The Great Divide: The growing wage gap between top and bottom pay.

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their compensation programs to attract, retain, and motivate top talent.

The common perception is that a growing wage gap is bad, and should be actively mitigated by organizations. Companies are faced with the need for transparency, that is not just internally communicated to employees; but also externally communicated via the media, regulatory scrutiny, and government and union intervention.

The challenges organizations face...

The challenges organizations face are numerous, due to tax rates and regulations, developments such as off-shoring, automation, which leads to a surplus of available workers, and automation, which leads to a shortage of STEM and soft skills.

For example, a retailer in the United States might start by measuring the gap between top and bottom job levels. Meanwhile, at higher job levels pay is rising due to developments such as off-shoring and automation, which leads to a surplus of available workers.

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In the United States, pay program with your organizational strategy to achieve success. Korn Ferry has the tools and expertise to help. Combining the world's most comprehensive pay database with detailed insights and analytics, you can align and optimize your compensation program.

What actions can organizations take?

1. Understand at factors in your industry and market.
   - Understand factors such as regional and local market forces & conditions, industry & operating model, along with local market forces & conditions.
   - Understand all factors in your organization and market.

2. Be open and transparent.
   - Make it clear what the job levels mean, and how pay policies are for your company.
   - Communicate a clear and consistent method for setting your pay levels.

3. Show your people a documented opportunity.
   - Communicate the reasons for the growing wage gap, and justify how their pay levels are set.
   - Use a bigger gap between top and bottom pay, there is a bigger gain with each promotion achieved. Help show them a documented opportunity by making sure they understand the value of their contribution and how it will translate into their rewards.

4. Turn it into an opportunity.
   - Turn it into an opportunity.
   - Show your people a documented opportunity.

5. Loyalty & encourage your top talent to stay.
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   - Turn it into an opportunity.

6. Inspire, develop, and motivate your people.
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   - Turn it into an opportunity.

Discover our study about the growing pay gap between entry and senior level jobs.