HR.COM'S FUTURE OF COMPENSATION AND TOTAL REWARDS

Compensated, But Not Convinced

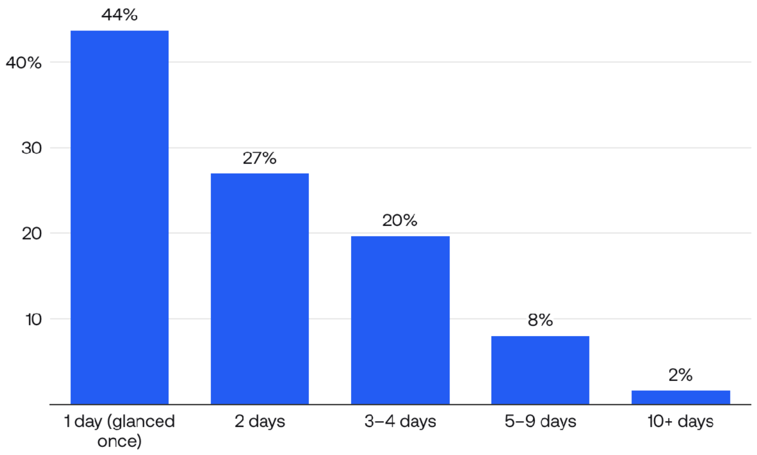
The Future of Total Rewards Communication

Charles Knuth, Pave · Wednesday, August 5, 2026

Convinced at Hire...

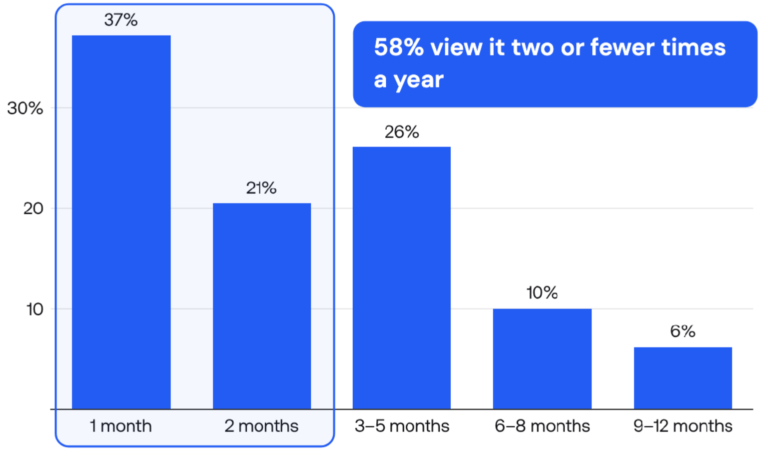
Number of Days Candidates View Their Offer

Share of candidates viewing their offers multiple times before the offer decision.

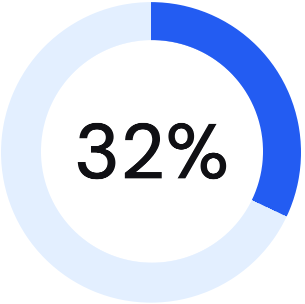


...Forgotten After

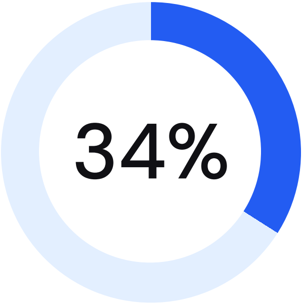
Months per Year Employees Engage with Total Rewards Statements



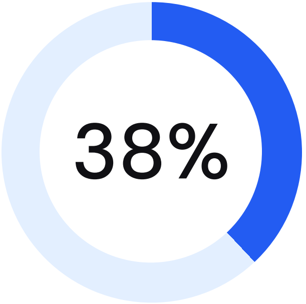
Source: Pave analysis;



believe their pay is fair



believe their pay is equitable



understand how their pay is determined

Source: Gartner

Compensation isn't the problem.
How it's communicated is.

