

# 2023 Compensation Best Practices Panel

# Today's Panelists

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**Lexi Clarke**

Chief Human  
Resources Officer



**Emily Kent**

Director, Talent  
Acquisition



**Minde Stone**

Director, Total  
Rewards



**Tim Douglass**

Director, People



**Amy Stewart**

Associate Director  
of Content

# Today's Agenda

- Compensation Best Practices Report introduction and methodology
- Panel
- Audience Q&A



# Methodology

# Compensation Best Practices Report Methodology

The 2023 Compensation Best Practices Survey gathered responses from October 2022 to December 2022.

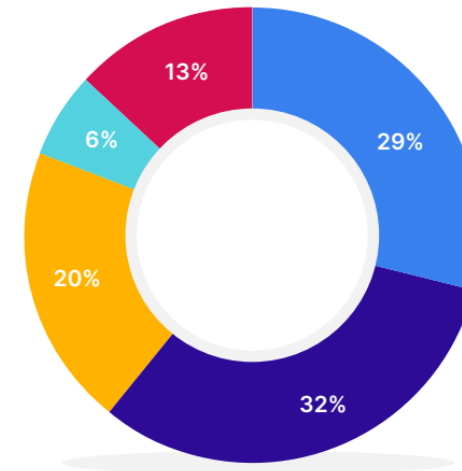
This is PayScale's **14<sup>th</sup>** annual CBPR!

There were **4,933** respondents comprised of compensation professionals, HR leaders, and executives filling a variety of roles related to compensation.

Our analysis includes cuts of the data across multiple factors, including top performing versus non-top performing organizations, organization size, and industry. We also collect data on location as well as information on the survey participant's job level and role.

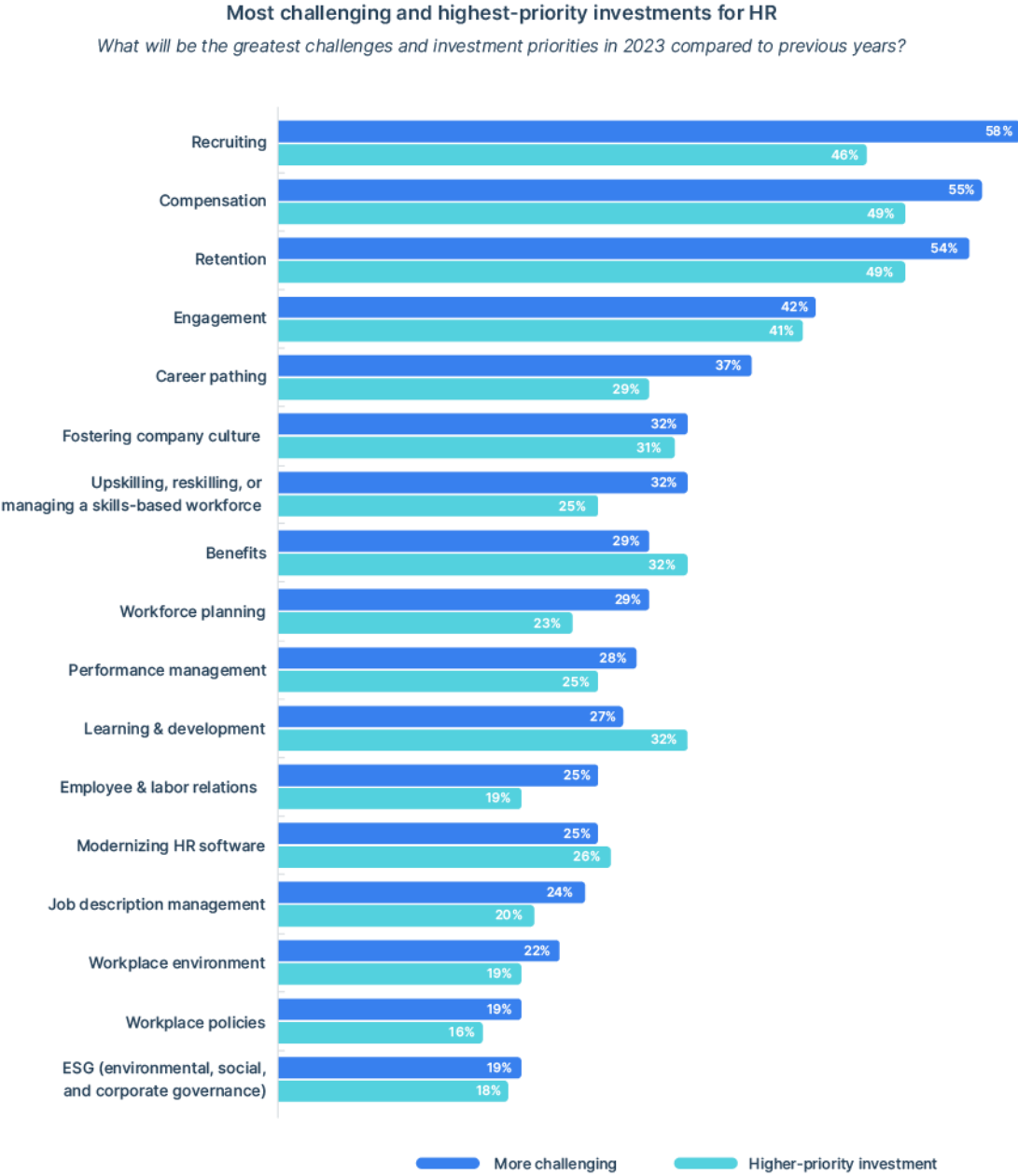
The completion rate (**55 percent**) was the highest of any CBPR in recent history and contains both more international responses, enterprise responses, and responses from executives than previous years.

