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OFFICIAL TALENT & ORGANIZATIONAL CONSULTING PARTNER

AI IMPACT ON ROLES AND COMPENSATION

Global Total Rewards Pulse Survey

MARCH 2026

CHECK OUT OUR CAPABILITIES AND EXPERTISE

CONTENT

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EXECUTIVE SUMMARY

INTRODUCTION

This survey focuses on the impact of AI on roles and compensation, as well as the business outlook. The areas covered in this survey include:

- AI Impact on Roles and Compensation
- Business Outlook
- Employee Turnover
- Salary Increase Forecasts

This is the latest in a series of Global Total Rewards Pulse Surveys by Korn Ferry, focusing on the evolving impact of AI on roles and compensation practices.

This edition explores how AI is influencing roles and responsibilities, reshaping work across functions and levels, and driving shifts in pay decisions. In addition, it captures organizations' business outlooks and anticipated salary increase trends for 2026.

The survey was conducted in February 2026 and reflects responses from a large sample of 4,252 organizations across 133 countries. Respondents are primarily HR and total rewards professionals, representing organizations of varying sizes, geographies, and ownership structures.

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.

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SUMMARY OF FINDINGS

AI IMPACT ON ROLES

- 76% of participants believe that AI's impact on roles is accelerating, but a sizeable 40% of participants are unsure the degree to which AI will impact today's roles.
- Despite the daily press, participants are conservatively suggesting only 5–10% of roles are impacted today.
- Transformation by function is seen similarly by participants, however, modest differences exist:
  - Technology (and some operations) roles are seeing relatively more transformation, with growing demand for AI engineering, data science, and machine learning expertise.
  - Commercial and enabling roles are seeing relatively less disruption.

ADDRESSING AI-IMPACTED ROLES

- Pay models are under strain as AI-related jobs evolve faster than market data can keep pace.
- External benchmarking remains supreme, however, but surveys will need to evolve in real time to keep up.
- As a result, organizations expect greater reliance on internal management judgment to maintain the current pay model for AI-impacted roles.
- Skills-based valuing approaches are becoming more important, reflecting the rapid evolution of AI capabilities, emerging digital skill requirements, evolving management skills, and how humans and agents work together.

COMPENSATION TREATMENT OF AI-IMPACTED ROLES

- Companies are using sign-on incentives and retention bonuses to compete for highly specialized AI talent.
- The market is varying greatly, but the most common premium AI-related talent receives is typically 10–15% above peer roles.
- Where AI reduces job scope, compensation reductions are limited and range between 5–10%, with organizations opting role redesign over pay reductions.
- Organizations anticipate using multiple tools to address compensation issues driven by AI disruption.
- Important AI-ready leadership roles will command premium pay during the early days of transformation, with incentive plans increasingly linking performance metrics to digital or AI-driven business outcomes as the transformation progresses.

ORGANIZATION MATURITY AND USE OF AI IN REWARDS

- Most organizations report early to moderate maturity in applying AI to total rewards processes, with experimentation and operational adoption increasing in the past year.
- Simple applications around communication, grading, and pricing are likely the first areas to see the impact of AI within the total rewards function.
- Future focus is expected to increase as companies invest in AI-enabled reward tools, data infrastructure, and quality guardrails in AI-generated insights.

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IMPLICATIONS ON REWARD STRATEGY

Relative to these findings, Korn Ferry provides the following perspective on implications for total reward strategy.

- While there have been significant investments in AI by organizations, there remains a high degree of uncertainty as to the impact on job design and compensation programs.
- This may be a function of:
  - Conservatism in HR and total reward management.
  - A lack of AI-ready leaders driving transformation.
  - Impacts occurring in the business that are not yet reflected in rewards programs as rewards leaders scramble to keep pace.
- AI will accelerate the shift from job-based pay to skills- and capability-based reward models.
  - Skills and capabilities will increasingly drive pay differentiation.
  - As AI adoption expands, organizations will need more skills-based and capability-driven reward models to attract and retain scarce AI and digital talent.
  - Rather than reducing pay for intact roles where AI reduces job scope, organizations are prioritizing role redesign, upskilling, and career mobility into higher-value work.
- Traditional pay models will struggle to keep pace with evolving AI roles.
  - The need for reliable external compensation benchmarks will increase (possibly from new/unlikely sources).
  - Tools for pricing and pay grading will need to become more dynamic.
  - Rapidly evolving AI roles will stretch current capabilities as companies struggle to account for premiums and discounts for impacted roles.
- Compensation differentiation for critical talent will increase.
  - Premium pay for specialized AI skills and AI-ready leadership will grow.
  - This will require the emergence of new pay models to support the organization along its AI transformation.
- Reward leaders will need stronger data, analytics, and AI capabilities to manage more dynamic and complex reward decisions and workforce insights.
- Incentive and leadership pay programs will increasingly incorporate digital and AI transformation outcomes, particularly for leaders responsible for scaling AI adoption and driving productivity improvements.

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BUSINESS OUTLOOK

2026 BUSINESS OUTLOOK

- Business sentiment is rapidly evolving. The total rewards participants of this survey remain cautiously positive, despite geopolitical and economic uncertainty. These results pre-date the recent events in the Middle East.
- Revenue expectations remain positive as of the survey completion date in February.
- Technology and AI investment are key growth drivers, supporting productivity improvements and digital transformation initiatives.
- Macroeconomic uncertainty, regulatory changes, and labor market dynamics remain major external pressures affecting growth strategies.
- Internally, organizations see technology investment, operational efficiency, talent capability building, and leadership effectiveness as critical factors shaping performance and growth.

BONUS/INCENTIVE PAYMENTS

- Most organizations paid bonuses/incentives comparable to or above the target in the previous fiscal year. A majority also anticipate paying bonuses/incentives comparable to or above the target this fiscal year.
- The outlook for bonus/incentive payouts in 2026 is more optimistic than 2025 payouts.

2026 BASE SALARY FORECASTS

- Across most major markets, there is a slight decrease in 2026 total salary increases vs. our last survey in late 2025, reflecting a more conservative view on increasing fixed compensation costs in 2026.
- There is also little variation in median increases across employee groups (i.e., clerical to executive) in most major markets.
- Globally, annual salary increases are received by most employees in a majority of organizations. In 2026, 35% anticipate providing increases to at least 95% of their employees. 75% of organizations anticipate providing increases to at least 80% of their employees.

IMPLICATIONS

- While an environment of political and economic uncertainty continues, business, employment, and reward prospects are somewhat stable for a majority of global participants.
- However, this uncertainty presents challenges in organizations' planning and allocation of financial resources. As such, planning and budgeting processes are likely to become more dynamic than typical.

SUMMARY OF 2026 BASE SALARY INCREASES

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	3.5	3.5	3.5	3.5	3.5
Brazil	5.0	5.2	5.0	5.0	5.0	5.0
Canada	3.0	3.1	3.0	3.1	3.0	3.0
China	4.0	4.0	4.0	4.1	4.1	4.0
France	2.7	2.7	2.5	2.5	2.7	2.8
Germany	3.0	2.8	3.0	3.0	3.0	3.0
Italy	3.0	2.8	3.0	2.9	3.0	3.0
Japan	2.9	2.9	3.0	3.0	2.9	2.7
Netherlands	3.5	3.3	3.5	3.5	3.5	3.5
Saudi Arabia	4.0	3.9	4.0	4.0	4.0	4.0
Spain	3.0	3.0	3.0	3.0	3.0	3.1
United Arab Emirates	4.0	3.6	3.5	4.0	4.0	4.0
United Kingdom	3.1	3.1	3.0	3.1	3.3	3.3
United States of America	3.0	3.3	3.0	3.1	3.0	3.0

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.

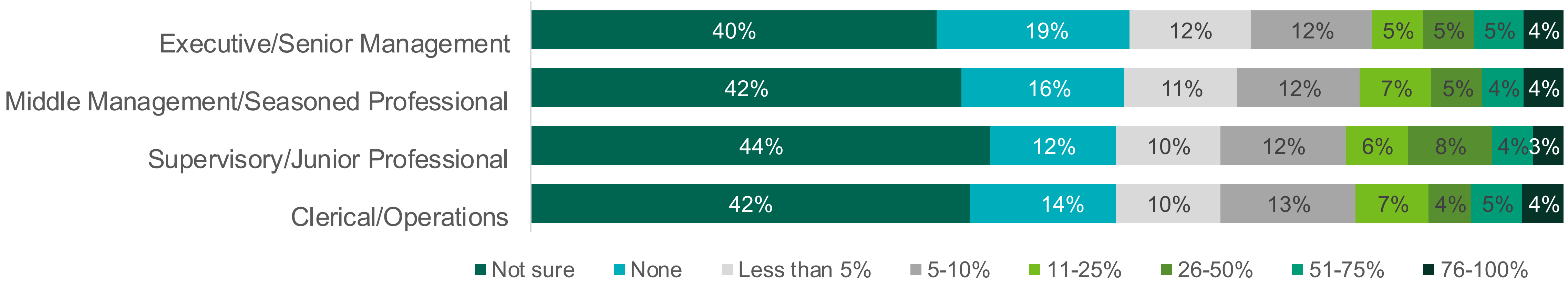
Values presented as a % of payroll for each employee group.

AI IMPACT ON ROLES AND COMPENSATION

AI IMPACT ON **COMMERCIAL ROLES**

WHAT APPROXIMATE PERCENTAGE OF YOUR ROLES ARE BEING TRANSFORMED OR IMPACTED BY AI TODAY?

COMMERCIAL ROLES



FINDINGS AND PERSPECTIVES

- Many are not sure of the AI impact on roles. Of those reporting AI impacts, most say it is impacting about 5% of roles.
- AI adoption in commercial roles is primarily augmenting productivity rather than replacing roles.
- Commercial functions are increasingly using AI for customer insights, forecasting, and campaign optimization.
- Organizations report moderate role redesign, particularly in data-driven selling and digital marketing activities.
- Demand is increasing for commercial talent with strong data literacy and AI-enabled decision capabilities.