Three Objectives of Rewards Communication

Awareness → Action → Understanding Value

Why Understanding Is the Lever

Educating employees on how pay is determined

→ **+10%** trust in the organization

→ **+11%** perception that pay is fair

Source: Gartner

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Compensation Moments that Matter

	Moment 1 — The Offer	Moment 2 — Ongoing Tenure
Awareness	✓	✓
Action	✓	✓
Understanding Value	✓	The gap

The Understanding Gap Runs Both Ways

Especially for non-cash compensation

Less than half of employers know which rewards employees value

Source: WTW

62%

of stock plan participants don't understand the tax impact of their equity

Source: Morgan Stanley at Work

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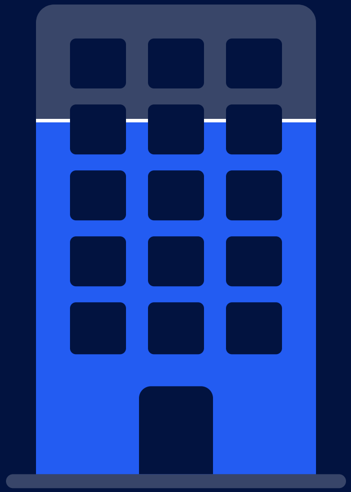

~3 in 4

companies with comp planning software have also launched a pay communication tool.

85%

route pay communication through managers

55%

offer an employee portal

52%

send rewards statements

Top stat: Pave analysis; Bottom stats: WTW.

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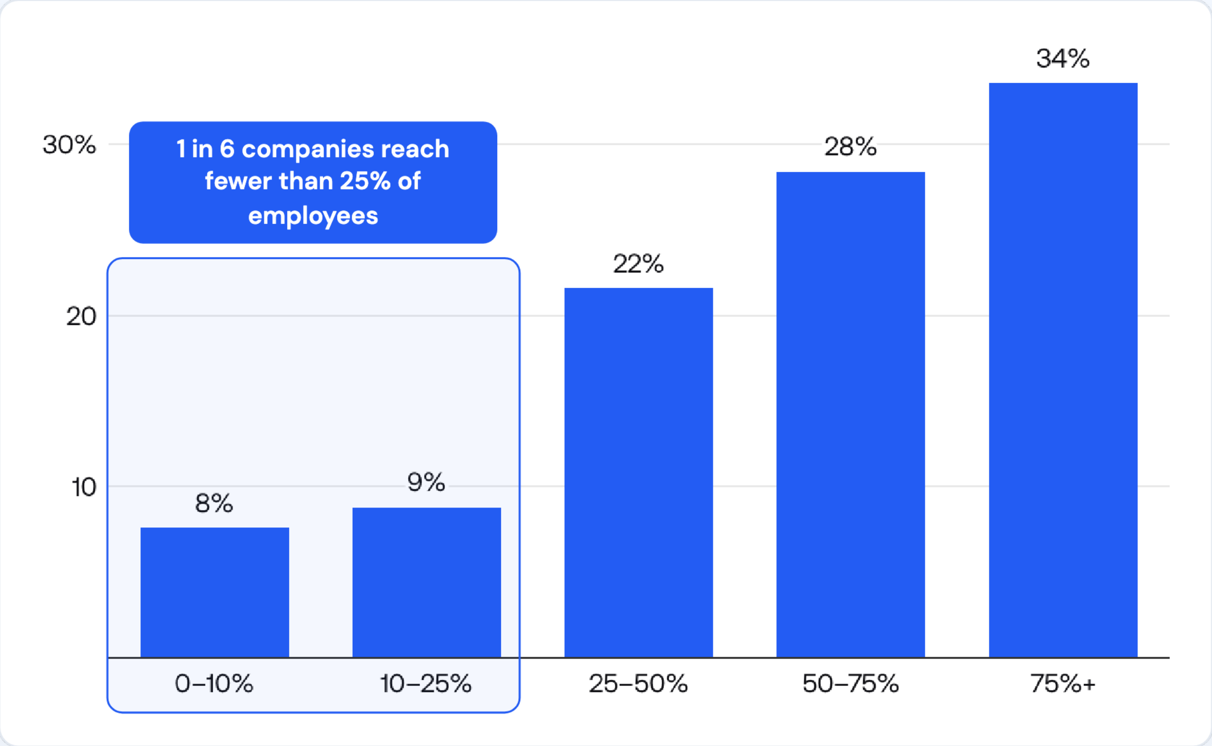
Reach Isn't the Problem

Share of companies by % of workforce who views their rewards at least once in 12 months



median share of employees reached each year

Source: Pave analysis;

