Strategic HR Priorities Survey



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Top 5 HR Priorities

$100 million to $499.9 million	
Leadership/Management Development	3.31
Organizational Culture/Employee Experience	3.46
Developing a Competitive People Strategy / Employment Proposition	4.00
Leadership Succession	5.25
Change Management/Organizational Design	6.00

$500 million to $999.9 million	
Leadership/Management Development	3.40
Change Management/Organizational Design	4.11
Strategic Workforce Planning/Talent Management	4.90
Leadership Succession	5.10
Agility/Resilience/Well-Being	5.38

$1 billion to $4.9 billion	
Leadership/Management Development	3.75
Strategic Workforce Planning/Talent Management	4.65
Organizational Culture/Employee Experience	4.75
Leadership Succession	4.92
Change Management/Organizational Design	5.12

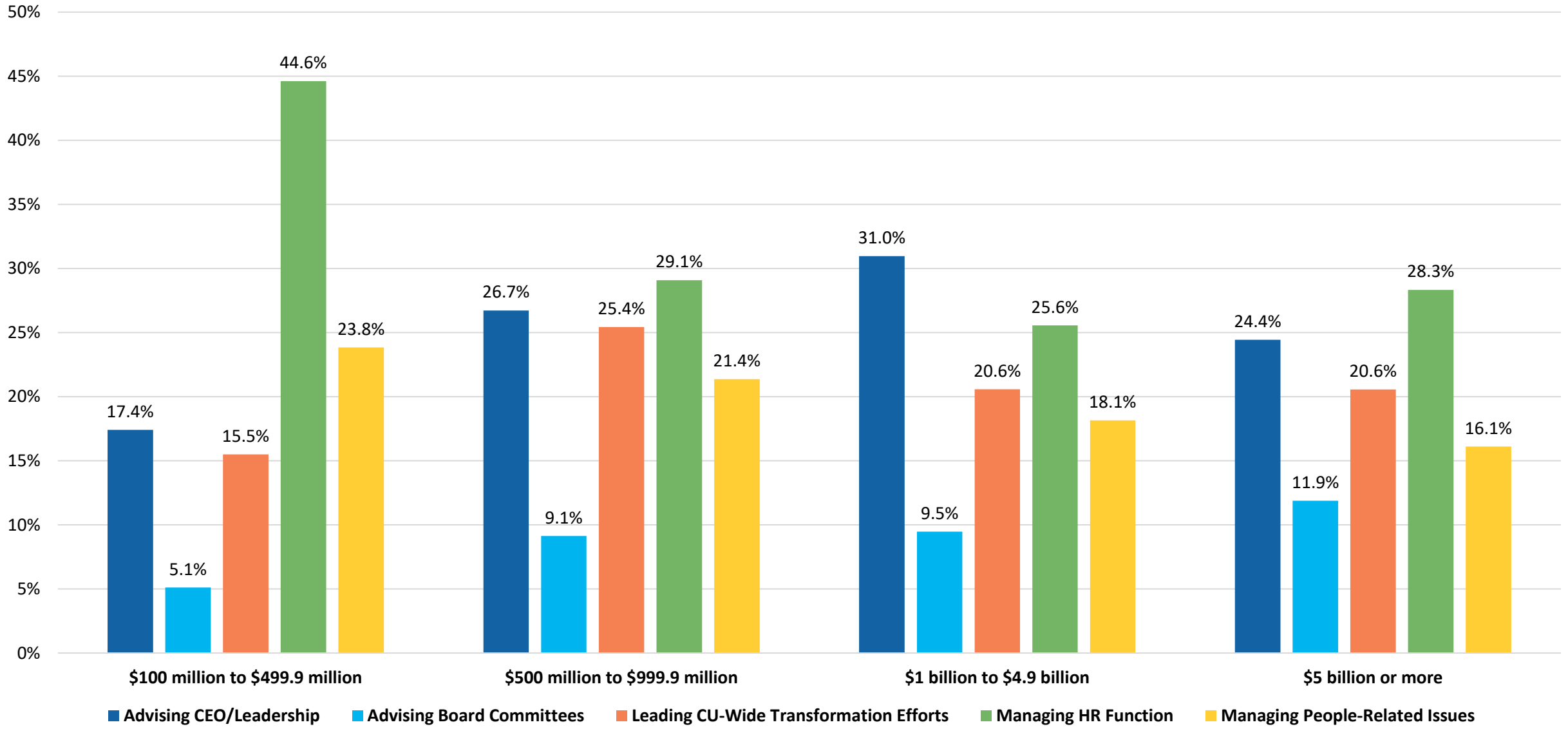
$5 billion or more	
Leadership/Management Development	3.63
Change Management/Organizational Design	3.63
Leadership Succession	4.63
Organizational Culture/Employee Experience	4.88
Strategic Workforce Planning/Talent Management	5.63

Top external risks impacting credit unions in the next two years

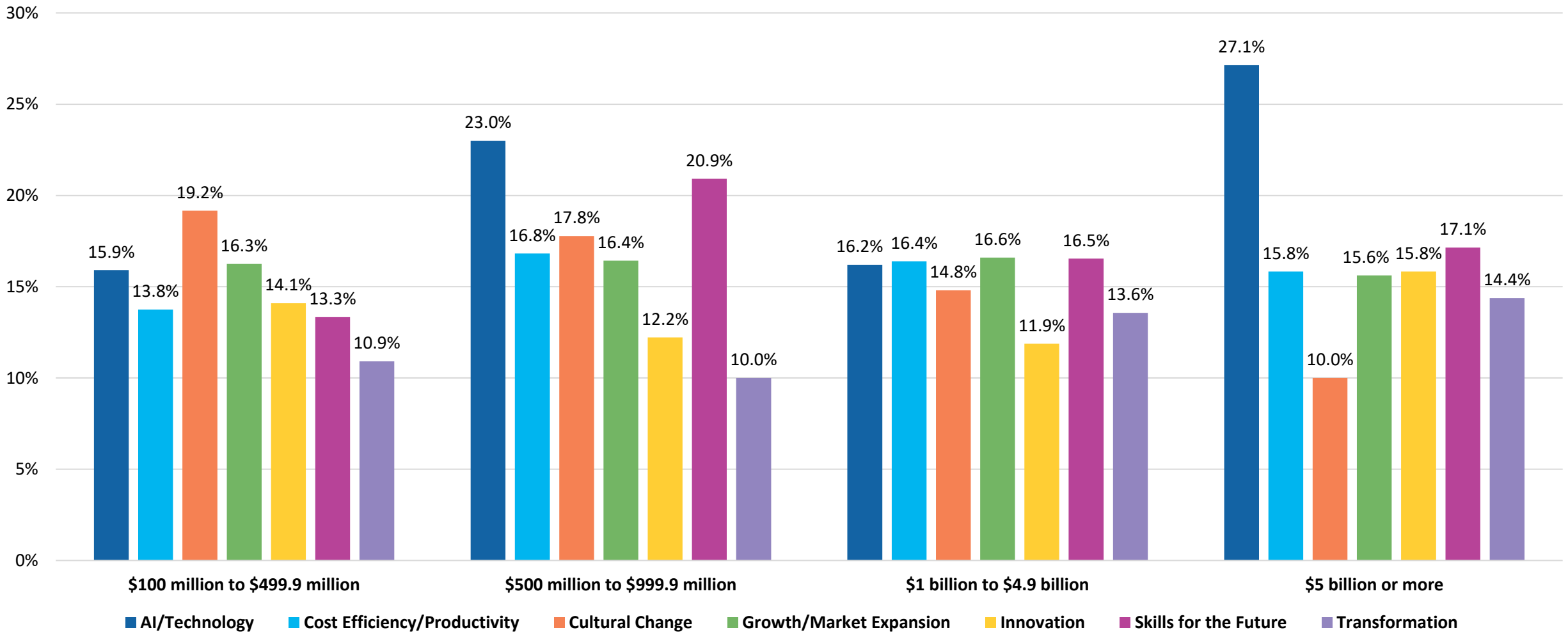
$100 million to $499.9 million		$500 million to $999.9 million	
Changing Consumer Behaviors	2.58	Economic Uncertainty	2.89
Economic Uncertainty	3.25	Labor/Skills Shortage	3.50
Competitive Innovation	3.75	Regulatory Changes	3.88
Labor/Skills Shortage	3.92	Changing Consumer Behaviors	4.56
Regulatory Changes	4.64	Tech/AI Changes	4.63

