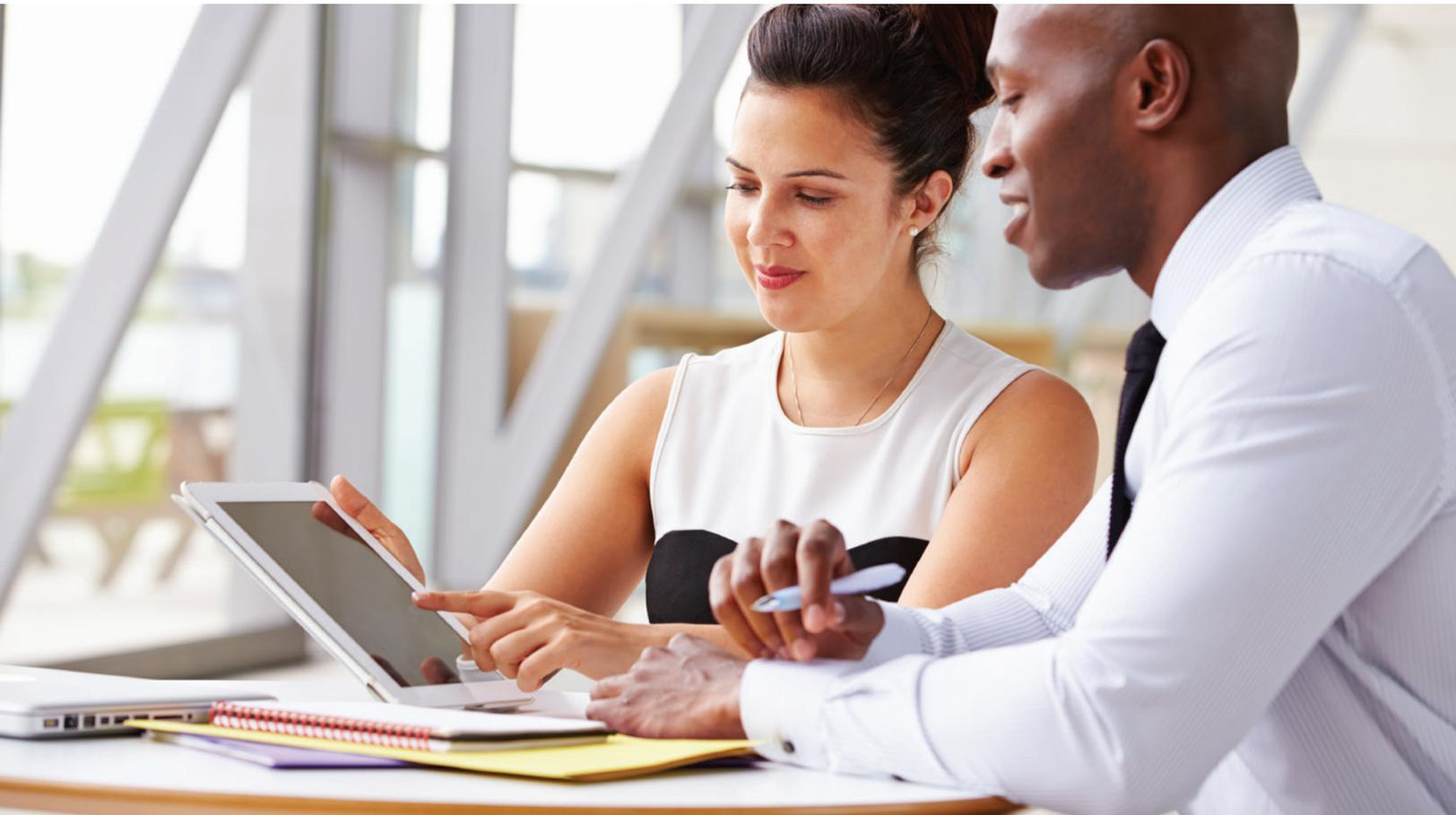


THE EMPLOYER'S GUIDE

# KNOW YOUR WORTH



If your employees have discovered [Know Your Worth by Glassdoor](#), it may have caused them to come to you to ask questions about their base pay. As a result, you may be feeling unsure what this tool is and what you need to know about. We're here to help. We have outlined what you need to know about Know Your Worth, and how you can leverage it for conversations about pay with employees and candidates.

