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Beware of Sharing Salary Details

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In today's office culture, many traditional rules no longer apply. It's common, for example, to call your boss by his or her first name, dress casual all the time, and work a flexible schedule that could include some hours spent at home. But one convention remains firmly in place in most workplaces: It's not considered a good idea to discuss with coworkers how much you make.

"It's definitely one of those touchy subjects," says compensation consultant Amy Stainman Herman, who has worked for large and small companies, including Verizon Communications, Altria Group Inc., IBM and Empsight International.

"It can cause ill will and feelings of inequity among employees."

People, Not Packages

The main reason to keep your <u>salary</u> to yourself, according to human resources professionals, is because varying levels of experience and skill sets make for an apples-and-oranges, dollars-and-cents comparison; this can be true, even for people with similar job descriptions.

"I might be an engineer and my salary could be different from yours for a variety of reasons," says T. Ray Bennett, vice president of human resources at the 2,600-employee American Bureau of Shipping in Houston. "They could include time with the company, industry time, performance, specialties, additional training -- there are a lot of reasons why guys in the same job could have different salaries."

The Case for Transparency

Taking the opposite tack on this issue is Traci Fenton, who advocates for a democratic workplace where salaries are discussed openly. As the founder and CEO of the nonprofit business group WorldBlu, Fenton believes offices function better if decisions, including those about compensation, are shared by bosses and workers.

"Everyone gossips about how much people make and everyone's wondering -- it's very toxic and wasteful," Fenton says. "When you're open and transparent, it cuts down on the noise, and allows people to be more efficient.

"If [workers] have the same relative job, and they're adding value, if you create an open system that acknowledges and rewards them, that's so much better."

Know Your Worth

However, in the view of human resources professionals, those with legitimate concerns that they're being underpaid can get a sense of their worth through career sites like <u>Yahoo! HotJobs</u> or professional organizations, without having to ask a colleague.

"You can research your own market value, and address it with your manager directly, without mentioning anyone else," Bennett says.

When managers learn of salary figures being exchanged, they should consider this an opportunity to review with their HR department how their compensation systems rank with the marketplace.

Tell the Boss

Salary discrepancies often can crop up for longtime workers, who may have started at a lower pay scale than recent college hires.

"Most companies on a regular basis will track their pay against the marketplace," Herman says. "This is just another reason to initiate an analysis, if one hasn't been done in the past."

Whether or not a raise is warranted, managers should make sure employees understand the thinking behind their pay. Still, it's not always possible to meet someone's <u>salary</u> needs.

"At some point, the answer gets down to, 'We feel your pay is appropriate,' and if the individual says, 'I don't,' we can't do much more," Bennett says.

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