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WELCOME TO PAY TRENDS 2026

Supercharging Talent for the Next Era of Work

29th January 2026



Introducing Your Speakers

INNECTO



Justine Woolf

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Innecto



Simon Cook

Lead Consultant,
Innecto



Holly Coe

Senior Reward Consultant,
Innecto



Sheila Attwood

Senior Content Manager,
Brightmine

Meet Your Panellists

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Sarah Lardner

Consultant & Director of
Business Innovation,
Innecto



Simon Haines

Partner and Head of
Talent Analytics,
AON



Julian Daley

Global Senior
Compensation Manager,
Freshfields



Emma Rudd

Senior People Leader,
Fractional CPO &
Consultant

Agenda

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09:00 – 09:05	Introductions Justine Woolf	10:20 – 10:30	Break
09:05 – 09:20	Market Insights & Pay Trends Sheila Attwood	10:30 – 11:20	Panel Discussion Led by Sarah Lardner
09:20 – 09:40	Reward Trends Holly Coe & Simon Cook	11:20 – 11:30	Wrap up and Close Sarah Lardner
09:40 – 10:00	Levering Career Pathways Justine Woolf	11:30	Main Event Ends
10:00 – 10:20	Roundtables	11:45 – 12:45	Roundtables for Surveys & Pathfinder Demo

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Pay Awards

2025 review and 2026 predictions



Presented by:

Sheila Attwood

Senior Content Manager, Brightmine



About us



HR & Compliance Centre

Revolutionise your organisation's people, processes and HR strategy with the world's most comprehensive collection of HR resources, spanning the entire employee lifecycle.



Compensation Planning

Motivate employees, increase attraction and boost employee retention rates with fair and competitive compensation planning informed by the most robust data set in the UK.



Pay Equity Analytics

Improve talent engagement, achieve pay equity and reduce risk with data and insights that give HR and compensation leaders the power to create proactive strategies.

- Employer practice surveys
- Podcasts
- Webinars
- Commentary and insights
- Pay settlement data

Pay data collection

The screenshot displays the Brightmine HR & Compliance Centre website. The page is titled "Survey analysis" and features a navigation menu with "Home", "Topics", and "Resource types". A search bar is located at the top right. The main content area is divided into three columns. The left column contains text about the Survey research centre and a call to action to "Take part in our surveys". The middle column displays two key statistics: "1 in 5" for employees with line management responsibilities (median) and "3.0%" for the median forecasted pay award for 2026. The right column shows a horizontal bar chart titled "How frequently probationary" with five categories: "Rarely or never" (17.1%), "In fewer than 15% of cases", "In 15-25% of cases" (15.0%), "In more than 25% of cases" (3.3%), and "Not sure" (4.5%).

United Kingdom Help and support

brightmine HR & Compliance Centre

Type here to search

Home Topics Resource types Take a FREE trial Log in

Survey analysis Search within Survey analysis

Survey analysis Item

Go to section Print Email Share

Survey research centre

At Brightmine, we conduct in-depth research to provide HR professionals with valuable insights and data-driven solutions. Our surveys cover all aspects of HR practice, helping you make informed decisions and stay ahead in the ever-evolving HR landscape.

Explore the [complete list of survey reports here](#) and access the full data from all of our surveys on [Benchmarking - HR Metrics](#).

Take part in our surveys

Take part in our survey programme and gain insights into HR practices from other organisations. Surveys are currently open on the following topics:

- [Forecasts for pay awards in 2026](#)
- [Retention and labour turnover](#)

1 in 5

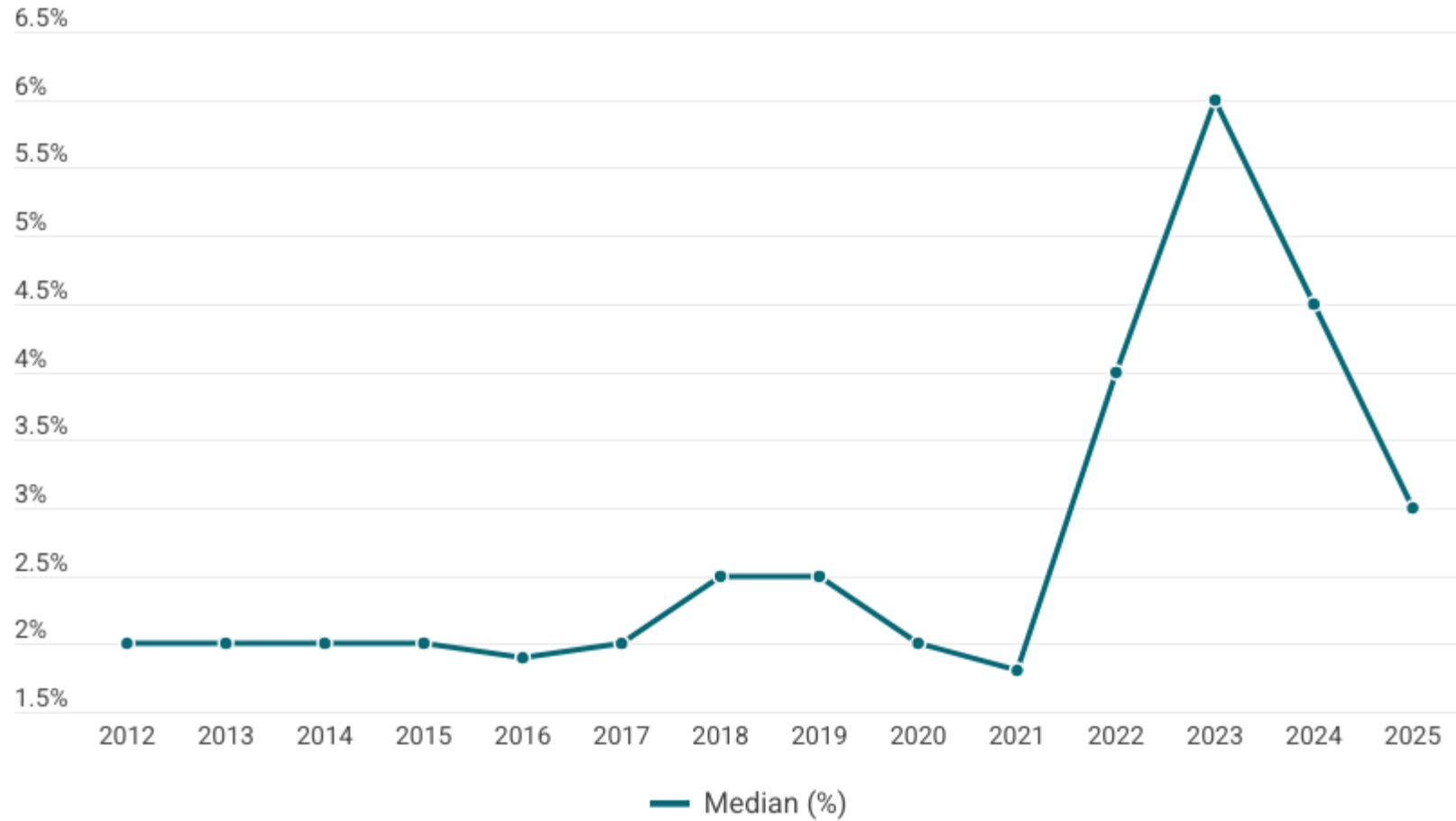
Employees with [line management responsibilities](#) (median).

3.0%

Median [forecasted pay award](#) for 2026.

Frequency	Percentage
Rarely or never	17.1%
In fewer than 15% of cases	
In 15-25% of cases	15.0%
In more than 25% of cases	3.3%
Not sure	4.5%

