



KORN FERRY'S 5-STAGE FRAMEWORK FOR IMPLEMENTING PAY TRANSPARENCY

Transforming Compliance into Confidence
and Competitive Strength

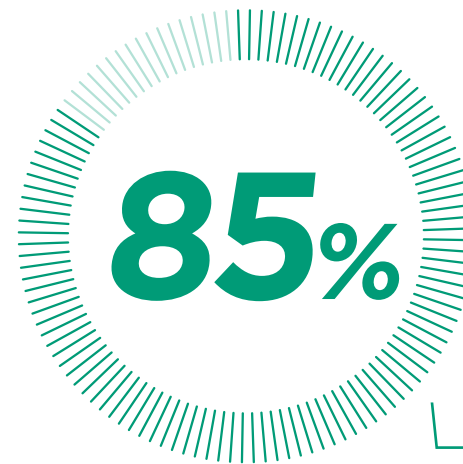
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Pay Transparency is Coming— Are You Ready?



**OF COMPANIES
IN EMEA ARE
AWARE OF THE
EU DIRECTIVE***



**FEEL PREPARED
FOR PAY
TRANSPARENCY***

Beyond Compliance: Leading Through Pay Transparency

By June 2026, the EU Pay Transparency Directive will take effect, marking one of the most significant shifts in workplace regulation in decades. It's part of a broader global movement towards pay transparency, as major markets introduce their own rules that are defining expectations from regulators, investors, and employees alike.

Forward-thinking senior leaders already recognize the question isn't whether to act but how to move with purpose, meeting new legal standards while strengthening trust, culture, and performance.

Beyond the potential for non-compliance penalties, organizations that wait risk losing credibility with employees, investors, and the market. As transparency becomes the norm, a lack of clarity will quickly erode morale and retention, leaving your brand—and your talent strategy—behind.

Korn Ferry's Pay Transparency services, part of our Career Architecture solutions, help organizations translate regulation into a strategic advantage. Our five-stage pay transparency framework meets you where you are, accelerating progress and embedding transparency to support long-term business results.

IN THIS GUIDE, YOU'LL FIND:

- A clear view of the five stages of pay-transparency maturity
- Why each stage matters
- How Korn Ferry supports your organization at every step

**Let's get
started.**



Korn Ferry's 5-Stage Pay Transparency Framework

01

REGULATORY READINESS

- Understand regulatory obligations
- Plan for compliance
- Communicate your strategy

02

PAY EQUITY ASSESSMENT

- Identify structural issues
- Understand your pay competitiveness
- Uncover and address pay disparities

03

JOB ARCHITECTURE

- Create role descriptions
- Establish compensation frameworks
- Determine internal value of jobs

04

REWARD DESIGN

- Evaluate reward strategy effectiveness
- Improve communication strategies
- Ensure consistency of reward structure

05

TRANSFORMATION & CHANGE MANAGEMENT

- Upskill managers and leaders
- Secure leadership buy-in
- Establish reporting and feedback mechanisms




STAGE 1 REGULATORY READINESS

Understanding Laws and Building Trust

Stage one of the Korn Ferry pay transparency framework centers on establishing clarity around your organization’s regulatory obligations and developing a plan to meet them.

This helps you establish a strong foundation for your pay transparency strategy and prepare for compliance and related impacts. It’s also a chance to define what transparency means for your organization and use it to strengthen retention, performance, and trust.

OUTCOMES FOR THIS STAGE

-  Gain clarity on your regulatory obligations across operating regions
-  Proactively mitigate legal and financial exposure
-  Align on goals, messaging, and methodology



DID YOU KNOW?

30%

of companies in EMEA plan to implement full transparency of salary bands and grades*

“When it comes to pay transparency, organizations need to ask themselves if it’s good enough just to be compliant or if they want to leverage it to attract and retain the best talent.”

Donna Herdsman,
Senior Client Partner, Korn Ferry EMEA

STAGE 1

How Korn Ferry helps you

01 **LEGAL ASSESSMENT**

Our team will assess and report on the legal requirements that are directly relevant to your organization and employees, detailing the specific impacts to your company, helping you avoid litigation, fines, and operational disruption.

