Individual Variable Pay (N = 653)</td>
<td>4%</td>
<td>2%</td>
<td>94%</td>
<td></td>
</tr>
<tr>
<td>Team Variable Pay (N = 345)</td>
<td>6%</td>
<td>2%</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>Benefits (N = 668)</td>
<td>5%</td>
<td>2%</td>
<td>93%</td>
<td></td>
</tr>
</tbody>
</table>
### 5.2 PAY TRANSPARENCY TRENDS

#### Who became more transparent?

Results by pay component and organization type (% of respondents)

<table>
<thead>
<tr>
<th>Pay Component</th>
<th>2019 (N = 259-511)</th>
<th>2021 (N = 534-914)</th>
<th>2022 (N = 534-914)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Pay</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>15%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Public sector</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Pay Raises</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>16%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Public sector</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>13%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Individual Pay</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>18%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Public sector</td>
<td>13%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>13%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Team Pay</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>21%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Public sector</td>
<td>14%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>14%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>18%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Public sector</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Note: The data includes results from all countries except the UK.
5.3 PAY PRACTICES
Overall results
(includes data from all countries except UK)

Importance of different base pay determination criteria* (N = 783 – 852)

- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

Importance of different pay raise determination criteria* (N = 824 - 846)

- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

Use of individual-level variable pay** (multiple answers allowed; N = 873)

- No individual variable pay: 14%
- Bonus: 51%
- Merit pay raise: 50%
- Awards: 50%
- Incentive plan: 32%
- Commissions: 27%
- Piece rate pay: 3%

Use of team- or organization-level variable pay** (multiple answers allowed; N = 873)

- No team- or organization-level variable pay: 54%
- Bonus for teams: 20%
- Incentive plan for teams: 12%
- Stock option plans: 9%
- Gain sharing plans: 11%
- Profit sharing plans: 11%
- Risk sharing plans: 1%

Use of benefits** (multiple answers allowed; N = 871)

- No benefits: 12%
- Education/training break: 55%
- Extended maternity/paternity/family leave: 38%
- Pension schemes: 43%
- Flexible benefits: 38%
- Private health care schemes: 27%
- Childcare allowances: 12%
- Career break schemes: 10%
- Workplace childcare: 10%
- Life insurance schemes: 19%

* arithmetic mean of responses
** % of respondents

[Graphs showing the distribution of responses for each category]
5.3 PAY PRACTICES
Importance of base pay and pay raise determination criteria by organization type
(arithmetic mean of responses; includes all countries except UK)

Importance of different base pay determination criteria

- Ability to pay
- Value of the position determined by market pricing
- Value of the position determined by job evaluation
- Experience
- Skills, knowledge, competencies

Importance of different pay raise determination criteria*

- General increases
- Seniority
- Skills, knowledge, competency acquisition
- Market value of position
- Position in the pay range
- Team or organization performance
- Individual performance

Legend:
- Private sector organization (N = 485 - 539)
- Public sector organization (N = 166 - 176)
- Non-profit-organization (N = 87 - 93)
5.3 PAY PRACTICES

Use of variable pay and benefits by organization type

(% of respondents and multiple answers allowed; includes data from all countries except UK)

### Use of individual-level variable pay

- **No individual variable pay**: 21% (Private sector), 12% (Public sector), 6% (Non-profit organization)
- **Bonus**: 25% (Private sector), 36% (Public sector), 20% (Non-profit)
- **Merit pay raise**: 50% (Private sector), 47% (Public sector), 38% (Non-profit)
- **Awards**: 50% (Private sector), 54% (Public sector), 35% (Non-profit)
- **Incentive plan**: 38% (Private sector), 18% (Public sector), 20% (Non-profit)
- **Commissions**: 8% (Private sector), 12% (Public sector), 8% (Non-profit)
- **Piece rate pay**: 4% (Private sector), 2% (Public sector), 4% (Non-profit)

### Use of team- or organization-level variable pay

- **No team- or organization-level variable pay**: 45% (Private sector), 71% (Public sector), 75% (Non-profit)
- **Bonus for teams**: 23% (Private sector), 17% (Public sector), 14% (Non-profit)
- **Incentive plan for teams**: 15% (Private sector), 7% (Public sector), 6% (Non-profit)
- **Stock option plans**: 11% (Private sector), 7% (Public sector), 0% (Non-profit)
- **Gain sharing plans**: 16% (Private sector), 3% (Public sector), 1% (Non-profit)
- **Profit sharing plans**: 15% (Private sector), 4% (Public sector), 2% (Non-profit)
- **Risk sharing plans**: 1% (Private sector), 1% (Public sector), 0% (Non-profit)

