Pearl Meyer

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Highlights from Pearl Meyer's 2024/2025 Compensation Planning Survey



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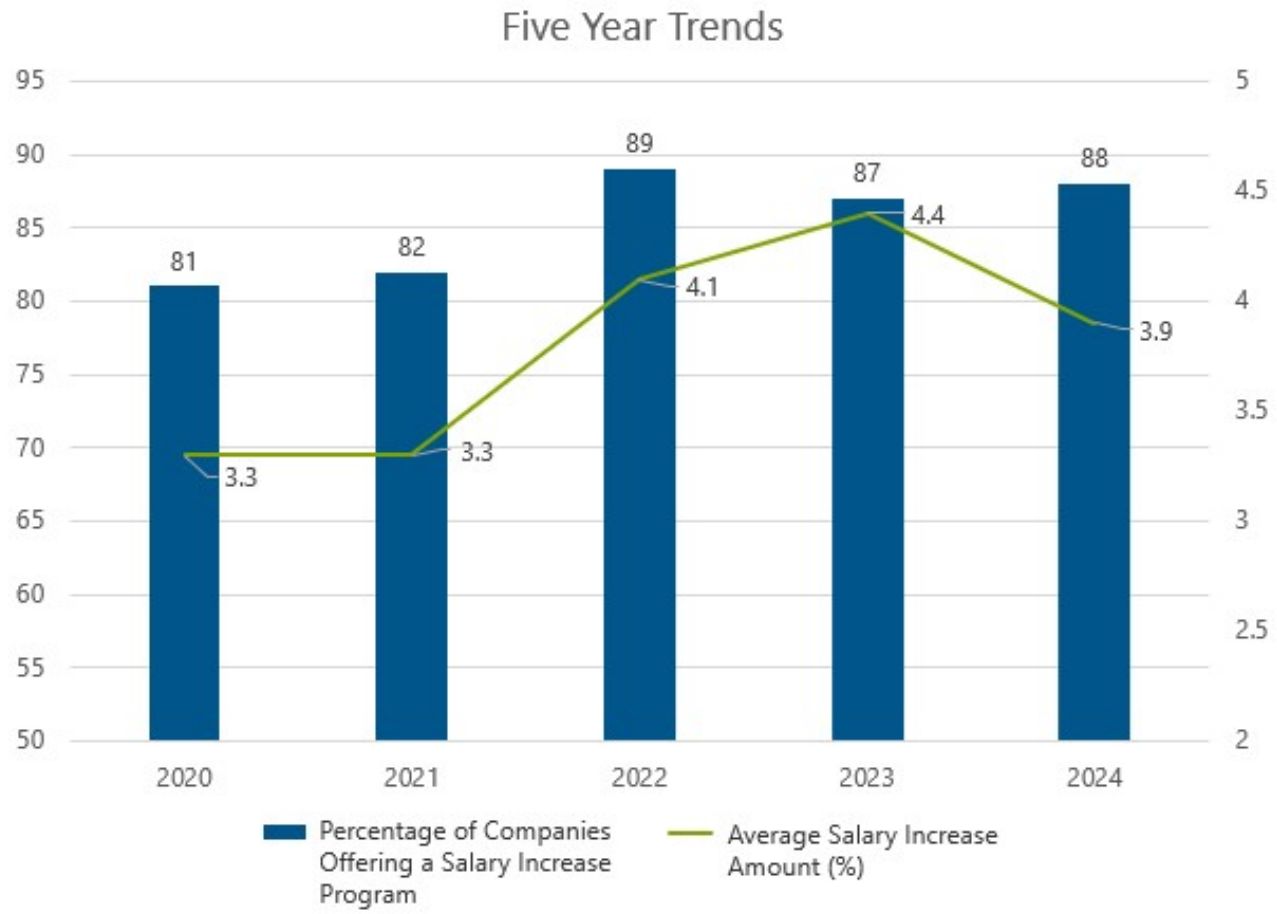
Most HR teams have turned their attention to 2025 salary budget planning—a task that should not take place without reputable market data. Despite some slowed hiring, this strong job market requires ensuring salaries are competitive across your organization. This will attract the best candidates and may keep your existing workforce focused on their own group's goals and objectives, rather than spending time testing the waters for higher pay elsewhere. Pearl Meyer's 2025 Compensation Planning Survey is a valuable source of reliable, current data that will help you make informed decisions that support employee engagement and retention.

A Key Five-Year Trend

It is notable that this year Pearl Meyer saw the highest number of participating organizations since we began publishing this survey in 2012. This indicates that organizations are increasingly focused on having timely data to make important decisions around annual salary increases, promotional increases, and job structure adjustments.

