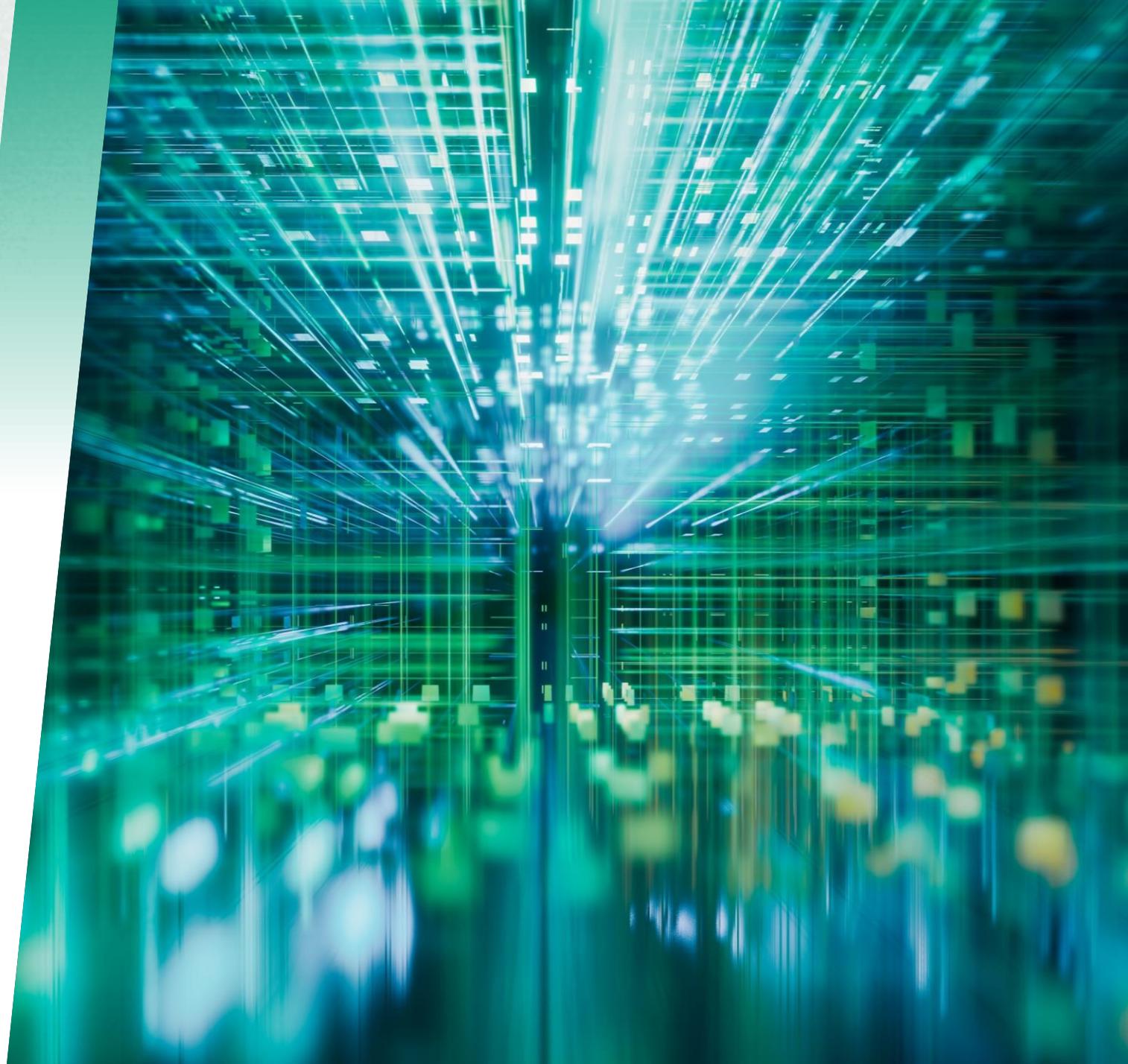




THE IMPACT OF ARTIFICIAL INTELLIGENCE ON TOTAL REWARDS

Global Total Rewards Pulse Survey
March 2025

Check out our [capabilities and expertise](#)



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EXECUTIVE SUMMARY



INTRODUCTION

This survey focuses on the impact of AI on Total Rewards programs and the 2025 business outlook. Areas covered in this survey include:

- Current and future AI maturity levels
- Disruption in Total Rewards due to AI
- AI focus areas in reward management
- Challenges in implementing AI
- Employee turnover
- 2025 base salary increase forecasts
- 2025 bonus forecasts

This is the latest in a series of Global Pulse Surveys by Korn Ferry, designed to gather insights into how organizations are adapting their reward programs in evolving business climates.

This survey's focus is to understand the impact of artificial intelligence (AI) on Total Rewards (TR) programs. In addition, the survey covers the market's business outlook and projected base salary increase and bonus payouts for 2025.

This survey was fielded in February 2025 and reflects responses from 5,717 participating organizations in 138 countries. Survey respondents are typically HR and Total Rewards professionals, and their organizations cover a broad range of size, geography, and ownership structure.

Market practices will continue to evolve, and Korn Ferry will continue to monitor and report on future trends. If you have additional questions on this information, please contact us here: KornFerryPayServices@kornferry.com

IMPACT OF AI ON TOTAL REWARDS

AI MATURITY AND FOCUS

- Most organizations (76%) are in their infancy with AI, with most Total Rewards (TR) functions having either no focus on AI or just starting their journey on understanding AI as it relates to TR.
- Primary focus areas for early AI adoption include efficiency and automation (43% of organizations) and more data-based decision-making (32%).
- Predictive analytics, enhanced employee TR experience, and personalization of rewards are also additional areas of future focus.
- Less than 25% of organizations are currently using AI in TR applications. The most frequent applications include using AI for TR communications (22%), external pay benchmarking (22%), and job and skills architecture (21%).
- Some sectors are further along than others. Early adopters include Oil and Gas, Retail, and Healthcare. Lagging sectors include not-for-profit, transportation, and utilities.
- Life Sciences, Telecommunications, Financial Services, and Technology sectors anticipate the most significant future usage of AI in Total Rewards.

CHALLENGES

- Primary challenges in utilizing AI to support TR includes concerns around data privacy and security (69%), data & system integration (54%), and required cost investments (42%).
- Organizations are not as concerned about ethical considerations (10%), employee fears of job reductions (12%), or bias and fairness issues (18%).
- There will be disruptive effects of AI on organizations' Total Rewards programs. Workforce reskilling will be a primary disruptor for most organizations.

DISRUPTIVE EFFECTS

- There is a high degree of uncertainty as to the potential disruptive effects of AI on an organization's Total Rewards function.
- Organizations see AI impacting profitability positively (vs. negatively) by a 3:1 margin. Organizations are divided as to whether AI will improve top-line revenues.
- A majority of organizations see potential or are uncertain about the likelihood of job eliminations (59%) and pay cuts (56%) in their organization due to AI.

IMPACT OF AI ON TOTAL REWARDS IMPLICATIONS FOR REWARD MANAGEMENT

Despite the fact that over 92% of organizations are increasing their AI spend over the next three years (McKinsey), the impact on Total Rewards from the current adoption of AI is in its nascent stages. The TR function is lagging behind other HR management processes such as employee self-service, talent acquisition, onboarding, and employee engagement applications. This is likely due to lack of clarified, consistent, and transparent Total Reward frameworks and general conservatism in TR program management.

As this research has shown, it is logical that the current and future focus of AI in TR is largely on efficiency of analysis and administration of reward processes. While this makes sense in building a foundation, the real impact of AI is achieved in supporting the organization in developing more personalized and impactful employee experiences by tailoring relevant reward information that the employee and organization care about and addressing the questions that they have. Predictive modeling of external benchmarking information and internal pay decisions based on unique combinations of criteria will provide organizations with an improved ability to achieve a better return on their investment in rewards. With AI, we see a cycle of organizations moving through the phases of 1) “Defend” – with a focus on efficiency to 2) “Perform” – supercharging and adding value to core TR applications and to 3) “Transform” – providing breakthrough innovation to attract, engage, and retain talent across all HR processes.

The research also indicates a high degree of uncertainty as to the impact of AI on the business in terms of growth, profitability, and impact on the workforce. This likely limits the ability to plan and being choiceful in allocating resources to invest in AI in impacting Total Reward processes. Given the sizeable investments that organizations are making in AI in general, irrespective of an uncertain business outlook, they would be well-served to accelerate planning and adoption of AI and disrupt their current HR and reward processes, or else they risk being disrupted in this area by their competitors.

IMPACT OF AI ON TOTAL REWARDS IMPLICATIONS FOR REWARD MANAGEMENT (CONT.)

The rise of AI in business and in Total Rewards is imminent. AI promises immense potential—for business growth, for efficiency, and for innovation. And as the research suggests, roles and skills are rapidly changing. Some skills and roles are becoming irrelevant. Others are being created. AI and people are not competitors in this new world. Instead, they will be complementary and collaborative. People will continue to play an indispensable role in the workplace, applying their unique cognitive abilities to leverage AI's capabilities.

As organizations navigate their journey towards AI and Total Rewards integration, they will need to focus on developing reward and talent strategies that involve AI integration, workforce upskilling, creating an AI-friendly culture—all with effective change management processes. Together, business and HR leaders can use AI to redefine the future of work and Total Reward processes, ensuring success in a rapidly evolving and increasingly AI-driven world.

2025 BUSINESS OUTLOOK

BUSINESS OUTLOOK

- 69% of organizations report they anticipate at least moderate growth in 2025. Those reporting growth outnumber those reporting decline by an 11:1 ratio.
- A healthy majority of organizations (78%) anticipate 2025 employee headcounts to be within +/- 5% of 2024 levels. There is a lean toward organizations increasing (vs. decreasing) staffing levels in 2025.

EMPLOYEE TURNOVER

- Globally reported employee turnover is at a median of 11.4%. Of this, 67% (7.6%) is reported as voluntary turnover.
- The 6 countries with the highest reported median employee turnover include Saudi Arabia (18%), South Korea (17%), Turkey (15%), Vietnam (15%), Sweden (14%), and Brazil (14%).
- The 6 countries with the lowest reported median turnover include China (9%), France (9%), Spain (8%), Ireland (8%), Argentina (8%) and Italy (7%).

BONUS/INCENTIVE PAYMENTS

- 68% paid bonuses/incentives comparable to or above the target. This finding is slightly less than our previous research in Oct 2024 (at 70%).
- 67% anticipate paying bonuses/incentives comparable to or above the target. This finding is slightly higher than our previous research in Oct 2024 (at 63%).

2025 BASE SALARY FORECAST

- There is little differentiation in 2025 salary increase forecasts across employee groups (i.e., clerical to executive). There is also a tight clustering in forecasts around median.
- Globally, annual salary increases are received by most employees in a majority of organizations. 43% of organizations provide increases to at least 95% of its employees. 72% of organizations will provide increases to at least 80% of its employees.
- In general, 2025 forecasts are comparable to slightly lower than 2024 end of year base salary increase forecasts.