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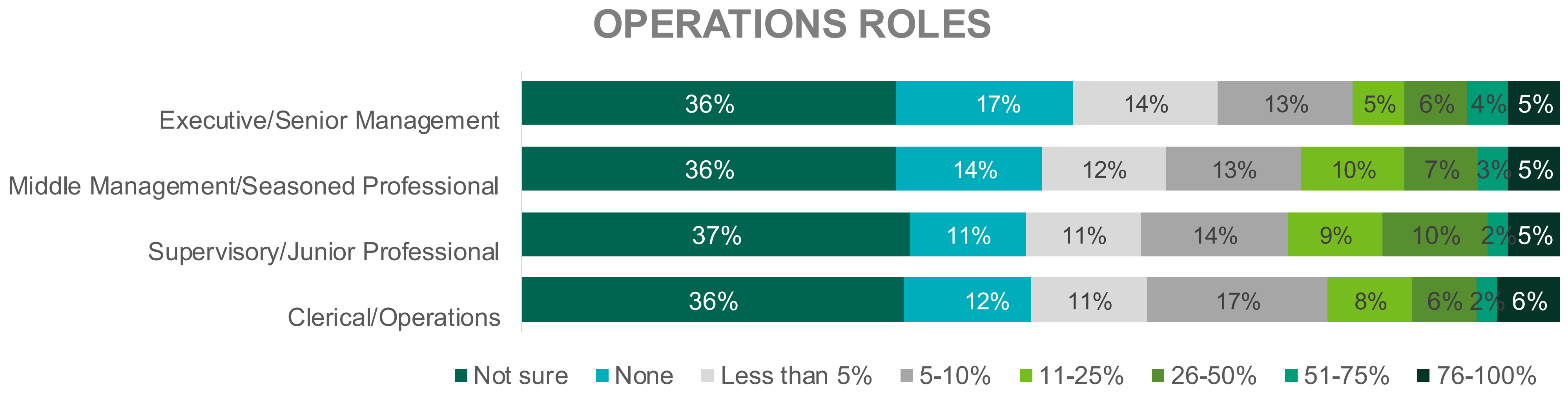
AI IMPACT ON **OPERATIONS ROLES**

WHAT APPROXIMATE PERCENTAGE OF YOUR ROLES ARE BEING TRANSFORMED OR IMPACTED BY AI TODAY?



FINDINGS AND PERSPECTIVES

- Operational roles are moderately impacted by AI and automation, and less so than Digital roles.
- Organizations report efficiency gains through AI-enabled workflow automation and predictive analytics.
- Some roles are experiencing task reduction and redesign rather than full elimination.
- Upskilling in process optimization, data interpretation, and AI oversight is becoming increasingly important.

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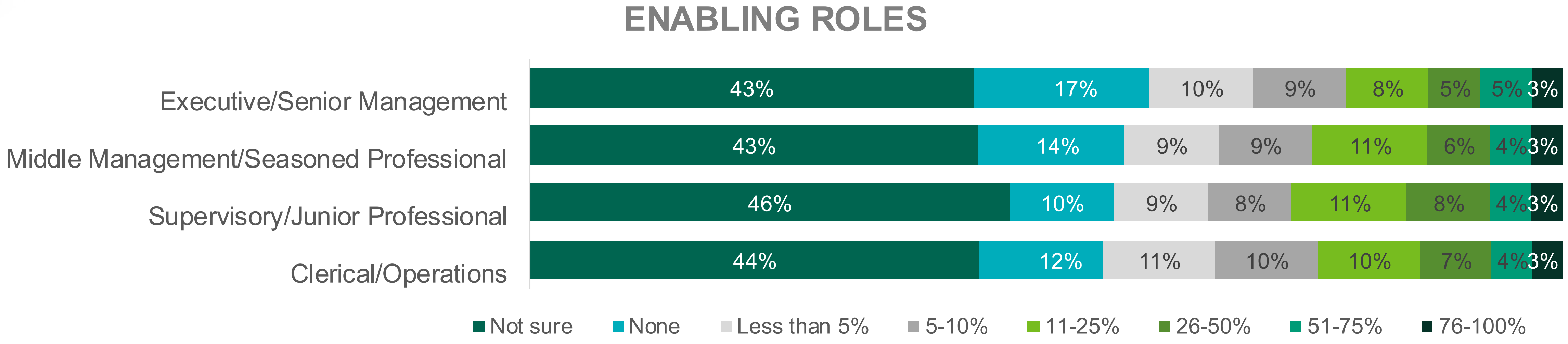
AI IMPACT ON **ENABLING ROLES (HR, FINANCE, ETC.)**

WHAT APPROXIMATE PERCENTAGE OF YOUR ROLES ARE BEING TRANSFORMED OR IMPACTED BY AI TODAY?



FINDINGS AND PERSPECTIVES

- Enabling functions are seeing increasing AI integration in analytics, reporting, and decision support tools.
- Routine administrative work is gradually shifting toward AI-assisted or automated processes.
- HR and finance teams are adopting AI to enhance workforce planning, insights, and operational efficiency.
- These roles increasingly require analytical capability and technology fluency alongside traditional functional expertise.

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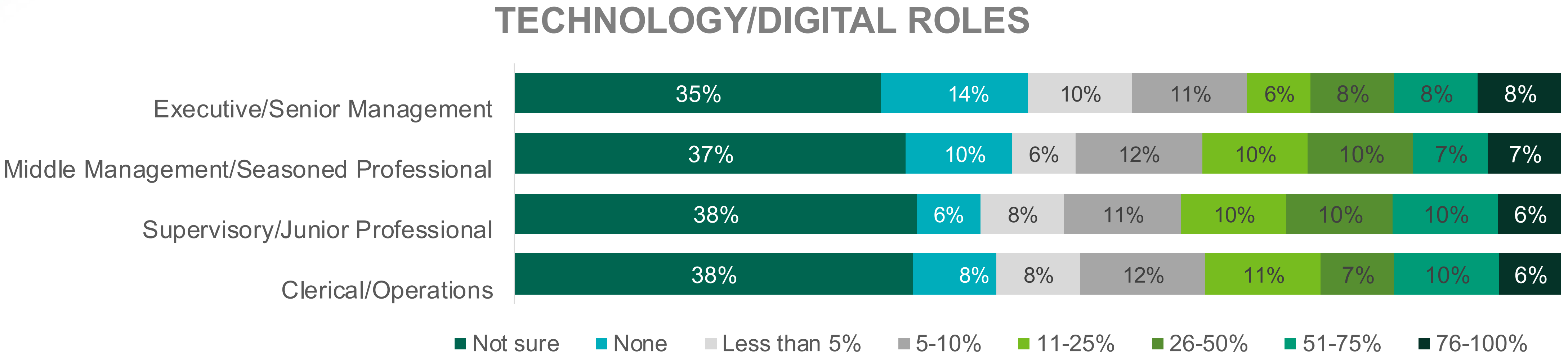
AI IMPACT ON **TECHNOLOGY/DIGITAL ROLES**

WHAT APPROXIMATE PERCENTAGE OF YOUR ROLES ARE BEING TRANSFORMED OR IMPACTED BY AI TODAY?



FINDINGS AND PERSPECTIVES

- Technology and digital roles are experiencing the most significant AI-driven transformation.
- Demand is rising for AI engineering, data science, machine learning, and AI governance expertise.
- Organizations are expanding teams responsible for AI deployment, integration, and model management.
- Talent shortages in advanced AI capabilities are driving increased competition and compensation pressure.

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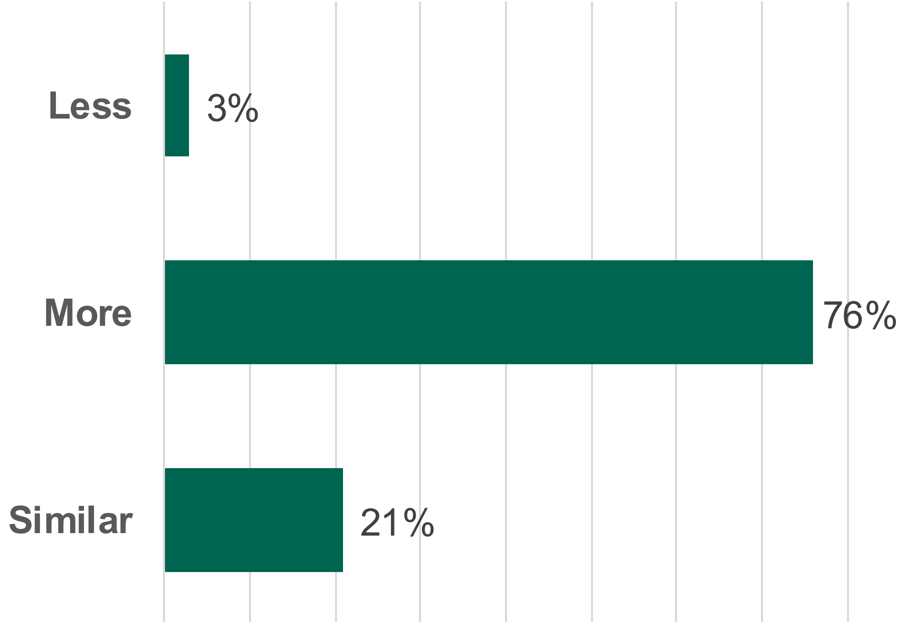
EXPECTED AI ROLE TRANSFORMATION IN THE **NEXT 2–3 YEARS**

DO YOU EXPECT LESS, MORE, OR SIMILAR LEVELS OF TRANSFORMATIONAL IMPACT ON EXISTING ROLES IN YOUR ORGANIZATION OVER THE NEXT 2-3 YEARS THAN YOU'VE EXPERIENCED TO DATE?



FINDINGS AND PERSPECTIVES

- Most organizations expect greater levels of role transformation in the next 2–3 years compared to today.
- AI adoption is projected to accelerate as tools and processes become more integrated into enterprise systems.
- Many companies anticipate expanding AI use cases beyond experimentation and pilots into broader operational deployment.

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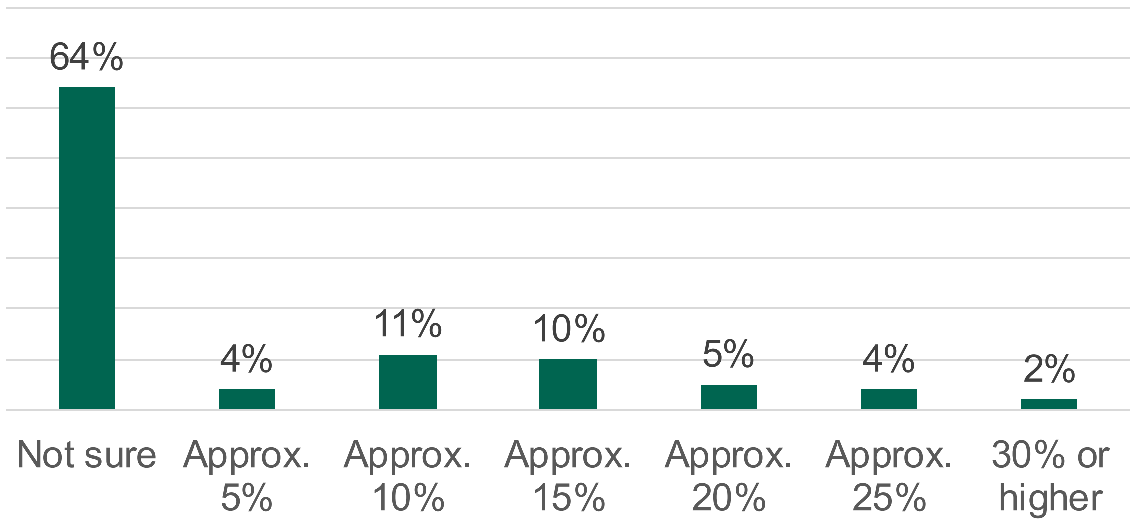
COMPENSATION PREMIUMS FOR AI-IMPACTED ROLES

FOR AI-IMPACTED ROLES WHERE MARKET TALENT DEMAND EXCEEDS SUPPLY, WHAT IS THE TYPICAL COMPENSATION PREMIUM RELATIVE TO PEER ROLES?



