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From Secrets to Strategy: The Changing Landscape of Compensation

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Compensation and total rewards are among the fastest-changing areas in our modern workplace —

redefining how organizations compete for, reward, and retain talent.

How are your employee's expectations around total rewards and compensation changing?




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i < group_info->nblocks; i++) {
int cp_count = min(NGROUPS_PER_BLOCK, count);
int len = cp_count * sizeof(*grouplist);
return group_info;
out_undo_partial_alloc:
while (--i >= 0) {
free_page((unsigned long)group_info->blocks[i]);
}
kfree(group_info);
return NULL;
}

Market data shows what the market pays today.

Our job is to decide where and how we want to compete.

Market Data

Market pay is a signal, not a mandate - use it to inform strategy, not to set autopilot compensation.



What we see: Market medians move unevenly by role, geography, and industry; some jobs command persistent premiums while others align with internal ranges.

Bottom line: Targeted, evidence-based adjustments beat one size fits all increases— spend where the market is pulling talent away.

Compensation data isn’t what it used to be—it's faster, more dynamic, and increasingly shaped by AI and real-time inputs.

How are you adapting your pay strategies as the data landscape evolves?








Reports
Income
Expense
Monthly
Outcome
3245.99
Visitors
127,775
Total
$538,766.98
Orders
533,335
Ads
123,745

Pay transparency is a non-economic factor that has a **massive impact** on the compensation market.

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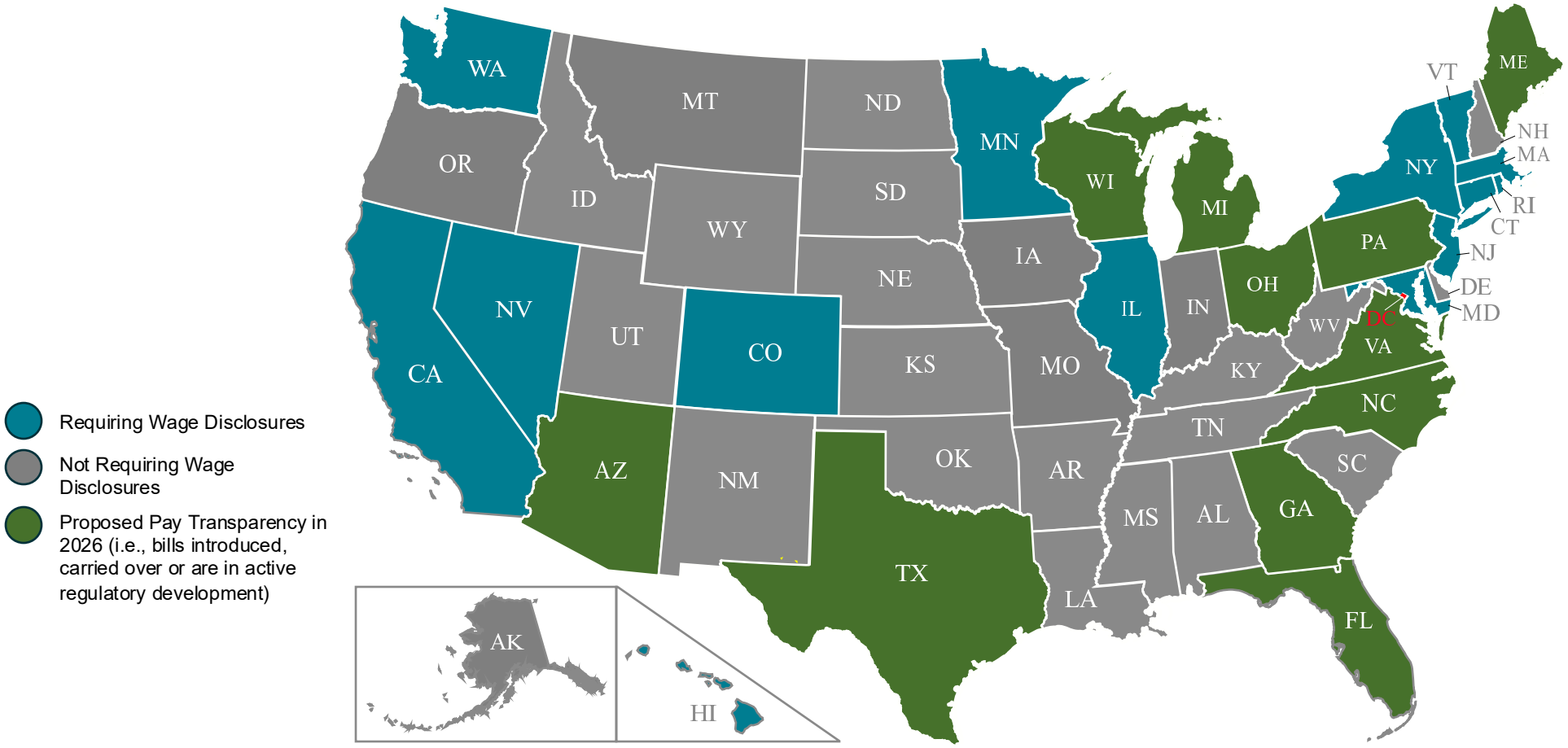
Current State of Pay Transparency