IMPLICATIONS

- Even in an environment of political and economic uncertainty, survey respondents were optimistic that business, employment, and reward prospects remain stable. However, the economic landscape continues to evolve, and, as such, we've seen some conservatism in hiring and wage increases. With continued uncertainty, organizations are likely to hold a tempered outlook in the short-term and may pull back their projections. We will capture any changes in sentiment in our next pulse survey that we will launch in June.

SUMMARY OF 2025 BASE SALARY FORECASTS

MAJOR MARKETS – (TOTAL SALARY INCREASE)

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Australia	3.5	3.7	3.5	3.5	3.5	3.5
Brazil	5.0	4.9	5.0	5.0	5.0	5.0
Canada	3.5	3.6	3.4	3.5	3.5	3.5
China	5.0	4.3	5.0	5.0	5.0	4.9
France	3.0	2.9	3.0	3.0	3.0	3.0
Germany	3.0	3.2	3.0	3.0	3.1	3.2
Italy	3.2	3.5	3.1	3.3	3.2	3.3
Japan	3.0	2.9	3.0	3.0	3.0	3.0
Netherlands	3.8	3.8	3.8	3.8	3.8	3.8
Saudi Arabia	4.3	5.3	4.3	4.3	4.3	4.3
Spain	3.0	3.1	3.0	3.0	3.0	3.0
United Arab Emirates	4.3	4.7	4.3	4.2	4.2	4.4
United Kingdom	3.5	3.6	3.5	3.5	3.5	3.5
United States of America	3.5	3.6	3.5	3.5	3.5	3.5

Note that in many markets, there are statutorily required minimum increases that must be provided, and these are reflected in the above forecasts where appropriate.

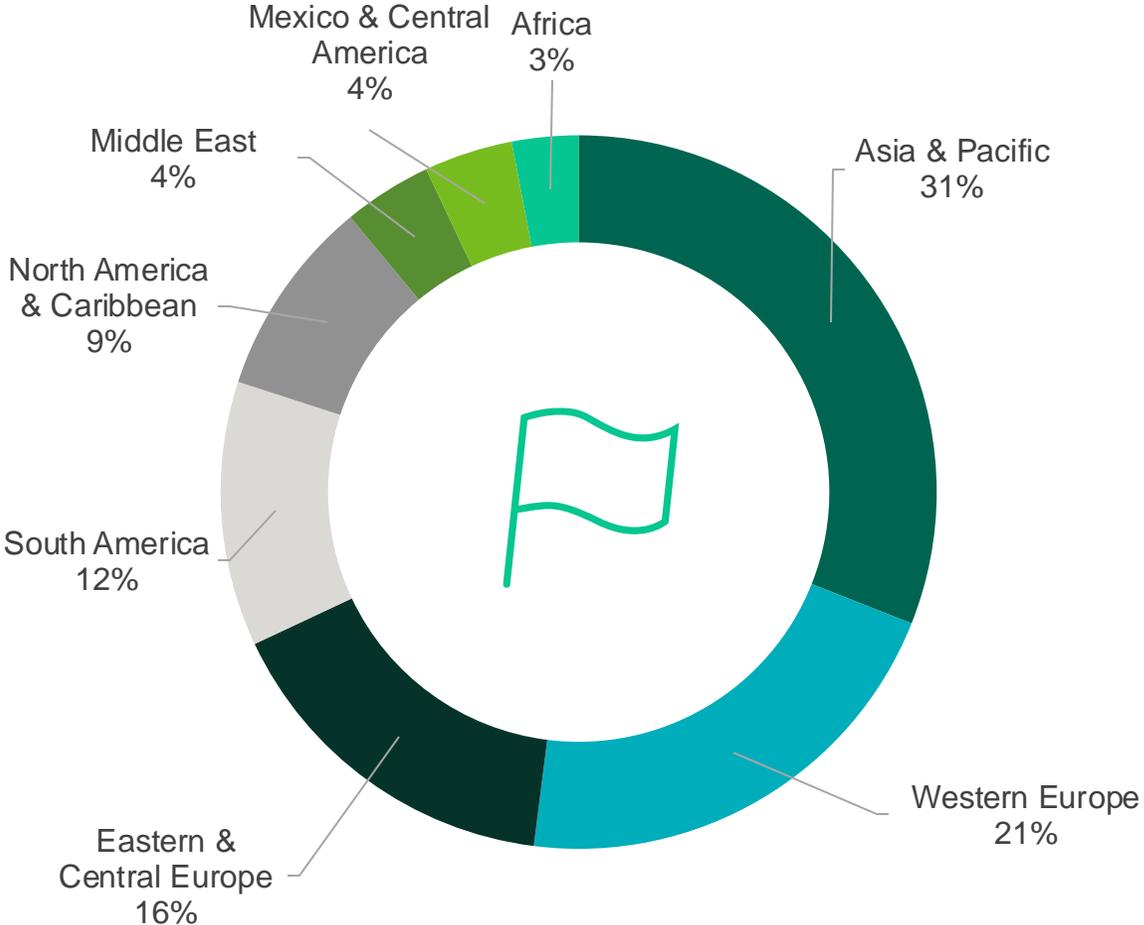
PARTICIPANT OVERVIEW



PARTICIPANT OVERVIEW GEOGRAPHY

This report reflects responses from 5,717 participants in 138 countries. Organizations span a broad range of geographies, industries, size, and ownership structures.

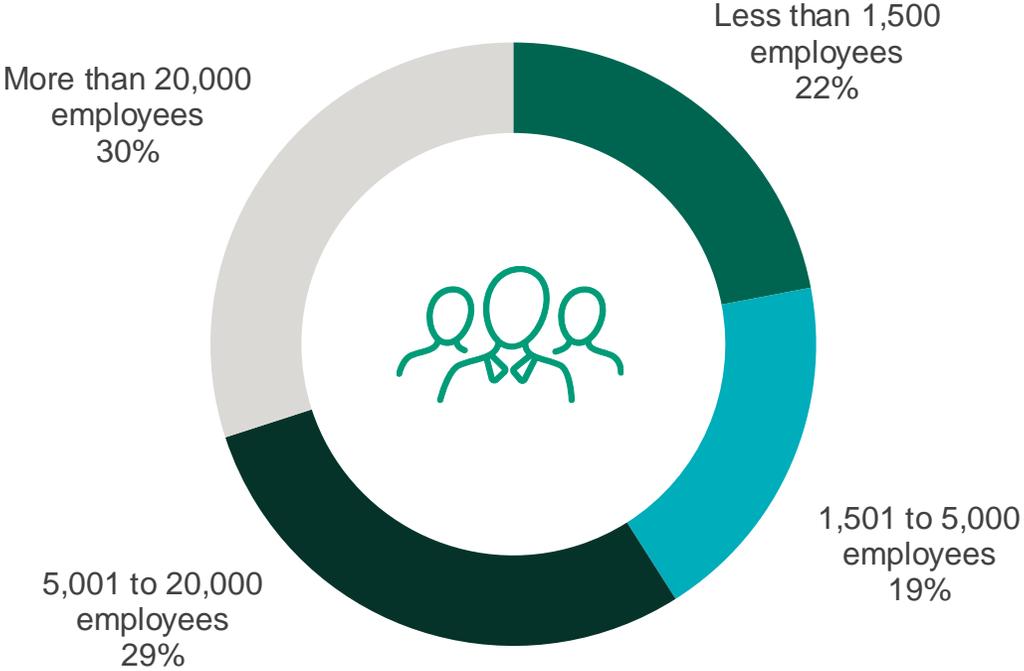
Respondents are largely from the Human Resources function and include Total Rewards practitioners, HR business partners, and HR leaders.



