

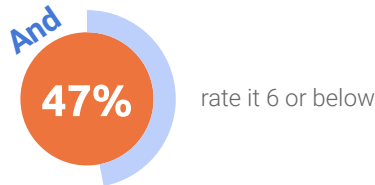
The State of Pay Equity 2023-24

Ensure pay equity to maximize organizational performance



Many organizations struggle with pay equity but have hope for the future

Respondents were asked to rate their organization's pay equity on a **10-point** scale (1 being poor and 10 being excellent):



The good news is, 7 in 10 believe their organization will become more equitable in the next two years

Despite such struggles, and recent changes in state laws, only about a third of organizations view pay equity as a high priority

→ Only **34%** say pay equity is at least among their top leaders' highest 5 priorities

→ More (**43%**) say it's one of many competing priorities but not near the top



Compared to less equitable organizations*, more equitable organizations** are over **2.5X more** likely to say pay equity is among leaders' top 5 priorities

There are various reasons to prioritize pay equity

The **four most common** reasons for focusing on pay equity are:

63%

retaining the right talent

60%

ensuring fairness

47%

ensuring compliance with laws and regulations

46%

removing bias in pay decisions

One major problem seems to be a lack of data analyses and application

Only **53%** agree or strongly agree their organization analyzes and leverages data in an effort to improve pay equity



Many organizations are also falling short in the realm of pay transparency

JUST

22%

rate their organization's pay transparency as above average

12%

rate it as excellent

43%

include salary ranges in all job postings

Compared to less equitable organizations, more equitable organizations are:

5x

more likely to rate themselves above average or excellent in the area of pay transparency

1.6x

more likely to include salary ranges for all job postings

What influences salary ranges?

Determining the **ideal salary** ranges involves a diverse range of methods

The most common methods to develop salary ranges are:

- external market analysis
- internal review
- internal market analysis



The most influential factors for pay decisions when making hiring offers include:

Compensation levels of others holding the same job within the organization

69%

Years of relevant experience

68%

Compared to **less equitable** organizations, **more equitable** organizations are:

Almost 1.5x

more likely to use external market analysis

1.7x

more likely to use internal market analysis

2x

more likely to use government sources

Consider these strategies

1 **Make** pay equity a strategic priority

2 **Perform** pay equity analysis and take action on gaps



3 **Make** robust connections between pay and performance

4 **Evaluate** hiring tools and technologies for bias

About the Survey



The *State of Pay Equity* survey ran from April to June 2023. We gathered 235 complete and partial responses from HR professionals in virtually every industry vertical. Respondents are located all over the world, but most of them reside in North America, especially the United States.

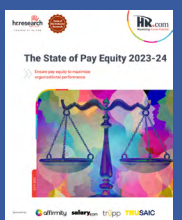


More equitable organizations:** Those answering the statement, "On a scale of 1 to 10, how would you rate your organization in the area of pay equity?" with "8, 9 or 10."

Less equitable organizations*: Those answering 6 or below to the same question.



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Read the full research report.

The State of Pay Equity 2023