What is your job level?



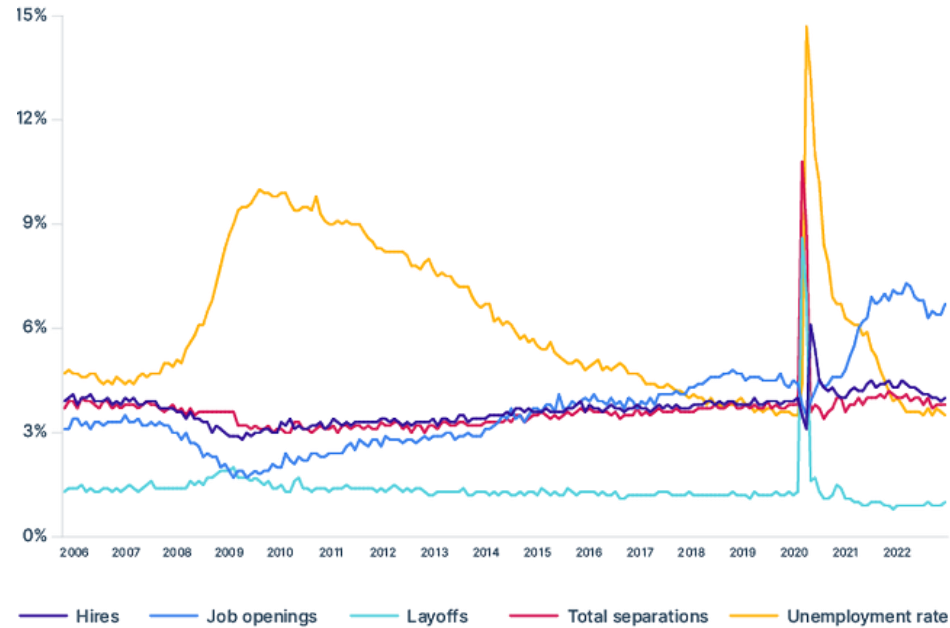
# Panel

# Predictions



# The Labor Market

Job openings and labor turnover survey (JOLTS) and unemployment rate



Labor force participation over time

Source: Bureau of Labor Statistics (BLS)



What was your overall  
employee turnover rate in 2022?

Average total  
turnover rate

Last year

24%

This year

26%

What was your voluntary  
employee turnover rate in 2022?

Average  
voluntary  
turnover rate

Last year

36%

This year

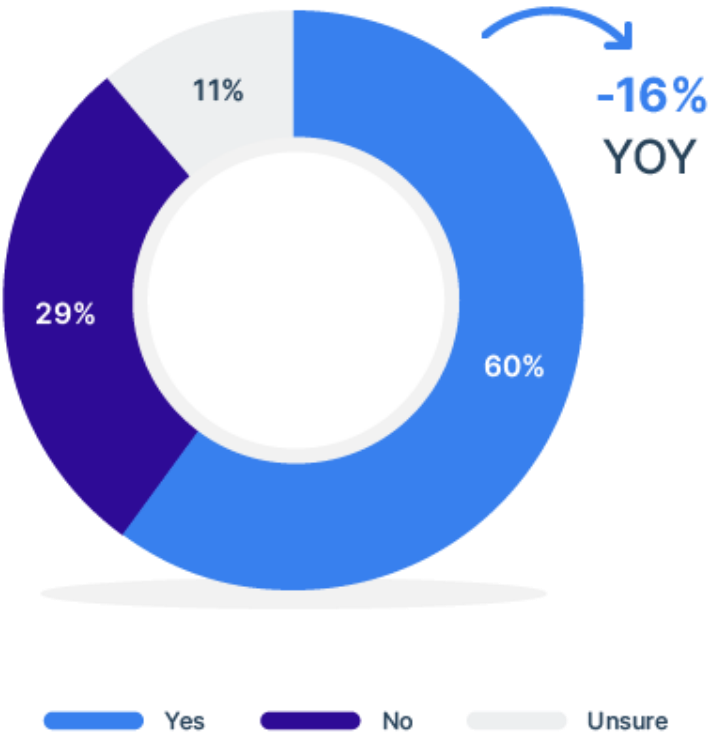
25%



# The Labor Market

## Perception of labor challenges in 2022

Have you experienced higher voluntary turnover, labor shortages, or trouble attracting and retaining talent in 2022 that is greater than previous years?



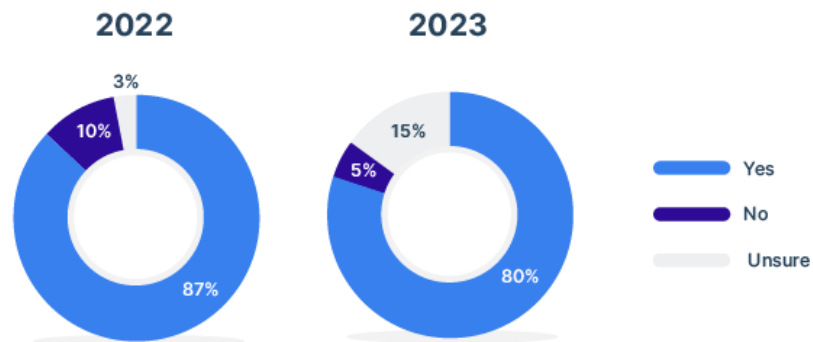
## What is most to blame for voluntary turnover?

