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HOW KORN FERRY HELPS YOU **MASTER PAY CONVERSATIONS**

As organizations roll out pay transparency, managers need to prepare for employee questions around pay.



EBOOK

As organizations implement pay transparency policies, it's common to focus on compliance. But it's equally important to plan for the impact these policies will have on your people.

Talking about pay is a major cultural shift for most companies.

Some of that change can be navigated via policy. But your leaders, HR teams, managers, and employees will be the ones shaping the actual experience across the organization.

"The thing leaders struggle with most is having these challenging conversations under significant pressure," says Danny Othman, an associate client partner at Korn Ferry EMEA. "They've never needed to discuss their colleagues' pay before, so it's a whole new conversation they're not prepared to have."

Organizations need leaders with the right capabilities to guide these conversations. That way, your pay transparency efforts can build employee confidence, rather than creating confusion or distrust.

This guide explores Korn Ferry's solutions for supporting your conversations about pay transparency:

- → Role-based training pathways
- → Structured behavioral frameworks
- → Simulated conversation practice
- → Globally scalable tools

By giving your team these techniques for discussing pay, you can also help build a deeper sense of trust.

The Path from **Transparency to Trust**

01 Readiness
Before disclosure

Businesses build a foundation for transparency by identifying pay gaps and fixing pay structures.

How will these decisions impact your employees?

02 The moment
Conversations and reactions

When new data becomes visible, employees inevitably compare and question what they see.

How well can your leaders respond in real time?

03 Outcomes
What happens next

Leaders who navigate these conversations well strengthen the organization's business performance.

Will you build trust or drive talent out the door?

When Pay Conversations **Go Wrong**

Questions about pay are likely heading your way, whether your organization is ready or not. And your employees' demands for answers won't be slowing down anytime soon.

As we feel the broader impact of the EU Pay Transparency Directive and similar legislation from other regions in the US and beyond, expect to see more questioning from workers' councils and unions.

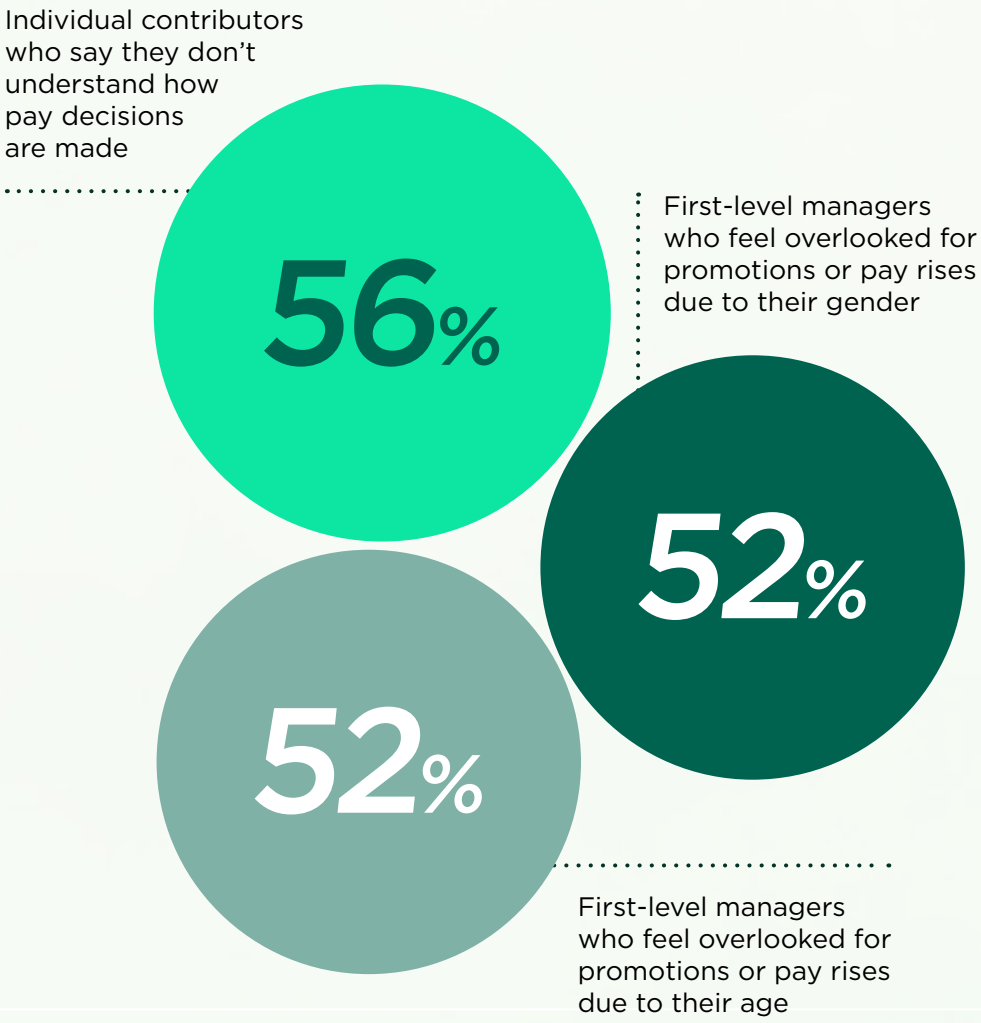
"Leaders are panicking when they realize their managers or HR teams need to explain pay transparency to their people," says Mark van Zon, a senior expert in Korn Ferry's Pay Equity practice in EMEA. "What's the narrative? And how will they quickly communicate it at scale?"

