

Should salaries be transparent?

Level: Intermediate–advanced

Time: 90 minutes +

Summary: This lesson is about salaries and whether companies should be open about what their employees earn. In this lesson, students:

1. discuss the topic of pay;
2. study a text about transparency around pay, identifying the key points and explaining them to a partner;
3. hold a discussion about the gender pay gap and work benefits.

Materials: One copy of the worksheet per student; one copy of both Articles A and B per student; one copy of the vocabulary record per student

Group size: Any

Note: This lesson plan is for both pre-experience and in-work business students based on an original article first published in *Business Spotlight* issue 5/2015.

Warmer

Students discuss their answers to these warmer questions either in small groups followed by class feedback or as a whole group. In case the students need prompting, here are some additional pointers for the first three questions.

How often do you get paid? – monthly, weekly, when the job is done ...

When do you usually get paid? – on the first of every month, when the job is done, two weeks after I invoice ...

How do you get paid? – directly into my bank account, in cash, by cheque ...

Key words

Hand out Article A to half the students and Article B to the other half. Students read the definitions and find the

matching key words in their section of the article. Explain that the definitions of the words are given in the order the words appear in the article.

Key:

a.

Article A – Yes

1. *accountable*; 2. *dismiss*; 3. *indefensible*; 4. *gender gap*; 5. *determined*; 6. *engagement*; 7. *public*; 8. *absent*

Article B – No

1. *inequity*; 2. *panacea*; 3. *performance*; 4. *newly hired*; 5. *misinterpretation*; 6. *per se*; 7. *remuneration*; 8. *trust*

b. – all of them

Key points

In question 1, students read their section of the article and underline the main points and arguments. In question 2, students sit together with someone who read the same section (either 'yes' or 'no') and compare what they have underlined. Tell them to come to an agreement so that they both end up underlining the same points. In question 3, they should sit with someone who read the other section and explain what the main points and arguments are. Point out to students that they must not show their fellow student their text. They should try to use some of the key words from task 2 while explaining their article.

Hold a whole-class discussion to talk about students' answers to question 4.

Similar but different

Give each student a copy of the section of the article they haven't yet read and give them time to read it. Using a dictionary if necessary, students discuss the words in the box and their meanings in pairs, concentrating on the sometimes small and subtle differences between them and giving examples of usage wherever possible. Finding the words in both parts of the article will help them to clarify the meanings.

benefits extra money or other advantages that you get in addition to your salary from your employer as part of your job

bonus extra money that you are paid in addition to your usual salary

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compensation (American English) salary or wages

pay money that you receive for doing your job

pay rise an increase in your salary

remuneration (formal) payment or other rewards that you get for your work

rewards money or other advantages that you receive for working

salary a fixed amount of money that you earn each month or year from your job

wages an amount of money that you earn for working, usually according to how many hours or days you work each week or month

Key:

- understand the full value of*
- tend to be*
- in the absence of*
- see the full picture*

- see the full picture*
- understand the full value of*
- In the absence of*
- tend to be*

Discussion

Students discuss the questions, directly relating to the article, in class. As these questions relate to two distinct topics, it's best to deal with them one at a time with a short feedback session after each.

Vocabulary record

Here, students should be encouraged to record all of the new and useful vocabulary they have learnt during the lesson, not only in the form presented in the article but also in related forms.

Related topics on onestopenglish

If you'd like to further explore the issue of the gender gap, you may be interested in the following Business Spotlight lesson plan:

www.onestopenglish.com/business/business-spotlight/pdf-content/do-women-need-quotas-to-get-to-the-top-lesson-plan/550706.article

Extension 1 – Hold a class discussion to practise the new words. For example, ask who gets wages and who gets a salary.

Extension 2 – In pairs, students write sentences including each of the words. After doing so, they share and compare their sentences in pairs or small groups. Write any particularly good examples up on the board.

Expressions

Students put the words in the right order to make expressions used in the article. Then, they use them to complete sentences 1 to 4. Additionally, get students to scan the two parts of the article, find the expressions and say what they were used to talk about.

Extension – Students use the expressions in sentences of their own. Note that b and d are probably going to be the most useful ones for them to learn, so concentrate on these.

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1 Warmer

Discuss your answers to these questions.

- How often do you get paid?
- When do you usually get paid?
- How do you get paid?
- Do you know how much your colleagues earn?
- Do you know how much your friends and family earn?

2 Key words

a. Read the definitions for article A or B and find the key words in your article.

Article A – Yes

1. in a position where people have the right to criticize you or ask you why something happened
2. force someone to leave their job
3. impossible to defend from criticism
4. the differences in opportunity and achievement between men and women in areas such as employment and pay (two words)
5. officially decided
6. the feeling of being involved in a particular activity
7. available for everyone to know
8. missing from a situation

Article B – No

1. the fact of being unfair or an unfair situation
2. something that people think will solve all their problems
3. the standard to which someone does their job
4. someone who has recently started a job (two words)
5. a wrong way of understanding or explaining something
6. considered by itself (used for emphasizing that you are not considering something in relation to anything else)
7. payment or other rewards that you get for your work
8. a feeling of confidence in something that shows you believe it is honest and fair

b. Which of these is the definition of transparent?