What do you suspect is MOST to blame for higher voluntary turnover at your organization?

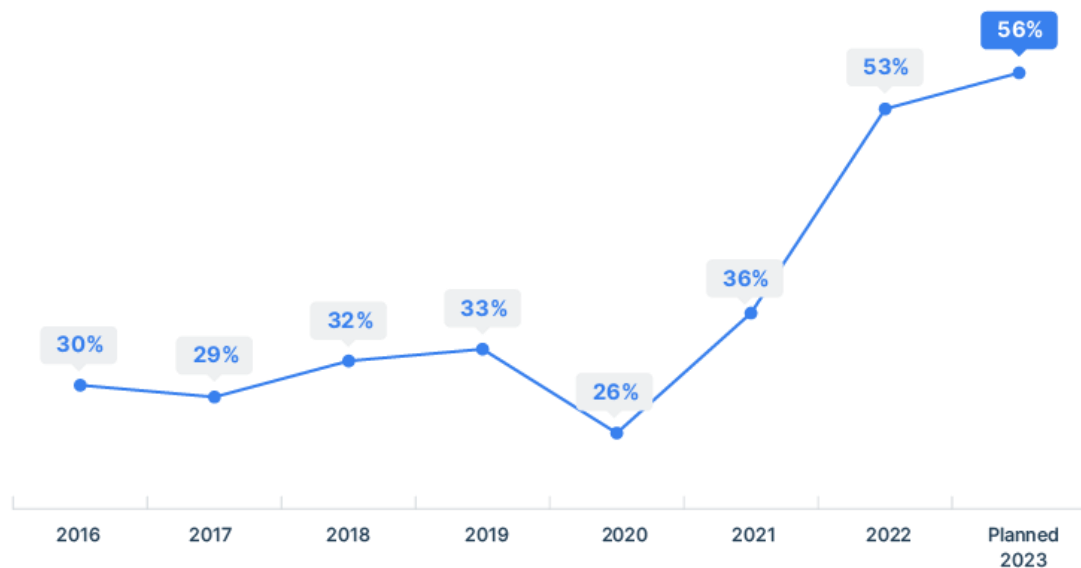
	First	Second	Third
Compensation	35%	18%	10%
Limited advancement opportunities	11%	17%	14%
Employee entitlement/grass-is-greener syndrome	11%	9%	12%
Burnout due to being understaffed/overworked	10%	11%	13%
Management skills	8%	7%	7%
Desire for greater workplace flexibility/remote work	7%	10%	10%
Important benefits are missing or not competitive	4%	13%	7%
Interpersonal conflicts within teams	4%	4%	6%
Arduous or unpleasant work conditions	3%	4%	4%
Company culture and values	3%	3%	7%
Unsure	2%	2%	4%
Outdated or underserved technology that inhibits productivity	1%	2%	5%

## Percent of organizations giving base pay increases

Did you/do you plan to give base pay increases?



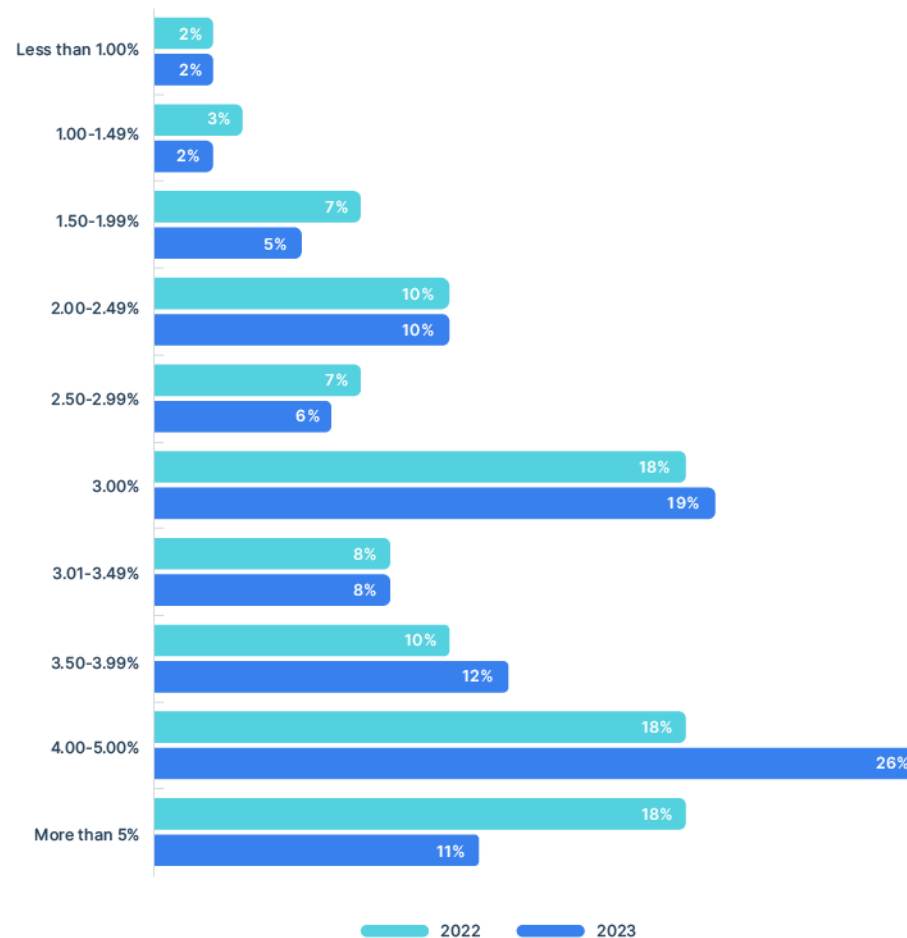
## Percent of organizations giving base pay increases over 3 percent



