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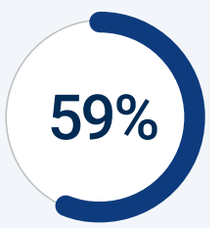
What is Salary Transparency?

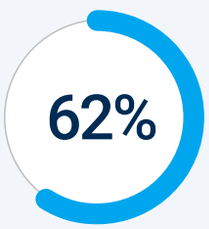
Salary transparency is the practise of openly sharing the pay and compensation information within a company. Thanks to the Talent Trends 2025 Report, we learned that this is something working professionals actively look for in companies.

So let this be a first step into discovering what salary transparency entails, why it's important and how to achieve it.

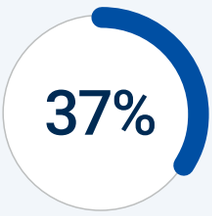
What people are saying?



of employees state **salaries aren't currently transparent** within their organisations



of employees **support the introduction** of salary transparency legislation



of employees **believe their senior leadership** aren't transparent about financial information

Why is it important?

1 Reduces wage gaps

12% of employees state **they've felt discriminated against**

14% **have witnessed others** being discriminated against in the workplace

Out of these:

37% is due to age

27% due to gender

22% due to ethnicity

Focusing on salary transparency can reduce the risk of wage disparities.

2 Increases trust

For companies looking to build trust, creating pay transparency can be an easy win, especially when you know your company doesn't have pay gaps. Currently, **75%** of employees **not looking for a new role** have almost total trust in their company to share financial information.

Conversely, the mere perception of a pay gap among staff creates distrust in leadership; a feeling that currently affects **a fifth** of employees.

3 Boosts retention

When companies disclose salaries, the knowledge that pay is fair creates morale. In fact, in our **Talent Trends Report** we've found a strong link between perceived transparency and job-seeking behaviour.

For example: **63%** of those **actively looking for a new role** say their current organisations aren't transparent regarding salary.

> *Businesses looking to build trust should consider the benefits of salary transparency, especially when it comes to attracting and retaining top talent. UK candidates are increasingly seeking clarity from prospective employers, particularly in the early stages of hiring. Ensuring your company's salary structure is fair, competitive, and communicated clearly will increase efficiencies in hiring, attract the best talent, and ensure effective retention rates".*

Doug Rode
Managing Director
UK and Ireland

4 Decreases hiring times

For **58%** of employers and **68%** of working professionals feel that the most influential piece of information for candidates when looking for a new role is **salary**.

Being transparent with salary in the early stages of hiring will quickly inform candidates' decisions, ensure greater alignment with prospective employees, and shorten your time to hire.

5 Adheres to new legislation

Legislations regarding pay transparency within the EU, Australia, Canada, and the United States are being passed in a bid to close pay gaps. While salary transparency is not a legal requirement in the UK, candidates may increasingly come to expect transparency from prospective employers.

Clarity throughout the recruitment process can not only reduce hiring times but ensures greater candidate alignment – **ultimately securing the best talent for your team**.

Where are you on the transparency scale?

No transparency	Internal ranges	Role-based pay bands	Full transparency
Salaries are confidential (Distrust and pay gaps are likely)	**Employees know general pay bands** (More trust within teams but more distrust towards senior leadership)	**Clear ranges per job level** (More trust throughout the company, but still chances of pay disparity)	**Exact pay and formulas disclosed company-wide** (High motivation likely due to career progression guidelines and no doubt between teams and management)

How to achieve Salary Transparency

1. **Conduct pay audits**
To identify existing gaps and inconsistencies, companies should consider forming an audit team consisting of HR, Finance and Legal staff to review all departments' salaries by collecting and comparing compensation data. From this, companies can adjust outlier salaries, standardise promotion criteria and train leadership on pay fairness.

2. **Establish clear compensation bands**
Companies can create clear compensation bands by defining job levels, benchmarking against market data (**found in Salary Guides**), and tying salaries to role scope, skills, and experience. These bands should be embedded into hiring, reviews, and promotions, supported by consistent communication and regular pay equity audits.

3. **Document and share pay philosophy**
Create a written statement explaining a company's approach to compensation that's made available from the onboarding stage and is readily available for all employees to review.

4. **Train the managers**
Equip senior leadership with clear guidelines on the company's pay philosophy so they can readily answer questions on pay bands, fairness and career progression.

5. **Post salary ranges in job descriptions**
Start salary transparency from the beginning of an employee's journey with the company by clearly stating the competitive salary offered in the job ads and interviews.

6. **Be competitive with salaries**
Ensure the salaries advertised are competitive to attract and retain the best employees. **Download the Salary Guides** to ensure all rates are competitive.

Summary

Salary transparency is a practise that positively impacts both the employees of a company and the companies themselves.

Want to learn how else to attract and retain top talent? Download the **Talent Trends report here**. Discover the real data that shows what working professionals are looking for and how companies can achieve it.

Scan the QR code to book a call in with our recruitment experts.