

# Global Salary Planning Report

## 2023-2024

Your best resource for the 2024 salary budgeting process, providing insights into pay practices and trends to help you attract and retain talent.

SEPTEMBER 2023

# Contents

Methodology.....	2
Salary Trends & Data Insights.....	3
Section 1: Salary Increases for 2023 & Forecasts for 2024.....	4
United Kingdom.....	5
North America.....	6
Europe.....	7
Middle East & Africa.....	17
Asia-Pacific.....	18
LATAM.....	22
Section 2: Global Salary Trends.....	23
Salary Ranges.....	24
Performance Management.....	26
Pay for Performance.....	28
Budget-Setting.....	29
Pay Communications & Manager Training.....	30
Salary Ranges on Job Adverts.....	32
Asking About Current Salary.....	33
Participant Headcount.....	34
Participant List.....	35

# Methodology

3R Strategy clients and contacts were invited to participate in our Global Salary Planning Survey. The data was collected between 1 August and 15 September 2023. Respondents were asked to submit data per country in relation to their pay review budget for 2023 and their forecast pay review budget for 2024 as a percentage of the base salary bill.

Respondents were asked to submit a response of "0" where a pay freeze took place or is forecasted for 2024. **Pay freezes have been excluded from the data.** Pay increases include merit, promotions, mandatory increases, cost of living adjustments and collective agreements.

Statistics were also collected around the following areas:

- Presence and publication of formal salary ranges
- Use of performance management processes
- Use of performance ratings and their link to pay (base and bonus)
- Information on budget use across different employee groups (union vs. non union/level/department)
- How organisations communicate with their employees about pay

Respondents were asked to self-identify into pre-defined sector and organisation size classifications. All data has been reviewed and anonymised.

## Participate in next year's survey

This is 3R Strategy's third Salary Planning Survey. Each year, we invite reward and HR professionals to participate online. By participating in the survey, you get a free copy of the report and early access to the results.

If you would like to continue receiving this report for free and take part in future salary trend surveys, sign up to participate next year.

[Add me to the 2024 list](#)

# Salary Trends & Data Insights

## Inflation and cost of living

According to the UK CPIH, inflation rose by 6.3% in the 12 months to August 2023, down from 9.6% in October 2022. The tight labour market and recruitment difficulties mean organisations are under pressure to increase pay, putting upward pressure on prices. The Bank of England is responding by increasing interest rates.

UK inflation is expected to reach around 5% by the end of 2023, higher than most comparable economies worldwide. The UK is predicted to average 2.9% inflation in 2024, with the Bank of England targeting 2% by early 2025.

High inflation remains a global trend, with the International Monetary Fund forecasting a global inflation rate of 6.6% in 2023 and 4.3% in 2024—still above pre-pandemic levels.

**6.3%**

The Consumer Prices Index for the UK including owner occupiers' housing costs (CPIH) for August 2023.

## Pay increases for 2023

Organisations are facing the ongoing challenge of retaining employees and the rising cost of living, which has led to the need for higher pay budgets in 2023.

However, despite their efforts, pay increase budgets at the median and upper quartile levels still fall short of inflation rates in most countries. This highlights the limitations organisations face in providing inflationary pay increases.

In the UK, the life sciences sector has the highest pay budgets due to the intense competition for talent and the need to retain technical expertise. The charity sector has also experienced higher-than-usual pay budgets, driven by pressure from unions to address the cost of living challenges faced by employees.

**6%**

The highest median pay budget reported for the UK was in the life sciences sector at 6%.

## Pay increases for 2024

According to projections, global inflation is expected to decrease by the end of 2023 and further decline in 2024 due to stabilising energy and food prices. As a result, organisations are planning slightly lower pay budgets for 2024 compared to 2023.

In the UK, most organisations are reporting pay budgets of 5% for 2024.

Turkey, on the other hand, has faced high inflation for several years, leading to the highest pay budgets in this year's report.

**5%**

The most prevalent salary increase budget reported for the UK for 2024 (median and upper quartile).

# Salary Increases for 2023 & Forecasts for 2024

# United Kingdom

## Pay budgets for 2023 and pay budget forecasts for 2024

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
United Kingdom	4.0%	5.0%	6.0%	3.0%	5.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Aerospace & Defence	5.0%	5.0%	7.5%	3.0%	4.0%	5.0%
Automotive	3.4%	4.5%	5.0%	3.4%	4.0%	5.0%
Charity	4.0%	5.0%	6.0%	3.0%	4.0%	4.0%
Logistics, Distribution & Transport	4.0%	4.5%	6.0%	4.0%	5.0%	5.0%
Education	4.0%	5.0%	5.0%	3.0%	4.0%	5.0%
Energy & Utilities	5.0%	5.0%	6.8%	4.0%	5.0%	5.8%
Engineering	4.5%	5.0%	6.0%	3.1%	4.1%	5.0%
Facilities Management	3.8%	5.0%	6.5%	3.6%	5.0%	6.0%
Financial Services	5.0%	5.0%	6.5%	3.0%	5.0%	6.0%
FMCG	5.0%	5.0%	5.0%	3.0%	4.3%	5.0%
Healthcare	5.0%	5.0%	5.0%	3.0%	5.0%	5.0%
Hospitality & Leisure	4.0%	5.0%	6.5%	3.0%	4.0%	5.0%
Insurance	3.5%	5.8%	6.0%	3.0%	5.0%	5.0%
Life Sciences	4.6%	6.0%	7.4%	4.0%	4.8%	5.4%
Manufacturing	4.7%	5.0%	6.0%	3.0%	4.0%	5.0%
Media Arts	4.3%	5.0%	5.8%	3.5%	5.0%	5.0%
Membership Organisations	3.5%	6.0%	7.3%	5.0%	5.0%	5.5%
Professional Services	4.1%	5.0%	5.8%	3.6%	5.0%	5.0%
Public Sector & Non-Profit	4.0%	5.0%	6.0%	3.0%	4.0%	5.0%
Real Estate & Construction	5.0%	5.0%	6.1%	4.0%	5.0%	6.0%
Retail	4.0%	5.0%	6.0%	3.0%	4.0%	5.0%
Technology	4.0%	5.0%	7.0%	3.0%	5.0%	5.0%

# North America

Pay budgets for 2023 and pay budget forecasts for 2024

## Canada

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Canada	4.0%	5.0%	5.0%	3.0%	4.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Manufacturing	4.4%	4.8%	5.0%	3.6%	4.5%	5.0%
Technology	3.0%	4.0%	5.0%	2.8%	4.0%	4.5%

## USA

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
USA	4.0%	5.0%	5.1%	3.3%	4.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Energy & Utilities	3.5%	4.0%	4.5%	3.0%	3.0%	4.0%
Engineering	5.0%	5.0%	6.5%	4.0%	4.3%	4.9%
Life Sciences	5.6%	6.0%	7.7%	3.3%	4.0%	4.8%
Manufacturing	4.5%	5.0%	6.0%	2.9%	4.0%	5.0%
Professional Services	4.0%	5.0%	5.3%	4.0%	4.0%	4.6%
Retail	3.0%	3.0%	5.0%	4.0%	5.0%	5.0%
Technology	4.0%	5.0%	5.0%	4.0%	4.5%	5.0%

