

# The Evolution of Pay Equity and Transparency in the Modern Workplace

## INTRODUCTION

In recent years, pay equity and transparency have gone from separate, disconnected topics to an intertwined set of practices for fairer and more valuable compensation strategy. The 2023 Lighthouse Research & Advisory Compensation Technology, Data, and Trends Study of more than 1,000 employers uncovered some key insights that every employer needs to know.





### Pay Equity: What Separates the Best from the Rest

Every company has different ways of prioritizing and solving problems with pay, but some firms fare better than others. In the study we asked employers to rate their approach to pay equity. Responses based on those ratings are included below.

	HIGH PAY EQUITY SCORE	LOW PAY EQUITY SCORE
WE USE SALARY SURVEYS	<b>89%</b>	<b>32%</b>
WE COMMUNICATE PAY GAPS TO EXECUTIVE LEADERSHIP	<b>38%</b>	<b>32%</b>
WE SHARE PAY RANGES ON JOB POSTINGS	<b>44%</b>	<b>20%</b>
HR/COMP IS RESPONSIBLE FOR PAY EQUITY	<b>75%</b>	<b>51%</b>
WE USE TECHNOLOGY TO SUPPORT PAY EQUITY ANALYSIS	<b>88%</b>	<b>52%</b>

### Pay Transparency is More than a Job Posting

Companies rated highly on pay transparency are:

 <p><b>3X MORE LIKELY</b> to have a clear process for market pricing a job</p>	 <p><b>32% MORE LIKELY</b> to prioritize a partnership with recruiting for sharing pay data on job postings</p>
 <p><b>3.5X MORE LIKELY</b> to be sharing pay info both internally and externally</p>	 <p><b>3X MORE LIKELY</b> to say employee retention has improved in the last year</p>

## CONCLUSION

While it's easy to think that pay equity and transparency are separate, standalone talent practices, the truth is that they weave into and throughout many of the touchpoints employees experience on a regular basis. Getting them right means more than just fair and equitable pay—it can lead to a more engaged, focused workforce as well.

#### ABOUT THE RESEARCH

The 2023 Lighthouse Research & Advisory Compensation Technology, Data, and Trends Study was gathered in Q1 2023 from 1,062 global employers across all sizes and industries.