Historical pay award data



2025 pay awards

Median pay award
this year

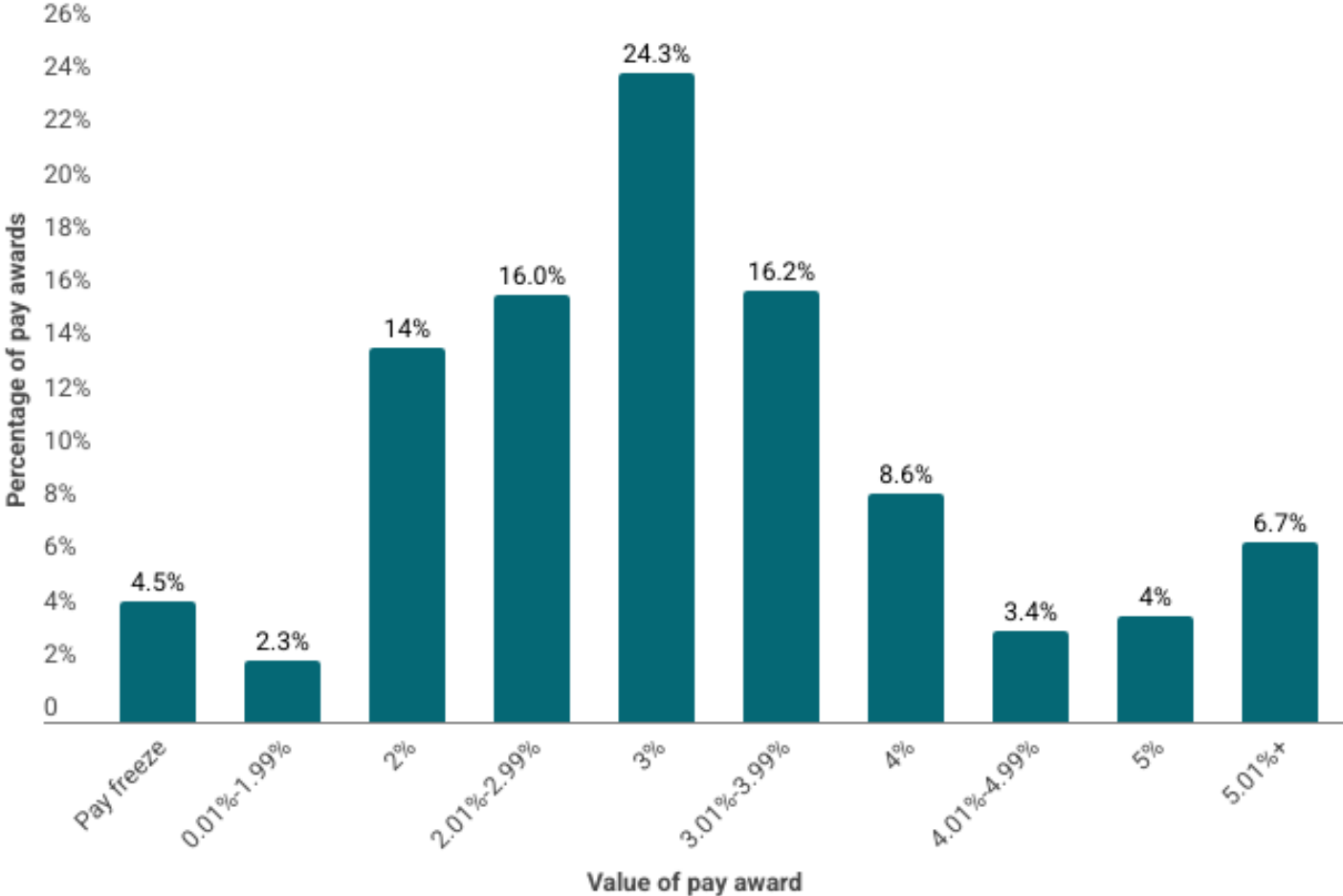
3.0%

Interquartile range
this year

2.5% - 3.6%

Most common pay
award this year

3%



2025 pay awards, by sector

Services **3.0%**

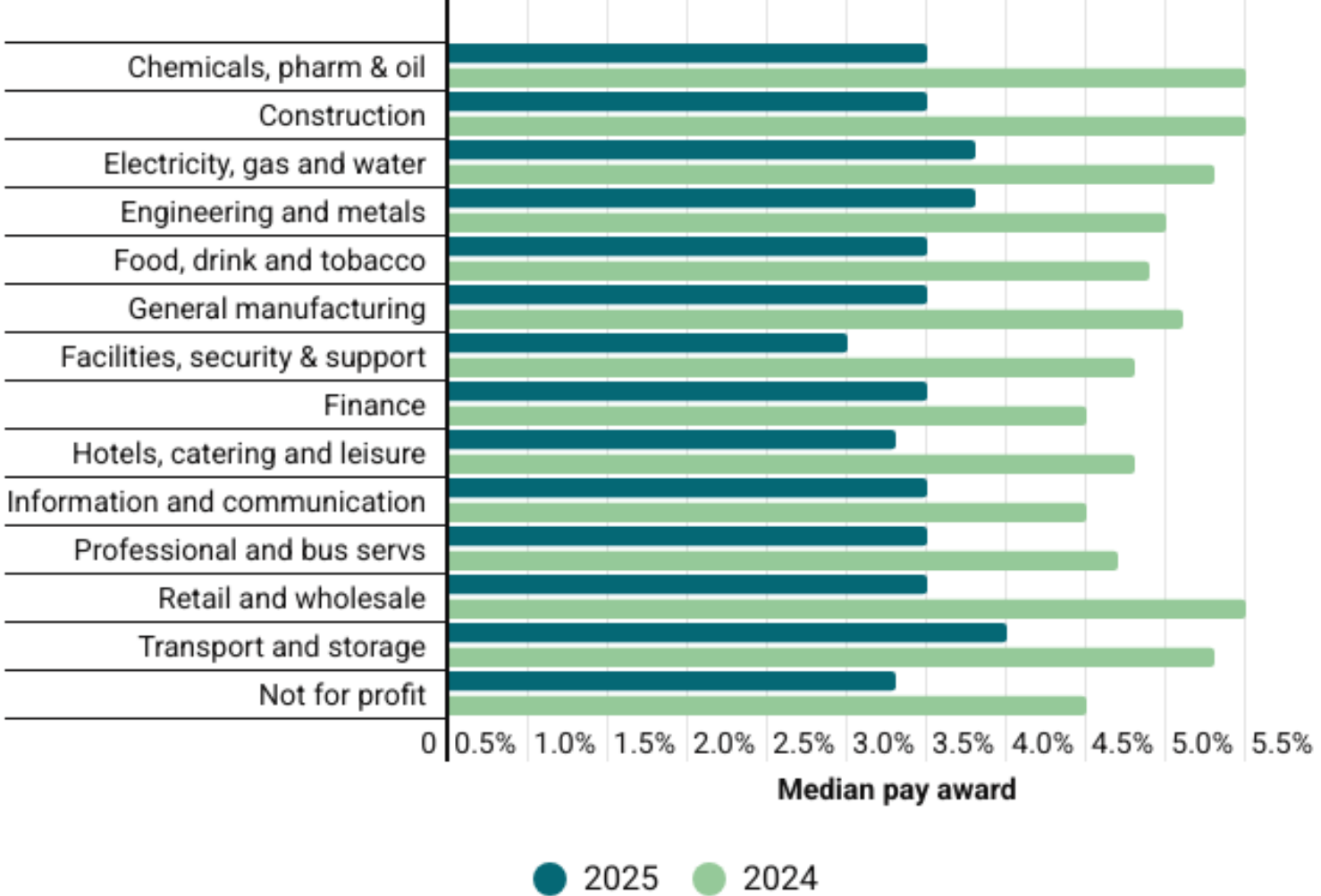
Public services **3.8%**

Private sector **3.0%**

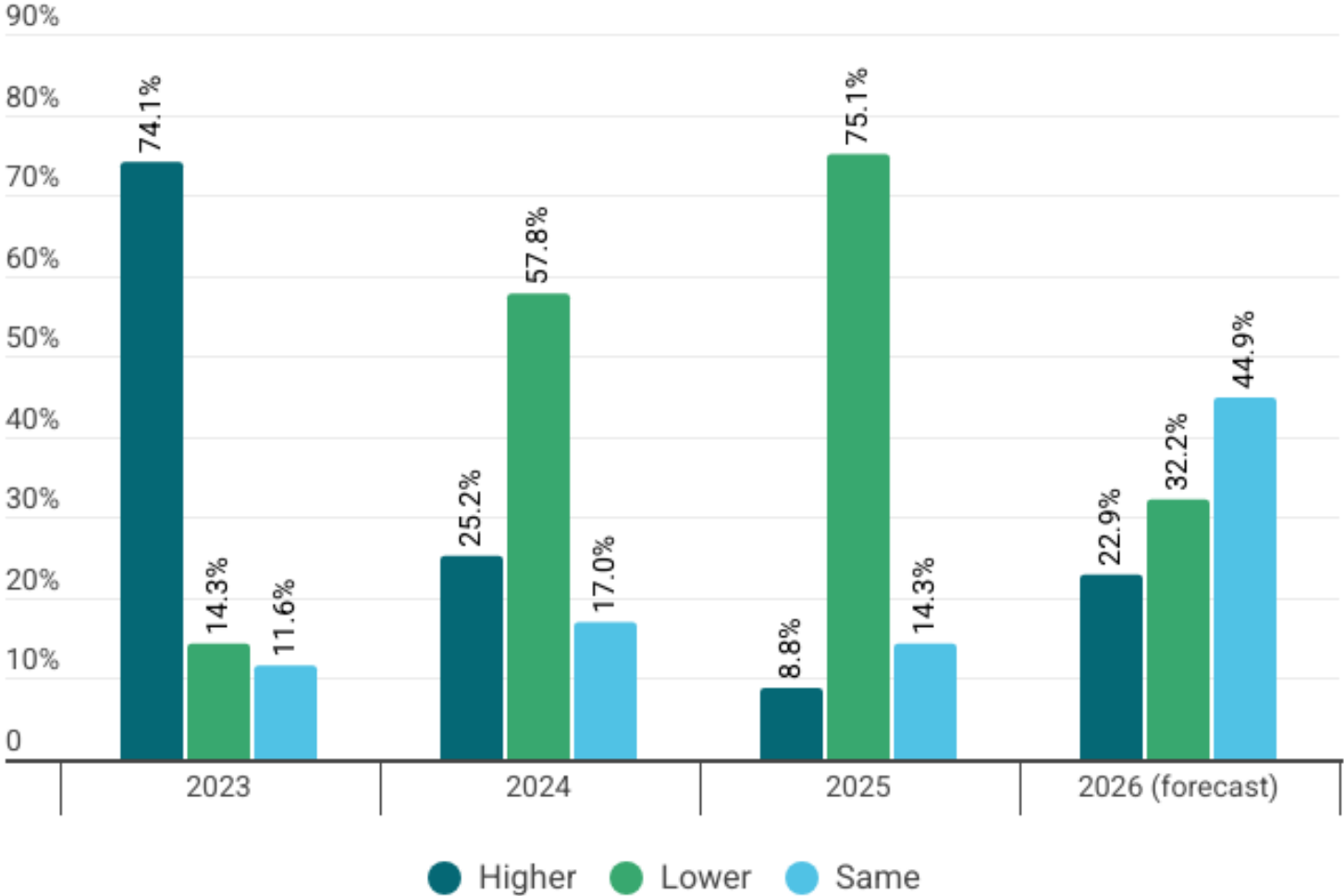
Manufacturing and production **3.0%**

Private-sector services **3.0%**

Not for profit **2.8%**



2026 pay awards – direction of travel



2026 pay award forecasts

“There will be a pay rise”

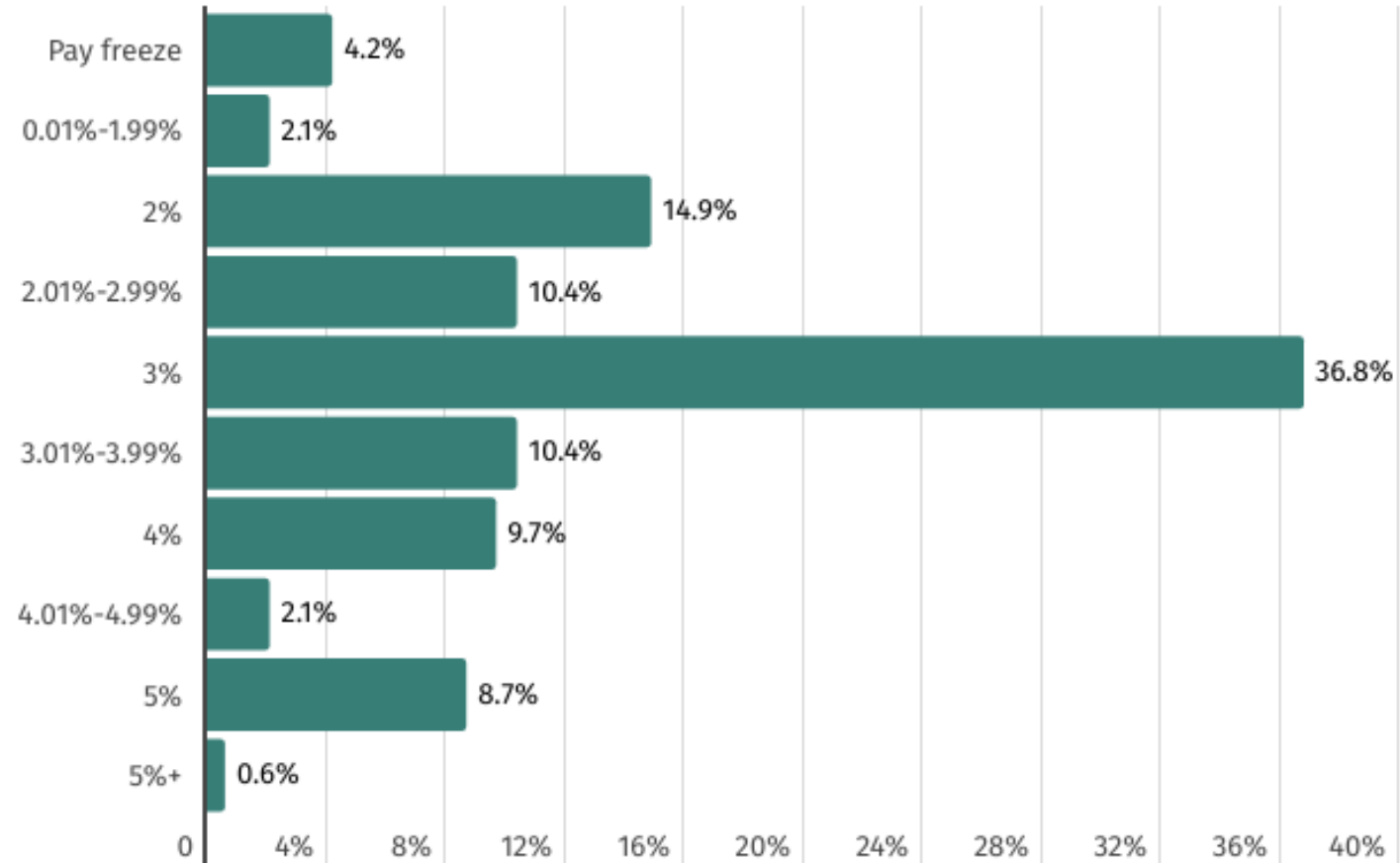
96.3%

Median pay award forecast

3%

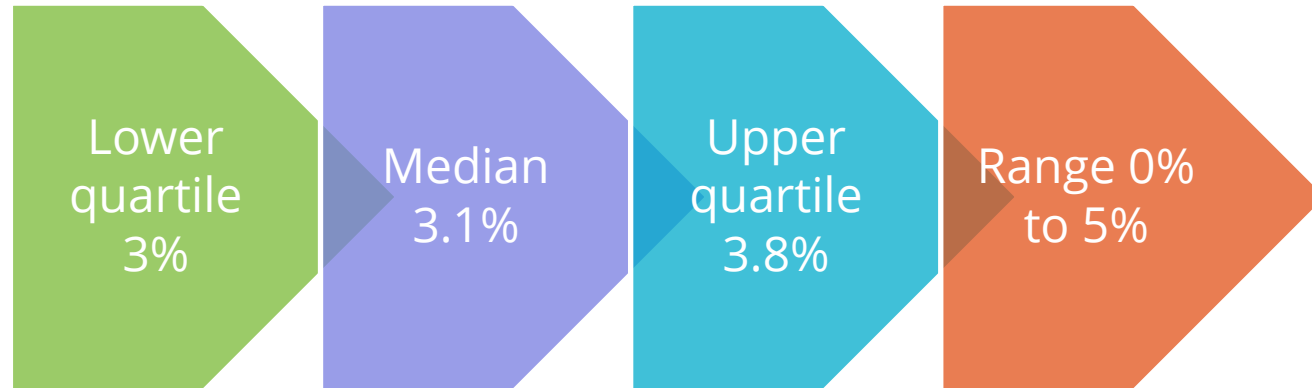
Interquartile range of forecasts

2.5% - 3.5%



n = 288 employee groups.

