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Website makes salaries more transparent

More specific income data can help negotiate a raise. It may also hurt working relationships.

By [Marilyn Gardner](#) | Staff writer of *The Christian Science Monitor*
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"How much do you make?" has long ranked as an impolite question in polite circles. Salaries remain shrouded in secrecy, reigning as one of the last taboo subjects.

Now that "Shhh, don't tell" attitude is beginning to crumble as the Internet offers new ways to gather and post information. With a few clicks of a mouse, Web users can browse salary sites to find general salaries for various positions. A new entrant, Glassdoor.com, allows anyone to find and anonymously share salary details about his or her job at a specific firm and location. Launched in June, the website went global last month, providing salaries in more than 100 countries.

"It's a level of transparency that hasn't existed before, so it's initially uncomfortable," says Robert Hohman, CEO of Glassdoor. "But it's empowering. Being paid fairly for our work affects us emotionally, and having that income affects our life. People want to know, 'What am I worth as a software engineer with five years' experience?'"

So far, the site lists 88,000 salaries at 11,000 companies in 90 countries. To gain access, users must submit a salary or review a company. Glassdoor researchers check all material, Mr. Hohman says. "If it doesn't look right, we contact the user and challenge it."

For employees, the information can be useful in negotiating a salary for a new job or getting a raise in an existing position. For employers, Hohman says, it provides a way to see what a competitor pays. Noting that most employers conduct an annual salary survey, he adds, "Once that information is public, it can only help.

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If there's a large gender gap, it'll be laid bare. It'll be harder to continue with unfair practices."

Traci Fenton, who as CEO of WorldBlu advises companies on how to run more democratically, calls the website "controversial" but adds, "It's also a really great idea.... Salary transparency is a great way to inform employees about how committed the company is to fairness."

But not everyone favors full transparency. "Although we generally want to know if we make more than a colleague, bitterness sets in when we find out otherwise," says J. Max Barger, an attorney in Bethesda, Md. "When the American Bar Association publishes an average starting salary for beginning associates, we hear nothing but grumbling for weeks following the publication. It still just isn't appropriate to talk about money with others. You either come off as a braggart, or you turn sour. Rarely does such a discussion improve relationships, work efficiency, or self-confidence."

Many corporate executive salaries are already on record in proxy statements, and top salaries at nonprofits are available on websites that post IRS Form 990 data. At the bottom of the pay scale, entry-level salaries often appear in ads. That leaves workers in the vast middle wondering where they stand.

Many factors determine compensation, says Steve Gross, global compensation consulting leader at the consulting firm Mercer. These include tenure, performance, location, performance of the business, and supply and demand.

At the Houston consulting firm where Franny Oxford heads the human resources department, all salaries are public, so project leaders know what to charge clients. That openness has produced "no drama, but an increased focus on internal equity," she says. "People pull their weight because they know that others will question their value compared to salary if they don't. Employees push themselves to learn more or perform better so they can earn larger raises than their coworkers. So far the competition is friendly, and because we're doing well, it should stay that way."

Cissy Pau, principal consultant for Clear HR Consulting in Vancouver, British Columbia, sees it differently. "Sharing specific information about employee salary and benefits is definitely something we do not recommend," she says. "It raises issues of confidentiality and privacy, and the potential for office gossip and rumors around whose salaries are posted."

Carol Hodes of Old Bridge, N.J., knows firsthand the possible downside of transparency. Two years ago, as she was taking a buyout after 25 years with a state agency, she found a website giving data on all government employees in the state, including her agency. (Such data on public employees is widely available.)

"When I saw what some others were making, it made me feel that I hadn't been properly compensated," she says. "It particularly bothered me because I was about to start taking my pension, which is based on the average of my last three years' salary." She briefly reproached herself for not going after raises more aggressively, and she felt some ill will toward her supervisor. But, Ms. Hodes says, "It didn't take long to realize that this was a silly waste of my energy to harbor these feelings." If she were still working at the agency, she says, she might use the information "to pursue more equitable compensation."

So deeply ingrained is salary secrecy that some companies have a policy that sharing a salary is grounds for dismissal, says Mr. Gross. The Paycheck Fairness Act, passed by the House in June, would prohibit employers from penalizing employees for sharing salary information. Already California and Washington do

not allow firms to muzzle workers this way.

In Vancouver, Wash., Jenn Barnes, a human resource professional, discusses her salary with others. "I do this because knowledge is power, especially for women and other minorities, and it is my legal right to do so," she says.


But rather than making individual salaries public, she and various employment specialists focus on pay grades and ranges. "If done on a wide enough scale, it could be extremely helpful in recruiting and retaining employees," Ms. Barnes says. "Companies that educate employees on their compensation strategies and publish pay grades internally as well as externally raise the professional bar. I would rather work for a company that says, 'Here is what is available to you at each stage in your career here, depending upon the following variables,' than one that says, 'We offer nothing to justify our compensation decisions.' "

So far, employers are taking a wait-and-see approach to Glassdoor, Hohman says. Calling himself "a capitalist at heart," he adds, "I don't think salaries should be equal. But they should be transparent. There are good reasons why they're not equal. Those reasons should be known." He finds it encouraging that workers between the ages of 18 and 34 are much more comfortable talking about salaries.

In the absence of full transparency, Ms. Oxford offers a suggestion, saying, "Maybe one way to look at it is that all companies should behave as if salaries might become open knowledge at any time."

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