

2023 pay trends in Executive Compensation



Executive attrition is not a serious problem for most organizations



Voluntary attrition rate

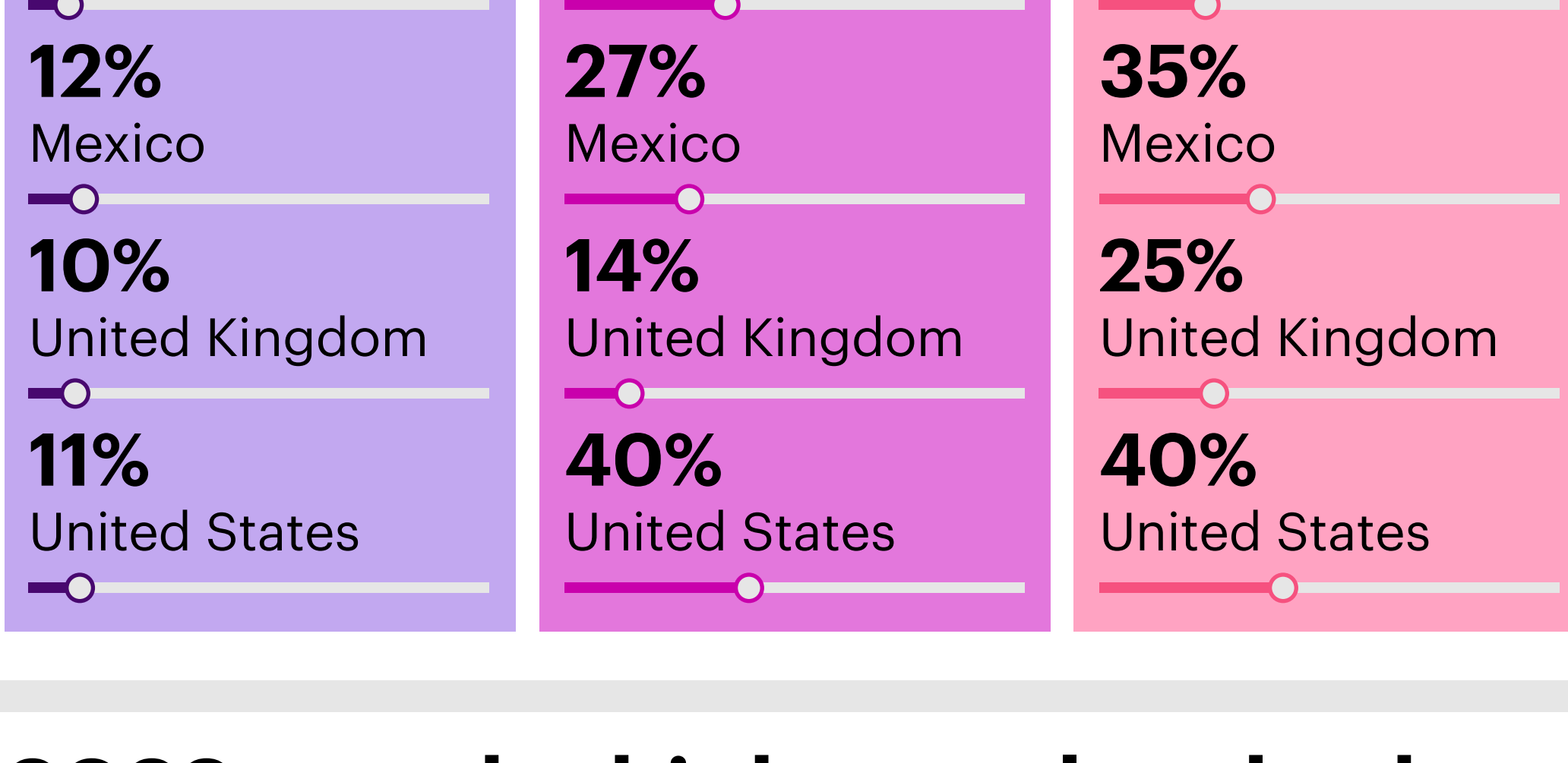
4%
China

9%
Mexico

5%
United Kingdom

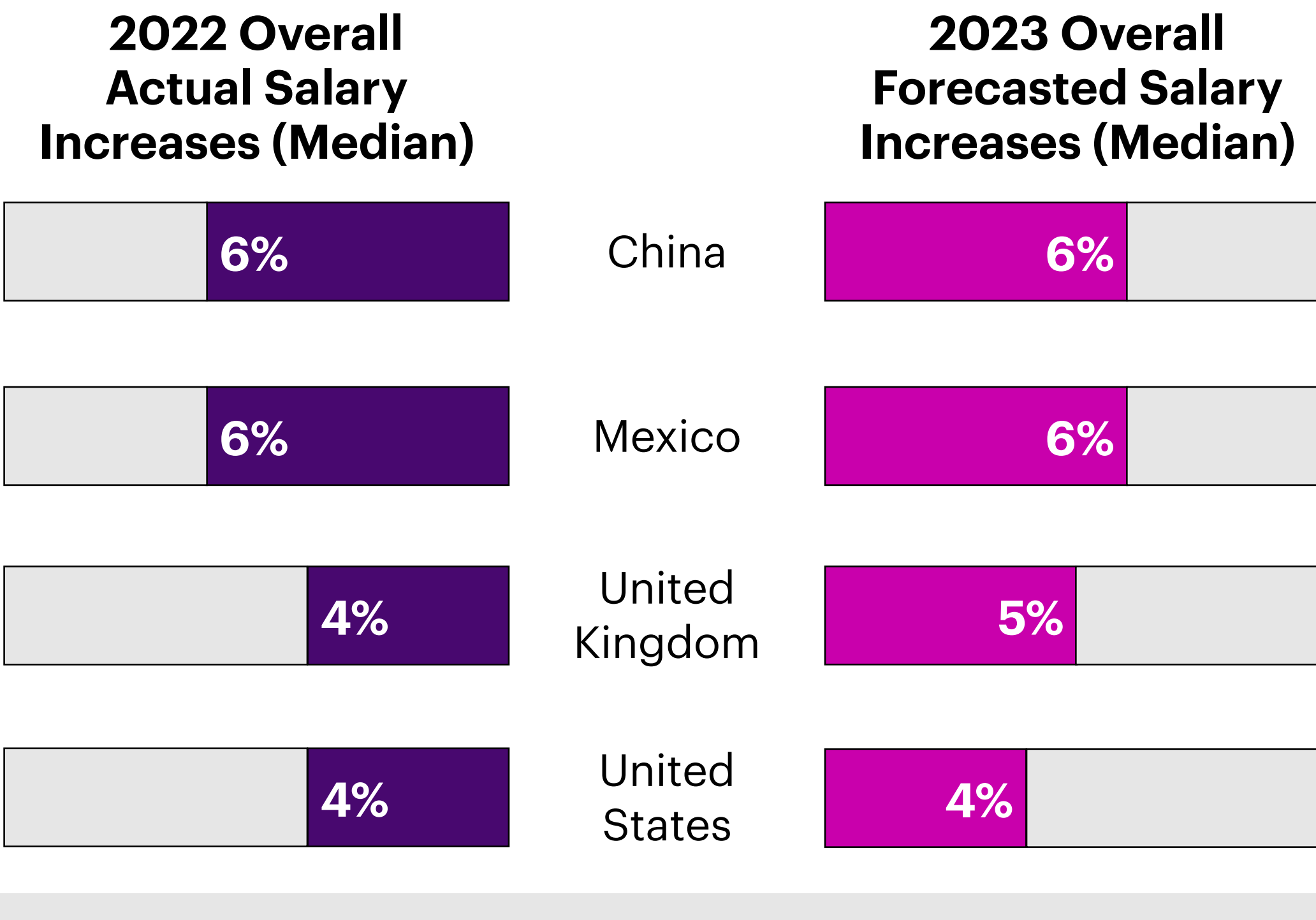
6%
United States

Percent of organizations adding headcount at each level