02 **COMPLIANCE ROADMAP**

We will engage your key stakeholders to clarify your compliance goals and define what pay transparency means for your organization. With that alignment, we create a tailored change management roadmap—covering checklists, timelines, roles, and milestones—to guide your transition and position pay transparency as a strategic differentiator.

03 **COMMUNICATION STRATEGY CHANGE**

We'll guide you in updating policies and procedures. Training, including readiness workshops, enablement resources, and talk tracks, help ensure your whole organization is moving in a predictable and unified direction, so that everyone can trust the process and believe in the outcomes.

STAGE 2 | PAY EQUITY ASSESSMENT

Gaining Visibility into Your Rewards Strategy

Stage two of the Korn Ferry framework focuses on assessing and documenting your compensation practice, from reward philosophy to program design. After all, you can't fix what you can't see.

Uncovering and addressing inequities before regulations take place will help you avoid penalties. But it also signals your commitment to fairness and care, building trust across your workforce, the broader marketplace, and with investors.

DID YOU KNOW?

68%

of companies in EMEA are taking a location-by-location approach to pay transparency.*

Our digital solution, Korn Ferry Pay, helps you access reliable pay data from

28 million employees
in 150+ countries

OUTCOMES FOR THIS STAGE



Identify structural issues in your current strategy



Understand your organization's pay competitiveness



Uncover and address disparities in pay



Accurately budget resources for pay equity initiatives

Get a 360-degree view of compensation

Korn Ferry Pay Equity, a software solution that helps organizations analyze and close pay gaps, streamlines this process with powerful analytics and modeling tools. This helps you make evidence-based decisions and cost simulations that lead to confident, actionable steps toward sustained pay equity.

STAGE 2

How Korn Ferry helps you

01 INTERNAL AUDIT AND GAP ANALYSIS

Our experts will conduct an audit and gap analysis of your entire compensation strategy, including career architecture, job descriptions, pay data, and more. We also review your processes, reporting on the root causes of any gaps so you can build a plan to remediate them now and avoid them in the future.

02 BENCHMARK SALARIES USING EXTERNAL DATA

Accurately benchmarking salaries against other companies in your revenue band and industry vertical is critical for identifying and correcting disparities. Korn Ferry uses market data from more than 150 countries to ensure robust benchmarking across your company's entire footprint.

03 REMEDIATION PLANNING

We'll guide you in designing a Pay Remediation Plan to address any issues or discrepancies found in the audit. Your plan will account for the downstream effects of any changes, including phased adjustments, the required investment, and recommended timeframe.



STAGE 3 | **JOB ARCHITECTURE**

Improving Job Structure and Processes

Stage three of the Korn Ferry framework is about using your pay transparency approach to systematically define and document the roles within your organization, from responsibilities to compensation.

A well-defined job architecture serves as the foundation for trust. It turns regulation into strategy, providing the structure needed to apply your pay philosophy consistently and to make every compensation decision fair, transparent, and defensible. Employees gain confidence knowing their roles are evaluated through an objective, equitable process, as opposed to individual interpretation.

OUTCOMES FOR THIS STAGE

-  Create consistent role descriptions
-  Accurately budget for personnel changes
-  Support long-term compliance
-  Establish race- and gender-neutral compensation frameworks
-  Build information request tools



DID YOU KNOW?

Under the new rules of the EU directive, companies will be required to share information on salaries and take action if their gender pay gap **exceeds 5%.***

“Job levels are a primary driver of pay equity.”

Tom McMullen,

US Pay Equity and Transparency Lead,
Korn Ferry

STAGE 3

How Korn Ferry helps you

01 DEFINE AND DOCUMENT ROLES

Our team will help develop a structural framework for defining roles, including job responsibilities, qualifications, expectations, and compensation. Consistent documentation supports talent acquisition and retention, giving employees career paths they can see and believe in, linking their role to the skills and competencies required for growth.

02 DETERMINE INTERNAL VALUE OF JOBS

We'll work with you to create job grades and bands that reflect the internal value of the work to the organization. This helps managers and leaders confidently budget for personnel changes like hiring and promotions.

03 SET COMPENSATION LEVELS

We'll guide you in determining what your organization is willing to pay for work, informed by extensive market data and cross-referenced against internal value. Consistently documenting this supports long-term compliance, strengthening your ability to justify compensation differences based on objective factors.

