

Show Me the Money:

A Deep Dive into Pay Transparency Across Generations

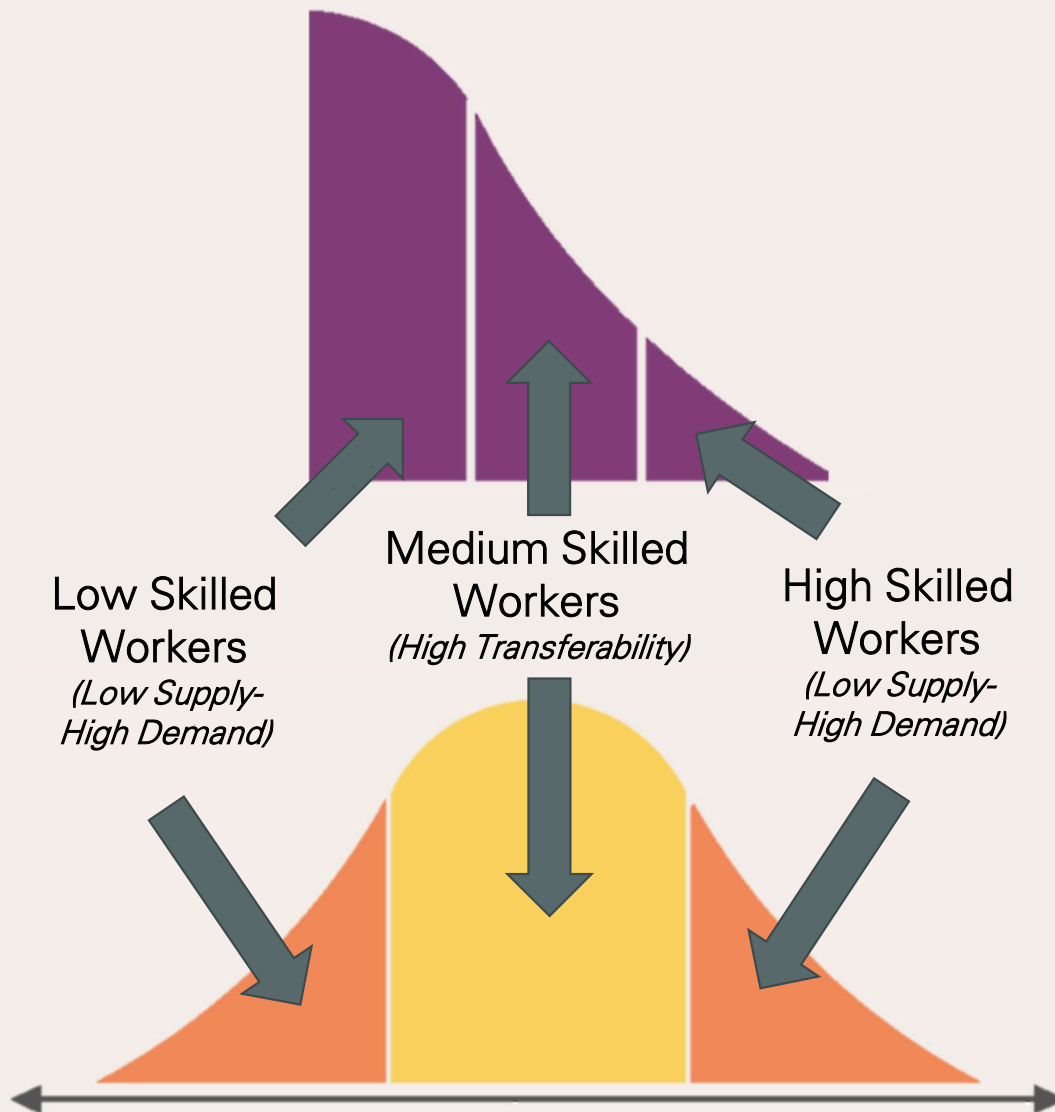


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SETTING THE STAGE: THE LABOR LANDSCAPE

The Labor Market Yesterday & Today



Low Skilled Workers: Tend to have limited technical or transferable skills (e.g., cashier, custodian, wait staff)

Medium Skilled Workers: Tend to have significant *transferable* skills (e.g., communication, data analysis, business/finance)

High Skilled Workers: Tend to highly specialized *technical* skills (e.g., engineering, programming, medical training)

What Happened?

