



GROWTH-DRIVEN TOTAL REWARDS PLAYBOOK

6-step guide to building a total rewards strategy that drives growth, inspires performance, and wins leadership confidence.

A well-crafted total rewards strategy doesn't just reward work—it shapes culture, drives performance, attracts top talent, and fuels sustainable growth. However, designing a total rewards program that delivers these outcomes can be complex and require specialized expertise.

This guide, built on Korn Ferry's decades of experience, provides a proven six-step framework to help you build a competitive, growth-driven total rewards strategy. You'll learn how to align compensation to business objectives, model various scenarios, and make the case for change—earning leadership confidence and delivering measurable results.

DEFINE A TOTAL REWARDS STRATEGY

An effective total rewards strategy balances the company's financial resources with the need to incentivize employee behaviors that drive strategic goals and objective achievement. Your total rewards package has five possible components:

1. **Base Salary:** The fixed pay an employee receives, typically expressed as an annual amount or hourly rate.
2. **Annual Variable Pay:** Incentives tied to performance goals achieved within a one-year timeframe, such as bonuses or commissions.
3. **Long-Term Incentives:** Rewards designed to incentivize performance over a longer period, often including stock options, restricted stock units, or other equity-based plans.
4. **Benefits:** Non-cash rewards that supports employee well-being, including health insurance, retirement plans, paid time off, and other perks.
5. **Intangible Rewards:** Non-monetary aspects of the employee experience that provide value, such as recognition programs, opportunities for professional development, work-life balance initiatives, and a positive company culture.

With these building blocks in mind, begin shaping your total rewards strategy with three foundational pillars:

MONEY	MIX	MESSAGE
<ul style="list-style-type: none">• How much do you want to pay?• What can you afford?• Where should our compensation stand against the market?	<ul style="list-style-type: none">• Do we emphasize base salary, incentives, and/or benefits?• What is the optimal weighting across each component?	<ul style="list-style-type: none">• What is the impact on our employer brand?• Does this support our culture and business goals?• Does this framework support our talent management offerings?

Think of this as the DNA of your rewards strategy. It shapes how you design your plan, roll it out, and make decisions over time. It covers everything from setting pay levels to communicating what you value most as an organization.

Tip for growth-drive organizations

Be intentional about pay mix. Growth-driven organizations often lead with lower base salaries and higher incentive potential. Your strategy needs to define where you want to lead the market and why.

BUILD A JOB ARCHITECTURE THAT WORKS FOR EVERYONE

A strong job architecture connects your people to your business goals. It gives employees clarity on where they are, how they can grow, and what's expected at each level. At the same time, it helps your organization stay aligned—ensuring you have the right roles, skills, and structures to deliver on your strategy. When job architecture is done right, it supports fair pay, transparent progression, and a workforce that's motivated and set up to succeed.

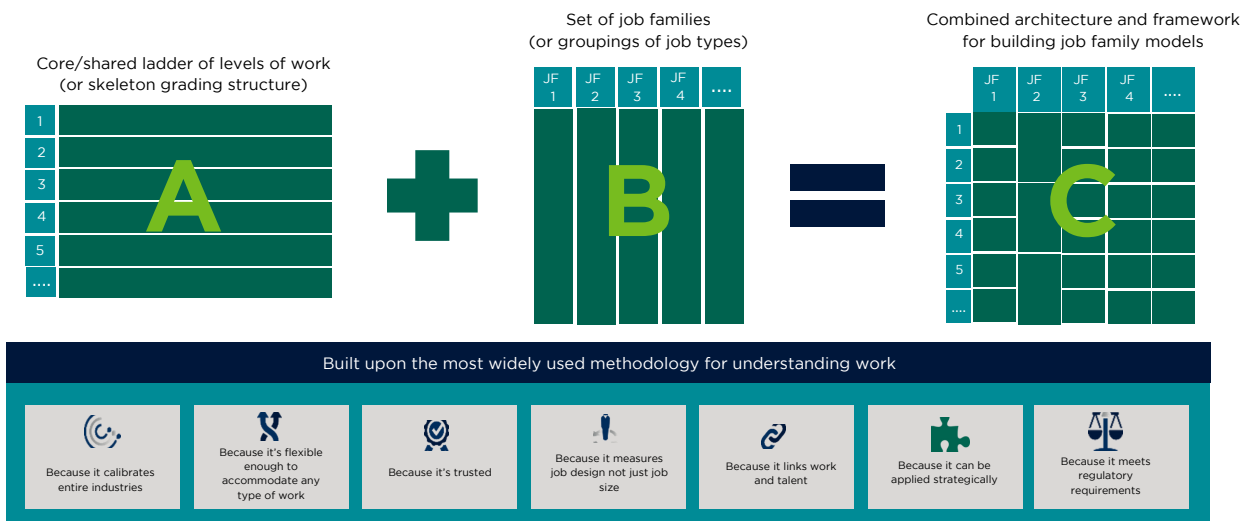
Use the following questions to guide the development of your job framework:

- **Responsibility:** What is the level of accountability and impact expected for each role?
- **Progression:** How do you want employees to advance in their careers?
- **Alignment:** How can we create a structure that supports both talent development and organizational strategy?

A well-created job architecture allows you to:

- Optimize job design and define career paths
- Analyze and ensure pay equity for comparable work
- Compare roles across functions to gain a holistic view of your workforce

Job architecture is the foundation for everything from compensation to career development and organization stability. Done well, it offers clarity on where employees stand today and where they can go next.



Tip for growth-drive organizations

Use job architecture to scale. A strong architecture keeps roles aligned, levels consistent, and career paths transparent as your business evolves.

SELECT THE RIGHT PEER GROUP FOR BENCHMARKING

Compensation benchmarking starts with knowing who you're comparing yourself to. A well-defined peer group ensures your analysis is fair, competitive, and relevant. Key factors that shape your peer group include:

- **Function:** Create different comparison sets for distinct areas of your organization (HR, sales, IT, etc).
- **Profile:** Include organizations that match your size, industry, and growth stage—as well as those you aspire to compete with.
- **Talent Flow:** To understand who you compete with, analyze where your talent is coming from and where it's going.

It's very rare that you have a one-size-fits-all peer group for everybody. Executive roles may require a different comparison set than infrastructure or operational roles.

	Executives	Infrastructure	Tech	Industry	Field, plant, retail
Industry relevance	++	+	++	+++	++
Size & revenue	+++	++	+	+	
Company stage	+++	+	+++	++	+
Geography	+	++	+++	+	+++
Talent competition		+++	+++	++	+
Maturity	+++	++	+	+	+

By tailoring peer groups, you can:

- Stay competitive in the talent market
- Identify areas where you may lag or lead the market
- Tailor rewards with the needs and dynamics of role functions

+ = somewhat relevant

++ = relevant

+++ = very relevant

Whether you're competing with high-growth organizations or established industry leaders, a thoughtful peer group strategy gives you a strong justification for equitable, data-driven compensation decisions.

Tip for growth-driven organizations

Don't treat all roles the same. In high-growth organizations, not every role needs to be benchmarked in the same way. Peer groups and market percentiles need to be based on role type and competitiveness.

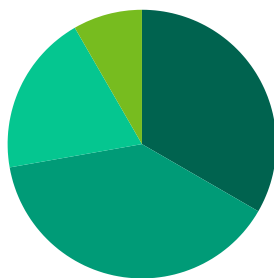
CONDUCT MARKET ANALYSIS

This is where strategy meets data. Once roles and peer groups are established, gathering credible market data becomes a critical step in building a growth-driven total rewards strategy.

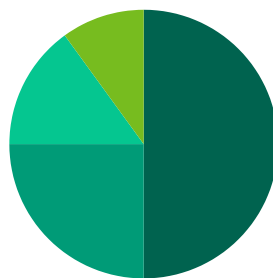
When evaluating survey providers, consider the following criteria:

- **Methodology:** Ensure the provider's approach aligns with how you define and market jobs within your organization.
- **Data Flexibility:** Look for providers that can deliver insights by job, grade, function, and subfunction.
- **Coverage:** Select a provider that includes organizations that reflect the talent markets and companies most relevant to your strategy.

