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Effects of Pay Transparency on Application Intentions through Fairness Perceptions and Organizational Attractiveness: Diversifying the Workforce by Effectively Recruiting Younger Women

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Effects of Pay Transparency on Application Intentions through Fairness Perceptions and Organizational Attractiveness: Diversifying the Workforce by Effectively Recruiting Younger Women

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Dedication

I would like to dedicate my paper to all the people who labor under unjust conditions to provide

for their families.

Acknowledgments

I want to acknowledge my teacher, mentor, and fearless leader, Dr. Dana Kendall. You taught me how to strive for equality, equity, and excellence. You inspire me daily to speak my truth, be fiercely honest, amplify the voices of the underrepresented, and follow through with actions, even if it is scary. You've taught me to be brave in the face of what *is,* to hope and fight for what *ought* to be. Thank you for continuing to invest in me despite moving to Portugal and no longer working at SPU.

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Abstract

In the wake of the Great Resignation, employers are desperate to recruit and attract employees (Fanning, 2021). Women employees tend to enhance organizational performance, and as younger employees make up a substantial portion of the workforce, organizations should position themselves to attract younger women employees (McKinsey & LeanIn, 2021; 2022). I suggest pay transparency (PT) as one strategy to attract and trigger application intentions through increased fairness. In the study, I conducted an experimental study on 301 women of ages 18 to 45 where one company promoted PT, and another did not promote PT to better understand applicant attitudes. Serial mediation and exploratory factor analyses were conducted. Results from the exploratory factor analysis revealed that organizational attraction and intent to apply needed to be collapsed into a single construct, *employment desire*. There were significant differences in fairness perceptions between organizations with PT and no PT, $t(210)=15.54$, $p<.001$; $d = 1.78$. Pay transparency positively influenced employment desire through fairness perceptions, $B_{a*b} = 1.31$; BC 95% CI = 1.03 to 1.63. The study's findings indicate that organizations hoping to attract young women job applicants should consider implementing PT policies.

Keywords: pay transparency, fairness, organizational attraction, intentions to apply, pay discrimination, pay inequity, Gen Z, Millennials

CHAPTER I

Introduction

For a long time, women employees have been elevating organizations' business practices by supporting employee well-being and taking challenges head-on (McKinsey & LeanIn, 2021, 2022). The pandemic witnessed women leaders stepping up to support their teams and helping employees prevent burnout. They also champion more DEI initiatives compared to men. The report from Mckinsey and Leanin also found that despite employers often overlooking these efforts, women continue to add value to organizations to help them thrive. However, pressures from the global pandemic beginning in 2020 have also undermined years of progress of women entering the workforce for many reasons, such as competing interests of work, home, and family (Landrum, 2017; McKinsey & LeanIn, 2020; Smith, 2021). Since 2016, women have increased representation at every level of the corporate pipeline; however, many women either have left employers in the Great Resignation or embarked on a period of job-switching during the disruptive year of 2020 (Smith, 2021). According to the U.S. Bureau of Labor Statistics, 1.1 million women left the workforce from the beginning of 2020 to 2022 (Gonzales, 2022). This is a tremendous loss for employers because having female employees is a huge asset for the aforementioned reasons and beyond. Not only that but as younger employees, such as Millennial and Gen Z, are entering the workforce, organizations ought to consider what these younger employees value to attract them (Mawhinney & Betts, 2021; Vien, 2015).

Younger workers are generally more selective about potential future employers. Specifically, they are looking for employers based on alignment with their personal values. Relative to more experienced employees, younger workers are attracted to companies that demonstrate corporate social responsibility (CSR; Bhattacharya, Sen, Korschun, 2008; Eger et al.,

2019), which often includes a commitment to diversity, equity, and inclusion (DEI, McKinsey & LeanIn, 2022; Miller, 2021; O'Boyle, 2021) and providing opportunities for career advancement, purpose, and fulfillment (Denterlein & Leder-Luis, 2020; Gayle, 2019; Mawhinney & Betts, 2021). A study conducted by Visier (2022) reported that 83% of Gen Z employees believe that their current employers respect their political perspectives, values, and concerns. Younger employees are also more likely to search for employers that respect their personal lives and value them as team members (LaGree, Houston, Duffy, & Shin, 2021; Rice, 2021). They do not wish to fight against value misalignment, such as inflexible work schedules and being incentivized to choose work over family consistently. Moreover, younger employees are conscientious about the environment (Peters, 2019). For example, 40% of Millennials would take a pay cut to work for a sustainable company compared to 25% of Gen X and 17% of Baby Boomers. Millennials hold more college and graduate degrees than prior generations, and as a result, they tend to be highly skilled. However, they are also suffering from a lot of student loan debt; Gen Z has an average of $20,900 in debt, which is about 13% more than Millennials (Kent & Ricketts, 2022). Therefore, Millennial and Gen Z employees feel compelled to search for employers willing to fairly compensate them fairly based on their qualifications and need to pay back student loans. Younger female Millennials are looking for compensation parity with their male counterparts (Accenture Talent, 2020; McKinsey & LeanIn, 2021; Schmitz, 2016). In the past, discussion about pay was not typically the norm; however, with the help of the internet and the dispelling of the taboo surrounding pay communication, younger employees are more likely to have access to this information (Agovino, 2022; Trotter, Zacur, & Stickney, 2017). The work environment is quickly changing in that employees can use sites like Glassdoor or Blind to post or find information about the inner workings of an organization, which was not available in the past. Thus, organizations

need to employ unconventional strategies to recruit young women employees to maintain their competitive advantage. Given that women can be assets for organizations attracting younger women through pay transparency (PT) policies can be one value-based strategy organizations can employ.

       Growing Interest in PT. Issues of pay disparities that disadvantage women and minorities in the last several years have led to a renewed interest in PT policies (Baker, Halberstam, Kroft, Mas, Messacar, 2019; Colella, Paetzold, Zardkoohi & Wesson, 2007; Connell & Mantoan, 2017). Younger women stand to benefit from PT policies earlier in their careers since their first jobs can set their salary trajectory for the rest of their careers. According to the [Department of Labor](#), employees see a 2% - 3% yearly increase and 5.3% from promotional raises, but employees can gain a 10% - 20% salary increase by switching jobs (Indeed, 2022; Steinberg, 2022). For these reasons, women who start their careers at a disadvantage with low wages may have an uphill battle trying to attain equitable pay throughout their professional careers. Incidentally, Kim (2015) outlines a compelling argument that pay secrecy is one reason the gender pay gap persists. Pay secrecy benefits organizations and a handful of select employees for a few reasons. First, pay secrecy allows organizations to save financially on employee salaries and keep their costs low because they can get away with paying high salaries to a handful of employees and not distribute pay equally to all employees with similar workloads (Day, 2007; Castilla, 2015). Second, organizations under pay secrecy are typically under no obligation to spend time and other resources to reckon with unconscious bias infiltrating pay decisions because employees do not have easy access to pay information that they would need to question discrepancies (Elsesser, 2018). In other words, it is harder for employees to hold organizations accountable without PT. Finally, select employees are granted higher pay because they can negotiate more aggressively, threaten to leave,

or are friends with those involved in the hiring decision (Elsesser, 2018). These are a few reasons why pay secrecy is the preferred norm, particularly from the company's standpoint.

According to the Institute for Women's Policy Research report, 41% of companies discourage conversations about salary information, and 25% explicitly prohibit these conversations (IWPR; 2017). These numbers are problematic because it is illegal for many employers to prohibit employees from discussing pay, based on the National Labor Relations Board (NLRB) and a 2014 Executive Order by former President Obama (GovDocs, 2021). Prohibiting the discussion of pay, compensation, or salary is also problematic because transparency is an important first step toward gender pay equity (Castilla, 2015; Cooney, 2018; Scheller & Harrison, 2018). Castilla (2008; 2015) tested this notion and found that organizational accountability and PT were positively associated with pay gap reduction, presumably because transparency sheds light on racial and gender biases so they can be addressed and corrected.

Organizations need to attract young women to ensure representation at every stage of the pipeline, from recruitment to sustained retention in the company (McKinsey & LeanIn, 2021, 2022). Thus, this study focused on female job applicants to verify the findings of prior studies that this population generally holds amenable attitudes toward PT. Female applicants were between 18 and 40 years old because this age range encompasses the Millennial and Gen Z working-age generations. Explicitly, I intended to build on prior research to test two broad propositions. First, PT is highly regarded in the population of potential employees ages 18-40, in the sense that they perceive PT as fair and equitable. Second, *younger women* specifically have favorable attitudes toward PT, organizational attraction and intent to apply. Moreover, I examined two factors that potentially explain why younger female employees prefer employers that implement PT policies: (a) the expectation that future employer treats employees fairly and (b) overall attraction to that

organization. Pay is an integral part of employees' jobs and livelihoods; nonetheless, there is a dearth of knowledge about communication on pay during recruitment. Understanding *if* and *how* these two mediators impact the relationship between a future employer's PT policies and the candidate's intent to apply provides guidance for organizations wishing to diversify their workforce with more Millennial and Gen Z women.

Existing research findings on attitudes toward PT are muddled. Currently, there are mixed results about how the average employee feels about PT for a variety of reasons (Belogolovsky & Bamberger, 2014; Schuster & Colletti, 19 73; Scott, Antoni, Grodzicki, Pelaez, 2020; Král & Kubišová, 2021; Zenger, 2016). One potential reason for this may be that there are generational differences in attitudes toward PT. For this reason, I will focus on younger women in this study. Researchers from the 1970s (Schuster & Colletti, 1973) looked at employee characteristics of those who favor pay secrecy and found that high performers preferred secrecy slightly more than poor performers. Interestingly, they also found that employees with graduate-level education preferred PT over secrecy compared to college or lower levels of education. Belogolovsky and fellow researchers (2014) found that pay secrecy adversely impacts performance and intent to stay at the organization with exceptionally high performers. Scott and colleagues (2020) found that perceptions of PT, PT preferences, and pay communication differed among part-time employees in various countries (El Salvador, Germany, Guatemala, Nicaragua, Poland, Spain, U.S.). German employees perceived that German employers practiced PT and the employees also had higher levels of preferences for PT. Whereas U.S. employees perceived low levels of PT in their organizations, and U.S. employers had low preferences for PT. The researchers ultimately found that PT preferences are related to organizations' PT. Král, P. and Kubišová investigated factors that influenced attitudes towards PT. They found that employees 35 years and

older who valued personal privacy viewed pay information as personal information and thus preferred pay secrecy. Král, P. and Kubišová also found that organizational factors, such as low organizational satisfaction due to poor leadership or malpractices, may lead to employees demanding PT. Lastly, Zenger (2016) cautioned against using PT to alleviate pay discrimination. Zenger argues that employees tend to exaggerate their performance, and under PT, employees who were "underpaid" may become disgruntled, reduce their productivity or leave the company. The findings on PT are consequently mixed, and as the trend for PT continues to grow, researchers are seeking more answers as to why attitudes toward PT vary so widely.

For instance, another possible explanation is that studies in the 1960s and 1970s reflected a time when the Equal Pay Act of 1963 had been signed, and it was illegal for companies to compensate men and women unequally for performing the same job (Brinlee, 2016). In 1963, women made 59 cents on the dollar compared to men. Perhaps during this time, employees thought that the Act would suffice to close the wage gap; however, almost 60 years have passed, and pay inequity persists. Payscale's report indicates that women in 2021 earned 82 cents on the dollar compared to men (Spiggle, 2021). Although the Equal Pay Act has not been an effective mechanism for closing the pay gap, access to resources online, such as Glassdoor and PayScale, allows employees to learn about existing pay inequities. Therefore, knowledge about pay gaps may lead contemporary employees who are directly impacted to increasingly support efforts to combat wage disparities (Wong, 2019). It is argued that research results are mixed because older employees are more inclined to privacy, prefer benefits like retirement packages, job stability, and trust organizations more than younger employees (Král & Kubišová, 2021; Scott, et al., 2015). Older employees and generations show less favorability towards PT (Chang, 2017). What is more, younger employees do not expect to work for the same company for their entire professional

careers and support the discussion of salary information to flourish in career advancement (Trotter et al., 2017). Given the mixed and limited results regarding applicants' attitudes about PT and inadequate findings regarding applicants' decisions to accept or reject job offers at organizations that have PT (Cooney, 2018), some organizations are hesitant to implement PT policies because they do not want to violate employees' privacy or risk pushback from employees (Scott et al., 2020). Consequently, more information and research on this topic are needed to verify how job applicants and employees in the workforce feel and desire.

There is still much more for researchers and organizations to learn about PT because many questions remain. For instance, how do PT policies impact their employees, organization, and job applicants? How can organizations implement PT policies adequately and conduct periodic pay audits to determine if the gender pay gap at their organization is decreasing? As research attempts to answer some of these questions, organizations can feel more confident and informed about implementing PT policies. I hoped to contribute to research on PT by experimentally testing the causal effect of PT policies attracting Millennial and Gen Z women applicants in the recruitment process. Specifically, openly advertising PT policies may be one way to shape applicants' impressions of the organization's brand, values, and priorities and influence their desire to pursue employment there, as I will discuss below with signaling theory (Belogolovsky & Bamberger, 2014, Eger, Mičík, Gangur, & Řehoř, 2019; Rynes, Bretz, & Gerhart,1991; Sharma & Prasad, 2018; Spence, 1973). I hope my study will provide organizations with answers to the ambiguity regarding PT.

For the current study, I tested a theoretical model (see Figure 2; the full proposed model) that predicted the positive impact of an organization's pay transparency (PT) policy on younger women applicants' intent to apply for a role in that organization was mediated by perceptions that

the potential employer treated its employees fairly. In turn, when applicants believed that they would be fairly treated, they experienced enhanced attraction to the organization, and this drove their intentions to seek employment there (Highhouse, Lievens, & Sinar, 2003). The theoretical and empirical rationale behind each proposed relationship is explicated in the following sections. This study attempted to shed light on the mechanisms of PT that attract female applicants and how organizations can also attract applicants who align with the organizations' mission and priorities. If the findings demonstrate that younger women applicants prefer workplaces where pay is transparent, organizations could have a greater incentive to move in that direction. In sum, companies are competing in the war for talent (Fanning, 2021), and effectively attracting younger women potentially with PT policies can be essential. Overall, it is hoped that this study elucidates aspects of the mysterious "black box" that could explain why two generations of women, who generally value fairness and societal good relative to prior generations, prefer PT (Král & Kubišová, 2021; Scott, et al., 2015; Trotter, 2017). I investigated the link between PT and young women's attitudes theoretically and empirically. Subsequently, the current study's proposed method will be presented, including how participants were selected, the measures that were used, and the procedure of the data collection process. In conclusion, the proposed analyses for testing the hypothesis will be presented below.

Literature Review

In this section, I will first discuss the history and definition of PT, which will include an explanation of the spectrum and facets of PT as well as current practices in the realm of pay policy and regulation. Then I will explore PT's benefits for the company and for employees. Specifically, I will dive into the existing empirical evidence that PT strengthens the link between pay and performance, PT attracts more women and minorities during the recruitment process, and PT

increases trust and collaboration. From there, the rationale will be presented for why pay secrecy has dominated for so long. I will then discuss how PT positively predicts applicant perceptions of how fairly the company treats its employees. This will include an integration of equity theory (Adams, 1965; Carrell & Dittrich, 1978; Tanner, 2020) to elucidate the role of fairness perceptions in the recruitment process. Next, evidence will be presented for how PT positively predicts applicant attraction through increased fairness perceptions. Findings on Gen Z and Millennial women's attitudes and trends can help organizations recruit more effectively. Signal theory (Belogolovsky & Bamberger, 2014; Celani & Singh, 2011) is incorporated to explain how PT sends an implicit message to the applicant that the company treats its employees fairly, which could lead to heightened applicant attraction to the company. This results in organizational attraction triggering the intention to apply for applicants. For reference, *intentions to apply* is also known as *pursuit intention*, *intentions to pursue*, and *application intentions*, but I will utilize the term intentions to apply for this study.

History and Definition of PT

Before delving into the specifics surrounding the conceptualization of PT, applying a broader lens to examine transparency at the organizational level can provide some helpful context. Scholars have posited that organizational accountability has a close, conceptual connection to transparency (e.g., Lederman et al. 2005, Hollyer et al. 2014). Organizational accountability-transparency is the extent employees have access to information to keep corruption at bay (Kaufmann & Bellver, 2005; Grant and Keohane 2005; Kolstad and Wiig 2009). Bernstein (2012) has argued that when employees can observe a company's actions and routines, positive organizational outcomes like high company performance can occur. Thus, PT resides under the larger umbrella of organizational transparency because it is one mechanism by which employees

can begin to judge an organization's intent to remain accountable to its workers. Subsequently, PT

policies holding organizations accountable can fall on a spectrum of transparency levels.

Spectrum of PT. Many organizations hoping to implement PT policies may wonder where

to begin. Hence going through the definitions and spectrums of PT can be helpful for organizations

and employees. Hartmann and Slapniĉar (2012) define pay transparency (PT) as "the extent to

which employees are familiar with each other's pay levels" (p. 4284). The extent can vary widely.

Pay transparency is a continuum ranging between two extremes: full pay secrecy and full PT

(Anderson, 2019, Colella et al., 2007; Lawler & Jenkins, 1992; Marasi & Bennet, 2016).