# Europe

Pay budgets for 2023 and pay budget forecasts for 2024

## Austria

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Austria	4.5%	6.4%	7.8%	3.0%	5.0%	5.0%

## Belgium

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Belgium	4.3%	7.5%	10.8%	4.0%	4.5%	5.0%

## Cyprus

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Cyprus	6.7%	8.0%	8.3%	4.5%	5.0%	5.5%

## Czech Republic

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Czech Republic	4.9%	6.8%	8.0%	5.3%	6.0%	7.1%



# Europe

Pay budgets for 2023 and pay budget forecasts for 2024

## Denmark

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Denmark	5.0%	5.0%	5.7%	4.0%	4.6%	5.0%

## Estonia

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Estonia	4.0%	5.0%	5.0%	4.0%	5.0%	5.0%

## Finland

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Finland	3.3%	3.5%	5.5%	3.9%	4.7%	5.0%

# Europe

## Pay budgets for 2023 and pay budget forecasts for 2024

### France

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
France	4.0%	4.0%	5.0%	3.5%	4.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.0%	4.0%	4.3%	3.7%	4.3%	4.6%
Manufacturing	4.0%	4.0%	5.0%	2.9%	3.0%	4.0%
Technology	4.0%	4.0%	5.0%	4.0%	4.0%	4.0%

### Germany

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Germany	4.0%	5.0%	5.0%	3.5%	4.5%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	5.0%	5.0%	5.0%	4.0%	4.5%	5.0%
Hospitality & Leisure	4.5%	5.0%	6.4%	3.3%	4.0%	4.5%
Manufacturing	5.0%	5.0%	5.0%	3.2%	4.0%	5.0%
Retail	2.8%	4.0%	5.3%	4.5%	5.0%	5.0%
Technology	4.0%	5.0%	6.0%	4.0%	4.0%	5.0%

# Europe

Pay budgets for 2023 and pay budget forecasts for 2024

## Greece

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Greece	3.8%	4.8%	7.3%	4.3%	5.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Technology	4.8%	5.0%	6.5%	5.0%	5.0%	5.5%

## Hungary

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Hungary	6.5%	10.0%	12.5%	6.0%	8.0%	11.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Technology	8.0%	10.0%	10.0%	4.5%	7.0%	7.5%

# Europe

Pay budgets for 2023 and pay budget forecasts for 2024

## Ireland

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Ireland	4.0%	5.0%	6.0%	4.0%	4.1%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.0%	4.0%	5.5%	4.0%	4.0%	4.3%
Life Sciences	4.8%	6.0%	7.7%	3.4%	3.7%	4.6%
Manufacturing	4.6%	5.0%	5.1%	4.0%	4.5%	5.5%
Professional Services	4.3%	5.5%	6.0%	4.3%	4.5%	4.8%
Real Estate & Construction	6.0%	6.0%	6.0%	5.0%	6.0%	6.0%
Technology	4.0%	4.5%	5.0%	3.8%	4.5%	5.0%

# Europe

Pay budgets for 2023 and pay budget forecasts for 2024

## Italy

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Italy	4.0%	5.0%	5.0%	4.0%	4.3%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Manufacturing	3.5%	4.0%	5.0%	2.7%	4.0%	5.0%
Technology	3.7%	4.5%	5.8%	3.8%	4.5%	5.0%

## Netherlands

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Netherlands	4.0%	5.0%	5.0%	3.6%	4.8%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.0%	4.5%	4.8%	4.5%	5.0%	5.0%
Manufacturing	4.8%	5.0%	5.0%	2.8%	3.6%	4.3%
Retail	3.1%	3.1%	4.1%	4.3%	5.0%	5.0%
Technology	3.1%	3.1%	5.6%	3.3%	3.5%	4.3%

# Europe

## Pay budgets for 2023 and pay budget forecasts for 2024

### Norway

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Norway	4.5%	5.0%	5.6%	3.3%	4.5%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.0%	4.9%	5.0%	2.8%	3.0%	4.3%
Manufacturing	4.5%	5.0%	5.1%	2.9%	3.3%	3.9%

### Poland

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Poland	5.0%	6.8%	7.4%	5.0%	6.0%	7.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	6.9%	7.0%	7.0%	7.0%	7.5%	8.8%
Life Sciences	5.2%	7.4%	11.2%	4.0%	5.0%	9.5%
Manufacturing	4.5%	5.0%	5.9%	4.5%	5.0%	5.7%
Retail	5.8%	6.5%	7.3%	6.0%	7.0%	7.5%
Technology	4.5%	6.0%	8.0%	4.1%	5.0%	6.6%

# Europe

Pay budgets for 2023 and pay budget forecasts for 2024

## Portugal

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Portugal	3.6%	4.0%	4.8%	3.5%	3.8%	5.0%

## Romania

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Romania	6.4%	7.1%	7.8%	5.0%	6.0%	7.5%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Technology	6.1%	7.0%	7.5%	4.5%	5.0%	5.0%

## Slovakia

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Slovakia	4.6%	5.5%	6.3%	5.0%	6.1%	6.5%

# Europe

## Pay budgets for 2023 and pay budget forecasts for 2024

### Spain

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Spain	4.0%	5.0%	6.0%	4.0%	4.1%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.4%	4.8%	5.6%	4.0%	4.5%	5.1%
Hospitality & Leisure	4.0%	4.0%	4.5%	3.8%	4.0%	4.5%
Manufacturing	3.8%	4.0%	4.5%	3.9%	4.0%	4.5%
Technology	5.0%	5.0%	6.0%	4.0%	5.0%	5.0%

### Sweden

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Sweden	4.0%	4.8%	5.0%	3.4%	4.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Hospitality & Leisure	4.1%	4.1%	4.6%	3.4%	3.5%	4.3%
Manufacturing	4.0%	4.5%	5.0%	2.9%	3.3%	3.9%
Technology	4.5%	5.0%	5.5%	3.0%	4.0%	4.5%



# Europe

Pay budgets for 2023 and pay budget forecasts for 2024

## Switzerland

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Switzerland	3.4%	3.9%	4.0%	3.0%	3.6%	4.0%

## Turkey

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Turkey	18.8%	30.0%	55.0%	11.8%	32.3%	41.9%

# Middle East & Africa

Pay budgets for 2023 and pay budget forecasts for 2024

## Saudi Arabia

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Saudi Arabia	3.9%	4.0%	4.5%	3.4%	4.2%	4.5%

## South Africa

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
South Africa	5.9%	6.3%	7.3%	4.5%	5.6%	6.1%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Technology	5.3%	6.0%	6.5%	4.0%	5.0%	5.5%