1. an object or substance that is clear or thin enough for you to see things through
2. not kept secret
3. simple, clear and easy to understand

3 Key points

1. **Underline the key points or arguments made in your section of the article.**
2. **Compare what you have underlined with others who read the same section as you.**
3. **Explain the key points and arguments to someone who read the other section. Try to use some of the key words from task 2.**
4. **Decide who you most agree with: Edward E Lawler or Carol Boyer. Say why.**

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4 Similar but different

Find these words in the article and discuss their meanings in pairs. Some of them have similar meanings – what are the differences between them? Use a dictionary if necessary.

benefits	bonus	compensation	pay	pay rise
remuneration		rewards		salary

5 Expressions

Rearrange the words to make expressions from the article. Then, use the expressions to complete the sentences below.

- a. value understand of full the
- b. be to tend
- c. absence of in the
- d. full see picture the

1. When talking about pollution and businesses, it is important to _____ and not just listen to one side.
2. More and more men now _____ spending quality time with their children.
3. _____ any further evidence, the judge had to find the man not guilty.
4. Summers _____ warmer in the south of the UK than in the north.

6 Discussion

- Do you think there is a pay gender gap in your country? Give examples.
- What benefits are available at your place of work? Does everyone take advantage of these benefits?

Should salaries be transparent?

Questions about salaries are usually taboo. But wouldn't more transparency in business – if necessary, by law – be fairer? The answer is both yes and no, as Vicki Sussens found out.

Yes! "Pay secrecy leads to dissatisfaction and high turnover" Edward E Lawler III

1



Accountability requires information. Without valid information, actions taken by individuals are difficult to judge and can be seriously misunderstood. Secrecy makes it difficult to hold individuals and organizations accountable for what they do. It also makes it

difficult for those who are treated unfairly to make the case for fair treatment.

2

Pay secrecy is practised in many organizations. Some even dismiss people for talking about their pay. Secrecy prevents individuals and organizations from being held accountable for some of the most important decisions they make. It also concentrates power in the hands of those individuals who have pay information. All too often, this leads to them making indefensible pay decisions that they do not have to defend and that create the gender gap.

3

As a result of secrecy, it is not surprising that many employees believe their pay is unfair and are not sure how it is determined. This leads to multiple negative effects, including dissatisfaction, low engagement and high turnover. Motivation is also reduced because of doubts about what individuals need to do to receive pay rises and bonuses. In total, pay systems tend to be less

effective in organizations that practise secrecy than in those that don't.

When I suggest to organizations that they make pay public, they generally agree that it is a good idea but say that they first need to get their pay rates into a "defensible order". When I ask how long that will take, they usually say a few years. Not surprisingly, when I check back a few years later, little has changed and they say they need more time to get their pay rates into a defensible position.

In the absence of public accountability, how long that will take is anybody's guess. Mine is that it will never happen as long as pay is kept secret. Simply stated, the motivation to pay people correctly is absent when pay is secret because information is power. With pay secrecy, the unfairly treated lack it. As a result, it works against closing the gender gap. The solution is simple: make pay public. This is the best way to hold decision-makers accountable for their pay decisions and empower those who are unfairly paid. It is an effective way to eliminate gender-based pay differences. It will also benefit those organizations that do pay people fairly because it will be clear to all.

Edward E Lawler III is director of the Center for Effective Organizations and distinguished professor at the University of Southern California. He is the author of more than 50 books.

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Questions about salaries are usually taboo. But wouldn't more transparency in business – if necessary, by law – be fairer? The answer is both yes and no, as Vicki Sussens found out.

No! "Salaries are only one part of the rewards package"

Carol Boyer

1



Pay transparency might sound like an easy solution to questions of pay inequity but it is not a panacea. For anyone who is familiar with the phrase "a little knowledge is a dangerous thing," salary information is one of the most sensitive subjects. It needs to be interpreted within the

context of a total compensation and rewards package, and not as an isolated statistic.

2

Comparing jobs is more complex than it appears. And comparing job titles is dangerous unless a detailed analysis of the duties and requirements has been performed. Many factors go into determining a person's salary for "like" jobs, including experience, education and performance. For newly hired employees, their past salary might need to be considered in order to get them to make the move. And salary is only one piece of the rewards package; factors such as benefits and work-life offerings also need to be looked at.

3

Misinterpretation of salary data can cause bigger problems than those caused by not being transparent. Without knowing all the facts that went into a salary decision, employees can end up

demotivated unnecessarily, simply because they don't see the full picture or know why or how decisions were made.

More important than salary transparency per se is transparency of the process by which salary decisions are made. Again, one has to look at the total rewards package. When employees understand the full value of their benefits, paid time off, other payments such as shift or overtime pay and any other components of their remuneration, they can put their compensation into context.

When employees understand how pay is determined – and they trust that the process is fair and consistent – much of the suspicion goes away. Communication of the process is as important, if not more so, as communication of colleagues' salaries. Transparency of process leads to trust in an organization, which leads to higher engagement and more focus on performance. Understanding leads to trust. And if you don't trust that the organization has – and carries out – a fair process, why would you want to work there anyway?

Carol Boyer is assistant vice president for compensation at North Shore-LIJ Health System in Manhasset, New York.

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Vocabulary record: Should salaries be transparent?

verb	noun	adjective (+ opposite)	adverb (+ opposite)
determine			
	transparency		
		(in)defensible	
			accountability

Vocabulary record