### Use of benefits

- **No benefits**: 14% (Private sector), 5% (Public sector), 53% (Non-profit)
- **Education/training break**: 30% (Private sector), 48% (Public sector), 53% (Non-profit)
- **Extended maternity/paternity/family leave**: 41% (Private sector), 52% (Public sector), 50% (Non-profit)
- **Pension schemes**: 36% (Private sector), 39% (Public sector), 48% (Non-profit)
- **Flexible benefits**: 28% (Private sector), 29% (Public sector), 30% (Non-profit)
- **Private health care schemes**: 28% (Private sector), 29% (Public sector), 30% (Non-profit)
- **Childcare allowances**: 9% (Private sector), 17% (Public sector), 13% (Non-profit)
- **Career break schemes**: 8% (Private sector), 16% (Public sector), 9% (Non-profit)
- **Workplace childcare**: 6% (Private sector), 17% (Public sector), 14% (Non-profit)
- **Life insurance schemes**: 14% (Private sector), 32% (Public sector), 30% (Non-profit)
5.4 PAY MIX, PAY EFFECTIVENESS AND GENDER EQUAL PAY ANALYSIS

Overall results

Pay mix
(Includes data from all countries except UK)

- Management (N = 764)
  - 77% Base pay
  - 15% Variable pay
  - 8% Benefits

- Other Employees (N = 737)
  - 86% Base pay
  - 7% Variable pay
  - 7% Benefits

Pay effectiveness*
(Includes data from all countries except UK)

- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals (N = 825).
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees. (N = 855)
- Our pay policies and practices appear to enjoy widespread acceptability among employees. (N = 856)
- Our pay policies and practices are highly effective. (N = 853)

Gender equal pay analysis in calendar year 2016**
(multiple answers allowed; includes data from all countries; N = 1,548)

- No gender equal pay analysis
  - 52% of respondents
- Internal self-evaluation
  - 35% of respondents
- External evaluation
  - 6% of respondents

* arithmetic mean of responses
** % of respondents
5.4 PAY MIX, PAY EFFECTIVENESS AND GENDER EQUAL PAY ANALYSIS
Results by organization type

**Pay mix - Management**
(Includes data from all countries except UK)

<table>
<thead>
<tr>
<th>Organization Type</th>
<th>Base Pay</th>
<th>Variable Pay</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector organization (N = 486)</td>
<td>74%</td>
<td>20%</td>
<td>6%</td>
</tr>
<tr>
<td>Public sector organization (N = 149)</td>
<td>80%</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>Non-profit-organization (N = 84)</td>
<td>82%</td>
<td>5%</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Pay mix - Other employees**
(Includes data from all countries except UK)

<table>
<thead>
<tr>
<th>Organization Type</th>
<th>Base Pay</th>
<th>Variable Pay</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private sector organization (N = 461)</td>
<td>87%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Public sector organization (N = 149)</td>
<td>84%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Non-profit-organization (N = 83)</td>
<td>84%</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

**Pay effectiveness**
(Includes data from all countries except UK)

- Management is very happy with the way the compensation system contributes to the achievement of overall organizational goals.
- Our pay policies and practices greatly contribute to attraction, retention and motivation of employees.
- Our pay policies and practices appear to enjoy widespread acceptability among employees.
- Our pay policies and practices are highly effective.