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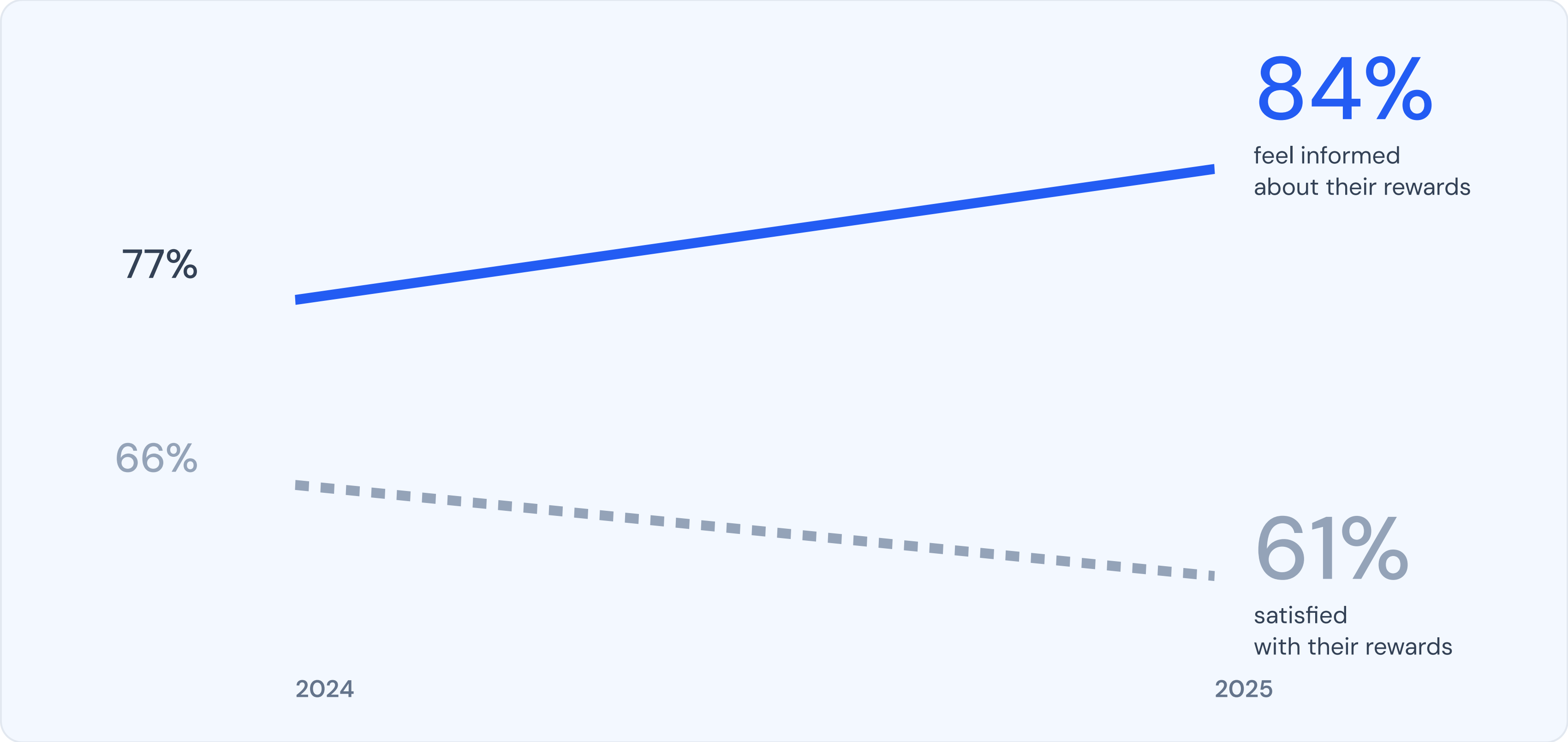
Informed Is Not Convinced