## United Arab Emirates

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
United Arab Emirates	4.0%	5.0%	5.8%	3.6%	4.9%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.4%	5.0%	5.5%	4.0%	5.0%	5.0%

# Asia-Pacific

Pay budgets for 2023 and pay budget forecasts for 2024

## Australia

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Australia	3.9%	5.0%	5.3%	3.1%	5.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Manufacturing	3.0%	4.0%	5.0%	2.8%	3.1%	3.6%
Professional Services	4.4%	5.0%	5.5%	4.5%	4.9%	5.0%
Technology	4.0%	5.0%	5.5%	4.0%	5.0%	5.0%

## China

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
China	4.0%	4.0%	5.0%	3.8%	4.8%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.5%	5.0%	5.0%	3.4%	4.5%	4.8%
Manufacturing	4.0%	5.0%	5.0%	2.1%	3.1%	4.8%

# Asia-Pacific

Pay budgets for 2023 and pay budget forecasts for 2024

## India

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
India	7.1%	8.8%	9.4%	5.0%	7.0%	9.5%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	6.9%	8.0%	8.9%	5.7%	7.0%	8.5%
Technology	8.0%	9.0%	9.0%	5.0%	5.0%	8.0%

## Indonesia

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Indonesia	5.0%	5.0%	5.1%	3.0%	4.5%	6.0%

# Asia-Pacific

Pay budgets for 2023 and pay budget forecasts for 2024

## Japan

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Japan	2.1%	4.0%	4.3%	2.8%	3.8%	4.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Manufacturing	3.1%	4.0%	4.5%	3.0%	4.0%	4.5%
Technology	2.5%	4.0%	6.0%	3.5%	4.0%	4.0%

## Malaysia

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Malaysia	5.0%	5.0%	5.5%	4.0%	4.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Technology	5.0%	5.0%	6.5%	4.0%	4.0%	4.5%

## New Zealand

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
New Zealand	4.2%	4.7%	5.6%	2.8%	3.4%	3.7%

# Asia-Pacific

Pay budgets for 2023 and pay budget forecasts for 2024

## Philippines

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Philippines	5.0%	6.0%	7.3%	2.8%	4.0%	5.0%

## Singapore

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Singapore	4.2%	5.0%	6.0%	4.0%	4.0%	5.0%

Sector split	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Engineering	4.6%	5.0%	5.8%	4.0%	4.5%	5.1%
Manufacturing	4.0%	4.1%	5.0%	4.0%	5.0%	5.0%
Technology	4.5%	5.0%	6.0%	4.0%	4.0%	4.0%

## South Korea

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
South Korea	4.4%	4.6%	5.0%	3.7%	4.3%	4.6%

# LATAM

## Pay budgets for 2023 and pay budget forecasts for 2024

### Brazil

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Brazil	4.5%	6.9%	8.3%	4.1%	5.0%	5.5%

### Chile

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Chile	4.8%	5.5%	5.6%	4.1%	5.1%	5.7%

### Colombia

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Colombia	6.0%	8.0%	8.3%	3.0%	4.0%	5.3%

### Mexico

All respondents	2023			2024		
	LQ	Median	UQ	LQ	Median	UQ
Mexico	4.0%	4.6%	5.7%	3.3%	5.0%	6.2%

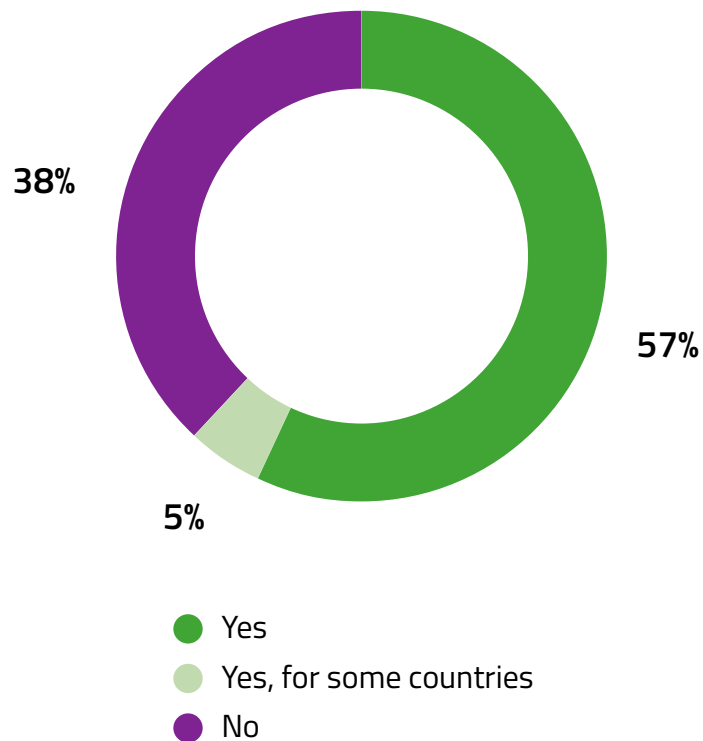
# Global Salary Trends



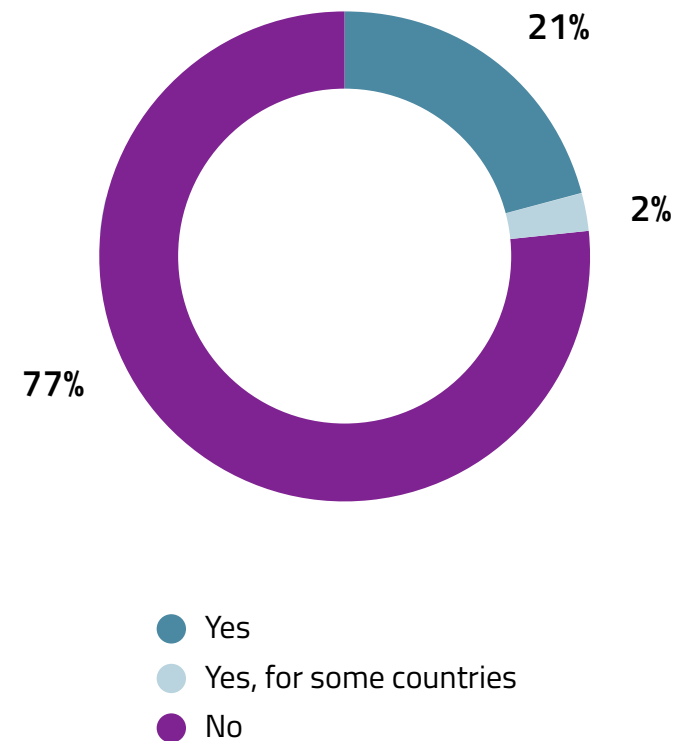
# Salary Ranges

What percentage of organisations use and publish salary ranges?

Does your company have salary ranges?



Are salary ranges published for all employees to see?



More than half of the organisations surveyed have salary ranges. However, less than a quarter of these companies publish their salary ranges for employees to see. While the life sciences sector is most likely to use salary ranges, it is one of the sectors least likely to disclose these ranges to employees. Only 5% of organisations in this sector are transparent about their salary ranges (see sector breakdown on the next page).