Therefore, PT is not an all-or-nothing, binary concept, as it has sometimes been previously

understood. One spectrum is a color-coded system and portrays varying levels of PT: (a) red – full

pay secrecy; (b) orange – transparent on information on the factors that determine pay, pay ranges,

pay medians; (c) yellow – transparent on information about sizes of raises and who gets them; and

(d) green – fully transparent on every individual employee's pay (Burroughs, 1982). Payscale's

[PT spectrum](#) is similar but varies in that it has 5 stages: (a) pay secrecy; (b) information is provided

about how market data was used to calculate pay; (c) shows employees where to find information

on compensation structure at the company (e.g., pay philosophy, salary ranges, policies for raises);

(d) explains to employees about all of the elements that affect compensation; and (e) full internally

or externally transparency (Herner, 2017). To illustrate, some companies may disclose pay

information with pay averages or bands, whereas other companies discourage employees from

discussing their pay with each other (Scheller & Harrison, 2018). One way to judge the extent an

organization encourages transparency is to observe the official sanctions for employees discussing

their pay with one another. The extent that this kind of sharing is officially discouraged or outright

banned provides evidence consistent with the inference that the company is not committed to

transparency. Another way to view the PT spectrum is the varying levels of PT sanctions and restrictions: (a) low employee restrictions; (b) high employee restrictions; (c) low organizational restrictions; and (d) high organizational restrictions (See Figure 1; Marasi & Bennet, 2016). In this paradigm, employee and organizational restrictions are enforced verbally during orientation, illegally written in the employee handbook, officially signed in a contract that the employee agrees not to disclose their pay, or in severe cases, disciplinarily met with termination if the employee violates these restrictions (Marasi & Bennet, 2016). In addition to the PT spectrum and organizational norms surrounding restriction or freedom to discuss pay, there are also various facets of employee pay and benefits that could be associated with differing levels of transparency.

Pay transparency across different facets of compensation. Within organizations, pay transparency can land anywhere on the PT spectrum (levels of PT) for different facets of pay. As an illustration, information about the varying facets of compensation may encapsulate pay levels, benefits, pay structure, pay form, basis of pay, stock options, overtime pay, bonus pay, merit pay, and any other forms of compensation (Gerhart & Rynes, 2003; Marasi & Bennet, 2016). For example, the facets of base pay and stock options may have different levels of PT, such that base pay ranges are revealed (orange) and stock options are completely secret (red) under Burroughs' framework.

Past research on compensation facets is limited and typically focuses on base pay because employees are most likely to be focused on this than other benefits (Gerhart & Rynes, 2003; Ledford, 2014; Marasi & Bennet, 2016). Although I am focused on base pay in this study, I also included a question to inquire about compensation facets. For this reason, research on compensation facets is outdated because it was conducted in the 1960s and 1970s (Lawler, 1965a, 1965b; Milkovich & Anderson, 1972). Much about the globalized economy, markets, and

workforce has changed since then, including access to widely available information on the internet, virtual work, and weakening unions (Roche, 2014). As the world and work environments continue to shift, so have employee attitudes and behaviors, as I hinted earlier about generational differences. For example, only 8% of baby boomers are willing to discuss pay with their colleagues, 30% of Millennials are willing to share pay with colleagues, and 48% of Millennials share their pay with friends (Chang, 2017). Young employees in the workforce, particularly Millennial workers, are more transparent and thus are open about sharing their pay (McGregor, 2017). Contemporary younger women employees may care more about other facets of pay and compensation as they gain more access to pay information and feel compelled to close the gender wage gap (Chang, 2017). This is notable if base pay is equal, but bonuses and stocks are distributed inequitably among employees. An inequity at this level may further incentivize those impacted to look and want more granular information. Across organizations, PT is defined and practiced uniquely. It is up to the organization's discretion and state laws in which the organization resides to determine which facets of pay and level of transparency are best for their employees and business.

US law and policies surrounding pay disclosure. Generally, the US has a variety of laws and policies regarding employers and employees disclosing pay information. For instance, the [National Labor Relations Act](#) (NLRA) prohibits employers from retaliating against employees who discuss their pay because the discussion is one of the main reasons employees must decide to unionize (Bierman & Gely, 2004; Day, 2007). Despite this federal law, many employers still prohibit employees from disclosing their pay because of uninformed employees about their rights, little oversight to enforce the laws in holding these employers accountable, and loopholes in the law (Brinlee, 2016; Douglas, 2009; Vagins & Usova, 2011). The tides may be turning currently

because, under the Biden Administration, pay equity was announced to be a focus. Accordingly, in the future, there may be more federal regulations for companies and their policies about pay (Akerman LLP., 2021). Currently, in California, Washington, and Colorado, there are state laws requiring employers to provide applicants pay information about the jobs posted (Mcllvaine, 2019). California's Equal Pay Act (EPA) requires employers with more than 100 employees to report annual employee pay data under race, sex, ethnicity, and job categories (Akerman LLP., 2021). Washington's Equal Pay and Opportunities Act (EPOA) requires employers who have extended a job offer to provide a minimum wage or salary for a position when requested by the applicant. The EPOA also expects employers to offer a salary range to current employees when they are transferred internally, promoted, or requested by the current employees (Martell & Hemenway, 2019). Colorado's Equal Pay for Equal Work (EPEW) Act which went into effect in 2021, is the most extensive because it requires all employers to disclose the salary or hourly rate on all job postings and applies to employers hiring remotely. Moreover, at least 18 states have passed laws prohibiting companies from retaliating against employees who discuss their pay with their peers with more states to pass PT laws in the near future (Akerman LLP., 2021; Mcllvaine, 2019). The trend toward greater PT has also been seen in organizations and industries that declare commitments to diversity, equity, and inclusion or equality (McGregor, 2017). There is mounting pressure for organizations to become transparent as their competitors have implemented transparent pay policies. Shareholders are also urging companies to disclose more information about equal pay practices (McGregor, 2017). This has become crucial for organizations attempting to differentiate themselves from their competitors and attract job applicants. Organizations hoping to comply legally and attract applicants would benefit from proactively assessing if implementing PT policies is feasible at their organizations.

Despite the trend towards PT, some organizations are testing to see how far they can push the boundaries regarding compliance with the PT laws. At the time of this writing, New York City (NYC), Westchester County, Ithaca, and Colorado are places to have implemented policies mandating employers to publish pay bands (minimum and maximum) and a fixed amount an hour on job descriptions (Marr, 2022). In NYC, employers were supposed to act in good faith, but job applicants are finding that some organizations are finding ways to circumvent the PT legislation (Hogan, 2022). For example, Citigroup posted several jobs with pay ranges of roughly $60,000 to $150,000, a considerable pay difference in the pay band (Liu, 2022). Others are removing job postings altogether and relying on applicants to submit resumes to an email address, and few are using employee search firms (Liu, 2022; Moody, 2022). As more states enact PT laws, we can discern which organizations stand by their values of fairness and equity by genuinely acting in good faith.

Pay Transparency: Benefits & Drawbacks

Benefits of PT. When employees have knowledge of their coworkers' compensation levels, both they and the organization stand to benefit. When an organization implements PT policies voluntarily or in response to a legal mandate (e.g., Executive Order 13665), it opens itself to criticism and accountability. Although some may perceive this as a vulnerability, it could be seen as an important opportunity. For example, companies with PT can distinguish themselves from their competitors when attracting potential talent. On the other hand, organizations that fail to take pay transparency seriously may signal to applicants and employees that they do not prioritize pay equity or equality (McGregor, 2017). Ahead of implementing PT policies, organizations can anticipate inquiries about pay inequity and have answers ready to ensure a widely accepted transition. Organizations can cultivate employee trust by explaining and justifying

the pay structure or compensation system to employees (Friedman, 2014). Specifically, when employees gain visibility into the methods and processes that govern their pay, they are more likely to accept it (Hartmann & Slapnicar, 2012; Wong, 2019). Explaining and providing information to employees is a vital part of practicing informational justice, which I will elaborate on further below.

Organizational transparency, such as communicating the promotion and compensation processes criteria, can help address gender and racial inequity. Specifically, gender or racial pay gaps are more easily detected under conditions of transparency than non-transparency (Trotter, et al., 2017). Pay disparities discovered through pay audits and PT initiatives can be investigated to identify why the pay gaps are occurring, so that they can be corrected. For example, a software company, Buffer, was able to reduce its gender pay gap from 15% to 5% in two years once PT was implemented (Griffis, 2021). Buffer was able to achieve this when they realized their primary pain point, which was an insufficient number of women in high-paying roles, which they were able to rectify through their hiring practices. Since then, Buffer has been carefully monitoring the gender pay gap through pay audits and existing PT policies. Additionally, PT offers employers the opportunity to prevent, remove, and improve intentional and/or unintentional pay discrimination that may threaten the company (Castilla, 2015; Ramachandran, 2012). Researchers have found that managers and leaders are more careful to allocate compensation more fairly at organizations with PT policies, which could indicate that these decision-makers feel responsible and careful about fair pay (Castilla, 2015). Finally, PT policies offer a more tangible solution for combating discrimination than implicit bias training, which studies have shown are not as impactful as initially thought. While implicit bias training does decrease instances of implicit bias, it is only marginally better; other types of procedures and interventions should complement implicit bias

training (Atewologun, Cornish, & Tresch, 2018; Engel, McManus, & Isaza, 2020; Forscher et al., 2019). If organizations were to implement PT alongside implicit bias trainings, they might be more equipped to support systematic change and anti-bias work. In short, some advantages of pay transparency (PT) are accountability, informational justice, pay gap mitigations, and impactful policy and procedures against pay discrimination. However, there are more benefits. Building on top of the informational justice aspect, PT also elevates the pay-for-performance link.

       Pay transparency strengthens the pay-performance link. Among the positive outcomes PT provides, PT also has the potential to improve motivation and employee performance (Lawler; Scheller & Harrison, 2018). According to Vroom's expectancy theory of motivation (1966) an employee's beliefs about their ability to perform well (expectancy), along with beliefs of their performance leading to an outcome (instrumentality) and valuing of the outcome (valence), can amount to energy and motivation to exert effort. PT enhances the pay-performance link because employees can connect the desired salary to the performance level expected at that salary. When pay truly stems from performance, PT elucidates fair wage allocation. For this reason, researchers have found that employees with information about their coworkers' pay exert more effort at work on average than employees without information about their peers' pay (Huet-Vaughn et al., 2013, Wong, 2019). Futrell and Jenkins (1978) observed increased performance in salespeople in their experimental study by moving the pay system from secrecy to transparency. In the case of no pay transparency, the instrumentality link can be weak or broken, therefore diminishing employee motivation, job satisfaction, and performance. Consequently, pay secrecy has been associated with decreased intrinsic motivation (Colella et al., 2007) and diminished job performance (Bamberger & Belogolovsky 2010; Gely & Bierman, 2003, Wong, 2019) because it is thought to obstruct the workers' line-of-sight between performance and their reward.

Another reason that lack of pay transparency may harm performance is that employees who do not know their coworkers' pay levels tend to fill in that missing information by forming inaccurate explanations. Specifically, Lawler (1965 a, b; 1966; 1967; 2003; Lawler & Porter, 1967) found that in the face of limited pay information, people overestimate the pay of coworkers at their level or lower. For instance, employees may look for cues such as their coworkers' clothes, cars, homes, vacations, and lifestyles to make inferences regarding coworkers' compensation levels, and these assumptions often turn out to be inaccurate (Belogolovosky, Bamberger, Alterman, & Wagner, 2016; Schuster & Colletti, 1973). For example, coworkers who appear from the outside to be compensated highly may have pulled out loans, amassed credit debt, or come from a family of means. Therefore, pay secrecy may result in coworkers feeling unnecessary resentment. Additionally, employees may underestimate colleagues' salaries at higher levels of the organization. This phenomenon of inaccurately estimating others' pay is has been referred to as "compressing the pay range" (Belogolovsky & Bamberger, 2014). Typically, pay compression demotes a phenomenon where there is similar pay between employees in different roles or levels of experience (e.g., new hires are paid more than existing employees with more experience; Stewart, 2020). Two factors that can contribute to pay compression are lack of PT and a poor performance management system where manager ratings are invalid. Lack of PT can lead to pay compression with a lack of visibility of everyone's pay, except for public sectors. Exceptions occur when public sentiment is against high compensation levels and exorbitant salaries (Mas, 2016). But generally, an example of compressing the pay range can happen during the process of managers evaluating and rating their employees—specifically when some managers may think that by rating an employee low on their performance may reflect poorly on them as supervisors. Consequently, they may take advantage of pay secrecy to inflate the employee's performance

rating even if it is unwarranted (A guinis, 2013). Managers may also compress pay ranges through their invalid performance ratings, especially if the measures of performance and ratings are designed poorly. The inaccurate ratings may impact employee earnings, promotion opportunities, bonuses, or profit-sharing in a way that compresses pay ranges. In these circumstances, the link between pay and performance is also reduced. In contrast, under a pay system that promotes transparency, a top performer can clearly see that their pay reflects their level of performance, and other employees can be motivated to increase their performance to achieve the desired high level of pay. In summary, PT may strengthen the link pay-for-performance, dispel inaccurate and exaggerated notions of coworkers' pay, and limit pay compression, enhancing motivation and performance.

Pay transparency attracts women and minorities in the recruitment phase. Ramachandran (2012) has contended that women and minorities prefer organizations that implement PT policies because pay information is available on the job description in the recruiting phase. The transparency of pay on job descriptions typically renders salary negotiations unnecessary. Studies have shown that women, people of color, and people with disabilities experience backlash when they attempt to negotiate (Elsesser, 2019; Marasi & Bennet, 2016). One instance of a company implementing PT as a selection tool and differentiator is Verve, a U.K.-based technology company. Verve's PT policy gives employees access to everybody's pay. The open pay communication policy attracts applicants, especially applicants from backgrounds that have been typically underrepresented because of Verve's actions behind their stated values. Verve maintains a diverse workforce, of which almost 50% of their employees are women, even when many technology companies are struggling with their diversity quotas. Verve credits its ability to attract a diverse workforce to PT because job applicants prefer companies that take tangible action

that promote diversity and fairness (Elsesser, 2019). Baker and fellow researchers (2020) believe that consistently adopting PT policies can bring about social change towards gender parity and equality. Once PT policies attract applicants to work for organizations, PT policies also allow employees to have increased trust and collaboration.

PT increases trust and collaboration. Broadly, under social contract theory, when an employer and employee come together, a level of trust must be established, such as employers will pay, and employees will provide their labor (Edwards & Karau, 2007; Rousseau, 1989; 1990). An authority figure like an organization with PT signals that they are trustworthy and act in good faith. Moreover, PT increases trust and involvement in company activities, allows employees to share information, and promotes collaboration (Cooney, 2018; Scheller & Harrison, 2018). Similarly, PT increases the likelihood that employees will seek assistance from one another. Trust, collaboration, information-sharing, and assistance may be more likely to flourish under PT because employees no longer have to waste time and energy being suspicious of their workers' compensation under fair PT policies, as mentioned earlier (Lawler, 1965; 1966; 2003; Schuster & Colletti, 1973; Belogolovosky, Bamberger, Alterman, & Wagner, 2016; Schuster & Colletti, 1973). Furthermore, if organizational success is translated into individual stock options or team bonuses, employees are motivated to work together instead of solely focusing on their performance (Lawler & Jenkins, 1992; Day, 2007). Researchers who support PT argue that through internal consistency (e.g., espoused company values aligning with company actions), PT bolsters trust in leadership and management, thereby increasing employee task commitment and reducing turnover of top performers (Belogolovsky & Bamberger, 2014). To summarize, the high-level points of potential PT benefits are organizational accountability and informational justice, strengthening the pay-for-performance link, the attraction of diverse candidates in recruitment, and increased trust

and collaboration. However, the benefits of PT are not without some negative aspects, as I will divulge below.

   Why do organizations implement pay secrecy? At this point, one might wonder why PT is not practiced more ubiquitously in organizations with its many benefits. Pay secrecy is generally the norm for several reasons in the U.S. By default, organizations with pay secrecy policies may circumvent PT's negative characteristics, which I will outline next (Day, 2007). First, under PT, some employers are concerned that disgruntled employees are more likely to unionize because of their perceived low pay relative to their colleagues (Bierman and Gely, 2004). Additionally, highly compensated employees wish to keep their salaries private, predominantly when they benefit from higher pay than their colleagues (Colella et al., 2007; Cullen & Perez-Truglia, 2018). These highly compensated employees also worry that jealousy and resentment will result if their coworkers discover the pay differences (Day, 2007; Scheller & Harrison, 2018). Moreover, if employees discover they are paid lower than their coworkers, they could become dissatisfied and leave the company (Day, 2007; Le Beau, 2019). Some companies avoid PT for fear of being labeled as an unfair and discriminatory workplace, especially if they cannot adequately explain the underlying rationale behind the pay structure decisions (Scheller & Harrison, 2018). They would prefer to avoid legal complications altogether and not deal with the leg work to execute PT. Organizations with pay secrecy can also mitigate external threats from competitors, such as poaching their best employees with a slightly more attractive offer (Day, 2007). Finally, PT requires substantial resources, including time and effort from organizational leadership, to implement well. If PT is not implemented ethically and following research-backed best practices, there might be some backlash from employees, which will be discussed in more detail in the discussion section. Like many other strategic HR practices, an effective PT policy, performance management (PM) system,

and selection system requires similar resources, such as job analyses. Hence, excuses against allocating the proper resources for PT fall short because they should already be investing time and effort to ensure that HR practices are legal and ethical. Nevertheless, every organization is different and at different readiness levels to implement PT policies. And altogether, the drawbacks of PT (e.g., unions, turnover, defense of pay structure, legal complications, competition, etc.) are legitimate concerns that organizations need to consider seriously. The organization is ultimately responsible for weighing the benefits against the drawbacks and deciding if implementing PT is the best decision. My study strives to add to the existing literature by exploring how pay transparency (PT) policies can lead job applicants to perceive that the organization is *fair*.