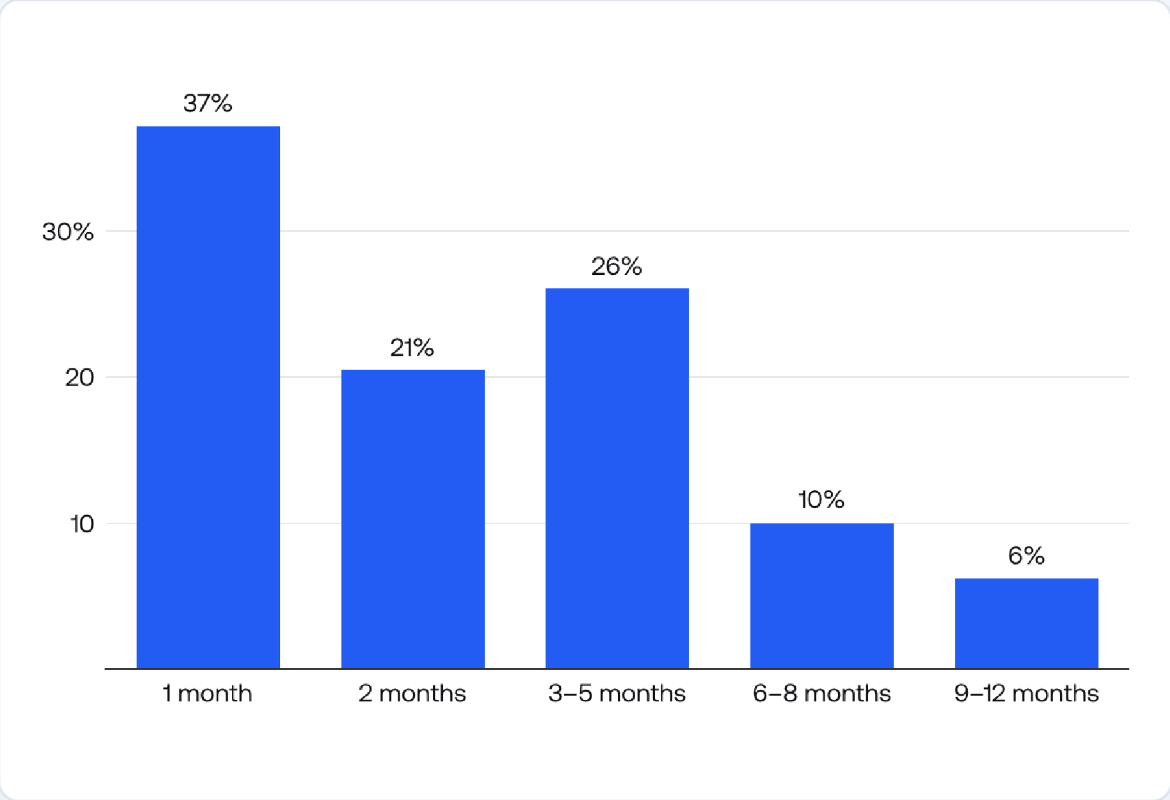


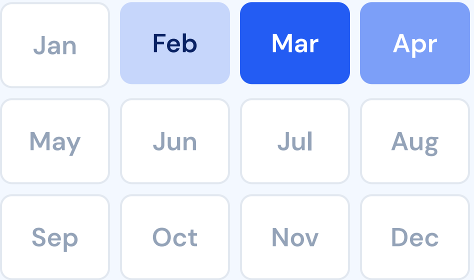
Source: WTW

ONGOING TENURE

Where Value Quietly Leaks

Employees Engage About Three Months a Year





Source: Pave analysis;

pave

75%

of engagement happens within 30 days of the merit cycle.

Employees look when comp is announced and rarely otherwise.

Source: Pave analysis;

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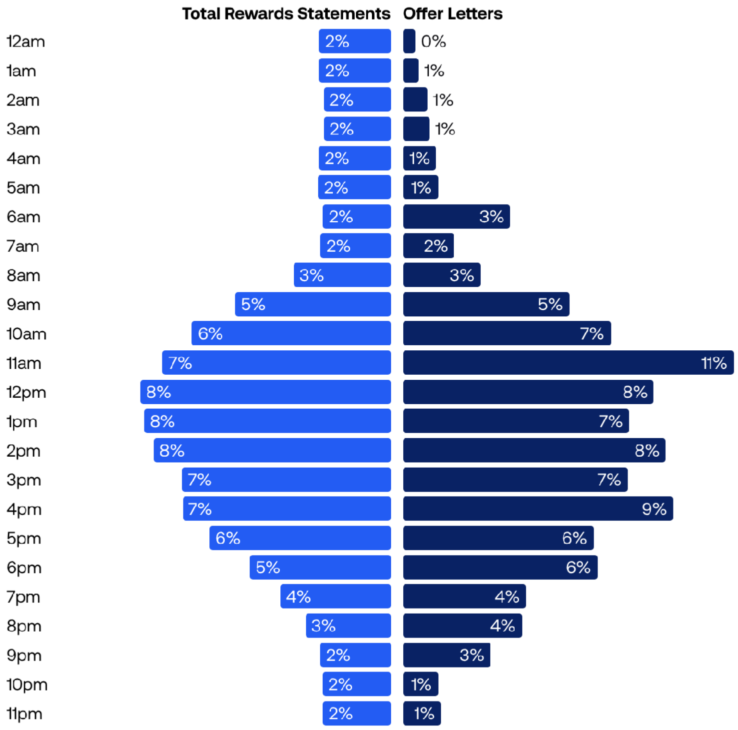
Engagement Happens at a Desk, During Work Hours



94%

of engagement happens Monday–Friday

Source: Pave analysis;