FINDINGS AND PERSPECTIVES

- A majority of organizations are not certain of the relative size compensation market premium for AI-Impacted roles.
- For those providing estimates, most premiums are between 10-15% vs. peer roles.
- Premiums are highest for specialized AI, machine learning, and data science talent.
- Competition for scarce talent is driving greater use of sign-on incentives and retention bonuses.
- Some organizations are also revisiting career frameworks and pay structures to better reflect emerging skill demands.

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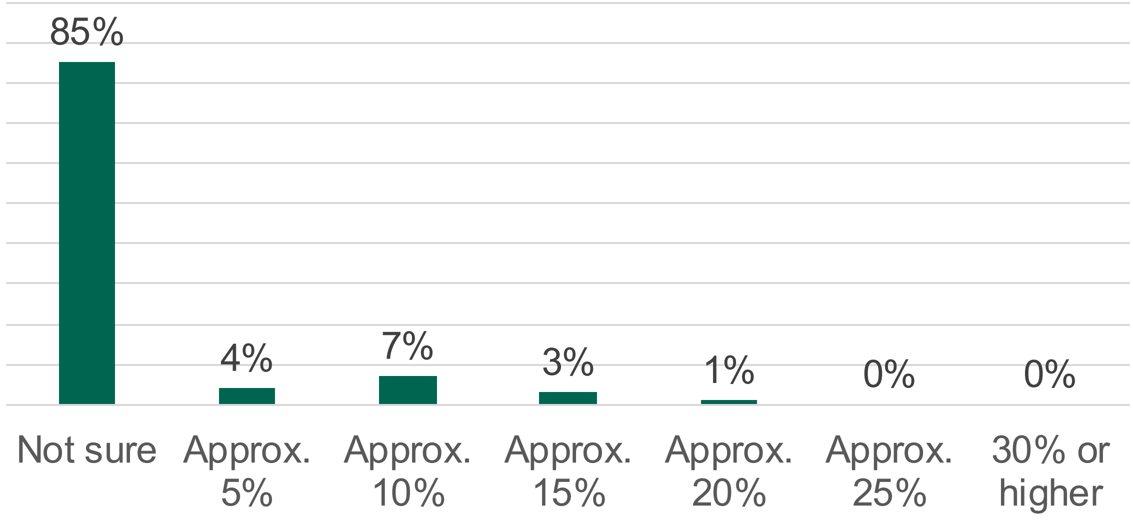
COMPENSATION DISCOUNTS WHERE AI REDUCES JOB SIZE

FOR AI-IMPACTED ROLES WHERE THERE IS A REDUCTION IN JOB CONTENT, WHAT IS THE TYPICAL COMPENSATION DISCOUNT RELATIVE TO PEER ROLES?



FINDINGS AND PERSPECTIVES

- A greater share of organizations are not certain of the relative level of market compensation discounts when AI reduces job size.
- Most discounts, where reported, range between 5-10%.
- Instead, companies are more likely to redesign roles or redeploy employees to higher-value work.
- Pay adjustments tend to occur gradually through job leveling changes or career path shifts.
- Many organizations emphasize reskilling rather than reducing compensation levels.

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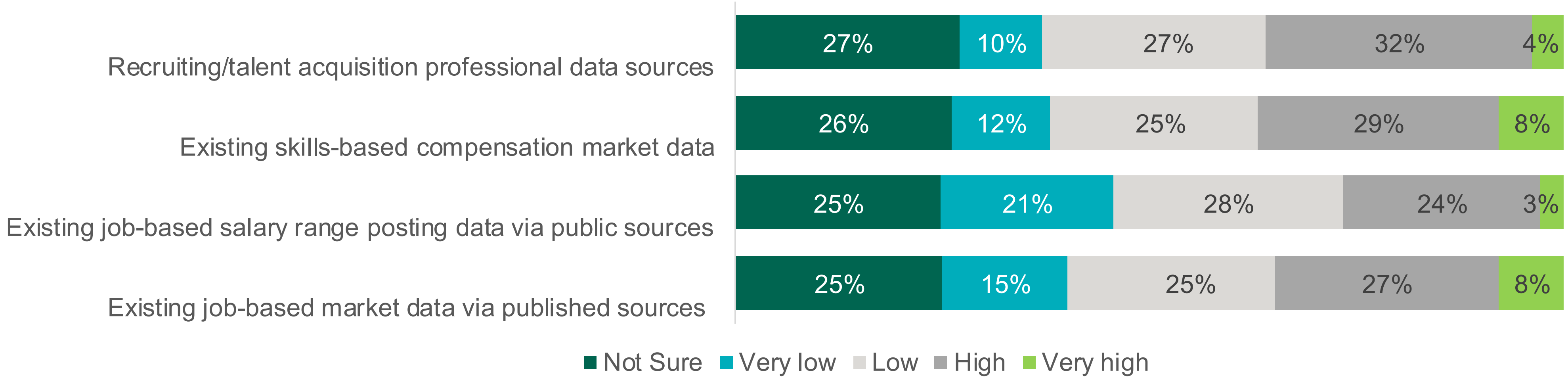
QUALITY OF COMPENSATION DATA FOR AI-IMPACTED ROLES

WHAT IS YOUR SENSE OF THE QUALITY AND USEFULNESS OF THE CURRENT COMPENSATION INFORMATION SOURCES AS IT RELATES TO ROLES IMPACTED BY AI?

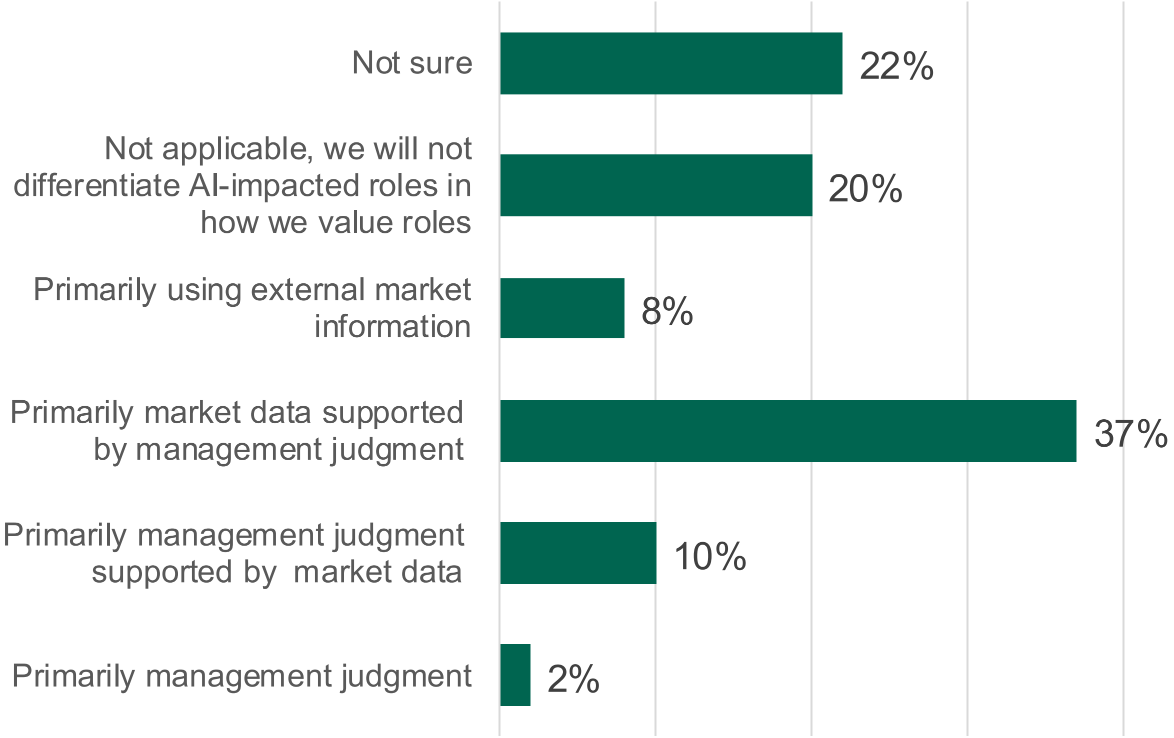


FINDINGS AND PERSPECTIVES

- Organizations report mixed satisfaction with existing compensation benchmarks for AI impacted roles.
- Transparency in public salary range data is seen as lower quality vs. third-party surveys.
- Market data for emerging AI roles is often limited, inconsistent, or rapidly evolving, resulting in reliance on TA data sourcing.
- Many HR teams rely on multiple data sources and internal expertise to evaluate AI-related pay levels.
- The fast pace of AI job evolution is creating challenges in role classification and benchmarking.

FUTURE APPROACHES TO VALUING AI-IMPACTED ROLES

HOW WILL YOU DETERMINE THE VALUE OF ROLES IMPACTED BY AI IN YOUR ORGANIZATION IN THE FUTURE?

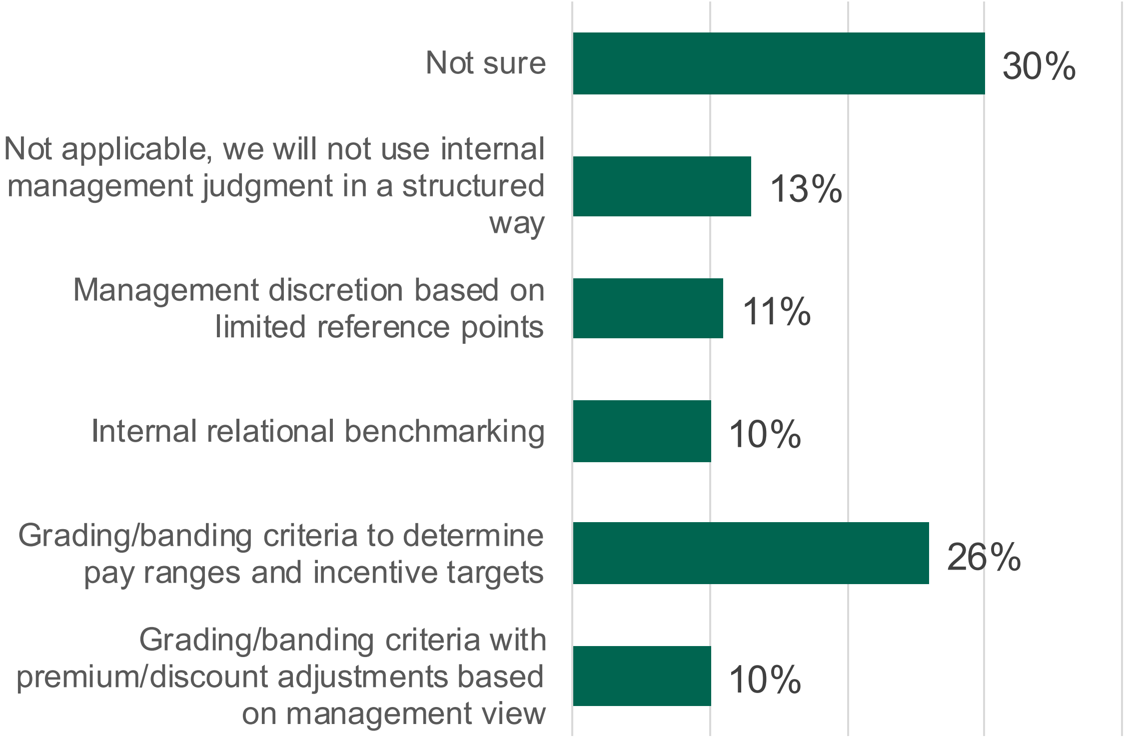


FINDINGS AND PERSPECTIVES

- External market data will remain important but will likely be supplemented with internal capability assessments.
- Organizations anticipate placing greater reliance on internal analytics and job architecture frameworks.
- Skills-based approaches are expected to play a larger role in determining compensation for AI-related work.
- More organizations are exploring dynamic role evaluation models to keep pace with rapid skill changes.