$1 billion to $4.9 billion		$5 billion or more	
Economic Uncertainty	3.56	Economic Uncertainty	2.67
Tech/AI Changes	3.69	Changing Consumer Behaviors	3.56
Changing Consumer Behaviors	3.81	Tech/AI Changes	3.67
Labor/Skills Shortage	3.88	Regulatory Changes	4.22
Competitive Innovation	3.88	Competitive Innovation	5.11

Percentage of time CHROs spend on the following areas.



Percentage of time CHROs spend on the following strategic business priorities.



Ways CHRO's can effectively align talent with emerging technologies, ranked from most to least effective.

$100 million to $499.9 million		$500 million to $999.9 million	
Foster a Culture of Continuous Learning and Adaptation	2.33	Foster a Culture of Continuous Learning and Adaptation	2.50
Translate Business Goals into Talent Objectives	3.08	Translate Business Goals into Talent Objectives	2.70
Strategic Workforce Planning	3.36	Strategic Workforce Planning	2.90
Align Compensation and Benefits with Technology Goals	3.82	Align Compensation and Benefits with Technology Goals	3.67
Leverage Advanced HR Technologies	4.80	Leverage Advanced HR Technologies	4.33

$1 billion to $4.9 billion		$5 billion or more	
Strategic Workforce Planning	3.04	Foster a Culture of Continuous Learning and Adaptation	2.78
Foster a Culture of Continuous Learning and Adaptation	3.08	Use Generative AI and Digital Tools for Personalization	3.67
Collaborate with Technology Leaders	3.24	Strategic Workforce Planning	3.78
Translate Business Goals into Talent Objectives	4.12	Translate Business Goals into Talent Objectives	4.00
Align Compensation and Benefits with Technology Goals	4.28	Collaborate with Technology Leaders	4.22

Most likely AI transformation opportunities in HR in 2026

$100 million to $499.9 million		$500 million to $999.9 million	
Organizational and Role Redesign	2.60	Workforce Analytics	1.60
Workforce Analytics	2.82	Reskilling/Upskilling	2.67
Employee Experience	3.18	Organizational and Role Redesign	3.44
Reskilling/Upskilling	3.36	Change Management	4.11
Change Management	3.90	Employee Experience	4.44

$1 billion to $4.9 billion		$5 billion or more	
Workforce Analytics	2.58	Reskilling/Upskilling	2.25
Reskilling/Upskilling	3.04	Organizational and Role Redesign	3.00
Organizational and Role Redesign	3.17	Workforce Analytics	3.13
Employee Experience	3.56	Change Management	3.63
Strategic Leadership	4.25	Employee Experience	3.88

2026

National Compensation Forecast



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D. Hilton 2026 Budget Forecast

Capital Concerns
<7% Capital
66 Credit Unions (1.5%)

Forecasts
Staff Merit Increases
0.0% - 2.5%

Executive Merit Increases
2.5% - 3.5%

Sufficiently Capitalized
7% - 10% Capital
1123 Credit Unions(24.9%)

Forecasts
Staff Merit Increases
3.1% - 4.1%

Executive Merit Increases
4.25% - 6.25%

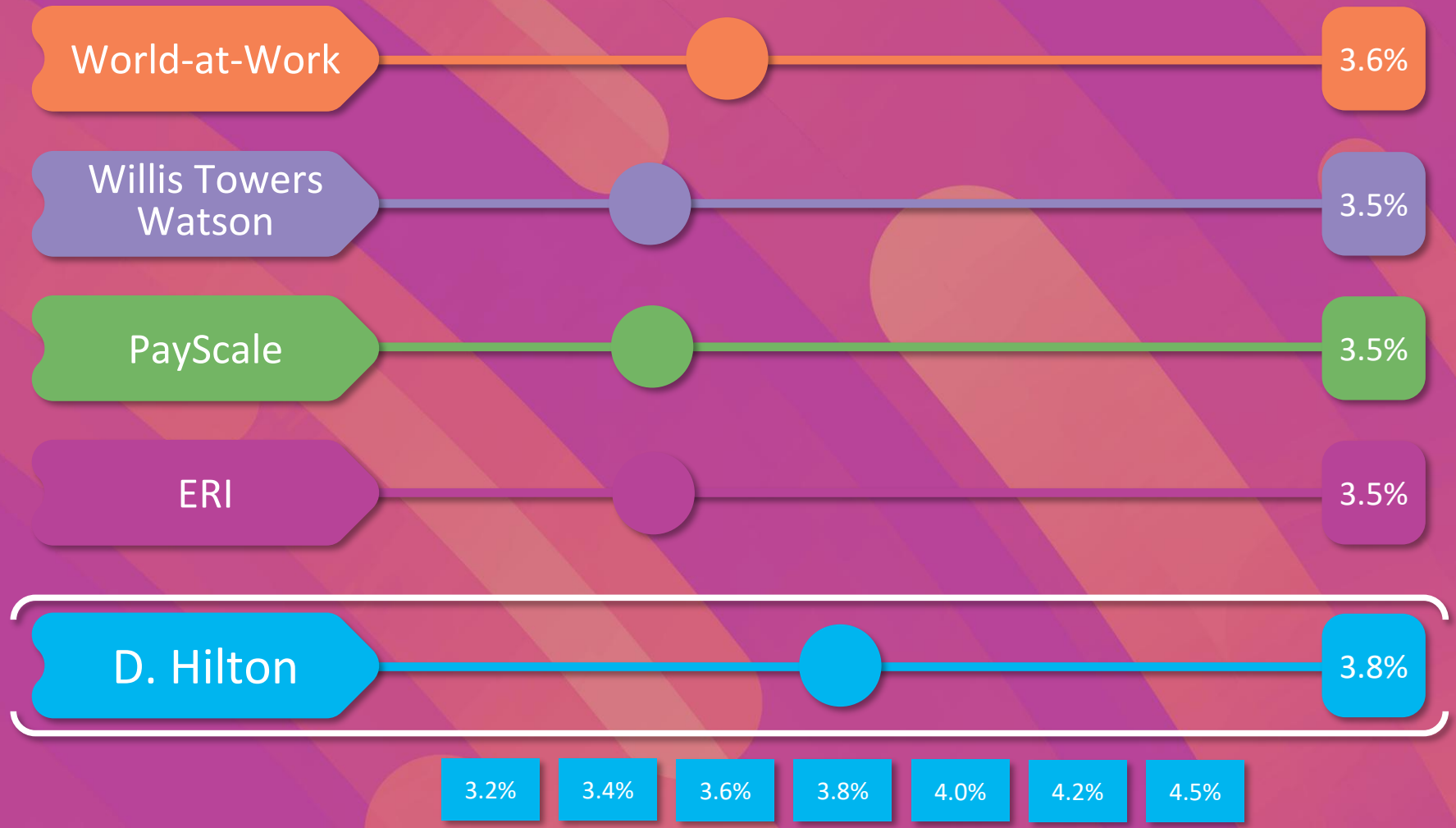
Well Capitalized
>10% Capital
3316 Credit Unions (73.6%)