Low Skilled Workers

Benefiting from both market forces (rapid contraction and expansion) and governmental intervention (pandemic related aid such as stimulus payments, expanded unemployment, and healthcare)

RESULT: The number of vacancies for this group is *greater* than before the pandemic and organizations **compete against one another and government support.**

Medium Skilled Workers

Benefiting from market forces (rapid contraction and expansion) and governmental intervention (pandemic related aid such as stimulus payments, debt relief, and healthcare)

RESULT: The number of vacancies for this group is *greater* than before the pandemic and organizations are **competing against one another** for employees ("The Great Resignation", "The Great Reshuffling")

High Skilled Workers

Have and continue to benefit from market forces and/or changing demographics (expansion in healthcare, information technology, education sectors)

RESULT: The number of vacancies for this group is always increasing and organizations have (and continue to) **struggle to find qualified candidates.**

CASTING THE CHARACTERS: WORKFORCE GENERATIONS

GENERATION Z (1997–PRESENT)

ECONOMIC CONTEXT: Are entering the workforce in the wake of the (ongoing) COVID-19 pandemic

IMPACT: Expect employers to be sensitive to their socio-economic needs; much more conscious about compartmentalizing work from personal life (“work-life balance” with an emphasis on the “life”)

SOCIAL CONTEXT: Have come of age during a period of intense social change (e.g., BLM, #MeToo, highly partisan politics)

IMPACT: Are much more likely to vet employers based on mission, reputation, social impact, and political engagement, among others

COMPENSATION CONCERNS: Equal Pay for Equal Work, Flexible workhours/ schedule; more comprehensive benefits (beyond healthcare and retirement)



MILLENNIALS (1982 – 1996)

ECONOMIC CONTEXT: Are entering the workforce in the wake of the Great Recession

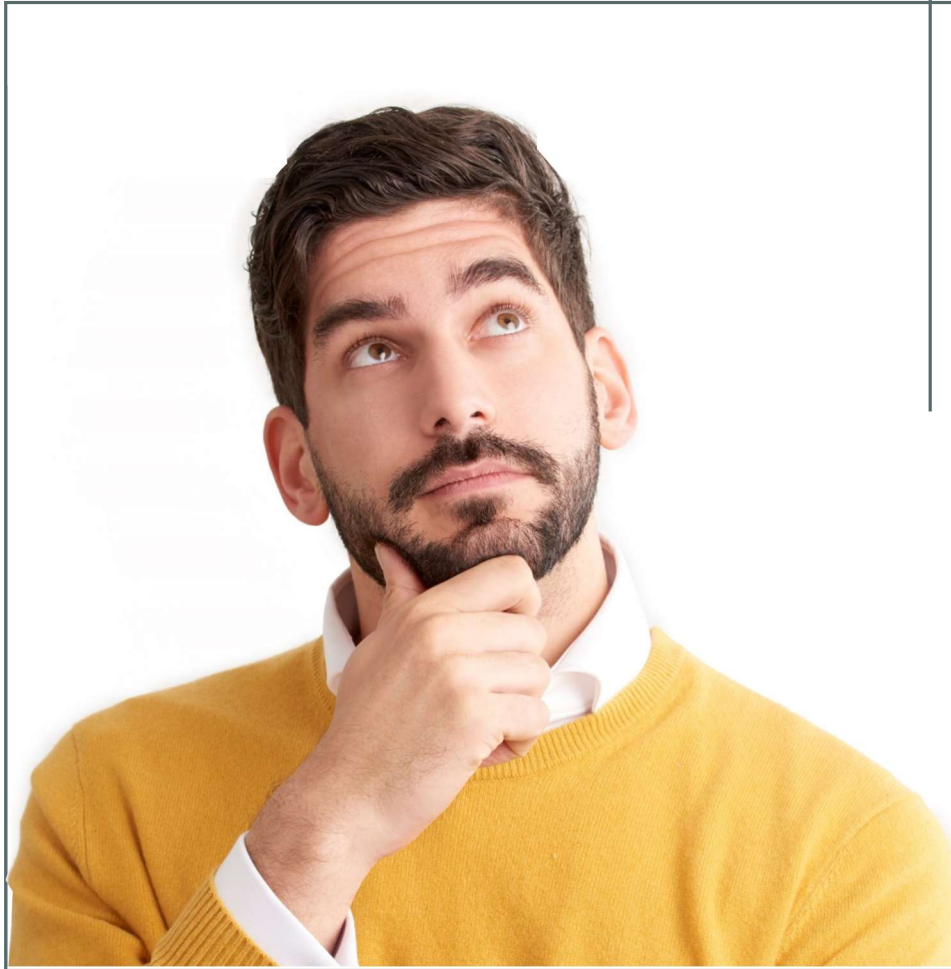
IMPACT: Expect employers to be sensitive to their socio-economic needs; are highly conscious of how employers treat employees