# Salary Ranges By Sector

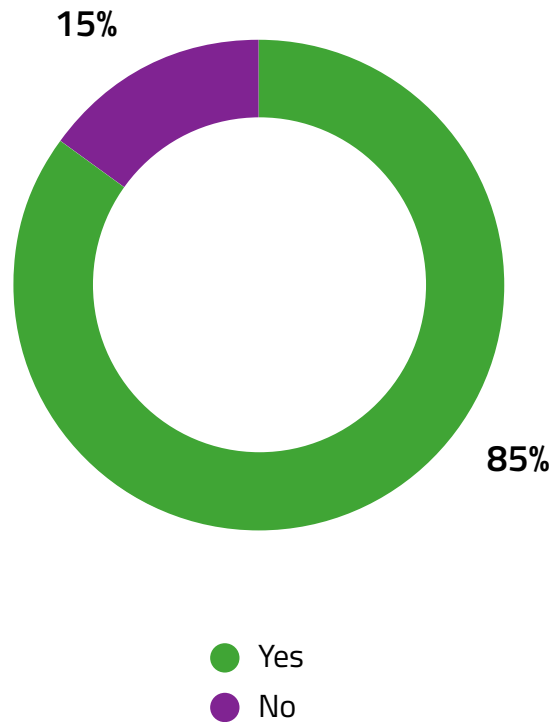
How does use of salary ranges differ by sector?

Sector	Do you use salary ranges?	Do you publish them?
	% Yes	% Yes
Aerospace & Defence	36%	27%
Automotive	73%	9%
Charity	62%	49%
Logistics, Distribution & Transport	56%	22%
Education	74%	58%
Energy & Utilities	59%	15%
Engineering	49%	7%
Facilities Management	25%	0%
Financial Services	71%	38%
FMCG	67%	33%
Healthcare	65%	41%
Hospitality & Leisure	48%	15%
Insurance	50%	40%
Life Sciences	84%	5%
Manufacturing	61%	15%
Media Arts	60%	0%
Membership Organisations	86%	29%
Professional Services	60%	27%
Public Sector & Non-Profit	83%	69%
Real Estate & Construction	48%	14%
Retail	83%	12%
Technology	66%	11%

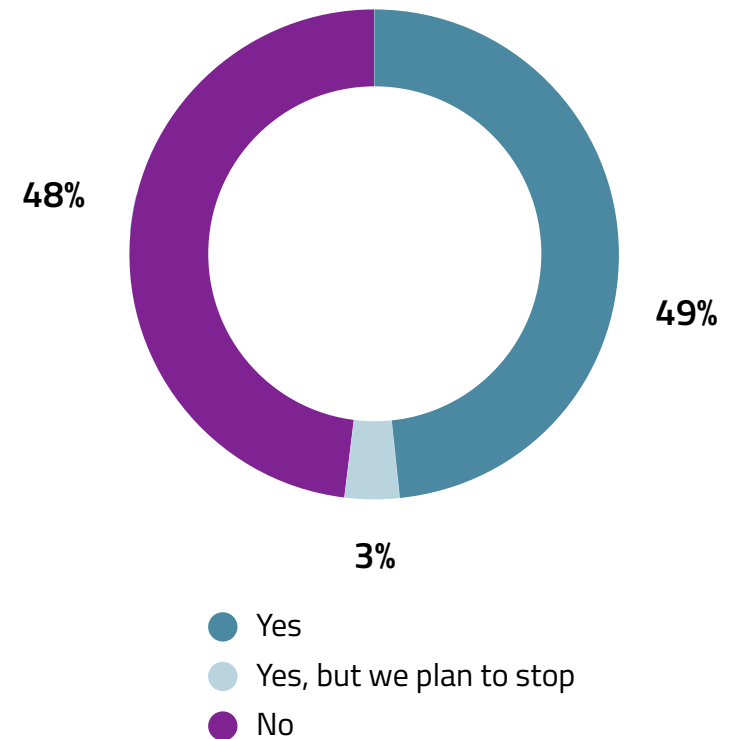
# Performance Management

What percentage of organisations use a performance management process and ratings?

Do you have a performance management process?



Do you use performance ratings?



A majority of the organisations surveyed have a performance management process in place. However, there is a fairly even split between those that use performance ratings as part of this process, and those that don't.

In the facilities management, life sciences, and media arts sectors, all participants reported having a performance management process. Yet in the facilities management and media arts sectors, less than 25% use performance ratings (see sector breakdown on the next page).

# Performance Management By Sector

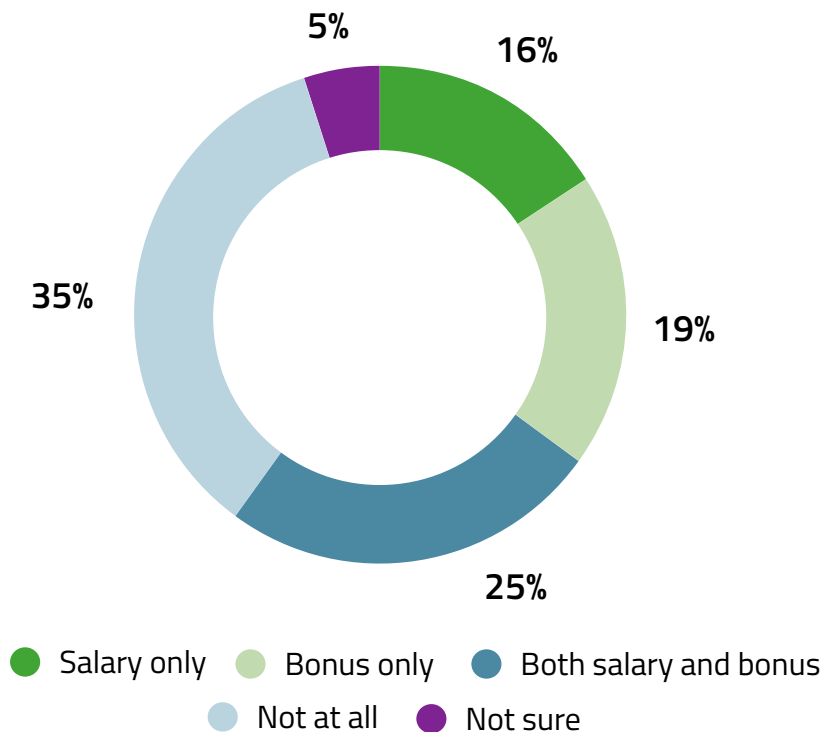
How does use of performance management differ by sector?