04 PROVIDE TOOLS FOR INFORMATION REQUESTS

We'll help you create communication channels, manager training, and documented procedures to ensure consistent, timely, and transparent responses to employee requests for pay details and average pay for equivalent roles, solidifying your organization's commitment to pay transparency.

STAGE 4 REWARD DESIGN AND PRACTICE

Refining Your Rewards Strategy

Stage four of the Korn Ferry pay transparency framework defines your approach within the context of your organization's total rewards strategy. This involves developing and implementing a rigorous structure that aligns your rewards strategy with your business objectives.

A consistent reward practice builds trust today and reinforces fairness for the future. Transparency is about sharing not only what employees are paid, but also the overall framework and how compensation decisions are made, reflecting your organization's values.



“Disclosing your organization’s job architecture and compensation philosophy will naturally lead employees to ask how they can progress and achieve higher rewards, which will have downstream effects on company culture.”

Yanina Koliren,
Senior Client Partner, Korn Ferry

OUTCOMES FOR THIS STAGE



Evaluate your reward framework for clarity, consistency, and effectiveness



Ensure your rewards program is defensible and easily communicated



Implement a standard operating procedure for role fulfillment

STAGE 4

How Korn Ferry helps you

01 **DEFINE YOUR REWARD STRATEGY**

Our team will work with you to design a complete reward strategy, including job posting protocol, salary bands, and job descriptions. We'll also help you make sure your leaders are informed and engaged with the strategy, so that this information is socialized within your company.

02 **CLARIFY DESIGN AND ALIGNMENT**

We'll help you evolve your policies and processes to align with your business objectives, ensuring your program serves the needs of your company. At the same time, we'll guide you in aligning your program to your organization's values. This makes your employee value proposition clear and concise.

03 **IMPROVE PROCESSES AND GOVERNANCE**

We'll adjust frameworks and processes that are lacking in areas like job evaluation, market pricing, and base salary to ensure your governance supports your principles of pay transparency, equity, and trust.

STAGE 5 | TRANSFORMATION AND CHANGE ENABLEMENT

Leading, Communicating, and Monitoring Your New Program

Stage five of Korn Ferry's pay transparency framework is all about building systems to ensure the long-term success of your new program. It involves aligning leaders, management, and employees on the business value of transparency, connecting regulations to strategy.

Intentional, purpose-driven change earns leader buy-in and sets the tone for the organization. The right training and tools, combined with proactive communication, strong feedback mechanisms, and consistent responses, show respect and build trust—accelerating the mindset shift toward an inclusive and equitable culture. This final stage ensures sustainability by embedding change into the culture and equipping people to navigate the new reality.

**DID YOU KNOW?**

More than half of companies believe organizational transformation is key to sustaining a culture of pay equity.*

OUTCOMES FOR THIS STAGE

Boost confidence in your pay transparency program



Uplevel messaging, media, and messengers



Mitigate risk through defensible decisions



Secure ongoing buy-in with consistent, clear reporting

“Without leadership mindset shifts, you’ll end up with the same thought and behavior patterns as before, and you won’t move the needle on the issue.”

Serkan Sener,

Total Rewards Practice Leader, Korn Ferry EMEA

STAGE 5

How Korn Ferry helps you

01 **ENHANCE MANAGER AND HR TEAM CAPABILITIES**

We equip managers and HR teams with talk tracks and communication tools to confidently and consistently navigate pay conversations. When your people understand how and why they're paid, they trust more, perform better, and stay longer.

02 **CRAFT A COHESIVE AND COMPELLING COMMUNICATION STRATEGY**

Our experts will work with your team to build a communication strategy that addresses concerns and secures buy-in. This strategy will include all channels and stakeholders, communicating early and often the “why,” “what,” and “how” of your pay transparency strategy.

03 **ENHANCE PROGRAM VISIBILITY**

We'll partner with your data teams to create an ongoing reporting, feedback, and assessment process. Regular, transparent reporting sustains stakeholder buy-in, supports long-term program success amid organizational change, and ensures continued compliance with evolving reporting requirements.

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.

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.

Ready to get started?

**START THE CONVERSATION -
CONNECT WITH AN EXPERT**

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 lifecycle.

GLOBAL SCALE

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



Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.

Business advisors.

Career makers.