# The Importance of Pay Transparency

While workplace transparency is becoming the new normal, it is still really hard for people to know if they are being paid fairly. Very few companies openly share pay data, and talking about pay remains largely taboo in our society yet workers want and need more information. Glassdoor is changing this. Here's why:



## 2 in 3

**U.S. employees wish they had a better understanding** of what fair market compensation is for their position at their company within their local job market.<sup>1</sup>



## 4 in 5

**employed active job seekers wish they had a better understanding** of what fair market compensation is for their position at their company within their local job market.<sup>1</sup>



## 3 in 4

**employees would negotiate their salary or search for a new job** if they discovered their current pay was significantly less than fair market pay (based on their work experience and local job market).<sup>1</sup>

1. Source: Harris Poll, September 2016

# About Know Your Worth

## What is Know Your Worth?

Know Your Worth provides a **personal estimated market value for base pay**. Users discover what they're currently worth in their local job market and find out if they're paid fairly. Users simply enter in their current job title, base salary, location, relevant years of experience, education and gender (optional), then Know Your Worth generates an anonymous and free market value base pay estimate.

As of October 2017, Know Your Worth is available to U.S. employees and Glassdoor expects market values will be able to be generated for the majority of the U.S. workforce.

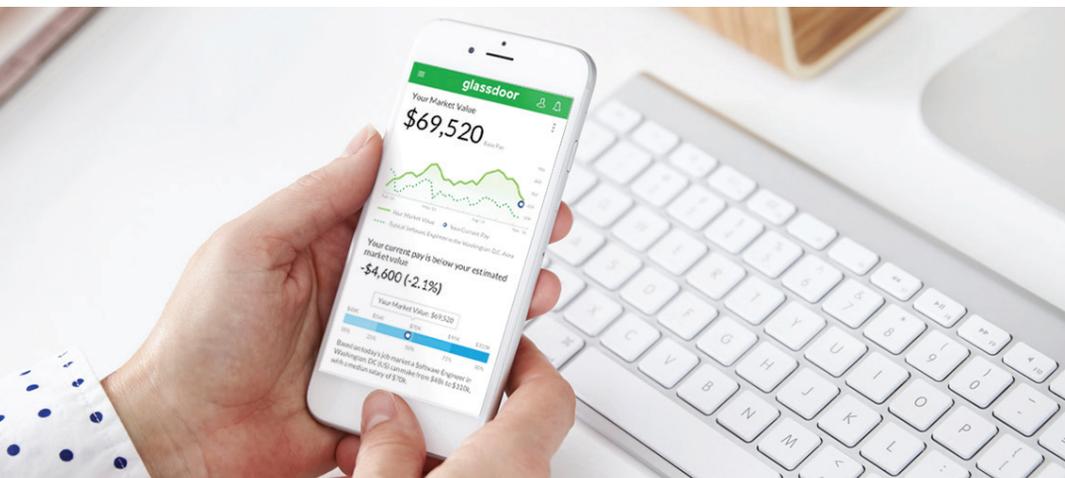
## How are the market values for Know Your Worth calculated?

Know Your Worth market values take into account **salary insights directly collected from millions of U.S. workers and third-party sources**. Know Your Worth applies proprietary, patent-pending technology and machine learning algorithms that factor in each individual's personal characteristics, current relevant job openings in the local labor market, and typical career progression data.

To calculate a personalized market value, Glassdoor requires a few personal details. Users simply need to provide their current job title, base salary, location, relevant years of experience, education and gender (optional). If the user's current role is included in Glassdoor's Know Your Worth, the **tool will calculate the current personalized market value for the user in seconds**.

## How often are Know Your Worth market values updated?

Glassdoor recalculates market values weekly using **real-time data**.