**Gender equal pay analysis in calendar year 2016**
(multiple answers allowed; includes data from all countries)

- No gender equal pay analysis
- Internal self-evaluation
- External evaluation

---

* arithmetic mean of responses
** % of respondents
6 Appendix
## Questionnaire (1/4)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
</table>
| **Pay process transparency** | Please indicate how transparent your organization is towards its employees about the process by which the following pay components (base pay, pay raises, individual-level variable pay, team-level variable pay and benefits) are determined and managed. | (1) no transparency at all  
(2) low transparency  
(3) medium transparency  
(4) transparent  
(5) very transparent |
| **Pay outcome transparency** | Please indicate how much actual pay information your organization voluntarily discloses to employees for each of the following pay components (base pay, pay raises, individual-level variable pay, team-level variable pay and benefits). | (1) no or minimal information  
(2) aggregated information for reference group  
(3) aggregated information for all employees  
(4) exact individual information for reference group  
(5) exact individual information for all employees |
| **Pay communication transparency** | Please indicate to what extent your organization discourages employees from disclosing pay-related information to other employees inside the organization. | (1) formal obligation with punishment  
(2) formal obligation  
(3) formal discouragement  
(4) informal discouragement (several times)  
(5) informal discouragement (at beginning)  
(6) no restriction |
## Questionnaire (2/4)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
</table>
| **Trend pay process transparency** | Please indicate for each of the following pay components (base pay, pay raises, individual-level variable pay, team-level variable pay and benefits) whether during the last two years the procedural pay transparency has decreased, stayed the same or has increased. | (1) strongly decreased  
(2) decreased  
(3) stayed the same  
(4) increased  
(5) strongly increased |
| **Trend pay outcome transparency** | Please indicate whether during the last two years the amount of actual pay information your organization disclosed to employees has decreased, stayed the same or increased for the following pay-related issues (base pay, pay raises, individual-level variable pay, team-level variable pay and benefits). | (1) strongly decreased  
(2) decreased  
(3) stayed the same  
(4) increased  
(5) strongly increased |
| **Trend pay communication transparency** | Please indicate whether during the last two years the communication restriction policies for the following pay-related issues (base pay, pay raises, individual-level variable pay, team-level variable pay and benefits) have decreased, stayed about the same or have increased | (1) strongly decreased  
(2) decreased  
(3) stayed the same  
(4) increased  
(5) strongly increased |
<table>
<thead>
<tr>
<th>Topic</th>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base pay determination criteria</strong></td>
<td>Please indicate for each of the following components its importance in determining employees’ base pay level:</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Employees’ skills, knowledge and competencies</td>
<td>(1) no importance</td>
</tr>
<tr>
<td>2.</td>
<td>Employees’ experience</td>
<td>(2) low importance</td>
</tr>
<tr>
<td>3.</td>
<td>Value of the position determined by job evaluation</td>
<td>(3) medium importance</td>
</tr>
<tr>
<td>4.</td>
<td>Value of the position determined by market pricing</td>
<td>(4) high importance</td>
</tr>
<tr>
<td>5.</td>
<td>Ability to pay</td>
<td>(5) very high importance</td>
</tr>
<tr>
<td><strong>Pay raise determination criteria</strong></td>
<td>Please indicate for each of the following components its importance in determining employees’ base pay increase:</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Individual performance</td>
<td>(1) no importance</td>
</tr>
<tr>
<td>2.</td>
<td>Team- or organization-level performance</td>
<td>(2) low importance</td>
</tr>
<tr>
<td>3.</td>
<td>Position in the pay range</td>
<td>(3) medium importance</td>
</tr>
<tr>
<td>4.</td>
<td>Market value of the position</td>
<td>(4) high importance</td>
</tr>
<tr>
<td>5.</td>
<td>Skill, knowledge and/or competency acquisition</td>
<td>(5) very high importance</td>
</tr>
<tr>
<td>6.</td>
<td>Seniority (years of service)</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>General increase (e.g., cost of living adjustment)</td>
<td></td>
</tr>
<tr>
<td><strong>Individual-level variable pay</strong></td>
<td>Which of the following forms of individual-based variable pay does your organization offer to at least some of the employees?</td>
<td>(1) Incentive plan (predetermined objectives)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Bonus</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Merit pay raise</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) Awards for special achievement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) Commissions (e.g., sales, revenue)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6) Piece rate pay</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7) Other, please specify:</td>
</tr>
</tbody>
</table>
## Team- or organization-level variable pay

Which of the following forms of team- or organization-based variable pay does your organization offer to at least some of the employees?

<table>
<thead>
<tr>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Incentive plans for teams or small groups</td>
</tr>
<tr>
<td>(2) Bonus for teams or small groups</td>
</tr>
<tr>
<td>(3) Gain sharing plans</td>
</tr>
<tr>
<td>(4) Profit sharing plans</td>
</tr>
<tr>
<td>(5) Risk sharing plan</td>
</tr>
<tr>
<td>(6) Stock option plans</td>
</tr>
<tr>
<td>(7) Other, please specify</td>
</tr>
</tbody>
</table>

## Benefits

Do you offer any of the following benefits in *excess of statutory requirements* to your employees?

