

The Psychology of Pay

- Why Money is Never Just Money
- Presented by Dawn Hart



Well Paid Exit

- If pay was just about numbers, nobody would ever quite over a raise they did get



What We Think vs Reality



PAY = MOTIVATION



20% OF EMPLOYEES
ARE MOTIVATED BY
PAY



MONEY MATTER –
BUT NOT ALWAYS THE
MOST

The Science Behind It



- Intrinsic vs. Extrinsic Motivation
- Overjustification Effect
- Maslow's Hierarchy of Needs
- Herzberg's Two-Factor Theory
- Neuroscience Twist

Perception > Reality

- Pay Satisfaction = Actual Pay + Perceived Fairness + Comparison
- Equity Theory
- Social Comparison is Inevitable
- Anchoring Effect
- Pay Raises & Expectations
- Communication Shapes Perception



Common Pay Triggers

- Fairness
- Recognition
- Security
- Status



Generational & Gender Differences

Different Lenses, Same Dollar

- **Gen Z** – transparency, equity and speed
- **Millennials** – Flexibility & lifestyle
- **Gen X** – security + recognition + freedom
- **Boomers** – tie pay to loyalty & stability



Generational & Gender Differences

Different Lenses, Same Dollar

- Gender Pay Gap
- Trust Erosion
- Negotiation Gaps
- Transparency Push



When Pay Backfires

- Bonuses Tied to the Wrong Metrics
- Raises that Don't Meet Expectations
- Secrecy Creates Suspicion
- Golden Handcuffs
- Overemphasis on Money
- Pay Inequity & Backlash

Employee:
"This is all
I'm worth
to you?"



Manager:
"We gave
them a
raise?"



The Manager's Role

- Managers as Translators of Pay
- Communication Makes or Breaks It
- Connect Pay to Value & Impact
- Manage Expectations
- Non-Financial Paychecks
- Trust & Fairness



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- Think about it



Key Takeaways

- Pay=psychology, not just math
- Fairness & Communication drive satisfaction
- Money motivates in the short term, but purpose sustains performance.





Final Thought

If we can get the psychology of pay right — fairness, recognition, communication — we don't just retain employees. We build trust.

✦ ✦ I'M A ✦ ✦

**PAYROLL
SPECIALIST**

**I SOLVE PROBLEMS
YOU DON'T KNOW YOU HAVE
IN WAYS YOU CAN'T
UNDERSTAND**

Q&A / Discussion