Pay Transparency Positively Predicts Fairness

   Applicants favor organizational justice. For several decades, research on the topic of organizational justice has yielded findings that are consistent with the notion that people generally hold favorable attitudes toward organizations that prioritize fair treatment of their members (Jones et al., 2014; Joo et al., 2016). At a macro level, applicants and employees appreciate organizations that practice overall fairness and justice. Moreover, at a micro-level, applicants', and employees' negative evaluations of an organization's fairness (i.e., distributive justice, equality, equity, need; Colquitt & Zipay, 2015; Adams, 1965; Leventhal, 1976) often predicts retaliation, theft, decreased motivation, turnover, or withdrawal (Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Marasi & Bennet, 2016). Conversely, when applicants and employees perceive fairness, it can also positively affect organizational citizenship behaviors, motivation, trust in management, job satisfaction, organizational commitment, retention, and performance (Marasi & Bennet, 2016; Searle et al., 2011; Whitman, Caleo, Carpenter, Horner, & Berneth, 2012). Relevant to the context of my study, Day (2011) and Smit and Montag-Smit (2018) found a positive association between PT and

employee perceptions of justice. Organizations can capitalize on these positive outcomes by valuing and practicing organizational justice.

Much of the research and literature surrounding justices' theoretical underpinnings stem from equity theory. Equity theory posits two main ideas of fairness and comparison (Adams, 1965; Carrell & Dittrich, 1978; Tanner, 2020). First, employees compare their efforts to their pay received (internal comparison). If employees perceive that their effort-pay ratio is balanced, it is fair and equitable. Second, employees compare their efforts and pay relative to their coworkers (external comparison). Third, employees can use compensation information to compare pay to similar jobs in other organizations (external-plus comparison). If employees perceive their effort as exceeding their coworkers' efforts, but coworkers are compensated equally or more, then inequity is perceived. Both internal and external comparisons need to be fair for the individual to feel equity and parity. When inequity is perceived in either circumstance, the individual may pursue one of the following paths of action: (a) they ask for more pay based on what is perceived to be fair for their efforts relative to their coworkers' efforts; (b) they withhold their effort on the job until it reaches a level they deem to be commensurate with their pay; (c) psychologically distort their level of effort by deflating their input; (d) psychologically distort their coworker's level of effort by inflating their input and contribution; or (e) leave for another organization that offers fairer pay. Employees' perception of fairness and comparison plays a significant role in their thriving at organizations. Moreover, the greater the inequity or unfairness exists, the more distressed the employee becomes (Huseman, Hatfield, Miles, 1987). When this occurs, the employee becomes unmotivated, and it may lead to resentment, damaged organizational morale, and reduced organizational productivity (Tanner, 2020). This study investigated how job

applicants perceived PT policies' fairness through the lens of equity theory, such that pay information was available for internal and external comparisons.

The PT policy exemplified in my study utilized both internal and external PT. With externally transparent pay policies, job applicants can quickly assess the pay of the open positions and pay in existing positions. Conversely, for internal PT, a newly hired employee can access the entire company's PT policy and pay structure information through an HR system or company site. In either scenario, a newly hired employee can thus judge whether their pay is fair compared to others' pay. In the current business environment, few companies have adopted PT. For the few that have implemented PT, it is usually available internally (Cullen & Pakzad-Hurson, 2021; Scheller & Harrison, 2018). For this reason, I have designed my study to include external (public calculator) and internal (spreadsheet) PT. As research suggests, my goal was to mimic realistic conditions to investigate if PT triggered applicants' intentions to apply for a job. In this study's proposed model, PT was a causal antecedent to perceptions of fairness, which ultimately increased intentions to apply. Research has indicated that when pay is deemed fair, applicants are motivated to apply, and employees remain engaged at the company (Marasi & Bennet, 2016; Wong, 2019). Organizations and businesses hope that engaged employees may translate into organizational productivity (Christian, 2011). As organizations are currently competing for the best talent (Bohlmann, Krumbohlz, & Zacher, 2017; Roberson, Collins, & Oreg, 2005; Tarique & Schuler, 2010), having strategies like PT policies to attract applicants or retain engaged employees is imperative for organizations to differentiate themselves from competitors. Research for using PT to signal fairness and to attract applicants for organizations' competitive edge during the recruitment phase is still emerging as the popularity of PT keeps growing.

Fair pay communication in recruitment. Building on existing literature, I wanted to understand how pay communication, especially PT, could be perceived as fair during the recruitment process. Researchers have identified how various organizational communications in the recruitment process can influence applicants' perceptions of fairness. However, past studies have mainly focused on recruiter behaviors as signals for fairness, not pay communication or PT signaling fairness in the recruitment. Limited information on pay communication during recruitment is an unfortunate gap, especially understanding how to attract young people sensitive to justice and CSR (Bhattacharya, Sen, Korschun, 2008; Eger et al., 2019). As established above, organizations are trying to attract young women. Job applicants who are young women and justice-minded may appreciate pay information or communication about compensation from potential employers because they are most likely gleaning clues about the organization online already.

Applicant strategies for managing uncertainty during recruitment. In the recruitment process, job applicants creatively search for cues to help them decide which organization or job to pursue, invest time, and exert effort into writing a cover letter, application, and interview. Fairness heuristic theory describes employees deciding whether to invest personally in an organization by seeking clues about the extent to which the organization prioritizes fair treatment of its members (Lind, Kray, & Thompson, 2001; Van den Bos, Vermunt, & Wilke, 1997). In the recruiting context, potential applicants can use any information from the recruitment process to decide whether they will apply for a position or accept an offer (Celani and Singh, 2010; Collins & Stevens, 2002). In the absence of complete information about a given company, position, or pay ranges, job seekers attempt to reduce uncertainty by looking for cues that appear on the company's website, in the job description, or on third-party sites (Glassdoor, PayScale, Levels.fyi for past employee reviews and ratings). Some company attributes that have been associated with favorable

applicant impressions include (a) corporate social responsibility (CSCatano & Hines, 2016; Frick, 2018; Lis, 2018); (b) diversity commitments (Luce, Barber, & Hillman, 2001); and (c) fair selection procedures (Jones, Willness, & Madey, 2014; Joo, Hyoung, & Choi, 2016). Younger employees are more selective about potential employers and care deeply about fairness, which is highly pertinent for organizations to factor into their strategies for competitive recruiting and hiring.

   Current societal and generational trends for Gen Z and Millennial women. The war for talent is increasingly becoming an issue for organizations as the Boomer generation is retiring in critical mass (Sladek & Mitchell, 2016). As established earlier, organizations compete for the best talent and strive to ensure that their teams are diverse, inclusive, and innovative (Hansen & Schnittaka, 2018). The competition has been brutal, particularly as more companies expand into the technology sector, where employees are already in high demand (Fanning, 2021). Fanning revealed that some companies have even gone as far as paying applicants to interview at their companies. Furthermore, younger employees and applicants have high standards for potential employers to complicate matters.

   According to the Pew Research Center, Millennials, also known as Generation Y, are born between 1981 to 1996. Millennials currently comprise the largest generation in the workforce as of 2016 (Fry, 2019). Millennial employees are regularly presented with different job and career opportunities through online recruiters, LinkedIn, startups, or becoming an entrepreneur for their own businesses. One characteristic of Millennial employees is that they switch jobs often because they believe that organizations only care about the bottom line, making it acceptable to leave (TeamStage, 2021). Research on employee resistance has been prolific in the last decade. Researchers evaluated work environments where organizations have shown weak commitment to

employees, and in turn, employees also have little commitment to employers (Mumby, 2019). "Society has shifted away from collective responsibility toward greater personal responsibility for economic well-being" (Mumby, 2019, p. 437). Andrew Yang (2018) argues that one reason that the U.S.'s capitalistic institutions disenfranchise millennials is that they were on the receiving end of the 2008 financial crisis. They entered the workforce during the Great Recession, the financial crises caused by the housing economic collapse, and they witnessed their family members getting laid off after devoting over thirty years to a company (Sladek & Mitchell, 2016). Millennials faced record levels of unemployment and stagnant economic growth, whereas the people who orchestrated it were not held accountable, retained their jobs, and became even wealthier. Furthermore, SEC fines broke all records in 2020 because violations were reported to be the highest (O'Boyle, 2021). The amalgamation of prominent fraudulent scandals and events during Millennials' and Gen Zers' adolescence has generated two generations of employees wary about their relationships with potential employers. As a result, younger applicants and employees take matters into their control and look for employers that practice fairness, ethics, and responsibility.

Younger applicants desire ethical and socially responsible employers. Generally, Millennial workers are attracted to organizations that promote social good and change, and they crave a career that makes a positive impact on society relative to generations in the past (Sladek & Mitchell, 2016). They also want companies to treat them like human beings, utilize their skills acquired through advanced degrees, and pay them well (Sladek & Mitchell, 2016). Millennial employees search for aspirations, higher purpose, and meaning through their work (Mumby, 2019). As a result of delaying marriage and parenthood, many Millennials pursued advanced degrees (college and graduate school). Millennials are highly educated compared to other generations, with one-third of Millennials holding college degrees. Delaying responsibilities of

marriage and parenthood have provided them with the flexibility of not having to provide and support a family, which was a common reason employees of previous generations would remain loyal to a company and job. Moreover, because many Millennials have a substantial amount of student loan debt, they expect their employers to compensate them sufficiently for their skills to pay off their debt. Essentially, Millennials desire jobs and careers that fulfill financial, emotional, and educational needs (Sladek & Mitchell, 2016). Thus, organizations are more equipped to attract Millennial and Gen Z applicants by better understanding them and what they value.

Holding constant all other company characteristics, PT policies can communicate an important message to potential applicants about an organization's values and commitment to equity. Specifically, when pay for all positions is openly shared, the implicit message is that the organizational leaders have intentionally thought through pay equity issues and are prepared to defend the pay structure when inquiries arise (informational justice and accountability discussed above). Conversely, if there is pay secrecy, there is no way of knowing if the organization has thought through pay equity issues and if it can defend its pay structure against criticism. Over time, research concerning equity, fairness, and organizational justice has developed sufficiently into various facets or different types of justices, such as distributive, procedural, and interactional justice. These justices are utilized to capture fairness in my study.

Role of Distributive Justice. Distributive justice has been defined as perceptions of fairness regarding employees' compensation or the fairness of outcomes an employee receives (Folger, 1977; 1989; Folger & Greenberg, 1985). Consistent with equity theory, employees can make more accurate distributive justice judgments when directly observing how exerted efforts are compared to their pay (Hartmann & Slapnicar, 2012). If an employee surmises the effort-pay ratio to be fair, they can continue to work; and if they feel it is unfair, they can decrease their efforts

(Hartmann & Slapnicar, 2012; Adams, 1965; Carrell & Dittrich, 1978; Tanner, 2020). Others have defined distributive justice as judgments as to the appropriateness in outcomes, equity, equality, and need (Colquitt & Zipay, 2015). In the recruiting context, applicants can only see the pay distribution through external PT policies, such as a calculator or a spreadsheet. Policies, procedures, and practices make up different types of justices: procedural and interactional justices.

Role of Interactional Justice, a subfactor of Procedural Justice

      Role of Procedural Justice. Procedural justice (PJ) has been conceptualized as the perceived fairness of the processes and means to determine the amount of compensation (Leventhal, 1976; Hartmann & Slapnicar, 2012; Marasi & Bennet, 2016). Some researchers have even posited that PJ is comprised of two factors: formal procedures and interactional justice (Moorman, 1991). The extensive body of research on organizational justice has developed enough to include subfactors, but some subfactors are more relevant to the recruitment context. The current study's recruitment context rendered procedural justice irrelevant because PJ requires job applicants and employees to see organizational processes and be involved. This level of visibility is difficult or impossible for outsiders or job applicants because they likely will not have access to internal policies and procedures. Everything in my study was tailored to focus on younger women applicants and how they assessed prospective employers. Although PJ was not investigated directly in the current study, it still informed interactional justice and overall justice, which are the fairness constructs that were appropriate to the context (i.e., job applicants looking in from the outside as opposed to employees assessing organizational policies from the inside).

      Interactional justice's theoretical core: Truth and human dignity. As mentioned above, under social contract theory, an inherent level of trust exists between employers and employees (Edwards & Karau, 2007; Rousseau, 1989; 1990). Extending that trust is how

applicants and employees evaluate interactional justice: truth and human dignity (Bies, 2015). Specifically, applicants make judgments regarding how they were treated during the recruitment phase through the lens of the evaluation of truthfulness. By violating truthfulness with lies and deception, organizations can cause feelings of injustice, subsequently creating adverse reactions from applicants and employees. The other core element to interactional justice is human dignity. Employees view their selves and beings as sacred, which they try to promote and protect since violation of the sacred selves is a personal, painful, and emotional experience. These unpleasant negative experiences of the sacred selves and violations to human dignity is known as disrespect (Tyler & Lind, 1992), invasion of privacy (Bies, 1996), and exposure to personal danger (Kahn, 1990).

Interactional justice is the enactment of procedures or implementation in organizations (Tyler & Bies, 1990). Interactional justice has two subfactors: informational and interpersonal justice (Greenberg, 1993; Colquitt et al., 2001). As previously mentioned above, informational justice provides employees with explanations as to the reasoning behind company decisions and procedures. Interpersonal justice indicates the degree to which employees are considered with politeness, dignity, and respect by leaders or those in power (Colquitt et al., 2001). Leadership and managers enact and demonstrate interactional justice when they explain leadership's decisions for implementing company procedures and policies (Moorman, 1991). Some positive outcomes predicted by interactional justice perceptions are trust, organizational commitment, and organizational citizenship behaviors (Bies, 2015; Colquitt et al., 2013). In summary, interactional justice is demonstrated in the organization's relationship and communication with its applicants and employees. However, applicants and employees are not monoliths to be generalized in their

preferences for justice. For instance, researchers have found evidence for cultural differences in valuing different types of justices.

U.S. employees value interactional fairness. In Kim & Leung's study (2007), distributive, procedural, and interactional justices influence overall fairness perceptions. However, they found that U.S. employees weighed interactional justice more highly in comparison to the other two dimensions. Specifically, the researchers measured overall justice through materialism, which means materialistic employees valued material successes and outcomes like pay and promotions (Kim & Leung, 2007). U.S. employees scored low for materialism, thus weighing interactive justice higher than distributive and procedural justice than Chinese and Korean employees. Compared to Chinese and Korean counterparts, U.S. and Japanese employees are more likely to leave their organization when they perceive organizational injustices from which they are not benefitting. The current study built on prior work focused on existing employees and broadened attention to the recruiting phase and how these perceptions of overall fairness (distributive and interactional justices) impacted job applicants. Mainly, for this study, fairness was conceptualized as encompassing distributive, interactional, and overall justice. In other words, fairness referred to the global and general perception of appropriateness (Colquitt & Zipay, 2015). Considering the cultural differences between U.S. American, Chinese, Korean, and Japanese employees, employers should be cognizant of the nuances of employees' individual differences both between and within their demographic groups.

Individual differences in fairness perceptions. There are some considerations for individual differences that could result in differing perceptions of fairness among employees in the same organization and are subject to the same PT policies (Huseman et al., 1988). Specifically, fairness sensitivity might result from differences in sex, age, nationality, personality traits

(Protestant Work Ethic, Machiavelism), and interpersonal orientation. Interestingly, while there are many between-subject differences, employees consistently react to equity and inequity within-subjects. For instance, an individual who appreciates equity efforts at one point will consistently appreciate equity efforts later. Additionally, individual equity preferences may fall on a continuum with three main groups succinctly: (a) benevolents; (b) equity sensitives; and (c) entitles (Huseman et al., 1988). *Benevolents* are people who do not mind that their pay-effort ratio is lower than the ratios of their coworkers. *Equity sensitives* are people who prefer their pay-effort ratio to be comparable to those of their coworkers. Lastly, *entitles* are people who prefer their pay-effort ratio to be greater than the ratios of their colleagues.

Although it is impossible to investigate all the variations of individual differences in one study, the present study focused on Millennial and Gen Z women to help organizations vying to attract this diverse demographic. I aimed to build on prior work and extend employee perceptions of fairness to the recruiting context by proposing that (see Figure 3):

Hypothesis 1. Applicants will judge prospective employers with pay transparency to be fairer in their treatment of employees than prospective employers with pay secrecy.

PT Increases Applicant Attraction through Fairness Perceptions

Applicant Attraction to Organizations in the Recruitment Process

Organizations operating in a globalized economy demand innovation, which can be achieved through a diverse workforce. For this reason, organizations must attract and retain qualified and diverse talent to remain competitive (Celani & Singh, 2011). Employees' skills, knowledge, and abilities contribute to their organization's success. According to the signaling theory (Spence, 1973; Rynes, 1989), job seekers use cues in the recruitment and selection processes (e.g., recruiter behaviors, communication timelines) to make attributions about the

norms and values of an organization and render judgments as to whether they will make a good fit

as an employee. Another instance may be job applicants receiving ethical and fair cues from

recruiters to show them a taste of what it would be like to work at a justice-oriented company and

attract applicants to the organization (Chapman & Webster, 2006). Positive organizational signals

affect organizational-level outcomes by bolstering the quantity and quality of the applicant pool,

which is important for companies vying for the best employees. The recruitment literature defines

organizational attraction (OA) as the probability of potential employees applying for job openings

(Hansen & Schnittaka, 2018; Turban, 2001). Berthon et al. (2015) elaborated on 'employer

attractiveness' through the organization's capacity to display desirable attributes to potential

applicants. Others have referred to OA as applicants' positive sentiments towards a company and

the motivation to start and build a relationship with the company (Lis, 2018). One other

conceptualization of OA is a positive attitude towards a company that further motivates applicants

to engage with it (Turban and Keon, 1993). Essentially, organizational cues and signals make up

an organization's brand, image, and reputation.

      Organizational brand and image. From a broad perspective, organizational signals send

messages to applicants and clients that reflect the company's brand and image (Darnold and Rynes,

2012). A company's brand significantly influences job applicants through increased exposure,

company appeal, competitive advantage over rivals, and cues about the job and company values.

Furthermore, studies have indicated that companies with positive images, brands, and reputations

attracted more job applicants than those with less positive reputations (Turban & Cable, 2003;

Celani & Singh, 2011; Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005). An example was

when Buffer published its salaries online; they were inundated (+229%) with high-quality job

applications (Cooney, 2018; Chan, 2020). In the current study, it was expected that pay

transparency (PT) would invoke heightened perceptions of fairness, which would then positively influence a job applicant's attraction to the company.

