

# Reward Pulse Survey

## by 3R Strategy

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In March 2026, we invited reward and HR professionals to complete this pulse survey covering sector pay increases and current pay and reward topics. This included:

- Reward priorities
- Wage compression
- AI usage in reward
- Implementation of the EU Pay Transparency Directive legislation

In August this year, we will again be inviting reward and HR professionals to participate in our annual global salary planning survey. By doing so, you get a free copy of the report and early access to results. To ensure you are invited to participate in this and any future reward trend surveys, [please register here](#).

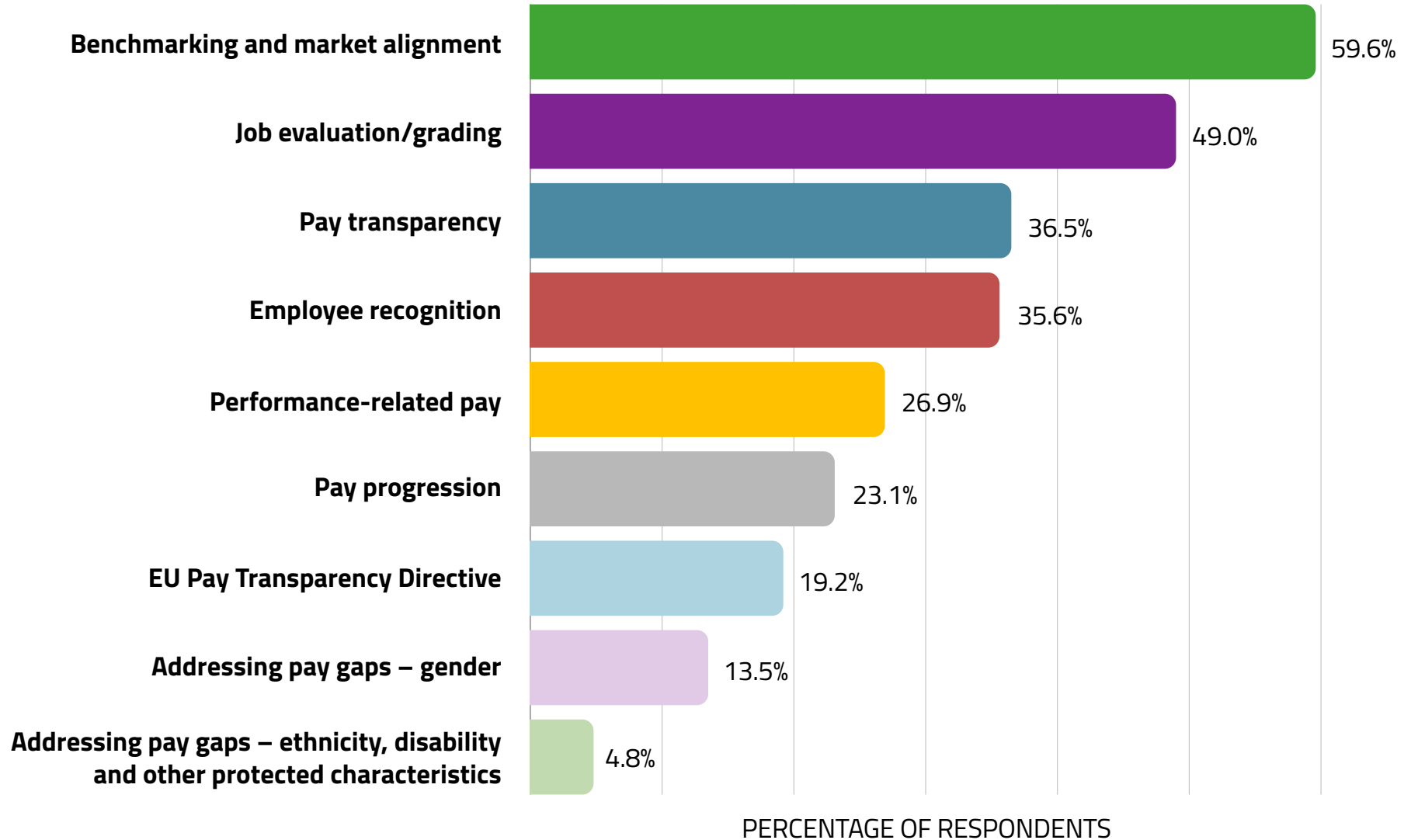
# Pay Increases for 2026

Data collected from over 100 participants in March 2026. Pay increases include merit, promotions, mandatory increases, cost of living adjustments and collective agreements.