Across the board, salary budget figures are down slightly from last year and more consistent with historical norms. Almost all organizations—88% of those surveyed— are planning a compensation increase program in 2025, up very slightly from 87% a year ago. The 2024 total actual average salary increase was 3.9% and is projected to be 3.8% in

2025.



When looking at base salary increase budgets for different employee types (e.g., exempt, non-exempt, management, or executive) there is little difference, suggesting this factor does not have significant bearing on projected salary budgets.

Global Increases

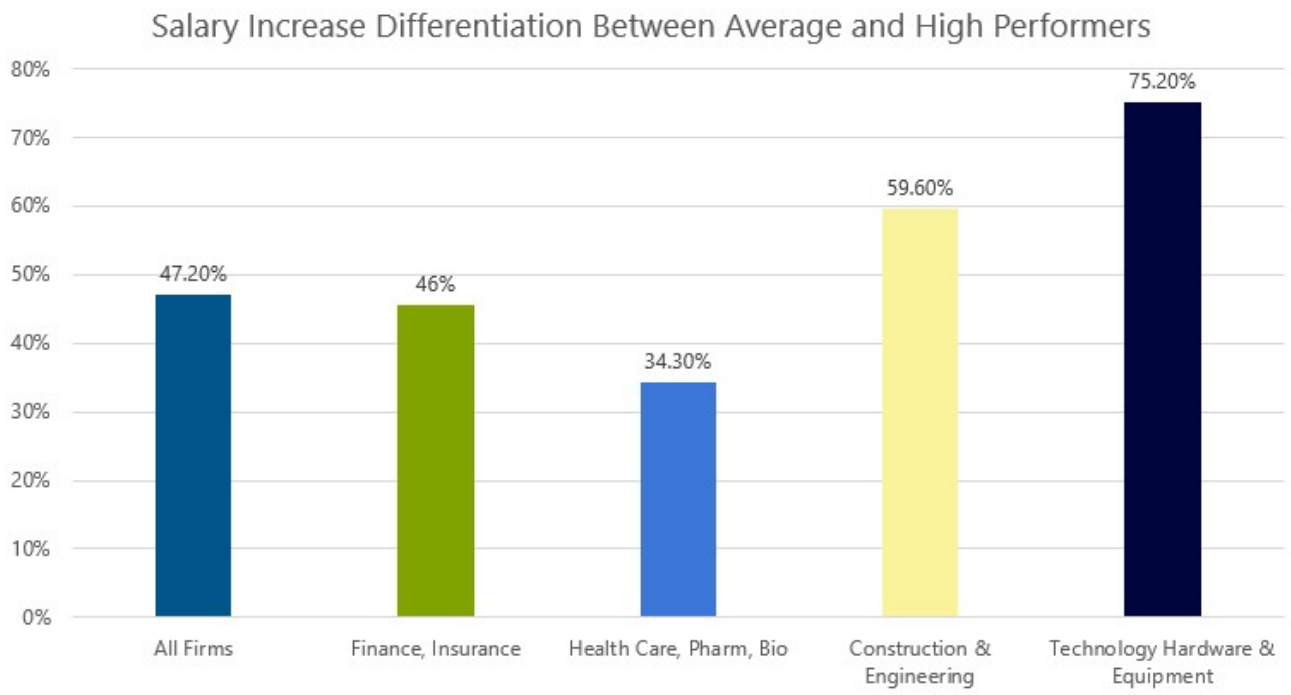
Survey participants also provided global data regarding percentage adjustment to base compensation. This gives organizations a good starting point to determine if they are adjusting pay competitively abroad, as the Compensation Planning Survey collects this data for 60 countries outside of the United States. Below are the average total salary increases for six countries where participants had significant operations. Canada, the United Kingdom, Singapore, and Australia's annual salary increases were in line with those in the US. China and India's increases were similar to the prior year.



Rewarding High Performers

The survey asks organizations what level of differentiation exists in salary increases between average employees and those designated as high performers. Technology companies were found to link salary increases to high performance significantly more than other industries. In fact, over 75% of technology companies provide high performers with salary increases between 150% and 300% of what average employees within the organization receive. This indicates a very strong pay-for-performance culture in that industry. Healthcare organizations provided the least amount of differentiation in salary increases for high versus average performers.

Differentiation Between Average Employees and High Performers



More information, including the data reported and participating organizations, can be found here. The report serves as a valuable benchmarking resource to compare your company's annual salary increases with data from 555 organizations.

To purchase a copy of the survey report, click here. For information on participating in next year's survey, contact survey@pearlmeyer.

Visit our new survey storefront at pearlmeyer.com/store/survey-catalog.

About the Authors

Rebecca Toman is the vice president, Survey Business Unit at Pearl Meyer. In this role, she designs and publishes compensation and benefits surveys for a wide range of industries and employee populations. Rebecca is on the WorldatWork faculty where she teaches a course on Job Analysis and Documentation.

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About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.