

Strategic Compensation in Maritime Report 2025

Balancing Pay Equity, Market
Trends & Employee Expectations

Global Edition

Strategic Compensation in Maritime Report 2025

A report by Faststream Recruitment

Contents

Welcome from Faststream Recruitment and the author	3
Part 1: Why strategic compensation is a priority in 2025 and beyond	4 - 5
Part 2: Pay Equity	6 - 10
Part 3: Employee Expectations	11 - 13
Part 4: Practical Strategies and Tools	14 - 24
a) The Strategic Compensation Flow	14 & 24
b) The Compensation Maturity Curve	15 - 18
c) The Strategic Compensation Alignment Model	19 - 21
d) The 5-P Compensation Strategy Pillars	22 - 23
Part 5: The Future of Strategic Compensation	25 - 26
Final Thoughts	27



Strategic Compensation in Maritime Report 2025

A report by Faststream Recruitment

Welcome from Faststream Recruitment



The Faststream Recruitment Group was established in 1999, employs over 100 people, and is a global specialist in maritime, shipping and energy recruitment. We have a dedicated and experienced recruitment team who thrive on finding you the right candidates to suit your experience, qualifications, and personality needs.

We partner with maritime organisations worldwide, supporting them to attract and recruit the best talent from across an incredibly diverse market. We have a proven track record of recruiting and selecting the right people for maritime roles.

Whether you need to recruit for one position, recruitment process outsourcing (RPO), a senior executive, or need help and advice on remuneration, employee background checks, employer of record (EOR), international payroll solutions, permanent or contract recruitment, talk to Faststream Recruitment.

We operate across key maritime locations in Asia-Pacific, Europe, the Middle East & Africa, and the Americas, servicing our customers, both candidates and clients, across the world.

For more details, visit www.faststream.com

Welcome from the author

Mark Charman

CEO & Founder of Faststream Recruitment



Mark is a highly experienced recruitment and executive search professional with a specialised focus on C-Suite roles within the global maritime and shipping sectors.

His expertise extends beyond the identification and acquisition of top executive talent; Mark is also a distinguished advisor in designing search strategies and advising on employee and senior executive reward.

With over 30 years in specialist recruitment, Mark combines a wealth of industry knowledge with a deep understanding of market dynamics.

His thought leadership in maritime and shipping recruitment is widely recognised, reflecting his commitment to advancing best practices and innovative strategies in the field.

Part I: Why strategic compensation is a priority in 2025 & beyond

Strategic Compensation in Maritime Report 2025

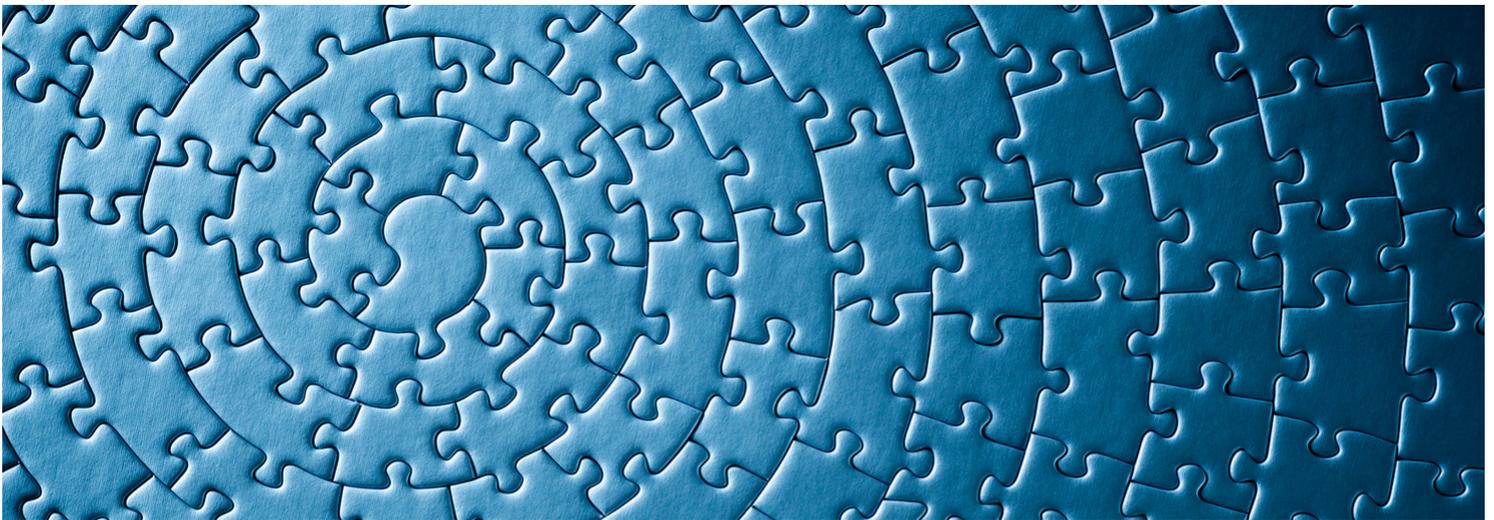
Compensation trends in maritime and shipping

Compensation is a central focus for maritime employers, influenced by evolving workforce expectations, market complexity, and increasing scrutiny from employees and stakeholders.

The maritime pay puzzle: balancing fairness, transparency and cost control

Across the sectors, organisations are reviewing how they approach pay. Global operations, rising mobility, and shifts in job design have introduced new challenges in maintaining fairness and competitiveness across diverse roles and regions. The increasing availability of salary data and the ease with which employees can compare their compensation are adding pressure to get pay decisions right.

While many businesses have increased salary budgets in recent years, compensation budgets are not endless. Employers are under pressure to do more with less, balancing market competitiveness with financial responsibility. Pay decisions are increasingly being shaped by business performance, retention risk, and the ability to justify investments in key roles.



Beyond pay: why personalisation and communication are driving engagement

Meanwhile, employee expectations have become more complex and more personal. This has driven demand for more personalised and modular reward offerings, where employees can see and shape the value of what they receive, whether that's time off, career growth, or wellbeing support.