SOCIAL CONTEXT: Have come of age during a period of significant tumult (e.g., September 11th/ War on Terrorism, same-sex marriage)

IMPACT: Are much more likely to vet employers based on compensation, workplace environment, chances for promotion; willing to leave if better offer comes along

COMPENSATION CONCERNS: Equal Pay for Equal Work, Flexible workhours/ schedule; more comprehensive benefits (e.g., mortgage assistance, student debt relief)





GENERATION X (1965 – 1981)

ECONOMIC CONTEXT: Have come of age during the *Pax Americana* (post-Soviet Union economic expansion; DotCom Boom)

IMPACT: Expect socioeconomic mobility; place high emphasis on education (“push for college”) and expect employers to recognize their credentials; not as much concerned about work-life balance

SOCIAL CONTEXT: Are the parents of Generation Z (“helicopter parents”); tend to be more inwardly (family, community) focused as opposed to overt displays of sociopolitical action/ beliefs

IMPACT: Are much more likely to vet employers based on compensation, benefits, the potential for promotion, leadership opportunities; will consider staying with an employer if another offer comes along

COMPENSATION CONCERNS: Competitive pay (emphasis on education, qualifications), flexible work hours/ schedule; tend to stay with organizations with a “long-term relationship”

BABY BOOMERS (1945 – 1964)

ECONOMIC CONTEXT: Have come of age during the Cold War; influenced by free-market based reforms (“Reaganomics”)

IMPACT: Strong belief in market-based competition; place a high emphasis on experience over education (“the more working years the better”) and expect employers to recognize their experiential worth; have settled on the issue of work-life balance

SOCIAL CONTEXT: Are the parents of Millennials; tend to be more inwardly (family, community) focused as opposed to overt displays of sociopolitical action/ beliefs; see socioeconomic mobility as a function of ability rather than circumstance

IMPACT: Are established in their employment/ field; much more likely to vet employers based on availability for managerial/ senior posts; much less willing to migrate to another employer

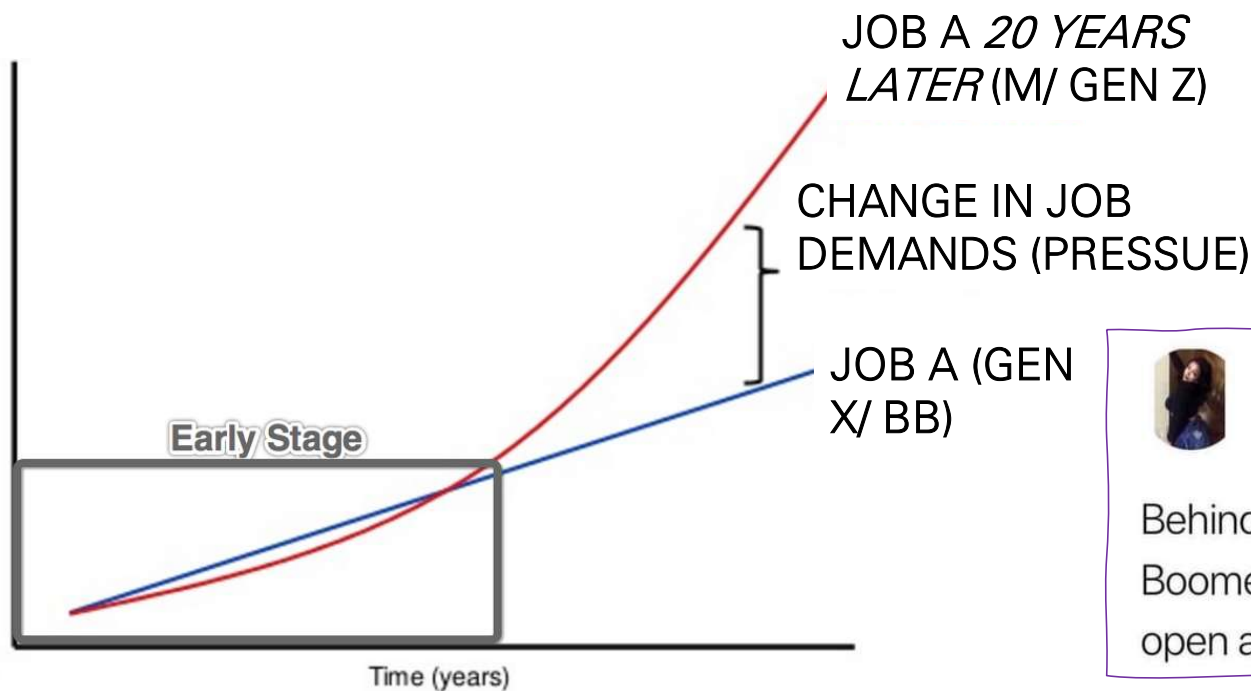
COMPENSATION CONCERNS: Expect high pay (emphasis on experience), conscious of healthcare and retirement offerings; willing to work for an employer where they can directly shape company operations/ culture