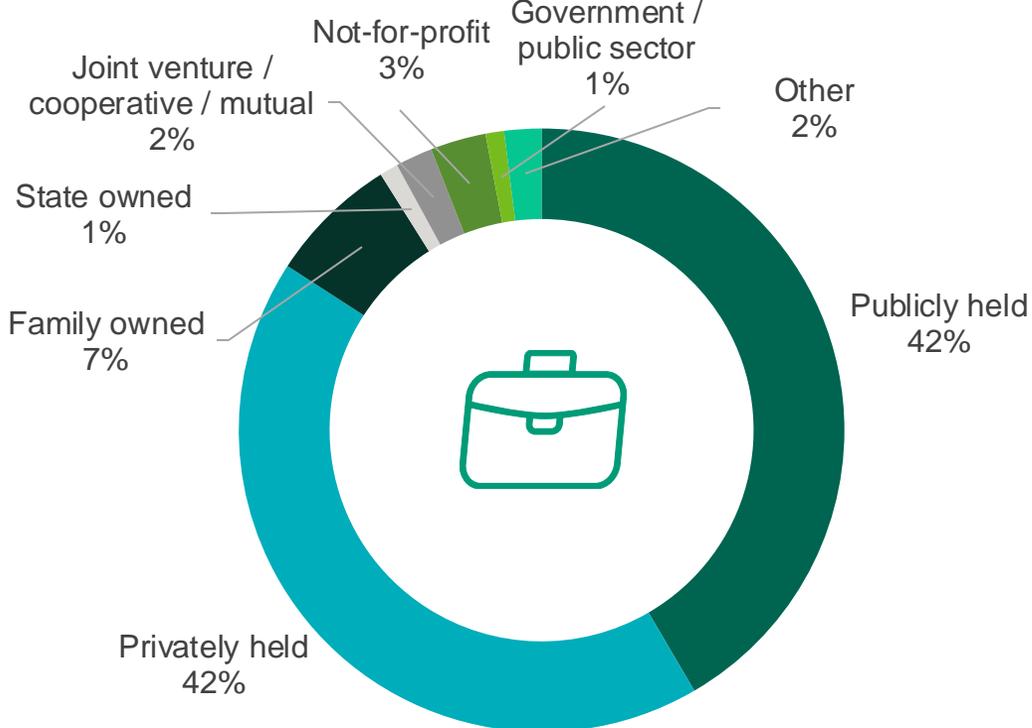
PARTICIPANT OVERVIEW

SIZE OF ORGANIZATION

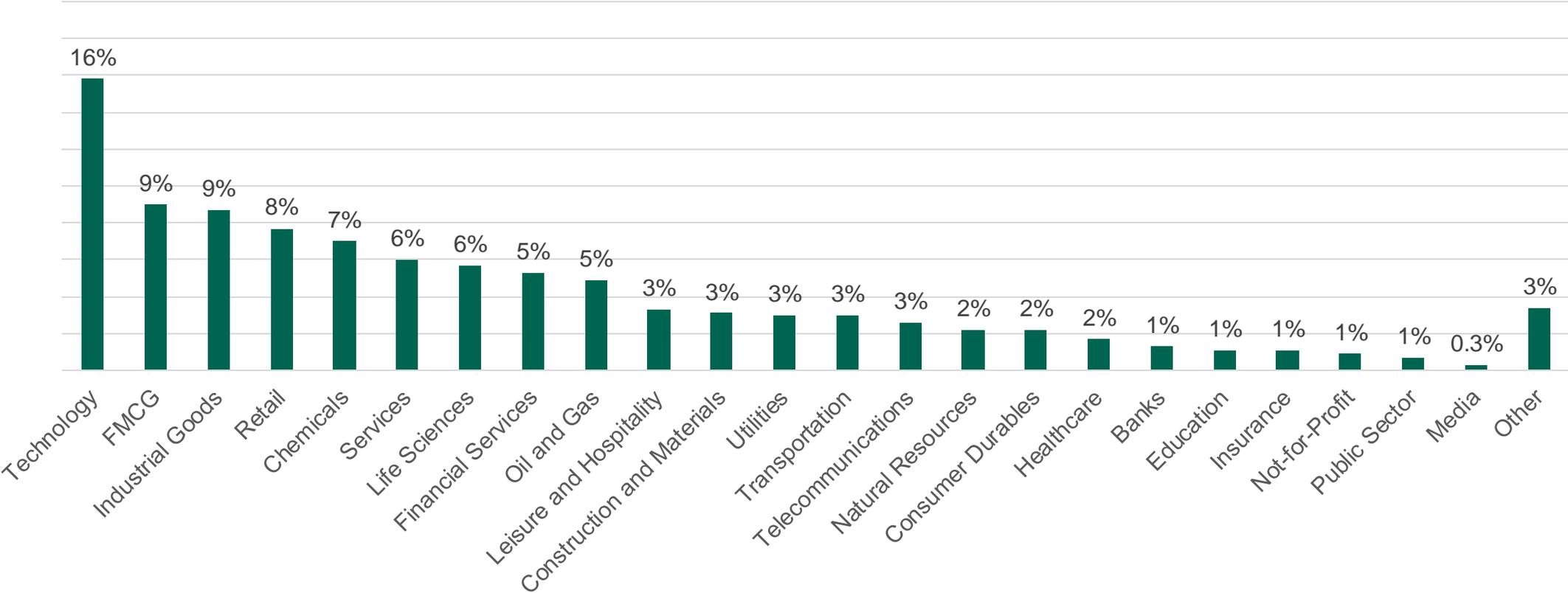
BY NUMBER OF EMPLOYEES (GLOBALLY)



BY OWNERSHIP TYPE



PARTICIPANT OVERVIEW BY INDUSTRY



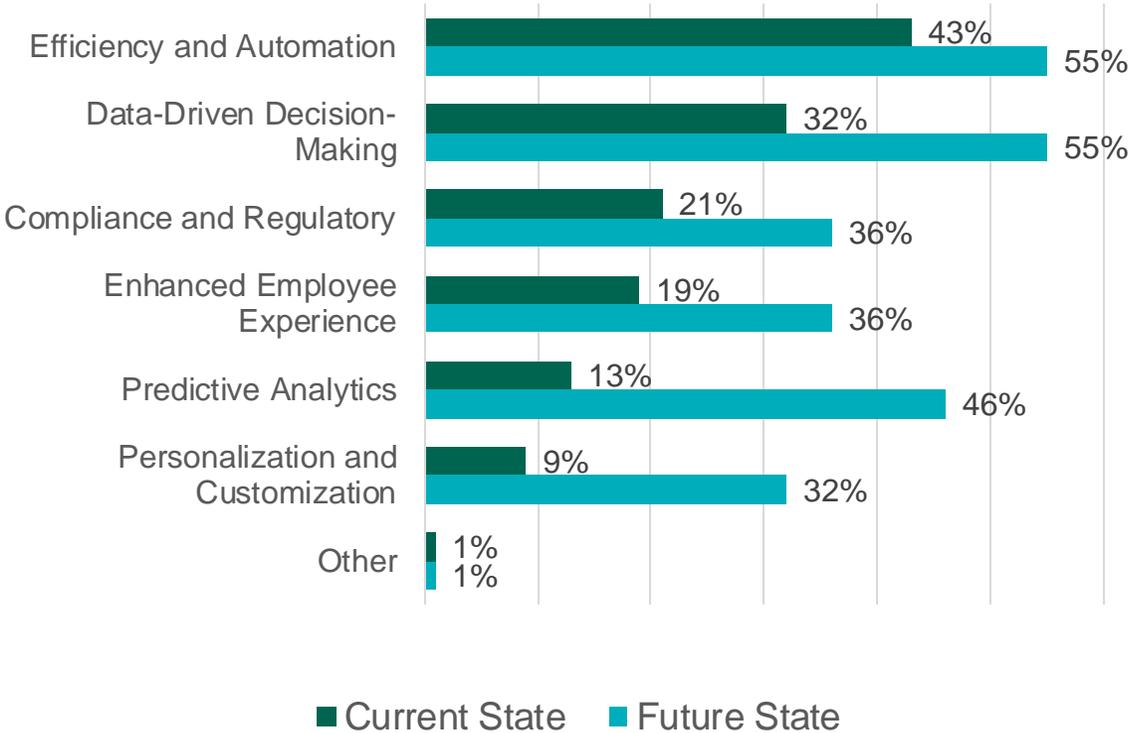
IMPACT OF AI ON TOTAL REWARDS



CURRENT AND FUTURE STATES

BENEFITS IN UTILIZING AI

PRIMARY BENEFITS IN UTILIZING AI TO SUPPORT TOTAL REWARDS



FINDINGS

Most respondents identify “Efficiency and Automation” as the primary current benefit of AI in Total Rewards, using it today to streamline routine administrative and analytical tasks.

Looking to the future (within the next two years), organizations aim to enhance these capabilities while also leveraging AI for data-driven decision-making to analyze large datasets, uncover workforce trends, and provide data-driven and bias-free insights.

AI IN TOTAL REWARDS MATURITY MODEL

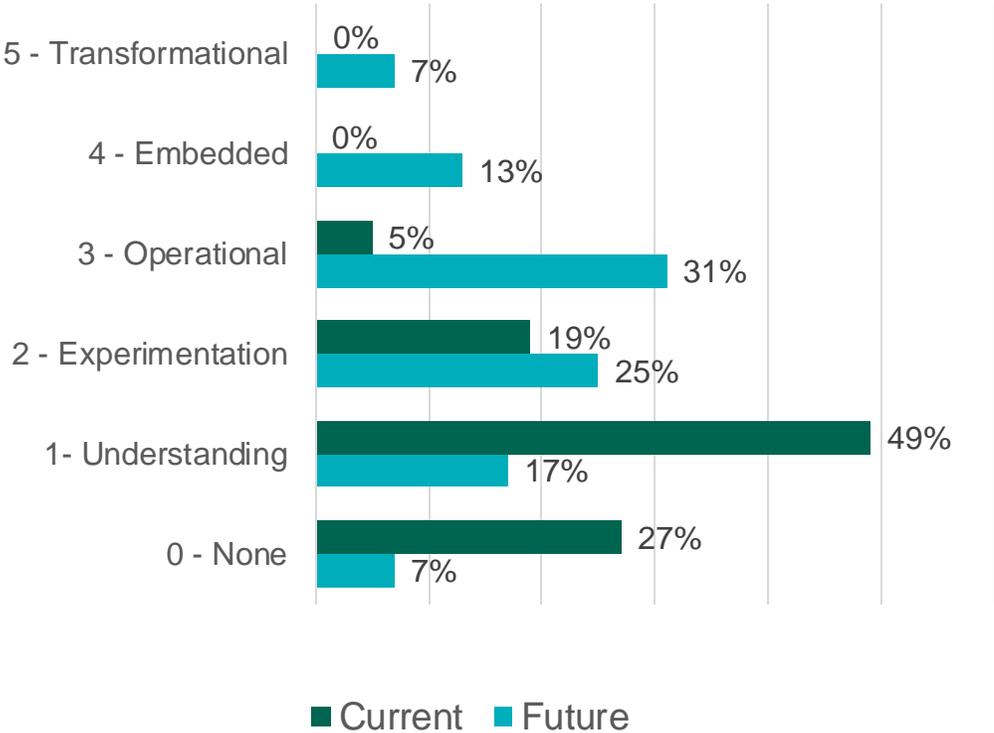
Korn Ferry developed the following maturity model as it relates to the utilization of AI in the organization’s Total Rewards processes. This model will aid in identifying where organizations currently are and where they aspire to be on utilizing AI in their Total Rewards processes. Below is a description of each level of maturity in the model.

5 - Transformational	AI is part of overall DNA of TR strategy, design, and execution and is a core aspect of the employee TR user experience.
4 - Embedded	AI is embedded in TR design and administrative processes to enable digital process transformation and disruptive new management processes in a majority of core TR areas.
3 - Operational	AI in production and creating value via TR process optimization or TR service innovations in several important areas of TR.
2 - Experimentation	AI experimentation and pilots in select areas of TR. AI ethics processes established.
1 - Understanding	Early AI interest and understanding of potential impact on TR.
0 - None	No-to-very limited consideration in using AI for TR processes.



AI MATURITY IN TOTAL REWARDS

ORGANIZATION MATURITY AS IT RELATES TO THE UTILIZATION OF AI IN TOTAL REWARDS PROCESSES



FINDINGS

Most companies (**76%**) are in the "None" to "Understanding" stages regarding the potential impacts of AI applications in Total Rewards.

Future aspiration is to implement AI in core areas of Total Rewards program within the next two years.

AI MATURITY BY INDUSTRY

CURRENT STATE (MOST MATURE)

- 46% Oil and Gas
- 40% Retail
- 39% Healthcare
- 34% Services
- 32% Construction and Materials

CURRENT STATE (LEAST MATURE)

- 95% Consumer Durables
- 94% Not-for-Profit
- 92% Transportation
- 91% Utilities
- 88% Media

FUTURE STATE (MOST MATURE)

- 92% Life Sciences
- 90% Telecommunications
- 86% Financial Services
- 84% Technology
- 82% Media

FUTURE STATE (LEAST MATURE)

- 48% Public Sector
- 41% Consumer Durables
- 41% Fast-Moving Consumer Goods
- 36% Transportation
- 31% Industrial Goods

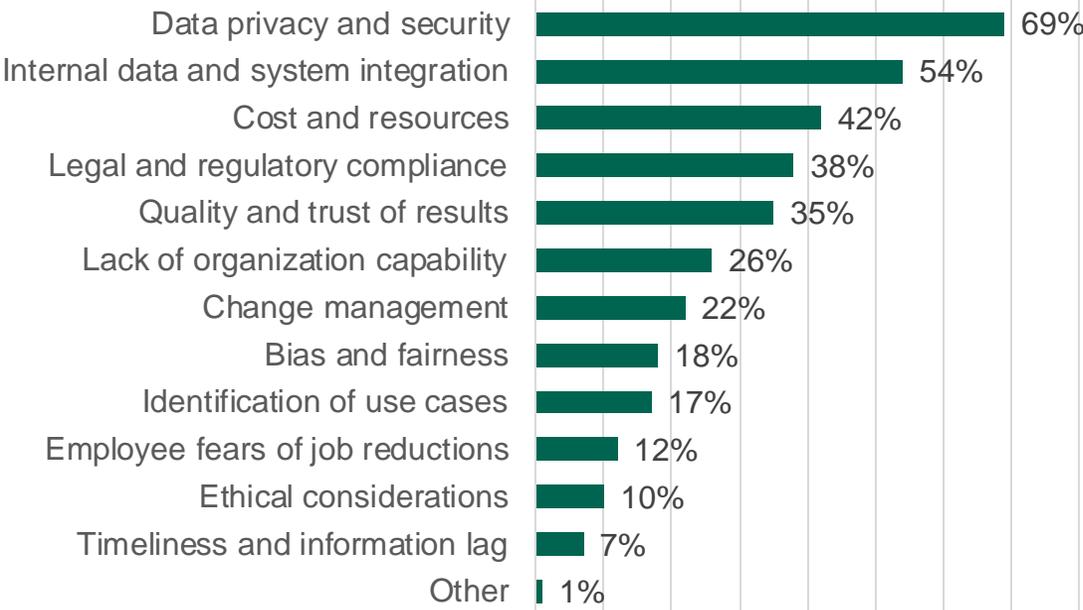
Notes:

1. Most mature organizations are those with the highest percentage of organizations in Level 2-Experimentation to Level 5-Transformation
2. Least mature organizations are those with the highest percentage of organizations in Level 0-None to Level 1-Understanding



TOP CHALLENGES

TOP CHALLENGES IN UTILIZING AI TO SUPPORT YOUR ORGANIZATION'S TOTAL REWARD PROGRAMS



FINDINGS

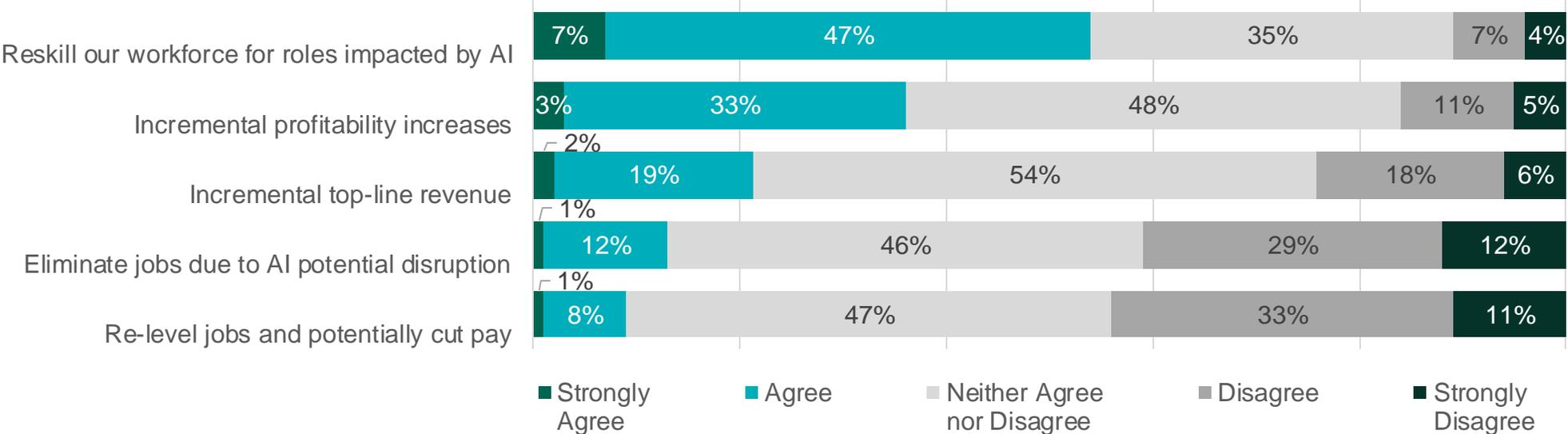
Foundational concerns of data privacy, security, and data integration, as well as the required cost investment, top the list of concerns.

Fear of job reductions, ethical considerations, and concerns around bias and fairness are of less concern.

DISRUPTION DUE TO AI

POTENTIAL DISRUPTION DUE TO AI SUMMARY

LIKELY ORGANIZATIONAL IMPACTS DUE TO AI WITHIN THE NEXT 2 YEARS



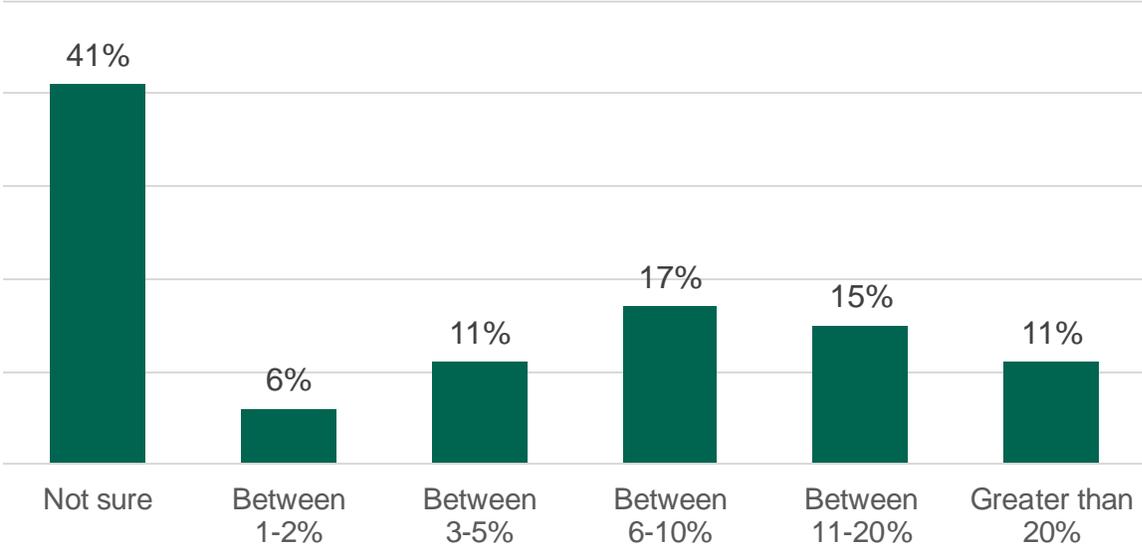
FINDINGS

- Over half of organizations expect to reskill their workforce for roles impacted by AI within the next 2 years.
- More organizations anticipate AI positively (vs. negatively) impacting profitability. Impact on revenues is seen as neutral.
- Most respondents do NOT see AI as significantly impacting job and pay reductions.
- The anticipated changes for each identified impact are outlined in the following slides.



POTENTIAL DISRUPTION DUE TO AI JOB RESKILLING

EXPECTED PERCENTAGE OF JOBS IMPACTED BY AI THAT WILL REQUIRE RESKILLING



FINDINGS

There is a high degree of uncertainty relative to the expected percentage of jobs that will require reskilling.

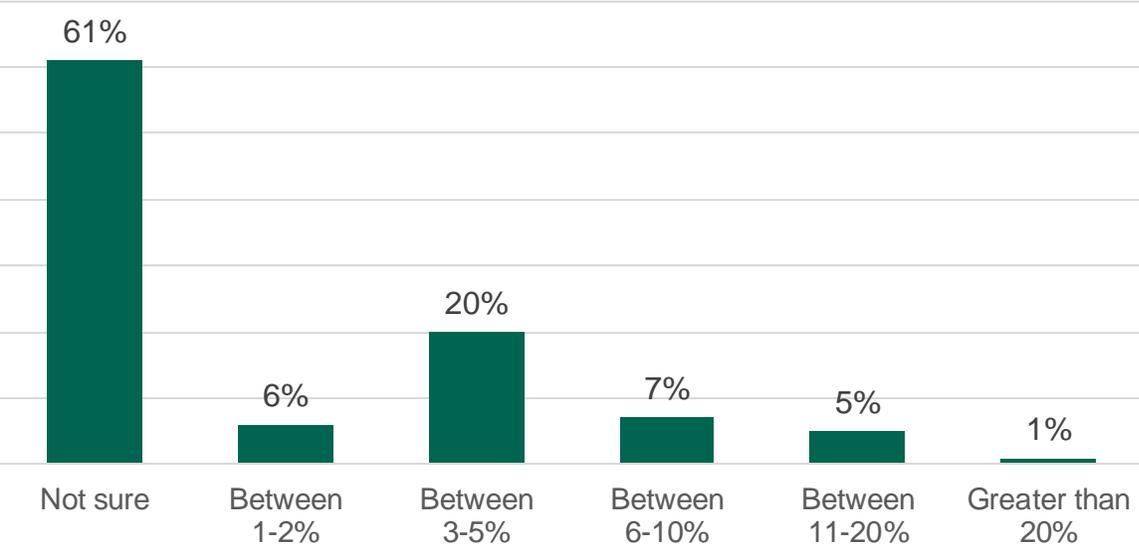
At this point, organizations are, on average, expecting between 6-10% of their roles will require reskilling.

Note: This reflects responses from the 54% of organizations that selected "Agree" or "Strongly Agree" as to whether their organization would be impacted in this area.



POTENTIAL DISRUPTION IN TOTAL REWARDS

EXPECTED INCREMENTAL PROFITABILITY INCREASES DUE TO AI



FINDINGS

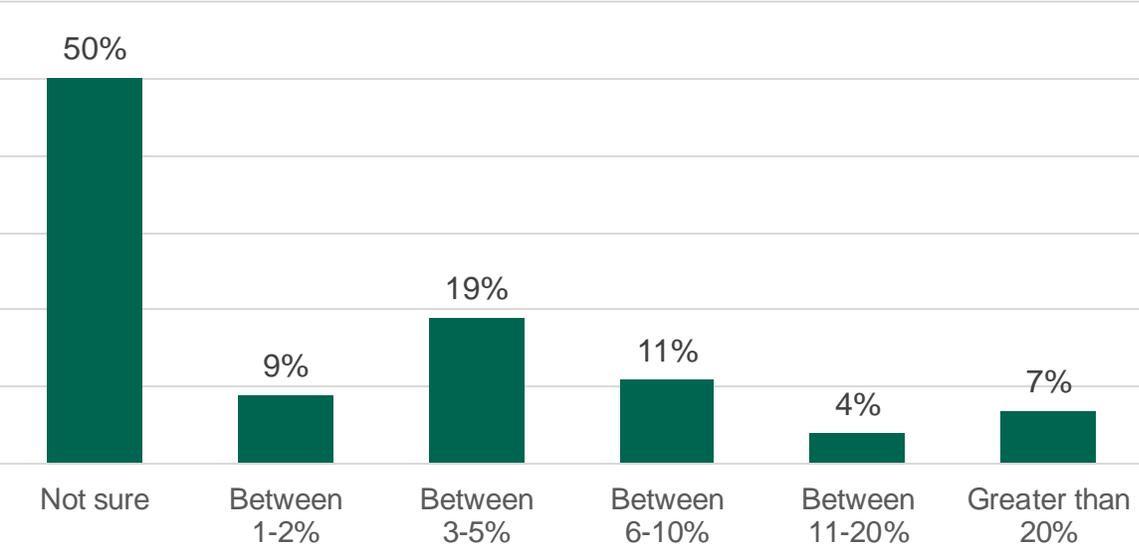
There is a very high degree of uncertainty relative to the expected incremental profitability increases due to AI.

For those who have a view, organizations are, on average, expecting between a 3-5% incremental impact on profitability due to AI.

Note: This reflects responses from the 36% of organizations that selected "Agree" or "Strongly Agree" as to whether their organization would be impacted in this area.