Sector	Do you have a performance management process?	Do you use performance ratings?
	% Yes	% Yes
Aerospace & Defence	91%	50%
Automotive	82%	33%
Charity	90%	20%
Logistics, Distribution & Transport	83%	40%
Education	68%	25%
Energy & Utilities	77%	88%
Engineering	79%	56%
Facilities Management	100%	25%
Financial Services	90%	37%
FMCG	89%	75%
Healthcare	94%	63%
Hospitality & Leisure	85%	52%
Insurance	90%	78%
Life Sciences	100%	63%
Manufacturing	85%	55%
Media Arts	100%	20%
Membership Organisations	86%	33%
Professional Services	80%	54%
Public Sector & Non-Profit	74%	35%
Real Estate & Construction	95%	45%
Retail	83%	55%
Technology	85%	53%

# Pay for Performance

What percentage of organisations link pay to performance?

Is compensation linked to performance?



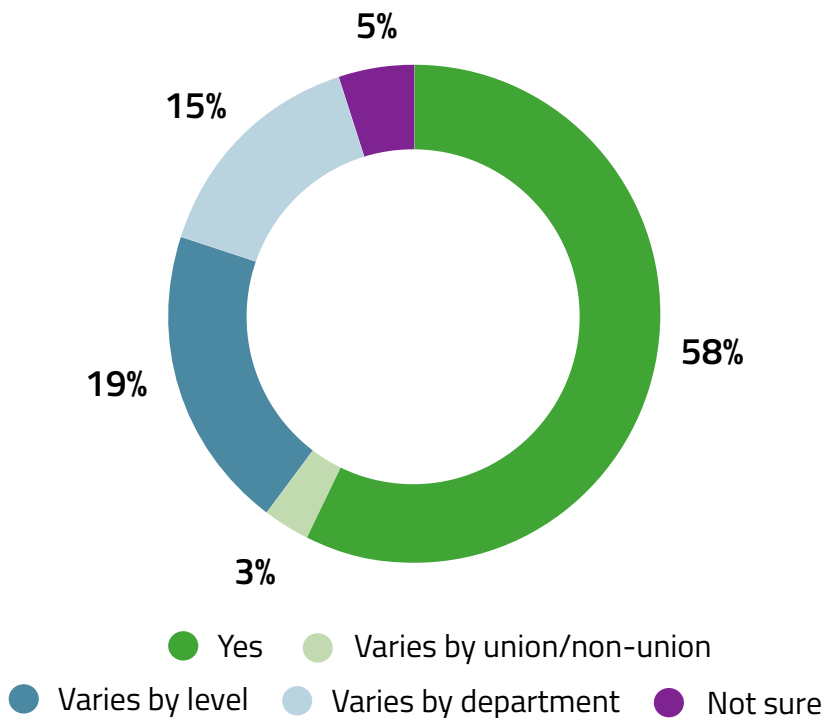
60% of the companies surveyed link pay to performance. Sectors such as aerospace, defence, finance, insurance, and professional services have the highest prevalence of performance-related pay, usually in the form of bonuses. Public sector, non-profits, charities, membership organisations, and healthcare are less likely to do so.

Sector	Salary only	Bonus only	Salary & bonus	Not at all
Aerospace & Defence	36%	36%	9%	18%
Automotive	9%	36%	18%	27%
Charity	14%	2%	2%	73%
Log., Dist. & Transport	6%	39%	11%	39%
Education	6%	6%	0%	72%
Energy & Utilities	5%	23%	50%	18%
Engineering	19%	12%	35%	30%
Facilities Management	0%	0%	75%	25%
Financial Services	10%	24%	38%	29%
FMCG	11%	33%	44%	11%
Healthcare	6%	12%	18%	65%
Hospitality & Leisure	4%	30%	26%	30%
Insurance	0%	40%	40%	10%
Life Sciences	11%	21%	47%	21%
Manufacturing	20%	21%	24%	30%
Media Arts	0%	0%	40%	60%
Membership Organisation	0%	29%	0%	71%
Professional Services	23%	37%	37%	3%
Public Sector & Non-Profit	9%	9%	0%	83%
Real Estate & Construction	24%	19%	43%	14%
Retail	21%	13%	21%	42%
Technology	33%	15%	30%	13%

# Budget-Setting

What percentage of organisations alter their budgets by level, department, or union agreement?

Do you set the same budget across all roles?



Most companies allocate the same budget across roles, but for 38%, it varies based on certain factors. The FMCG sector is more likely than others to have a separate budget for union-based employees. Hospitality and leisure favours employee level, while the facilities management sector is the most likely to allocate budgets by department.

Sector	Yes	Union/ non	Level	Department
Aerospace & Defence	73%	0%	18%	0%
Automotive	64%	9%	0%	18%
Charity	61%	2%	20%	14%
Log., Dist. & Transport	56%	6%	25%	13%
Education	59%	0%	18%	18%
Energy & Utilities	62%	14%	19%	0%
Engineering	64%	7%	12%	10%
Facilities Management	25%	0%	0%	75%
Financial Services	48%	4%	20%	28%
FMCG	67%	22%	0%	11%
Healthcare	44%	0%	28%	22%
Hospitality & Leisure	34%	0%	41%	21%
Insurance	23%	0%	38%	31%
Life Sciences	79%	0%	16%	0%
Manufacturing	50%	7%	24%	15%
Media Arts	80%	0%	0%	0%
Membership Organisation	57%	0%	14%	14%
Professional Services	53%	0%	13%	20%
Public Sector & Non-Profit	86%	0%	14%	0%
Real Estate & Construction	59%	0%	23%	18%
Retail	64%	0%	23%	9%
Technology	62%	0%	12%	18%

# Pay Communications

How do organisations prefer to communicate with employees about pay?

## How do you communicate with employees about pay?



To ensure genuine pay transparency, organisations need to go beyond fair pay and reward policies, and communicate their pay processes clearly and honestly to their employees.

In our survey, we asked what methods organisations use to communicate with their employees about pay. The results showed that written communication, including emails, articles, guides, and letters, accounted for 50% of the efforts. However, the use of visual and auditory formats, such as videos and infographics, was significantly lower.

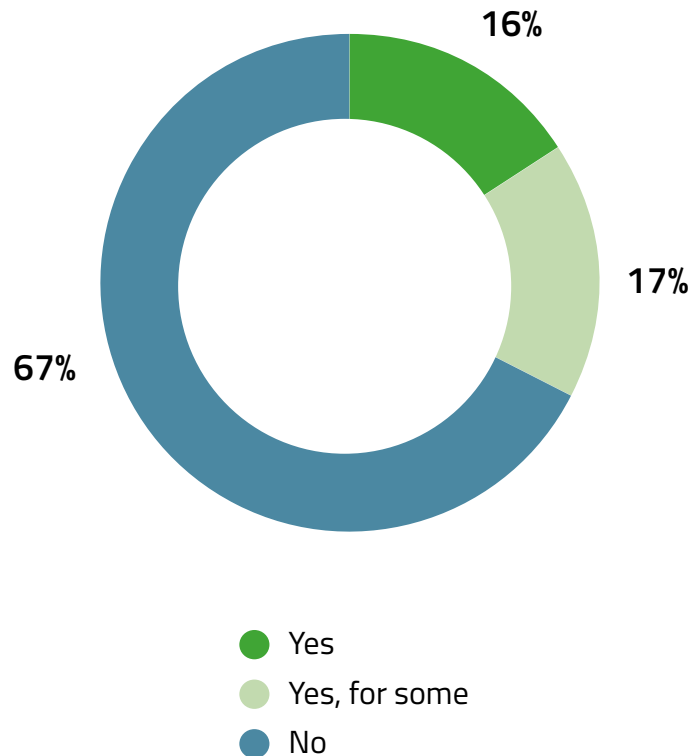
Overall, our survey showed that one-on-one meetings between managers and employees are the primary means of pay communication. However, a majority of organisations do not provide training to their managers on how to effectively communicate or have pay conversations (see details on the following page), highlighting a lack of support and resources dedicated to improving our primary mode of communication.