USE OF JUDGMENT IN VALUING AI-IMPACTED ROLES

HOW DO YOU ANTICIPATE USING INTERNAL MANAGEMENT JUDGMENT IN DETERMINING THE VALUE OF AI-IMPACTED ROLES?

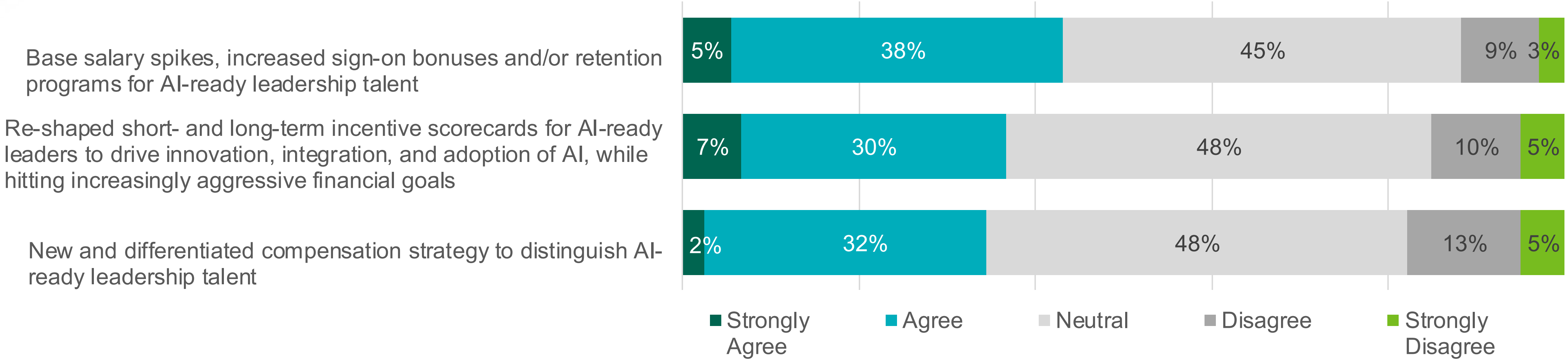


FINDINGS AND PERSPECTIVES

- There is a high degree of uncertainty regarding use of judgment going forward.
- Internal management judgment will increase in determining job value for AI-impacted roles.
- Management judgment will be most prevalent in the grading criteria used to determine compensation opportunities.

COMPENSATION FOR **AI-READY LEADERSHIP TALENT**

IDENTIFY HOW YOUR ORGANIZATION ANTICIPATES MANAGING COMPENSATION FOR AI-READY LEADERSHIP TALENT



FINDINGS AND PERSPECTIVES

- Organizations expect increasing demand for leaders capable of driving AI-enabled transformation.
- Companies are prioritizing leaders who combine technical literacy with strategic and change leadership capabilities.
- A sizeable share of organizations anticipate premium pay for executives who can effectively scale AI adoption.
- Short term (STI) and long term (LTI) incentive scorecards are likely to include metrics tied to digital or AI-driven business outcomes.

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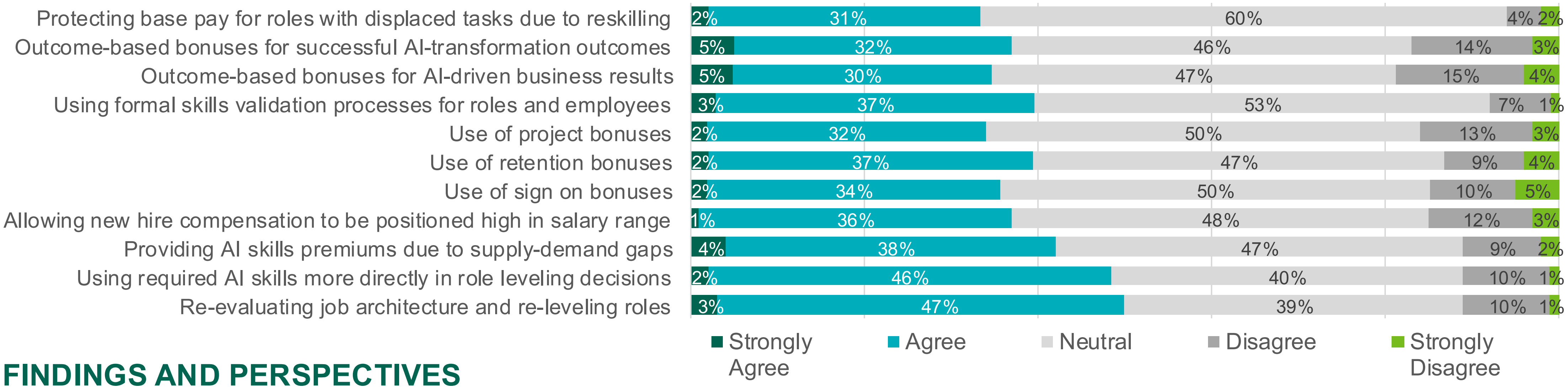
MANAGING COMPENSATION FOR OTHER ROLES

IDENTIFY COMMON RESPONSES IN HOW YOUR ORGANIZATION ANTICIPATES DEALING WITH OTHER AI-IMPACTED (NON-LEADERSHIP) ROLES

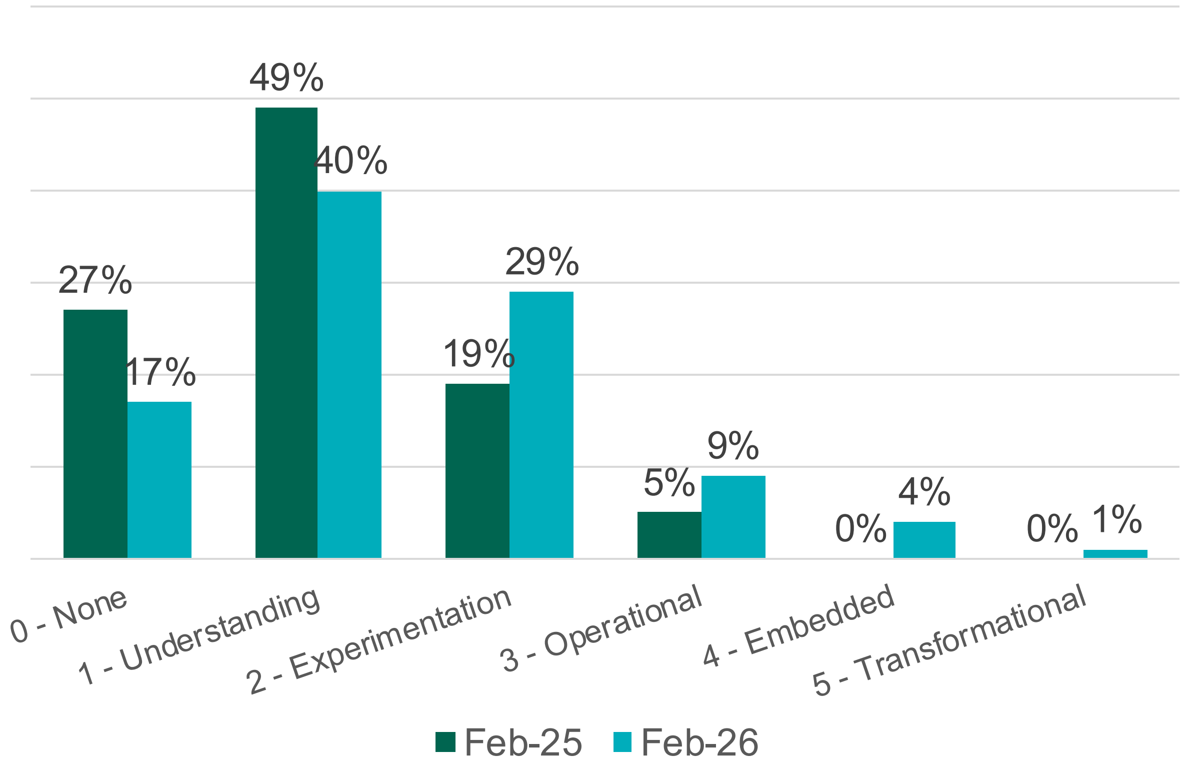


FINDINGS AND PERSPECTIVES

- Organizations are using an array of tools to manage compensation for AI-centric roles.
- Many organizations plan to invest in reskilling and upskilling rather than replacing affected employees.
- Addressing career mobility and role redesign for emerging digital or analytical roles are common themes
- Pay structures will likely evolve to reflect new skill requirements and responsibilities.
- Organizations are balancing cost management with the need to remain competitive for evolving skills.

ORGANIZATIONAL MATURITY IN USING AI IN TOTAL REWARDS

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



FINDINGS AND PERSPECTIVES

- Most organizations report early to moderate maturity in using AI within total rewards processes.
- Experimentation, operationalizing, and embedding AI has considerably increased over the past year.
- Many TR teams acknowledge a need to develop stronger AI capabilities, integrated data platforms, and governance frameworks.

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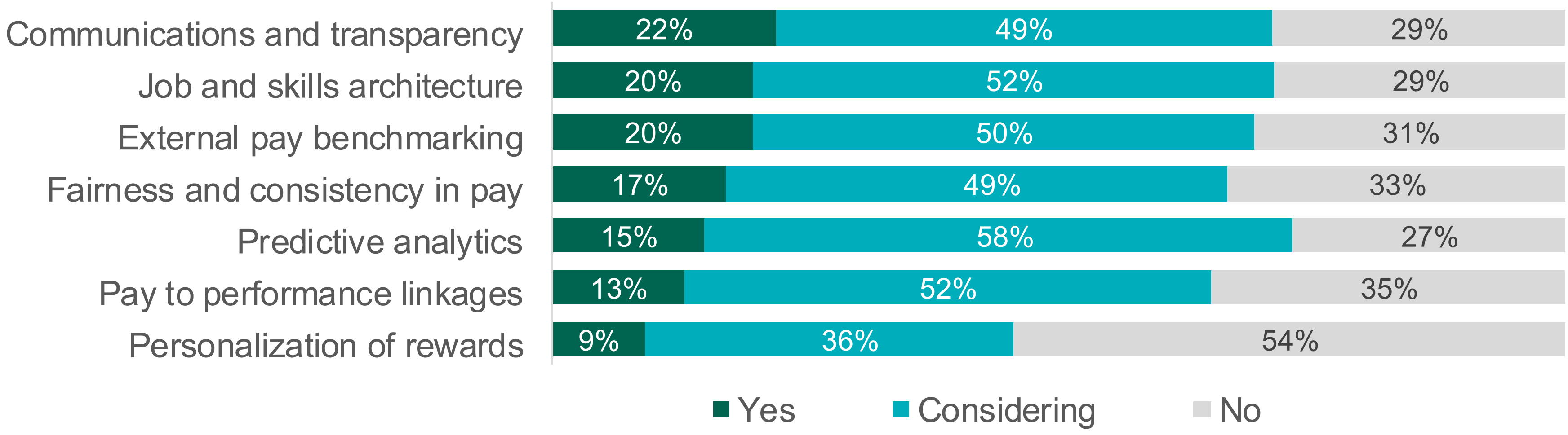
FOCUS ON **AI IN MANAGING TOTAL REWARDS**

WHAT IS YOUR ORGANIZATION'S LEVEL OF CURRENT AND FUTURE FOCUS ON THE USE OF AI IN THE MANAGEMENT OF TOTAL REWARDS PROGRAMS?



