



# Introducing Skills Pay Planner

Mercer Skills Edge solution

## 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.

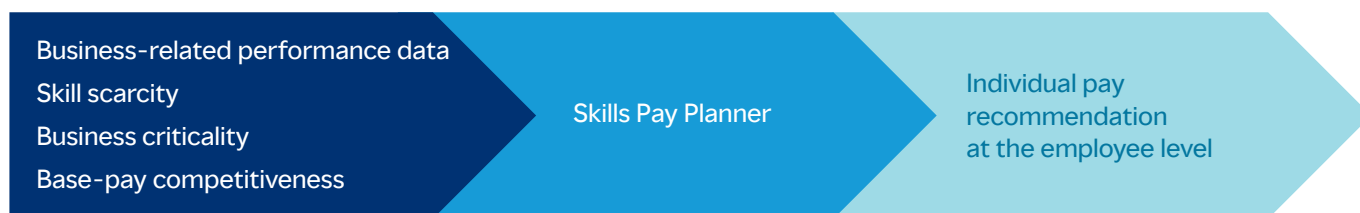
### Automate your process for pay recommendations

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 Pay 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' overview in the Skills Pay Planner. At the top, it displays the team name, a search bar, and budget information: Team Budget 13,142 USD and Remaining Budget 0 USD, with a 'Submit' button and a 'SUBMIT BY NOV 1, 2022' deadline. Below this is a table of team members with columns for Employee, Suggested action, Current annual salary (USD), % Increase, Increase (USD), and New Annual Salary (USD). The table lists three members: John Adams (Consider, 176,357 USD, 5.0% increase to 185,175 USD), Guy Barden (Skip, 75,563 USD, 0.0% increase to 75,563 USD), and Russell Drabant (Recommend, 42,891 USD, 6.5% increase to 45,679 USD). A fourth row shows a total of 230,168 USD with a 0.0% increase to 230,168 USD.

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 a detailed view for John Adams. It includes a header with his name, country (United States of America), and a 'Consider' suggestion. Below this are four panels: Skills (Skill is somewhat scarce in the market and in demand at Company), Base pay competitiveness (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), Performance (Employee exceeds in all checkpoint dimensions, Overall 4 - EXCEEDS EXPECTATIONS), and Career potential (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 [mercerc.com/skills-edge](https://www.mercer.com/skills-edge) to learn more about Skills Pay Planner and related solutions, Skills Pricer and Skills Library.