First pay deals of 2026 and employee expectations



We are likely to freeze pay for 2026, but may look to offer additional share options to employees as recognition and incentive to stay

Recognising performance and contribution, where possible, through progression routes, recognition schemes and targeted reward initiatives

Principles cascaded by managers

As long as we pay fairly within the organisation, this is accepted.

Promoting and raising awareness of all the other great benefits we offer

Constant communication about performance – business and personal

Being honest about affordability

Other reward priorities

Financial sustainability

Long-term planning

Pay frameworks

Keeping pay competitive

Market benchmarking

Pay transparency

Employee motivation

Work flexibility

L&D, comms,
culture,
recognition

Employee benefits

Flexibility

Cost management

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Reward Trends

Executive Remuneration and
Pay Transparency Landscape



Presented by:

Simon Cook

Lead Consultant, Innecto



Executive Remuneration

50%

Average cumulative increase in CEO pay across FTSE 350 companies between 2021 and 2024

27%

Cumulative increase in median earnings during the same period, almost half the rate of CEOs

Source: High Pay Centre

Trends in 2026



Increasing popularity of joint leadership



Post-COVID performance push



Increasing shift towards long term measures



Recalibration of non-financial metrics

Executive Remuneration



Consider which sectors the organisation operates across



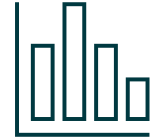
Identify your peer group



Be clear on your market stance



Understand the future business plans



Look at data beyond base salary

Challenges

- Availability of data
- Comparability of roles
- Impact of experience at Executive levels
- RemCo skillset and interpretation of results



Legislation Increasing Transparency on Pay

Employment Rights Bill

Employers with 250+ employees will need to publish:

- Gender pay gap action plans.
- Practical steps to reduce the gap.
- Information on support for employees during menopause.

Future Legislation

- Ethnicity and disability pay gap reporting for employers with 250+ employees.





Legislation Increasing Transparency on Pay

EU Pay Transparency Directive

- Directive aims to increase access to salary information for employees and enhance reporting requirements.
- EU Member states have until June 2026 to translate directive into local legislation.

Early signs of universal obligations

- Removing requests for applicants pay history.
- Job vacancy adverts and job titles to be gender-neutral.
- Recruitment processes be led in a non-discriminatory manner.

One Directive, Different Requirements

Advertising Job Salaries



European Union

Disclosure required before the first interview (baseline requirement)



Ireland

Salary level or range required in the job advert



Poland

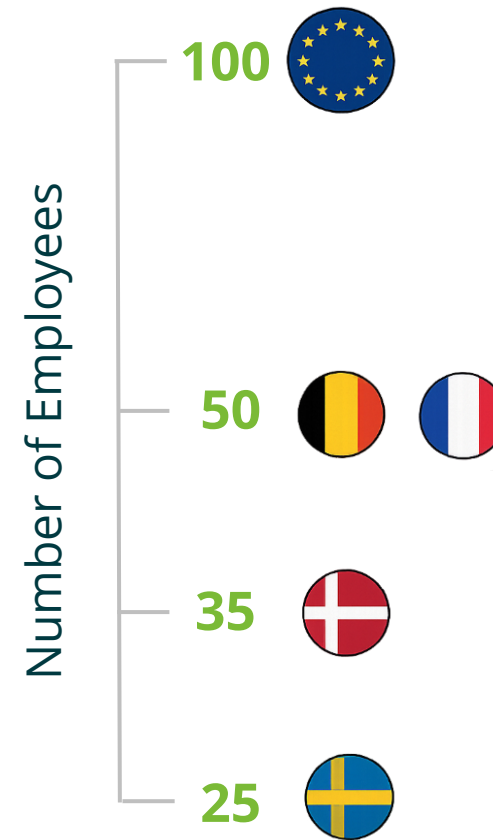
Flexible, only need to be disclosed by time a job offer is made



Netherlands

Mandates pre-interview disclosure

Gender Pay Threshold



More Data More Questions?

57%

Assessing the competitiveness of their pay levels and for compensation structures

69%

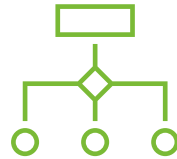
Expectation on pay is expected by recruitment candidates

Source: Mercer

Employer's Key Actions



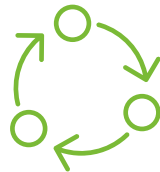
Review data and current differentials



Assessment of current job architecture



Audit pay practices in line with regulations



Establish monitoring and reporting cycle

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Reward Trends

Pay Compression and
Employee Benefits
Demand



Presented by:

Holly Coe

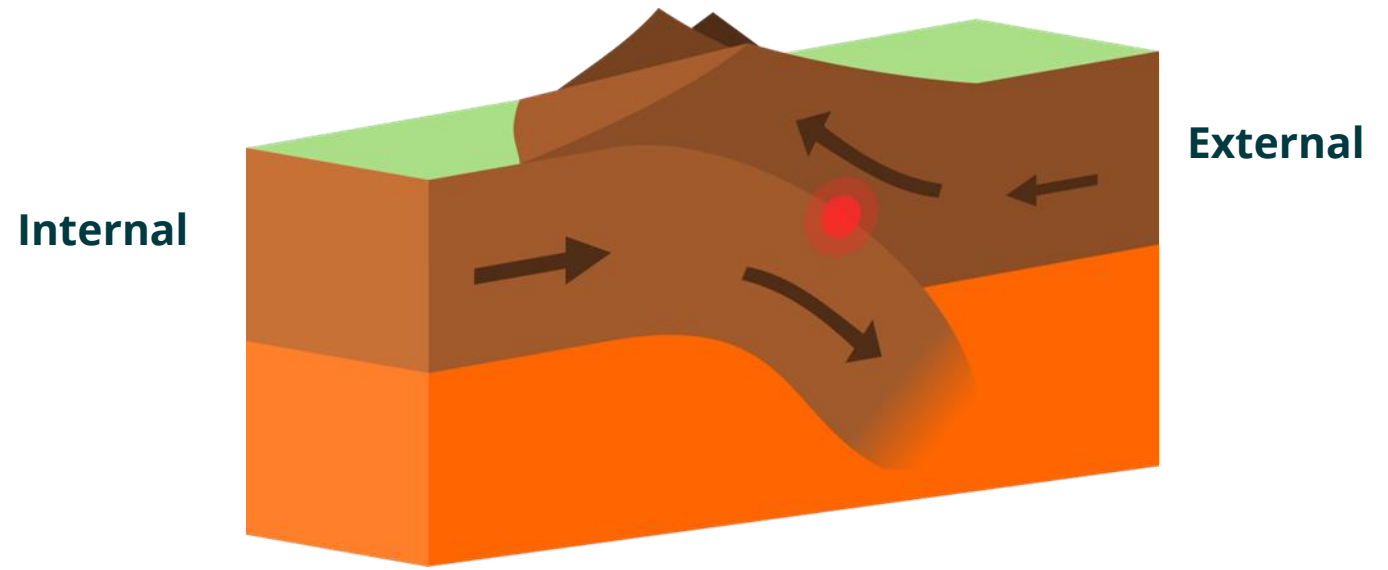
Senior Consultant, Innecto



Pay Compression Convergence



Convergence



Tectonic Shifts

The very ground beneath the employer-employee relationship is shifting. The pressure points we are seeing are the tremors of the plates grinding.



The New Reality

- Not just a technical HR issue, but a critical business issue
- It erodes trust faster than any other reward issue
- It's a collision of external market forces and internal policy gaps.

69%

of companies have experienced pay compression in the last 12 months

57%

are increasing salaries for current staff to help close wage gaps

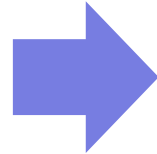
52%

of companies said addressing pay compression was more important than in previous years

Cause and Effect

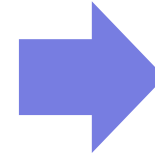
Cause

- Grade/level fatigue
- Narrow gaps between managers and direct reports
- Rapid wage spikes
- Static structures



Implications

- Too many job grades and overlapping pay bands
- AI Skills, Great Resignation, NLW/NMW legislation
- Outdated salary bands whilst hiring new talent at or above the midpoint



Effect

- Retention collapse
- Equity erosion
- Perceptions of unfairness
- Decrease in productivity
- Quiet quitting
- Managerial friction
- Demotivated leadership

The danger is that these causes don't happen sequentially; they stack and accelerate.



Fixing - from practical to radical

How far do you go?

Practical fixes, buy time

Strategic fixes, buys credibility

Radical fixes change the game

HR to Shift

From

What can we afford?'

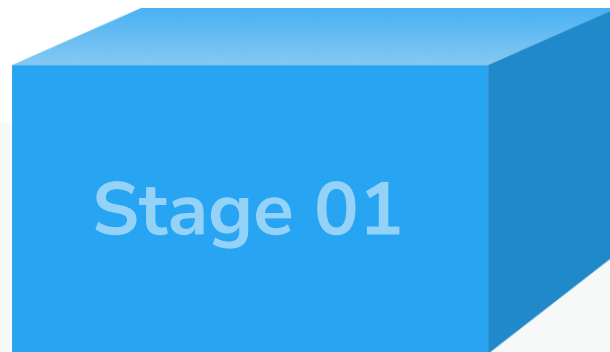
to

How do we deploy resources to keep the talent we need?'

Where to start

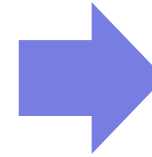
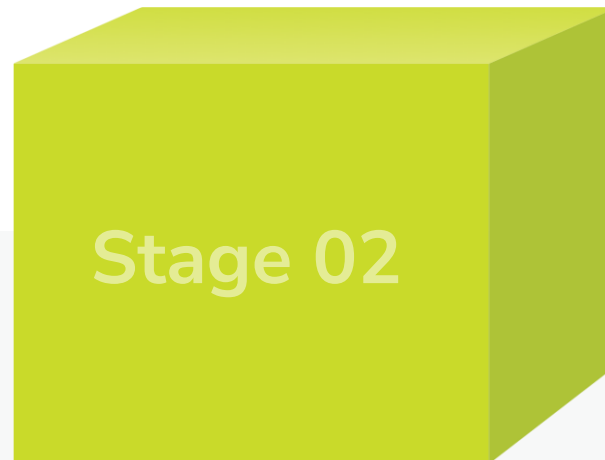
Symptom Recognition Stage

Notices high attrition and pay dissatisfaction but insight into root causes is lacking.



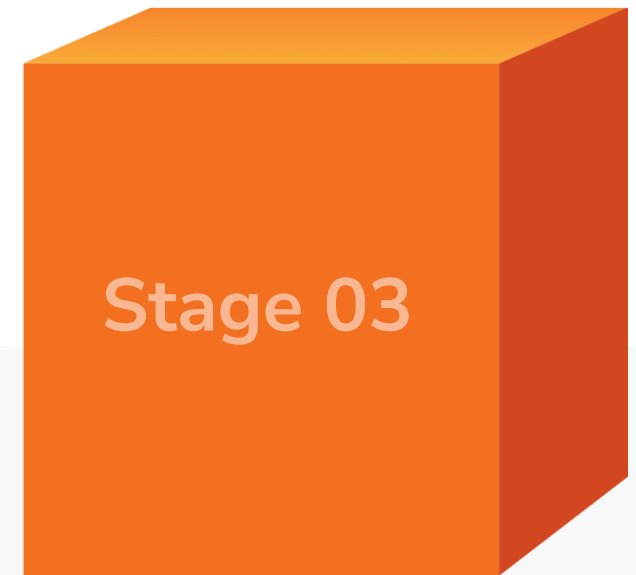
Suspected Cause Assessment

Suspects flawed pay progression but needs clarity on issue scale and location.