FINDINGS AND PERSPECTIVES

- Interest in applying AI to total rewards management is growing but still uneven across organizations.
- Many companies are currently exploring or piloting AI-driven analytics for compensation and workforce insights.
- HR leaders expect greater usage to complement investment in AI-enabled reward tools over the next several years.
- Building data infrastructure, skills, and trust in AI-driven insights remain key priorities.

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BUSINESS OUTLOOK

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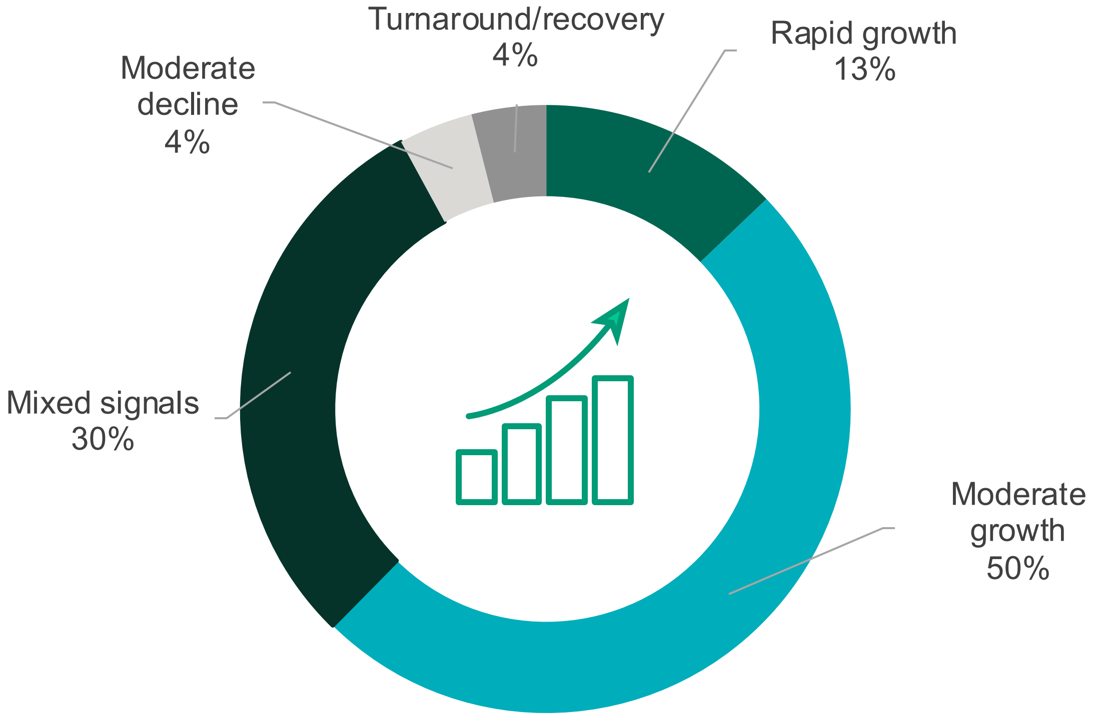
BUSINESS OUTLOOK
GROWTH PROSPECTS

CURRENT BUSINESS PROSPECTS FOR THE ORGANIZATION



FINDINGS AND PERSPECTIVES

- Most organizations report a positive but measured outlook, with 63% expecting moderate-to-rapid growth in 2026.
- The business environment is characterized by steady expansion rather than aggressive acceleration.
- Growth expectations remain consistent with mid and late 2025 sentiment, indicating stable business confidence, even given an uncertain geopolitical landscape.
- Investment in technology, automation, and AI continues to support productivity and growth strategies.

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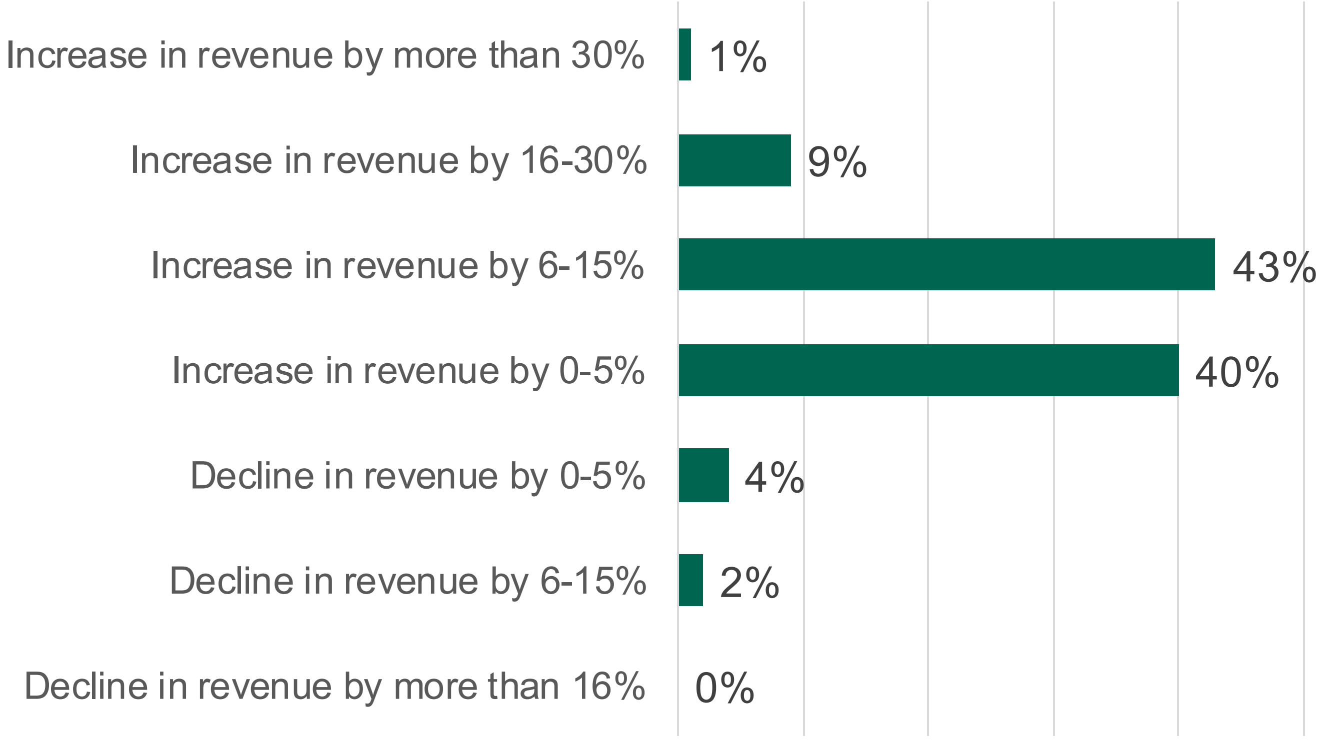
BUSINESS OUTLOOK
REVENUE FORECAST

EXPECTED BUSINESS OUTLOOK FOR THE NEXT 12 MONTHS



FINDINGS AND PERSPECTIVES

- Revenue expectations remain strong globally, with 93% of organizations anticipating growth in the next year.
- Over half of respondents (53%) expect revenue growth of 6% or more, indicating continued expansion momentum.
- While growth expectations remain positive, many organizations are balancing optimism with economic and geopolitical uncertainty.

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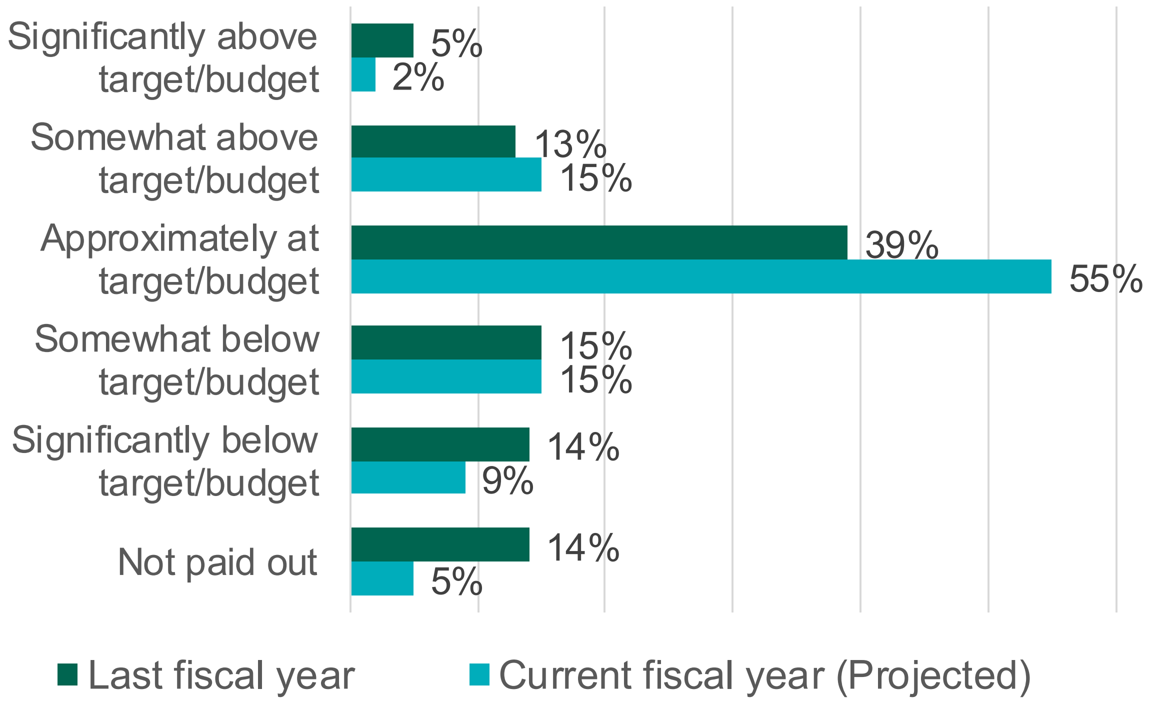
BUSINESS OUTLOOK
INCENTIVE PAYOUTS

BONUS PAYMENT RELATIVE TO THE TARGET BONUS



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

FINDINGS AND PERSPECTIVES

- Most organizations anticipate bonus payouts at or above targets, reflecting relatively stable business performance.
- 57% paid bonuses at or above target in the previous fiscal year, while 72% anticipate doing so this year.
- This suggests slightly stronger expectations for incentive payouts in the current fiscal year.
- Organizations continue to use incentive compensation to reinforce performance at enterprise, team, and individual levels.
- Incentives are a key lever in talent retention.