Researchers have found that pay is an essential signaling device on its own (Belogolovsky & Bamberger, 2014). Pay-for-performance allows managers and leaders to incentivize desirable behaviors by signaling information about company goals, preferred employee behaviors, and the attributes of the applicants the company wishes to attract and employ. Extending the pay-for-performance link in the recruiting context is transparent pay communication to job applicants. Conversely, pay secrecy could signal deception to applicants and employees (Day, 2007), triggering feelings of distrust, suspicion, uncertainty, and risk. Younger applicants interested in transparent organizations could appreciate the pay-for-performance signals.

Applicants want their identities to align with organizations' brands. Because the evidence presented above suggests that Millennial and younger employees tend to be selective of potential employers based on values alignment, I anticipated that these individuals would be attracted to organizations that signaled their commitment of fairness in the recruitment phase. The extent to which a job applicant finds a positive connection to a company's signals depends on how those signals resonate with the applicant's social identity (Celani & Singh, 2011). For instance, if a job applicant identifies with social justice and fairness as part of their identity, they may view a company's transparent pay policy positively. During the recruitment stage, applicants may speculate and imagine equitable organizational characteristics based on their observed signals, such as a company's PT policy. Since applicants identify with these values as their identity, applicants may evaluate if their level of attraction is sufficient to decide to apply for the position (Eger, Mičík, Gangur, & Řehoř, 2019; Sharma & Prasad, 2018). Organizational signals in the recruiting process could come in many other forms.

Predictors of applicant attraction. Employers on board with utilizing organizational signals may wonder where to begin or which signal to emphasize. Chapman and colleagues' meta-analysis (2005) found that organizational attraction is predicted by a few things: (a) job-organization characteristics; (b) recruiter behaviors; (c) perceptions of the recruiting process; (d) perceived fit; and (e) hiring expectancies. First, *job characteristics* are the applicants' judgment of the job's traits, such as pay, benefits, type of work, and tasks. In addition, *organizational characteristics* represent the organization's image, size, work environment, location, and the employee's familiarity with the organization. Applicants could glean information about their *recruiter's behavior*, age, function, and friendly demeanor to evaluate the job and organization (Harris & Fink, 1987). This is particularly true if applicants lack knowledge about specific attributes of the position or organization. In this case, they often substitute information about the recruiter in place of the organization to gauge their level of attraction to the job (Chatman, 1989; Harris & Fink, 1987). Third, *perceptions of the recruitment process* denote how applicants felt about their interpersonal treatment, receipt of timely information, and fairness of the tools and procedures of the recruiting phase (e.g., use of structural interviews). Fourth, *person-organization fit* is the similarity between the values of an organization with the values of the applicant (Chatman, 1989), and perceptions of fit are one of the strongest predictors of OA outcomes. For example, applicants interpret the job-organization and recruiter characteristics against their needs and values; if aligned, applicants are more likely to be attracted to the organization. Finally, OA is predicted by applicants' *hiring expectations*, as suggested through Vroom's expectancy theory (1966). Thus, applicant judgments regarding the likelihood of being offered a job, in addition to their perceived level of performance in the recruiting process, positively influence their attraction

to the organization. To re-emphasize, this study predicted organization attraction to be positively influenced by PT signals and perceptions of fairness during recruitment.

As I discussed earlier (fair pay communication in recruitment), PT promoted during the recruitment phase signals the company's values and brand embody transparency, fairness, and equity to applicants. If job seekers like the cues and signals, they may surmise that the organization would be a good fit and consequently become attracted to it. Additionally, positive organizational signals increase applicants' attraction to the organization, influence job applicants to apply for the job, and encourage applicants to accept job offers (Celani & Singh, 2011). Signal theory is connected to equity theory in my study through the equitable information (signals) companies reveal about themselves during the recruitment phase (Celani & Singh, 2011). Specifically, this study investigated whether sharing pay information in recruiting materials gave job seekers an idea of what to expect if they joined the organization was sufficient to attract qualified applicants. Organizations hoping to recruit younger women applicants should be mindful of their signals in the recruitment phase.

PT is both instrumental and symbolic. The instrumental-symbolic theoretical framework proposes that applicant attraction to an organization is partly a function of instrumental and symbolic attributes obtained from the organization's image or brand (Lievens & Highhouse, 2003). Pay communication in recruitment serves in tangible (instrumental) and intangible ways (symbolic). Instrumental attributes can refer to concrete, factual information about a job or organization, such as pay, benefits, hours, etc. (Lievens & Highhouse, 2003; Slaughter & Greguras, 2009; Slaughter, Zickar, Highhouse, & Mohr, 2004). Symbolic attributes are subjective, abstract, and intangible characteristics that convey information about the organization in the form of imagery or trait inferences that the applicants assigned to the organization (Lievens &

Highhouse, 2003; Lievens, Hoye, & Anseel, 2007; Slaughter et al., 2004). For example, when applicants feel that selection procedures are fair, they are more likely to believe that the organization is committed to the just and equitable treatment of its employees (i.e., symbolic attributes; Konradt et al., 2017; Lievens & Highhouse, 2003; Walker et al., 2013). Therefore, PT may serve both as an instrumental attribute (e.g., concrete information regarding pay) and a symbolic attribute (e.g., conveying perceptions of justice to the organization). In turn, this may result in applicants having a positive impression of the organization (Ployhart, Ryan, & Bennett, 1999), being attracted to the organization (Chapman, Uggerslev, Carroll, Piasentin, & Jones, 2005), and applying for a position in the company (Ployhart & Ryan, 1998). Thus, I believed that PT, mediated by applicant perceptions of the extent employees were treated justly, would invoke a positive affective sentiment toward the organization (see Figure 4). Based on this framework, I proposed that:

Hypothesis 2. *Pay transparency will positively influence attraction to the organization through heightened perceptions of fairness.*

PT Positively Predicts Intentions to Apply Through Fairness and OA

Role of Intentions to Apply. Up to this point, the importance of PT, fairness, and applicant levels of organizational attraction has been emphasized. The next step is to focus on how feelings of attraction to a potential employer translate into an applicant's decision to apply for the position. The real value to organizations is realized when applicants take the step to apply, thereby helping to create a larger (and ideally more diverse) applicant pool. The final link in the proposed model is the relationship between applicants' feelings of attraction and their stated intentions to apply. The nature of my study did not allow me to observe whether a potential employee would apply for a job. As such, I had to rely on intention to pursue to understand whether applicants were attracted

enough to a potential employer to act (Highhouse, et al., 2003). Intent to apply is defined as a behavior-based decision in which the applicant actively pursues an opportunity to join the organization (Sharma & Prasad, 2018). The series of actions from fairness and OA attitudes are supported by Ajzen's (1991) theory of planned behavior, which theorizes that attitudes towards a behavior trigger intentions to perform said behavior and ultimately can lead to the performance of that behavior. In my study, I anticipated applicant attitudes towards PT, fairness, and OA to predict applicant intentions to apply, and in due course, to apply to the organization. Some desirable organizational outcomes or positive behavioral intentions established in the OA literature include application intentions, offer acceptance intentions, retesting intentions, litigation intentions, and recommendation and reapplication intentions (Hausknecht, Day, & Thomas, 2004). In my study, I focused on application intentions as the final outcome.

Many of the same elements discussed in organizational attraction (OA) literature are antecedents for intentions to apply. The positive link between applicant attraction and intent to apply has been established in prior empirical findings (Acarlar & Bilgic, 2013; Roberson et al., 2005; Sharma & Prasad, 2018). A potential applicant's intent to apply for a position in the company indicates further commitment, such as taking concrete action (Highhouse et al., 2003). Chapman et al (2005) found that real job applicants emphasized justice perceptions more strongly than non-job applicants when evaluating the OA of job-organization characteristics. These researchers also found that positive applicant justice perceptions predicted higher acceptance intentions for real job applicants than non-job applicants. The current study built on previous research and investigated the link between applicant attraction and intentions to be employed by a company. The primary purpose of this study was to determine if younger women applicants were attracted by organizations that promoted PT enough to demonstrate intent to apply for a job. I proposed this

would occur because PT information would signal to the applicants that the company treats its employees fairly. In turn, this would drive applicants' feelings of attraction to the company and, ultimately, their intentions to apply for the position (see Figure 5). Consequently, I proposed that:

Hypothesis 3(a & b). Pay transparency will positively influence potential applicants' intent to apply through increased: (a) perceptions of fairness and (b) organization attractiveness.

CHAPTER II

Method

I used a cross-sectional, experimental design with a serial mediation, as opposed to a simultaneous mediation, to test the proposed theoretical model.

Participants

Inclusion criteria and power. There were four inclusion criteria for participants: (a) at least 18 years old; (b) maximum 40 years old; (c) United States nationality; and (d) female sex. Because the pilot study ($N = 117$) revealed that most job applicants, regardless of age and sex preferred PT; for the current study, I utilized a Monte Carlo power analysis (Schoemann, Boulton, & Short, 2017) and I substituted the expected effect sizes gleaned from pilot data. The targeted power was set to 80% and using 1000 replications. I determined the current study would require 300 participants, which far exceeded the suggested number of participants to observe the desired mediated effect.

Recruitment. Participants were solicited through Prolific.com, an online crowdsourcing platform commonly used for research and data collection (Palan & Schitter, 2018; Peer, Brandimarte, Samat, Acquisti, 2017). Platforms such as Prolific and MTurk permit researchers to post experiments online, so they can be completed by any participant who meets the minimum

requirements (Paolacci & Chandler, 2014). It is easy and reliable to obtain the desired population and characteristics of participants.

Procedure

After participants signed up for the study, they were directed to Qualtrics. The survey was estimated to take approximately 7 minutes to complete, and participants were compensated $1.75, based on a $15 hourly wage. After agreeing to the consent form, participants were asked to confirm their age, nationality, and sex. Next, participants are asked several demographic questions. From there, participants were asked to imagine themselves in the role of a job seeker. Then, they were sorted into one of two conditions: pay transparency or no pay transparency. The full wording of the scenarios (conditions) is presented in the manipulation and measures section below.

Manipulation and Measures

Manipulation of Pay Transparency

Three hundred-one participants were randomly assigned to one of two descriptions about Grady, a fictional company that is currently hiring. Grady's name was created using a name generator to be neutral and not invoke participants' preconceptions about any existing companies. Participants were instructed to consider Grady as a potential employer in their job search. The first condition described Grady as implementing a policy of PT [$n = 147$], and the other condition specified that Grady has a policy of no pay transparency (pay secrecy) [$n = 154$]. The descriptions were written to model and reflect realistic pay policies used in real organizations. The scenarios were written to convey that Grady was intentional about enacting each pay policy thoughtfully and openly to provide a rationale for promoting either transparency or secrecy. Thus, for each scenario

below, the goal was to integrate plausible explanations for the company's PT policies that would

paint the company in a similar overall positive light across both conditions.

> *Imagine that you are looking for a job and discover that the company Grady Inc.*
> *is hiring. Grady is an industry leader, and its work aligns with your skills and*
> *interests. You use the website Glassdoor to read reviews from Grady's current and*
> *former employees. The following is a description of Grady that summarizes the*
> *main points found on Glassdoor.*

> ***Please read the description carefully, and afterward, there will be some questions***
> ***about your feelings about working for this company.***

Participants were then randomly assigned to read one of the two following scenarios with

a randomizer function on Qualtrics:

Pay Transparency Condition:

> <u>***Grady is adopting pay transparency***</u>*, which allows employees and the public to*
> *easily access salaries for every job title. Base-level pay gaps among people with*
> *the same job title will no longer exist. Management hopes that this new pay policy*
> *will remove worry and gossip among employees about how much money their*
> *coworkers are making. They also believe that because employees can access the*
> *salaries of upper management, they can use that information as motivation to*
> *move up in the company. For these reasons, Grady's management does not mind*
> *employees discussing their salaries with one another. During the hiring process,*
> *there are no salary negotiations because employees are brought in at the publicly*
> *posted salary that is associated with their job title. Grady links its public salary*
> *calculator on all job descriptions. Also, they can expect a standard and yearly*
> *salary increase to keep up with the rising cost of living.*

Below is a picture of Grady's public calculator for anyone outside the company to use and look at the compensation distributed in the company based on job role, experience level, and location. Note that you won't be able to click on the image of the calculator because it's a snapshot of the website:

Below is a picture of an internal spreadsheet available to all employees to look up each employee's salary, including those in leadership roles in the organization. Note you won't be able to interact with the excel file because it's a snapshot of the spreadsheet:

	Cost of Living (COL) Bands							
High	100							
Intermediate	90							
Average	85							
Low	75							

Name	Current Base Salary	Role	Location	Level	Step	San Francisco Mkt 50th Percentile	Cost of Living Multiplier, Option 1	Base Salary
People/Finance								
	$107,950	People Engagement Manager	Woodland, WA, USA	4	1	$108,150	85	$91,928
	$153,480	Senior Operations Manager	Louisville, KY, USA	5	1	$158,607	85	$134,816
	$97,891	Team Experience Manager	Singapore	3	2	$105,000	90	$94,500
	$99,949	Accountant	Jacksonville, FL, USA	4	1	$104,762	85	$89,048
	$92,453	People Ops Manager	Farmington Hills, MI, USA	3	2	$108,150	85	$91,928
Marketing								
	$97,954	Content Marketer	Singapore	3	1	$106,113	90	$95,502
	$89,329	Community Strategist	Philadelphia, PA, USA	2	4	$101,933	85	$86,643
	$106,054	Content Marketer	Bury St Edmunds, UK	4	1	$115,113	90	$103,602
	$97,954	Product Marketer	Sydney, Australia	3	1	$106,113	90	$95,502
	$161,368	Head of Lifecycle Marketing	Brooklyn, NY, USA	5	1	$157,433	100	$157,433
	$99,031	Audience Marketer	San Francisco, CA, USA	2	1	$96,054	100	$96,054
	$97,771	Public Relations Manager	Charlottesville, VA, USA	3	1	$115,000	85	$97,750
Engineering								
	$107,010	Software Engineer (III), Infrastructure	Low cost of living city	3	4	$138,488	75	$103,866
	$176,152	Senior Engineer II, Mobile iOS	San Francisco, CA, USA	5	3	$164,557	100	$170,704
	$143,915	Senior Engineer (II), Web	Montpellier, France	5	1	$161,331	85	$137,131
	$173,141	Engineering Manager, Infrastructure	Cambridge, UK	6	1	$183,228	90	$164,905
	$216,873	CTO	Royal Oak, MI, USA	7	1	$242,995	85	$206,546
	$143,915	Senior Engineer (I), Infrastructure	Beijing, China	4	4	$156,528	85	$133,049
	$152,053	Senior Engineer I, Web	Pleasanton, CA, USA	4	1	$135,772	100	$127,215
	$136,848	Senior Engineer I, Web	Vancouver, Canada	4	1	$147,500	90	$132,750
	$146,794	Engineering Manager	Low cost of living city	5	2	$164,557	75	$123,418
	$152,381	Senior Engineer I, Mobile Android	Brighton, UK	5	1	$161,331	90	$145,197
	$129,245	Software Engineer (III), Mobile iOS	Ozark, MO, USA	4	1	$138,488	85	$117,714
	$137,156	Senior Engineer (I), Web	Madrid, Spain	4	4	$156,528	85	$133,049

Tabs: Team Worksheet - Master Sheet ▾ | Product & Design ▾ | Data ▾ | Eng Matrix ▾ | Marketing ▾ | Admin ▾ | Advocacy ▾ | Executive Team ▾ | Cost of Living Indices, SF - June 2019 ▾

No Pay Transparency Condition

Grady offers no pay transparency. Each employee's salary is treated as private information—known only to the employee, the employee's direct supervisor, and the HR department. Employees are told that their salaries are determined by their yearly performance reviews, but the decision methods that Grady uses to set pay levels are undisclosed. Management hopes this pay policy will protect their flexibility in setting pay levels for each employee, and they also wish to respect employee privacy. During hiring processes, Grady will extend a salary offer based on applicants' unique set of skills and experience. Then the applicant may exercise the option to negotiate and maybe obtain a higher starting salary.

After each scenario, participants were asked a few manipulation check questions to ensure they understood the scenario and properly recalled Grady's PT policy. Finally, they responded to questions regarding their expectations about whether employees at Grady were fairly treated, along with their feelings about working for Grady.

After reading the company description, participants responded to the statement, "Grady openly shares each employee's salary," on a 7-point Likert scale 1 (*strongly disagree*) to 7 (*strongly agree*). To ensure that participants comprehended and interpreted the manipulation as intended, a Levene's Test determined if the conditions differed in their response to the manipulation check question. However, I retained participants even if they do not pass the manipulation check questions based on the recommendation by Arnow and colleagues (2016), who demonstrated that removing participants who fail to understand the experimental prompts can introduce bias that undermines valid causal inferences from the findings. Although leaving participants in the sample who did not properly understand the scenario could create noise that potentially masks the signal, I chose this more conservative approach to avoid a Type I causal inference error. Thus, I am taking this extra precaution, even though there was only a handful of participants (13 respondents) that failed the manipulation check questions. This demonstrates that most participants generally paid attention and gave a good-faith effort in answering questions.

A Note About Measures

After a thorough review of existing measures, I selected items that were most pertinent to the specific recruitment context of this study. Many of the original measures discussed below were validated on employee populations rather than job applicants. Because the population of this study is job seekers, I adopted and modified items drawn from existing scales to reflect applicant perceptions rather than employee perceptions of fairness. Consequently, I conducted EFAs on the

scales used in this study and reported those results. Additional details will follow in the planned analyses section below.