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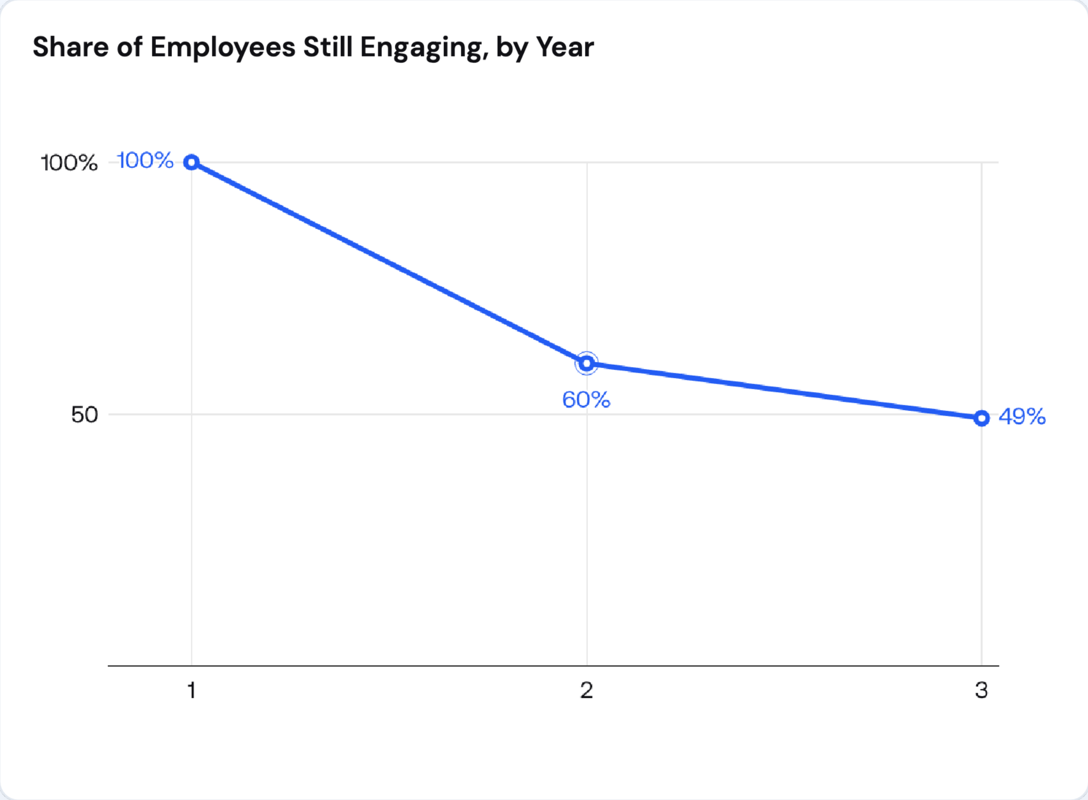
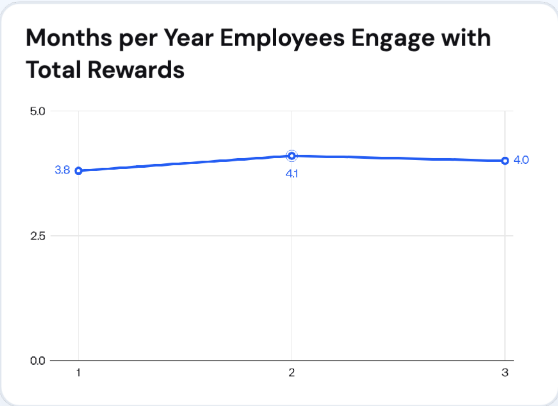
Total Rewards Engagement Drops off in Year 2 and 3



Continued use remains consistent



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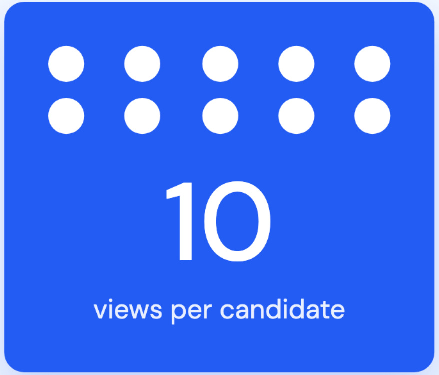
Once a year, triggered by the annual merit cycle. One touchpoint a year doesn't build understanding.

> Perceived pay fairness predicts engagement more strongly than the pay itself.
>
> OBLOJ & ZENGER

THE OFFER

Proof Value Can Land

Candidates Study Their Package



Source: Pave analysis;

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Pay Perception Shows Up in Retention

PAY PERCEIVED AS UNFAIR

–15%

intent to stay

–13%

engagement

Source: Gartner

PAY PERCEIVED AS FAIR

+85%

engagement

+60%

commitment

Source: Mercer

pave

Managers Carry the Message, With the Least Confidence

THE RELIANCE

84%

of employers rely on managers to communicate pay

38%

feel they've trained managers well

Source: WTW

THE BLOCKER

#1

Manager capability concerns top the list of blockers to pay communication

Everything else is in place — what's missing is a manager who can explain it.