Problem Mapping and Quantification

Maps and quantifies pay compression to design effective solutions.



Most organisations think they're at stage one, but often they are at stage two.

What Pay Compression Is Really Telling You

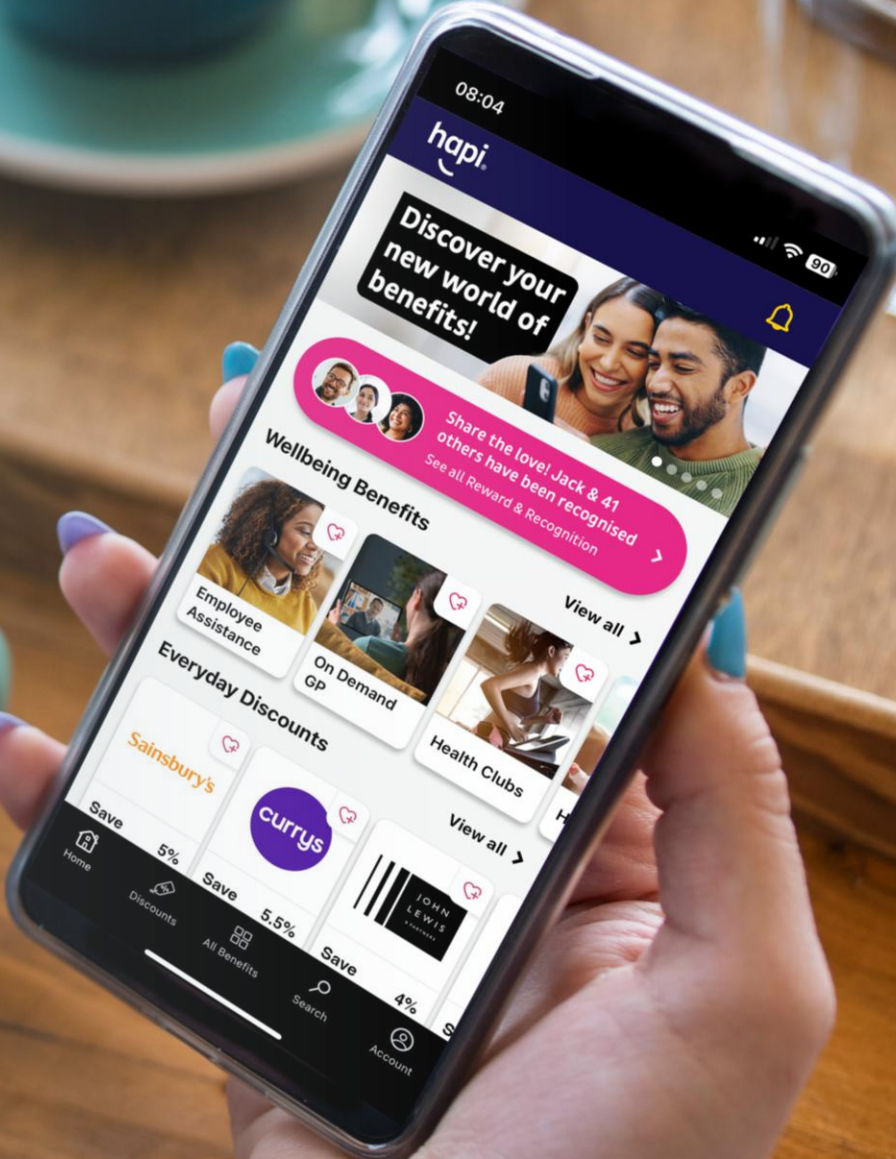
- Pay compression is not one issue – and it is rarely fixed with one action
- Different types of compression require different responses
 - structural
 - progression-driven
 - market-driven
 - equity-drive
- The critical distinction is whether compression is
 - Temporary - often driven by short-term market pressure
 - Systemic - typically built into job design, progression and hiring behaviour



Spending before diagnosing is the biggest risk

Fixing pay without fixing the system simply resets the problem for next year

Employee Benefits Demand





Benefits Demand Has Fundamentally Shifted

- Benefits are no longer about competitiveness – they're about performance and value creation
- Benefits demand in 2026 is being reshaped by three forces:
 - Workforce pressure
 - Economic and healthcare inflation
 - Policy and societal change
- As a result, benefits are shifting

Benefits are now a workforce stability and productivity lever.

The Benefits Demand Model

From Fixing

To Preventing

- Early intervention over crisis response
- Focus on presence, stamina and sustainability

Judged on Availability

Judged on Impact

- Choice is increasingly a capability, not a reward

From Standardised

To Personalised

- Life stage, health, financial, neurodiversity needs
- Employees choose where value sits

From Spend

To Return

- Fewer 'zombie benefits'
- Evidence of reduced absence, risk and unwanted attrition

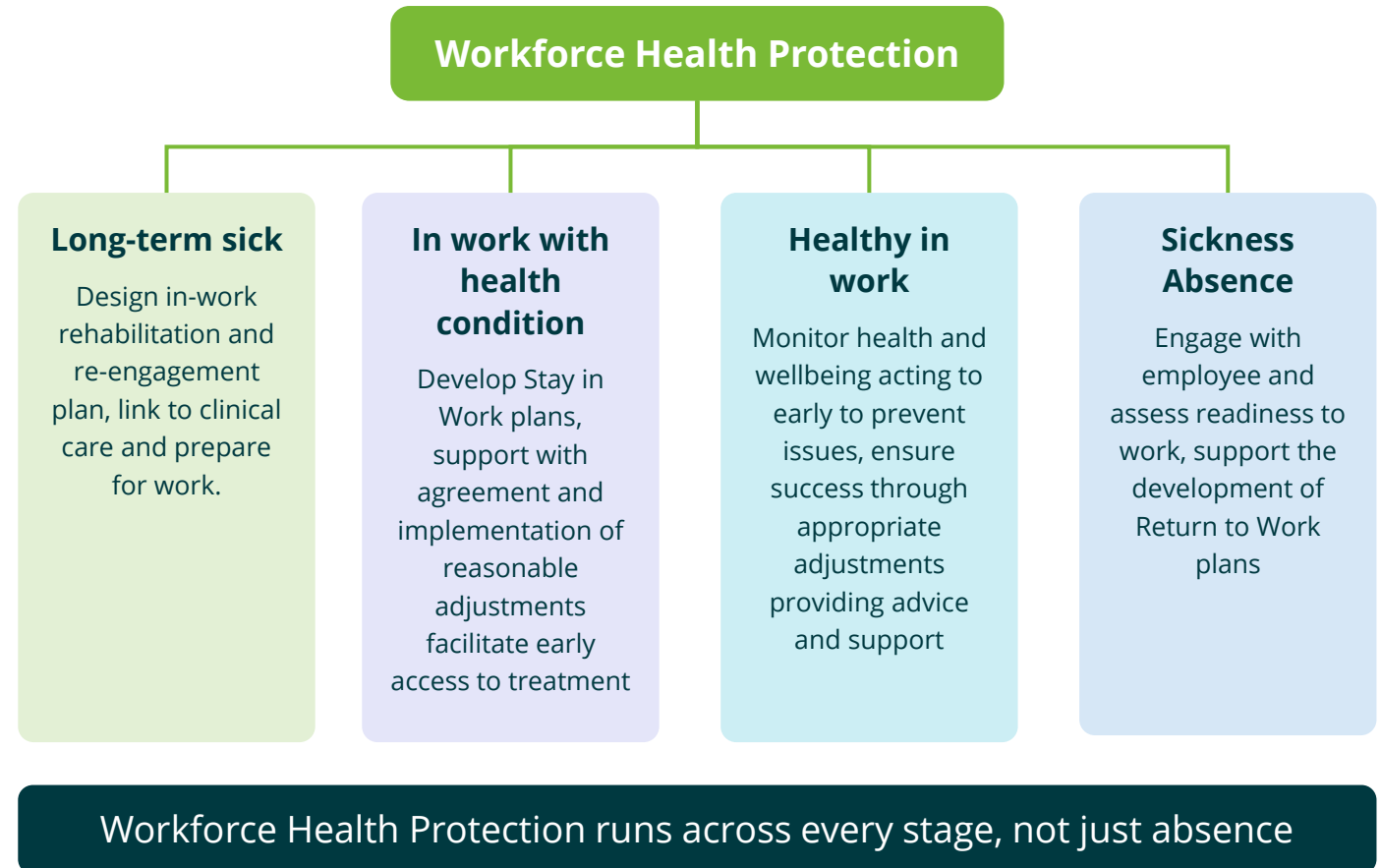


From entitlement to everyday support – across the employee lifecycle

Keep Britain Working -
What good looks like

Single lifecycle bar (5 stages):

- **Onboard** – Set healthy foundations
- **Healthy in work** – Prevent & monitor
- **In work with health needs** – Adjust & support early
- **Absence** – Recover & return
- **Exit / Re-deploy** – Transition well



The shift is from reactive benefits to practical, day-to-day support from onboarding to exit.

What this means for Employers

- Improve presence or performance?
- Reduce future risk or cost?
- Would employees notice if it disappeared?



Audit for value,
not popularity



Identify the 20% of benefits
driving 80% of impact

Design layered,
preventative pathways



Don't rely on single benefits
to solve complex issues

Personalise
without overspending



Choice not
duplication

Manage benefits like a
business investment



Link spend to absence, risk,
engagement and retention

The biggest benefits risk in 2026 isn't under-spending – it's spending on the wrong things.

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Beyond Pay Rises

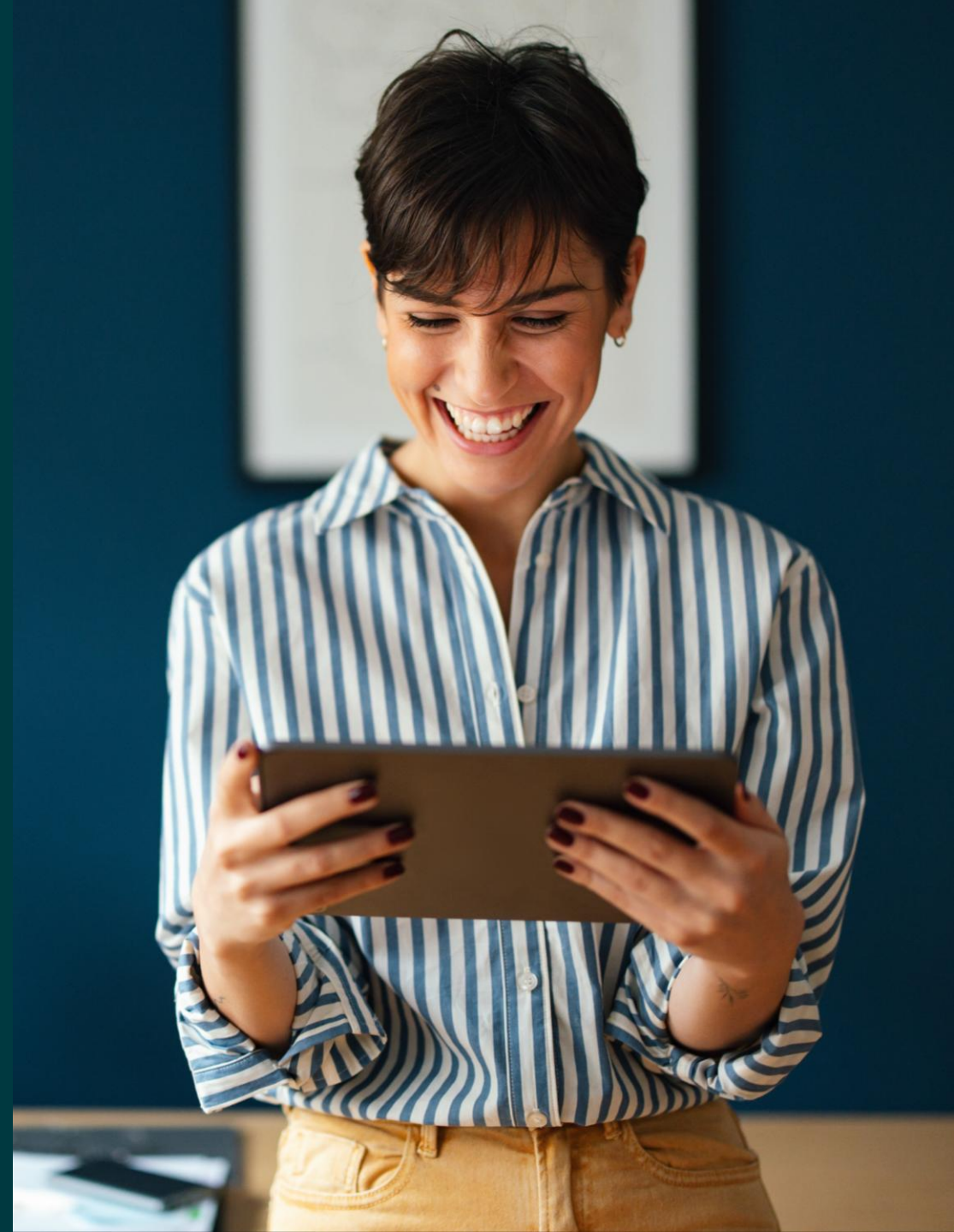
Leveraging Career Pathways to
Retain Talent and Maximise
Reward ROI