	LQ	Median	UQ
<b>All Respondents</b>	2.9%	3.0%	3.5%
<b>Charity</b>	3.0%	3.0%	3.4%
<b>Public Sector</b>	2.0%	3.0%	3.2%
<b>Private Sector</b>	3.0%	3.0%	3.5%
<b>Arts, Culture &amp; Heritage</b>	2.0%	3.0%	3.2%
<b>Engineering</b>	3.0%	3.0%	3.4%
<b>Financial Services</b>	3.0%	3.0%	3.5%
<b>Healthcare</b>	3.0%	3.0%	3.5%
<b>Hospitality &amp; Leisure</b>	2.0%	3.0%	3.0%
<b>Housing</b>	2.8%	3.3%	3.6%
<b>Insurance</b>	2.9%	3.0%	3.0%
<b>Life Sciences</b>	2.8%	3.5%	3.8%
<b>Logistics, Distribution &amp; Transport</b>	2.5%	3.2%	3.7%
<b>Manufacturing</b>	2.9%	3.0%	3.1%
<b>Media</b>	2.5%	3.0%	3.3%
<b>Professional Services</b>	3.0%	3.0%	3.5%
<b>Real Estate &amp; Construction</b>	3.0%	3.0%	3.0%
<b>Retail</b>	2.8%	3.0%	3.0%
<b>Technology</b>	3.0%	3.0%	4.0%

# What Are Your Top Three Reward Priorities for 2026?

As well as these common areas, some participants also listed areas such as pay compression, pay ranges and benefits as other reward priorities for 2026.