## How accurate are Know Your Worth market values?

Our accuracy greatly depends on the salary data in our system and current relevant job openings in each market. As of October 2017, our median margin of error is approximately 12%, which means half of the estimates used in the Know Your Worth algorithm are within 12% of the true reported new salary, while half differ by more than 12%. (Learn more in our [FAQs & Methodology](#).)

## Can I, as an employer, verify the salary estimates or employees' market values on Glassdoor?

Not at this time. The best way to help improve the accuracy of the salary data on Glassdoor is to encourage your employees to contribute a salary report or to try using Know Your Worth. **The power of this tool lies in predicting earning potential, rather than pinpointing a specific employee's pay at your company.** As Glassdoor continues to grow, we will continue to evaluate other ways to help make the site even more valuable.

## But our total rewards and compensation package extends beyond base pay.

Know Your Worth provides insight into the estimated median base pay an employee could earn in today's job market. A Know Your Worth estimated market value is an estimate of base pay and is **designed to be a starting point for candidates and employees.** We do our best to make this clear.

Know Your Worth does not currently factor in other types of compensation or benefits that you may offer into an individual's market value. We recognize these other factors are often considered as part of a company's total compensation and rewards program that can significantly influence base pay at a specific company. Just as companies evaluate performance on more than just the tasks completed, **employees need to understand that what they receive from the company extends beyond the paycheck.** Glassdoor expects to add additional variables to the Know Your Worth model over time.

### ACTION TIP

To help manage discussions with employees who have questions about their estimated market value vs. their current pay, we suggest employers **frame discussions in context with their company's total rewards and compensation strategy.** And, be sure to reinforce this early, regularly and openly.

# Tips on Talking About Know Your Worth With Employees

Below are tips on how to help employees learn more about Know Your Worth, how base salary fits into your company's overall compensation and rewards package, how promotions and raises work at your company, and how to help be responsive to the facets of employment that are valuable to each of your employees.

1

## **Review the employee's Know Your Worth estimated market value.**

Understand, the estimated market value is **not an estimate for base pay** at your company. It is designed to be a **median estimate of earnings potential** in the current local job market, based on their work history and current market trends around related job openings and pay. However, this is an opportunity to review the person's current compensation in their department and among people with similar work experience to make sure it's appropriate in today's market.

2

## **Explain your company's current compensation strategy.**

Most employees understand base pay is only part of the equation in evaluating overall compensation and rewards. Engage in discussions by reviewing the estimated market value for each employee in context of your company's total rewards and compensation strategy. Additionally, employees (and employers themselves) often overlook the softer rewards that come at a high price to the employer. **Remind employees of the full value** they receive as an employee at your organization and how base pay fits into their overall package. This can be everything from your health insurance to flexibility to continuing education support to snacks, etc. This is different at every company. If you haven't yet fully crystallized or articulated your overall compensation package, spend some time with your team to create the strategy, messaging and materials that will help you lead these discussions to **drive deeper understanding and engagement**.

3

## **Explain your company's process for promotions and raises.**

[Glassdoor Economic Research](#) shows that career progression is more important than salary when it comes to drivers of employee satisfaction. If someone is fairly new to your company, you can share details on how the performance review and pay raise process works. If an employee has been with the company through performance reviews, leverage this as an opportunity to create a development plan with your employee to **ensure they understand the path forward and upward**.