Source: WTW

THE STAKES

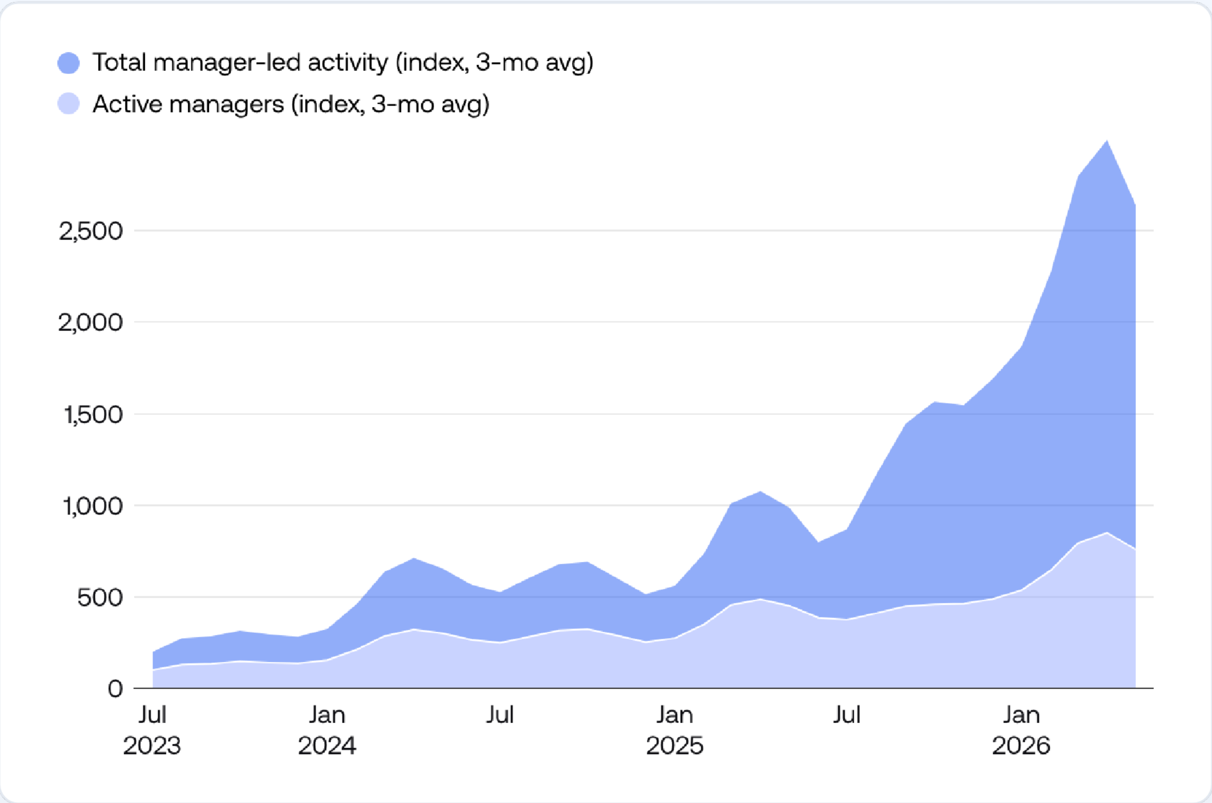
Most

fairness-shaping decisions are made by managers

Raises, ratings, promotions — the moments where fairness is judged.

Source: Gartner

Companies Are Moving Pay Conversations to Managers



Manager-led compensation activity grew more than

20×

in the last three years

Source: Pave analysis;