# Pay Increases

## Distribution of average base pay increases

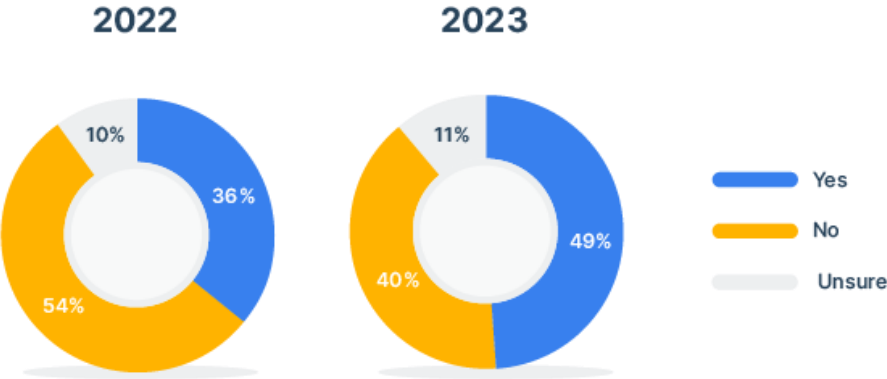
What do you expect will be the average pay increase given to employees?



Note: 3.01-3.49% through More than 5% rounded by hand is 57 percent, but using the full sequence of the number in our master data sheet it is actually 56.4 percent which rounds down to 56 percent.

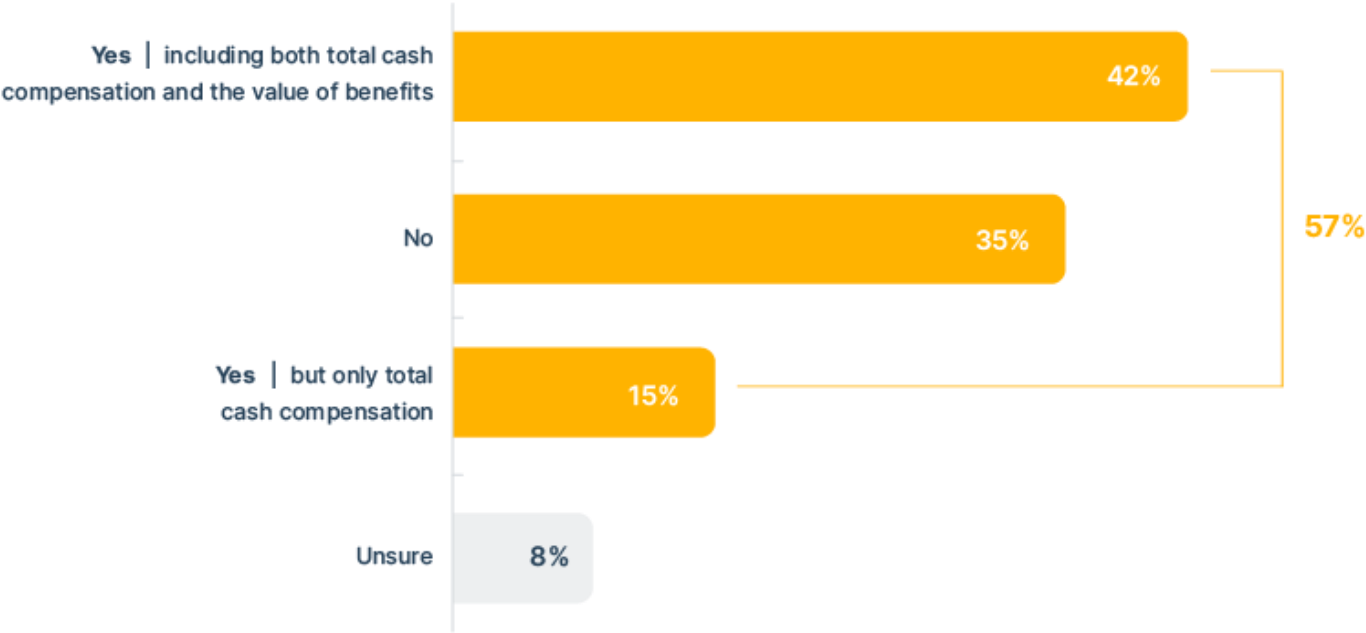
# Pay Communications

Does your organization train managers on pay communications?