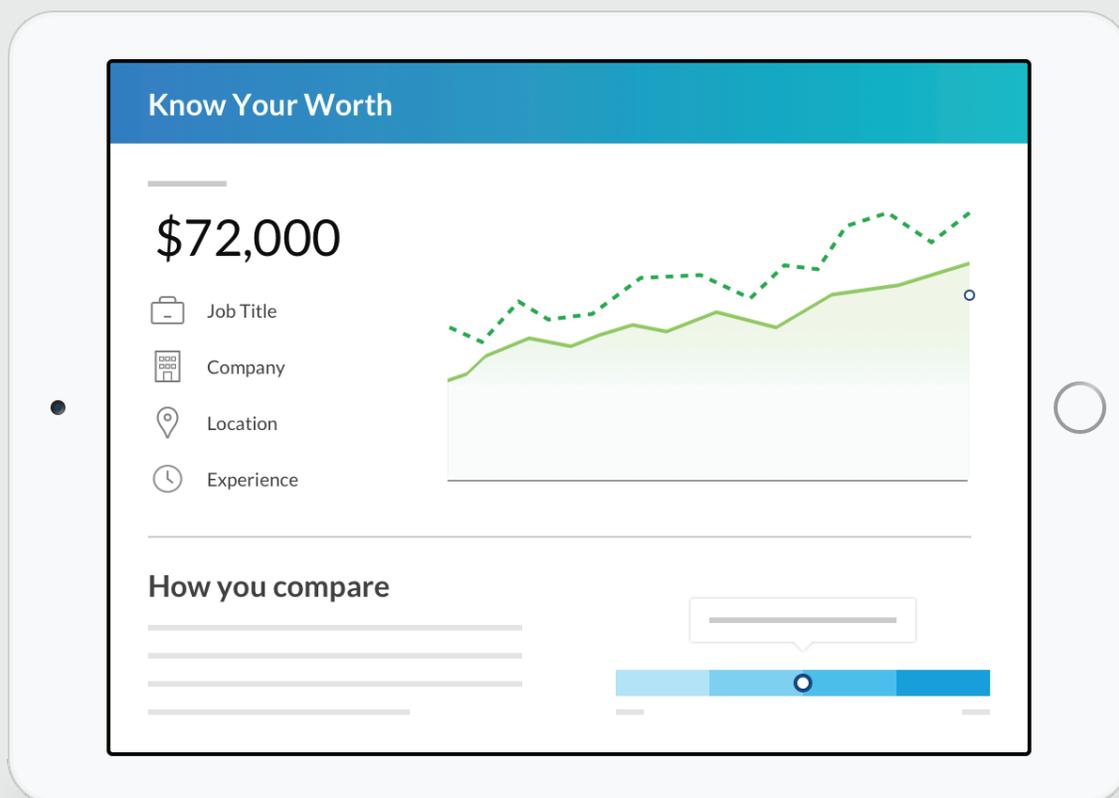
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## **Know what's important to your employee.**

Different employees need and value different things. What's most important to your employee? Flexibility? Time off? Career progression? Feedback? Base salary? Use this as a time to **engage in a more meaningful discussion** with your employee in order to drive deeper engagement and a more healthy and meaningful relationship.

Salary discussions are nothing new but the increasing transparency around salary data is. Having access to real-time, location-based competitive salary data will help empower your employees and candidates — as well as your company.

Reinforcing that you embrace transparency and encourage direct conversations about pay and overall compensation can help you **drive differentiation for your employer brand**, and attract and retain top talent to help you win.



## RESOURCE

Read how Glassdoor's new CHRO is [navigating Know Your Worth internally](#) and learn more about Know Your Worth in our [FAQs & methodology](#).



### About Glassdoor

[Glassdoor](#) is one of the largest and fastest growing job sites in the world today. Set apart by the tens of millions of reviews and insights provided by employees and candidates, Glassdoor combines all the jobs with this valuable data to make it easy for people to find a job that is uniquely right for them. As a result, Glassdoor helps employers hire truly informed candidates at scale through effective recruiting solutions like [job advertising](#) and [employer branding](#) products. Launched in 2008, Glassdoor now has reviews and insights for approximately 700,000 companies in more than 190 countries.<sup>1</sup> To stay up to date on employer-related news, industry trends and hiring tips, visit the [Glassdoor for Employers Blog](#).

For more on how to approach salary conversations with employees:

[Check Out Our Blog](#)

To get involved in the conversation on Glassdoor and start managing and promoting your employer brand, email [employers@glassdoor.com](mailto:employers@glassdoor.com), call **(415) 339-9105** or visit [www.glassdoor.com/employers](http://www.glassdoor.com/employers).

For the latest in recruitment marketing tips, best practices and case studies, follow us on Twitter: [@GDforEmployers](#).

1. Source: Glassdoor Internal Data, June 2017