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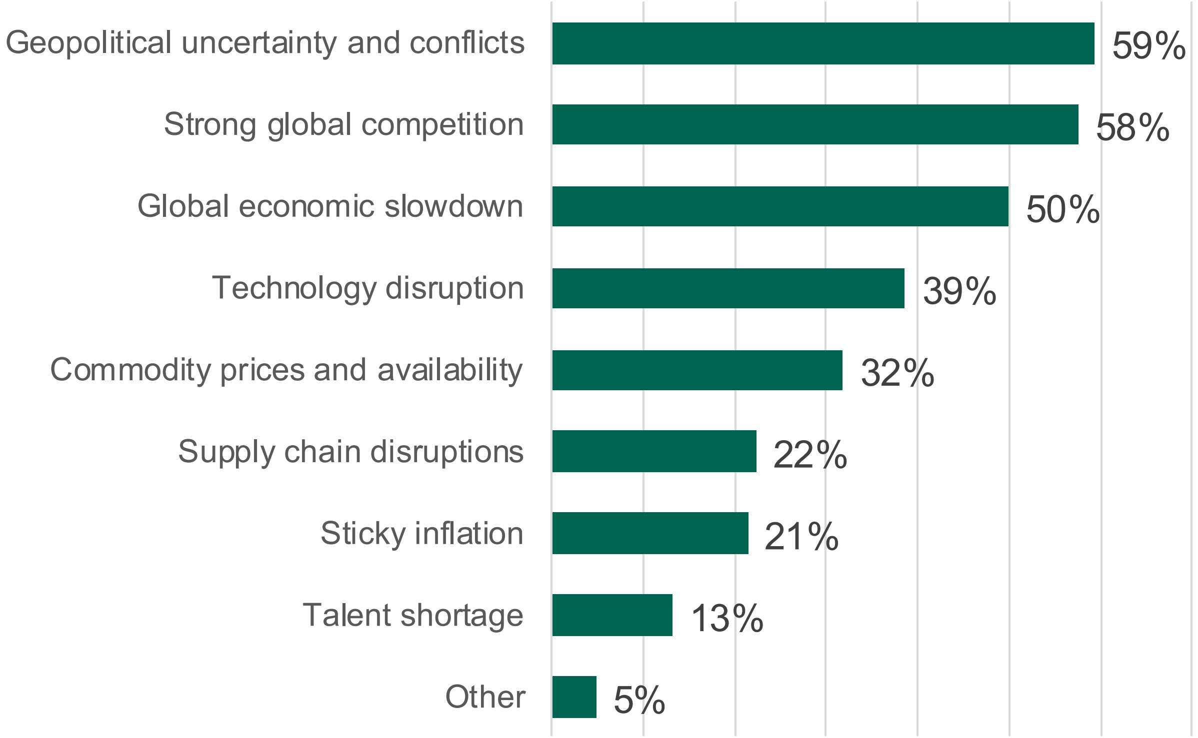
BUSINESS OUTLOOK
EXTERNAL FACTORS

WHICH EXTERNAL FACTORS DO YOU ANTICIPATE WILL AFFECT THE GROWTH OF YOUR BUSINESS?



FINDINGS AND PERSPECTIVES

- Macroeconomic uncertainty and geopolitical instability remain significant external factors influencing business growth.
- Organizations also cite regulatory changes and evolving compliance requirements as key external pressures.
- Rapid advances in technology and AI adoption are creating both opportunities and competitive pressures.
- Labor market dynamics, including talent availability and rising labor costs, continue to shape growth strategies.

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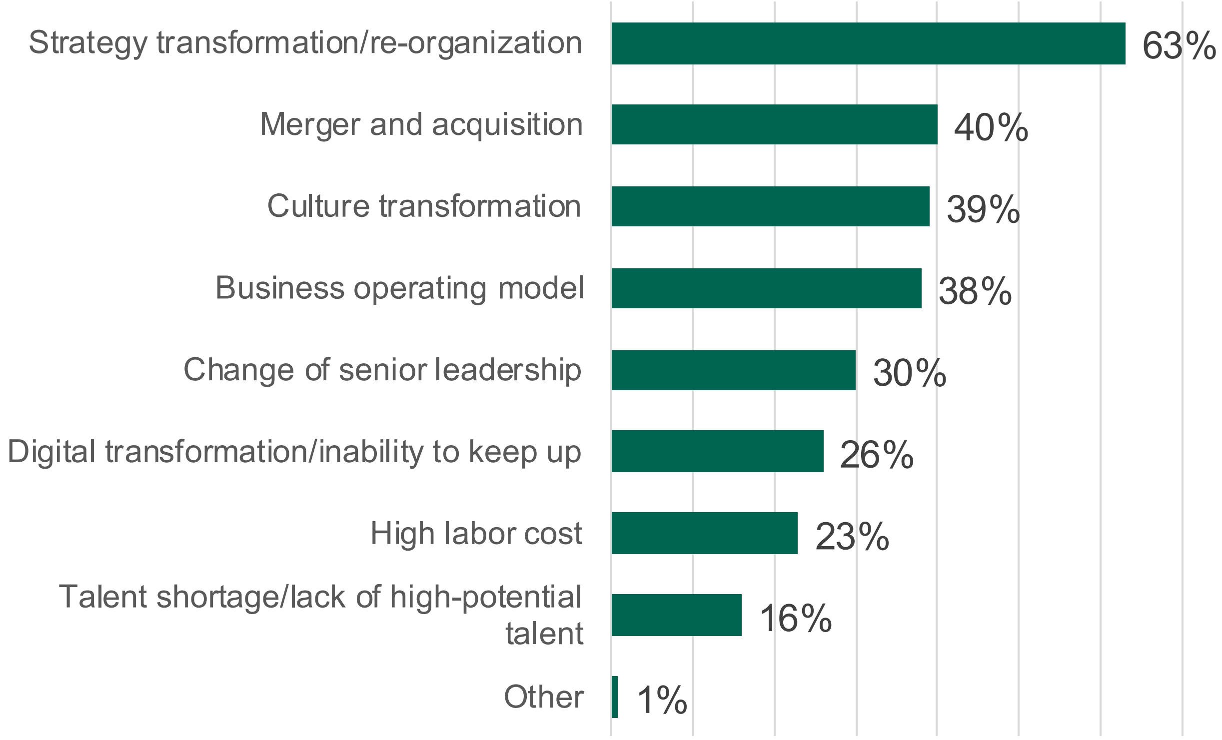
BUSINESS OUTLOOK
INTERNAL FACTORS

WHAT INTERNAL FACTORS DO YOU FORESEE WILL AFFECT THE GROWTH OF YOUR BUSINESS?



FINDINGS AND PERSPECTIVES

- Organizations highlight investment in technology and digital transformation as a critical internal growth driver.
- Operational efficiency initiatives and process optimization efforts are expected to support profitability and scalability.
- Talent strategy, including skills development and workforce capability building, is central to future performance.
- Leadership effectiveness and organizational agility are increasingly viewed as essential for navigating uncertain markets.

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EMPLOYEE TURNOVER

TOTAL EMPLOYEE TURNOVER

The table below presents the median and average employee turnover rates reported by survey respondents for the most recently completed annual cycle. **Total Employee Turnover** includes all types of departures, from layoffs to terminations, while **Voluntary Employee Turnover** (shown on next slide) reflects only self-initiated exits.

Country	All Employees	
	Med. (%)	Avg. (%)
Argentina	8.7	9.0
Australia	15.7	18.0
Belgium	10.0	18.0
Brazil	14.9	18.4
Canada	10.3	18.4
Chile	12.0	11.2
China	10.0	13.8
Colombia	18.0	22.1
Czech Republic	13.0	18.9
France	12.0	12.5
Germany	10.1	20.4

Country	All Employees	
	Med. (%)	Avg. (%)
Hong Kong, China	11.0	15.4
Hungary	11.8	14.7
India	14.4	15.2
Indonesia	7.0	12.0
Italy	6.0	9.3
Japan	11.5	13.6
Malaysia	12.0	17.3
Mexico	27.1	37.2
Netherlands	14.5	24.0
New Zealand	12.1	14.4
Peru	7.6	15.2

Country	All Employees	
	Med. (%)	Avg. (%)
Philippines	14.0	16.8
Poland	19.4	22.0
Romania	11.0	15.5
Singapore	10.0	12.0
South Korea	9.7	11.9
Spain	11.3	12.6
Thailand	10.3	16.2
United Arab Emirates	11.0	12.3
United Kingdom	14.5	21.7
United States of America	16.5	22.6
Vietnam	10.9	15.2

Data reported for countries with a minimum of 12 responses.

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VOLUNTARY EMPLOYEE TURNOVER

The table below presents the median and average employee turnover rates reported by survey respondents for the most recently completed annual cycle. **Total Employee Turnover** (shown on previous slide) includes all types of departures, from layoffs to terminations, while **Voluntary Employee Turnover** reflects only self-initiated exits.

Country	All Employees	
	Med. (%)	Avg. (%)
Argentina	3.0	4.2
Australia	11.7	11.9
Belgium	5.6	6.8
Brazil	7.5	10.1
Canada	6.3	9.7
Chile	7.0	8.1
China	5.0	6.1
Colombia	8.6	11.7
Czech Republic	6.2	9.4
France	4.0	5.6
Germany	5.9	8.8

Country	All Employees	
	Med. (%)	Avg. (%)
Hong Kong, China	5.7	5.9
Hungary	8.6	9.6
India	12.0	12.3
Indonesia	3.5	5.6
Italy	3.4	5.2
Japan	6.8	8.1
Malaysia	8.8	9.9
Mexico	14.5	23.8
Netherlands	5.9	7.2
New Zealand	11.0	10.6
Peru	4.5	8.8

Country	All Employees	
	Med. (%)	Avg. (%)
Philippines	7.5	9.6
Poland	8.6	10.0
Romania	8.4	11.8
Singapore	7.5	8.1
South Korea	7.0	10.0
Spain	4.7	7.6
Thailand	6.0	8.4
United Arab Emirates	6.5	7.5
United Kingdom	8.4	12.2
United States of America	9.0	13.7
Vietnam	9.0	11.1

Data reported for countries with a minimum of 12 responses.