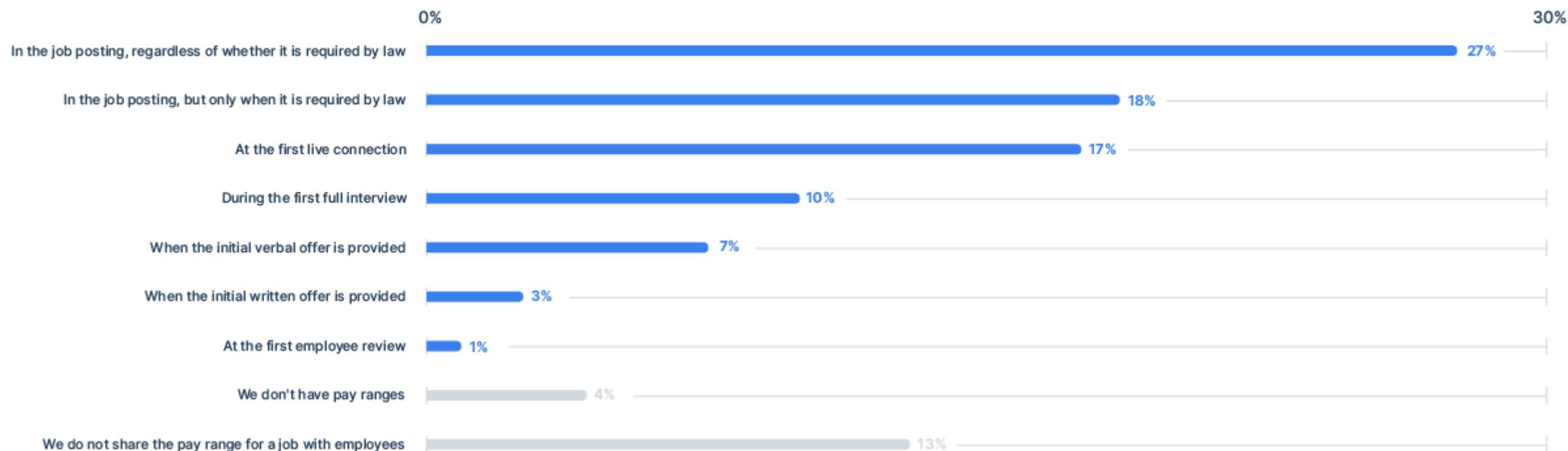
## Employers that provide a total rewards statement

A total rewards statement outlines all of an employee's rewards and often applies a monetary value to non-cash items. Does your organization provide this kind of statement to employees?



# Pay Transparency

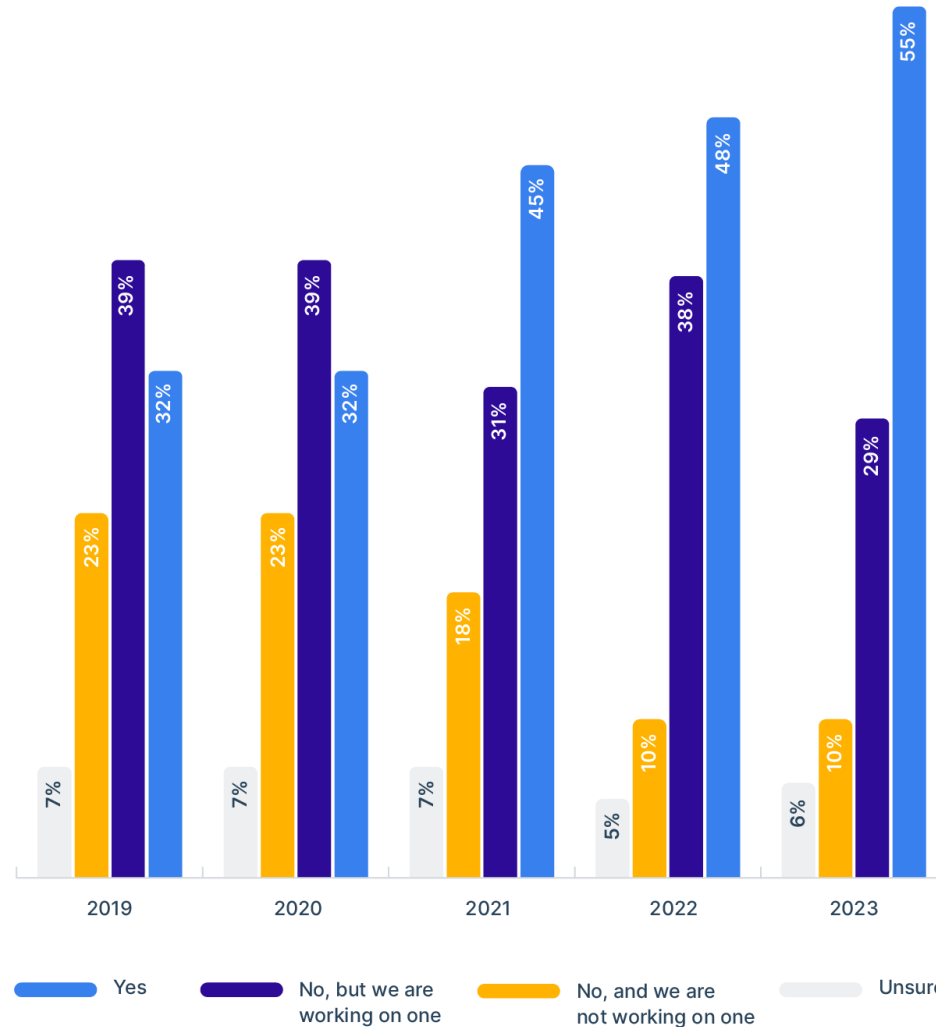
When do you first share the organization's pay range for a job with prospective employees?