The media arts sector leads in providing manager training in this area.

# Manager Training

What percentage of organisations prepare their managers to have pay conversations?

**Do you offer training for managers on how to have pay conversations?**



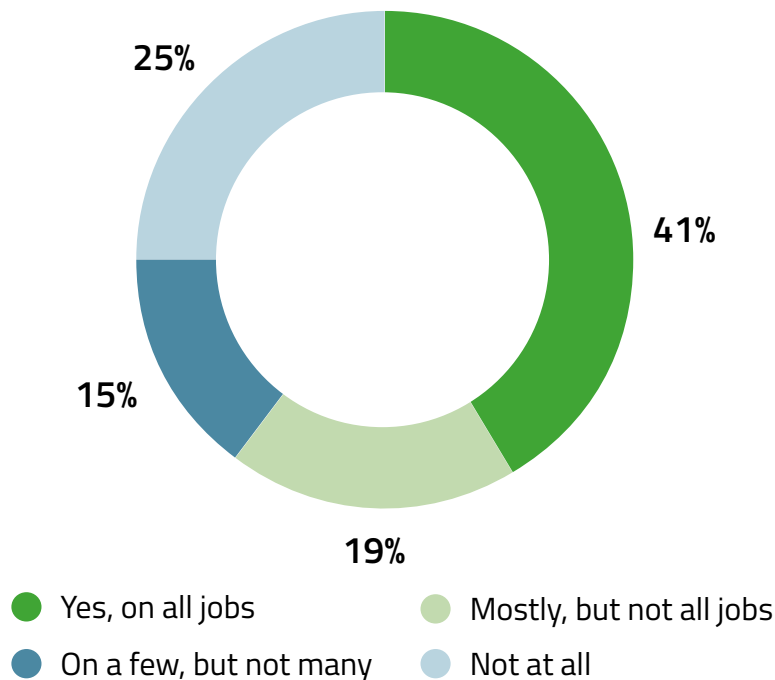
Sector	Yes	Yes, for some	No
Aerospace & Defence	18%	27%	55%
Automotive	27%	9%	64%
Charity	4%	16%	80%
Log., Dist. & Transport	0%	11%	89%
Education	0%	6%	94%
Energy & Utilities	14%	9%	77%
Engineering	28%	12%	60%
Facilities Management	0%	0%	100%
Financial Services	24%	24%	52%
FMCG	11%	22%	67%
Healthcare	18%	12%	71%
Hospitality & Leisure	0%	11%	89%
Insurance	30%	20%	50%
Life Sciences	37%	16%	47%
Manufacturing	23%	14%	64%
Media Arts	40%	20%	40%
Membership Organisation	29%	29%	43%
Professional Services	17%	20%	63%
Public Sector & Non-Profit	9%	17%	74%
Real Estate & Construction	19%	29%	52%
Retail	13%	17%	71%
Technology	21%	22%	57%



# Salary Ranges on Job Adverts

What percentage of organisations display pay ranges on job adverts?

When hiring, does your organisation display pay ranges on job adverts?



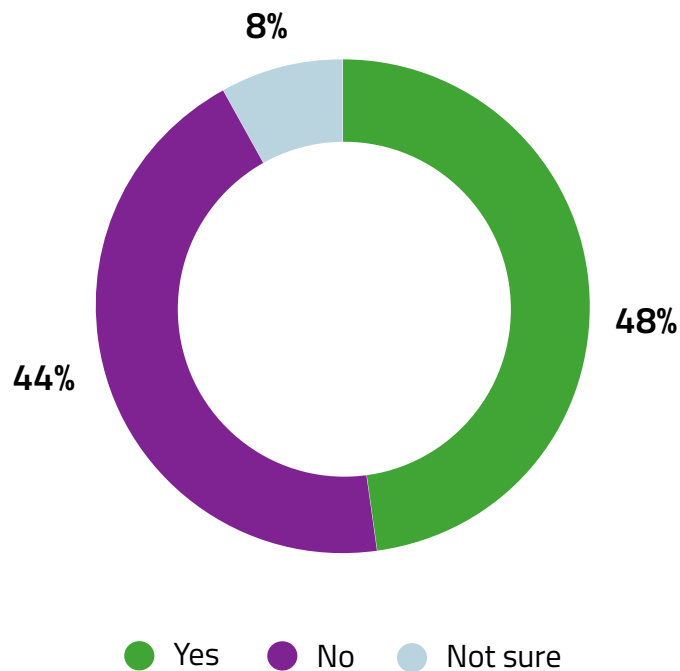
Including pay ranges in job descriptions can affect candidates' decision to apply, but less than half of organisations consistently display them. Charity, public sector, and non-profit organisations are more likely to include them, while life sciences and professional services are less likely to do so.

Sector	All jobs	Mostly	Not many	Not at all
Aerospace & Defence	27%	9%	27%	36%
Automotive	45%	9%	18%	27%
Charity	80%	16%	0%	4%
Log., Dist. & Transport	50%	22%	11%	17%
Education	56%	28%	11%	6%
Energy & Utilities	32%	23%	9%	36%
Engineering	23%	19%	23%	35%
Facilities Management	25%	0%	50%	25%
Financial Services	43%	19%	14%	24%
FMCG	11%	22%	33%	33%
Healthcare	59%	29%	6%	6%
Hospitality & Leisure	52%	19%	7%	22%
Insurance	30%	0%	50%	20%
Life Sciences	21%	5%	16%	58%
Manufacturing	30%	35%	14%	21%
Media Arts	20%	0%	40%	40%
Membership Organisation	57%	0%	29%	14%
Professional Services	20%	10%	27%	43%
Public Sector & Non-Profit	83%	17%	0%	0%
Real Estate & Construction	29%	19%	24%	29%
Retail	29%	33%	13%	25%
Technology	36%	10%	18%	36%

# Asking About Current Salary

What percentage of organisations ask for candidates' current salary?