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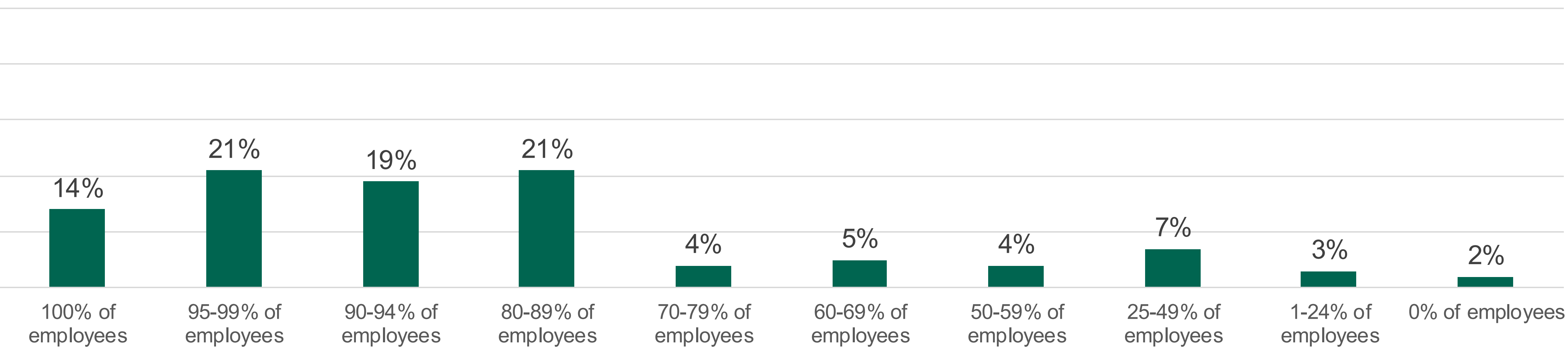
TOTAL SALARY INCREASES 2026

SALARY INCREASE
2026 BASE SALARY INCREASE FORECASTS

% OF EMPLOYEES RECEIVING SALARY INCREASES IN 2026



Globally, annual salary increases will be received by most employees in a majority of organizations. **35%** of organizations will provide increases to at least 95% of their employees. **75%** of organizations will provide increases to at least 80% of their employees. These participation rates are lower than reported last year, indicating a more selective process in salary increase eligibility.

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SALARY INCREASE 2026
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
Argentina	20.0	20.1	20.0	20.0	20.7	20.0
Australia	3.5	3.5	3.5	3.5	3.5	3.5
Austria	3.3	2.9	3.3	3.3	3.3	3.2
Belgium	3.0	2.9	3.0	3.0	3.0	3.0
Brazil	5.0	5.2	5.0	5.0	5.0	5.0
Bulgaria	5.1	5.5	5.0	5.0	5.0	5.3
Canada	3.0	3.1	3.0	3.1	3.0	3.0
Chile	4.5	4.3	4.5	4.5	4.5	4.6
China	4.0	4.0	4.0	4.1	4.1	4.0
Colombia	5.4	6.2	5.1	5.3	5.4	5.8
Costa Rica	3.5	3.1	3.5	3.5	3.5	3.5
Czech Republic	3.8	3.7	4.0	3.7	4.0	4.0
Denmark	3.0	3.0	3.1	3.0	3.0	3.0

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

KORN FERRY

SALARY INCREASE 2026
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
Egypt	17.0	16.9	15.8	17.0	17.0	17.0
Finland	2.9	2.5	2.9	2.9	2.9	2.9
France	2.7	2.7	2.5	2.5	2.7	2.8
Germany	3.0	2.8	3.0	3.0	3.0	3.0
Greece	2.9	3.1	-	3.1	2.9	-
Hong Kong, China	3.5	3.4	3.5	3.5	3.5	3.5
Hungary	6.0	5.9	5.7	5.5	6.0	6.0
India	8.5	8.3	8.0	8.7	9.0	8.7
Indonesia	5.5	5.0	5.1	5.2	5.4	5.5
Ireland	3.0	2.9	3.0	3.0	3.0	3.0
Italy	3.0	2.8	3.0	2.9	3.0	3.0
Japan	2.9	2.9	3.0	3.0	2.9	2.7
Lithuania	4.5	4.5	-	-	4.8	-

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

KORN FERRY

SALARY INCREASE 2026
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
Luxembourg	2.5	2.5	2.5	2.5	2.8	-
Malaysia	5.0	5.1	5.0	5.0	5.0	4.9
Mexico	5.0	5.7	5.0	5.0	5.0	5.0
Netherlands	3.5	3.3	3.5	3.5	3.5	3.5
New Zealand	3.0	3.0	3.0	3.0	3.0	3.0
Norway	3.5	3.3	3.5	3.5	3.5	-
Peru	4.0	3.8	4.0	4.0	4.0	4.1
Philippines	5.0	5.7	5.0	5.0	5.0	5.0
Poland	5.0	5.0	5.1	5.0	5.1	5.1
Portugal	3.0	3.0	3.0	3.0	3.3	3.3
Romania	6.0	5.8	6.0	6.0	6.0	6.0
Saudi Arabia	4.0	3.9	4.0	4.0	4.0	4.0
Singapore	3.5	3.6	3.5	3.5	3.9	3.8

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

KORN FERRY

SALARY INCREASE 2026
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
Slovakia	4.0	3.9	3.8	4.0	4.0	4.4
South Africa	5.4	5.0	5.4	5.4	5.4	5.5
South Korea	4.0	3.8	4.0	4.0	4.0	4.0
Spain	3.0	3.0	3.0	3.0	3.0	3.1
Sweden	3.0	2.8	3.0	3.0	3.0	3.0
Switzerland	2.0	2.0	2.1	2.0	2.0	2.1
Taiwan, China	3.8	3.5	3.8	3.8	3.8	3.8
Thailand	4.5	4.3	4.5	4.3	4.5	4.5
Ukraine	10.0	10.4	10.4	10.5	10.0	10.0
United Arab Emirates	4.0	3.6	3.5	4.0	4.0	4.0
United Kingdom	3.1	3.1	3.0	3.1	3.3	3.3
United States of America	3.0	3.3	3.0	3.1	3.0	3.0
Vietnam	6.0	5.5	6.0	6.0	6.0	6.0

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

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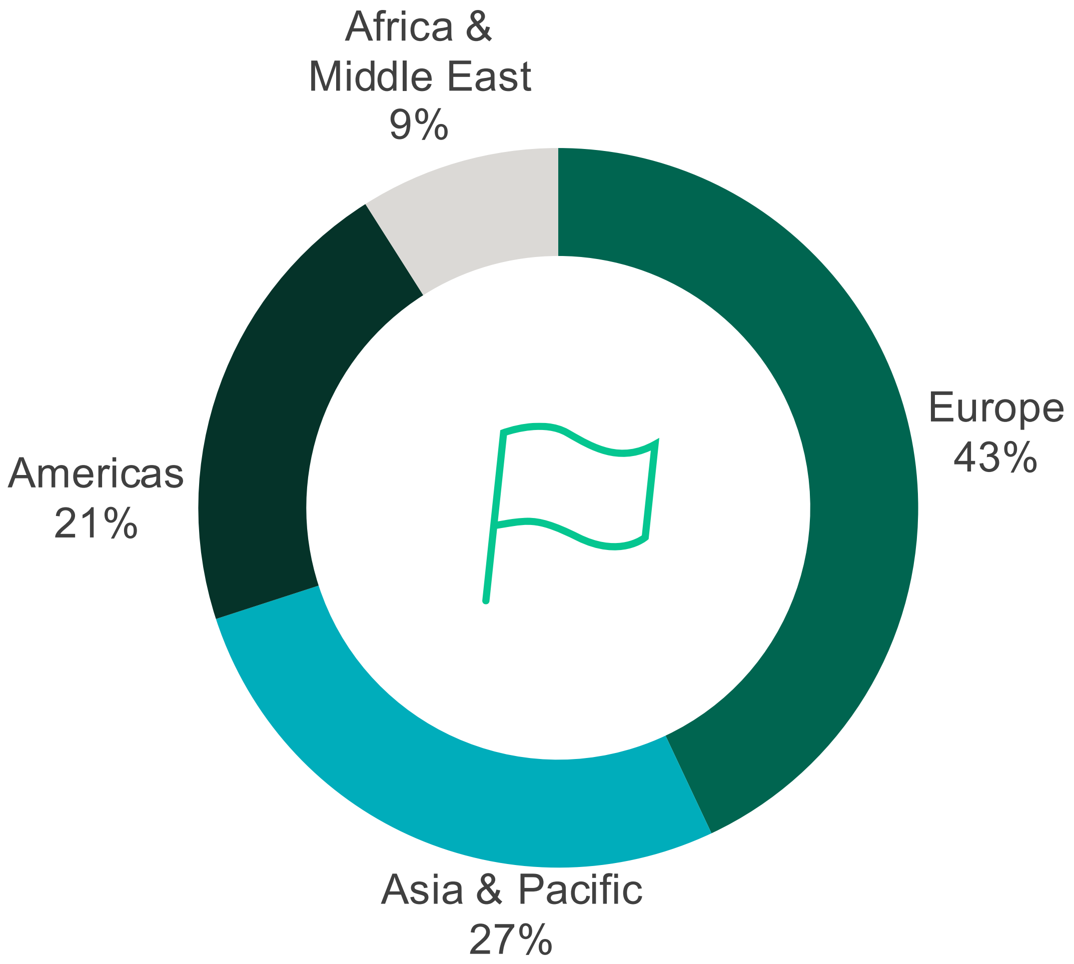
PARTICIPANT OVERVIEW

PARTICIPANT OVERVIEW **GEOGRAPHY**

This report reflects responses from 4,252 participants in 133 countries.

Organizations span a broad range of geographies, industries, sizes, and ownership structures.

Respondents are primarily from the human resources function with most respondents being total rewards practitioners, HR business partners, and HR leaders.