Perceptions of Fairness

Items to assess fairness perceptions were borrowed from three existing scales. First, one item was adopted from Blader & Tyler's (2003, 2009) organizational justice measure because it was most appropriate for the recruiting/job applicant context. The original item states: "How fairly are resources (e.g., salary, bonuses, etc.) allocated among employees where you work?" In modifying the item, I divided it into multiple parts to avoid triple barreling to be able to understand applicant preferences on a more granular level. An example of the modified item is "I expect to receive a fair salary" (see modified items). For each item, participants were asked to indicate their agreement on a 7-point Likert scale ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). A Cronbach's alpha reliability coefficient of .90 was reported. Confirmatory factor analyses (CFA) revealed that the proposed measurement model fit the data well, χ^2 (16, $N = 831$) = 118, $p<.001$, CFI = .94, IFI = .94, RMSEA = .087. The factor loadings from the latent variable, economic outcome indicators, revealed statistical significance. Relevant to this study was the DJS's, $\lambda = .78$, *p< .001*.

Second, I adopted items from three subscales from Cropanzano et al.'s (2005) application intentions scale (AIS) to fit the context of the study. I modified items from the interactional justice, organizational attractiveness, and application intentions subscales. One original justice item states: "This policy shows that all applicants are valued as human beings." The modified item became: "I expect that employees are valued as human beings at Grady" (see modified item). Participants indicated their agreement with this statement on a 7-point Likert scale, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). The subscale reported a Cronbach alpha coefficient of .86.

Confirmatory factor analysis demonstrated reasonable fit χ^2 (137, $N = 281$) = 356.71, $p < .001$,

TLI = .93, CFI = .94, RMSEA = .073.

Finally, an item was adopted from Kim and Leung's (2004) workplace justice perception

measure, specifically overall fairness subscale. The item claims: "In general, I am fairly treated in

this organization." I modified the item to fit the study's context: "In general, I expect to be treated

fairly in this organization" (see modified item) Participants also rated this statement on a 7-point

Likert scale, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). Cronbach's alpha coefficient

is reported to be .95 in this study. Validity evidence was gathered through a confirmatory factor

analysis using LISREL 8.30. CFA results indicated good fit χ^2 = (120, $N = 550$) = 447.1, $p<.01$,

CFI=.97, GFI = .91, AGFI = .87, NFI = .95, RMSEA = .07.

The items were aggregated to form a composite by calculating the mean, with higher scores

indicating greater justice perceptions. I created composites from the three subscales (four items

from Blader & Tyler, one item from Cropanzano et al., and one item from Kim & Leung) to

represent my fairness variable.

Organization Attraction

To assess applicants' attraction to Grady, three items were adapted from the application

intentions measure (Cropanzano, Slaugther, & Bachiochi, 2005). The items were rewritten to avoid

reverse coding and altered to reflect the PT policy and Grady as a place of work. In the past, Likert

(1932) recommended designing half of the survey in agreement and half in disagreement to prevent

response set bias and encourage participants to pay attention. Recent studies have suggested that

reverse coded items negatively affect reliability (Weems & Onwuegbuzie, 2001; Chyung, Barkin,

& Shamsy, 2018). Positively and negatively worded items may not be evaluating the same

construct. For example, strongly agreeing to a negatively worded item is different from strongly

disagreeing with a positively worded item. Furthermore, negatively worded items may load on their own factors in EFAs and cause more issues than necessary. These are a couple of the reasons I decided to remove or modify negatively worded items. One negatively worded, original item from Cropanzano (2005) states: "An organization that uses this policy is likely to be socially irresponsible." I adapted the question to state: "By using this pay policy, Grady is likely to be socially responsible" (see modified items). Participants ranked each statement on a 7-point Likert scale as well, ranging from 1(*strongly disagree*) to 7 (*strongly agree*). The Cronbach's alpha reliability coefficient is .70. The CFA was conducted with LISREL 8.30, and the results suggested a good fit $\chi^2 = (120, N = 550) = 447.1$, $p < .01$, CFI=.97, GFI = .91, AGFI = .87, NFI = .95, RMSEA = .07.

Then I adopted four items from the organization attraction subscale (OAS; Highhouse et al., 2003), and I also removed reverse coded items (Weems & Onwuegbuzie, 2001; Chyung et al., 2018). An example original item states: "I would not be interested in this company except as a last resort." I modified the item to include the company name and context of this study: "I would be interested in Grady as a first choice" (see modified items). Participants ranked statements on a 7-point Likert scale, ranging from 1(*strongly disagree*) to 7 (*strongly agree*). The Cronbach's alpha reliability was equal to .88. A confirmatory factor analysis by Highhouse et al. provided an acceptable fit to the data, $\chi^2 = (99, N = 302) = 164.34$, $p < .001$; CFI = 972; RMSEA = 047.

I created composite scores from the two measures (3 items from Cropanzano et al., 2005 and 4 items from Highhouse et al., 2003) to represent applicant attraction to Grady. Items were aggregated into a composite by calculating the mean, and higher scores indicated greater attraction to the organization.

Intentions to Apply

To gauge survey respondents' intentions to apply to Grady as a job applicant, I adopted items from both Highhouse et al. (2003) and Cropanzano et al.,'s (2005) subscales. I adapted four items from Highhouse's OAS's second subscale, intentions to pursue. An example of an original item states: "I would make this company one of my first choices as an employer." I modified the item to fit the context of the study: "I would make Grady one of my first choices as an employer" (see modified items). Participants were asked to rate the statements on a 7-point Likert scale, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). Cronbach's alpha had scores equal to .82. The same psychometric properties stated above for Highhouse can be utilized here.

I adopted three items from Cropanzano's application intentions scale. An original item asserts: "I would be interested in working for this organization." I modified the item to say: "I would be interested in working for Grady" (see modified items). For each of these items, participants were asked to rate the statements on a 7-point Likert scale, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). A Cronbach's alpha score is reported at .92. Validity reported above from Cropanzano is the same for intentions to apply. All modified items in aggregate formed a composite by calculating the mean, with higher scores indicating greater intention to apply.

Exploratory: Digging Deeper into Applicant Compensation Preferences Questions

The findings of this study could yield several practical recommendations for applicant recruitment. With some additional questions, the findings could suggest how companies can implement PT policies most effectively. Consequently, a few exploratory questions were included which were unrelated to testing the official hypotheses. First, participants were asked to include all compensation types that are personally vital to them. Second, they ranked their top pay transparent communication, such as pay, benefits, stock options, and job appraisals. Finally,

participants were asked about their past firsthand experiences with pay inequity and discrimination. Please see Appendix B for more details.

Chapter III

Results

Preliminary Analyses: Assumptions Testing, Manipulation Check, and Descriptive

Participants were evenly distributed to each of the pay transparency and no pay transparency scenario conditions. Through the data cleaning process, the final sample included 301 participants distributed fairly evenly (147 participants in the pay transparency condition and 154 participants in no pay transparency condition). I checked that the demographics of ethnicity, gender identity, industry, income, and tenure (total years of work experience) were similar across the experimental conditions through crosstabs and independent t-tests. The tests indicated that there were not any statistically significant differences between the groups on these variables. The data were analyzed using SPSS, version 28.0.1.1 (2022). The final sample was predominantly White or Caucasian at 62.5%, and participants were all within the 18 to 40 age range. The mean number of years of work experience was a little over six years. Due to the nature of the filtering on Prolific, all participants were born female, but some reported a gender identity different from their assigned sex at birth. The industries were varied, and participants not working were the highest group of people at 21%, followed by participants working in education at 20% of the total sample. Please see Table 1 for more information on the participants' demographics represented in the sample.

Table 1

Participants' Ethnicity, Gender, Industry, Income, & Tenure Demographics in each Transparency Conditions

Demographics		No Transparency Condition		Transparency Condition		Total	
		n	%	*n*	%	*n*	%
Ethnicity	Asian	22	14.3	18	12.2	40	13.3
	Black/African American	8	5.2	16	10.9	24	8.0
	Hispanic/Latinx	7	4.5	16	10.9	23	7.6
	Middle Eastern/North African	2	1.3	1	0.7	3	1.0
	Multi-Racial	11	7.1	10	6.8	21	7.0
	Prefer not to say	2	1.3	0	0.0	2	0.7
	White/Caucasian	102	66.2	147	58.5	188	62.5
Gender	Male	3	1.9	1	0.7	4	1.3
	Nonbinary/Third Gender	3	1.9	3	2.0	6	2.0
	Prefer not to say	1	0.6	0	0.0	1	0.3
	Woman	147	95.5	143	97.3	290	96.3
Industry	Banking/Finance/Accounting	6	3.9	4	2.7	10	3.3
	Business Services/Consultant	4	2.6	5	3.4	9	3.0
	Construction/Architecture/Engineering	3	1.9	1	0.7	4	1.3
	Education	27	17.5	33	22.4	60	19.9
	Federal Government (including Military)	3	1.9	1	0.7	4	1.3
	Information Technology/Software	6	3.9	6	4.1	12	4.0
	Insurance/Real Estate/Legal	3	1.9	2	1.4	5	1.7
	Manufacturing/Process Industries	3	1.9	0	0.0	3	1.0
	Marketing/Advertising/Entertainment	3	1.9	4	2.7	7	2.3
	Medical/Dental/Healthcare	16	10.4	15	10.2	31	10.3
	Not Working	30	19.5	33	22.4	63	20.9
	Online Retailer	3	1.9	3	2.0	6	2.0
	Other/Not Listed	23	14.9	15	10.2	38	12.6
	Research/Development Lab	8	5.2	10	6.8	18	6.0
	State/Local Government	1	0.6	1	0.7	2	0.7
	Transportation/Utilities	2	1.3	1	0.7	3	1.0
	Wholesale/Retail/Distribution	13	8.4	13	8.8	26	8.6
Income	$0 - $9,999	14	9.1	7	4.8	21	7.0
	$10,000 - $19,999	12	7.8	15	10.2	27	9.0
	$20,000 - $29,999	13	8.4	13	8.8	26	8.6
	$30,000 - $39,999	11	7.1	14	9.5	25	8.3
	$40,000 - $49,999	14	9.1	13	8.8	27	9.0
	$50,000 - $59,999	14	9.1	14	9.5	28	9.3
	$60,000 - $69,999	10	6.5	15	10.2	25	8.3
	$70,000 - $79,999	10	6.5	12	8.2	22	7.3
	$80,000 - $89,999	9	5.8	8	5.4	17	5.6
	$90,000 - $99,999	10	6.5	8	5.4	18	6.0
	$100,000 - $149,999	20	13.0	13	8.8	33	11.0
	Prefer not to say	3	1.9	5	3.4	8	2.7
Tenure	0 year	14	9.2	14	9.5	28	9.4
	1 year	18	11.8	20	13.6	38	12.7
	2 years	19	12.5	17	11.6	36	12.0
	3 years	13	8.6	12	8.2	25	8.4

4 years	8	5.3	10	6.8	18	6.0
5 years	12	7.9	12	8.2	24	8.0
6 years	6	3.9	3	2.0	9	3.0
7 years	3	2.0	10	6.8	13	4.3
8 years	11	7.2	5	3.4	16	5.4
9 years	6	3.9	3	2.0	9	3.0
10 years	10	6.6	13	8.8	23	7.7
11 years	3	2.0	4	2.7	7	2.3
12 years	6	3.9	2	1.4	8	2.7
13 years	5	3.3	3	2.0	8	2.7
14 years	1	0.7	3	2.0	4	1.3
15 years	5	3.3	8	5.4	13	4.3
16 years	3	2.0	0	0.0	3	1.0
17 years	2	1.3	3	2.0	5	1.7
18 years	2	1.3	2	1.4	4	1.3
19 years	2	1.3	0	0.0	2	0.7
20 years	3	2.0	1	0.7	4	1.3
21 years	0	0.0	1	0.7	1	0.3
22 years	0	0.0	1	0.7	1	0.3

During the data cleaning phase, a missing analysis revealed .001% missingness across all the variables. I also looked for outliers (Olinsky, Chen, & Harlow, 2003) and checked to see if any assumptions were violated (Field, 2012; Hayes, 2018). For instance, I looked for (a) normal distribution of residuals; (b) linearity; and (c) homoscedasticity. I checked the first two assumptions through ocular analysis with histograms of my predictor and outcome variables, histograms of the residuals, and scatter plots of the variables. As for homoscedasticity, I used the corrections (HC4, Cribari-Neto) available in the PROCESS application. I assessed the manipulation check questions with independent t-tests to check and reported mean differences in the conditions' responses. As mentioned above, I retained the thirteen participants who failed manipulation check questions. These responses did not introduce sufficient noise to overcome or impact the significant results of the study, and the results supported my hypotheses. The Levene's t-test was significant for both manipulation check questions: first manipulation question, $F(1, 299) = 9.93$, $p = .002$, and second manipulation question, $F(1, 298) = 5.90$, $p = .016$, and therefore I

ran a Welch's t-test because it is robust to violations of homogeneity assumptions (Field et al., 2012; Zimmerman, 2004). The Welch's t-test results indicated that there was a significant difference between the two conditions in the direction expected for the first manipulation question, $t(297.42) = 2390.64$, $p < .001$, and for the second manipulation question, $t(215.47) = 2743.28$, $p < .001$. Therefore, participants correctly understood which company offered pay transparency. Descriptives and bivariate correlations among the primary variables are displayed in Table 2. Interestingly, the patterns of bivariate correlations are consistent with the hypotheses. Pay transparency significantly impacted fairness ($r = .66$, $p < .001$). Likewise, pay transparency positively influenced organizational attraction and intent to apply ($r = .76, p < .001$).

Preliminary Analyses: Assessing the Structural Validity of the Measures

I conducted an exploratory factor analysis (EFA; principal axis factoring, PAF) to determine if the items for the fairness, organizational attraction, and intent to apply scales loaded on their respective factors. To run the PAF for the EFA, I first ran diagnostics to check for these assumptions: KMO (> .50); Barlett's (p < .05); determinant of the correlation (> 0.00001). Then, I needed to specify and evaluate the solution with the three specified factors I expected to extract (fairness, organizational attraction, and intent to apply). In this process, I looked for communalities individually and on average (>.40, individually; >.70, average) and residuals (< 50%; >.05). Subsequently, I conducted a component rotation (oblique because I expected the factors to be highly correlated). I also expected to observe the factor loadings to be above .3 and for the communalities to be at least .4 for my modified measures to be considered valid.

The Kaiser-Meyer-Olkin measure of sampling adequacy (KMO; Kaiser, 1970) represents the ratio of the squared correlation between variables to the squared partial correlation between variables. KMO ranges from 0.00 to 1.00; values closer to 1.00 indicate that the patterns of

correlations are fairly compact and that the factor analysis should result in distinct and reliable

factors (Field, 2012). In my dataset, the KMO value was .97, which means acceptable sampling

adequacy. When the p value for the Bartlett's test is < .05, we are fairly certain we have clusters

of correlated variables. In my dataset, x^1 (190) = 10175.651, p< .001. Four criteria were used to

determine the number of factors to rotate: a priori theory, the scree test, the eigenvalue-greater-

than-one-criteria, and the interpretability of the factor solution. The scree test indicated the

presence of two factors. The eigenvalue-greater-than-one-criteria suggested two factors. Based on

the convergence of these decisions, two factors were rotated using the oblique, Direct Oblimin

procedure. The rotated solution, as shown in Table 3, shows two interpretable factors:1) fairness

and 2) employment desire (an aggregate of organizational attraction and intention to apply). Please

note that the item numbers are out of order to prioritize factor loadings in descending order (see

Appendix B for the order of items of each measure).

Although three factors were expected to emerge (i.e., fairness, organizational attraction,

and intent to apply), the EFA results suggested there was insufficient statistical evidence to

conclude that organizational attraction and intent to apply should be treated as distinct constructs,

even though they may be conceptually different. There was not enough discriminant validity in

this EFA; therefore, it would not be appropriate to treat them as distinct. (However, the lack of

discriminant validity in the current study does not necessarily mean that these results will extend

to other studies, especially those conducted in a different context). Consequently, I decided to

collapse organizational attraction and intent to apply together as employment desire (ED) and treat

them as one construct for the current study. Fairness accounted for 47% of the item variance, and

employment desire accounted for 38% of the item variance. Only one item that read: "By using

this pay policy, Grady is likely to be socially responsible," loaded on two factors (fairness and

employment desire).

Table 2

Descriptives and Bivariate Correlations

Variable	*M*	*SD*	1	2	3
1. Pay Transparency	0.49	0.50			
2. Fairness	4.99	1.60	0.66	(0.98)	
3. Employment Desire	4.68	1.70	0.76	0.83	(0.99)
4. Tenure	6.20	5.38			

Note. $N = 301$. Pay transparency condition coded 1; no pay transparency coded 0. Correlations < |0.5| are significant at $p < .001$, non-directional. Cronbach's alpha is on the diagonal.

I used the omega coefficient recommended by Revelle and Condon (2019). It is a measure

of the total reliability of the model and is calculated with items loading onto a single general factor.

Essentially, omega is a reliable estimate from a general factor and specific factors. Omega is

interpreted like alpha where values range from 0 to 1, and values closer to 1 reflect higher

reliability (Najera Catalan, 2019). Whereas alpha is a more common reliability estimate, it is not

appropriate within the context of this study, although I did calculate it so that we can compare it

to omega (see Table 2). In this study, the alphas and omega are consistent, which supports that

there is good reliability. An instance where alpha is an inappropriate estimate of reliability is when

alpha becomes artificially inflated with each additional item that is added to a given scale, and I

had twenty items to evaluate in this study. The estimate of omega was calculated through

McDonald's omega coefficient in SPSS utilizing maximum likelihood factor analysis $\omega = 0.987$.

In summary, omega is a more appropriate mode to measure the reliability of a model of one

underlying general factor, whereas alpha is a better tool to measure the reliability of items on each

measure. Due to this study employing an amalgamation of numerous items from different

measures, a reliability estimate is best assessed by an omega. Therefore, both Cronbach's alpha

and Revelle and Condon's omega (2019) are reported.