POTENTIAL DISRUPTION IN TOTAL REWARDS

EXPECTED INCREMENTAL TOP-LINE REVENUE GROWTH DUE TO AI



FINDINGS

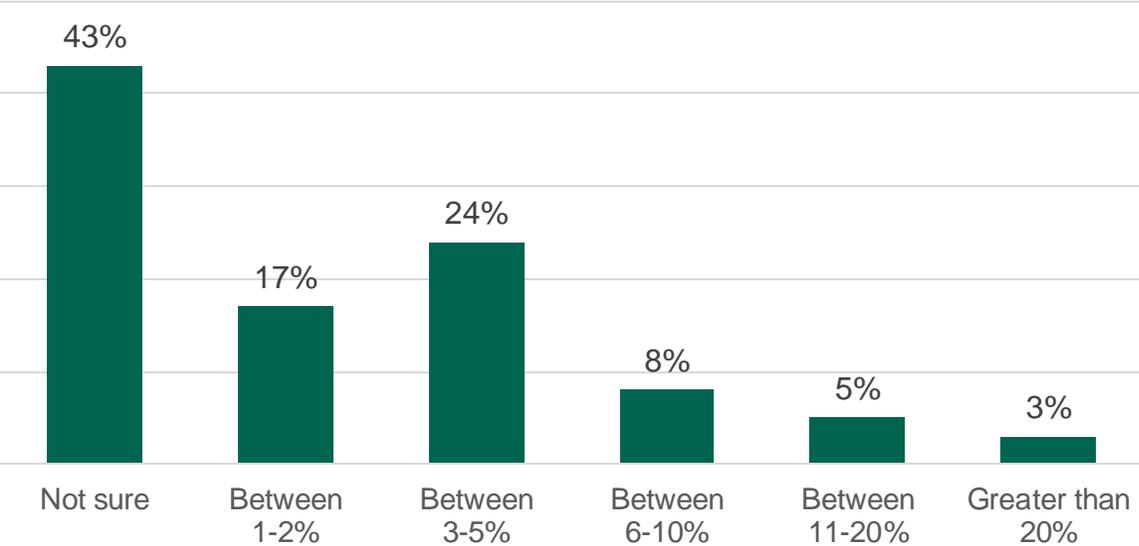
Again, there is a high degree of uncertainty relative to the expected incremental top-line revenue growth due to AI.

For those with a point of view, organizations are, on average, expecting between a 3-5% impact on top-line revenue growth due to AI.

Note: This reflects responses from the 21% of organizations that selected "Agree" or "Strongly Agree" as to whether their organization would be impacted in this area.

POTENTIAL DISRUPTION IN TOTAL REWARDS

EXPECTED PERCENTAGE OF JOBS TO BE ELIMINATED DUE TO POTENTIAL AI DISRUPTION



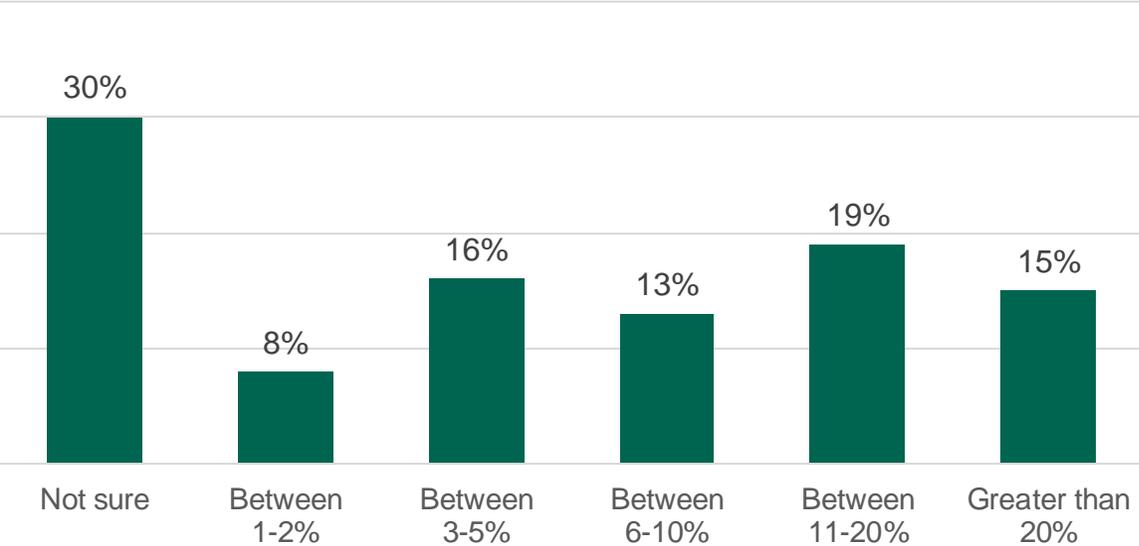
FINDINGS

For those organizations with a perspective, they are, on average, expecting between 3-5% of their roles will be eliminated due to AI disruption.

Note: This reflects responses from the 13% of organizations that selected "Agree" or "Strongly Agree" as to whether their organization would be impacted in this area.

POTENTIAL DISRUPTION IN TOTAL REWARDS

EXPECTED JOBS ADVERSELY IMPACTED BY AI THAT MAY BE RE-LEVELLED OR POTENTIALLY FACE PAY CUTS



FINDINGS

There is also moderate uncertainty relative to the expected percentage of jobs that may need to be re-leveled or face pay reductions due to AI disruption.

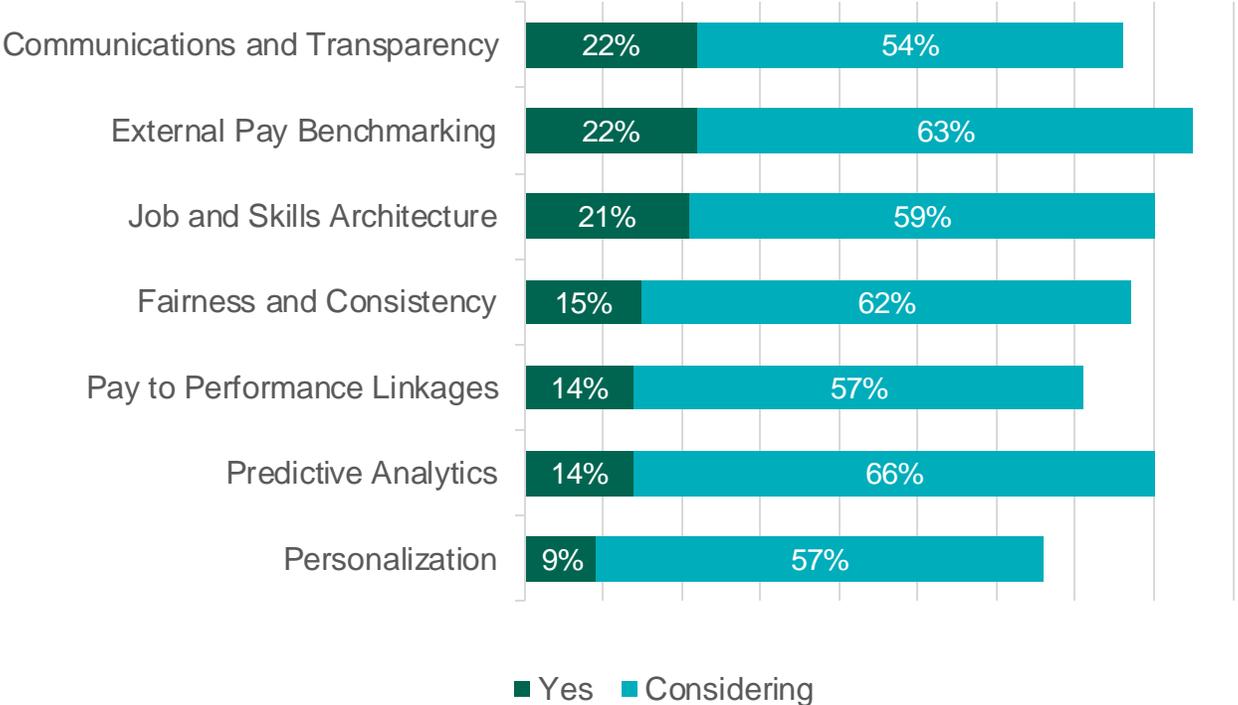
For organizations with a perspective, they are, on average, expecting between 6-10% of their roles will require re-leveling or face pay reductions.

Note: This reflects responses from the 9% of organizations that selected "Agree" or "Strongly Agree" as to whether their organization would be impacted in this area.

USAGE OF AI IN REWARD MANAGEMENT

USAGE OF AI IN REWARD MANAGEMENT SUMMARY

ORGANIZATIONS' CURRENT FOCUS ON THE USE OF AI IN THE MANAGEMENT OF TOTAL REWARDS PROGRAMS



FINDINGS

The impact of AI on reward program management is most significantly focused on supporting communications and transparency of the reward program, external pay benchmarking, and job/skills architecture foundations.

Note: Elements associated with the key areas of current focus highlighted in this chart are detailed in the following slides.



USAGE OF AI IN REWARD MANAGEMENT COMMUNICATIONS

PRIORITIES IN THE USE OF AI TO SUPPORT TOTAL REWARD COMMUNICATIONS

- 55%** Common management inquiries about the Total Reward program
- 54%** Use of automated chatbots to answer common employee questions about the TR program
- 42%** Use of self-service employee Total Reward statements
- 38%** Employee understanding of benefit options (and related costs) to make recommendations based on employee needs
- 33%** Personalized information provision for employees regarding the TR program
- 31%** Analysis of employee feedback on reward programs using AI thematic analysis
- 11%** Access to reward information for those with disabilities

FINDINGS

Among the 22% of organizations that noted "Communications and Transparency" as a current focus, primary areas of support are in communicating around the most frequent reward inquiries, with a focus on automated chatbots and employee self-service.

USAGE OF AI IN REWARD MANAGEMENT EXTERNAL PAY BENCHMARKING

PRIORITIES IN THE USE OF AI IN HELPING COLLECT, ANALYZE, AND REPORT ON RELEVANT EXTERNAL MARKET DATA

- 52%** Collection and analysis of large datasets from multiple sources to create a comprehensive compensation database
- 48%** Identification of trends and prediction of future compensation data based on historical data and market conditions
- 36%** Standardization of job titles, descriptions, and levels across different organizations/surveys
- 35%** Customization of benchmark compensation reporting based on user-defined criteria
- 13%** Real-time external compensation benchmark updates

FINDINGS

Among the 22% of organizations that listed "Total Compensation Benchmarking" as a current focus, primary emphasis is on data aggregation and analysis of multiple external data sources.

This includes quantum of pay surveys and assessment of trends across data sources.

USAGE OF AI IN REWARD MANAGEMENT JOB AND SKILLS ARCHITECTURE

PRIORITIES IN THE USE OF AI IN UNDERSTANDING WORK, JOB DOCUMENTATION, ALIGNING JOB LEVELS, AND ASSESSING SKILLS

- 69%** Development of job descriptions via internal and external sources
- 46%** Matching of skills required for each job to employees or candidates with those skills
- 32%** Development of standard job catalogs, taxonomies, and titles via internal/external sources
- 26%** Assessing skills acquisition and utilization by employees for current and future job-person fit analysis
- 15%** Testing for unconscious gender/race bias in job documentation

FINDINGS

Among the 21% of organizations that noted "Job and Skills Architecture" as a current focus, the most significant areas of interest are in supporting job documentation and skills information management.