# How Are You Handling Wage Compression Due to UK Living Wage Increases?

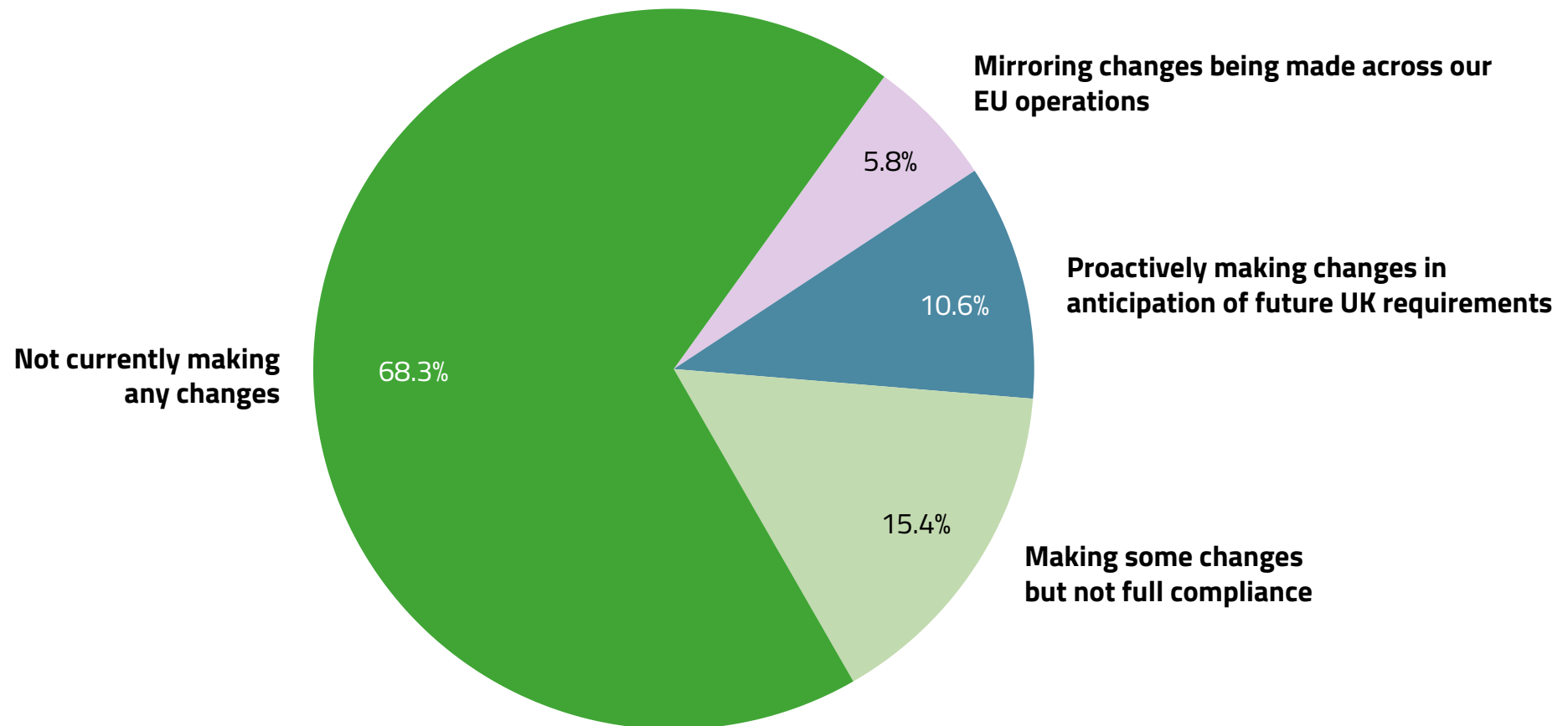
Wage compression occurs when **salary differences between adjacent pay bands shrink**.

Most organisations see this when raising entry-level salaries to meet new living wage requirements. As a result, the gap between your entry-level band and the next level up narrows – sometimes to the point where they nearly overlap.