Finally, there is growing recognition that employee benefits communication matters as much as the benefits themselves. Employees can't value what they don't know. Without clear, consistent communication around the full reward offering, organisations risk underutilisation, misunderstanding, and disengagement, even when they're offering strong packages on paper.

The growing importance of meaningful, relevant data

As reward strategies come under closer examination, data has become essential. Employers are under pressure to make compensation decisions that are not only competitive but also explainable.

Leaders are turning to external benchmarking, internal equity audits, and pay progression analysis to shape pay structures that stand up to scrutiny, whether from boards, regulators, or employees themselves.

Meaningful data enables organisations to spot discrepancies, close equity gaps, and anticipate future salary demands more effectively. It also plays a role in strengthening employer brands.

In a climate where transparency and fairness matter more than ever, being able to show how and why pay decisions are made can directly impact retention and reputation.

Part I: Why strategic compensation is a priority in 2025 & beyond

Strategic Compensation in Maritime Report 2025

Moving from reactive to proactive compensation strategies

Many maritime organisations have historically treated compensation as a reactive function, adjusted during annual reviews, exit interviews, or in response to internal pressure. Today, a more strategic approach is emerging. Compensation is being embedded in long-term workforce planning, with closer collaboration between human resources, finance, and the C-suite.

This shift is driving the development of more intentional frameworks, from career path-based pay bands to reward models aligned with business priorities such as retention, succession planning, and culture.

Organisations want to or are proactively modelling different reward scenarios, forecasting talent risk linked to pay, and aligning compensation more clearly with performance and contribution. Rather than waiting for problems to arise, some employers are investing in compensation strategies designed to support future growth, resilience, and workforce stability.



Reactive vs Proactive Compensation Strategies

Reactive Compensation Strategy	Proactive Compensation Strategy
<i>“Reactive organisations treat compensation as a response to problems, rather than a tool to prevent them.”</i>	<i>“Proactive organisations use compensation not just to respond, but to shape workforce strategy.”</i>
Pay decisions made during annual reviews	Pay is built into long-term workforce planning
Adjustments triggered by resignations or internal pressure	Scenario modelling to forecast future risks and needs
Exit interviews uncover pay-related issues	Compensation aligned with retention and succession planning
One-size-fits-all approach to salary bands	Career-path-based, scalable pay frameworks
Minimal collaboration beyond HR	Strategic collaboration across HR, Finance, and the C-suite
Limited visibility of the performance-pay link	Clear alignment between contribution, performance, and reward
Focus on fixing problems	Designed to support growth, resilience, and workforce stability

Part 2: Pay Equity

Strategic Compensation in Maritime Report 2025

Internal versus external pay equity: two sides of the same coin?

Pay equity is a core component of a fair and effective reward strategy. For maritime businesses, it plays an important role in attracting, retaining, and engaging talent across global teams.

Organisations are increasingly recognising the importance of achieving both internal and external equity, not only to remain competitive but also to build trust, enhance retention, and support reputation.

Internal pay equity in maritime

Internal pay equity refers to how fairly and consistently individuals are rewarded within an organisation, across departments, locations, and job types. In maritime, where career paths, contract types, and working environments can vary significantly, maintaining internal equity is both complex and critical.

Key areas to review include:

- **Departmental alignment:** Ensuring fair pay levels between functions such as technical, commercial, operations, and support services.
- **Role comparison across job families:** Reviewing consistency in pay across similar roles in different teams or regions.
- **Legacy issues and pay history:** Identifying outdated salary structures or inconsistent progression that may create hidden inequities.
- **Pay decisions:** Auditing fairness in promotions, adjustments, and internal mobility.

External pay equity in maritime

External pay equity focuses on how competitive your organisation's compensation is compared to the wider market. It's about ensuring your pay practices reflect the value of roles in the external talent landscape, across regions, specialisms, and competitor benchmarks.

In the maritime sector, this can be particularly complex due to global operations, varying market maturity, and talent shortages in key disciplines. Employers that fall behind external market rates risk losing top talent, facing longer time-to-hire, or struggling with poor job offer acceptance rates.

Key areas to consider include:

- **Benchmarking roles against relevant market data:** Using up-to-date, sector-specific insights to ensure pay is aligned with current norms.
- **Identifying high-demand roles and adjusting accordingly:** Recognising where market scarcity (e.g. technical superintendents, crew managers, naval architects) requires more competitive offers.
- **Understanding regional pay variations:** Factoring in cost of living, taxation, and expectations across key hubs like Singapore, Cyprus, Northern Europe, or the Middle East.
- **Monitoring peer and competitor pay trends:** Staying informed on industry movements, counteroffers, and bidding wars.

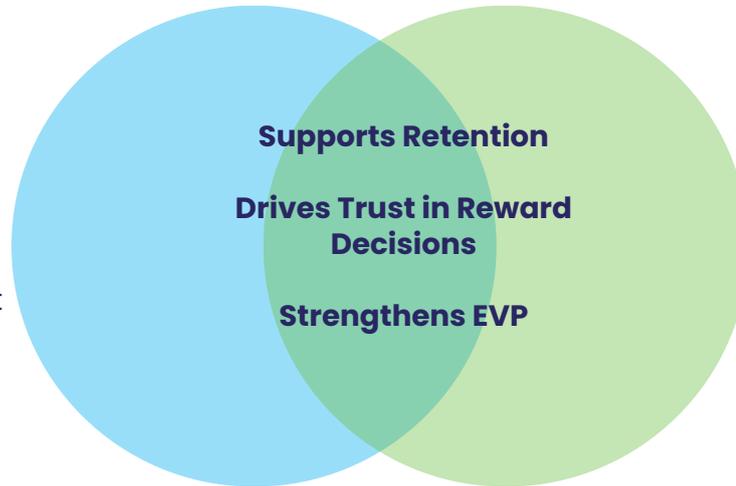
Part 2: Pay Equity

Strategic Compensation in Maritime Report 2025

Two sides of the pay equity equation

Internal Pay Equity External Pay Equity

- Fairness across roles
- Consistency in pay/promotion
- Employee engagement



- Competitive vs Market
- Salary Benchmarking
- Supports attraction

Perceptions of equity and fairness in pay

Employees assess their pay not only by what they receive, but by how it compares to colleagues, to market norms, and to what they believe is fair. Even when compensation structures are equitable on paper, perceptions can tell a different story.

