

2024

Compensation Best Practices Report Industry Cut

Manufacturing

In 2024, organizations in the Manufacturing industry face pressure to increase productivity despite precarious economic conditions and increased costs for materials due to inflation. They are more likely to require employees to work on site but also to track productivity and reward individual performance with variable pay. While Manufacturing orgs do not cite low pay increases or unfair pay practices as leading concerns like other industries, they could use more data sources to be confident in market pricing as well as modern tools like a centralized system for creating, editing, and maintaining job descriptions.

Manufacturing leads in:



Proactively addressing severely underpaid employees



Addressing comp for employees affected by pay compression



Offering variable pay for performance

Manufacturing lags in:



Using a large number of salary data sources



Having a centralized system for job description management



Offering the option to work from home at least some of the time as an employee benefit

See how our compensation management solutions can help you get compensation right

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Quick stats:

Manufacturing industry

Compared
to overall

Preparedness

- **59%** have formal pay structures **-4%**

Pay increases

- **4.5%** was the average planned pay increase for 2024. **+0%**
- **71%** proactively address severely underpaid employees. **6%**
- **26%** are addressing comp for employees affected by pay compression. **7%**

Salary data

- **15%** use five to 20+ salary data sources for market pricing, in alignment with top performers. **-6%**
- **45%** use HR-reported aggregated data like Payscale's HRMA. **+0%**
- **24%** use a closed data network like Payscale's Peer. **-1%**

Technology

- **24%** use purpose-built compensation technology like Payscale. **-1%**
- **51%** have a centralized system for job description management. **-6%**
- **38%** are either cautiously optimistic or totally on board with using AI to make pay decisions. **+0%**

Communications

- **36%** post pay in job ads regardless of whether it is required by law. **-3%**
- **39%** provide always-accessible information about the "why" behind pay. **-5%**

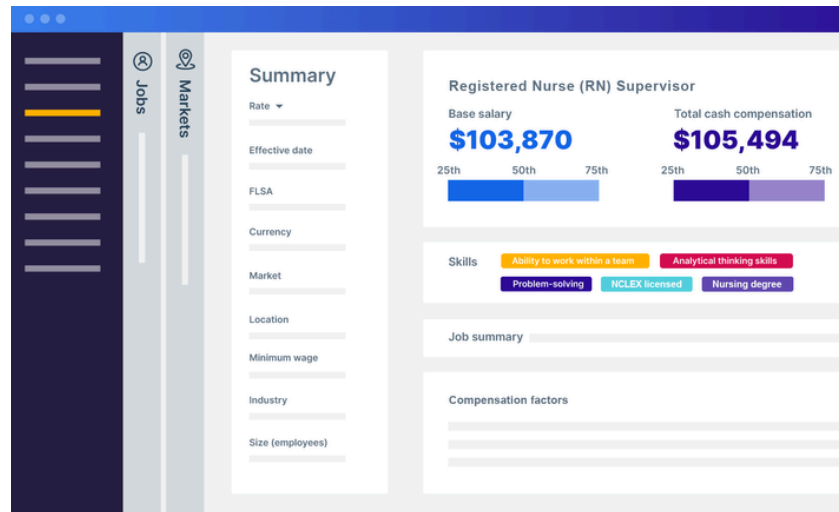
Variable pay and benefits

- **89%** offer variable pay. **+9%**
- **42%** offer the option of being able to work from home at least some of the time as an employee benefit. **-11%**

Methodology: For Payscale's 2024 Compensation Best Practices Report (CBPR), survey respondents self-selected into one of sixteen industry choices — including Manufacturing, which comprised 11 percent of total overall responses. See the CBPR for more on the methodology. [Download now.](#)

Build powerful pay practices with Payscale

Are you ready to uplevel your compensation management practices to attract and retain top talent and strengthen your employer brand? Over 50 percent of the Fortune 500 partner with Payscale to gain COMPfidence in their pay decisions.



With Payscale, you get access to:

- ✓ Diverse and industry-relevant data sources to help you market price your jobs
- ✓ Robust analysis and reporting tools to support budget planning and fair pay practices
- ✓ AI-powered technology to streamline workflows

Talk to a Payscale expert today to learn how our compensation management solutions can help you drive positive business outcomes.

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About Payscale

As the industry leader in compensation management, Payscale is on a mission to help job seekers, employees, and businesses get pay right and to make sustainable fair pay a reality. Empowering more than 50% of the Fortune 500 in 56 countries, Payscale provides a combination of diverse and dynamic data sources, experienced compensation services, and scalable software to enable organizations such as Angel City Football Club, Panasonic, Mars Global, eBay, American Airlines, and PetSmart to make fair and appropriate pay decisions.

Pay is powerful. To learn more, visit payscale.com.