Forecasts
Staff Merit Increases
4.1% - 5.1%

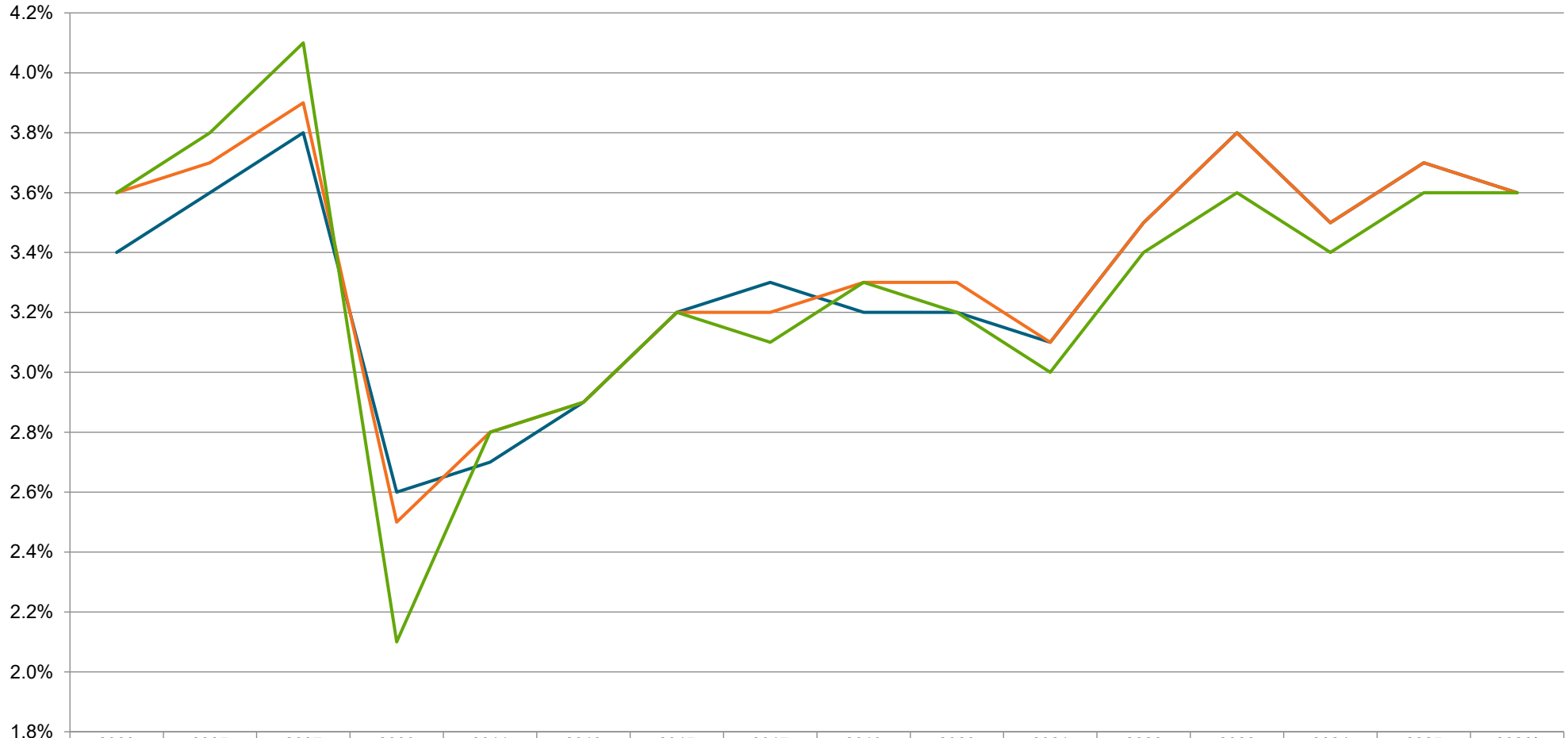
Executive Merit Increases
5.75% - 7.75%

Salary Range Increases
Staff/Management: 2.50% Executives: 3.00%

U.S. Salary Budget Forecast 2026



U.S. Salary Budget Forecast 2026

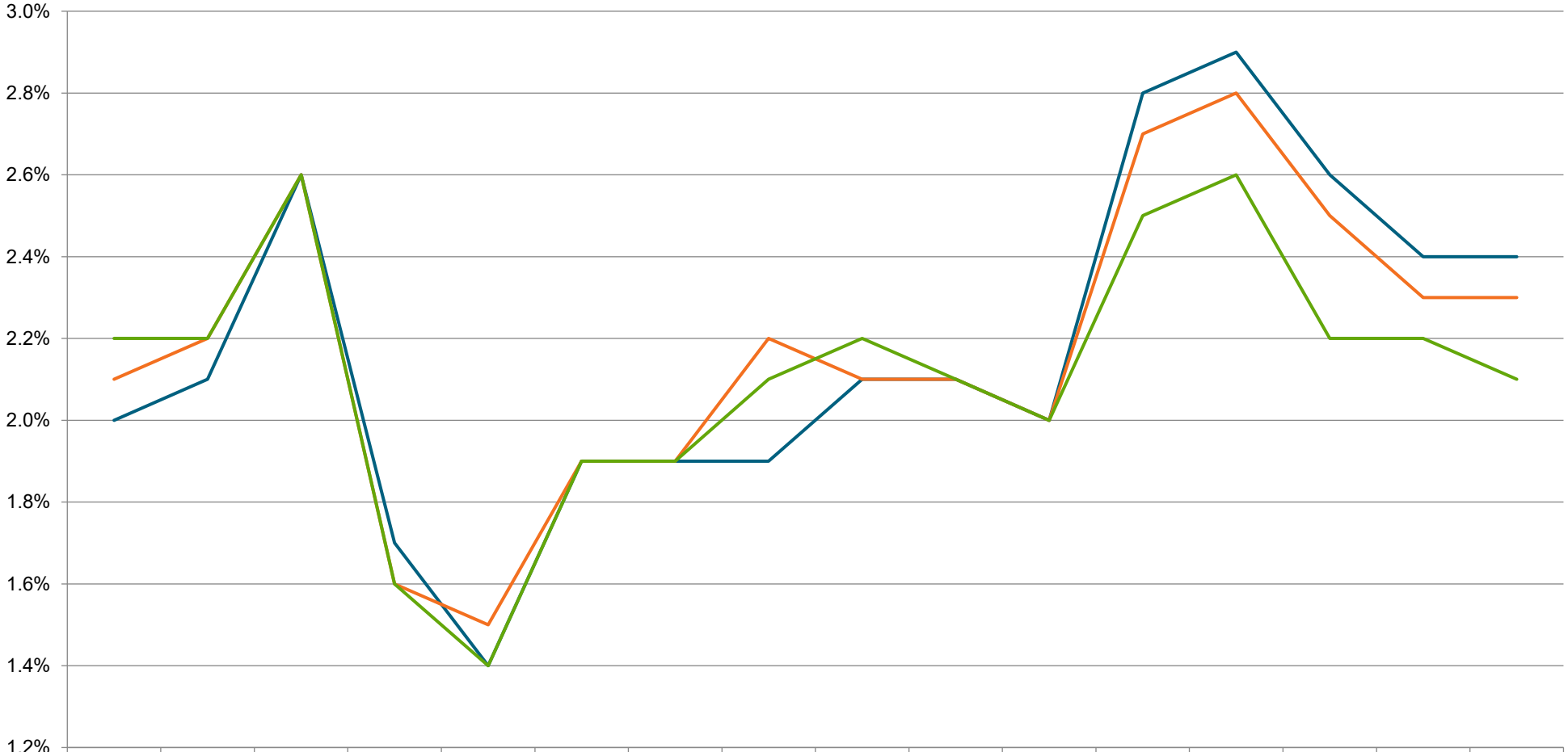


	2003	2005	2007	2009	2011	2013	2015	2017	2019	2020	2021	2022	2023	2024	2025	2026*
Nonexempt	3.4%	3.6%	3.8%	2.6%	2.7%	2.9%	3.2%	3.3%	3.2%	3.2%	3.1%	3.5%	3.8%	3.5%	3.7%	3.6%
Exempt	3.6%	3.7%	3.9%	2.5%	2.8%	2.9%	3.2%	3.2%	3.3%	3.3%	3.1%	3.5%	3.8%	3.5%	3.7%	3.6%
Executives	3.6%	3.8%	4.1%	2.1%	2.8%	2.9%	3.2%	3.1%	3.3%	3.2%	3.0%	3.4%	3.6%	3.4%	3.6%	3.6%

*projected

WorldatWork 2025-2026 Salary Budget Survey

Salary Range Adjustment Trends



	2003	2005	2007	2009	2011	2013	2015	2017	2019	2020	2021	2022	2023	2024	2025	2026*
Nonexempt	2.0%	2.1%	2.6%	1.7%	1.4%	1.9%	1.9%	1.9%	2.1%	2.1%	2.0%	2.8%	2.9%	2.6%	2.4%	2.4%
Exempt	2.1%	2.2%	2.6%	1.6%	1.5%	1.9%	1.9%	2.2%	2.1%	2.1%	2.0%	2.7%	2.8%	2.5%	2.3%	2.3%
Executives	2.2%	2.2%	2.6%	1.6%	1.4%	1.9%	1.9%	2.1%	2.2%	2.1%	2.0%	2.5%	2.6%	2.2%	2.2%	2.1%

*projected

WorldatWork 2025-2026 Salary Budget Survey

Employers Brace for Another Year of Elevated Healthcare Cost Growth in 2026, Outpacing Forecasts Again

Healthcare Cost Increase: Employers expect a median health care cost increase of 9% before changes to plan design; with plan design changes, that can fall to about 7.6%.

Pharmacy Costs are Accelerating Sharply: Employers project 11-12% increases in pharmacy cost trend for 2025-2026 before plan design changes; after plan design tweaks, it's estimated slightly lower (around 10-11%)

Drivers of Cost Surge: There are several "demand side" drivers such as increased prevalence of cancer, higher utilization of mental health & substance use disorder services, chronic condition management, autoimmune conditions, etc.