Presented by:

Justine Woolf

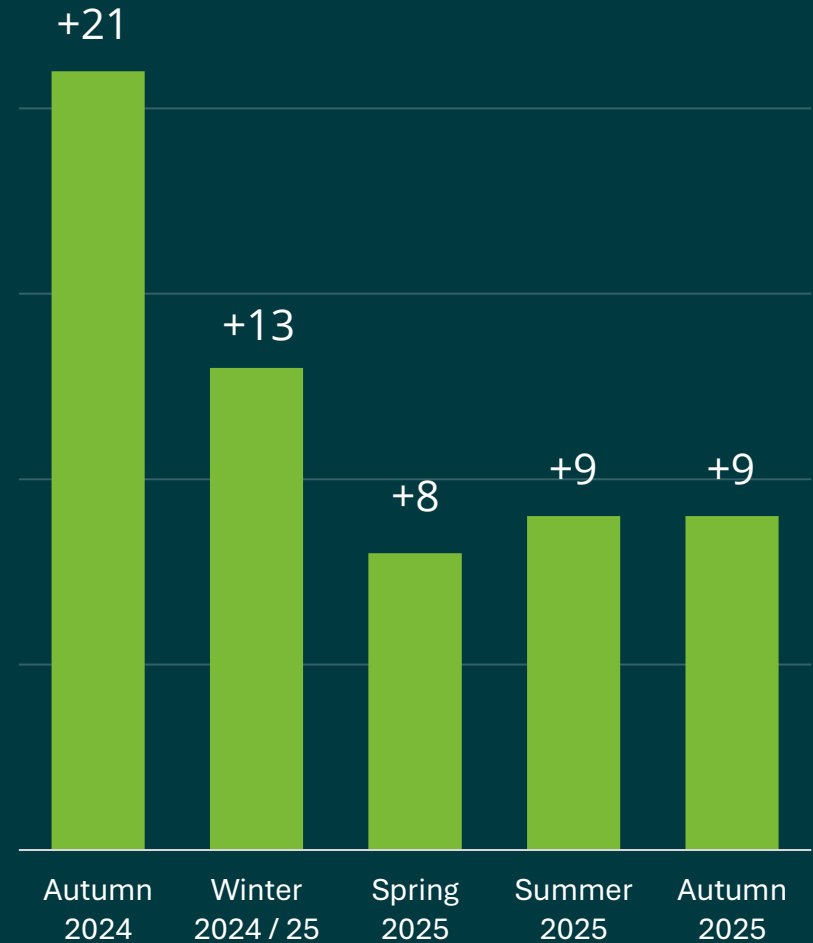
Director of Consulting, Innecto



It's not easy being an HR and Reward professional



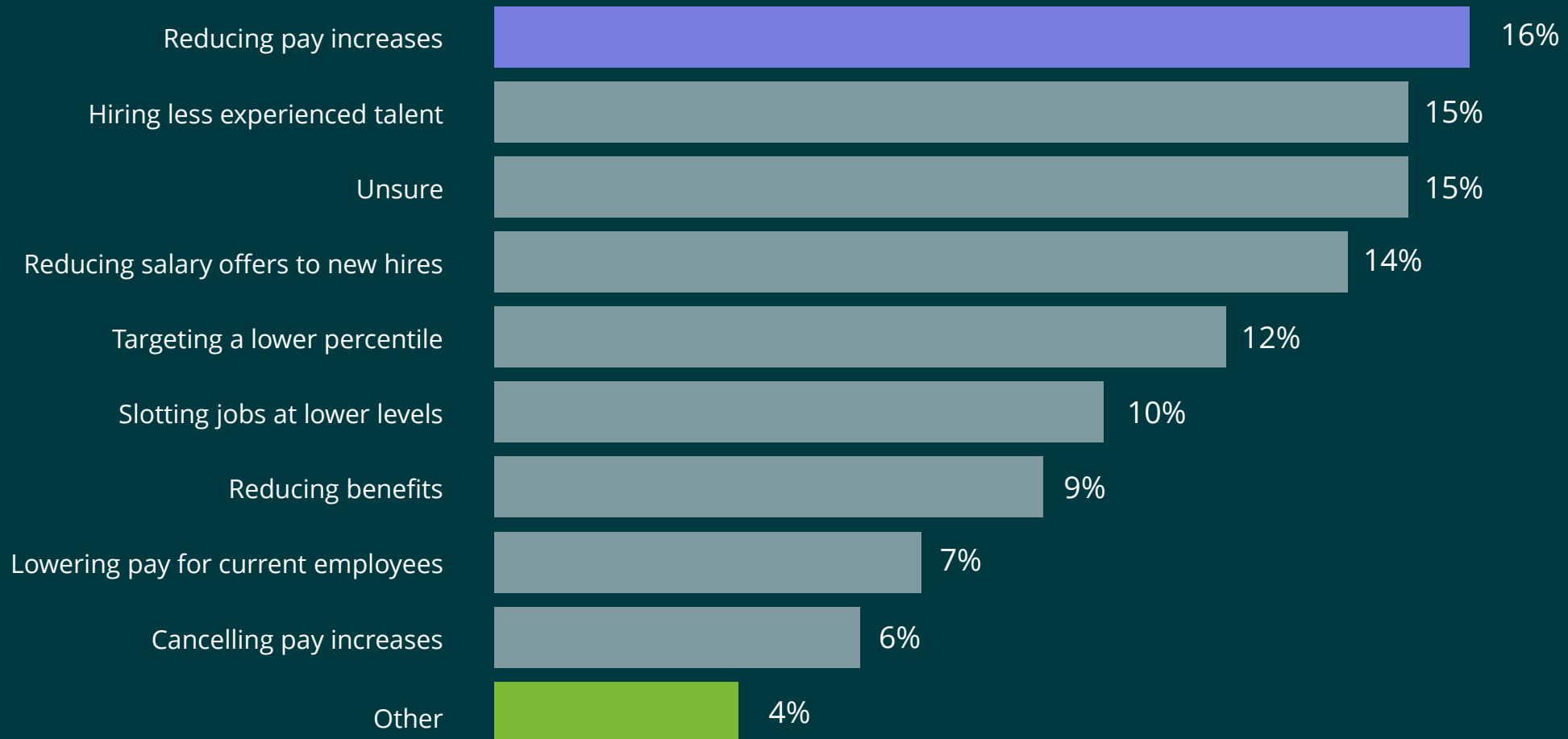
Employer confidence remains low



Net employment balance

Tension over salary costs

In response to economic or labour market conditions, is there a strategy at your organisation to decrease spend following?

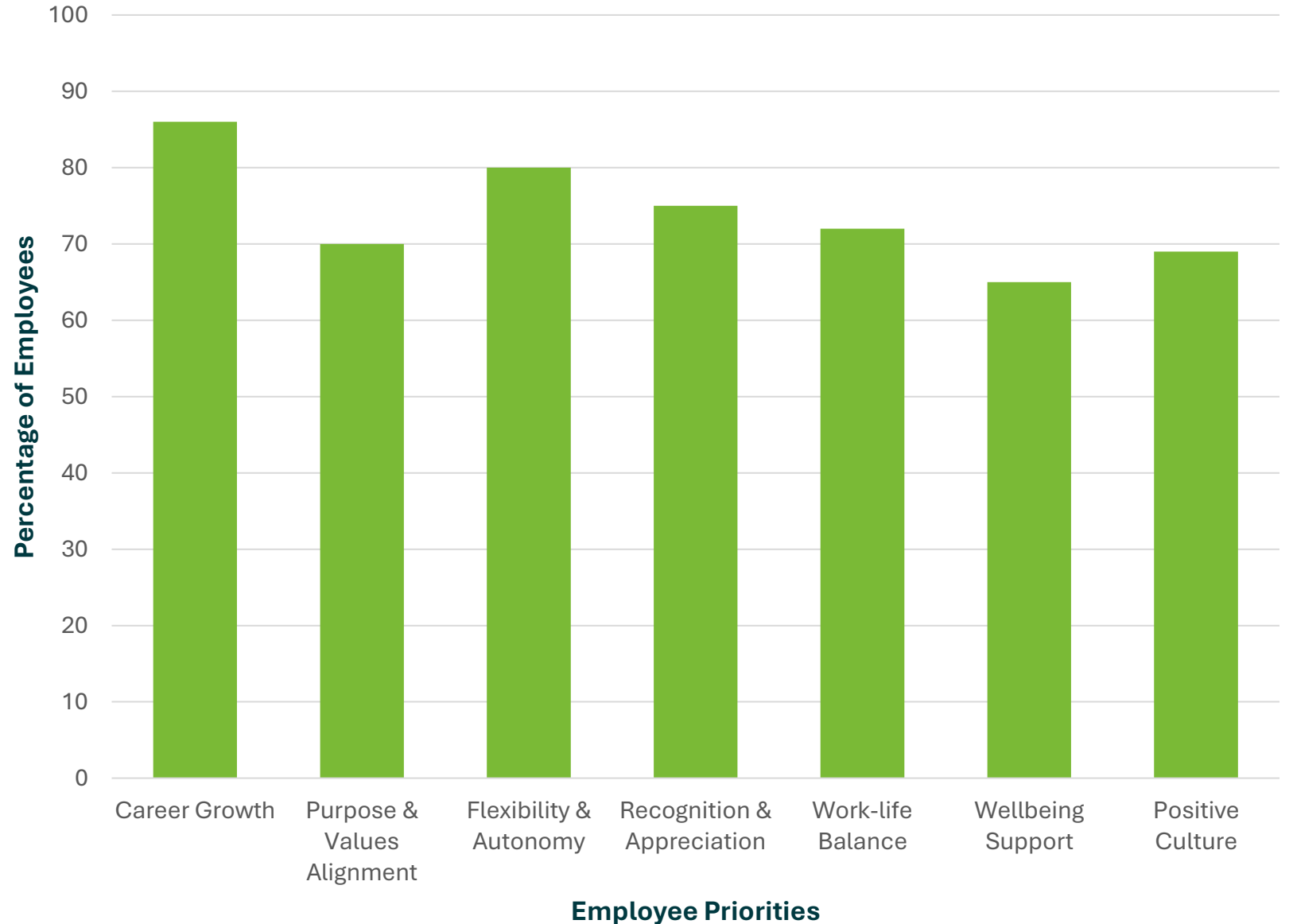


Limits of pay alone

- Pay increases are costly and short-lived.
- Employees seek growth, purpose, and progression.