THE PLOT:
INTERGENERATIONAL CONFLICT

JOB DUTIES

Over time, job responsibilities tend to become more complex (even in the same position) and some jobs become eliminated altogether. Hence, a Generation Z or Millennial employee may be doing a job that has is a core function of your organization, but they are burdened with more complexity than their Generation X or Baby Boomer predecessors.



Over time they can become **resentful** that older generations are being promoted faster or paid *more* when having been asked to do less.



Queen
@Queennnn_____

Behind every broke millennial, is a Baby Boomer who makes 6 figures but can't open a PDF.

COMPENSATION & BENEFITS

Generation Z and Millennials see issues pay as a function of fairness (being paid for what is asked) whereas Generation X and Baby Boomers see pay as a function of merit (being paid based on productivity). **Both view pay as a reflection of worth.**

Generation Z and Millennials see benefits (healthcare, retirement) as *right* whereas Generation X and Baby Boomers see benefits as a *privilege* of employment (hence the term)



WORKPLACE ATTITUDES

GENERATION X/ BABY BOOMERS: "You are entitled, don't realize the value of hard work, and need to pay your dues."

GENERATION Z/ MILLENNIALS: "You had it a lot easier growing up, make us do the hard work, and reaping way more than you sowed."

GENERATION X/ BABY BOOMERS:
"The new employees keep asking for more and more. They don't understand how hard it is to manage people and resources."

**GENERATION Z/
MILLENNIALS:** "We do all the work, and they get all the credit. We should leave or get together and organize for our rights. That will show them."

THE RESOLUTION: BEST PRACTICES



HIRING DOs and DON'Ts

DO make your hiring team accountable and inclusive with rubrics, predetermined questions, representative groups

DO be clear with your candidate about what is and is not negotiable (e.g., tight budget but can offer remote option)

DO list the pay range (and associated benefits) on the vacancy announcement (no "competitive" salary or "commensurate with experience")

DO NOT create nebulous vacancy announcements which can apply to multiple job types (e.g., "good with data", "strong communications skills")

DO NOT give a false impression of your organization; the truth will eventually come out

DO NOT "ghost" the applicant or treat them as "expendable". Word-of-mouth and social media can complicate your hiring.



PAY SCALES/ RANGES DOs and DON'Ts

DO create a range/ table that is aligned with job categories, education, and experience (e.g., JOB A has a maximum pay of \$50,000 and requires 0-3 years of experience)

DO be mindful of your own biases that might lead to distortions in the scale (e.g., BS in the same field but from two different institutions)

DO publish your pay ranges both internally and externally (you may have to do a salary review)

DO NOT create a range that is so broad that it is meaningless (e.g., Job X has a range of \$75,000-\$120,000)

DO NOT create a convoluted/ complex formula that is so tedious that you have to be a data analyst to determine pay

DO NOT undermine your own ranges by making exceptions the norm.