Equity focuses on objective fairness, ensuring consistent pay for comparable work across departments, locations, and individuals. **Fairness** is how employees feel about those decisions. Both directly impact trust, engagement, and retention.

What shapes perceptions of fairness in pay

Even the most equitable compensation structures can feel unfair if they lack clarity or consistency. Perceptions are shaped not just by the numbers, but by how employees experience and interpret them.

Common triggers of mistrust include:

- **Peer comparisons:** When colleagues in similar roles earn noticeably different amounts.
- **Opaque decision-making:** A lack of visibility into how salaries, bonuses, or promotions are determined.
- **Role ambiguity:** When job responsibilities aren't clearly defined, it's harder to justify differences in pay.
- **Pay compression:** When newer hires earn as much or more than long-serving staff.
- **Unexplained patterns:** Apparent links between pay and factors like age, gender, or location that aren't addressed or acknowledged.

How leaders explain pay matters just as much as how they structure it. Consistency, transparency, and proactive communication are essential to maintaining trust.

Part 2: Pay Equity

Strategic Compensation in Maritime Report 2025

Building trust in pay: equity and fairness in action

What shapes perception	How to respond
Peer comparisons	Share salary benchmarking logic and internal equity efforts
Lack of transparency	Explain processes and decision-making criteria
Role ambiguity	Define job levels and expectations clearly
Inconsistent decisions	Standardise pay review and promotion process
Poor communication	Train managers and improve messaging from HR

Global Employer Considerations and Regional Challenges

Even in local contexts, pay can be tricky. But for global employers, the complexity multiplies fast.

Reward strategies now have to do more, go deeper, and flex harder, especially for global employers. Employees want pay that reflects where they live, what they value, and where they are going.

Compensation is increasingly seen as a reflection of value, security, and future potential. Employees are paying closer attention to how pay aligns with their needs, goals, and cost of living. For employers, it is becoming more important to ensure that reward strategies support both attraction and long-term retention.



Part 2: Pay Equity

Strategic Compensation in Maritime Report 2025

Why global pay keeps you up at night

1. You can't standardise what everyone wants

Employees want hyper-local, hyper-personalised packages, but your business still needs structure and fairness. Flexibility without chaos is a constant balancing act.

2. Everyone wants data, and no one agrees on the source

You're under pressure to deliver accurate, specific, and up-to-date global and regional compensation intelligence. But what's considered "market rate" in one country may not even exist in another.

3. Once pay goes up, it rarely comes back down

Wage inflation is global, but rigid. Salaries set during talent crunches are hard to scale back, especially when the local cost of living continues to rise.

4. One workforce, five generations, multiple locations and no clear consensus

From retirement-age specialists to Gen Z new starters, to employees in Singapore to talent in Hamburg, your people want different things from reward. Crafting a compensation strategy that pleases all is exhausting and often impossible.

5. Gross salary means nothing if net pay disappears

In some countries, taxes and social security can eat up a huge proportion of income. Add currency swings, and suddenly your "competitive offer" feels unfair or unaffordable.

6. The law is changing faster than your spreadsheets

Pay transparency, equal pay audits, and cross-border compliance are increasing. Keeping up isn't optional.

7. What's fair here may feel wrong over there

Reward doesn't translate cleanly. Guaranteed income, incentive-heavy bonuses, and job titles, what motivates one region may feel irrelevant or even offensive in another.

Making global pay work in the real world

Managing pay across borders is complex, but not impossible. These tips can help you make more informed decisions without getting overwhelmed by the noise.

Look at net pay, not just headline salaries

Tax, inflation, and currency shifts can make or break the real value of your offer.

Invest in local intelligence

Generic data won't cut it. Use in-country partners or specialist recruiters to get the full picture.

Balance global consistency with local relevance

Create frameworks that flex, think playbook, not rulebook.

Get ahead of pay transparency laws

Audit your pay practices now, before you're forced to explain them later.

Design for diversity

Use personas or workforce segmentation to build reward packages that resonate by generation, role, or region.

Case Study: Pay Equity Across Borders – Arjun’s Story

Strategic Compensation in Maritime Report 2025

Organisation Snapshot

- A global shipping company with offices in Singapore, Greece, the UK, and the Philippines
- Specialises in fleet management, technical services, and commercial shipping operations
- Employs over 3,000 people across sea and shore-based roles
- Operates with a centralised leadership team and regional senior managers

Background:

Arjun, a Senior Fleet Manager based in Manila, had been with the company for seven years. He managed a high-performing team and held responsibilities similar to his peers in Europe and Singapore. During a regional leadership meeting, Arjun became aware of significant salary differences between his and colleagues doing the same role elsewhere.

The Challenge:

While the company paid competitively within local markets, it hadn’t reviewed internal equity across countries. Arjun’s discovery led to internal conversations about fairness, especially among key talent in lower-cost locations. It raised concerns for:

- Retention risk among experienced staff who felt undervalued
- Global team cohesion and trust
- Reputational impact, especially as pay transparency discussions gained momentum

Company Response:

The company launched a strategic review of its global pay practices:

- Mapped global roles to ensure alignment in scope and accountability
- Conducted external market benchmarking in each region
- Introduced a tiered global salary banding system, factoring in cost of living, local market rates, and role criticality
- Rolled out manager training and employee communications to address the ‘why’ behind differences and the path toward greater transparency

The Result:

Arjun received a salary adjustment, not to match European peers directly, but to reflect his level and contribution more fairly. More importantly, he felt heard and chose to stay. The company also:

- Reduced attrition in its Asia-based leadership team
- Built a consistent, defensible pay strategy for cross-regional roles
- Strengthened trust between headquarters and its regional offices

Key Takeaway:

When internal equity is overlooked across borders, your best people may not leave immediately, but they may start looking. Fairness is as much about perception as it is about numbers.