84%

Of employees believe that learning adds purpose to their work (CIPD)



Generational Impact

Gen Z values learning for career progress

Percentage of Gen Z who agreed that “Through learning, I can explore potential career paths at my company” compared to other generations

Millennials, Gen X, Baby Boomers



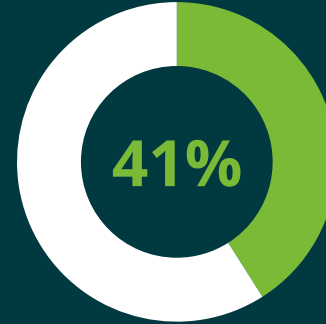
Gen Z



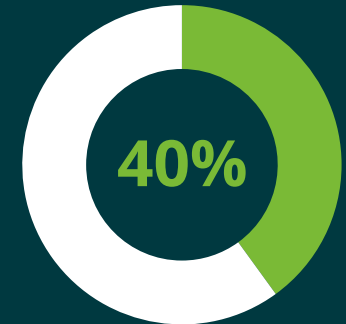
*“Career growth to me used to be climbing the ladder higher and higher. Not only just for the title, but also the prestige and the higher pay. I think **career growth now means really making sure that I am always learning** and always have more opportunities in my career, but also making sure that I am still passionate about the work that I do.”* Millennial, female (Deloitte)

How purpose impacts career decisions

Gen Z

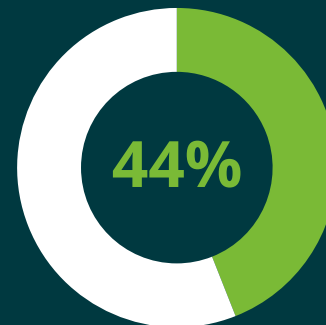


Millennials

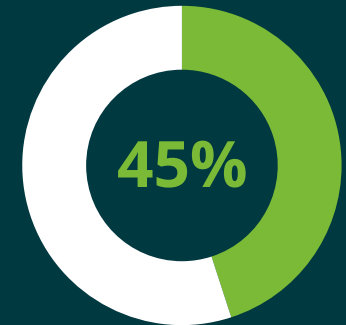


Percentage of responders who rejected a potential employer based on their personal ethics/beliefs

Gen Z



Millennials

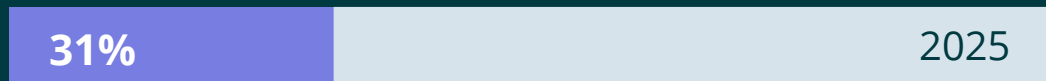
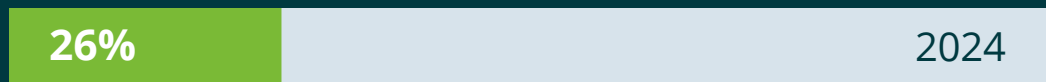


Percentage of responders who left a job because it lacked purpose

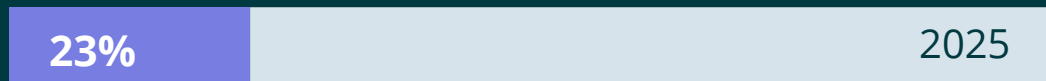
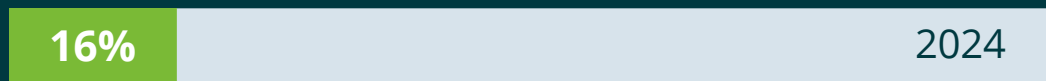
We need to focus more on career growth

I have quit my job because...

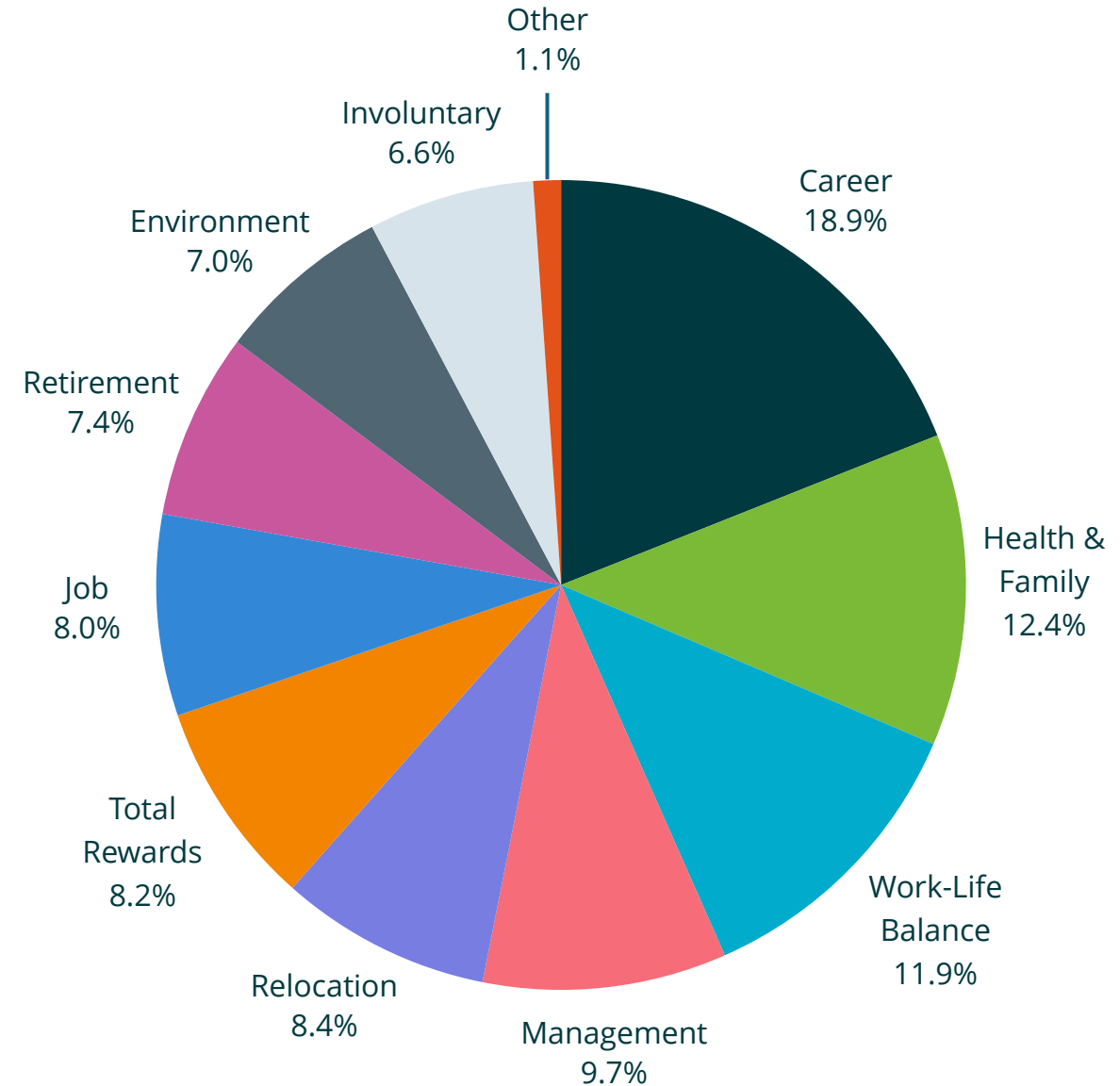
there was a lack of career progression opportunities



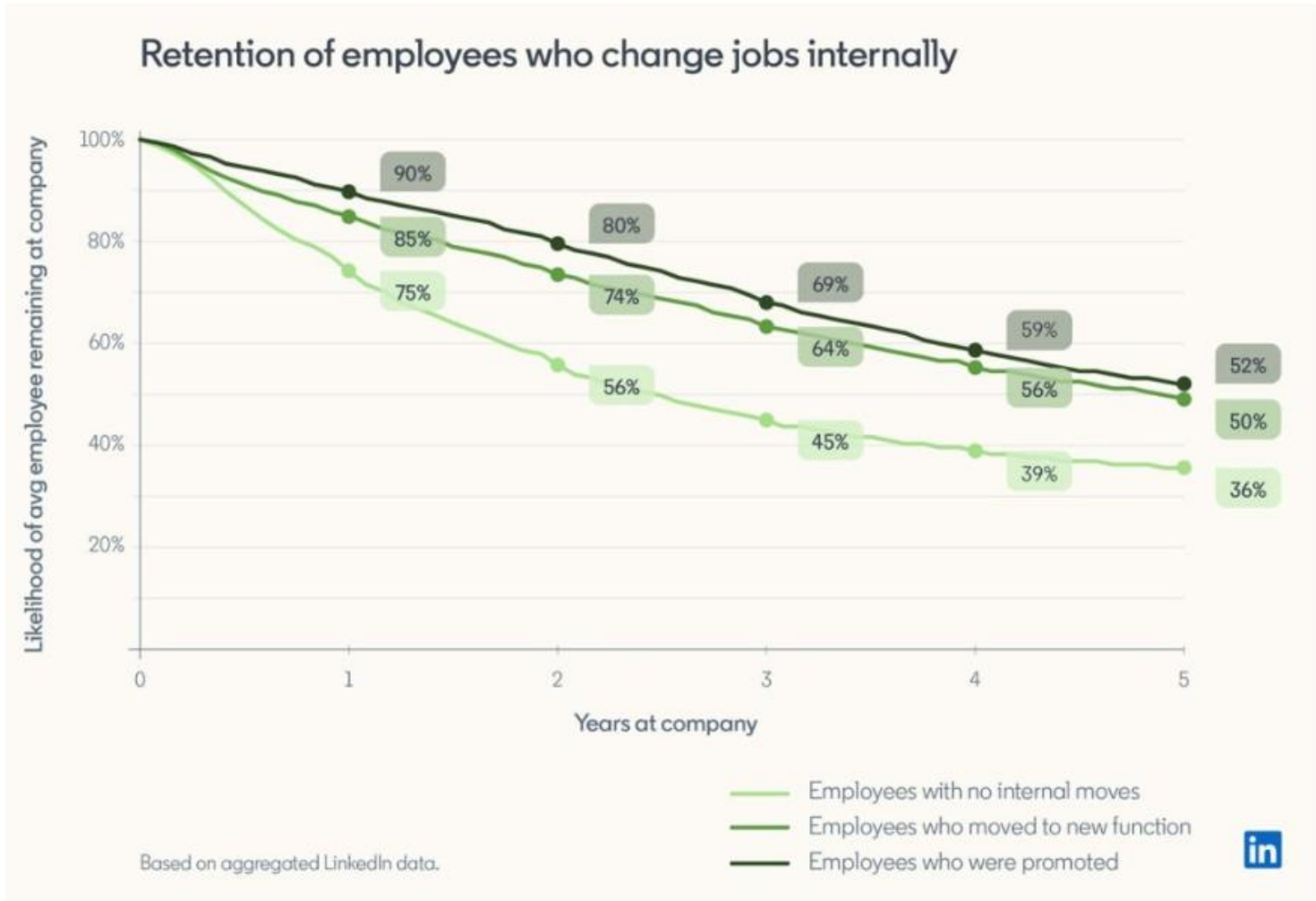
I wasn't offered opportunities to future-proof my skills



2024 Reasons for Leaving



There is a sound business rationale too



Sources: LinkedIn

2.5x

It is **2.5x more expensive** to hire a new employee than to reskill a current one

60%

Employees at companies with high rates of internal mobility **stay 60% longer** than those at companies with low rates of internal mobility

87%

87% of talent development pros say they can show business value by helping employees gain skills to move into different internal roles

Internal mobility needs new focus

33%

of organisations have internal mobility programmes

63%

of turnover in 2024 was preventable

only 1 in 5

employees has strong confidence in their ability to make an internal move

70%

struggle with retaining key talent because they can't see the critical skills people possess until those skills walk out of the door