Table 3

Results from an Exploratory Factor Analysis of Fairness, Organizational Attraction, and
Intentions to Apply Measure

Items	Factor Loadings	
	1	2
Factor 1a: Organizational Attraction		
7. A job at Grady is appealing to me.	**.960**	.818
5. I would be interested in Grady as first choice employer.	**.936**	.816
5. For me, Grady would appear to be a good place to work.	**.932**	.844
6. I am interested in learning more about Grady.	**.910**	.755
1. I would think very highly of Grady for implementing this pay policy.	**.887**	.843
3. My opinion of Grady improved when I learned more about its pay policy.	**.868**	.830
2. By using this pay policy, Grady is likely to be socially responsible.	**.887**	.823
Factor 1b: Intention to Apply		
1. I would be interested in working for Grady.	**.960**	.797
3. I would send an application to Grady.	**.926**	.679
2. I would make Grady one of my first choices as an employer.	**.925**	.797
7. If I were hired by Grady, I would recommend it to a friend who is also looking for a job.	**.915**	.747
5. I would probably accept a fair job offer from Grady.	**.913**	.670
4. If Grady invited me for a job interview, I would go.	**.913**	.660
6. If I were hired by Grady, I would exert a great deal of effort in my work.	**.815**	.640
Factor 2: Fairness		
2. I would expect that bonuses will be given fairly.	.750	**.951**
1. I would expect to receive a fair salary.	.788	**.942**
6. In general, I expect to be treated fairly in this organization.	.758	**.936**
4. I would expect that benefits are given fairly.	.738	**.921**
3. I would expect shares of stock or equity compensation will be given fairly.	.693	**.900**
5. I expect that employees are valued as human beings at Grady.	.731	**.899**

Note. $N = 301$. The extraction method was principal axis factoring with a direct oblim rotation.
Factor loadings above .80 are in bold. Adapted from Cropanzano, R., Slaughter, J. E., & Bachiochi,
P. D. (2005). Application Intentions Scale. doi: https://dx.doi.org/10.1037/t09256-000,
Highhouse, S., Lievens, F., & Sinar, E. F. (2003). Organization Attraction Scale. doi:
https://dx.doi.org/10.1037/t08571-000, Kim, T.-Y., & Leung, K. (2004). Workplace Justice
Perceptions Measure doi: https://dx.doi.org/10.1037/t24229-000, and Blader, S. L., & Tyler, T. R.
(2003). Organizational Justice Measure. doi: https://dx.doi.org/10.1037/t17054-000.

Primary Analysis: Hypotheses Testing

As discussed earlier in the preliminary analysis section, even though the original constructs of organizational attraction and intent to apply are argued to be theoretically distinct, they were not statistically different enough for this study. As a result, I also simplified the research model such that pay transparency impacts participants' desire to be employed by the organization (encompassing organizational attraction and intent to apply to the organization) through fairness perceptions (see the revised model Figure 8). The red arrows in Figure 7 were originally proposed, but due to the results of the EFA, they will not be analyzed anymore.

For Hypothesis 1, I conducted an independent samples t-test to determine if organizations with PT are perceived to treat their employees more fairly than organizations without PT by prospective job applicants. There were significant differences, $t(210)=15.54$, $p<.001$; $d = 1.78$, in scores for with mean score for pay transparency condition ($M=6.07$, $SD=.66$) was higher than no pay transparency ($M=3.96$, $SD=1.54$). The magnitude of differences in the means (mean difference=2.11, 95% CI:1.84 to 2.38) was significant. The effect size for the independent t-test ($d = 1.78$) exceeded Cohen's (1988) convention for a large effect ($d = .8$). Hence Hypothesis 1 was supported.

Updated Hypothesis 2. Pay transparency will positively influence employment desire through heightened perceptions of fairness.

Due to combining organizational attraction and intention to apply, I modified hypothesis 2 and removed hypothesis 3. Hypothesis 2 is now: pay transparency will positively influence attraction to the organization through and applicants' intent to apply through heightened perceptions of fairness. I conducted a mediation analysis, model 4, using the SPSS macro PROCESS (Hayes, 2013). Results were consistent with the revised hypothesis with a positive,

significant indirect effect (B_{a*b} = 1.31; BC 95% CI = 1.03 to 1.63). Full results of this test are displayed in Table 4. Pay transparency accounted for 44%, 76%, and 57% of the variance in fairness. Pay transparency and fairness together accounted for 87% of the variance in employment desire.

Table 4

Regression Results for Mediation: Pay Transparency→Fairness→Employment Desire

Predictor	Mediator Model (DV = Fairness)			
	B	*SE*	*t*	*p*
Constant	3.96	0.12	31.83	0.00
Pay Transparency	2.11	0.14	15.53	0.00
Predictor	Outcome Model (DV = Employment Desire)			
	B	*SE*	*t*	*p*
Constant	0.97	0.20	4.92	0.00
Pay Transparency	1.25	0.18	7.13	0.00
Fairness	0.62	0.06	11.33	0.00
	Boot Indirect Effect	Boot SE	Boot 95% CI	
			Lower	Upper
Indirect Effect	1.31	0.15	1.03	1.63

Note. N = 301. *SE* = standard error. *CI* = confidence interval. Pay Transparency condition coded 0 = No Pay Transparency, 1 = Pay Transparency.

Exploratory Findings

One of the exploratory questions asked participants to select all compensation types that were important to them (described as compensation facets above in the literature review). I wanted to have a better idea of an exhaustive list of compensation types important to younger women job applicants. The list could provide employers with information on all the relevant compensation types. From the 301 participants, base pay was selected as the most important and closely followed by overtime pay. Please refer to Table 5 to see the compensation types that mattered greatly to participants.

Table 5

Compensation Types Preferred by Participants

Compensation type	% of Compensation Types Selected
Base Pay	99
Overtime Pay	79
Bonus Pay	73
Merit Pay	68
Stock Options	41
Sales Commission	21
Tip Income	17

Another exploratory question asked participants to rank their top three compensation types in order of importance. They chose their top picks from 10 compensation types. Participants selected base pay as the most important, benefits as second, and overtime pay as third, as shown below in Fig 9. Of the compensation types offered, I wanted to know if there were any other types I had forgotten or neglected. I also wanted to understand which compensation type was the most important to younger women job applicants, hoping to shed light on which type of compensation information organizations could prioritize to make transparent.

Figure 9

Top Three Compensation Types Ranked in order of Importance

1st=Base Pay

2nd=Benefits

3rd=Overtime Pay
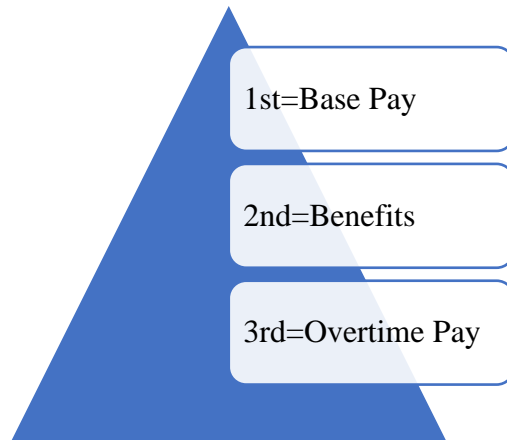
Then participants were asked about their personal experiences with pay inequity, defined as "when employees in the same organization are paid differently for the same or similar job duties, experience level, education, and tenure at the organization." The next question asked about past experiences with pay discrimination, defined as "when employees within an organization are paid differently because of race, color, religion, sex, pregnancy, gender identity, sexual orientation, nationality, age, disability, or genetic information." The two questions asked if participants knew of someone, including themselves, who suspects they have experienced pay inequity and discrimination in their career. What I found was that overall, participants experienced pay equity ($M = 5.35$) more than pay discrimination ($M = 4.76$) on average on a Likert scale of 1 (*strongly Disagree*) to 7 (*strongly Agree*).

I was trying to understand if having personal experiences or knowing someone who experienced pay inequity or pay discrimination would influence how a person might favor pay transparency. Specifically, I wanted to know if such a person would prefer to work for a transparent

company. The only way I could access information about personal preference for PT was to create a new variable, *pay transparency preferences*. I was able to estimate pay transparency preferences through scores of organizational attraction and intentions for participants in the pay transparency condition and combined this with reverse scores for participants in the no pay transparency condition. Thus, higher scores on this variable will reflect the participants' personal preferences for working for an employer with transparent pay policies. Please refer to Table 6 for the correlations among pay inequity, pay discrimination, perceptions of fairness, and pay transparency preferences. Interestingly, there is a small but significant positive correlation between past experiences with pay inequity/discrimination and a preference for transparency. Negative pay experiences explained about 1% of the variability in transparency preferences

Table 6

Correlations for Exploratory Questions

Variable	N	M	1	2	3
1. Past experiences of pay inequity	301	5.35	-		
2. Past experiences of pay discrimination	301	4.76	0.67**	-	
3. Pay transparency preference	301	5.26	0.12*	0.13*	-

In summary, the exploratory results provided a better understanding of participants' past exposure to inequity and discrimination; ultimately, these factors only minimally shaped their preferences for PT. Although negative past experiences explained a bit of the preference, there is a strong preference for transparency, regardless of whether the participants had negative experiences with pay inequity or not.

Discussion

This study aimed to examine the causal effects of a pay transparency policy on young women job applicants' intentions to apply through heightened perceptions of fairness and organizational attraction; in this section I will delve into what the study's results mean for organizations. Despite existing research on PT, the perspectives of young female job applicants had not yet been singled out for careful empirical study and research remains underdeveloped (Belogolovsky & Bamberger, 2014; Celani & Singh, 2011; Connell & Mantoan, 2017; Highhouse et al., 2003; Marasi & Bennet, 2016; Scott et al., 2015, 2021; Schuster & Colletti, 1973; Trotter, 2017; Zenger, 2016). I wanted to understand better how PT could potentially attract and recruit women employees, which could benefit workplaces. When organizations recruit and employ women, this balances gender representation, bolsters women in the leadership pipeline, and the benefits women employees contribute can be fully realized (e.g., supporting employee well-being, fostering inclusion, and practicing allyship; McKinsey & LeanIn, 2021, 2022). Additionally, I wanted to shed light on the mixed findings on employee attitudes towards PT and seek evidence to support the theory that preference for PT could be generational. In due course, I hoped that organizations and women employees could benefit from equitable pay by having a better understanding of PT. Results indicate that organizations with PT policies are perceived to be fair and that young women applicants want to be employed by such organizations, which is also supported by McKinsey and LeanIn's (2022) report. Organizations' commitments to DEI have become more important to younger women in the last two years and determine whether employees remain or look for work elsewhere. I will summarize the study's findings and implications in the following section.

Summary of Findings & Comparison with Previous Results

Prior to testing my hypotheses, I conducted an exploratory factor analysis (EFA) to ensure construct validity for fairness, organizational attraction, and intention to apply. From the EFA results, I discovered that I needed to collapse organizational attraction (OA) and intent to apply (IA) to a new variable, employment desire (ED). I conceptualized employment desire to encapsulate job applicants being attracted enough to an organization to apply for a job there. Due to the collapsing of variables, I modified hypotheses two and three. I review the high-level outcomes of the study below.

Hypothesis 1 was supported, and the results suggest that job applicants in the PT condition perceived these employers to be fairer than those without PT.

My updated hypothesis 2 was also supported. The significant mediation results suggest that PT positively influences job applicants to perceive organizations as fairer and consequently increases applicants' desire to be employed by such organizations. In the following section, I will elaborate on the study's practical implications.

Implications for Practice

From the current study's results, there are three direct practical implications for organizations that wish to implement an effective pay transparency (PT) policy that: (a) considers employee preferences; (b) accounts for compensation types; and (c) extends an objective performance management system.

Considering employee preferences. First, every organization and its employee composition is unique, and no one-size PT policy fits all; therefore, employers should consider their employees' preferences in the transition to PT. Before embarking on the PT journey,

employers can conduct a pay audit to assess their organizations' state of compensation affairs to

see if they need to address compensation-related issues, such as pay gaps. Not all companies that

attempt to promote PT are doing it well, nor is the PT policy celebrated by employees and

business leaders (Agovino, 2022; Zenger, 2016). In other words, not all transparent pay policies

are created equal. Adverse reactions to a transparency policy may stem from poor preparation,

implementation, and opposition to revisions. Therefore, each organization should consider its

employee makeup and potential employee resistance before introducing a significant

organizational change like PT. Individual differences can play a role in how employees accept

such changes. For example, researchers found that some employees embrace a pay openness

culture and that 60% of non-managerial employees with graduate degrees prefer PT (Schuster &

Colletti, 1973). Conversely, some employees may prefer pay secrecy because they value their

privacy and want to avoid perceptions of injustice (Scheller & Harrison, 2018). Companies

should first pay close attention to their employees' PT preferences, and secondly, they can factor

in how employee preferences and transparency policies interact to influence employee attitudes

about their jobs (Smit & Montag-Smit, 2018b). The same researchers have found that employees

conveyed more satisfaction with fairness when PT policies are congruent with their preferences,

so more transparency does not necessarily mean employees will like it.

One best practice in change management is communicating the pending changes at the

process and procedures level to increase employees' and managers' acceptance of PT. Heisler

(2021) suggests drafting a compensation philosophy of where they are now and where they

would like the organization to be in the future (*procedural justice* discussed earlier - the *why* and

how of pay systems). Recall that procedural justice is the perceived fairness of processes that

determine how much employees are compensated (Leventhal, 1976; Hartmann & Slapnicar,

2012; Marasi & Bennet, 2016). Through publishing a compensation philosophy, organizations

communicate that they value fairness and equity (the *why*). Additionally, it can guide

organizations by explaining how it fits into their organizations' strategy and steer HR strategic

alignment when revamping the compensation systems to reflect fairness (the *how*). For example,

employers would need to communicate to employees why PT is being implemented, how the

organization is going about rolling out and implementing PT, what employees can expect from

their PT policies, and how they will be impacted. As a result, an organization attempting to

implement PT policies should communicate with employees to ensure PT's successful change

management.

Related to the idea of a pay audit, Schnaufer and researchers (2019) also recommend that

organizations address employee pay expectations before implementing PT because it could lead

to envy if employees' pay expectations are unmet. Therefore, it is crucial for organizations also

to research and explore what is best for their employees through pilot studies, surveys, or hiring

external consultants to address employees' hesitancy or trepidation related to PT prior to

implementing change or policies. Doing so will promote higher acceptance and successful

change management for their organization because employers consider employees' and staff's

feedback before attempting to implement a transparent pay policy. Once PT policies are broadly

implemented, organizations and their employees can subsequently decide where on the PT

continuum they would like to progress, such as PT with job families, individual jobs (federal and

military jobs currently do this), or specific employees, such as in Buffer's case study discussed

previously.

The organizations that have implemented PT successfully, such as Buffer (Gascoigne,

2013), Whole Foods (BasuMallick, 2020), SumAll (Burkus, 2016), and Verve (Elsesser, 2019;

LeBeau, 2019), factored in different strategies that made the most sense for their particular

needs. These companies and others considered and enacted competitive market rates for their

jobs. Other organizations audited their pay data to ensure they were above the curve compared to

their competitors. Some employers tied employees' pay raises to market conditions and company

performance. Others provided explanations and enough information to their employees about the

new, transparent pay compensation system and why some employees may be compensated more

than others (Elsesser, 2019; Burkus, 2016). It is important to note that their performance

management system is based on objective performance reviews (which I will expand on below);

employees who are compensated better also have more responsibilities and perform at a higher

level. As early as the 1980s, Whole Foods implemented a PT policy that employees could look

up any of their coworker's pay or bonus from the previous year, which extended to the CEO

(BasuMallick, 2020). Whole Foods utilized PT to encourage conversations about pay and to

increase competition; transparency transcended pay and included each store's sales data, regional

sales each week, and a detailed monthly report (Loudenback, 2017). Another interesting example

is Buffer benchmarked its remote positions, experience level, and cost of living against San

Francisco's cost of living and property price index (Hubbard, 2021). Lastly, organizations that

have successfully worked out the kinks or nuances of PT have found ways to motivate top

earners through additional learning and developmental opportunities, individualized rewards,

recognition, or challenging work, which are known as relational returns (Aguinis, 2013; Lam,

Cheng, Bamberger, Wong, 2022). Organizations can preemptively legitimize and justify pay

differences illuminated by PT through regulating executive compensation or determining a fixed

pay ratio for an executive to the average employee, utilizing a compensation committee,

providing sufficient reasons for pay differences, or using pay-for-performance tools (Ohlmer &

Sasson, 2018). These are only a few creative and unique things each company is doing to

implement their PT that works for their industry, company, and employees. It would behoove

companies to assess which strategy is the most effective for them before implementing an

organizational change like PT.

Accounting for compensation types. The second practical implication stems from the

study's exploratory findings, which revealed three compensation types that were selected as

crucial that organizations should emphasize to attract a younger women applicant pool generally,

aside from PT. The three compensation types are: (a) base pay; (b) benefits; and (c) overtime

pay. Base pay was ranked as the most important. By and large, base pay is a factor that is

immediately impactful for most workers because they need money to pay for their basic needs

(e.g., rent, mortgage, health insurance, food, and bills). Organizations can utilize this information

by externally publishing their base pay bands on job descriptions or annual reports, internally

publishing them to their employees, or having it available upon employee request. Organizations

can figure out the level of transparency from the continuum that is appropriate for them.

Next, benefits were ranked as the second most crucial compensation type. Benefits often

include healthcare, family leave, paid vacation time, flexibility in scheduling, and retirement

plans (Aguinis, 2013). One example of how organizations can be transparent about benefits is to

share which benefits are offered and the specifics of each benefit. In another instance,

organizations can also externally publish all benefits offered on job descriptions, on annual

reports, or internally on easy-to-navigate HR systems.

Lastly, overtime pay was ranked as the third most crucial compensation type. Overtime

pay usually applies to nonexempt workers where the rate is 1.5 times their regular rate or more

when workers work more than their full-time agreement. Nonexempt employees may care about

overtime pay because they would want to be recognized for their additional effort and support of

the organization during busy periods or holidays. Employers can be transparent about how

overtime pay is tracked, how it is calculated, and which class of employees is entitled to

overtime pay. I speculate that transparency on these compensation types would immensely pique

the interests and thereby attraction of potential job applicants.