Part 3: Employee Expectations

Strategic Compensation in Maritime Report 2025

Why has reward become more complex and more personal?

Pay has always mattered, but the way employees think and feel about compensation has shifted. It's no longer just about how much someone is paid; it's about what that pay represents. For many, reward is now closely tied to a sense of recognition, fairness, security, and future opportunity. That makes compensation more personal, more emotional, and more important than ever in driving engagement and retention.

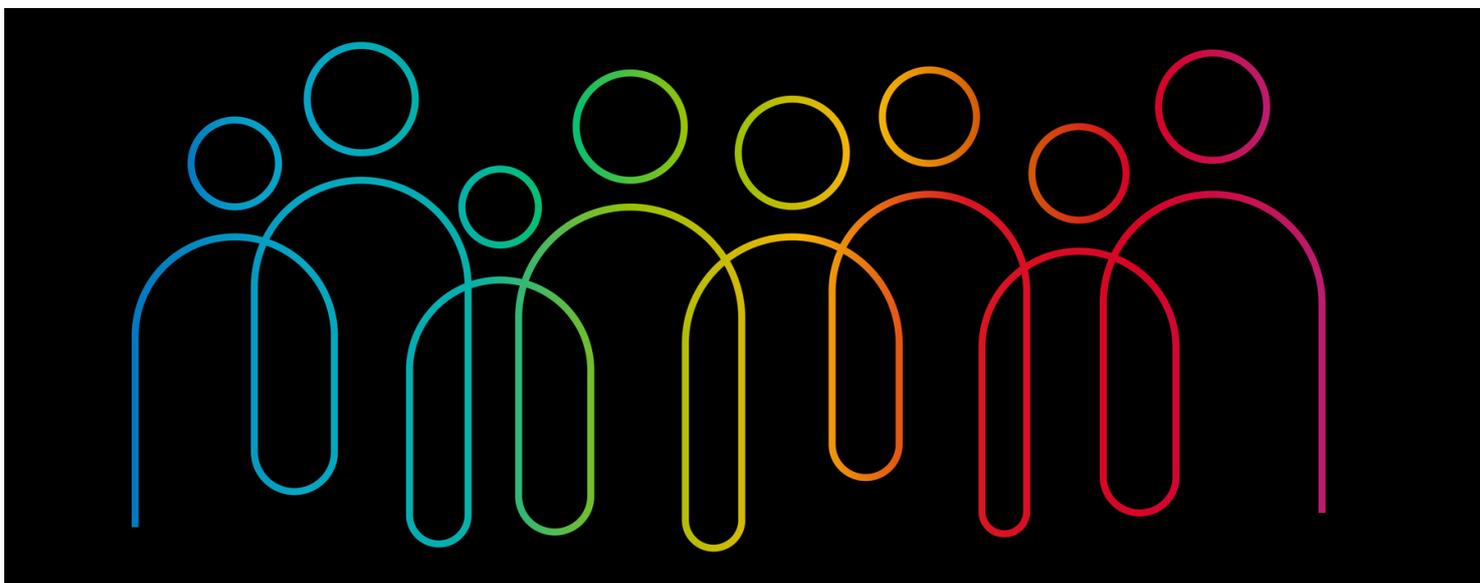
Generational shifts: same, same but different...

The maritime workforce now spans up to five generations, each bringing potentially different expectations of what good reward looks like. While it's easy to focus on differences, the truth is often more layered.

Yes, younger employees tend to value flexibility, growth, and purpose. Senior professionals may lean toward stability, recognition, and long-term reward. But it's not black and white. Flexibility and meaningful work are becoming mainstream expectations, not just 'Gen Z perks'. Likewise, financial security and career progression matter across all ages, just with different weightings.

Younger generations are also influencing how older ones think about work and compensation. Remote options, digital tools, and real-time feedback are now expected by many, regardless of age. The result? A shift towards more personalised, experience-driven reward strategies that reflect both shared human needs and individual preferences.

Understanding generational influences helps. But assuming everyone in a generation thinks alike can be misleading. That's why segmenting by values, motivations, or career stage, through employee personas, can be more powerful than relying solely on age.



Designing reward for real people: the rise of employee personas

As workforces become more diverse in age, location, role type, and values, organisations are recognising that no single reward approach will suit everyone. Enter the employee persona: a practical tool to better understand and respond to different expectations within your workforce.

What is an employee persona?

It's a semi-fictional representation of a group of employees who share similar motivations, life stages, career goals, or challenges. Personas move beyond job titles to explore what matters to your people, helping HR and leadership build reward strategies that feel more relevant, personalised, and effective.

Part 3: Employee Expectations

Strategic Compensation in Maritime Report 2025

Why do employee personas matter for compensation?

Traditional compensation structures often focus on job level or function. But employee personas add another layer, one that considers emotional drivers, expectations, and lived experience. In today's workforce, this is becoming more essential. Each persona helps you design rewards that connect with people's priorities, improving engagement, loyalty, and perceived fairness.

How to build employee personas for reward

1. Start with data

Use employee surveys, exit interviews, and focus groups to uncover what people want from their compensation and benefits.

2. Identify patterns

Look for clusters by generation, career stage, geography, or role type. What do different groups value most: stability, flexibility, progression, recognition?

3. Bring the personas to life

Create 3–6 persona profiles with names, motivations, challenges, and key reward drivers. Include quotes or themes from real feedback if possible.

4. Tailor your strategy

Map which parts of your reward offering resonate best with each persona. Adjust benefits, communication styles, or progression models accordingly.

5. Test and evolve

Revisit your personas at least annually. As your workforce changes, so will the themes that matter.

