

Using the Compensation Best Practices Report **to identify and explain HR priorities**

Right now, there's a lot of talk about what HR should be doing. But there's not a whole lot of support for what it's actually like to be an HR pro trying to manage and adapt to these monumental changes in the workforce and the economy.

If you're on an HR team or part of a larger HR department, you may have colleagues with whom you can discuss or share challenges. But for the small and mighty HR departments of one or just a few, the solitary journey can be even tougher. Plus, never mind that these challenges are related to human resources, which are anything but straightforward. Regardless of the size of the organization, there's also pressure for HR to provide data and analysis that backs up decisions and strategies.

There's a lot of noise around HR priorities right now. That can make it tough to understand and evaluate what's reality and what isn't. Faced with challenges such as a volatile economy, return-to-work options, quiet quitting, and inflation, HR practitioners might be tempted to review every headline from the last six months in an attempt to get a finger on the pulse of what's going on.

HR practitioners deserve to be grounded in more than headlines.

That's where Payscale's **15th annual Compensation Best Practices Report (CBPR)** comes in. The CBPR is aggregate data about everything that matters most to HR and comp professionals. In this guide, we share how you can put the CBPR to use.



“Even before the COVID-19 pandemic, HR departments across the U.S. were receiving pressure from leadership to be more analytical with their approach and to determine how their decisions affect the bottom line. The issue is that few HR professionals have a background in analytics. Thus, they're expected to dive into an entirely new field while juggling their other responsibilities, including new ones such as managing a remote and hybrid workforce and staying up to date with ever-changing laws and regulations regarding workplace health and safety.”

Source: HRM America

What's covered in the Compensation Best Practices Report?

Readiness for the future

We look at how HR challenges and investments have changed as well as how compensation management practices impact business performance, covering topics such as:

- HR priorities and challenges
- Compensation resources
- Compensation technology
- Compensation maturity

Hot topics and compensation trends


We put a spotlight on survey data that sheds light on current events and emerging trends impacting the compensation industry, such as:

- Job market
- Labor turnover
- Impact of AI
- Skills-based pay
- Geographic pay
- Minimum wage
- Unionization

Essential compensation practices

We cover all the pertinent data and information related to the most essential compensation practices, such as:

- Pay increases
- Pay transparency and communications
- Compensation strategy and structure
- Salary data and market pricing
- Metrics and reporting
- Pay equity
- Job description management
- Total rewards



The 2024 Compensation Best Practices survey gathered 5,735 responses from November–December 2023 with a completion rate of 55 percent. Download your copy of the full report [here](#).

Preview of data points from the CBPR 2024

These are just a few of the data points you'll find in the CBPR. Use the best practices in this guide to find even more insights from the report that you can put to use.

Pay transparency communications

- **60%** of orgs are publishing pay ranges in job ads compared to 45% last year
- **14%** of orgs say that employees have left their organization over published pay ranges
- **51%** of orgs train managers on pay communications, up from 49% in 2023

Pay increases and fair pay

- **79%** of orgs plan to give pay increases in 2024, which is a drop from 86% in 2023
- **4.5%** is the average base pay increase predicted for 2024, compared to 4.8% in 2023
- **27%** of orgs admit that they address severely underpaid employees only reactively

Hot topics and trends

- **34%** of orgs say they have removed degree requirements for salaried positions
- **49%** of participants are optimistic about AI but only 7% are totally on board with using it to make pay decisions
- **23%** of orgs use geographic differentials to manage pay for employees in distributed locations or pay zones

Practitioner perspectives

Reaping the benefits of the CBPR as a resource

Across functions, today's leaders agree that the only way HR can continue to elevate their strategic impact in organizations is by showing up as business thought leaders. That means developing HR and compensation philosophies, strategies, and recommendations that are anchored in data.

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Compare, contrast, and plan for priorities

"I use the CBPR to gut check what we're doing. How do we compare across industries and against other companies? I also use it to plan the rest of the year and into next year. When our HR team shares priorities with the organization, the data points from the CBPR help back up what we're doing."

Lexi Clarke

VP of People at Payscale

Improve the employee experience

"Using data to inform your HR strategy can improve the quality of life for people in your organization. When we did a benefits utilization report by department, the data told us that our strategy wasn't working. More employees than expected were enrolled in the highly specialized plan. Before the next open enrollment, we educated employees about their benefits options against annual cost, and many realized that other plans provided all they needed. Through the data we were ultimately able to improve the employee experience, where choosing the right plan helped some employees save thousands of dollars."

Cassie Whitlock

Director of HR at BambooHR

Validate comp challenges

"The CBPR serves as a great reminder that we aren't alone in this work. As our organization navigated comp and benefits during COVID-19 and beyond, the report helped us track shifts and changes in rewards. From both the macro and micro view, the annual CBPR data is in the back of my mind as I plan what we are going to do to take care of our people and our business. I also use it to validate which comp challenges are being experienced by other companies and which might be unique to my organization."

Mykkah Herner

Director of Talent Strategy, Total Compensation and Rewards at McKinstry

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Five compensation best practices for putting the CBPR to use

You know data and analysis are important. But knowing where to start and how to put them to use might feel overwhelming. Here are five best practices to get the most out of the CBPR and tangibly benefit from this resource today.

We'd love to hear how you use the CBPR!

Let us know



1

Determine what you need.

As you're reading through the report, keep in mind what you want to get out of it and how you'll be using the data as an HR professional. Are you reading the CBPR for a general perspective, or for insights about a specific challenge? Do the data in the CBPR cover everything you need to increase your understanding of the issues, or do you need to source additional insights?

2

Review the HR and comp management predictions.

Before you dig into data regarding specific compensation challenges, take time to review the HR and compensation predictions. This will give you the high-level themes that you need to be prepared to talk about. If you're in a conversation with the executive team, you can use this information to say, "I believe these are going to be the things that we should be thinking about as a company."

3

Read the spotlight on the economy.

The uncertain state of the economy is weighing heavily on the minds of executives. This section of the report provides in-depth analysis of turnover in 2022 and perceptions of labor challenges and how to respond, as well as data around quiet quitting.

4

Check your HR strategy against specific areas.

Each section of the CBPR addresses a specific HR and compensation topic. Take time to review your HR strategy against the data in each section. Use the data to confirm if you have the right things on your road map. For example, is your approach to variable pay consistent with what other organizations are doing?

5

Incorporate CBPR data in your communications.

Journalists and media outlets regularly cite CBPR data; you can do the same in your organization. Use the data to increase the impact of your presentations and messaging around the HR and compensation trends affecting organizations around the world. Whether in a presentation to the board of directors or to managers and employees, this data can add industry-backed proof to the strategies you're implementing.



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 make sustainable fair pay a reality. Empowering more than 50% of the Fortune 500 in 198 countries, Payscale provides a combination of diverse and dynamic data sources, compensation services, and scalable software to enable organizations such as Angel City Football Club, Perry Ellis International, United Healthcare, Vista, and The Washington Post to make fair and appropriate pay decisions.

Pay is powerful™

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