Without a coordinated response, what starts as a few stray questions can escalate quickly.

When managers give inconsistent responses, alternate narratives begin to form. Negative experiences make newly visible pay gaps feel even worse.

As employees lose their sense of trust, they start looking for work elsewhere, and your organization's reputation suffers, making it harder to replace them.

The Impact of Pay Transparency on the Workforce



Source: Korn Ferry 2026 Workforce Report

How to Prepare for **Pay Conversations**

A list of talking points and best wishes won't cut it. Before leaders can answer questions confidently, they need the right preparation and support:

- Training on compensation policies
- Guidelines for communicating clearly
- Practice responding to emotional reactions

The key is to help your team develop both a deep understanding of compensation policy and the emotional intelligence to confidently answer tough questions about pay. Most leaders haven't been trained in either.

"Managers need an understanding of relatively dry, compensation-based content," says van Zon. "And they also need to be able to manage emotionally charged conversations with potentially aggrieved people."

Korn Ferry's Approach to Pay Conversation Prep

We get your team up to speed with a structured program tailored to your organization's needs:

- **Our e-learning curriculum:**
  Provides explanations and establishes clear boundaries, so participants know what is and isn't their responsibility
- **Our AI roleplay tool:**
  Puts participants in realistic, high-pressure scenarios where they build confidence and muscle memory through practice
- **Our online-first rollout:**
  Helps you quickly scale this shared understanding across your teams and regions



Establishing a **Unified Message by Role**

The first step toward consistent conversations about pay transparency is to establish a single source of truth.

At Korn Ferry, we build this in the form of a communication framework, delivered as an assurance guide, created collaboratively with your executives and rewards leaders.

This customized guide sets the foundational rules of engagement. It spells out your company's preferred level of transparency on a spectrum ranging from the minimum required disclosure to full transparency. The guide also details your rollout, like what, when, and how things get communicated.



Discussing
Pay Transparency by Audience

Once your strategy is established, we shift to executing it across four distinct audience pathways.

Executive capability pathway

The executive capability pathway is a 6.5-hour program for senior leaders. They will learn to set the direction and champion a more transparent culture.

- **Agreeing on a Narrative**
  Help executives collaborate to establish a clear, consistent explanation of how the organization's pay structures are designed.
- **Setting the Tone**
  Guide participants in translating strategy into clear talking points and demonstrating what healthy pay conversations look like.
- **Staying Composed Under Pressure**
  Prepare leaders to handle high-stakes questioning by helping them practice in immersive AI simulations.

People leader pathway

The people leader pathway trains managers on a variety of behavioral frameworks for handling emotionally charged questions.

- **Practicing the Conversation Spine**
  Give managers a clear, repeatable structure (explain, acknowledge, clarify, and commit) to ensure calm, consistent discussions about pay.
- **Making Sense of Conversations**
  Provide guidelines for uncovering the real motivation behind pay-related questions, whether they're motivated by information, fairness, anxiety, or comparison.
- **Using Messaging Guardrails**
  Equip managers with a reference sheet and clear boundaries for what to address directly, and what to escalate to HR.

HR pathway

The HR pathway covers how to support managers and help them handle escalation by building up HR professionals' comfort with pay data.

- **Interpreting Complex Data**
  Build participants' confidence in understanding and discussing compensation numbers so they can give leaders clear, compliant guidance.
- **Rehearsing for Emotional Conversations**
  Help participants practice managing sensitive discussions and emotionally charged scenarios with s enior stakeholders.
- **Simplifying Complex Compensation Rules**
  Help translate dry policies and job architectures into clear, plain language using interactive lessons.

Employee pathway

The employee pathway helps workers understand the company's frameworks and manage their expectations.

- **Asking Constructive Questions**
  Provide guidance for asking clear, respectful questions that get answers about pay and career development.
- **Demystifying Frameworks**
  Help employees understand how pay decisions and salary ranges are actually determined.
- **Developing Realistic Expectations**
  Provide self-paced digital exercises that help employees approach pay conversations feeling calm and informed.

Using AI to **Practice Discussing Pay Expectations**

Like any other skill, talking about pay takes practice. Once your team understands the fundamentals of your pay transparency policy, they need a safe place to test their approach before facing a real human with real emotions.

Korn Ferry provides that environment with prebuilt AI simulations.