USAGE OF AI IN REWARD MANAGEMENT FAIRNESS AND CONSISTENCY

PRIORITIES IN THE USE OF AI TO ENSURE FAIRNESS AND IN REWARD PROGRAM DESIGN AND DELIVERY

- 58%** Models to ensure consistent and equitable pay decisions across the employee life cycle
- 55%** Statistical analysis of cash compensation amounts across employee groups
- 50%** Root cause analyses of pay equity drivers
- 44%** Analysis of talent flow (e.g., hire rates, exit rates, promotion rates) across employee groups
- 27%** Analysis of TR program policies and designs relative to common and best practices
- 20%** Analysis of TR programs of multinational organizations with diverse local TR programs
- 8%** Analysis of reward programs as part of mergers and acquisitions work

FINDINGS

Among the 15% of organizations that noted “Fairness and Consistency” as a current focus, most prevalent opportunities include internal pay equity modeling to ensure consistency in pay treatment and pay amounts.

USAGE OF AI IN REWARD MANAGEMENT PAY TO PERFORMANCE LINKAGES

PRIORITIES IN THE USE OF AI TO SUPPORT THE ALIGNMENT BETWEEN REWARDS AND PERFORMANCE

- 56%** Deeper data-driven insights into employee performance patterns and trends
- 56%** Validation of performance ratings and pay for performance relationships
- 37%** Provision of personalized development plans via analysis of performance data
- 34%** Provision of continuous, real-time performance feedback to employees
- 33%** Automated performance reviews via the analysis of various performance data
- 26%** Testing for unconscious gender/race/age bias in performance ratings

FINDINGS

Among the 14% of organizations that listed "Pay to Performance Linkages" as a current focus, there is a focus on better understanding employee performance trends, validating performance ratings, and ensuring a strong correlation between multiple dimensions of performance and employee compensation elements.

USAGE OF AI IN REWARD MANAGEMENT PREDICTIVE ANALYTICS

PRIORITIES IN THE USE OF AI TO PREDICT EMPLOYEE ENGAGEMENT AND RETENTION RISKS

- 59%** Analysis of historical compensation market trends to forecast future compensation needs
- 43%** Identification of factors that influence employee turnover
- 43%** Forecasts of internal rewards costs and organizational budget needs
- 38%** Analysis of patterns in employee behavior and sentiment as it relates to Total Rewards
- 35%** Prediction of employee performance trends and identification of likely issues before they become significant problems
- 31%** Prediction of how reward program changes impact costs, retention, and engagement
- 21%** Assessment of employee utilization and perceived effectiveness of benefits programs

FINDINGS

Among the 14% of organizations that noted "Predictive Analytics" as a current focus, the dominant focus is on extrapolating market compensation trends to better anticipate future labor cost impacts.

USAGE OF AI IN REWARD MANAGEMENT PERSONALIZATION

PRIORITIES IN THE USE OF AI TO UNDERSTAND AND ENABLE PERSONALIZED REWARDS

- 51%** Performance management programs
- 48%** Base salaries
- 47%** Job design
- 45%** Job leveling
- 40%** Cash-based incentives
- 35%** Career management programs
- 26%** Financial recognition
- 23%** Skills-based pay
- 13%** Non-financial rewards
- 6%** Paid time off / leave management
- 1%** Other

FINDINGS

Among the 9% of organizations that noted "Personalization" as a current focus, there are a number of diverse areas spanning reward management that are seen as opportunities, including performance management, base pay determination, and job architecture.

USAGE OF AI IN REWARD TRANSFORMATION

ASPIRATIONS FOR THE USE OF AI IN REWARD TRANSFORMATION

Respondents were asked to describe, in a sentence or two, how they envision AI transforming their organization's rewards programs over the next several years. Below is a summary of the open-ended comments provided.

- 1. Decision Optimization:** Improve decision-making based on real-time data analysis and predictive insights provided by AI. This enables more informed and accurate decisions that are aligned with market trends and employee needs, optimizing company resources.
- 2. Efficient Communication:** Use chatbots and other AI tools to improve communication with employees about rewards programs. This provides quick and accurate responses to employee questions, improves understanding of rewards programs, and increases employee satisfaction.
- 3. Engagement and Satisfaction:** Boost employee engagement and satisfaction through rewards programs that are better aligned with their expectations and needs. This improves talent retention, increases motivation, and creates a more positive and productive work environment.
- 4. Transparency and Fairness:** Increase transparency and fairness in rewards processes by using data to ensure fair and consistent decisions. This builds trust between employees and the organization, ensuring everyone is rewarded fairly based on objective data.

ASPIRATIONS FOR THE USE OF AI IN REWARD TRANSFORMATION (CONT.)

- 5. Personalization of Benefits:** Use AI to personalize compensation and benefits packages based on individual employee preferences and needs. This enhances employee satisfaction and engagement by offering benefits that are truly valued and relevant to their personal and professional lives.
- 6. Predictive Analytics:** Utilize AI to predict engagement and retention trends by analyzing historical and behavioral employee data. This allows for proactive adjustments to rewards programs, helping to retain talent and improve employee engagement before issues arise.
- 7. Process Automation:** Implement AI to automate repetitive and administrative tasks, such as salary increase calculations, bonus payments, and benefits management. This frees up time for HR teams to focus on more strategic and high-value activities, increasing operational efficiency and reducing human errors.
- 8. Talent Identification and Development:** AI can help identify high-potential employees and offer personalized career development opportunities, improving talent retention and aligning growth with organizational needs.

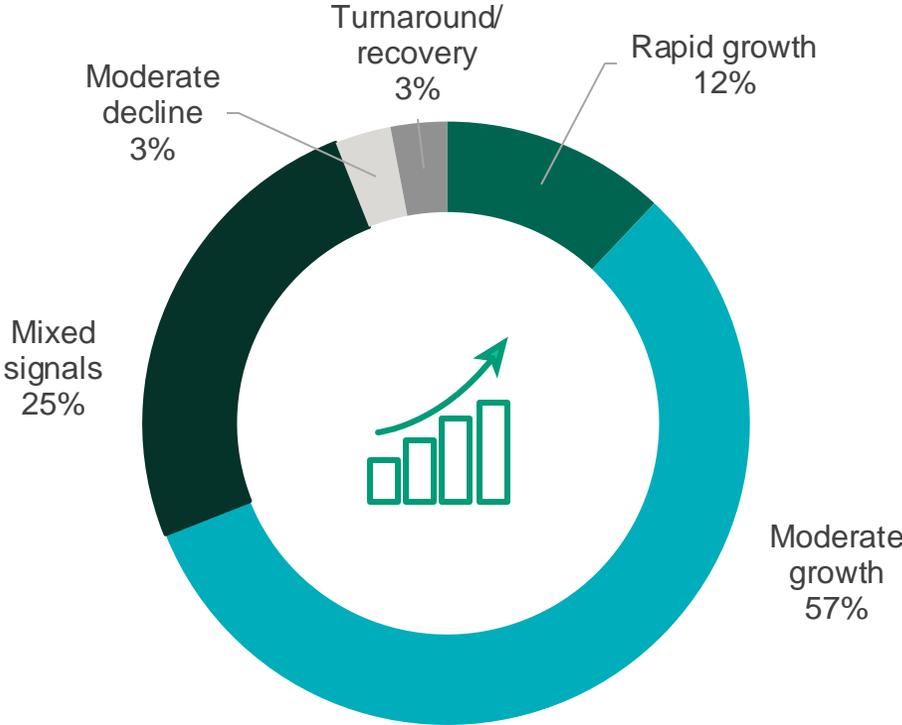
BUSINESS TRENDS



2025 BUSINESS OUTLOOK

2025 BUSINESS PROSPECTS

CURRENT BUSINESS PROSPECTS FOR THE ORGANIZATION



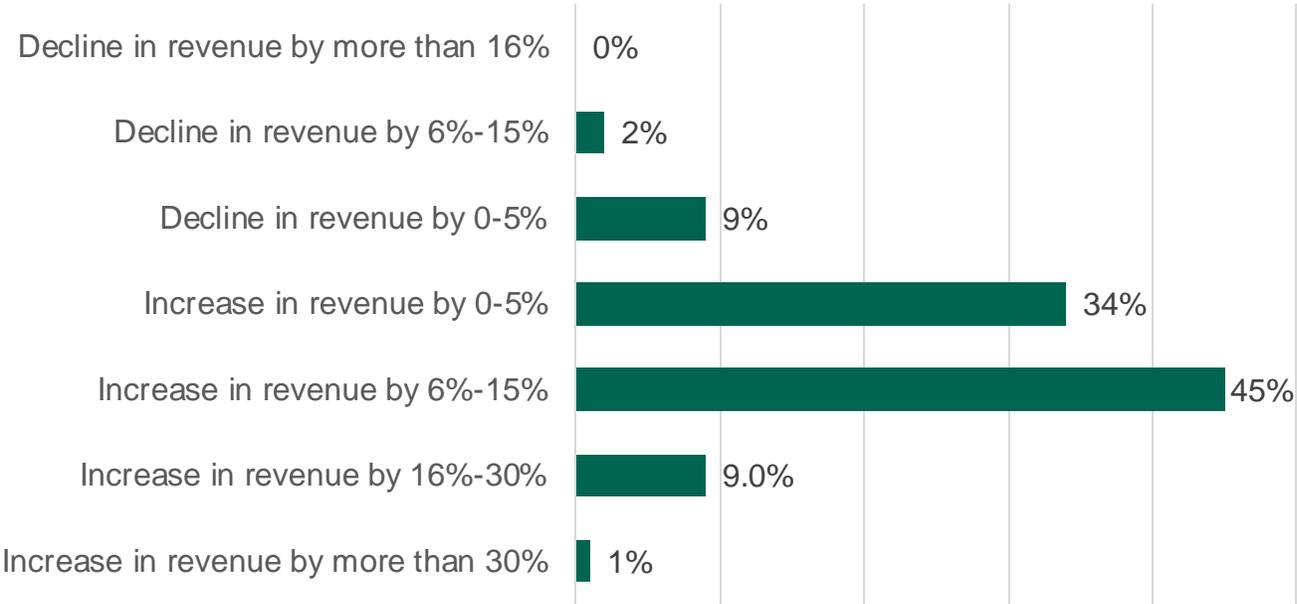
FINDINGS

69% of organizations report that they anticipate moderate-to-rapid growth in 2025.

Organizations reporting growth outnumber those reporting decline by an 11:1 ratio.