      Extending an objective performance management system. Successful implementation

of PT requires extending existing objective performance management (PM) systems with

evidence-based practices. Objective PM systems are effective when the pay-for-performance link

is extremely clear, and additionally, I would like to suggest two PM evidence-based practices for

organizations hoping to transition from no pay transparency to pay transparency: (a) rater

training and (b) psychological safety. However, let us start with what an objective PM system

means. It is defined as "reliable - a good system includes measures of performance that are

consistent and free of error" (Aguinis, 2013, p. 20) and "standardized - performance is evaluated

consistently across people and time…the ongoing training of individuals in charge…is a must"

(Aguinis, 2013, p. 22). As mentioned in the literature review, an objective PM system is effective

in conjunction with other strategic HR systems, such as competency modeling and job analyses,

talent development, career advancement, access to career pathways, and learning opportunities.

Moreover, the objective PM system entails regularly communicating with and training managers

on how processes and PM systems under PT operate (Lam et al., 2022), as I outline in more

detail below.

      Properly enacting new PT policies requires their participation; managers are influential

stakeholders. Managers are on the ground, interact with their direct reports regularly, and ideally,

close communication loops with those around them. Therefore, it is important to get managers'

buy-in. Furthermore, rater training for managers, as an evidence-based practice, could enhance

organizations transitioning to PT implementation (Aguinis, 2013). Rater training provides

managers with the skills and tools, such as identifying and ranking job activities, observing

behavioral performances, or minimizing rater errors that all contribute to consistently rating

employees at different times. Managers who receive rater training could sidestep common

pitfalls.

A major pitfall in failed PT implementation is when managers feel pressured to rate

employee performance on average to avoid backlash from disgruntled employees who feel that

they deserve more or at least equal to their peers on the team. When a manager does this, they

might unintentionally compress pay and demotivate high performers because their excellent

work was not rewarded or recognized (Lam et al., 2022). Additionally, high performers were

compensated similarly to their lower-performing peers. Another problematic issue with pay

compression is a muddled pay-for-performance link. Lower-performing employees might not

aspire to push themselves if they are already compensated similarly to those performing at a

higher level. An objective performance management system relies on managers to evaluate and

weigh performance consistently throughout the PM period quarterly, semiannually, or annually

(Aguinis, 2013). Prior to PT policy implementation, clear expectations, standardized

performance reviews, and rater training were crucial, but they become even more imperative

after PT to minimize miscommunication or confusion.

My second suggestion for organizations hoping to transition to PT is to nurture

psychological safety in the manager-employee relationship. Psychological safety is defined as

"perceptions of taking interpersonal risks in a particular context such as a workplace" during

uncertainty and change (Edmondson & Lei, 2014, p. 24). Typically, psychological safety should

be prioritized to help employees feel secure and able to adapt to organizational changes, but in the shift to PT, it becomes even more critical. Naturally, employees will have questions about their ratings and need their managers to explain or listen to them. Moreover, when employees talk to their managers, they should feel that they can trust their managers to listen and understand their concerns. In these conditions, employees are likely to be prepared and psychologically safe to have open conversations about performance expectations, evaluations, and solutions to overcome challenges that hinder their performance. I expect managers to receive pushback or defensiveness when employees see ratings that contradict their hopes or expectations.

I want to prepare employers to anticipate adverse employee reactions when employees discover that they are low performers or wage earners compared to their peers or coworkers. Who is impacted, and how does this impact the organization? For starters, it is human nature for the low performers to be unhappy or unsatisfied. They may ask their managers for a raise or justification for their low pay. Low-wage earners may become disengaged, unconfident, and unmotivated. Alternatively, lowly-rated performers may contest their low-performance scores' legitimacy and ask their managers to provide evidence or justification for their performance reviews. Employers and management benefit from an objective PM system alongside psychological safety.

With an objective PM system that is reliable and standardized, low-performing employees and managers can refer to performance ratings based on a clear line of sight of specific objectives, predetermined performance standards, and behavioral outcomes to compensation rewards. Managers are prepared with extensive training in how to set performance goals and how to conduct performance reviews. Employees, in turn, can rest assured that ratings are removed of bias and to focus on their performance. However, if there are discrepancies in

how employees and managers perceive performance, employees can speak up to appeal or

challenge incorrect decisions (Aguinis, 2013). Historically, challenging or speaking up to

contribute ideas for improvement benefits organizations to learn and grow; employees speaking

up occurs when they feel safe to voice their opinions without retaliation is also psychological

safety (Edmondson & Lei, 2014). Managers can be confident in handling difficult conversations

wherein trust and psychological safety have already been established. If the low ratings were

justifiable and employees would like to improve their performance, managers can use personal

developmental plans to help employees attain the desired level of progress on their skills,

knowledge, abilities, or competencies. Overall, managers may need to meet with employees

regularly to motivate them and ensure that they are aligned on the aspects just mentioned. While

all these considerations may seem substantial additional work, organizations should already have

an objective PM system, trainings for managers, and psychological safety for their strategic HR

practices. By extending these strategic HR practices, organizations may be more prepared and

equipped for the transition to PT implementation. In the next section, I will discuss some of the

limitations I encountered in the study.

Limitations and Future Research

A couple of limitations should be considered when reviewing the results of this study.

First, due to the study's constraints, participants were asked to imagine they were job applicants.

This may threaten external validity and not generalize as expected because real job applicants

would have to factor various considerations into their decisions to apply for a job. For example,

they would have to contemplate location, remote work options, benefits, team culture,

compensation, advancement opportunities, the job, or the company's mission. Job applicants

may not have their perfect job choice at an organization that offers PT due to their search or

practical limitations. Therefore, they would need to weigh their options carefully. Consequently, an actual job applicant may not apply to an organization with PT when other factors are in the mix. The effects found in this study may dissipate in real life. As such, I suggest future studies replicating this study with genuine job applicants and job postings to see if similar effects exist in reality.

My second limitation is that the conceptual distinction between organizational attraction and intent to apply was not distinct statistically. While each OA and IA constructs were different in theory, they did not have enough discriminant validity in the exploratory factor analysis. Therefore, I had to combine OA with IA into a new construct of employment desire. Future studies on job applicants should be aware that OA and IA may not be as distinguishable as we had initially thought. However, this does not mean it is implausible to find within real job applicants. I suggest that future research also conduct an exploratory factor analysis but be prepared to collapse the two factors into one.

Another area of future research is to observe an organization transitioning from pay secrecy to pay transparency and to implement change management strategies to increase the likelihood of success. This can be a longitudinal case study that utilizes pre-post-post research design and program evaluation. As the McKinsey and LeanIn report (2022) aptly said, "low-quality programs can be more harmful than doing nothing at all. Similarly, a one-and-done approach will not work. New policies and programs need to be rolled out broadly and reinforced over time." This case study can give organizations insight into the obstacles to implementing PT policies and how to navigate this unfamiliar territory successfully.

My last suggestion for future research is to dive deeper into the PT continuum. The PT continuum could be vital in designing fair compensation systems, especially as organizations

figure out what works best for their employees and their preferences (Hartmann & Slapnicar, 2012). As discussed above, the PT continuum allows varying levels of PT for organizations and employees to select in the transition to PT. Generally, there is a trend toward PT as more states are passing laws requiring companies to be transparent about their pay in various scenarios; about 15% of organizations have become more transparent on their own (Smit & Montag-Smit, 2018b). However, there is still much to understand about PT's continuum and how to implement it effectively across several compensation facets. There is a lack of cohesive research on the different levels and how organizations can implement PT at each continuum level. Therefore, future research could help and guide managers with resources to support their employees at each continuum level. For example, unsuccessful PT change management might occur if organizations incorrectly choose a level on the continuum. Consequently, there is still much to study and understand about the varying levels of transparency regarding compensation that benefit organizations, managers, and employees. I added to the body of literature by distilling the essential compensation facets of what job applicants would like to be transparent, but more data and research are still needed.

Conclusion

Results of the current study contribute to the growing body of literature on pay transparency and equity by providing empirical evidence about prospective young women applicants' preferences (fairness, employment desire) for an organization with PT over one without PT. I investigated how a company promoting PT would trigger employment desire over one without a PT policy. I suggest researchers find ways to help organizations with different levels of resources to establish PT and promote pay equity. As more states and cities pass legislation on pay transparency, it is rapidly becoming a matter of when PT and not if is

something organizations need to consider. Organizations hoping to transition to PT can utilize

their objective PM and strategic HR systems to ensure the process goes smoothly. Employees

who perform the same job or tasks should be compensated fairly: "When we pay women less

than men, we're telling women their work isn't as valuable. We're all equally valuable. And we

should be paid equally," voiced Maria Shriver.