States Requiring or Proposing Required Wage Disclosure to Applicants and/or in Job Postings



[Salary Transparency Laws Expanding to 12 New States in 2026 | The Daily Hire]

[US Pay Transparency Laws by State [2026 Compliance Guide]]

Employees are becoming more knowledgeable about compensation and total rewards and are expecting a higher level of transparency from their employers.

Identify Your Path Toward Transparency

I think I know how much I get paid

I know my own pay range and how my pay is determined within that range

I know what jobs pay throughout my organization

I know how and what everyone gets paid



Compensation is more than just money – it’s a matter of fairness and trust.

It’s all about perspective



- Senior employees believe their compensation fair.
- Entry-level employees don’t feel the same way.
- 23% of entry-level employees feel their compensation is unfair.



Download the Report Here! Aon 2025 Employee Sentiment Study

It’s all about perspective



- A gender gap exists.
- Men are more likely than women to believe their compensation fair.



Download the Report Here! Aon 2025 Employee Sentiment Study



You can’t value what you don’t understand.

Compensation Communication

- Employees will develop their own opinions if you don’t communicate with them directly about pay
- It’s easier for employees to gather salary information online (for better or worse)



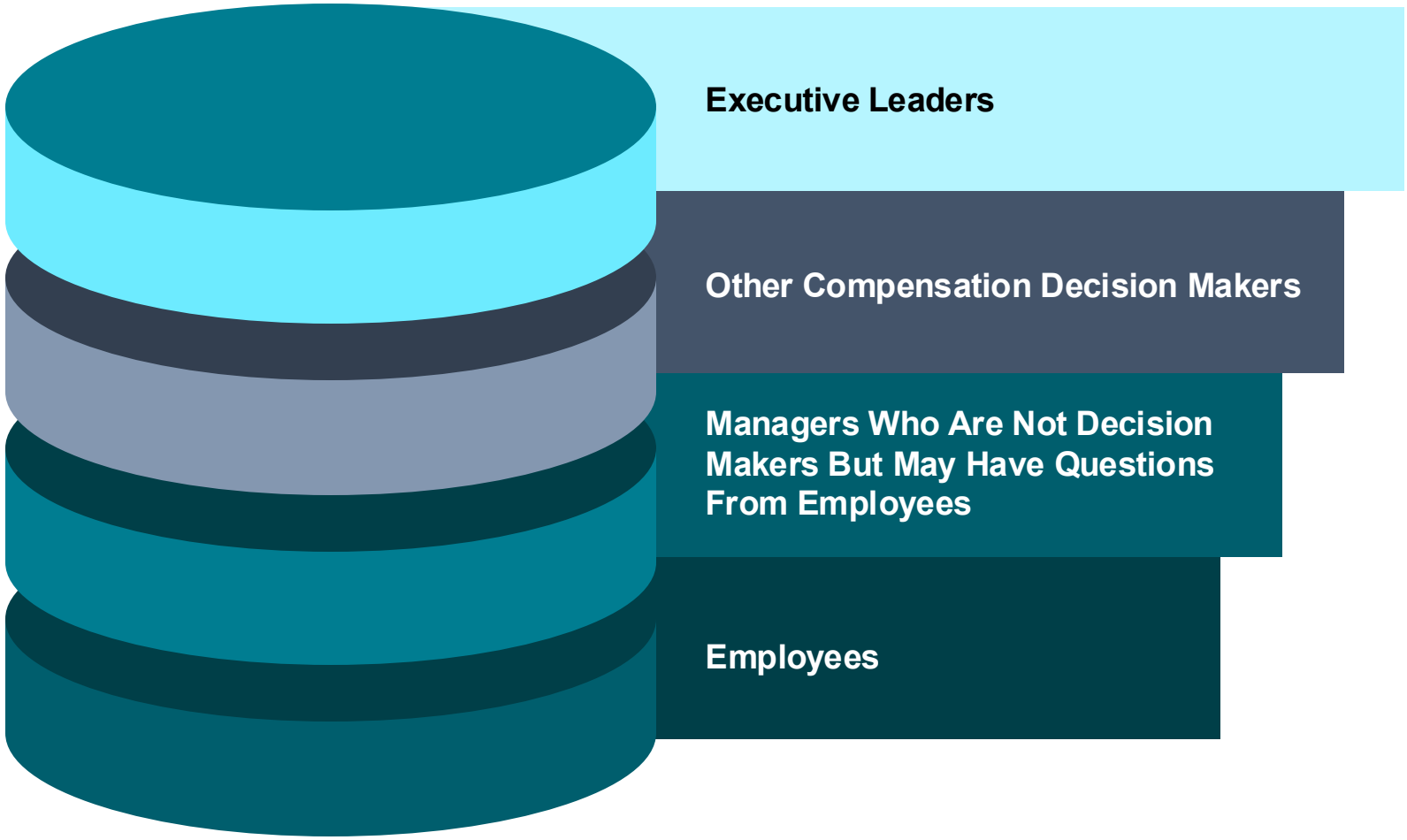
When it comes to pay, who do you think is shaping the conversation in your organization?

Is it leadership, employees, or even ChatGPT?

What kind of communication do you think helps build trust and clarity around compensation?



What do people need to know?



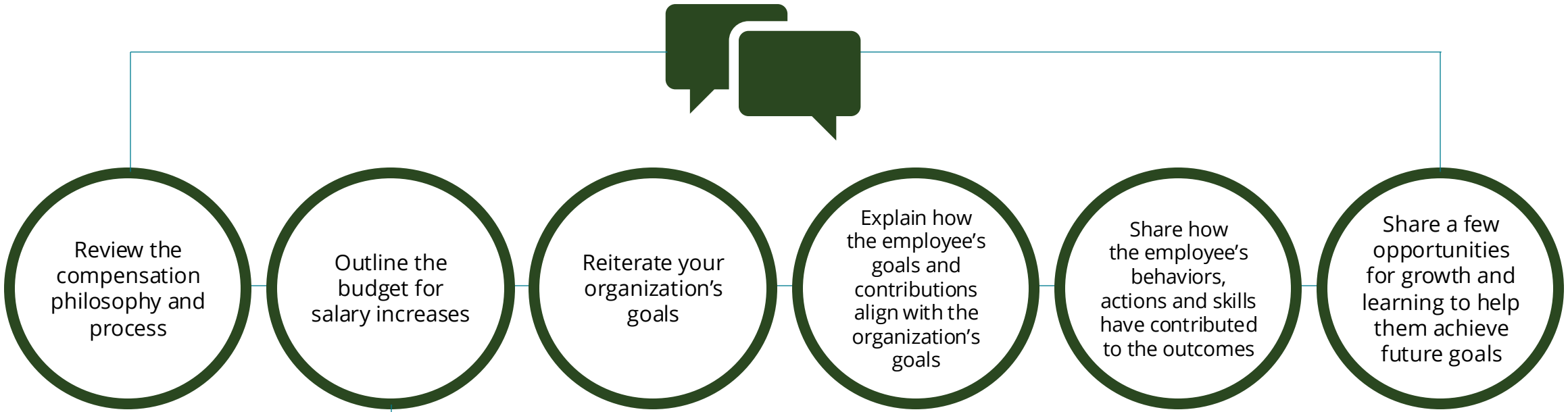
Comprehensive and detailed information for strategic decision-making.