Participants join realistic video "calls," where they engage with AI avatars representing different kinds of workers. The challenges ramp up in difficulty. They start with a curious employee asking a general question and end with an employee who's found out a colleague earns more than they do.

The scenarios are tough. Most people get it wrong at first. But that's the point.

"We've even seen HR people struggle with the simulation," Othman says. "They say, 'If even I can't answer these questions, what's going to happen to the thousands of leaders in my company who aren't used to high-pressure conversations?'"

Learning to discuss pay transparency is like learning to fly an airplane. You learn the basics through e-learning, the same way you might read a flight manual. Practicing pay conversations with AI simulations is like logging time in the practice cockpit.

While workers gain practical experience, the AI keeps track of metrics, such as their brevity, clarity, pace, and empathy level. The program provides coaching to help them score higher. And HR teams can follow along on a dashboard that shows participants' progress.

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> **Danny Othman**
> Associate client partner
> Korn Ferry EMEA

How AI Practice Builds **Pay Conversation Skills**

Korn Ferry's AI simulations give your team a safe, realistic way to build confidence and master challenging pay conversations.

Realistic scenarios

Engage with AI avatars that represent different kinds of employees.

Progressive difficulty

Scenarios ramp up in challenge, from straightforward questions to highly emotional conversations.

Practice anytime

A safe, flexible environment to build confidence and muscle memory.



Integrated learning

Reinforces key concepts from your e-learning curriculum.

Personalized feedback

Tracks metrics like brevity, clarity, pace, and empathy, with coaching to help improve.

HR visibility

A dashboard shows individual and team progress.

Scaling **Pay Transparency Messaging**

Training one core group on pay transparency discussions is one thing. But how do you roll out a complex program to thousands of workers across regions—without losing the core message or breaking the budget?

Korn Ferry's overarching philosophy is flexibility by design.

Self-Led Digital Learning

We built our digital curriculum to be quickly shared at scale, establishing a baseline of consistent messaging across your organization.

- Choose from different languages, including English, Italian, German, and Spanish.
- We'll host the lessons in a single Korn Ferry hub, or we can integrate them into your existing Learning Management System (LMS) or HR platform.

Train-the-Trainer Process

Prefer to run live workshops yourself? This optional process equips your HR facilitators to deliver our proprietary materials.

- Your trainers attend our master trainer-led workshop to observe delivery and practice facilitation, getting feedback at every stage.
- Once certified, they get access to our content hub materials, allowing your trainers to scale that messaging consistently without losing regional relevance.

Why **Korn Ferry?**

As the global leader in organizational consulting, Korn Ferry helps companies connect pay, performance, and culture. Our data, frameworks, and experience turn pay transparency from a regulatory requirement into a competitive advantage.



People-Centered Approach

Our methodology enables leaders and HR teams to manage rewards confidently through clear, consistent pay and communication strategies that reinforce respect.



Client Trust

We work with 96% of Fortune's World's Most Admired Companies, giving us unmatched insight into organizational challenges and opportunities.



Scientific Rigor

Our inclusive rewards framework is the most robust in the market. We have compensation data in 150+ countries and pioneered modern work measurement.



Breadth of Capabilities

We offer deep expertise across reward strategy, analytics, regulatory insight, and change management—covering the full talent life cycle.



Global Scale

We help organizations meet evolving pay transparency regulations with both global reach and local relevance through 100+ offices in 50 countries.

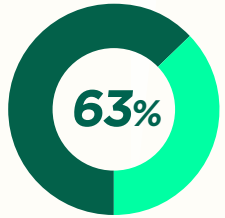
Drawing on our Total Rewards expertise, global pay data, and local insights, we help organizations at every stage of their pay transparency journey.

For organizations facing new transparency or equity demands, Korn Ferry is the only partner that unites compliance, culture, and performance under one framework.

Don't Leave **Pay Conversations to Chance**

The human side of pay transparency plays a major role in how employees feel about themselves and how much they trust your organization. Over time, each of their conversations about pay directly impacts your business performance and retention, as well as your organization's reputation.

In fact, according to Korn Ferry's Workforce 2026 report, 63% of workers say a feeling of being treated unfairly would be a reason to leave a job.



Now's the time to take advantage of those conversations as part of your larger pay transparency strategy, ultimately turning transparency into trust.

Ready to start building your pay conversation strategy?

START THE CONVERSATION – CONNECT WITH AN EXPERT

KORN FERRY

Korn Ferry is a global consulting firm that powers performance. We unlock the potential in your people and unleash transformation across your business—synchronizing strategy, operations, and talent to accelerate performance, fuel growth, and inspire a legacy of change. That's why the world's most forward-thinking companies across every major industry turn to us—for a shared commitment to lasting impact and the bold ambition to Be More Than.

As the Official Talent & Organizational Consulting Partner of LA28, Korn Ferry is powering the nearly 5,000 people who power the Olympic Games – bringing in the right talent, building strong leaders, and shaping the structure and culture that will deliver an unforgettable experience for the world.

Business advisors.
Career makers.

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