



# EXECUTIVE COMPENSATION H O N O R S

## Group Challenge #2: Implications for the Profession

During Day One of our session, we examined the factors influencing the current state of executive compensation, focusing on how legislative, regulatory, accounting and tax considerations have contributed to the increasing homogenization of pay design. Using that historical understanding as a basis, we then challenged ourselves to imagine how the time may be right for new thinking in the design of executive pay.

As the practice of executive compensation continues to change, the role of the practitioner will evolve as well. In 2022, the Center published a study that examined how the Head of Total Rewards role has developed over time. The study showed that while the scope of the role had evolved into a true strategic partner, executive compensation remained the primary focus of most incumbents. Today's head of total rewards is expected to be both a trusted advisor and technical expert, playing a pivotal role with both the C-Suite and the Compensation Committee of the Board.

For our second group challenge, we'll focus on thinking about how the future of executive pay may shape the experiences, expertise, and careers of tomorrow's practitioner.

### **Your Challenge**

#### *Part 1: The Future Profile*

Considering our discussion about the evolution of executive compensation and thinking five years into the future, create a profile of an ideal candidate to lead executive compensation in a large, US-based, global organization. Address the following and for each identify what will be the same as today and what aspect will be new and why:

- Desired academic background
  - What will be the same? What will be new and why?
- Essential knowledge and skills
  - What will be the same? What will be new and why?
- Required experience
  - What will be the same? What will be new and why?
- Leadership capabilities needed for success
  - What will be the same? What will be new and why?

## **Profile – Head of Executive Compensation (2028)**

*Knowledge, Skills, and Capabilities*

*Experiences*

*Leadership Competencies*

*Academic Background*

## *Part 2: Building the Pipeline*

Using the profile created in Part 1, identify some key actions companies can take to identify potential talent and provide key experiences that will help prepare them to meet the challenges that will face the future executive compensation practitioner.

Where may future executive compensation practitioners be found – outside of our traditional HR pipeline?

What developmental experiences will we want the future practitioner to have that may not have been part of today's incumbent's career?

For the Center's Executive Compensation training initiatives, what are the new topics/skills we should consider adding to the learning agenda?