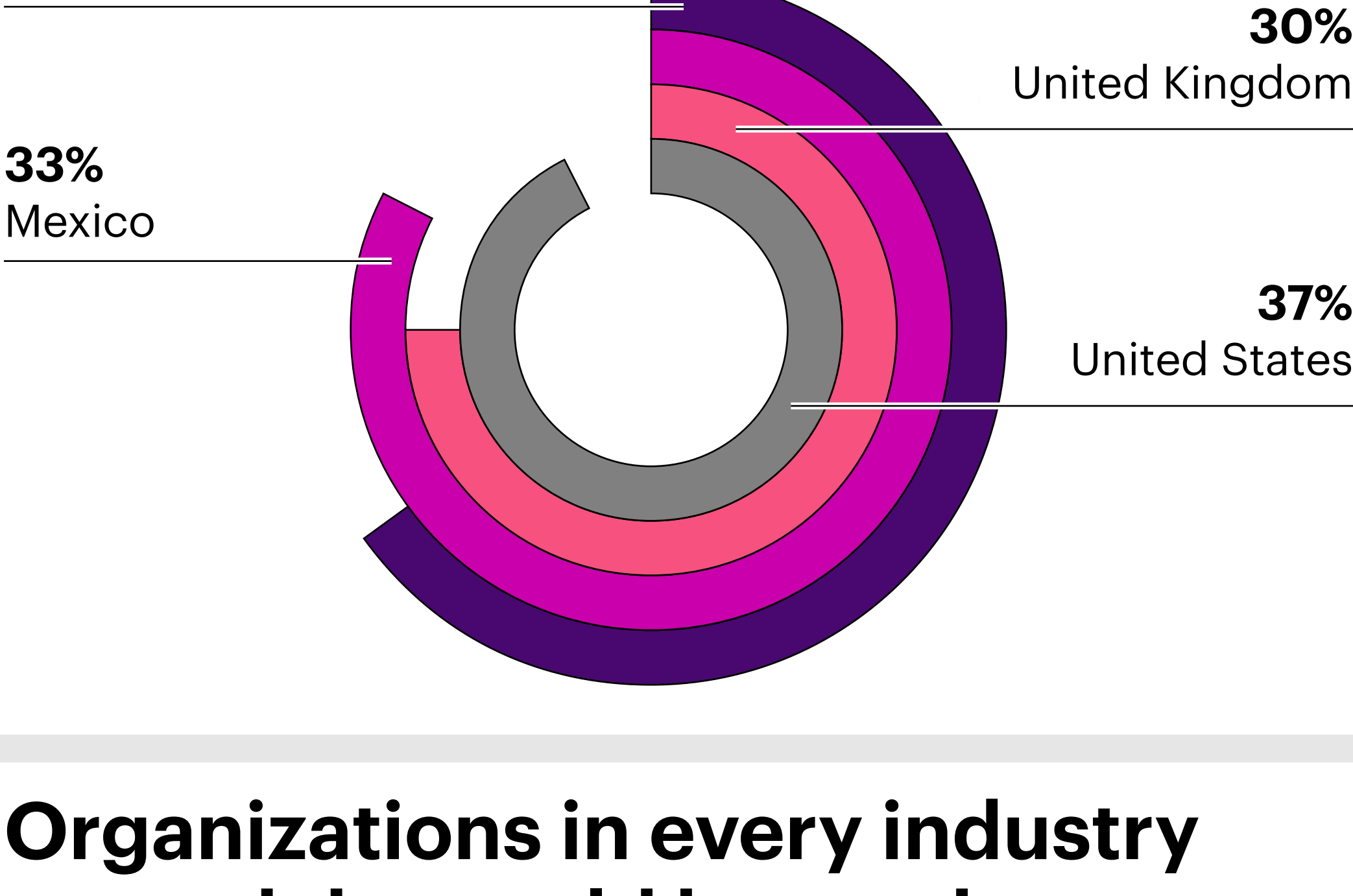
2022 saw the highest salary budget increases in nearly 20 years

Given the fundamental role salary plays in an organization's ability to attract and retain talent, employers plan to carry this adjustment through to 2023 – yet remain cautious about how and when they allocate the overall budget

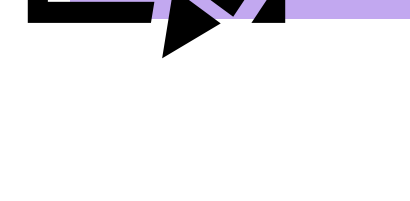


Additionally, organizations leveraged bonus payouts in 2022 and, again, are on track to the same in 2023

25%: Average 2022 projected variable payout for executives

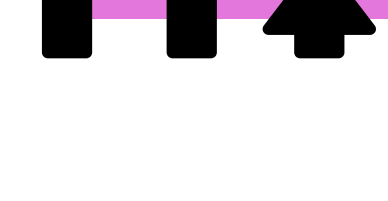


Organizations in every industry around the world have taken or are considering the same three actions