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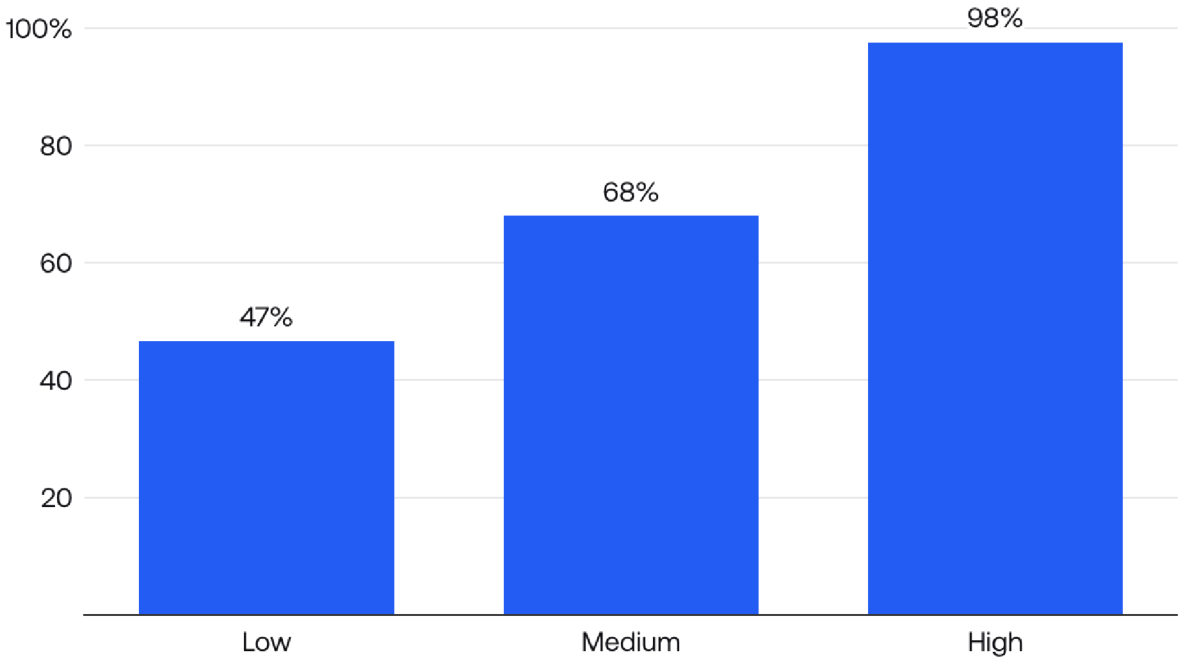
Manager Adoption Drives Employee Engagement

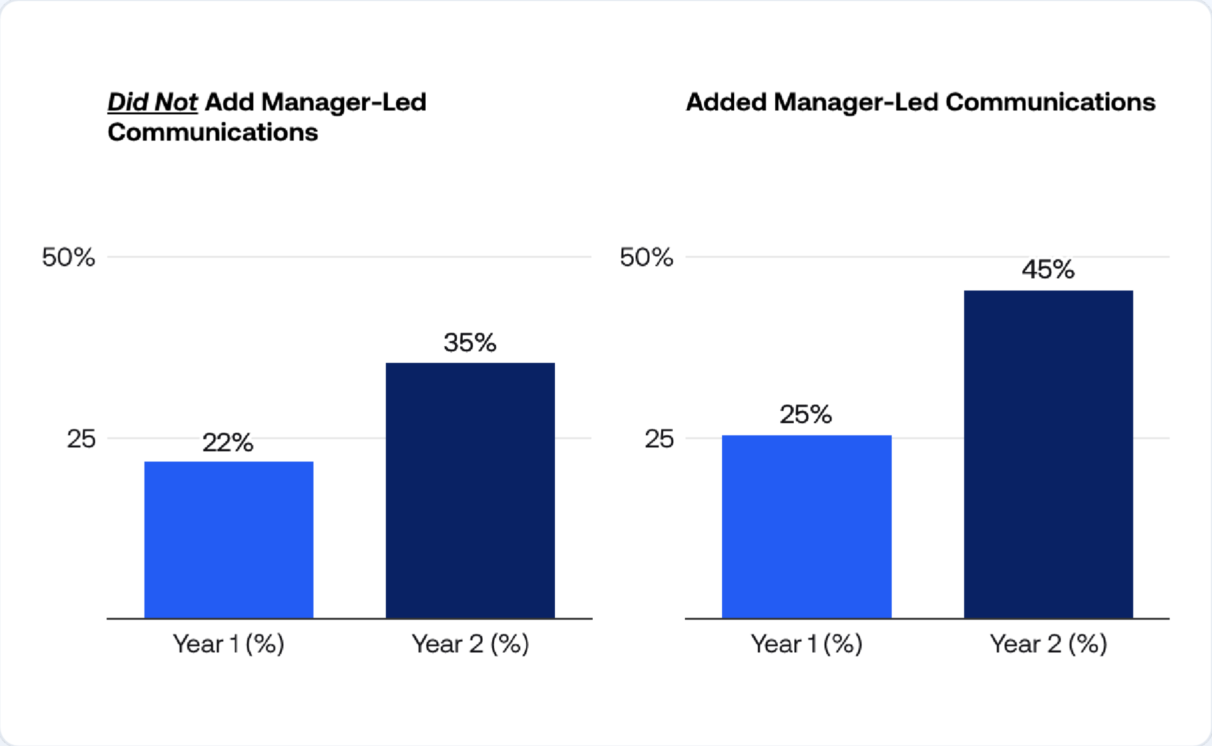
Employees Viewing Total Rewards Statements by Manager-led Communication Frequency