Career paths are elusive to most employees

Challenge

Impact on Employees

Lack of transparency

Uncertainty about promotion criteria

Infrequent feedback

Poor understanding of growth opportunities

Managerial overload

Limited career conversations

No internal mobility structure

Stagnation and disengagement

Bias in promotion network

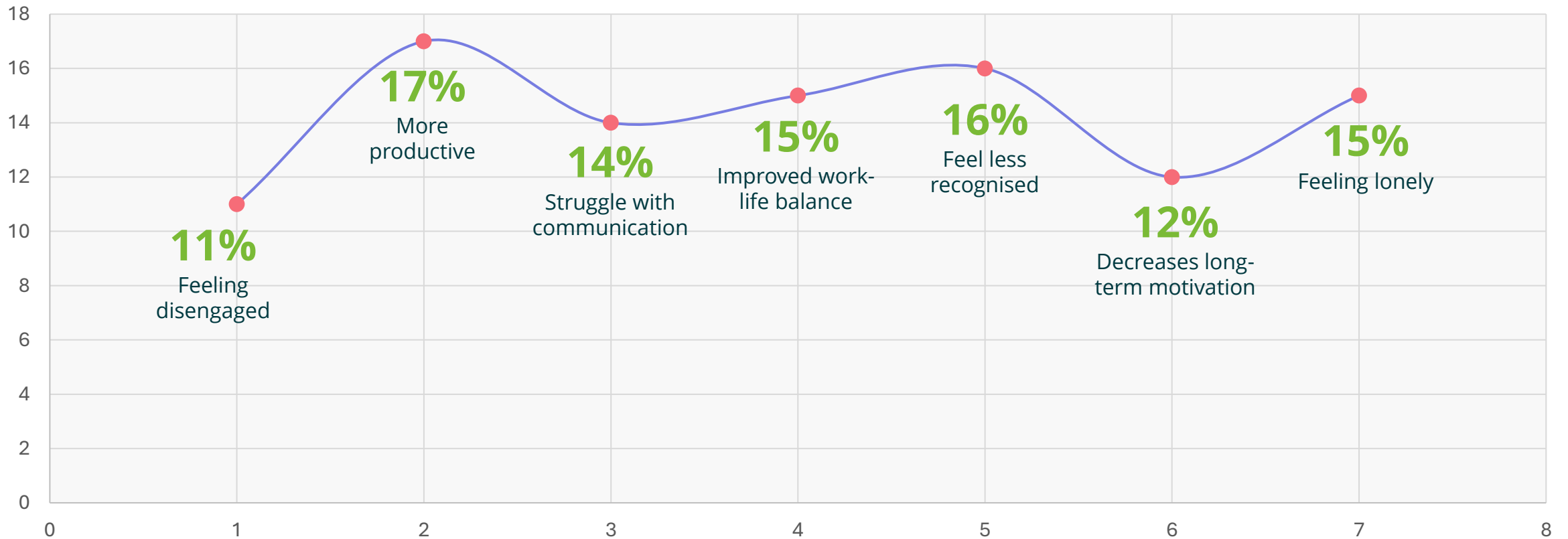
Inequity and missed opportunities

Age-related development gaps

Career fog for mid and late-career workers

Often exacerbated by remote working

Motivation in remote work settings



Source: market.biz

Start with the building blocks

Transparent career progression framework needs

- Clear roles, levels and expectation
- Defined competencies and skills
- Visibility into promotion criteria and timelines



Career Levels

- Hierarchical stages (e.g., Entry, Mid, Senior, Lead, Executive)

Job Families

- Grouping of related roles (e.g. Marketing, Finance, Engineering)

Role Profiles

- Clear descriptions of each role

Competency & Skills

- Behavioral and technical skills required at each level

Building blocks need to change shape



Analogue mapping



Dynamic mapping

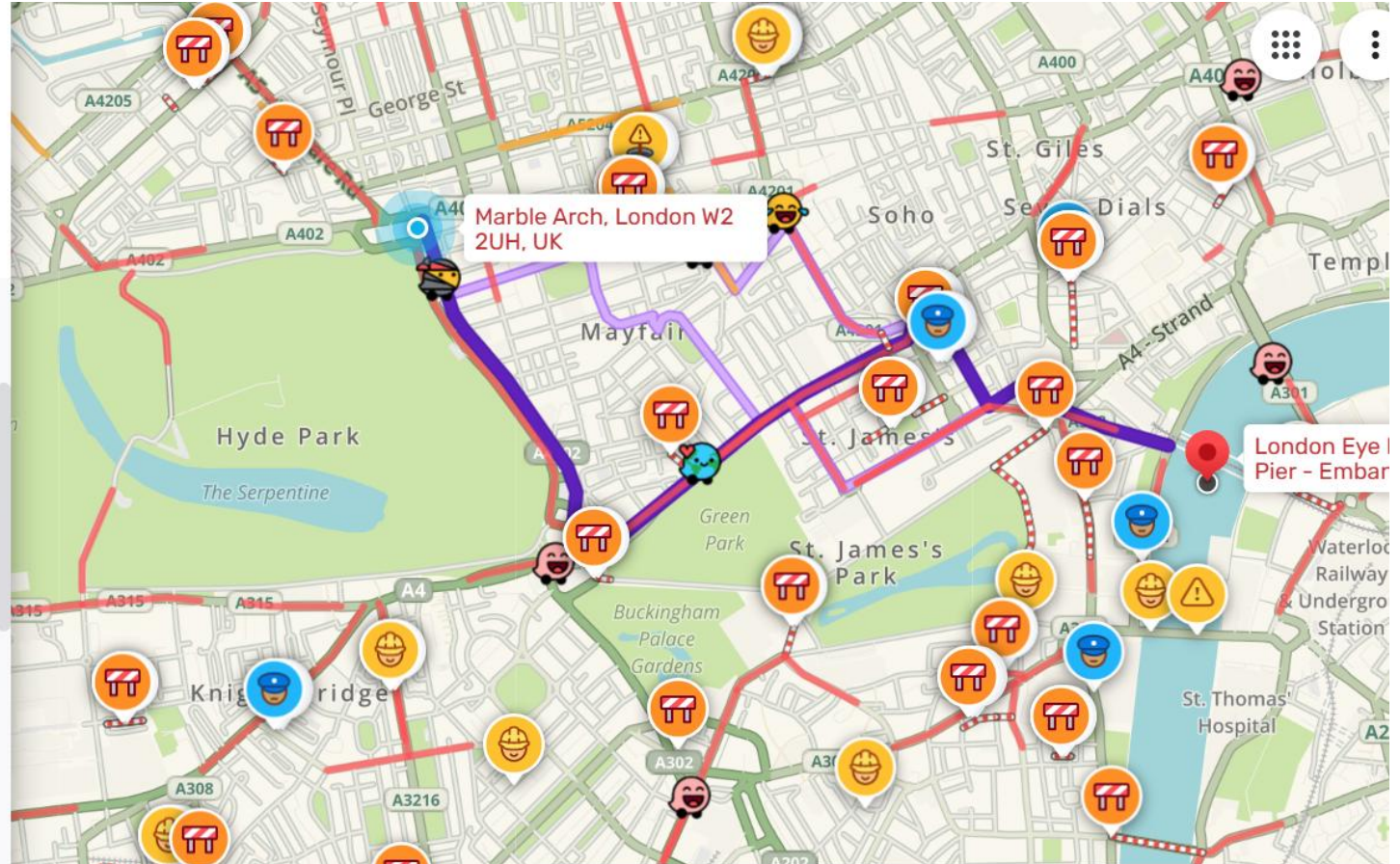
Driving directions

Marble Arch London W2 2UH, UK

London Eye Millennium Pier - Embankment

ROUTES

- 22 min** Arrive at 4:39 PM **BEST**
A4 - Piccadilly Mayfair
3.8 KM
- 23 min** Arrive at 4:41 PM
A4201 - Regent St Mayfair
3.4 KM
- 24 min** Arrive at 4:41 PM
Upper Brook St Mayfair
3.5 KM



Moving from static to fluid structures

81%

More than 4 out of 5 executives agree that work today is increasingly performed across functional boundaries

71%

More than 2 out of 3 workers perform work outside the scope of their job descriptions

Source: Deloitte



Modern architectures focus on skills not jobs

Skills-based organisations are:



More likely to **place talent effectively**



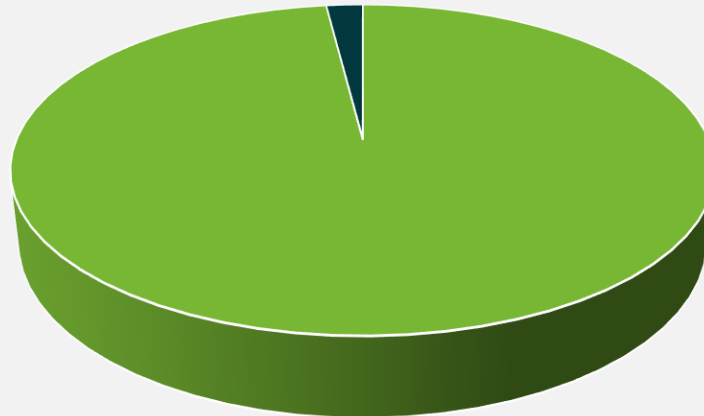
More likely to **retain high performers**



More likely to **improve processes to maximise efficiency**

98%

of organisations acknowledge they're eager to experiment with skills-based work



Unilever developed a future-fit workforce

70%

of assignments are cross-functional

41%

Over 650,000 unlocked hours and 41% improvement in overall productivity

AI Impact

Employees are more ready for the change than their leaders imagine

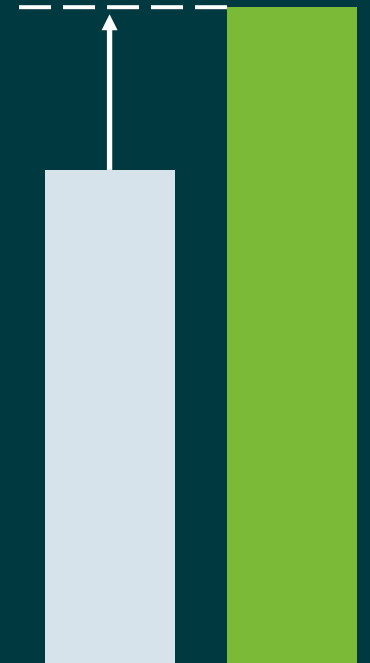


3x

More employees are using AI for a third or more of their work than their leaders imagine;
More than 70% of all employees believe that within 2 years, gen AI will change 30% or more of their work.

1.4x

More likely for millennials to report extensive familiarity with gen AI tools than peers in other age groups;
They are also 1.2x more likely to expect workflows to change within a year.



We are just at the start of the journey of customisation

“Last mile” of truly connecting with workers in ways that move them most toward positive outcomes, organisations should tap into motivation at the unit of one: the individual worker as a unique human being.