# Compensation Strategy

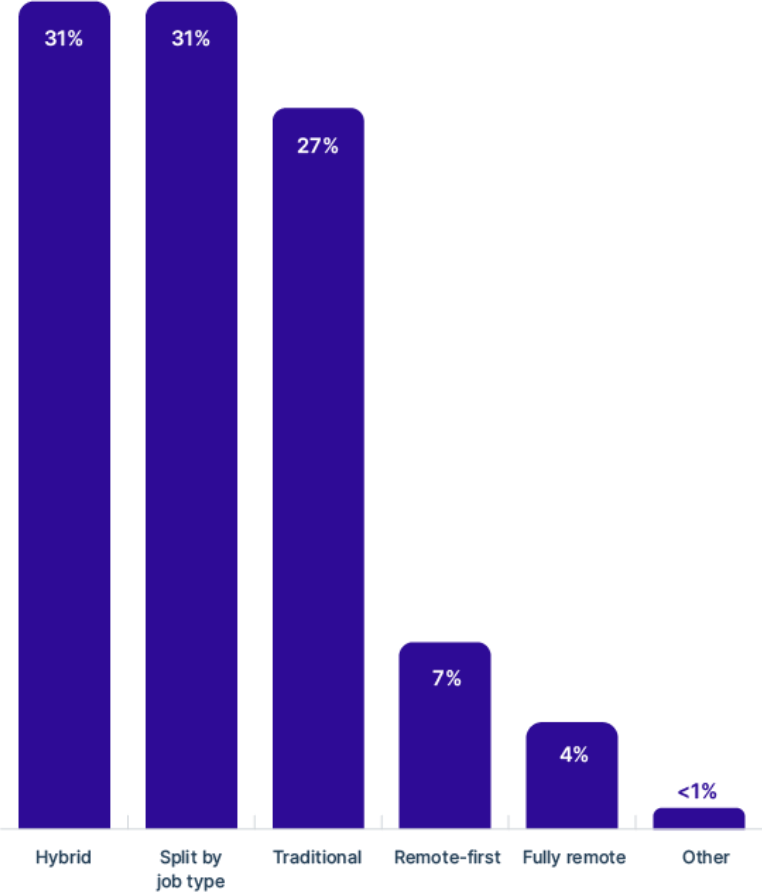
## Compensation strategy/philosophy

Does your company have a formal compensation strategy/philosophy?

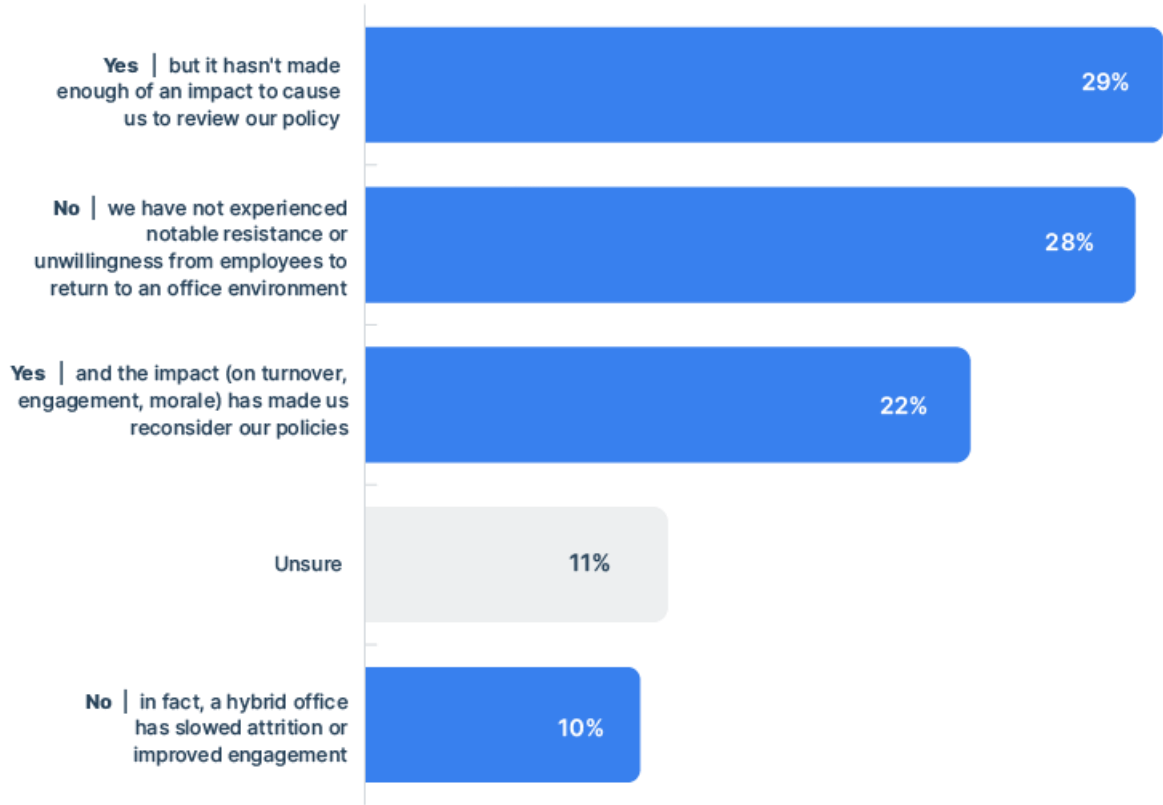


# Return to Office

Which of the following best describes your organization's workforce?