By using employee personas, you can move from potentially broad assumptions to more human-centred compensation design, one that sees people not just as job titles, but as individuals with distinct values and aspirations.

Why reward communication needs an upgrade

Even the best reward strategy will under-deliver if people don't know what's on offer or, worse, don't understand how it works. Employees won't value what they don't see, can't decode, or simply forget. And too often, the only time they hear about their package is once a year during appraisal season or when something goes wrong.

If you feel like you're over-communicating your benefits and reward story, you're probably doing it about right. Today's workforce expects real-time visibility, plain language, and clarity of progression, not cryptic spreadsheets or a faded poster on the kitchen pinboard.

Part 3: Employee Expectations

Strategic Compensation in Maritime Report 2025

From benefits to belonging: make reward feel personal

Communication isn't about listing benefits. People want to connect them to what they care about.

Employees want to know:

- What's in it for me, now and in the future?
- How does this compare to others in similar roles?
- What does my employer value, and how am I recognised for contributing to it?

When reward feels invisible, inconsistent, or generic, trust and motivation decline. On the flip side, when communication is clear, frequent, and human, it strengthens connection, transparency, and retention. And it's not one-size-fits-all.

Five ways to improve your reward communication

1. Make it part of the employee experience rather than a standalone initiative

Reward should be integrated into onboarding, one-to-ones, career conversations, and exit interviews.

2. Use multiple channels

Emails get ignored. Kitchen posters get old. Try videos, portals, live Q&As, or even Slack explainers.

3. Tell the whole story

Total Reward Statements should show more than salary. Include benefits, flexibility, recognition, development, and well-being.

4. Keep it human, not corporate

Ditch the jargon. Use real examples and simple visuals. Train managers to explain reward confidently and empathetically.

5. Repeat yourself (then repeat it again)

Most people won't remember a single conversation. Consistency and repetition build understanding and trust over time.

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

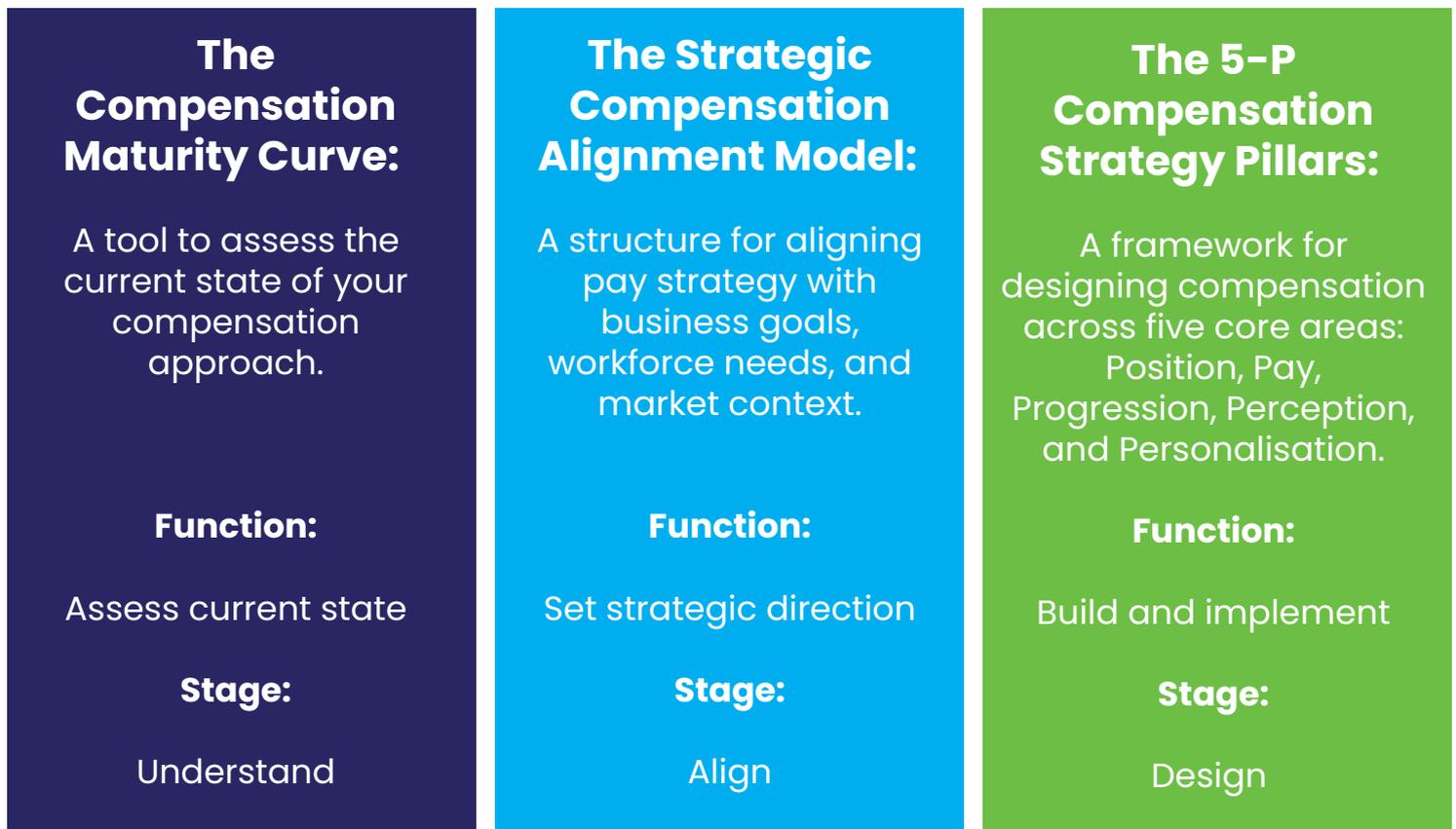
The Strategic Compensation Flow

As workforce expectations shift and market dynamics evolve, the need for structured, data-informed, and people-centred compensation strategies is stronger than ever.

This report introduces the **Strategic Compensation Flow**, a practical, three-part model to help maritime organisations develop and strengthen their compensation strategy.