GLP-1 Medications Play a Role in Overall Healthcare Costs: A particularly sharp driver is obesity treatments, including GLP-1 medications. Employers see rising use and are putting in controls (e.g. prior authorization, requiring certain BMI/comorbidities) to try to manage cost and appropriateness.

Focus on Design: Employers are responding to rising costs by focusing on value in benefit design. They are steering employees toward higher-quality providers and care sites, while improving transparency and coordination to reduce waste. Plan design changes can also trim cost growth by about 1–2 percentage points.

Source: 2026 Employer Health Care Strategy Survey

1

Pay Transparency in Practice: Balancing Compliance, Culture, and Competitiveness



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What is Pay Transparency?

Pay transparency means "how an employer shares what, how, and why employees are compensated."

- This focuses on three key questions:
  - What am I paid?
  - How is the pay (or range) determined?
  - Why is it set as it is?

Why It Matters:

- Shift in employee expectations from "what" they are paid to "why" and "how" decisions are made.
- Data on social sites and legislative action drive external and internal requirements.
- Transparency is a key to building trust.

Is Pay Transparency Really That Important?

Candidate Behavior	Nearly half of US candidates are unlikely to apply for a job that does not include compensation information in postings. This number increases for particular demographics and regions.
Employee Perception	Employees who understand how their pay is determined are 8 times (800%!) more likely to feel fairly compensated, regardless of actual fairness.
HR Leader Priorities	50% see communicating total rewards as a top priority, but only about a third see actual transparency as a priority. This means there may be a disconnect.