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Appendices

APPENDIX A: Figures

Figure 1. Levels of Pay Transparency
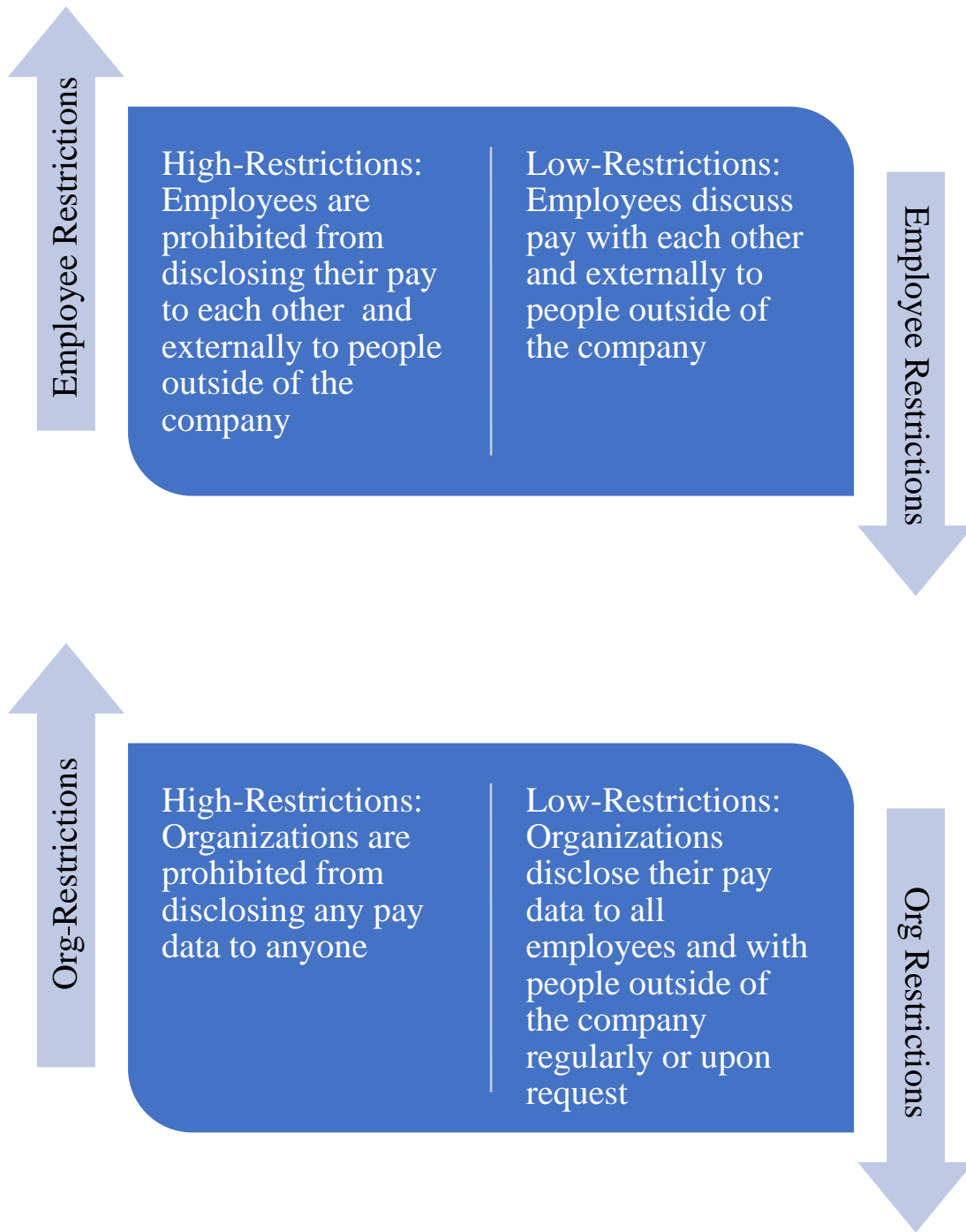
Figure 2. Proposed Full Model
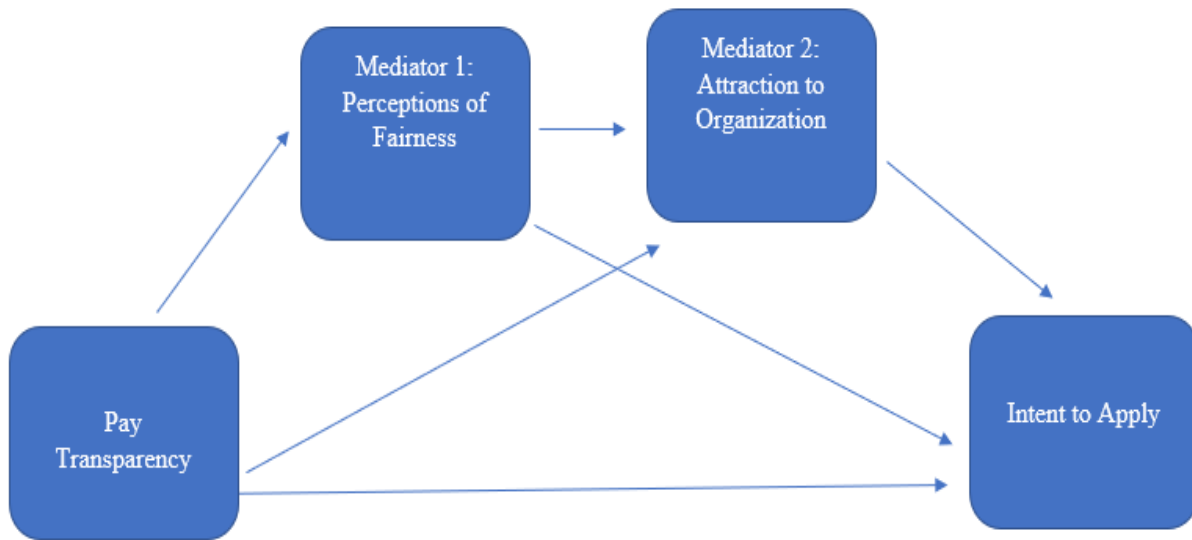
Figure 3. Employers with Pay Transparency are Fairer to Employees
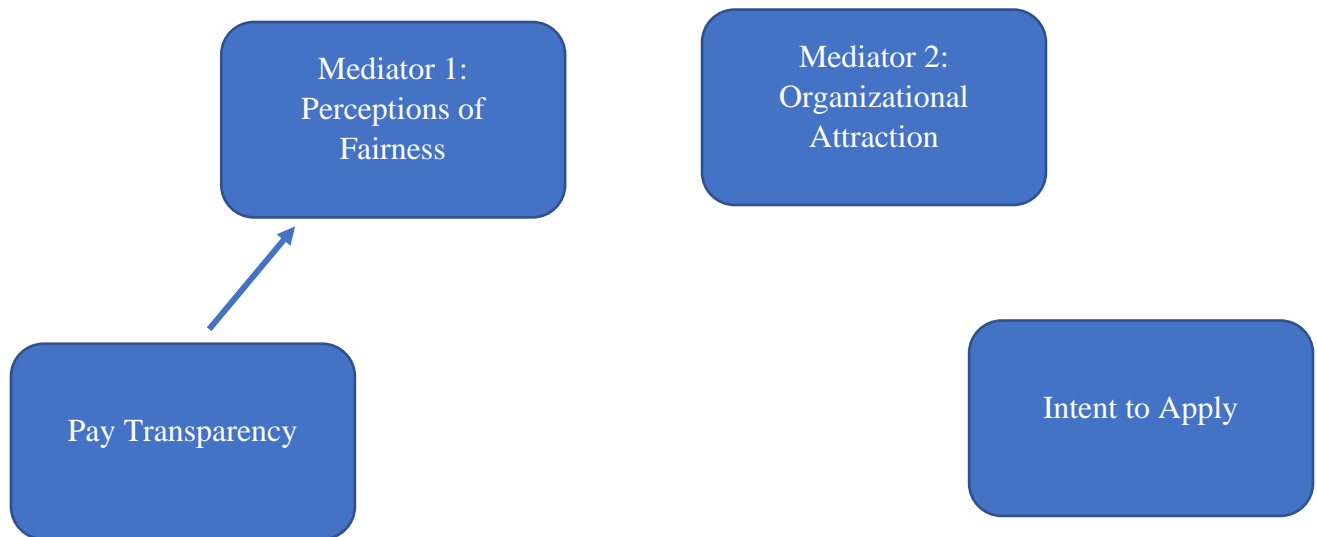
Figure 4. Pay Transparency Increases Organizational Attraction Through Fairness
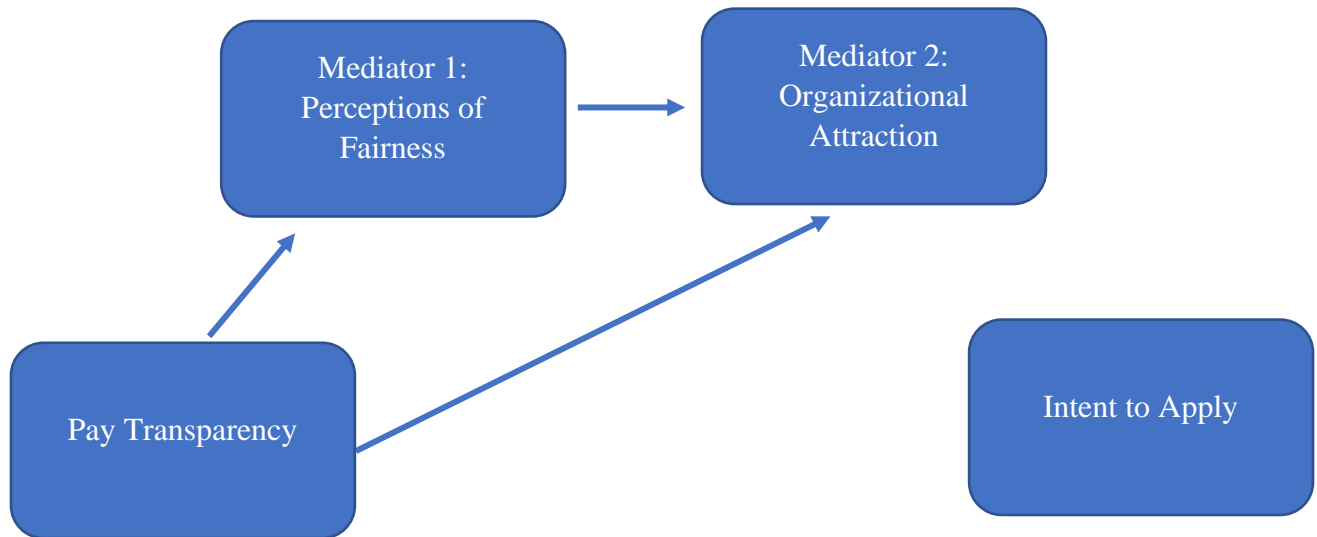
Figure 5. Pay Transparency Increases Application Intentions through Fairness and Organizational Attraction
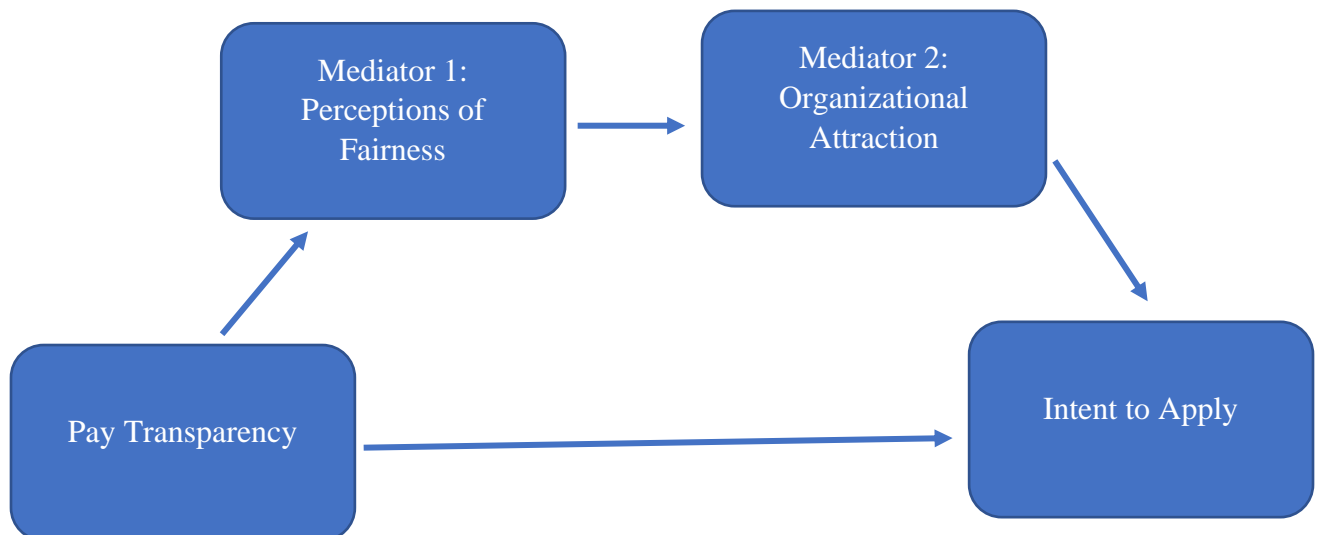
Figure 6. PayScale Pay Transparency Spectrum
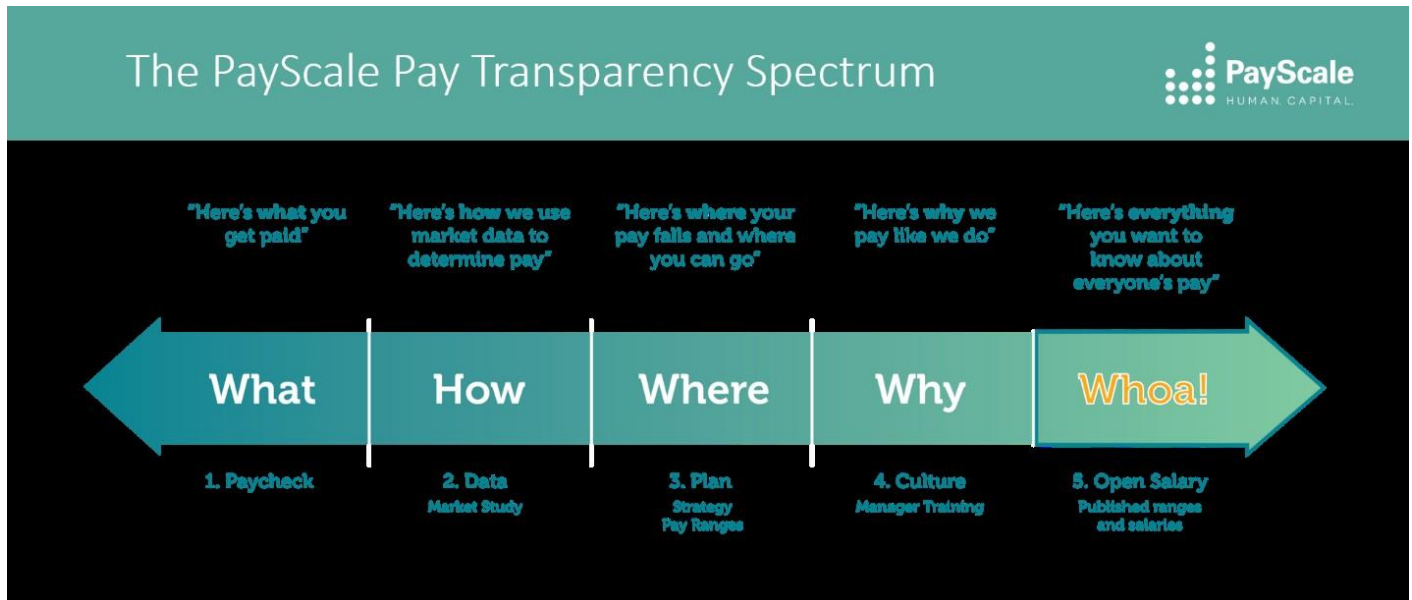
Figure 7. Modification to Full Model
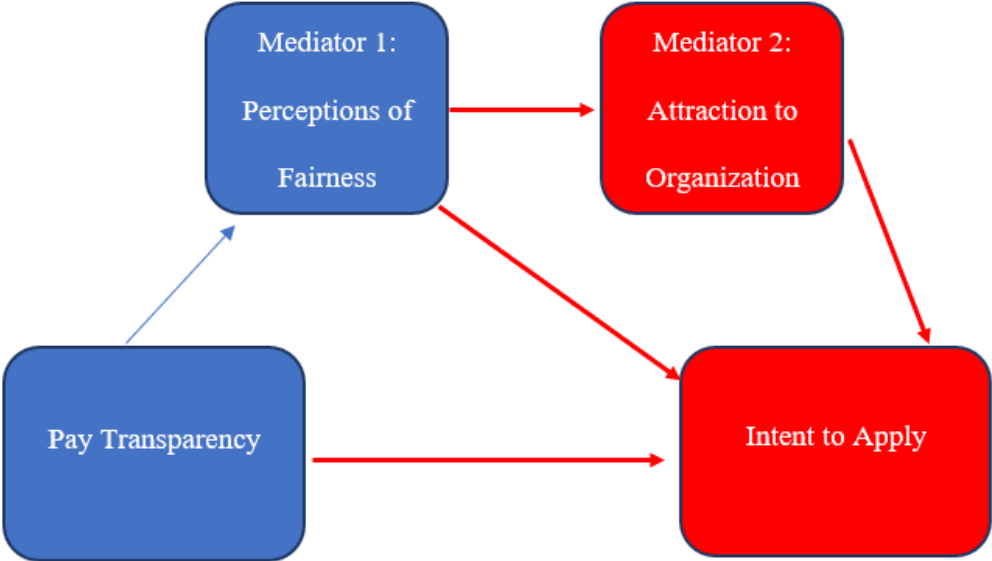
Figure 8. Revised Full Model
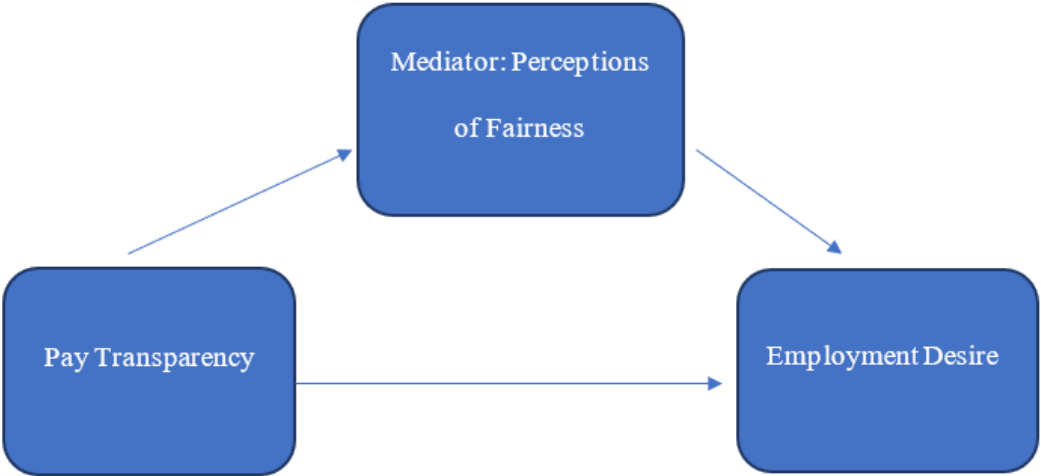
APPENDIX B: Measures

Manipulation check:

> **Instructions: Please indicate the extent of your agreement with the following statements.**

- Grady openly shares each employee's salary. (Manipulation Check Question 1)
- Grady offers pay transparency. (Manipulation Check Question 2)
- During my employment history, I have worked at a company with a pay policy **similar to Grady.**
- During my employment history, I have worked at a company with a pay policy **dissimilar to Grady.**

> In the next section, we are going to ask about job applicant attitudes. **Please imagine yourself job hunting and learning about different companies' compensation types.**
>
> **Instructions**: Imagine that you are looking for a job and discover that the company Grady Inc., is hiring. Grady is an industry leader, and its work aligns with your skills and interests. You use the website Glassdoor to read reviews from Grady's current and former employees. The following is a description of Grady that summarizes the main points found on Glassdoor.
>
> **Please read the description carefully; and afterward, there will be some questions about your feelings about working for this company.**

Pay Transparency Condition:

> *Grady is adopting pay transparency*, which allows employees and the public to easily access salaries for every job title. Base-level pay gaps among people with the same *job title* will no longer exist. Management hopes that this new pay policy will remove worry and gossip among employees about how much money their coworkers are making. They also believe that because employees can access the salaries of upper management, they can use that information as motivation to move up in the company. For these reasons, Grady's management does not mind employees discussing their salaries with one another. During the hiring process, there are no salary negotiations because employees are brought in at the publicly

posted salary that is associated with their job title. Grady links its public salary

calculator on all job descriptions. Also, they can expect a standard and yearly

salary increase to keep up with the rising cost of living.

Below is a picture of Grady's public calculator for anyone outside the company to use and look

at the compensation distributed in the company based on job role, experience level, and location.

Note that you won't be able to click on the image of the calculator because it's a snapshot of the

website:

Below is a picture of an internal spreadsheet available to all employees to look up each employee's

salary, including those in leadership roles in the organization. Note you won't be able to interact

with the excel file because it's a snapshot of the spreadsheet:

No Pay Transparency Condition

> ***Grady offers no pay transparency.*** *Each employee's salary is treated as private information—known only to the employee, the employee's direct supervisor, and the HR department. Employees are told that their salaries are determined by their yearly performance reviews, but the decision methods that Grady uses to set pay levels are undisclosed. Management hopes this pay policy will protect their flexibility in setting pay levels for each employee, and they also wish to respect employee privacy. During hiring processes, Grady will extend a salary offer based on applicants' unique set of skills and experience. Then the applicant may exercise the option to negotiate and maybe obtain a higher starting salary.*

> **Instructions: Imagine that you are currently searching for a new job,** and you are thinking about Grady as a possibility.
>
> Obviously, in real life, you would probably have more information available about Grady to consider.
>
> **For the following statements, envision yourself as a potential employee of Grady.** Do your best, using the information provided earlier, to indicate the extent of your agreement.

Perceptions of Fairness:

Measure	Current Study's Modified Question/Statement	Scale	Modified Source
Perceptions of Fairness: Distributive Justice	1. I would expect to receive a fair salary.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Blader & Tyler, 2003, 2009
Perceptions of Fairness: Distributive Justice	2. I would expect that bonuses will be given fairly	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Blader & Tyler, 2003, 2009
Perceptions of Fairness: Distributive Justice	3. I would expect shares of stock or equity compensation will be given fairly.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Blader & Tyler, 2003, 2009
Perceptions of Fairness: Distributive Justice	4. I would expect that benefits are given fairly.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Blader & Tyler, 2003, 2009
Perceptions of Fairness: Interactional Justice	1. I expect that employees are valued as human beings at Grady.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Cropanzano et al., 2005
Perceptions of Fairness: Workplace Justice - Overall Fairness	2. In general, I expect to be treated fairly in this organization.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Kim & Leung, 2004

Organizational Attraction:

Measure	Current Study's Modified Question/Statement	Scale	Modified Source
Organizational Attraction	1. I would think very highly of Grady for implementing this pay policy.	7-point Likert scale (1 = strongly disagree, 7 = strongly agree).	Cropanzano et al., 2005
Organizational Attraction	2. By using this pay policy, Grady is likely to be socially responsible.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Cropanzano et al., 2005
Organizational Attraction	3. My opinion of Grady improved when I learned more about its pay policy.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Cropanzano et al., 2005
Organizational Attraction	4. For me, Grady would appear to be a good place to work.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003
Organizational Attraction	5. I would be interested in Grady as a first choice.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003
Organizational Attraction	6. I am interested in learning more about Grady.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003
Organizational Attraction	7. A job at Grady is appealing to me.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003

Intentions to Apply:

Measure	Current Study's Modified Question/Statement	Scale	Modified Source
Intentions to Apply	1. I would be interested in working for Grady.	7-point Likert scale (1 = strongly disagree, 7 = strongly agree).	Cropanzano et al., 2005
Intentions to Apply	2. I would make Grady one of my first choices as an employer.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003
Intentions to Apply	3. I would send an application to Grady.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Cropanzano et al., 2005
Intentions to Apply	4. If Grady invited me for a job interview, I would go.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003
Intentions to Apply	5. I would probably accept a fair job offer from Grady.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Cropanzano et al., 2005
Intentions to Apply	6. If I were hired by Grady, I would exert a great deal of effort in my work.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003
Intentions to Apply	7. If I were hired by Grady, I would recommend it to a friend who is also looking for a job.	7 pt scale: 1 = Strongly Disagree, 7 = Strongly Agree	Highhouse et al., 2003

Pay Transparency Preferences Rankings

Check *all* compensation types that are important to you based on your personal preferences for compensation and benefits.

☐ Base pay (hourly or salary).
☐ Sales Commission
☐ Overtime Pay
☐ Tip Income
☐ Bonus Pay (1 time reward re-earned each performance appraisals)
☐ Merit Pay (Pay increase based on performance appraisals)
☐ Stock Options / Equity

Based on your personal preferences for compensation and benefits, mentally think **of your top 3 compensation types** from the list below.

Then, rank each by dragging the numbers up and down, **Most important = 1, Second important = 2, Third important = 3.**

☐ Base Pay (hourly or salary)
☐ Sales Commission
☐ Overtime Pay
☐ Tip Income
☐ Bonus Pay (1-time reward re-earned each performance appraisal)
☐ Merit Pay (Pay increase based on performance appraisals)
☐ Benefits
☐ Transparency on how management made compensation choices
☐ Stock Options / Equity
☐ Other: _____

Pay Inequity Experience

The next two questions will be asking about your personal experience with pay inequity and discrimination.

Pay inequity happens when employees in the same organization are paid differently for the same or similar job duties, experience level, education, and tenure at the organization.

Pay discrimination happens when employees within an organization are paid differently because of race, color, religion, sex, pregnancy, gender identity, sexual orientation, nationality, age, disability, or genetic information.

I know someone (myself included) who suspects they've experienced pay inequity in their career.

- ☐ Strongly Agree
- ☐ Agree
- ☐ Slightly Agree
- ☐ Neither Agree or Disagree
- ☐ Slightly Disagree
- ☐ Disagree
- ☐ Strongly Disagree

I know someone (myself included) who suspects they've experienced pay discrimination.
- ☐ Strongly Agree
- ☐ Agree
- ☐ Slightly Agree
- ☐ Neither Agree or Disagree
- ☐ Slightly Disagree
- ☐ Disagree
- ☐ Strongly Disagree

Data Quality Check

Realistically, we know that some Prolific respondents do not pay close attention to the questions they are answering. This affects the quality of my data. Please select one of the following options honestly. Your answer is confidential. It **will not** affect whether or not you receive payment and **will not** affect any rating given to you for your work.

Did you pay attention and answer honestly?

- ☐ **Yes**
- ☐ **No**