2025 REVENUE OUTLOOK

EXPECTED BUSINESS OUTLOOK FOR THE NEXT 12 MONTHS



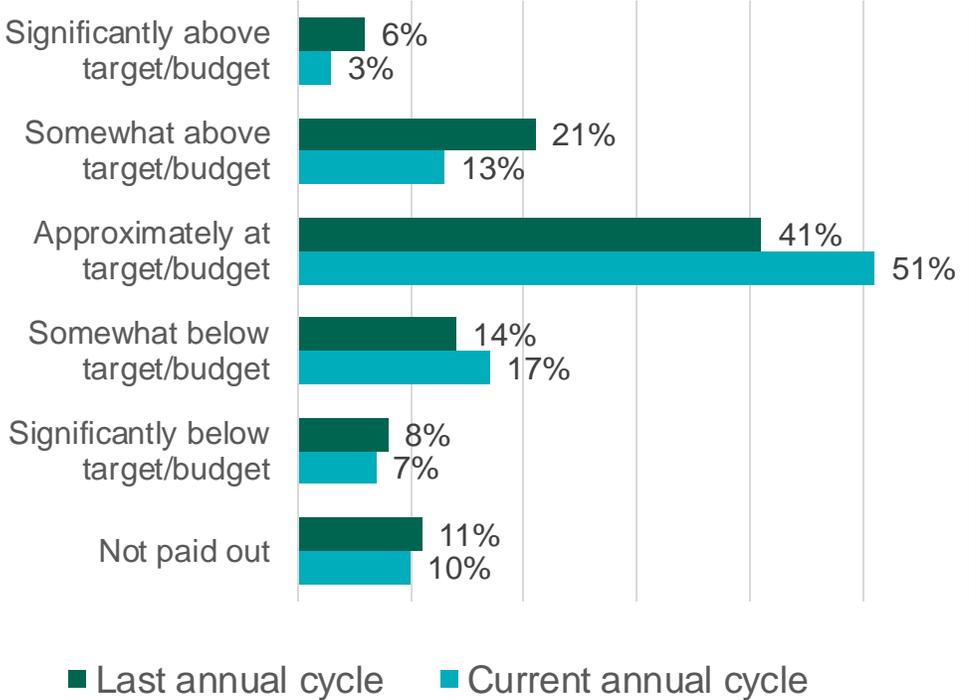
FINDINGS

89% of organizations report that they anticipate revenue growth in the next year.

55% of organizations report anticipated revenue growth of 6% or more in the next year.

MOST RECENT INCENTIVE PAYOUTS

BONUS PAYMENT RELATIVE TO THE TARGET BONUS



Respondents unsure about this year's payment were not included in the above chart.

FINDINGS

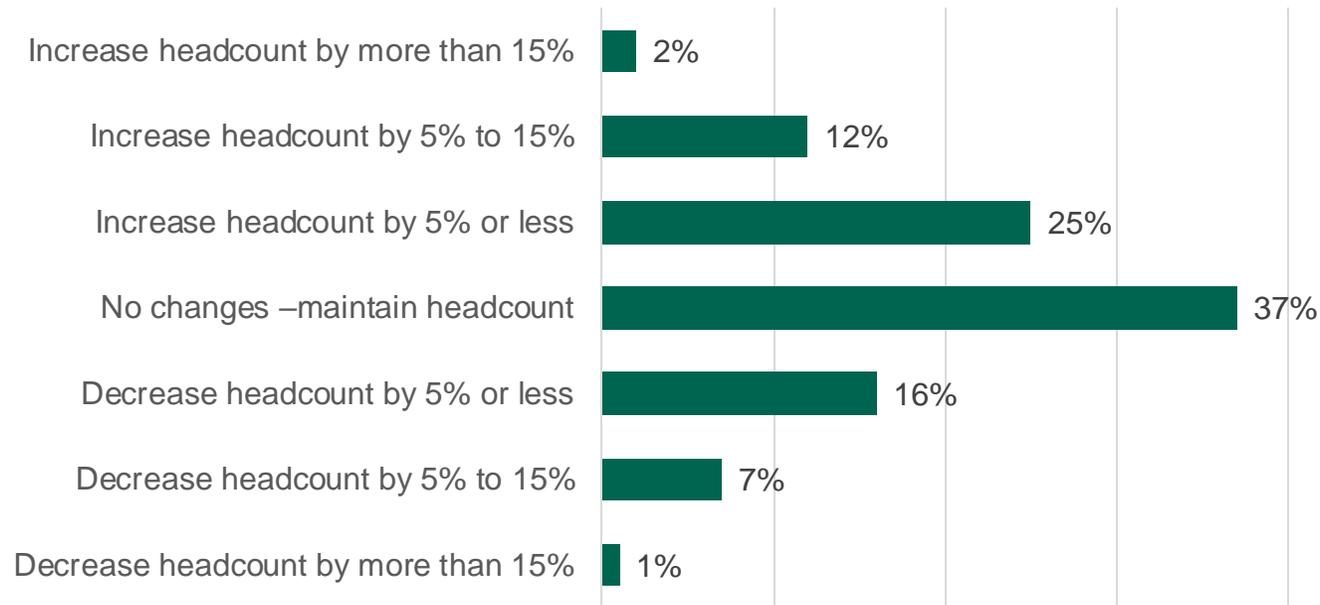
68% paid bonuses/incentives comparable to or above the target in the previous fiscal year, while **67%** anticipate paying bonuses/incentives comparable to or above the target this fiscal year.

These findings are generally in line with the previous research from October 2024 (at 70% and 63%, respectively).

EMPLOYEE TURNOVER

EMPLOYEE TURNOVER

PLANNED CHANGES TO EMPLOYEE HEADCOUNT IN 2025



FINDINGS

A strong majority of organizations **(78%)** anticipate 2025 employee headcounts to be within +/- 5% of 2024 levels. There is a skew toward organizations increasing (vs. decreasing) their staffing levels in 2025.

TOTAL EMPLOYEE TURNOVER

The following table provides the median and average employee turnover percentages reported by survey respondents. **Total Employee Turnover** includes every type of departure, from layoffs to firings, while **Voluntary Employee Turnover** reflects only self-initiated exits.

Country	All Employees	
	Med. (%)	Avg. (%)
Argentina	7.8	11.0
Australia	13.6	15.3
Belgium	10.0	11.0
Brazil	13.8	19.1
Canada	10.0	12.0
Chile	13.0	14.3
China	8.8	10.9
Colombia	12.0	15.0
Czech Republic	10.2	10.4
Ecuador	10.6	12.5
France	8.6	11.8
Germany	11.9	12.5
Hong Kong, China	12.9	15.0
Hungary	12.0	15.1
India	12.0	14.5

Country	All Employees	
	Med. (%)	Avg. (%)
Indonesia	10.0	10.9
Ireland	7.9	15.0
Italy	7.1	10.0
Japan	12.0	13.5
Malaysia	10.0	11.9
Mexico	13.4	17.7
Netherlands	12.0	17.1
New Zealand	13.6	14.4
Norway	9.8	14.5
Peru	9.0	17.8
Philippines	13.0	16.3
Poland	13.0	16.1
Portugal	11.0	17.6
Romania	11.4	12.1
Saudi Arabia	18.0	20.5

Country	All Employees	
	Med. (%)	Avg. (%)
Singapore	10.8	13.8
Slovakia	10.0	11.7
South Africa	10.9	13.2
South Korea	17.0	20.0
Spain	8.0	13.4
Sweden	14.3	20.1
Switzerland	10.7	16.4
Taiwan, China	10.5	13.4
Thailand	10.6	13.3
Turkey	15.0	21.3
Ukraine	12.4	17.6
United Arab Emirates	9.6	11.9
United Kingdom	12.7	13.2
United States of America	13.0	18.0
Vietnam	14.8	15.7

*Data reported for countries with a minimum of 12 responses.
Zero values have been excluded from the sample.*

VOLUNTARY EMPLOYEE TURNOVER

The following table provides the median and average employee turnover percentages reported by survey respondents. **Total Employee Turnover** includes every type of departure, from layoffs to firings, while **Voluntary Employee Turnover** reflects only self-initiated exits.

Country	All Employees	
	Med. (%)	Avg. (%)
Argentina	3.8	5.9
Australia	10.5	11.6
Belgium	7.0	8.2
Brazil	6.5	10.1
Canada	6.8	8.1
Chile	5.6	6.4
China	5.4	7.4
Colombia	6.0	8.7
Czech Republic	6.2	6.6
France	5.0	7.9
Germany	5.2	8.0
Hong Kong, China	12.0	12.9
Hungary	8.5	10.5
India	10.0	12.1
Indonesia	4.5	5.7

Country	All Employees	
	Med. (%)	Avg. (%)
Ireland	6.4	15.3
Italy	4.4	6.9
Japan	9.0	10.4
Malaysia	8.6	9.8
Mexico	6.8	8.9
Netherlands	8.5	12.2
New Zealand	10.0	11.5
Peru	5.0	11.4
Philippines	11.0	11.7
Poland	7.6	10.5
Portugal	4.4	5.1
Romania	8.0	11.2
Saudi Arabia	11.9	13.8
Singapore	9.2	11.3
South Korea	12.3	14.3

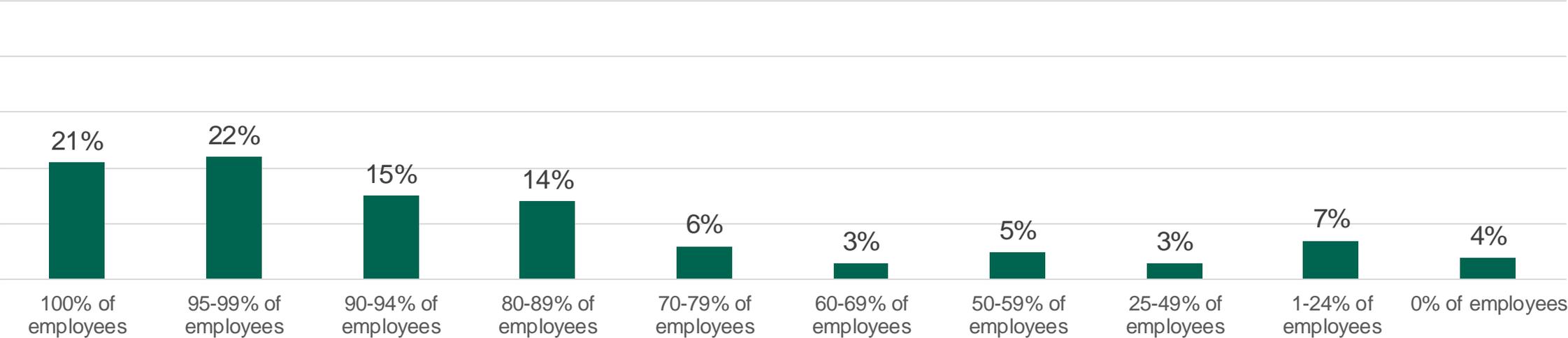
Country	All Employees	
	Med. (%)	Avg. (%)
Spain	6.0	7.1
Switzerland	5.8	11.5
Taiwan, China	9.8	12.2
Thailand	10.0	11.7
Turkey	10.0	12.9
Ukraine	7.5	11.3
United Arab Emirates	7.0	8.6
United Kingdom	9.1	10.3
United States of America	9.0	12.8
Vietnam	12.0	13.5

Data reported for countries with a minimum of 12 responses.
Zero values have been excluded from the sample.

2025 BASE SALARY INCREASE FORECASTS

2025 BASE SALARY INCREASE FORECASTS

% OF EMPLOYEES RECEIVING SALARY INCREASES IN 2025



Globally, annual salary increases are received by most employees in a majority of organizations. **43%** of organizations will provide increases to at least **95%** of its employees. **72%** of organizations will provide increases to at least **80%** of its employees. These participation rates are slightly lower than our previous forecast (Oct '24) when 80% of organizations reported providing increases to 80% of employees.