Achieving transparency can lead to increased applicant rates, faster time-to-fill jobs, and higher satisfaction with compensation

Legislation Is Changing and So Is the Demand for Transparency

United States

Legislation varies state-by-state. California required pay range disclosure upon request from 2018; five new states added related laws in 2025

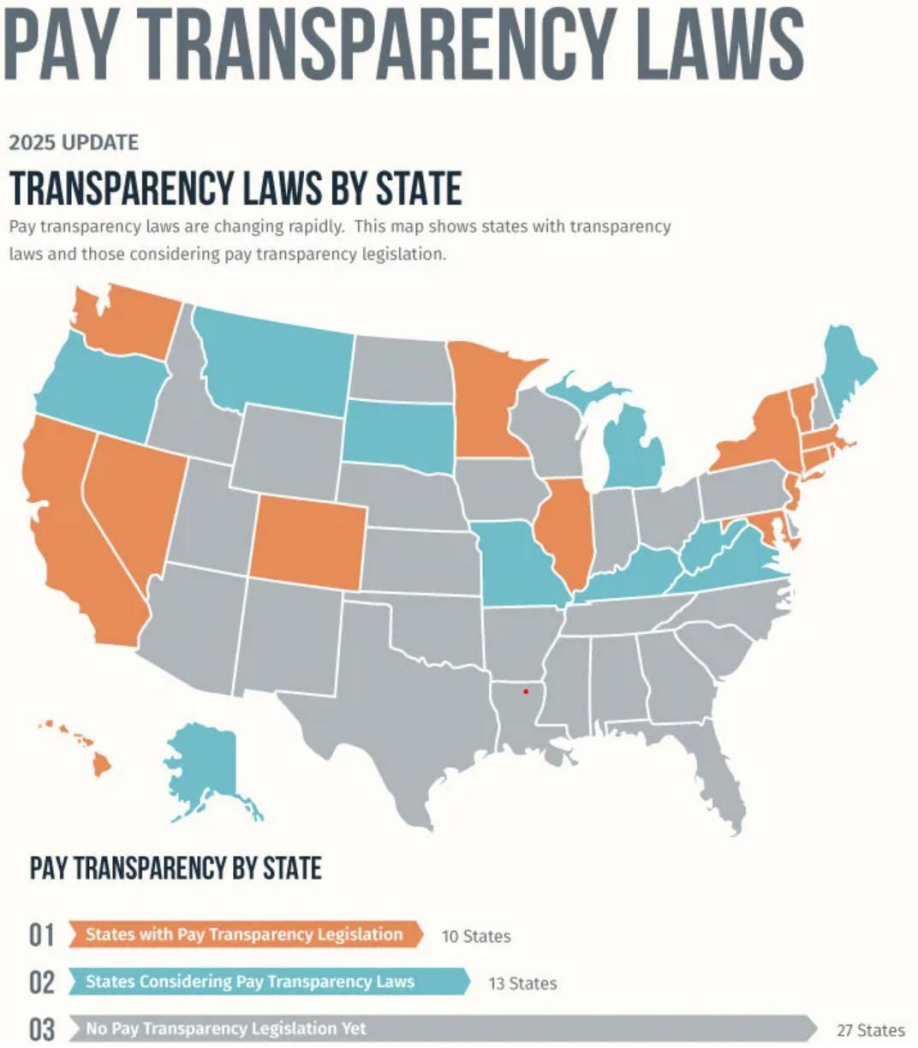
Approximately half of the US labor force is now covered by some pay transparency legislation.

International

Canada: Similar trends with pay reporting laws.

Europe (EU): Shift from pay gap reporting to also include pay range disclosure; EU Pay Transparency Directive is a major development.

APAC/LatAm: Some gap reporting; emerging regulations in select countries.



The International Stage Will Apply Pressure For Transparency In The United States

U.S.-headquartered multinational companies are increasingly aligning with EU-mandated pay transparency guidelines to streamline administration and compliance. In fact, 38% report they will adopt global principles with only minor adjustments for local rules, creating added pressure on organizations that choose not to follow suit



32% of companies are unsure of their pay transparency approach
27% plan to approach it from a local approach only

Global vs. U.S. Progress: U.S.-headquartered international companies are furthest along in developing and implementing pay transparency strategies

What is shared Now?

What Employers Commonly Share

- Pay philosophy and policies: high-level statements of how pay is determined and governed
- Target incentive opportunities: broad descriptions of bonus or incentive plan structures

What Employers Less Frequently Share

- Pay equity commitments (general statements are more common than hard numbers)
- Specific pay gap data by gender or race
- Salary budgets/ranges for upcoming cycles
- Detailed range structures (minimum, midpoint, maximum)
- Hiring and Internal Range Practices

While transparency is expanding, few organizations publish detailed salary ranges broadly to all employees. Disclosure is most often tied to job postings, external recruiting, or locations where mandated. Internally, access is usually limited to HR, managers, or compliance teams, leaving many employees with only partial visibility.

For credit unions, this creates a double bind:

- Pressure from regulators and employees to increase visibility and fairness
- Competitive risk if peers disclose more and position themselves as progressive on pay practices

Differing Approaches to Pay Transparency

Global Consistency

- Only 8% of multinational employers have adopted a single, universal global approach to pay transparency.
- This “one-size-fits-all” model is rare, but when used, it reflects a strong commitment to consistency and simplicity.

Global Principles with Regional Flexibility

- The largest group (≈38%) sets global principles and minimum standards for transparency.
- These companies then adapt practices by region to comply with local laws or cultural expectations.
- This hybrid model balances efficiency with the ability to respond to unique market pressures.

Local/Regional Only

- About 27% limit transparency efforts to what’s legally required in each country.
- This approach reduces administrative burden but can create inconsistencies and perceptions of inequity across geographies.

Undecided / Still Evolving

- 24% of employers report being undecided on a long-term strategy.
- Many are waiting to see how regulations evolve in the U.S., EU, and Asia before committing to a global stance.

Credit unions competing for talent across regions will need to choose whether to lead with global consistency or remain reactive to local laws. Early movers on transparency may gain reputational benefits with employees and members, but also face more scrutiny on pay practices.

Next Steps To Prepare For

Key Organizational Challenges

- Understanding changing and complex requirements.
- Employee comprehension of compensation systems.
- Structural needs: job architecture, pay structures, policy documentation.
- Managerial capability and buy-in from leadership.
- Ownership often lies within HR/reward functions, sometimes involving Talent Acquisition, varying by region.

Common Activities to Advance Transparency

- Pay policies: Updating pay competitiveness, ranges, and policies.
- Job architecture: Ensuring job leveling aligns with actual work and creating formal job evaluation methods.
- Data management: Upgrading systems, improving analytics.
- Engagement: Building resources, especially for managers, to aid in communication and understanding.
- Pay equity: Conducting regular studies and scenario planning for compliance and fairness.

Communication Will Be Key

Communication Best Practices



Know your audience



Prepare, prepare, prepare



Watch the jargon/"comp speak"



Be direct and also authentic



Provide a way forward



Communicate early & often



Have a plan & timeline

- Manager training is mandatory annually; includes live sessions, role plays, and peer group learning.
- Development of self-service resources for both managers and employees (e.g. instructional videos, conversation guides).
- Emphasis on sustained change through enablement beyond annual comp cycles.