**Does your company ask for candidates' current salary during the recruitment process?**

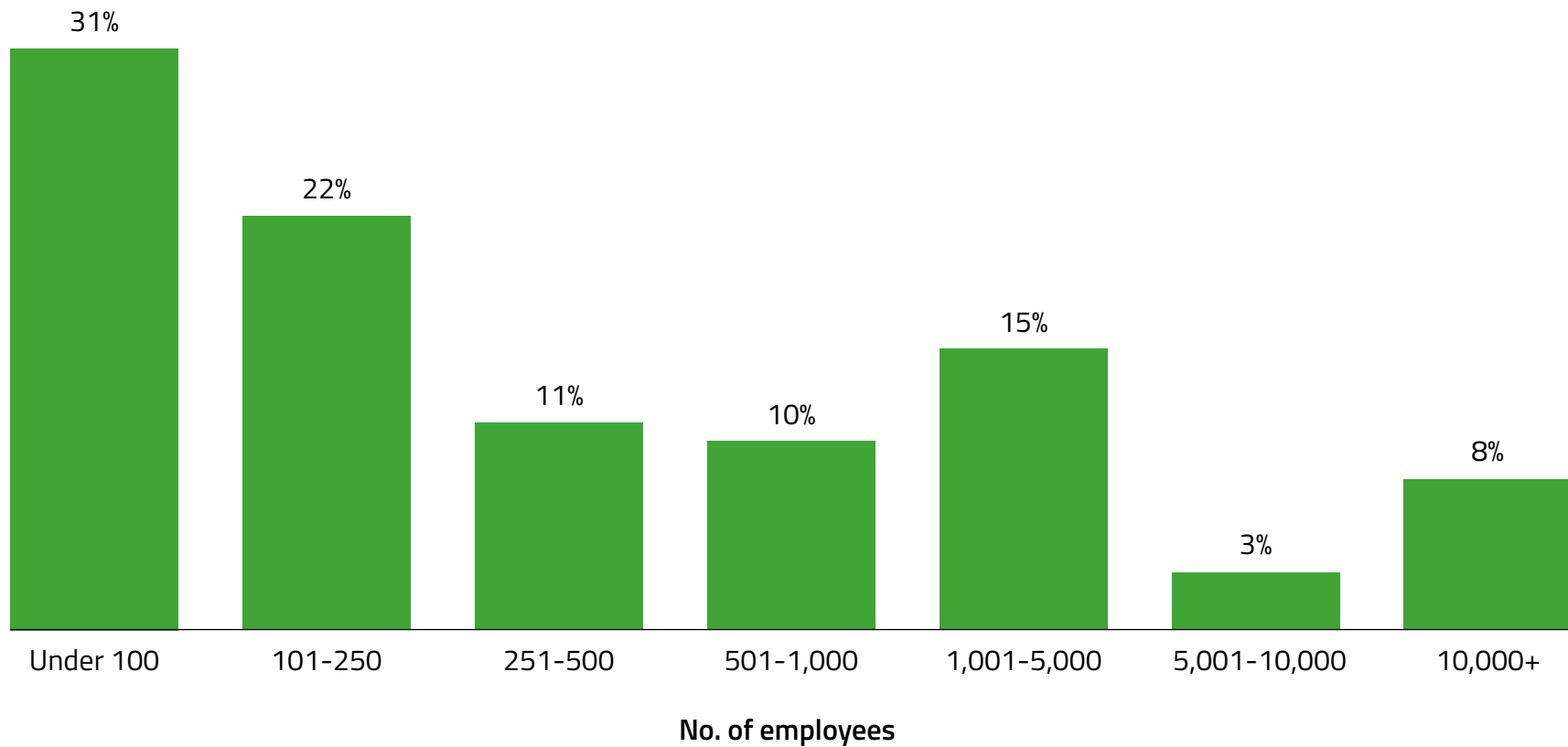


Asking about current salary can lead to bias, inequality, and negatively impact our diversity and inclusion efforts. According to our survey, around half of organisations still engage in this practice. Sectors such as logistics, distribution, transport, and automotive have the highest prevalence in asking about current salary.

Sector	Yes	No	Not sure
Aerospace & Defence	55%	45%	0%
Automotive	64%	9%	27%
Charity	29%	65%	6%
Log., Dist. & Transport	67%	33%	0%
Education	50%	44%	6%
Energy & Utilities	50%	36%	14%
Engineering	51%	42%	7%
Facilities Management	50%	50%	0%
Financial Services	57%	38%	5%
FMCG	44%	44%	11%
Healthcare	47%	47%	6%
Hospitality & Leisure	48%	48%	4%
Insurance	30%	40%	30%
Life Sciences	63%	26%	11%
Manufacturing	47%	41%	12%
Media Arts	20%	80%	0%
Membership Organisation	43%	57%	0%
Professional Services	60%	30%	10%
Public Sector & Non-Profit	26%	65%	9%
Real Estate & Construction	62%	33%	5%
Retail	46%	46%	8%
Technology	43%	49%	7%

# Participant Headcount

Distribution of participating organisations by number of employees



# Participant List

15below	Royal BAM Group	Chart Industries Inc	DOHL
AK Industries	Archibald Bathgate Group	Chatham House	Distributed
AB Agri	BayWa r.e. UK	Chaucer Foods UK	DNA Payments
Acacia Family Support	BCS, The Chartered Institute for IT	Chaucer Group	DOA
AccessPay	Belron UK	Chisholm Hunter	Donald Russell
Achilles Therapeutics	BenevolentAI	CHP	Drax
Adaero Precision Components	Berrys	CILIP	Dulwich Prep London
Adaptix	BGBS	CIMSPA	Dunkley's
ADESA	BHID Group	Cisiv Ltd	Dynatomic Technologies
ADSL	Bidwells	CitySprint UK	Dynamic Aerospace Fabrications
AECOM	Bird & Blend Tea Company	Claims Consortium Group	Eastwood Park
AEGIS Engineering Systems	bit.bio	Climate Arc	Ebiquity
Age Well East	Blachere Illumination	Climate Bonds Initiative	ECIU
Airport Coordination	Bleckmann	Cloud21	EDAM Group
Albert Goodman	Bodywise UK	Cobalt Energy	ELE Advanced Technologies
Alex Begg	Borgwarner Technologies	Codit Integration	Electric Glass Fiber
Alzheimer's Research UK	Bova Specials UK	Collabora	Emerson
Amarin UK	Brain in Hand	Commsave Credit Union	Energy and Technical Services
AMAT UK	Brand Genetics	Computacenter	EnQuest
Amazon	Brew York	Computeam	Epilepsy Action
Amazon Filters	Bridgewood Manor Hotel	Conex Universal	Eric Wright Group
Amey UK	British Horse Society	Cooper & Turner	Etex
AMI	British Solar Renewables	Cooper Associates	Exclaimer
Anaphite	Broadway Engineering	Corserv Care	Expo Technologies
Anasuria Operating Company	Buro Happold	Coster Aerosols UK	Faculty
Apex Hotels	Business Networking International	Coulson Building Group	Farsight Consulting
Apollo Fire Dectors	Butlins	Cox Automotive	Fernco
Apricot Clothing	British Private Equity & Venture Capital Association	Coyote Logistics UK	1st Central
Arbortec	Cairn	Creative Car Park	Fish Brothers
Arcadis	Calnex Solutions	Crest Medical	Flogas
Arla Foods	Cambridge Consultants	Cromwell Tools	Flomtik
ASK4	Care UK	Croner	Flood
Asolvi	Carers Trust Mid Yorkshire	Cronite Castings	Fluid Branding
ASOS	Cargotec	CSA Catapult	Magnetic
Atkins	Caring Together	Cycle0	ForrestBrown
Audio Network	Castle Trust Bank	dock10	Foster + Partners
Avantor	Cellnex	Davidsons	Fractory
AVC Wise	Cembre	RoseDowns	Frank Key
Avidity Science	Charity Finance Group	Deutsche Telekom Global Business Solutions UK	Frauscher UK
B.Braun			FSRH