It provides a clear path for HR and business leaders to review their current position, align their approach with key priorities, and shape compensation models that support long-term success.

The Strategic Compensation Flow includes:



Used together, these tools can guide consistent decision-making, improve internal clarity, and support a more intentional approach to pay.

This model also encourages regular reflection and adjustment, helping organisations stay responsive to internal and external changes over time.

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

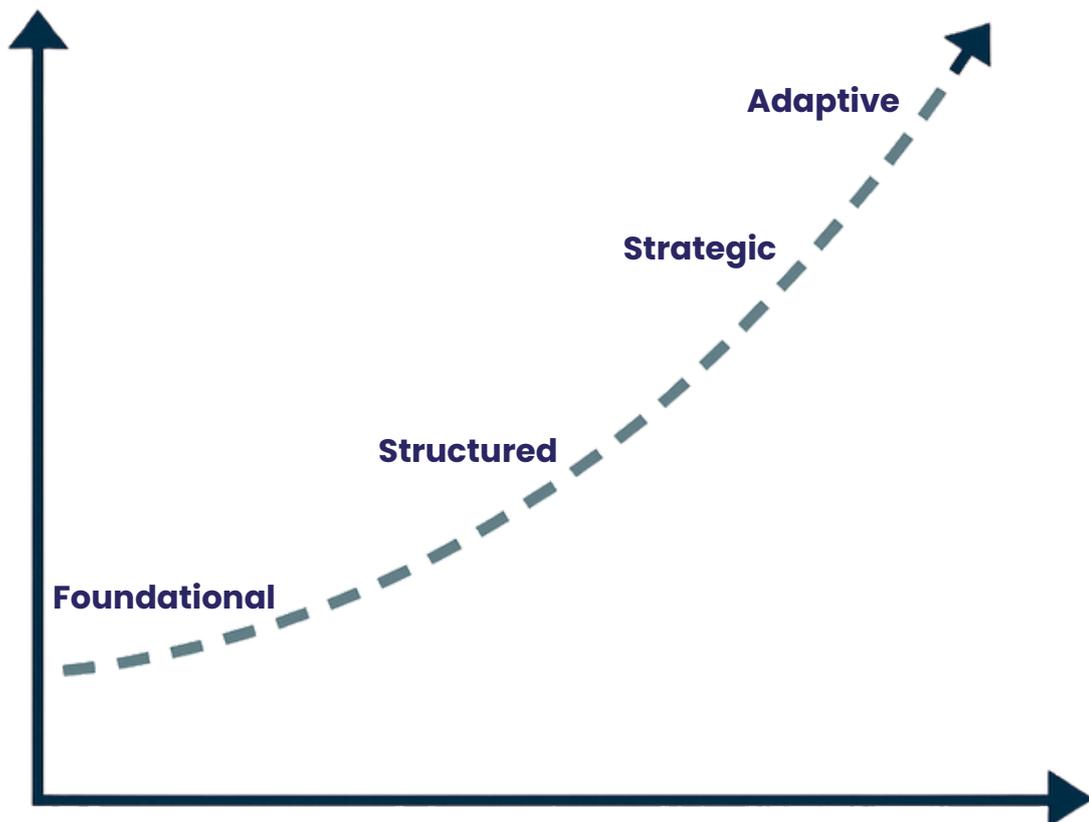
Stage 1: Compensation Maturity Curve: *Where are we now?*

Before designing a better compensation strategy, you need to understand your starting point.

The **Compensation Maturity Curve** is designed to support a structured review of your current approach to pay. It provides a shared language and simple framework for assessing how developed, consistent, and effective your compensation strategy is, and where there may be opportunities to build.

Purpose: This tool provides a clear roadmap for assessing your current compensation strategy. It helps you identify where your organisation sits today and what steps to take next to strengthen your approach.

Foundational	Structured	Strategic	Adaptive
Ad hoc pay decisions, no clear benchmarking, limited transparency	Standardised pay bands, basic benchmarking, and some communication	Fully aligned to business goals, market-competitive, employee-informed	Data-led, personalised, transparent, and integrated with your Employer Value Proposition and retention



Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

How to Use the Compensation Maturity Curve

Step 1: Gather Stakeholders

Bring together HR, finance, leadership, and operations for a review session.

Step 2: Rate Yourself Across the 8 Dimensions

For each category below, rate your organisation from 1 (low maturity) to 10 (fully embedded).

Dimension	Definition
1. Pay Benchmarking	How consistently you use market data
2. Transparency	How clearly and regularly you explain pay decisions
3. Career Progression	How clearly pay links to growth
4. Internal Pay Equity	How fairly pay is managed across people and roles
5. Market Alignment	How well pay reflects external competitiveness
6. Personalisation	Flexibility in reward to suit different needs
7. Strategic Alignment	Link to business goals and priorities
8. Use of Data	How much insight and analysis drives reward

1. Pay Benchmarking

Score Description

- 1–3 Pay is set internally without any reference to market data
- 4–6 Benchmarking is done occasionally or for select roles only
- 7–9 Market data is used consistently to shape pay decisions
- 10 External data is regularly updated, role-specific, and built into structured pay models

2. Transparency

Score Description

- 1–3 Pay decisions are ad hoc or confidential, with little explanation
- 4–6 Some transparency, but not consistent across teams or levels
- 7–9 Managers and employees understand how pay decisions are made
- 10 Full transparency, clear structures, and ongoing communications & trust

3. Career Progression

Score Description

- 1–3 Pay increases feel random or based on tenure only
- 4–6 Promotion and pay progression happen, but without a clear path
- 7–9 Career paths are defined and linked to compensation progression
- 10 Employees understand exactly how to progress and be rewarded; career/pay paths are transparent and trusted

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

How to Use the Compensation Maturity Curve - *continued....*

Step 2: Rate Yourself Across the 8 Dimensions - *continued....*

4. Internal Pay Equity

Score Description

- 1-3** Significant unexplained pay differences exist across similar roles or regions
- 4-6** Pay audits happen occasionally, but inconsistencies remain unaddressed
- 7-9** Internal equity is reviewed and maintained proactively
- 10** Equity is embedded in decision-making; gaps are monitored, explained, and corrected quickly

