HR.com's Future of Pay Equity and Transparency 2025

Future-proof your pay equity framework by adopting a strong strategy





Many organizations are in the beginning stages of pay equity



are only at the "beginning" or "undeveloped" stages of pay equity maturity

30%

Undeveloped

Emphasis is only on

compliance

are at the "intermediate" stage

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Beginning

Compliance and minor efforts in pay equity

But an inspiring



are leading the pack at the "advanced" or "expert" stage



Expert

Pay equity embedded in culture, and leaders make it a priority and own the initiatives.
Use analytics and have a dedicated budget to address pay-equity-related talent issues.

ginning Intermediate

Deployed several different pay equity initiatives piecemeal

Strategic framework with multiple pillars aligned with the organizational goals

Advanced

Over half of organizations say pay equity is the top or among the top 5 HR priorities, though that leaves many organizations floundering



say pay equity is the top HR priority



say pay equity is at least among their top 5 HR priorities



However.



say it's one of many competing priorities but not near the top or not a priority at all

Few organizations excel at sharing salary ranges and explaining pay structures

Only



rate their pay transparency efforts as excellent or above average

Just



include salary ranges in all job postings

Organizations should follow the lead of more equitable* organizations to improve pay equity and transparency



100% of more equitable organizations incorporate pay equity into their pay philosophy, compared to just 40% of less equitable** organizations



Also, they are over **2X** more likely than less equitable organizations to include salary ranges in all their job postings

Consider various ways to measure and analyze pay equity

The two most common methods of measuring and determining pay equity are:

72% comparisons of pay among comparable jobs

60% comparisons within pay bands

Organizations most often examine the following as part of their pay equity analysis:

Demographic factors

52% gender and/or gender identity

51% race/ethnicity

39% age



Compared to less equitable organizations, more equitable organizations are:

nearly 4X more likely to define clear and accurate performance metrics to ensure higher pay is given to better performers

3X more likely to conduct regular compensation audits to spot biases or inconsistencies

almost **2X** more likely to use salary surveys/data from trade organizations or associations

Job factors

84% years of experience

72% performance

69% role



Define and implement a strategy to close pay gaps

When asked about specific pay equity-related practices:



78% believe their organization acts to close pay gaps if inequities are found



but just 56% have strategies in place to detect equity gaps

Compared to less equitable organizations, more equitable organizations are:

over

4.5X more

likely to have a formal budget to close pay gaps

4X more

likely to set goals to actively investigate and solve inequalities within the workplace

over **2X** more likely to increase salary for underpaid employees to achieve pay equity

HR professionals believe the following factors will influence pay equity in the near future:

60% Changing workforce expectations

58% Legislation and regulations

32% The need to recruit diverse talent



And what about AI?

36% believe it will enhance pay audits and analytics

35% believe it will also bring legal risks such as AI bias







About the Survey:

HR.com's "Future of Pay Equity and Transparency 2025" survey ran from October to December 2024. We gathered responses from 189 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 question, "What best describes the stage of development of pay equity in your organization?" with "advanced" or "expert"

** Less equitable organizations: Those answering with "undeveloped" or "beginning" to the same question



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