Source: Pave analysis;

Engagement Before and After Manager-Led Rollout

% of workforce engaging in total rewards



Usage grows year over year on its own. With manager-led communication enabled, companies saw

+25%

higher usage than control groups, Year 1 to Year 2

Source: Pave analysis;

pave

The Five Leaks

Four happen during tenure. The fifth is the cliff between the two moments.

1	**The Cliff**	Engagement drops the day the offer is signed.	**10 offer views becomes 1 glance a year (Pave)**
2	**The Cadence**	Communication follows the comp calendar and goes quiet in between.	**75% within 30 days of comp events (Pave)**
3	**The Desk**	Compensation is reviewed during the workday, like any other task.	**94% Monday–Friday (Pave)**
4	**The Context**	Pay arrives with no explanation of how it was set.	**38% understand how pay is set (Gartner)**
5	**The Messenger**	Managers deliver the message with the least training.	**84% rely on managers, 38% train them well (WTW)**

Source: Pave analysis;

pave

A REAL COMPENSATION TEAM

What Closing the Leaks Looks Like

Dropbox

Global workforce across 180 countries. Candidates and employees see the same personalized view of salary, equity, and benefits — from offer through tenure.

100%

of candidates viewed their interactive offer

75%

of employees logged into their rewards portal

> *"Giving employees and candidates a more intuitive view of their total rewards made compensation conversations more transparent, more consistent, and easier for managers to navigate."*
>
> Elle Xing, Senior Director of Compensation and People Technology, Dropbox

Source: Pave case study, pave.com/case-studies/dropbox

The Strategy Shift

Annual statement	→	Ongoing dialogue
HR broadcast	→	Manager-led conversations
Generic	→	Personalized, quantified, and responsive

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The Map, Revisited

	Moment 1 — The Offer Proves value can land	Moment 2 — Ongoing Tenure Where it leaks
Awareness	✓	✓
Action	✓	✓
Understanding Value	✓	~~The gap~~ **The opportunity**

pave

Run This Before Your Next Comp Cycle

How to score: Ten questions, two per leak. Score each 0 (no), 1 (partially), 2 (yes). 20 points total.

Before you start: Do you measure rewards engagement at all? What share of employees see their value each year? If you can't answer this, start here.

1 The Cliff

Q1 Do candidates see their full package — equity valued, benefits priced, growth trajectory — or a salary figure in a PDF?

Q2 Does the offer-stage experience continue after day one, or does the next value conversation happen at the first comp cycle?

First fix: Re-present the full package at onboarding and the first 1:1.

2 The Cadence

Q1 How many months a year does the average employee engage with their rewards?

Q2 Do employees ever look unprompted, or only after you push a number?

First fix: Attach touchpoints to the employee's calendar — vests, enrollment, promotions — not only the company's.

Source: Pave analysis;

Leaks 3–5: The Desk, The Context, The Messenger

3 The Desk

Q1 Is there any evidence of at-home or off-hours reflection, or does it all happen at a desk during work hours?

Q2 Can the material be shared with the people employees decide with — spouse, family, mentor?

First fix: Make the materials easy to share with the people employees decide with.

4 The Context

Q1 Is communication individualized and dollar-quantified — this person's equity at current value, their benefits priced — or a template with merge fields?

Q2 Does it explain how pay is determined: market position, philosophy, what drives the next increase?

First fix: Explain how pay is determined in your next comp communication. It is the simplest change on this list.

5 The Messenger

Q1 Do managers have the individual's numbers and the rationale, or talking points?

Q2 Is comp-conversation training as robust as performance-review training?

First fix: Train managers before expanding their role in pay conversations.

Source: Pave analysis;

Scoring and Next Steps

0–7

Annual transaction.
Employees see their pay once a year and little else. Start with Leak 4, the simplest fix on the list.

8–14

Broad reach, shallow engagement.
Tools are deployed and awareness is handled; understanding is not. Prioritize Leaks 1 and 5.

15–20

Ongoing dialogue.
The remaining problem is recurrence — getting employees to come back between pay events.

GO DEEPER

Pave's Manager CompIQ Workbook

pave.com/blog-posts/empowering-managers

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Q&A

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