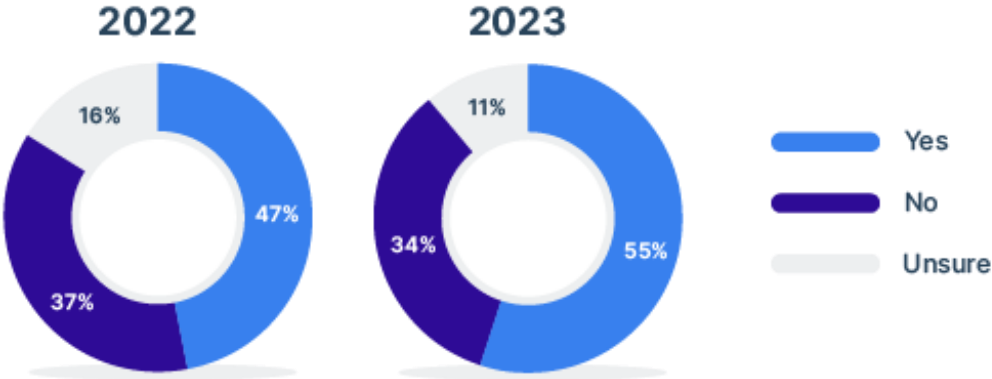


Have you experienced resistance or unwillingness from employees to return to either traditional or hybrid offices?



# Remote Work Impact on TA&R

Is remote work impacting how you compete for talent?

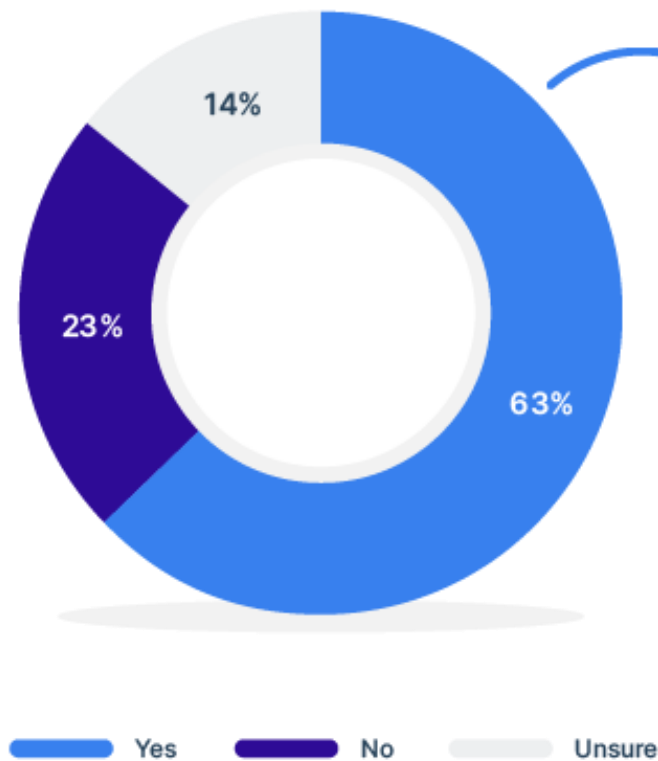


Is remote work impacting how you compete for talent in 2023?

Industry	Yes
Energy & Utilities	72%
Agencies & Consultancies	68%
Finance & Insurance	67%
Engineering & Science	62%
Real Estate, Rental, & Leasing	60%
Retail & Customer Service	60%
Arts, Entertainment, & Recreation	58%
Education	57%
Technology (including software)	56%
Government	54%
Healthcare & Social Assistance	52%
Manufacturing	48%
Other Industries	48%
Construction	47%
Food, Beverage, & Hospitality	47%
Nonprofit	44%

# Pay Equity

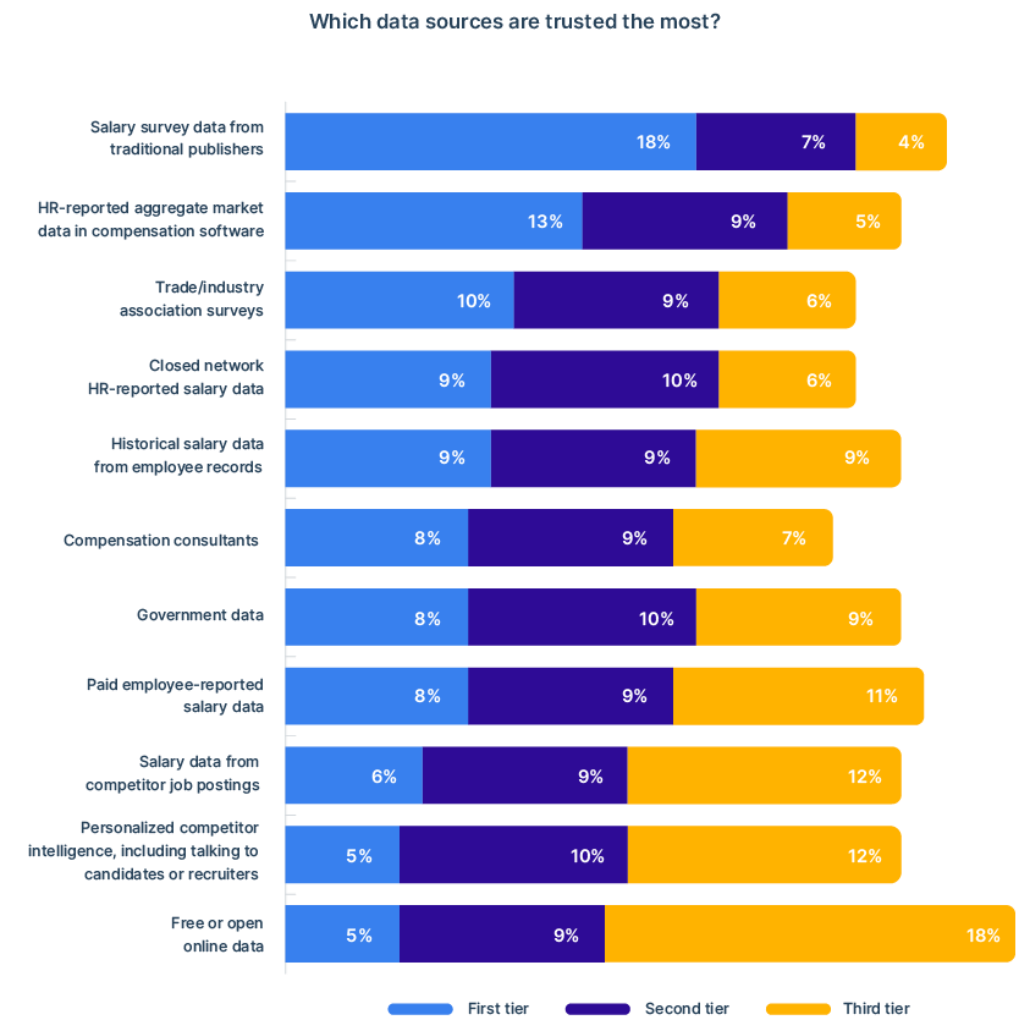
Is pay equity analysis a planned or current initiative at your organization?



