



Introducing Skills Pay Planner

Mercer Skills-Edge Suite

Reinvent your rewards program with pay-for-skills

Skills Pay Planner is an AI-driven tool that arms your organization with intelligent pay recommendations for individual employees. It helps you understand the premiums associated with certain skills, so you can make informed decisions during compensation planning reviews — to avoid the loss of valuable skills and prevent your most critical talent from becoming a flight risk.

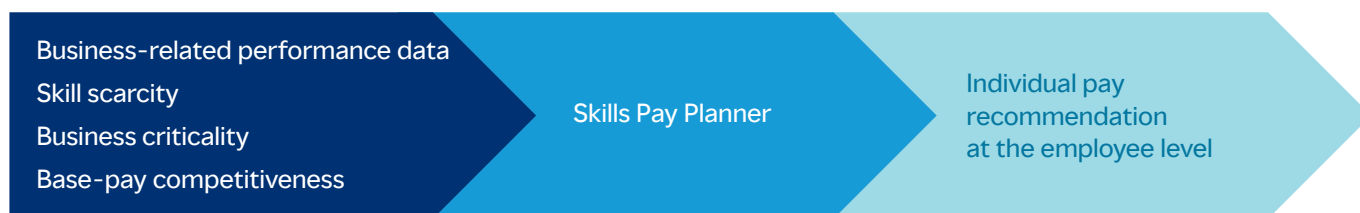
Automate your process for pay recommendations

Skills Pay Planner provides pay suggestions that help ease decisions about how to reward your employees.

Using an algorithm that learns from your company data, Skills Play Planner allows you to automate the pay recommendation process while minimizing individual bias in your pay philosophy.

Skills Pay Planner gives you the control to make pay recommendations that fit within your budget. We work with you to fine-tune your results, using your data to execute your business strategy. The system can also be configured without skills in the equation, using prior historical data and current ranking systems to drive decisions.

Move from performance-based assessment to a skills-based approach



How does Skills Pay Planner work?

Skills Pay Planner generates intelligent automated pay recommendations by integrating company, employee and external benchmark data with your unique business strategy via a predictive machine learning algorithm.

Skill supply and demand, employee base pay competitiveness, performance, career potential and even retention risk are all reflected in salary increase recommendations.

Market, company and employee data play a pivotal role

The machine learning model reviews each individual's past performance rating and other metrics that are key to your unique strategy, such as base pay competitiveness, performance, potential ratings and retention risk.

The system can be configured to recognize the priority skills for your business — and to provide insight into the corresponding investment required to retain those skills.

welcome to brighter

Skills Pay Planner in three steps

1 Combines business strategy and company data

2 Runs a predictive machine-learning algorithm

3 Makes pay suggestions at the employee level

Bring a skills lens to your salary review process

- Search team member profiles
- Explore AI-driven salary increase recommendations
- Understand recommendation rationale for each team member

The screenshot shows the 'Daryl Park's team' dashboard. At the top, it displays 'Team Budget 13,142 USD' and 'Remaining Budget 0 USD'. Below this is a search bar for 'Team Members' and a 'Search' button. A row of filters includes 'Recommend', 'Consider', 'Skip', and 'No recommendation', all of which are checked. The main table has columns for 'Employee', 'Suggested action', 'Current annual salary (USD)', '% Increase', 'Increase (USD)', and 'New Annual Salary (USD)'. Three team members are listed: John Adams (Consider, 176,357 USD, 5.0% increase), Guy Barden (Skip, 75,563 USD, 0.0% increase), and Russell Drabant (Recommend, 42,891 USD, 6.5% increase). A fourth row shows a total of 230,168 USD with a 0.0% increase.

Employee	Suggested action	Current annual salary (USD)	% Increase	Increase (USD)	New Annual Salary (USD)
John Adams	CONSIDER	176,357	5.0 %	8,818	185,175
Guy Barden	SKIP	75,563	0.0 %	0	75,563
Russell Drabant	RECOMMEND	42,891	6.5 %	2,788	45,679
		230,168	0.0 %	0	230,168

The screenshot shows the detailed profile for 'John Adams'. It includes a 'Suggested action' of 'Consider' with a 'Pay increase % 5.0%' and 'Pay increase (USD) 8,818'. The 'Annual salary (USD)' is 185,175. Below this are four tabs: 'Skills', 'Base pay competitiveness', 'Performance', and 'Career potential'. The 'Skills' tab shows 'Skill is somewhat scarce in the market and in demand at Company' and lists job family, role, top skill, skill demand, and market scarcity. The 'Base pay competitiveness' tab shows 'Current Compa-ratio is low' and 'Current annual salary 176,357 USD'. The 'Performance' tab shows 'Employee exceeds in all checkpoint dimensions' and 'Overall 4 - EXCEEDS EXPECTATIONS'. The 'Career potential' tab shows 'Non-influencing factor' and 'Band G'.

Skills	Base pay competitiveness	Performance	Career potential
Skill is somewhat scarce in the market and in demand at Company Job family: Change Management Consulting Role: Director - Change Management Consulting Top Skill: Project Management Skill demand: Maintain Market scarcity of skill: Medium	Current Compa-ratio is low Current annual salary: 176,357 USD Current compa-ratio: Low Medium Last on cycle salary increase: 1.8% (Apr 1, 2018) Additional pay increase in past 12 months: 0.0% (—) Last off cycle salary increase reason: — Attrition risk %: 13.6	Employee exceeds in all checkpoint dimensions Overall: 4 - EXCEEDS EXPECTATIONS	Non-influencing factor Band: G Years in band: 8 years 10 months Years in Company: 34 years 5 months Equity recipient in previous 2 years: No Cash retention recipient in previous 2 years: No

- Drill down into recommendations for individual employees
- Explore influencing factors at a granular level
- Make pay recommendations with confidence

Use case of Skills Pay Planner



Use the Skills Pay Planner as a simulation tool: Your compensation and rewards teams can test the impact of skills and other factors on pay. See the shifts required in moving from your current process to a pay-for-skills approach, so you can prepare for implications and change management.



Skills Pay Planner guides and educates managers involved in the pay cycle decisions as to the key factors to consider in designing employees' pay.

Contact your Mercer consultant or visit imercer.com/skills to learn more about Skills Pay Planner and related solutions, Skills Pricer and Skills Library.