2025 BASE SALARY INCREASE FORECASTS

TOTAL SALARY INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Australia	3.5	3.7	3.5	3.5	3.5	3.5
Austria	3.5	3.6	3.4	3.4	3.4	3.5
Belgium	3.5	3.4	3.6	3.5	3.5	3.3
Brazil	5.0	4.9	5.0	5.0	5.0	5.0
Canada	3.5	3.6	3.4	3.5	3.5	3.5
Chile	5.0	4.8	5.0	5.0	4.5	5.1
China	5.0	4.3	5.0	5.0	5.0	4.9
Colombia	6.0	5.9	6.0	6.0	6.0	6.2
Costa Rica	4.5	4.3	4.5	4.3	4.3	4.6
Czech Republic	4.2	4.3	4.1	4.2	4.2	4.2
Denmark	3.3	3.4	3.3	3.3	3.2	3.3
Ecuador	3.0	3.2	3.0	3.0	3.0	-
Egypt	20.0	20.0	21.8	20.3	19.0	19.0
Finland	3.0	3.2	3.0	3.0	3.0	-
France	3.0	2.9	3.0	3.0	3.0	3.0

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

TOTAL SALARY INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Germany	3.0	3.2	3.0	3.0	3.1	3.2
Guatemala	5.0	4.3	-	5.0	5.0	-
Hong Kong, China	4.0	3.8	4.0	4.0	4.0	4.0
Hungary	6.8	6.5	6.0	6.7	7.0	7.0
India	9.3	8.9	9.0	9.3	9.5	9.4
Indonesia	6.0	5.5	5.7	5.9	5.9	6.0
Ireland	3.6	3.8	3.6	3.6	3.6	3.7
Italy	3.2	3.5	3.1	3.3	3.2	3.3
Japan	3.0	3.2	3.0	3.0	3.0	3.0
Kazakhstan	8.3	7.8	-	8.3	-	-
Luxembourg	3.0	3.3	-	3.0	-	-
Malaysia	5.0	4.6	5.0	5.0	5.0	5.0
Mexico	5.0	5.3	5.0	5.0	5.0	5.4
Netherlands	3.8	3.8	3.8	3.8	3.8	3.8
New Zealand	3.1	3.2	3.0	3.2	3.1	3.4

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

TOTAL SALARY INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Norway	4.0	4.0	3.9	4.0	4.0	4.0
Panama	3.5	3.4	-	3.5	3.5	-
Peru	4.5	4.2	4.5	4.5	4.6	4.8
Philippines	5.2	4.8	5.3	5.2	5.1	5.2
Poland	6.0	5.8	6.0	6.0	6.0	6.0
Portugal	3.5	3.6	3.3	3.5	3.5	3.5
Romania	6.5	6.6	6.5	6.3	6.6	6.8
Saudi Arabia	4.3	5.3	4.3	4.3	4.3	4.3
Singapore	4.0	4.4	4.0	4.0	4.0	4.0
Slovakia	5.0	5.1	4.5	5.4	4.8	5.0
South Africa	5.9	5.7	5.5	6.0	5.9	5.5
South Korea	4.5	4.2	4.5	4.4	4.5	4.5
Spain	3.0	3.1	3.0	3.0	3.0	3.0
Sweden	3.3	3.4	3.3	3.2	3.2	3.3
Switzerland	2.5	2.5	2.5	2.5	2.5	2.5

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

TOTAL SALARY INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Taiwan, China	4.0	4.3	4.0	4.0	4.0	4.0
Thailand	5.0	5.0	5.0	5.0	5.0	5.0
Turkey	35.0	35.0	35.0	35.0	35.0	35.0
Ukraine	10.0	10.9	10.0	10.0	10.0	13.5
United Arab Emirates	4.3	4.7	4.3	4.2	4.2	4.4
United Kingdom	3.5	3.6	3.5	3.5	3.5	3.5
United States of America	3.5	3.6	3.5	3.5	3.5	3.5
Uruguay	5.3	5.2	6.0	6.3	-	-
Vietnam	7.0	6.6	6.6	7.0	7.0	7.0

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

COST OF LIVING / LEGALLY REQUIRED INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Australia	3.0	2.8	3.0	3.0	3.0	3.0
Belgium	3.1	2.9	3.3	3.1	3.3	3.1
Brazil	4.5	4.9	4.5	4.5	4.5	4.5
Canada	2.5	2.6	-	2.7	2.5	2.5
Chile	4.0	4.2	4.0	4.0	4.0	4.0
China	3.0	4.6	3.0	3.0	3.0	3.0
Colombia	5.2	5.3	5.2	5.2	5.2	5.2
France	1.8	1.8	-	1.7	-	1.8
Hong Kong, China	2.0	2.2	-	2.3	-	-
Hungary	4.0	4.3	3.7	4.0	4.0	4.0
India	5.4	6.5	-	7.0	6.2	5.0
Italy	1.9	1.8	-	1.8	1.5	2.0
Malaysia	3.5	3.8	3.5	3.5	3.8	3.5
New Zealand	3.0	2.7	-	-	-	3.0
Peru	3.0	3.0	3.0	3.0	3.0	-

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

COST OF LIVING / LEGALLY REQUIRED INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Singapore	3.0	3.0	3.0	3.0	3.0	3.0
Spain	2.5	2.5	2.5	2.5	2.5	2.5
Thailand	2.0	3.8	2.0	2.1	2.1	2.0
Turkey	30.0	30.9	30.0	30.0	30.0	30.0
Ukraine	12.9	14.5	12.5	-	-	-
United Arab Emirates	3.0	4.8	3.2	3.2	3.2	-
United Kingdom	2.5	2.6	2.5	2.5	2.5	2.8
United States of America	3.0	2.9	3.0	3.0	3.0	3.0

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

MERIT INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Australia	3.5	3.4	3.5	3.5	3.5	3.5
Austria	3.1	3.1	3.3	3.1	3.3	-
Belgium	2.2	2.1	2.2	2.0	2.1	2.2
Brazil	3.0	3.7	3.0	3.0	3.0	3.0
Canada	3.0	3.0	3.0	3.0	3.0	3.0
Chile	3.2	3.6	3.2	3.2	3.1	3.5
China	4.5	4.9	4.6	4.6	4.5	4.5
Colombia	5.0	4.5	5.0	5.0	5.0	5.6
Costa Rica	3.7	3.6	-	3.7	-	-
Czech Republic	4.0	4.1	4.0	4.0	4.0	4.0
Denmark	3.5	3.2	3.3	3.3	3.3	-
Ecuador	3.0	3.2	-	3.0	-	-
Finland	3.0	2.8	2.5	-	-	-
France	3.0	2.8	3.0	2.8	2.9	2.9
Germany	3.0	2.9	3.0	3.0	3.0	3.0

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

MERIT INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Hong Kong, China	3.7	3.5	3.5	3.9	3.6	3.8
Hungary	6.5	6.4	6.5	6.3	6.5	6.5
India	9.0	8.4	8.8	9.0	9.0	9.0
Indonesia	5.0	5.2	5.0	5.1	5.0	5.3
Ireland	3.1	3.5	3.2	3.2	3.0	3.3
Italy	3.0	3.0	3.0	3.0	3.0	3.0
Japan	3.0	2.9	3.0	3.0	3.0	3.0
Malaysia	5.0	4.4	5.0	5.0	5.0	5.0
Mexico	5.0	4.7	5.0	5.0	4.8	5.0
Netherlands	3.4	3.2	3.5	3.2	3.4	3.2
New Zealand	3.0	3.0	3.0	3.0	3.0	3.1
Norway	3.5	3.4	3.5	3.5	3.5	3.5
Peru	4.0	8.6	4.0	4.4	4.0	4.2
Philippines	5.0	4.7	5.0	5.0	5.0	5.0
Poland	5.9	5.2	5.9	5.8	5.3	6.0

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

MERIT INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Portugal	3.0	2.9	3.0	3.0	3.0	3.0
Romania	6.0	5.4	6.0	6.0	6.0	6.0
Saudi Arabia	4.0	5.0	3.8	4.0	4.0	4.0
Singapore	4.0	3.7	4.0	4.0	4.0	4.0
Slovakia	4.5	4.0	-	5.0	4.4	-
South Africa	5.0	5.3	5.0	5.0	5.0	-
South Korea	4.2	8.0	4.3	4.2	4.2	4.3
Spain	3.0	2.8	3.0	3.0	3.0	3.0
Sweden	3.0	3.0	3.0	3.0	3.0	3.0
Switzerland	2.5	2.2	2.3	2.5	2.5	2.5
Taiwan, China	4.0	4.0	4.0	4.0	4.0	4.0
Thailand	4.5	4.4	4.9	4.5	4.5	4.7
Turkey	20.0	23.5	21.5	22.0	20.0	18.5
Ukraine	10.0	10.6	9.8	10.0	10.4	10.4
United Arab Emirates	3.9	3.7	3.4	4.0	3.7	4.0

Data reported for countries with a minimum of 12 participants.



2025 BASE SALARY INCREASE FORECASTS

MERIT INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
United Kingdom	3.0	3.2	3.0	3.0	3.0	3.0
United States of America	3.2	3.3	3.3	3.2	3.2	3.0
Vietnam	6.7	6.2	6.3	6.7	6.9	7.0

Data reported for countries with a minimum of 12 participants.



ADDITIONAL RESOURCES

ADDITIONAL RESOURCES FROM KORN FERRY



Korn Ferry Pay is an easy-to-use solution to help you keep track of compensation and benefits developments in the market and give you the tools you need to benchmark and maintain Total Rewards programs.

[Explore Korn Ferry's Total Rewards Program for Employees.](#)

For more information on how we can help you optimize your Total Rewards program, to attract and retain top talent, contact us today.

[Contact us](#)

Resources:

- Read our most recent [Global Total Rewards Pulse Survey – Emerging Trends](#), conducted in November 2024.
- [Access our comprehensive resources on Pay Transparency](#) – A guide to understanding and implementing equitable compensation practices for a more transparent workplace.
- [Master your Total Rewards strategy with our guide](#), designed to help leaders craft tailored solutions that tackle the most challenging organizational and talent issues.

CONTACT US

Global	Todd McGovern	Todd.McGovern@kornferry.com
	Tom McMullen	Tom.McMullen@kornferry.com
North America	Ronald Seifert	Ron.Seifert@kornferry.com
	Steve Hoffman	Steven.Hoffman@kornferry.com
Europe, Middle East, & Africa	Serkan Sener	Serken.Sener@kornferry.com
	Vijay Gandhi	Vijay.Gandhi@kornferry.com
Asia & Pacific	Kartikey Singh	Kartikey.Singh@kornferry.com
	Farhan Mahmoud	Farhan.Mahmoud@kornferry.com
South America	Vinicius Luca	Vinicius.Luca@kornferry.com
	Carlos Siqueira	Carlos.Siqueira@kornferry.com
Mexico & Central America	Jorge Ibarra	Jorge.Ibarra@kornferry.com
Other Queries	KornFerryPayServices@kornferry.com	



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Career makers.

RESEARCH REPORT