# Participant List

FullFibre	Intellegens	Marine Conservation Society	OneDome
Funkin Cocktails	International Students House	Marlow Foods	OneHR
Futures Housing Group	IPS Capital	Marlowe Theatre	ONTIC
Gael Force Group	Irwin Mitchell	Maximus UK	Oodle car Finance
Games Workshop	Isogenica	McAvoy	OTB Engineering
GivePanel	ISS	MCR	OutsideClinic
Global HSE Solution	Ivy Farm Technologies	Mears Group	OVO
GoHenry	Jarvie plant	Meridian Audio	Oxford PharmaGenesis
Grant Instruments	JCC Lighting	MHT Technology	PA Consulting
Granville Oil & Chemicals	Jemca Car Group	Milestones Museum	PA Media Group
Gravity Global	Jewish Family and Child Service	Minesoft	Parkville
Grosvenor Group	Just Childcare	Ministry of Defence	Parts Town UK
GWI	Kentec Electronics	MMT Digital	Pathways CIC
H&T Group	Kindred Group	Molson Coors	Patrianna
Habitat First Group	Kingfisher	Morton Fraser	Paycheck
Hackney Gelato	Kings	Morton Anvil	PD Ports
Hambleton Equine Clinic	Kuungana Advisory Limited	Mowi	Pebbletree
Harpenden Building Society	Lagardère	MPM Products	Pen Test Partners
Harwich Haven Authority	Laings	MS3 Networks	Pendragon
Hearsay Systems	Food Pro	MUJI	Penspen Ltd
HelloFresh	Law Debenture	Multivac UK	People Untapped
Henry Boot	LBS Builders Merchants	Muscular Dystrophy UK	Perceptual Robotics
Hertfordshire Music Service	Legal & General	MusicMagpie	PETA UK
Hertfordshire Mind Network	Leicester Grammar School Trust	MYNDUP	Phytome Life Sciences
Historic Environment Scotland	Lhasa Limited	Nisbets	Partners in Change
HLPartnership	Life	NCHA	Plantforce Rentals
HomeServe	Lifescience Dynamics	NCT	Plastic Energy
Howco Group	Lightcast Discovery	NewDay	Play'n GO
Hoyer	Livelyhood	NexGen Healthcare Communications	Playtime by Fawns
HSS Hire	Livingstone International	Next Step Independence	Plus X Innovation
Hub Box	Loadpoint	NFP	Portfolio & Property Hub
Huda Beauty	Local Trust	North Devon Homes	Portsmouth Naval Base Property Trust
Huntingdonshire District Council	Logan Energy	North Yorkshire Hospice Care	H&T Presspart
HWB Accountants	LRQA	Norville	Proline Engineering
Hyatt Regency Birmingham	Lumity Life	Novacyt UK	Propel Tech
i2 Analytical	Lyles Sutherland	NSHI	PTC
Integrated Care 24	Magna	National Youth Agency	PTW
Ideal	Magna Housing	Ochil Tower School	Pure Data Centres Group
Indraprastha Gas	Malvern College	ODEON Cinemas Group	px Group
Institute of Export and International Trade	Manolo Blahnik	Olleco	Pyroban

# Participant List

QAA	Sisban	Tilemaster Adhesives	XPO
QNIS	Sisk	Tindall Riley	YGAM
Queens Cross Housing Association	Six Company	TK Elevator UK	YMCA East Surrey
R&T	Slice	TMD Manufacturing	YO! Sushi
Radar Healthcare	Smarter Grid Solutions	Tritech International	York Museums Trust
Rail Operations Group	Social Finance	Trojan Energy	Young Enterprise Scotland
React	Sorted	TTC Group	YouTurn Futures
Recticel Insulation	Soul Assembly	Ubiquitek	Zalando SE
Reform Club	SWAHSN	UBTC	Zendbox
Refresco	Southern Water	UCL	ZF Group
Researchbods	Spellman High Voltage Electronics	UniQuest	Ziegler UK
Retail Energy Code Company	Springpod	Unison	Zzoomm
Reward Heads	St Catherine's College	University Arms	
Rhenus Home Delivery UK	St Michael's Hospice	University of Huddersfield	
Ricardo	St Peter & St James Hospice	University of Lincoln	
River Software	Step On Safety	Urenco	
Rochester Electronics	Stevenswood	Vanguard Healthcare Solutions	
ROCMEP	Stiebel Eltron	Velocity	
Rooster	Strawberry Forge	VELUX	
Rotork	Stretchline	Verdantix	
RouteNote	Support for Ordinary Living	VetCT	
Royal Yachting Association	Swift Group	Vines Group	
RS Industrial Services	Tameside College	Viridor	
RSA	TaxScouts	VisitAberdeenshire	
Satys	Telent	Vitality	
Scape	Telespazio UK	Voith	
Scoffs Group UK	The Alchemist	Warner Electric	
Seascope Insurance Services	The Business of Fashion	Wefox	
Seed	The Donkey Sanctuary	Welbilt UK	
Segen	Education Endowment Foundation	Welsh Water	
Selco Builders Warehouse	The Ethikos Group	Werner	
Shore	The Guinness Partnership	Wessex Group	
Sigma	The Health Foundation	Wessex Cancer Support	
Signature Senior Lifestyle	The Hireman	White Rose	
Silver Cloud HR	The Instant Group	Wiltshire Creative	
Silver Cross	The Institute of Leadership	Wonderseekers	
Silver Swan Recruitment	The Jockey Club	Woodgate & Clark	
Silverlining Furniture	The Support Group UK	Worth School	
Sime Darby Oils	Thompson Wright Chartered Accountants	Wyndham Hotels & Resorts	
Sinomine Speciality Fluids	Tiger Trailers	Xerotech	

## About 3R Strategy

We are a pay and reward consultancy dedicated to helping organisations **build a culture of trust through pay transparency.**

Our vision is to create a future in which organisations take a fair and equitable approach to pay and reward, communicated clearly and honestly to their employees.

Discover your roadmap to pay transparency by scheduling a call with a member of our team.

[Schedule a call with us](#)

Find out more at [3r-strategy.com](https://3r-strategy.com)