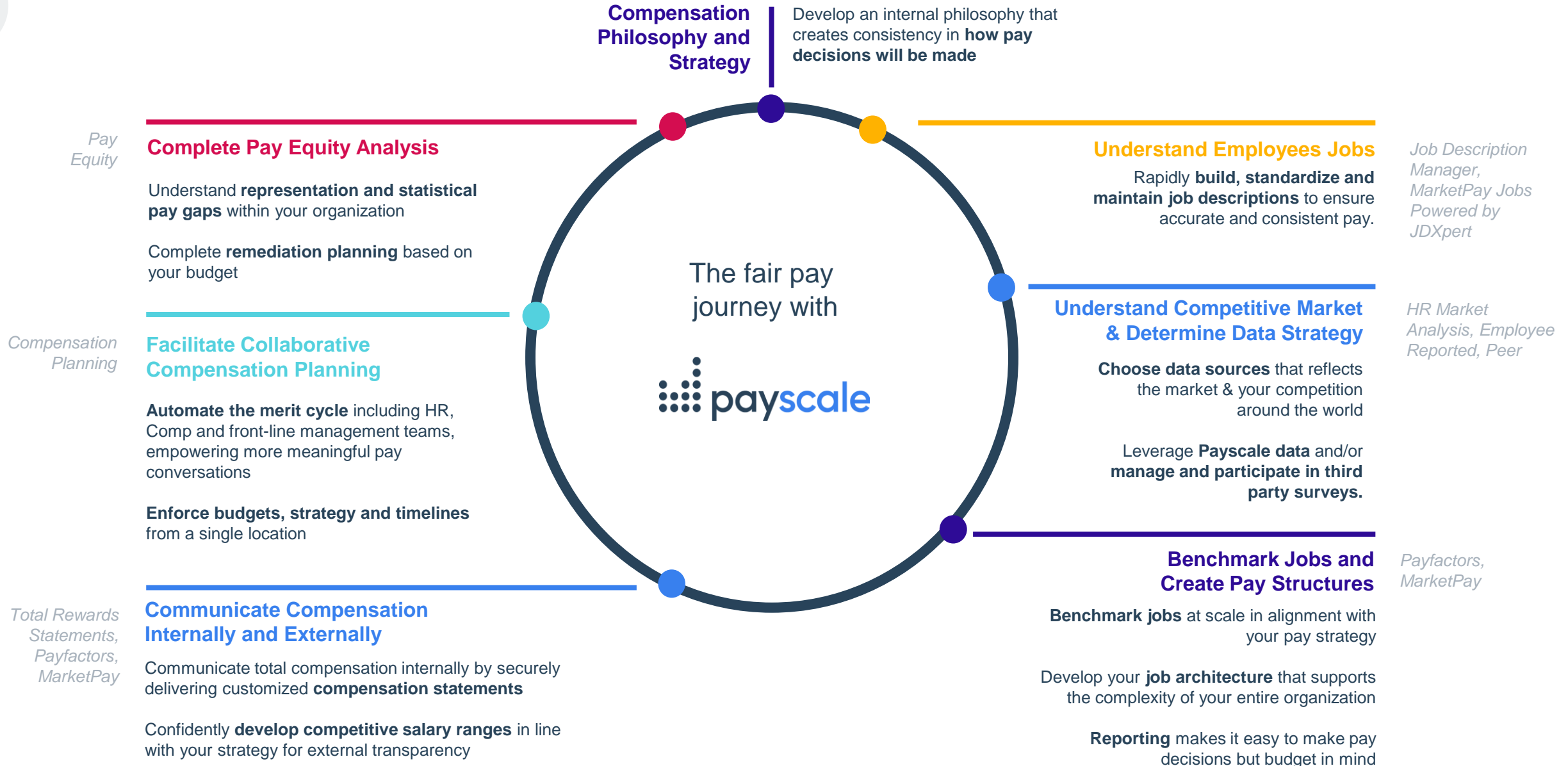
Top performers	69%
Payscale customers	69%
Dedicated comp function	72%
Comp maturity of 4 or above	72%



# Salary Data and Market Pricing



# The Payscale portfolio supports you through the entire talent lifecycle



# Q&A

Feel free to ask any questions in the chat!