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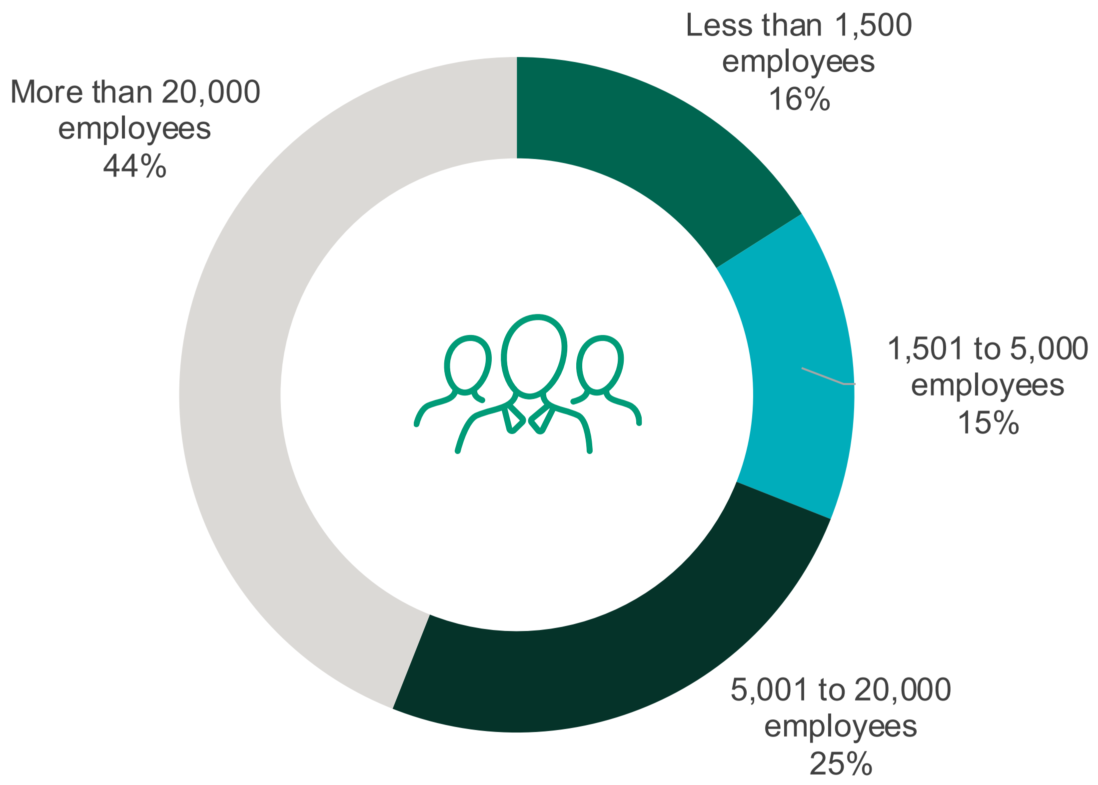
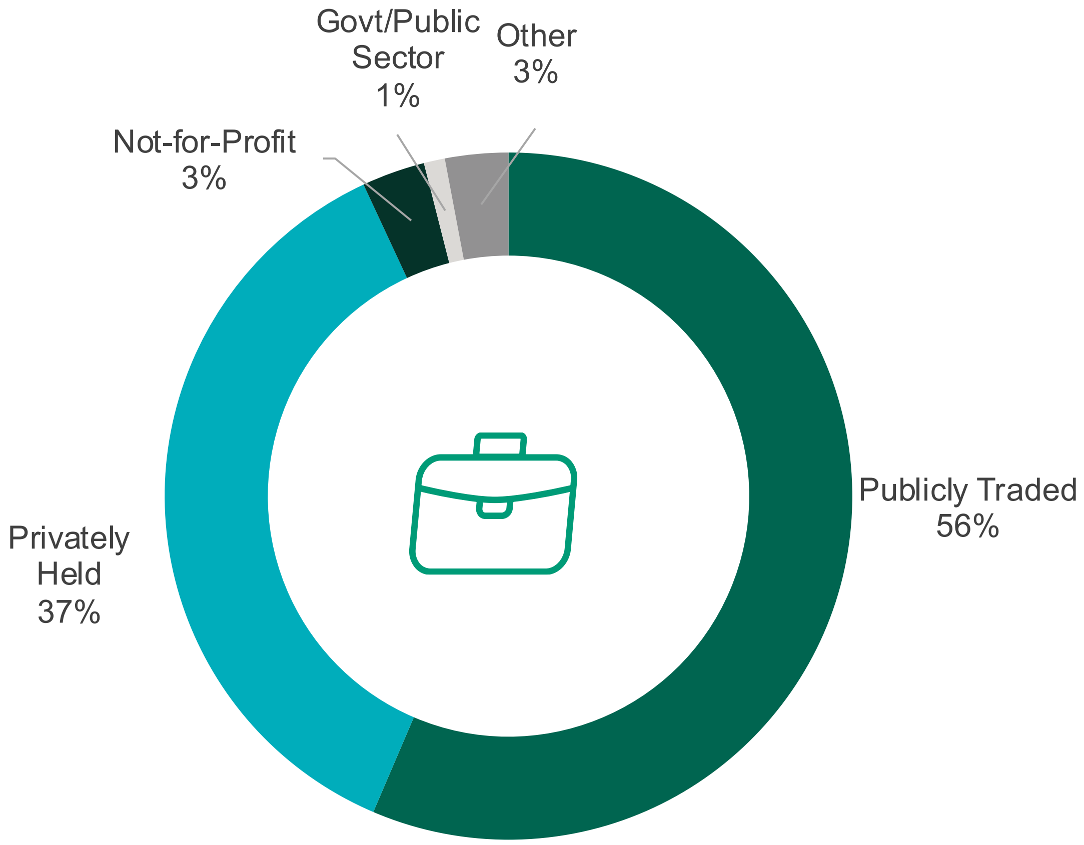
PARTICIPANT OVERVIEW
SIZE OF ORGANIZATION

BY NUMBER OF EMPLOYEES (GLOBALLY)



BY OWNERSHIP TYPE



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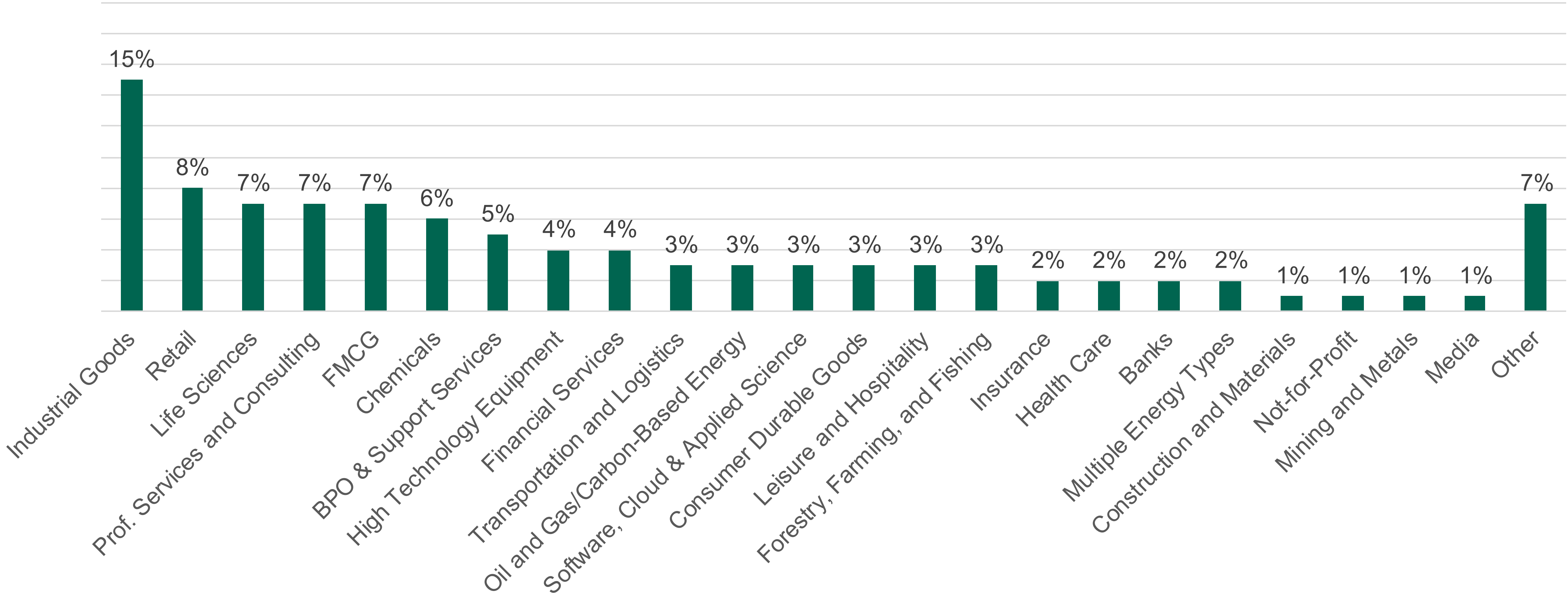
PARTICIPANT OVERVIEW
BY INDUSTRY



ADDITIONAL RESOURCES

LET US BE PART OF YOUR **SUCCESS STORY**

At Korn Ferry, we help you design total rewards programs that attract, engage, and retain the talent you need—backed by data, deep expertise, and a global lens. Our approach aligns your rewards strategy with business goals and employee expectations, so you can deliver lasting impact. With practical solutions and human-centered insights, we support smarter decisions every step of the way.

KORN FERRY PAY

An all-in-one platform to help you benchmark, design, and manage competitive pay strategies backed by real-time market insights and analytics.

KORN FERRY PAY EQUITY

A data-driven solution to help you identify, understand, and close pay gaps—supporting fair, equitable compensation decisions across your organization.

PAY TRANSPARENCY IN THE WORKPLACE

A practical guide to help you navigate increasing pay transparency expectations while strengthening trust, compliance, and organizational clarity.

PREVIOUS PULSE SURVEY ON REWARD STRATEGY TRENDS

Released in November 2025, a timely snapshot to help you understand the latest data on total rewards programs, benefits, and salary benchmarking.

READY FOR **MORE?**

Let's connect. Speak with a Korn Ferry expert.

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APPENDIX

COST OF LIVING / LEGALLY REQUIRED INCREASES 2026

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SALARY INCREASE 2026
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
Brazil	4.4	4.3	4.3	4.4	4.4	4.5
Hungary	4.1	4.3	-	4.0	4.0	5.3
United States of America	2.0	1.6	-	2.0	-	-

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

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MERIT INCREASES 2026

SALARY INCREASE 2026
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
Brazil	2.0	2.9	2.8	2.3	2.5	2.0
Canada	3.0	2.8	3.0	3.0	3.0	3.0
China	4.1	4.1	4.0	4.1	4.1	4.1
France	2.3	2.2	2.2	2.3	2.3	-
Hong Kong, China	3.5	3.3	3.4	3.5	3.7	-
Hungary	5.0	4.3	4.6	4.6	5.0	5.0
Indonesia	6.0	5.0	5.8	-	-	-
Italy	2.0	1.9	2.2	1.5	2.0	2.2

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

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SALARY INCREASE 2026
MERIT INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Malaysia	5.0	4.7	5.0	4.9	5.0	4.9
Mexico	5.0	4.8	5.0	5.0	4.9	5.0
Romania	6.0	6.4	-	6.0	6.3	-
Singapore	3.5	3.4	3.5	3.5	3.8	3.8
Spain	2.3	2.2	-	2.3	2.1	-
Thailand	4.5	4.1	4.5	4.2	4.2	4.5
United Arab Emirates	4.0	4.0	-	4.0	-	-
United Kingdom	2.9	2.9	2.8	3.1	-	-
United States of America	3.0	3.1	3.0	3.0	3.0	3.0
Vietnam	6.0	5.3	6.0	6.3	6.5	7.0

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

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PROMOTION INCREASES 2026

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SALARY INCREASE 2026
PROMOTION INCREASES

Country	All Employees		Median Increase (%) by Employee Group			
	Med. (%)	Avg. (%)	Executive/ Senior Management	Middle Management/ Seasoned Professional	Supervisory/ Junior Professional	Clerical/ Operations
Hungary	1.0	3.0	0.6	0.8	1.3	0.8
Thailand	1.5	3.9	-	1.0	1.0	-
United States of America	1.0	2.3	1.0	1.0	1.0	1.0
Vietnam	1.3	4.6	1.2	-	-	-

Values presented as a % of payroll for each employee group.

Data reported for countries with a minimum of 12 participants.

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RESEARCH REPORT