5. Market Alignment

Score Description

- 1-3** Many roles fall significantly below market rates
- 4-6** Pay is roughly in line, but gaps exist in high-demand or specialist areas
- 7-9** Compensation is competitive across most roles and locations
- 10** Pay is market-leading where needed to attract and retain top talent. Job offers reflect real-time trends

6. Personalisation

Score Description

- 1-3** One-size-fits-all reward model with little flexibility
- 4-6** Some choices offered (e.g. limited benefit options), but not widely used
- 7-9** Flexible benefits and personalisation options are available and visible
- 10** Personalised reward strategies reflect life stage, role type, location, and preferences

7. Strategic Alignment

Score Description

- 1-3** Reward decisions are made in isolation from business priorities
- 4-6** Some alignment exists, but not consistently applied
- 7-9** Reward is aligned with growth, retention, and culture goals
- 10** Compensation actively supports business strategy and is part of workforce planning

8. Use of Data

Score Description

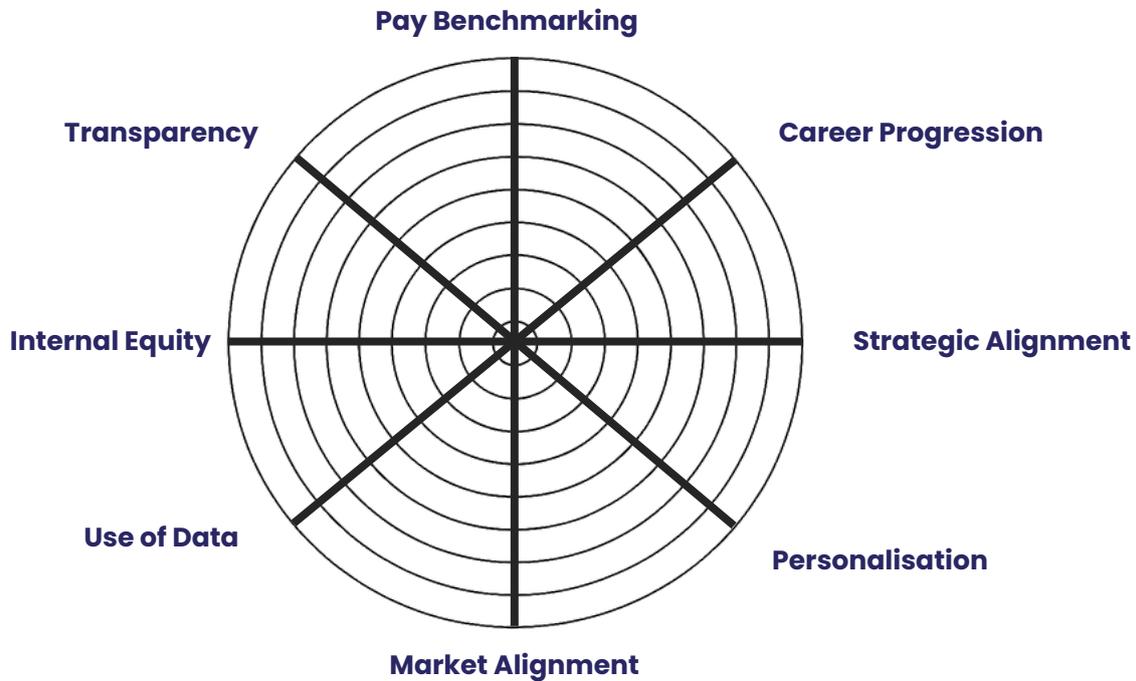
- 1-3** Decisions are made on gut feel or past precedent
- 4-6** Some data is used, but the analysis is basic or irregular
- 7-9** Reward is shaped by salary data, internal trends, and performance analytics
- 10** Compensation is guided by rich, real-time data; leaders use insights to inform decisions and forecast risk

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

Step 3: Plot Your Scores

Discuss the ratings you have provided for each dimension. Use the Compensation Maturity Radar chart to visually map your scores. Connect the dots to form a shape; this will reveal your strengths and gaps.



Step 4: Calculate Your Total Score

Add up all 8 scores (maximum of 80) to determine your maturity level using the table below:

Score Range	Maturity Level	Description
8 - 24	Foundational	Reward is inconsistent, reactive, and lacks structure or data.
25 - 44	Structured	Some frameworks and processes are in place, but not yet strategic or integrated.
45 - 64	Strategic	Reward supports business goals and people priorities, informed by data.
65 - 80	Adaptive	Personalised, transparent, and continuously optimised reward approach.

What to do with the results

- **Celebrate strengths:** Highlight dimensions scoring 7 or above, these are areas of relative maturity.
- **Prioritise weak spots:** Look at anything below 5 and discuss why that score is low. What's missing?
- **Set improvement goals:** For each dimension, define where you want to be in 12 months and identify 1–2 next steps to move closer to it.
- **Use in planning:** This tool becomes the foundation for your future strategy using the Alignment Model and 5-Ps.
- **Encourage teams to identify “flat spots”:** This is where they're underinvesting in maturity; those are often the quickest wins.

Outcome: Clarity on your starting point and what a future-ready reward strategy might require.

 **Bonus Tip:** Look at the shape of the radar. A total score is useful, but imbalances (e.g. a 9 in Benchmarking and a 3 in Equity) show specific problem areas.