Figure 4

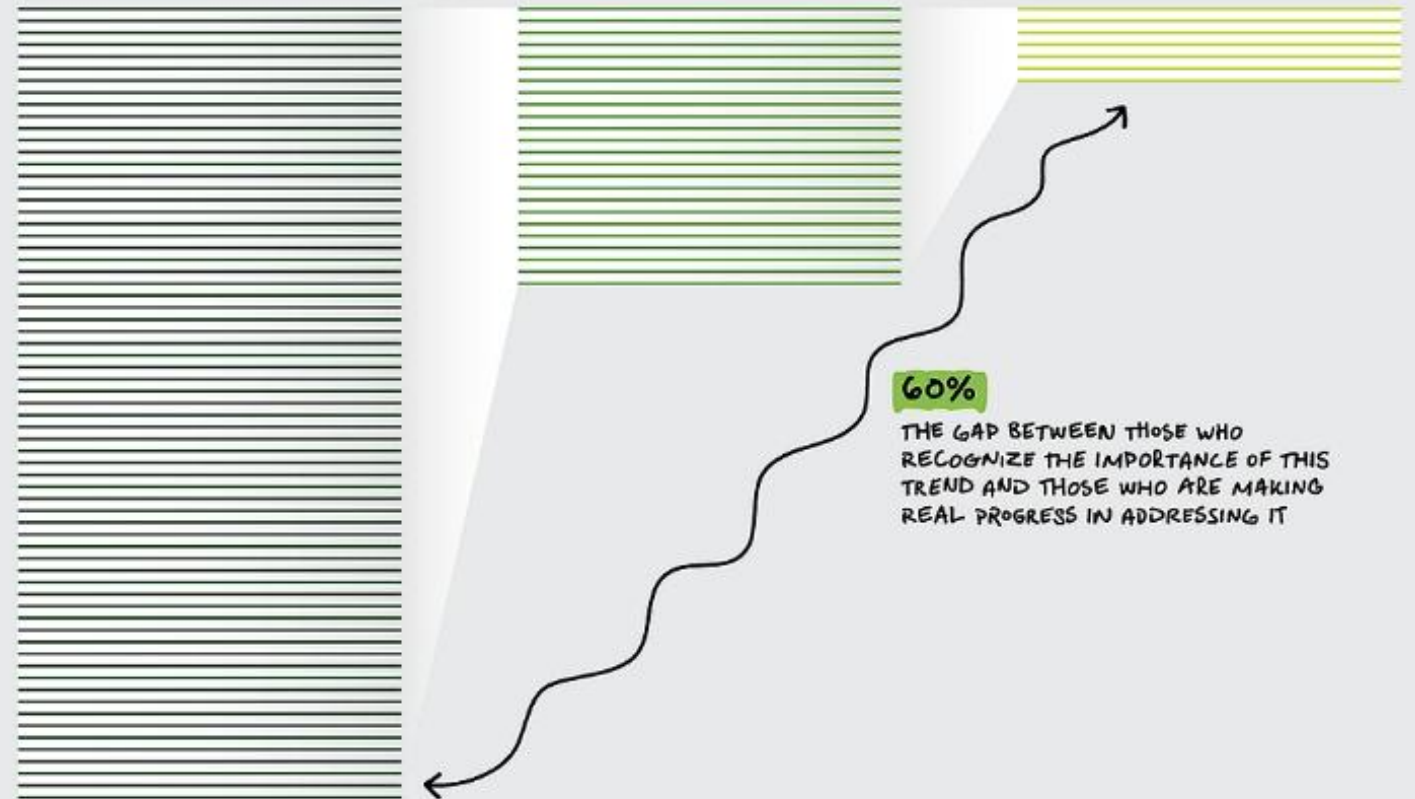
Organizations say customizing the design and experience of work is important, but few are making great progress

Percentage of respondents answering the questions: “How important is customizing the design and experience of work and workforce practices based on worker skills, behavioral patterns, motivations, passions, work styles, etc.?” and “Where is your organization on its journey to address this issue?”

67% recognize the importance ...

... with 24% having efforts underway

... and 7% making great progress



Source: Analysis of Deloitte's 2025 Global Human Capital Trends survey data.

New talent mobility options

Skill passports



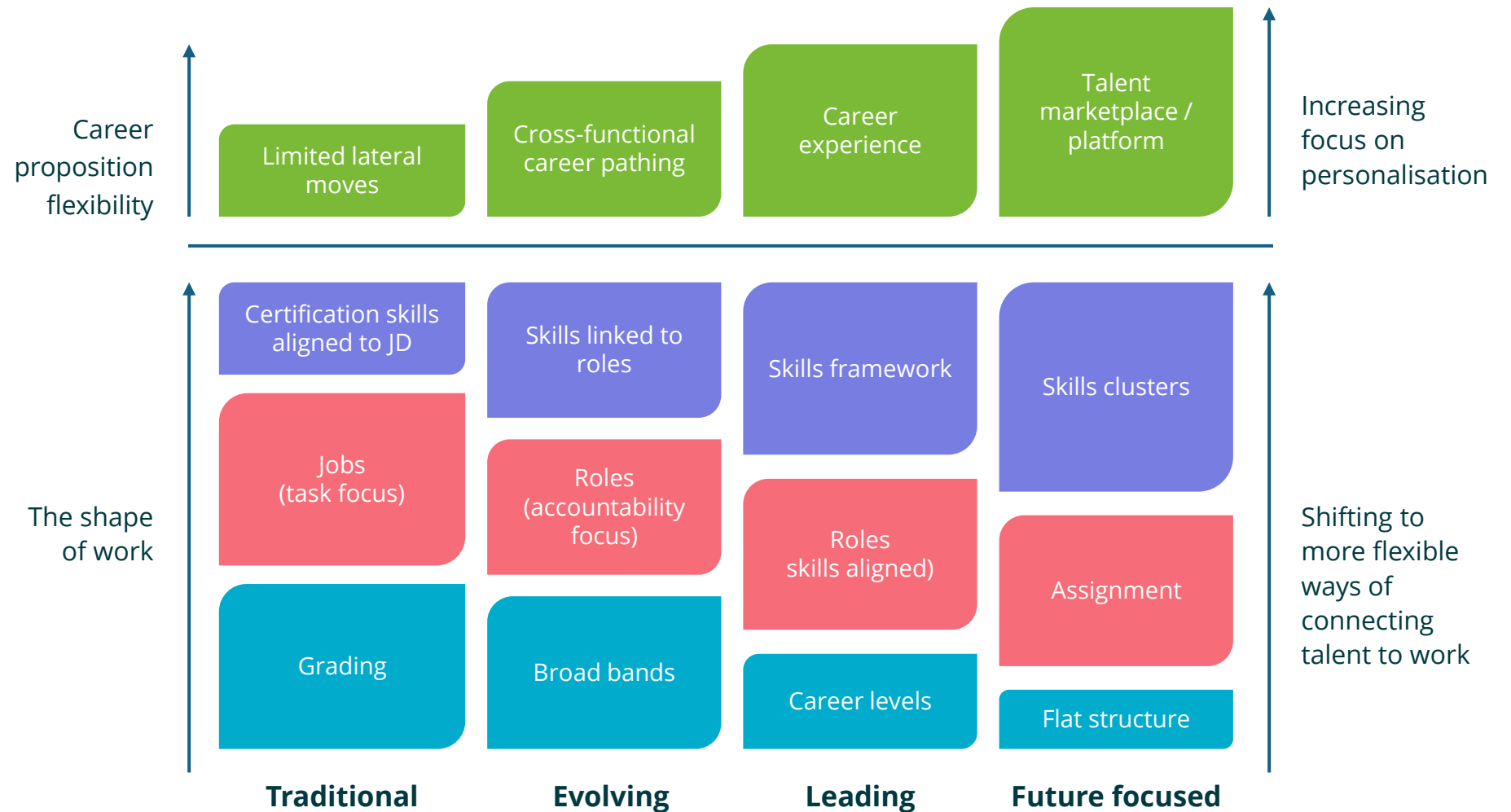
Cross Organisational boundaries



Think evolution not revolution

Skills-powered talent practices continuum

Whilst nearly 90% of executives agree that skills are becoming more important for the way organisations define work, only about one in five companies are truly adopting skills-based approaches to a significant extent



Evolutionary steps

Recruitment

- Relax hiring requirements and consider skills & capability

Role review

- Deconstruct jobs into work to be done

Tech enabled

- Using tech to create visibility of skills and roles



**The Career
SatNav That Makes
Progress Visible**



ROI metrics

Start measuring now to build your business case



Retention rate



Time to fill



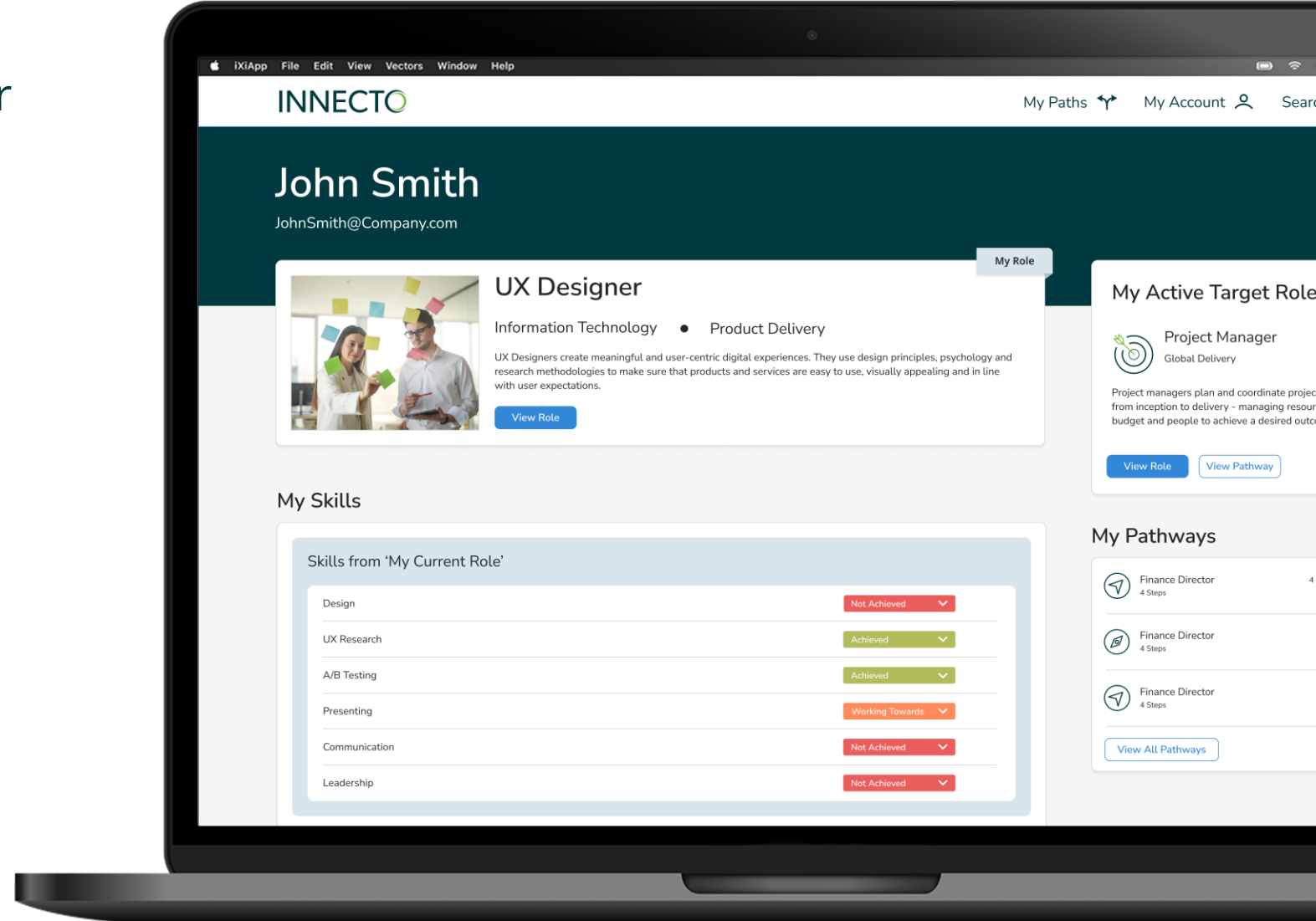
Employee engagement scores



Cost per hire



Time to productivity



Key takeaways

- Career pathways retain talent beyond pay
- Transparency and agility are key
- Non-linear progression unlocks are key
- Reward leaders must champion mobility



How well are potential career pathways understood in your organisation ?



If not at all / some/ moderate:

- Why is this?
- What are the challenges / barriers?
- What can you do to get better visibility?
- Do you need to review / introduce a job levelling framework?

If very well / extremely well:

- What are you doing that works?
- What would you recommend to others?

Meet Your Panellists

INNECTO



Sarah Lardner

Consultant & Director of
Business Innovation,
Innecto



Simon Haines

Partner and Head of
Talent Analytics,
AON



Julian Daley

Global Senior
Compensation Manager,
Freshfields



Emma Rudd

Senior People Leader,
Fractional CPO &
Consultant



Exclusive roundtable event at The Ivy

From Workforce Support to Workforce Performance

TUESDAY **03** MARCH
2026

8:00 – 10:30am

The Ivy Tower Bridge, London, SE1 2AA



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Thank you for joining us

- Please join us for a Pathfinder demo
- Salary benchmarking roundtables to follow for participants
- Please scan below for the slides and share your feedback!