<table>
<thead>
<tr>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Workplace childcare (subsidized or not)</td>
</tr>
<tr>
<td>(2) Childcare allowances</td>
</tr>
<tr>
<td>(3) Career break schemes</td>
</tr>
<tr>
<td>(4) Extended maternity, paternity and/or family leave</td>
</tr>
<tr>
<td>(5) Pension schemes</td>
</tr>
<tr>
<td>(6) Education/training break</td>
</tr>
<tr>
<td>(7) Private health care schemes</td>
</tr>
<tr>
<td>(8) Life insurance schemes</td>
</tr>
<tr>
<td>(9) Flexible/cafeteria benefits</td>
</tr>
<tr>
<td>(10) Others, please specify:</td>
</tr>
</tbody>
</table>

## Pay mix

Please indicate the percentage of base pay, variable pay and benefits of the overall pay package for management and other employees.

Number between 0 and 100%

## Gender equal pay analysis

Has your organization evaluated in the *calendar year 2016* whether female and male employees who do equal work get paid equally?

<table>
<thead>
<tr>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) No, we have not performed such an evaluation.</td>
</tr>
<tr>
<td>(2) Yes, we did an internal self-evaluation.</td>
</tr>
<tr>
<td>(3) Yes, we had an external evaluation done.</td>
</tr>
<tr>
<td>(4) Other, please specify:</td>
</tr>
</tbody>
</table>
### Scale reduction procedure

To ensure comparability between different aspects of pay transparency, we reduced the original categorization of pay process transparency (5-point scale), pay outcome transparency (5-point scale), and pay communication transparency (6-point scale) to a 3-point scale. Also, we reduced the original categorization for all forms of pay transparency trend (5-point scale) to a 3-point scale. In the following table, the assignment from the original categorization to the new categorization is displayed.

<table>
<thead>
<tr>
<th>Aspect of pay transparency</th>
<th>Original categorization</th>
<th>Assignment from original to new categorization</th>
<th>New categorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay process transparency</td>
<td>(1) no transparency at all (2) low transparency (3) medium transparency (4) transparent (5) very transparent</td>
<td>(1) (2) → (1) (3) → (2) (4) (5) → (3)</td>
<td>(1) low pay process transparency (2) medium pay process transparency (3) high pay process transparency</td>
</tr>
<tr>
<td>Pay outcome transparency</td>
<td>(1) no or minimal information (2) aggregated information for reference group (3) aggregated information for all employees (4) exact individual information for reference group (5) exact individual information for all employees</td>
<td>(1) → (1) (2) (3) → (2) (4) (5) → (3)</td>
<td>(1) no or minimal information (2) aggregate information (3) exact individual information</td>
</tr>
<tr>
<td>Pay communication transparency</td>
<td>(1) formal obligation with punishment (2) formal obligation (3) formal discouragement (4) informal discouragement (several times) (5) informal discouragement (at beginning) (6) no restriction</td>
<td>(1) (2) (3) → (1) (4) (5) → (2) (6) → (3)</td>
<td>(1) formal communication restriction (2) informal communication restriction (3) no communication restriction</td>
</tr>
<tr>
<td>Trend pay transparency (all aspects)</td>
<td>(1) strongly decreased (2) decreased (3) stayed the same (4) increased (5) strongly increased</td>
<td>(1) (2) → (1) (3) → (2) (4) (5) → (3)</td>
<td>(1) decreased (2) stayed the same (3) increased</td>
</tr>
</tbody>
</table>
7 Final remarks

Thank you
A big thank-you goes to all the participating HR Associations (Hrcentar in Croatia, DGFP in Germany, APG in Portugal, HR Comm in Slovakia, HR Swiss in Switzerland, PERYÖN in Turkey and CIPD in the United Kingdom) and to all the study participants.

Further information
Further information on the Global Compensation and Pay Transparency Study and a detailed report on the Swiss and UK results can be found here: http://www.cehrm.unilu.ch/

Contact information
If you have any questions on the report, please contact the Center for Human Resource Management at the University of Lucerne, Switzerland: alexandra.arnold@unilu.ch