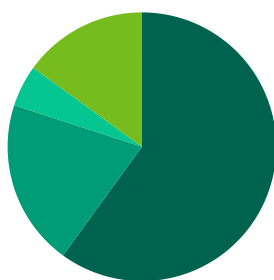
The ability to generate valuable insights, even when market data is limited, is a key differentiator and one of the ways Korn Ferry offers a unique strategic advantage.



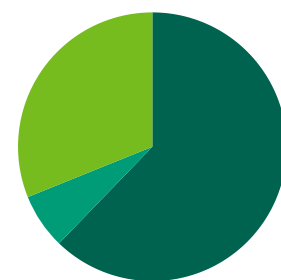
Fast Growth



Traditional
(Capital intensive)



Mature
(High cost)



Public or
Non-profit



CLIENT SCENARIO

Challenge

A fast-growing tech company was struggling to keep up with compensation demands in a competitive labor market. The HR team had access to plenty of data but faced roadblocks every time they tried to benchmark roles:

- Hiring managers challenged job matches
- Leaders disagreed on target pay percentiles
- Pay decisions varied widely across regions

Solution

They built a consistent framework for evaluating roles, accounted for geographic pay differences, and defined a compensation philosophy—targeting the 50th percentile for most roles and the 90th percentile for critical skills.

Result

The resulting pay structures aligned with business priorities and were competitive in the global market—shifting compensation from reactive fixes to a strategic growth driver.

ENSURE LEGAL COMPLIANCE

An organization's growth depends on a strong foundation of compliance. As you grow and expand into new markets, evolve job structures, and introduce new roles, staying compliant must remain a constant priority.

A strong compliance strategy should address:

- **Regulatory Alignment:** Stay current with local and global pay laws that affect your workforce.
- **Pay Equity Audits:** Conduct regular reviews to identify and address disparities in compensation.
- **Policy Documentation:** Maintain clear, accessible policies that support transparency and accountability.

Legal compliance isn't just a box to check. It's about building trust with your people, your board, and the public. When you have assurance that your organization is compliant, you:

- Avoid risk and liability
- Strengthen your credibility with employees, stakeholders, and the public
- Demonstrate a commitment to fairness, equity, and integrity



COMMUNICATION AND IMPLEMENTATION

Even the most well-designed rewards strategy can fall short without effective implementation. Communicating the strategy clearly, equipping leaders, and creating internal champions are essential to driving adoption and long-term success.

- **Align Leadership:** Ensure managers and HR teams understand the rationale behind the strategy and can communicate it confidently.
- **Enable Two-Way Dialogue:** Establish platforms that allow for feedback, questions, and ongoing learning.
- **Build Agility:** Create the infrastructure to regularly assess, refine, and adapt the strategy as the organization's needs evolve.

1. Define pay grades

- Group jobs with similar job size, scale, and complexity (job architecture)

2. Create pay ranges

- Set a midpoint of range based on target market positioning
- Build a range around a midpoint with desired range spread

3. Range overlap and progression

- Ensure appropriate overlap between ranges to support career progression and internal equity
- Define guidelines for movement within and between pay ranges that is tied to performance, skills, and experience

4. Test and refine

- Test structure for internal equity and market competitiveness
- Seek feedback from key stakeholders
- Refine based on testing, feedback, and affordability

Implementation isn't a one-and-done event. It's a continuous conversation. And when you partner with an expert that does it well, it builds alignment toward shared goals and ensures your rewards strategy delivers lasting impact.

Tip for growth-drive organizations

Use internal surveys and feedback to guide tradeoffs. Communicate changes with transparency and show your workforce how reward decisions are rooted in what they value.

YOU NOW HAVE THE FRAMEWORK. TRUST KORN FERRY TO HELP YOU PUT IT INTO PRACTICE.

Our deep expertise, combined with Korn Ferry Pay, gives you the insight and support to design a tailored, high-impact total rewards program.

Korn Ferry Pay is a compensation management platform powered by 28+ million data points, offering the most comprehensive global pay database available. With unmatched market coverage and built-in analytics, it helps organizations benchmark, model, and optimize their rewards strategy—ensuring every decision is grounded in data and aligned to business goals.

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ABOUT KORN FERRY

Korn Ferry is a global organizational consulting firm, bringing together strategy and talent to drive superior performance for our clients. We work with clients to design their organizational structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward, develop and motivate their workforce. And we help professionals navigate and advance their careers.