WORKPLACE CULTURE DOs and DON'Ts

DO consider multiple (or modified) benefits packages for different employee groups

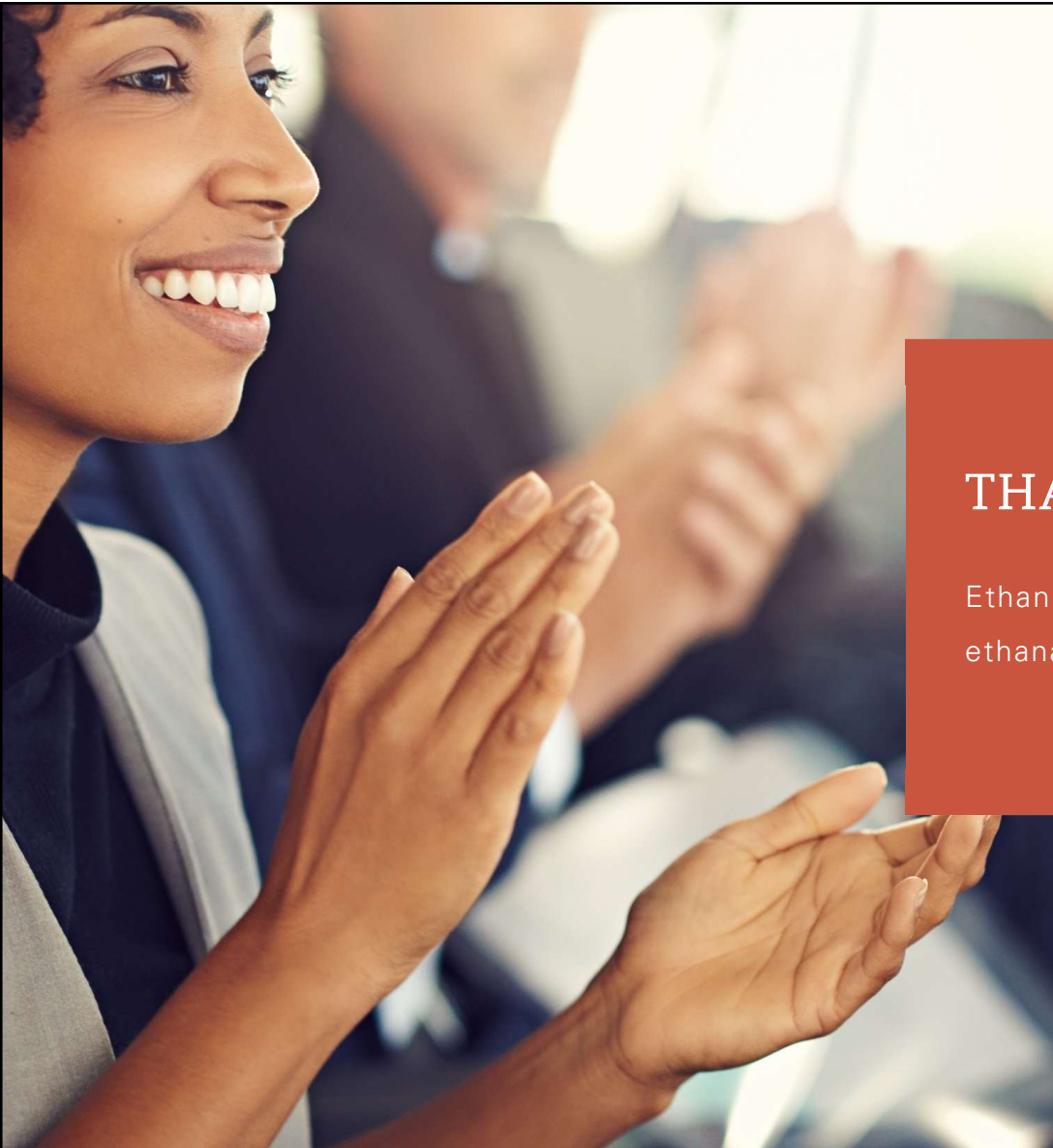
DO consider implementing a workplace culture/ environment committee.

DO consider ways in which your employees might provide feedback to their supervisors (e.g., 360° evaluations, departmental surveys/ ratings)

DO NOT validate the arguments of one group over another especially if it can lead to charges of discrimination

DO NOT simply appoint one person as the “culture”, “wellness”, and/or “diversity” person; it is everyone’s responsibility not just someone else’s

DO NOT attempt to “ride out” the labor market; while the labor market can change abruptly; generational attitudes/ needs tend to long-term



THANK YOU!

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**The truth will set
you free, but first it
will piss you off.**

Gloria Steinem