# How Are You Responding to the Implementation of the EU Pay Transparency Directive in the UK?

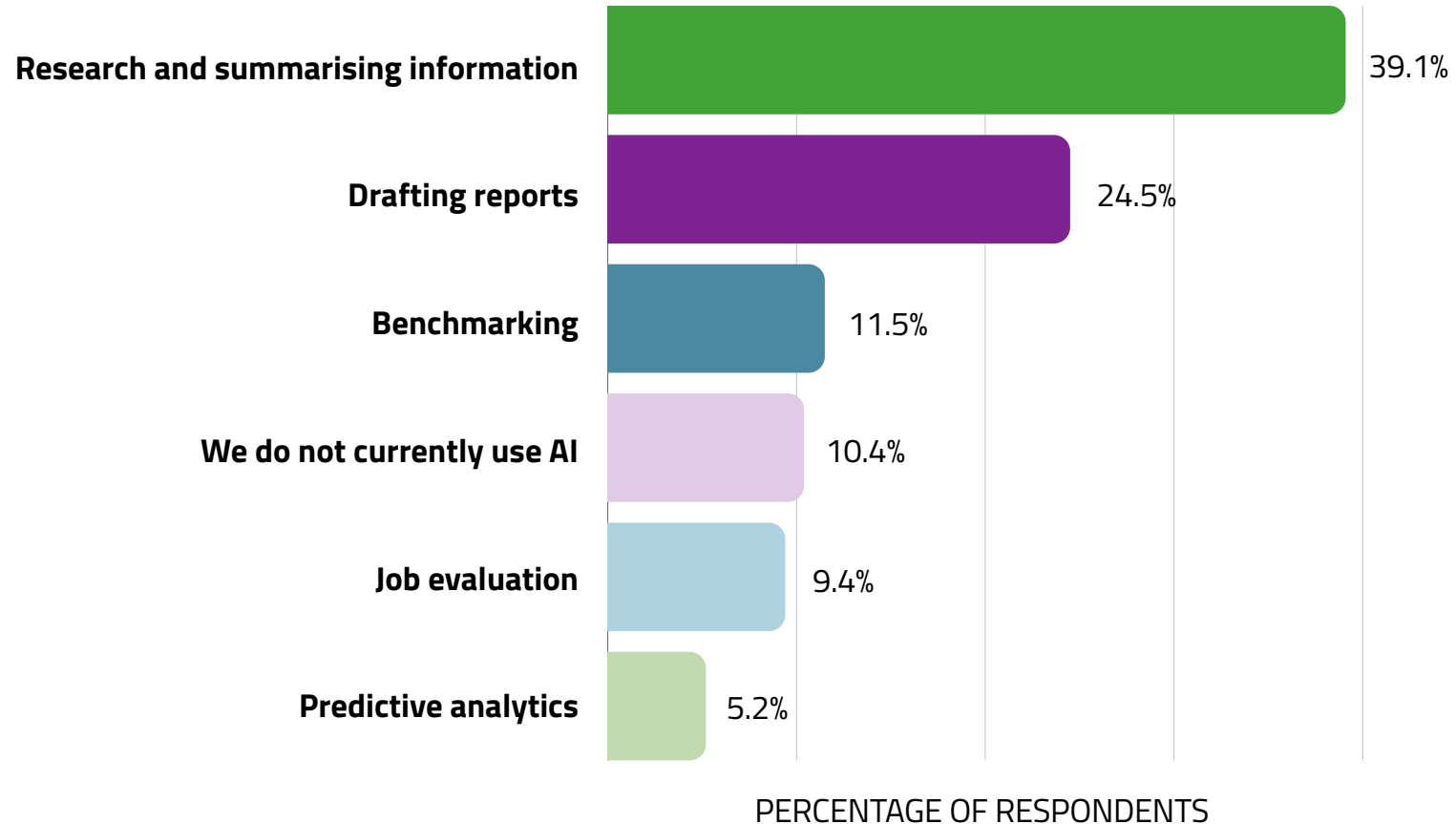
The EU Pay Transparency Directive requires EU member states to introduce new rules around areas such as pay reporting, recruitment practices and equal pay. While the UK is not directly bound by the Directive, many UK-based organisations with EU operations will still need to comply. The Directive is also expected to shape future UK policy, so many organisations are already thinking about how to prepare.



# Do You Use AI for Any of the Following?

We're seeing AI being used more frequently across HR and reward functions, from drafting reports to more technical applications like benchmarking and job evaluation. As its usage increases, understanding where AI adds value and where human judgement is still needed will be a key consideration for reward teams.

Participants also listed areas such as administrative tasks, job description ideas and reviewing quality or readability of documents as other uses for AI in their organisation.



## Helping organisations to attract and retain top talent through a fair and equitable approach to pay and reward

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### Cross-Sector Experience

Our team has extensive experience both in-house and consulting for various industries.



### Cost & Time Effective

With a fixed fee approach and different profiles within our team, we deliver high value for clients' budgets.



### Communications Support

We support clients in delivering key messages to employees in a compelling manner.



### Socially Responsible

We aim to positively impact our clients and the communities they support, also offering 10% discounts for charitable organisations.



### Data & Insights Driven

Access to over a million data points and the capability to help clients make sense of market data and its implications.



### Greater Transparency

We believe that being open about the how and why of reward decisions leads to greater trust and employee engagement.