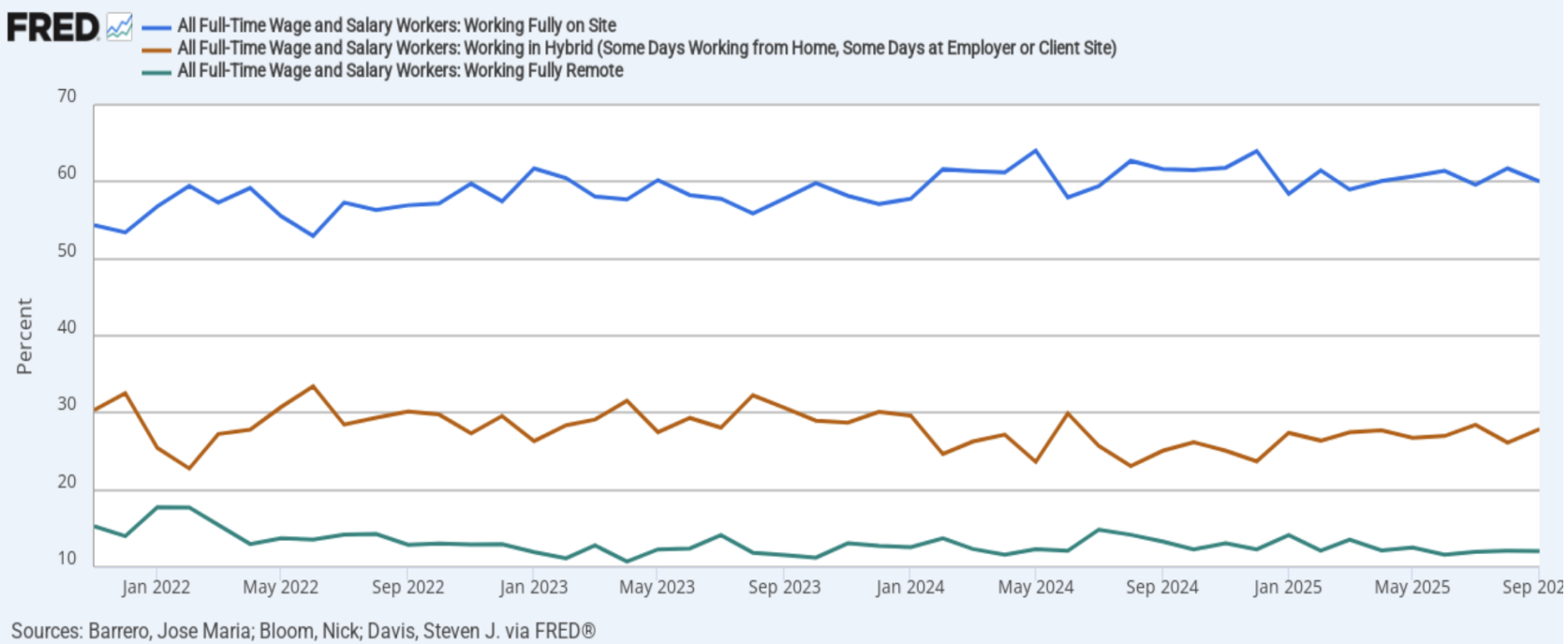
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The Next New Normal: Balancing Remote Flexibility with Workplace Connection



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Remote/Hybrid Is Now A Stable Equilibrium



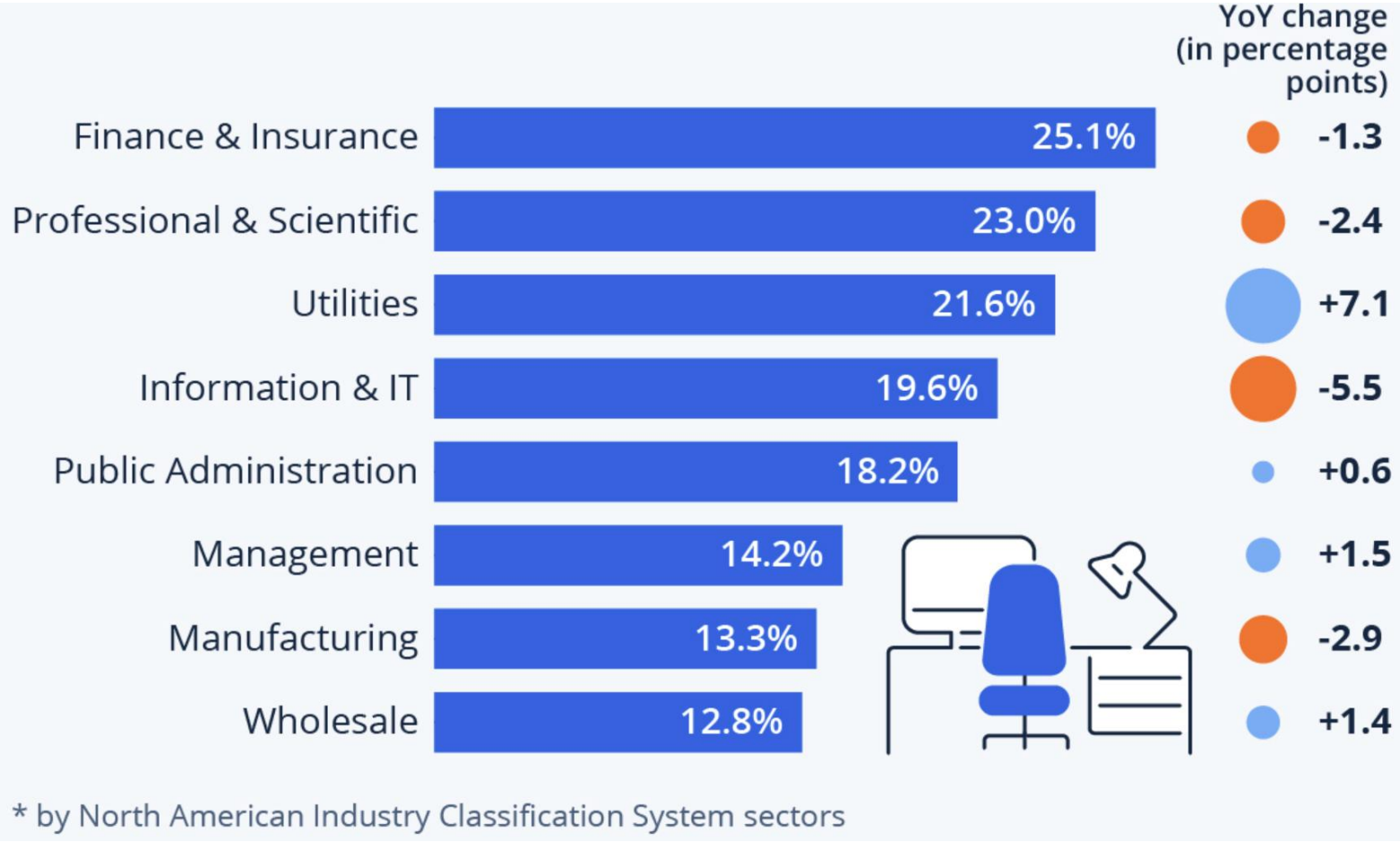
Among full-timers:

- 13% fully remote
- 27% hybrid
- 60% fully on-site

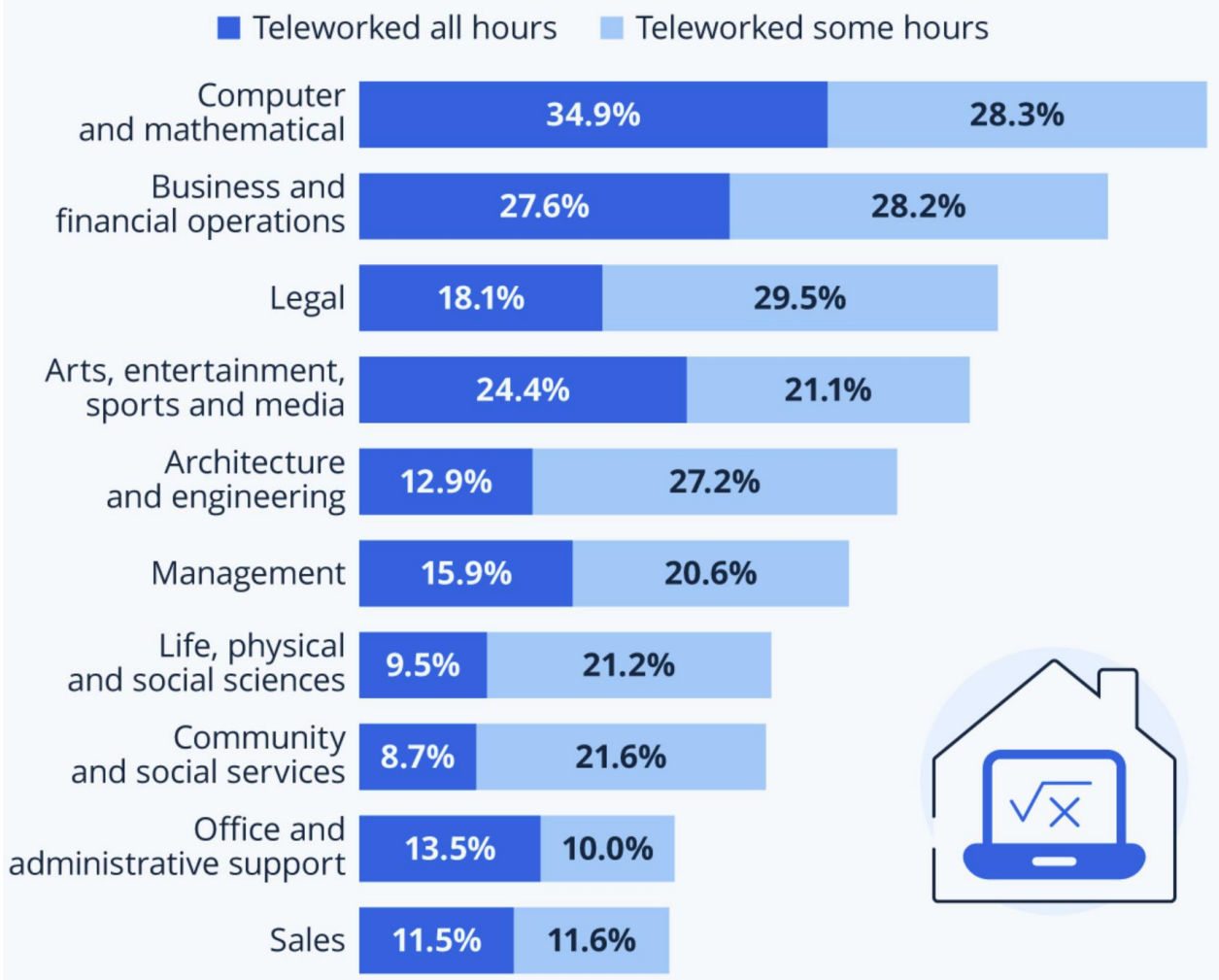
About 27% of all paid U.S. workdays were worked from home in July 2025
Employer plans and worker preferences have converged around 1.5 – 2 work from home days/week

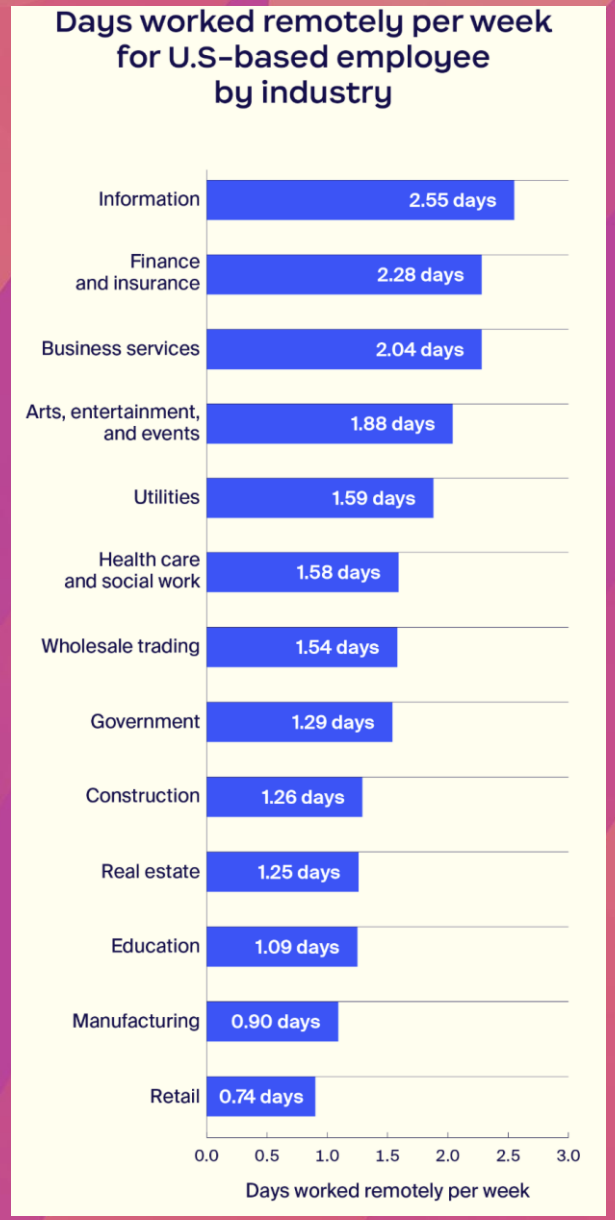
Remote/Hybrid Is Now A Stable Equilibrium

Finance & insurance is among the most hybrid/remote sectors



Remote/Hybrid Is Now A Stable Equilibrium





Randomized controlled trials found that hybrid (2 WFH days/week) raises job satisfaction and cuts quits by about 33% with no performance drop over two years

- Hybrid workers highlight work-life balance as a top benefit remote/hybrid can lift engagement when managed well

Many remote-capable workers would consider leaving if WFH were revoked (propensity varies by current job satisfaction)

Productivity: What The Evidence Says

In the largest study yet of working-from-home professionals, Stanford economist Nicholas Bloom reveals that employees who work from home two days a week are just as productive, likely to get promoted, and far less prone to quit.

