

Approaches to Implementing Location-Based Pay

The increase in remote working provides organizations with an opportunity to rethink their location strategy. Whether it is accommodating long-term virtual work, entering new markets or determining an optimal new production site, location-based pay is a key component of a firm's location strategy. **Two in five companies tell us they have, or are considering, adjusting geographic pay differentials.** In doing so, many are re-examining rates using new market data. Here's a snapshot of what nearly 1,500 global respondents told us in May 2021.

How Have Your Approaches to Geographic Pay Changed?

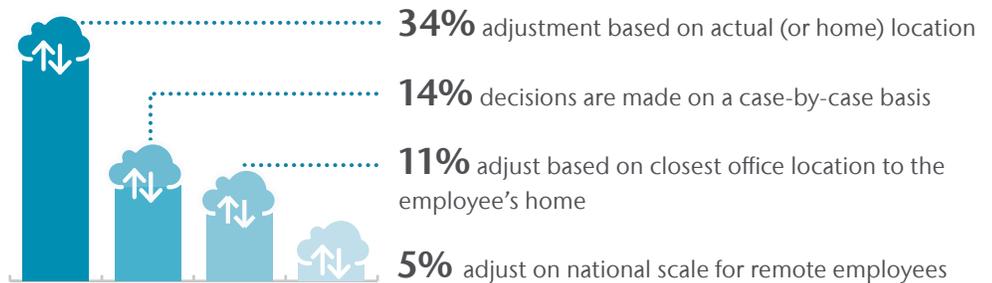
Geographic Pay



32%

of companies **used geographic differentials** to adjust pay for remote employees prior to COVID-19. Only **5%** have adopted this strategy since the pandemic, but **22%** are actively considering it.

Methods for adjusting pay for remote workers



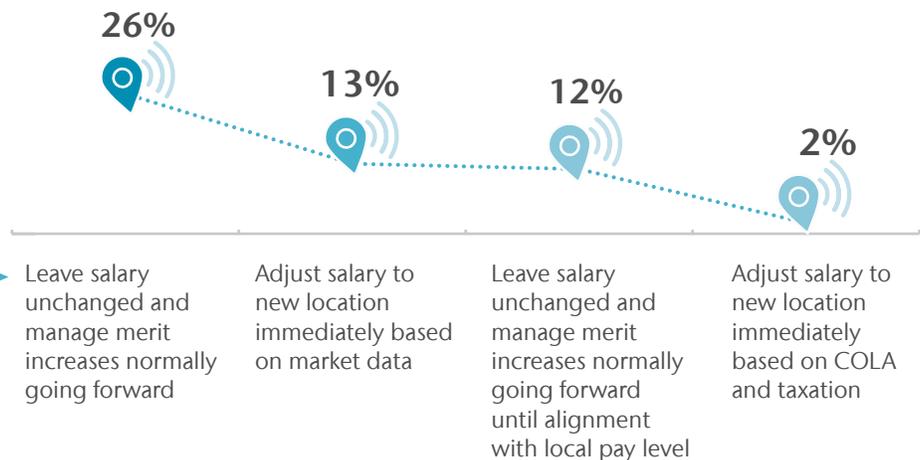
Actions Taken When Employee Moves to Lower-Cost Market



30%

of firms make their pay decisions **for both salary and business travel to the office** on a case-by-case basis, if an employee chooses to.

Other approaches include:



For more insights and results from our Aon Global HR Pulse Survey #7, Preparing For the Future: How COVID-19 is Changing How and Where People Work Forever, please visit aon.io/pulse_7.