51%

Compensation review of specific employee populations



45%

Targeted increases for specific employee populations



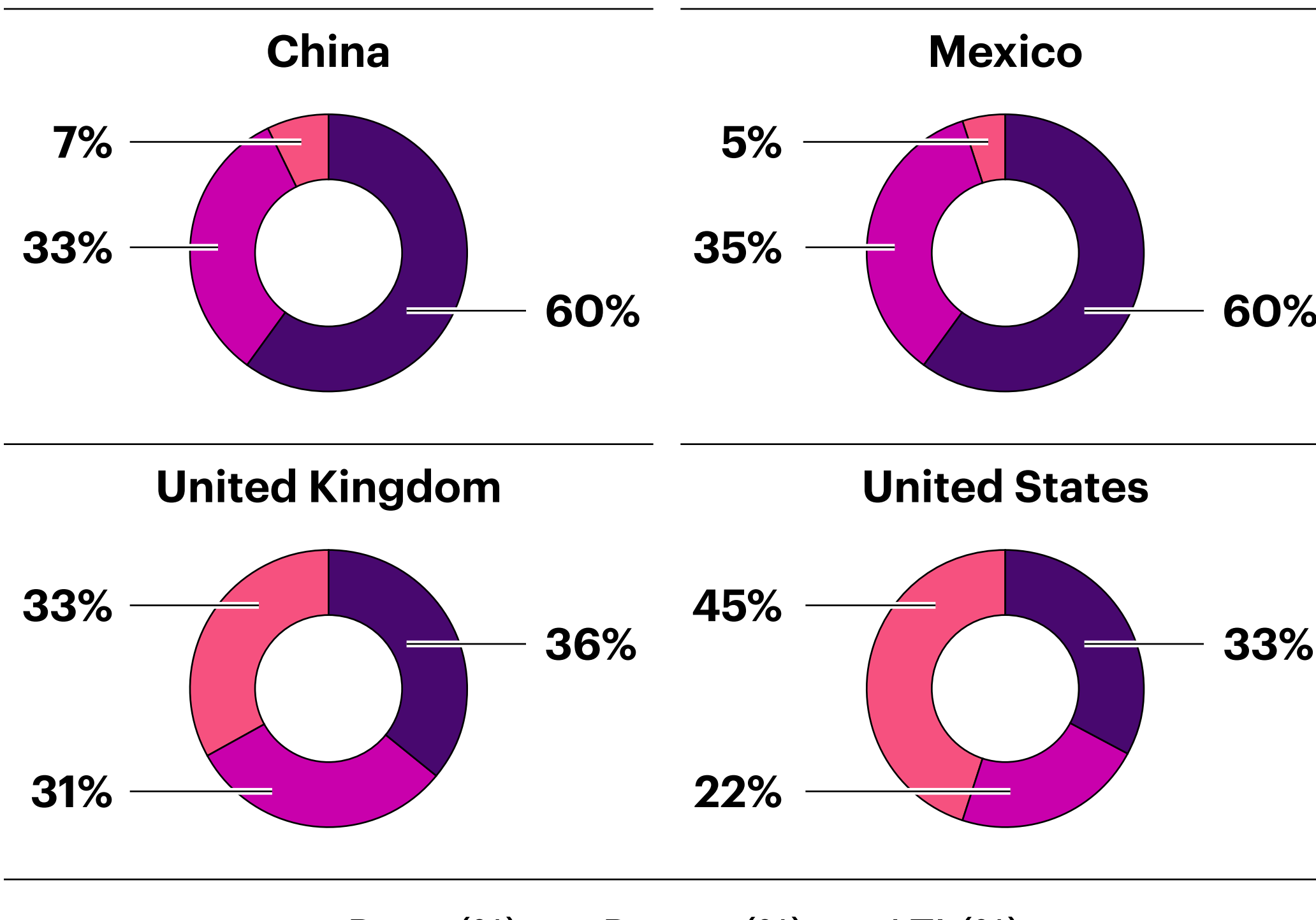
44%

One-off cash payments (e.g., retention bonus, lump-sum payment or allowance)

Top 3 highest-paid Corporate Executive positions across all industries and all organization sizes



Median pay mix for CFO/Top Financial Officer across base salary, bonus and long-term incentives



Annual incentives (actual and target) and long-term incentives as a percentage of base salary for CFO/Top Financial Officer

	Actual Bonus % of base salary	Target Bonus % of base salary	LTI % of base salary
China	50%	35%	28%
Mexico	45%	40%	35%
United Kingdom	86%	80%	131%
United States	86%	75%	231%

What will drive 2023 rewards decisions

As labor markets tighten and inflation rises, compared to other groups of employees Executive-level employees have been less of a concern to most companies with only about 20% of organizations experiencing problems attracting or retaining Executives, compared to close to 70% for talent with digital skills and product/manual labor roles.