Summarized data and detailed program specifics for consistent implementation.

Program overview, policies, and guidelines for effective communication with employees – equip them to answer basic questions.

Clear and concise information focusing on personal impact and support resources.

Structuring a Meaningful Compensation Conversation



- Prepare talking points for why inflation is different than salary increases
- Maintain empathy around the "real wage squeeze" employees are feeling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The goal isn’t to be the highest payer. The goal is for your employees to feel that their pay is fair and to trust the process behind it.





So, if it’s not all about the money, it’s about…

Not All Currency is Equal

What's a dollar of base salary worth in:

- Benefits
- Time off
- Annual incentive
- Long-term incentive
- Retirement dollars
- Short commute
- Free parking
- Recognition awards
- Fitness program
- Being a part of the decisions or solutions, etc.?



Survey Your Employees & Tailor Your Programs



Money talks, but benefits and culture make the difference.

Total Rewards Halo™

NFP's framework for Total Rewards strategy



Strategic Questions



Where do we want to compete?



How competitive do we need to be?



What are we choosing to reward?



Who your competition is for business and for talent?



What role should compensation and benefits play in the total rewards offering?

Relationship Between Compensation and Benefits



- Compensation is foundational and needs to be competitive despite the richness of benefits plans.
- Different employees will value benefits in different ways.
- **For example, employees at lower pay grades will typically value compensation more than benefits – especially in light of the "real wage gap."**
- Consider an employee making $18.00/hour. Compensation is key as they are focused on paying bills and meeting immediate needs vs. benefits.
- Compared to a leader making $90,000. Benefits can take more prominence, as they may be focused more on areas such as life insurance and saving for retirement.

Key Takeaways

1. Be Targeted, Not Broad

Broad pay freezes or across-the-board raises are costly and ineffective. Use market data to direct spend where competition for talent is fiercest — and address wage compression before it becomes a retention crisis.

2. Lead the Conversation

If you don’t control the narrative on total rewards, employees will fill the gap on their own. Equip managers with clear talking points, be transparent about how pay decisions are made, and build trust through ongoing communication.

3. Think Beyond Base Pay

Compensation is foundational, but a total rewards approach — benefits, well-being, development, and culture — gives you more levers to attract and retain talent. Survey employees to learn what they actually value most.

Connect with Me!



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Scan the QR code to add me on LinkedIn!

PLAN AHEAD:

Compensation Strategies for 2027

Featuring

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Abby Clegg
Assistant Vice President, Compensation, NFP

Planning with purpose is key to staying competitive and compliant in today's evolving market.

What We'll Cover:

- Latest market data for 2027 pay trends and how to apply it
- Effective utilization of annual budgets and planning range adjustments
- Adjusting your pay ranges
- Navigating evolving pay transparency and individual equity
- Internal equity considerations

SHRM-CP Eligible
1 General PDC Hour Approved

Scan to register!

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Compensation Bootcamp Series

Are you looking for more in-depth compensation training?

NFP hosts a Spring and Fall Bootcamp series. This engaging and informative program will give you the opportunity to learn about compensation from a team of nationally recognized experts.

During this 9-week education series, our compensation consulting team will walk you through both basic and advanced compensation frameworks, strategies and philosophies. It is SHRM-certified!

We will provide training on topics such as:

- Job Analysis
- Market Analysis and Benchmarking
- Developing Pay Structures
- How to Make Individual Pay Decisions in a Pay Structure
- Annual Increase Cycles/Compensation Challenges
- Variable Pay
- Total Rewards and Communication
- Pay Equity and Pay Transparency

$2,500 investment – waived for today's attendees!





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