The study found that hybrid work had zero effect on workers' productivity or career advancement and dramatically boosted retention rates

"The results are clear: Hybrid work is a win-win-win for employee productivity, performance, and retention"

Hybrid: no measurable performance hit in the random controlled trial noted above. Additionally, after seeing real evidence, managers went from thinking hybrid work would hurt performance to believing it slightly improved it

Fully remote: mixed results. A large call-center shift to fully remote increased recruitment diversity and boosted productivity (~10%), especially with short in-person onboarding

Big-picture review: fully remote averages ~10% lower productivity than fully in-person in some settings; hybrid fares better.



Compensation Satisfaction & The Economics of Flexibility

- Employees place real monetary value on flexibility; multiple studies find willingness to accept ~5 - 10% lower pay for remote roles
- Many workers incur costs to be on-site: hybrid workers report ~$61/day to go into the office (commute, parking, meals) vs. ~$19/day working from home
- Pandemic-era productivity gains from remote work were not generally passed through to hourly compensation - so comms matter when employees compare “flex value” vs pay.

Channel Basics That Move The Needle

- Based on J.D. Power's 1,000-point scale, "Back to branch basics" lifts in-branch satisfaction by 123 points over average. Even with digital growth, branch quality still matters when you bring people in

- Advice matters: satisfaction with retail banking jumps 163 points when customers act on personalized advice. So, hybrid staffing that frees time for outbound, data-driven advice can pay off

- Digital is table stakes and increasingly homogeneous; differentiation requires human problem-resolution quality and proactive guidance

What works for credit union operating models

- Contact centers: evidence supports fully remote with brief in-person onboarding to stabilize quality and retention. Consider “remote-first” for licensed agents and after-hours coverage
- Corporate functions (risk, finance, analytics): hybrid (2–3 anchor days) preserves collaboration without hurting performance; use those days for client/partner touchpoints and training
- Member-facing branches: keep on-site coverage for high-impact experiences (new members, complex problems), but route routine transactions to digital/remote teams to protect “branch basics” time
- Recruiting: GAO/OPM findings indicate remote options broaden talent pools (esp. outside HQ metros), relevant for underwriting, fraud ops, and service hubs

Default pattern: 2 anchor days on-site for teams with collaboration dependencies; protect 2–3 WFH days for deep work and schedule adherence in service roles.

Member outcomes:

- Keep “branch basics” sacred via staffing buffers on anchor days; route routine to remote/digital; measure branch NPS/CSAT weekly
- Invest in advice programs (playbooks + outbound lists) and track the 163-point advice lift in your CSAT analytics

People & pay:

- Make promotions location-agnostic with objective criteria and structured calibration to avoid the fully-remote “visibility” penalty; require periodic in-person development days for fully remote staff
- Offset office-day costs (commuter/parking/meals stipends) transparently; your people are seeing ~$61 per office day

3

Work From Anywhere Has Homogenized Market Values



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Remote Flexibility Is Flattening Geographic Pay



Hybrid/remote work has blurred geographic boundaries more levels now benchmark compensation regionally or nationally

Local cost-of-labor premiums are compressing, especially for back-office, lending, and tech roles

Comp. teams must revisit geographic-pay frameworks and survey methodologies, but it's not quite as simple as targeting national datasets

What's Happening to Pay Policies?

32% of firms apply identical pay structures to remote + on-site staff; 18 % use a single national range

49% of orgs pay all employees the same regardless of location; 23% still use geographic pay zones

The data trend points to simpler, fewer zones, or nationalization of pay ranges

Wage Disparity is Compressing

Remote workers enjoyed early wage premiums but slower subsequent growth. This means there is convergence with on-site peers

“Remote-capable” occupations show only 2–7 % higher wages, narrowing rapidly

Finance roles with wide remote pipelines (e.g., analysts, IT audit, compliance) show the steepest compression

How This Plays Out In Credit Unions

Back-office & IT

- National talent markets; compensation now benchmarked to national medians

Contact-center, fraud, loan ops

- Hybrid/remote staffing drives wage leveling between metros

Branch & relationship

- Roles: still local - premiums continue to persist where in-person delivery matters

Implications for Financial Services Roles

- Roles such as loan operations, underwriting support, fraud operations, analytics, IT/security increasingly draw national talent. Local-only pay ranges may be at risk being out of market

- Conversely, branch-based or highly localized roles (tellers, branch managers) may still justify local premiums because of local presence and talent market constraints

- If a credit union or bank wages a national pay level for what was formerly local talent supply, it may improve retention/attraction, but also increases cost base and internal equity pressure

It's Time to Get More Strategic About Compensation Design

- Define roles by work-model: location-agnostic vs location-sensitive
- Decide if geographic adjustments reflect *cost of labor* (supply/demand) or *cost of living*
- Collapsing zones without clarity risks employee distrust; over-localizing risks market mis-pricing

First Steps

- Replace outdated metro-only surveys with blended or remote-inclusive datasets
- For financial-services job families, evaluate weighting of national vs local samples and set to update ranges annually
- Track external postings (Indeed, LinkedIn) for key benchmarks to validate mid-cycle trends
- Train recruiters and managers on how to explain pay rationale to remote candidates (“we price nationally for this role” or “range reflects local market plus hybrid flexibility”)
- Partner with Finance to monitor pay-mix shifts vs budget and turnover

Example – Map Your Roles

Category	Typical Roles	Survey Target	Pay Reference
Location-Agnostic (Remote/Hybrid)	IT, data, analytics, lending ops, audit	National or remote-inclusive datasets	National median or 60-65th percentile
Location-Sensitive (Branch/On-site)	Tellers, branch managers, retail lenders	Local cost-of-labor datasets	Metro median +/- local premium
Specialty/Niche	Risk, cybersecurity, treasury	Industry-specific, FS surveys	Blend of industry & national

Use **two or more** data sources: one national benchmark and one industry-specific

Communicate!

Equity & Communication Guardrails

- Only 35 % of employers have clear communication on geo-pay philosophy; transparency gaps fuel dissatisfaction
- Publish FAQs: how pay is set, when location matters, how relocation affects pay
- Ensure internal-equity audits account for hybrid status + performance metrics

Range management, survey selection (or compensation consultant), and communication are now strategic differentiators

Maintain agility: re-evaluate geo-pay regularly and tie decisions to both labor-market data and member-experience metrics

Total Rewards Symposium 2025



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