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

Stage 2: Strategic Compensation Alignment Model: *How do we set our strategic direction?*

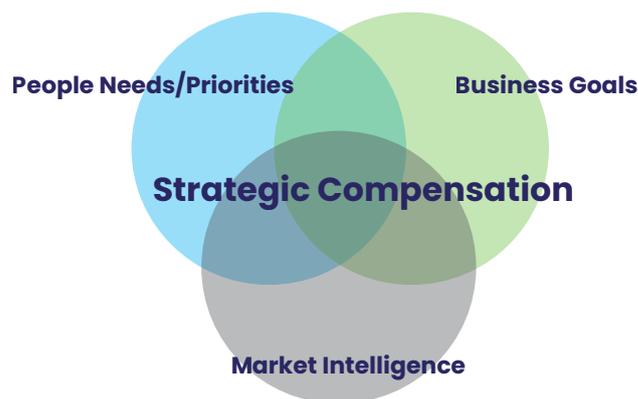
A great compensation strategy connects business needs, employee expectations, and market realities.

The **Strategic Compensation Alignment Model** supports intentional decision-making by anchoring your compensation strategy to three key focus areas: business goals, people priorities, and market intelligence. This framework helps organisations create reward strategies that are relevant, sustainable, and connected to what matters most.

Purpose: This model ensures compensation is not developed in isolation. Once you've diagnosed your maturity level, it provides a simple, structured way to align reward decisions with the wider context of your organisation, helping you stay focused on what compensation is meant to achieve.

Three areas of alignment:

- **Business goals:** What the organisation is aiming to achieve – growth, cost management, transformation, stability
- **People priorities:** What your workforce values – fairness, development, flexibility, recognition
- **Market intelligence:** What's happening externally – salary benchmarks, regional norms, competitor moves, regulatory changes



How to Use the Strategic Compensation Alignment Model

Step 1: Gather Stakeholders

Bring together HR, finance, leadership, and operations for a review session.

Step 2: Clarify Business Goals That Compensation Should Support

Instead of vague priorities, ground this in tangible organisational drivers.

Action: Work with business and HR leadership to identify your top 3 business priorities that have direct reward implications. For example:

- Improving retention in critical roles
- Scaling talent in new locations or services
- Managing cost while maintaining competitiveness
- Supporting a culture of performance and accountability
- Enabling internal mobility or career progression



Tip: Tie each priority to what reward needs to enable, e.g. 'Support retention in hard-to-fill roles → Review salary competitiveness in those positions'.

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

How to Use the Strategic Compensation Alignment Model – continued...

Step 3: Gather Employee Insight

Compensation strategies should reflect what your people value. Use existing data or create a focused survey.

Action: If you have recent employee feedback (e.g. engagement surveys, pulse checks, exit interviews), extract what it says about things like:

- Perceived fairness in pay
- Clarity and trust in how pay decisions are made
- Preferences around salary, bonuses, benefits, flexibility, and development

If you don't have data, run a short reward-focused pulse survey. Some questions could include:

- I understand how my pay is determined. (1–5 scale)
- I feel my compensation is fair for the role I do. (1–5 scale)
- I believe high performance is recognised through reward. (1–5 scale)
- Which of the following is most important to you in a reward package? (tick all that apply – salary, bonus, benefits, career growth, flexibility, recognition)



Tip: Consider segmenting responses by role, function or location to find hidden differences in what matters most.

Step 4: Gather Market Intelligence from Trusted Sources

To remain competitive and credible, you need to understand the external environment.

Action: Use industry-specific data sources such as:

- Salary benchmarking reports (e.g. Faststream's Maritime Salary Reports)
- Employment market outlooks (e.g. sector-wide reports, workforce trends)
- Competitor intelligence (e.g. anecdotal offers, job ads, client feedback)
- Regulatory or tax changes affecting pay or benefits



Tip: Make this at least as part of your annual reward review cycle. Include comparisons by job family, location, and seniority level where possible.

Step 5: Align and Assess Your Current Compensation Strategy

Bring all three areas together, business goals, employee insight, and market data, and honestly assess if your current reward approach is aligned.

Action: Create a simple alignment matrix (see example below):

Area	Current Status	Gaps Identified	Action Needed
Business Goals	e.g. Need to retain Superintendents	Current pay is below market	Review salary ranges for superintendent roles
People Priorities	e.g. People want more than clarity	Pay progression is unclear	Define career/pay pathways
Market Reality	e.g. Market salaries have risen by 12%	e.g. Market salaries have risen by 12%	Re-benchmark priority roles

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

How to Use the Strategic Compensation Alignment Model - *continued...*

Step 6: Define Your Strategic Compensation Priorities

Now you know what needs adjusting, set 2–3 clear strategic goals to guide your compensation strategy over the next 6–12 months.

Action: Use this format to make each one actionable:

- **Goal:** e.g. Improve pay transparency
- **Why:** Trust, retention, and fairness are at risk
- **How:** Define clear salary bands, educate managers, and publish an internal pay framework
- **Owner:** HR Director
- **Timeline:** Q1–Q3 2026

 **Tip:** Share these priorities internally to build accountability and alignment.

Key questions to consider:

- Does our compensation strategy support current business priorities?
- Are we clear on what our people value most in reward?
- Are we informed by up-to-date and relevant market data?

Outcome: A well-aligned compensation strategy that supports performance, improves consistency, and strengthens your ability to attract and retain talent.

 **Tip:** Use this model in strategy development sessions to test or refine compensation decisions, ensuring they reflect both internal and external realities.

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

Stage 3: 5-P Compensation Strategy Pillars: How do we design it?

Compensation strategy works best when it's structured around the full employee experience.

Once your organisation has aligned its compensation goals, the **5-P Compensation Strategy Pillars** provide a practical framework for designing your approach. These five areas represent the building blocks of a modern compensation strategy and support a well-rounded, employee-focused reward offering.

Purpose: This tool helps HR and reward leaders design and review compensation structures in a consistent, comprehensive way. It moves beyond salary alone, encouraging a more holistic view of how compensation is experienced and delivered.

The 5 Pillars:

Position	Pay	Progression	Perception	Personalisation
How roles are structured, levelled, and valued. Role type, seniority, and job architecture.	Base salary, variable pay, incentives, and pay progression.	Career development, promotions, skill-building, and internal mobility.	Fairness, transparency, and communication of reward.	Flexibility or tailored to meet the needs of different individuals and groups

How to Use the 5-P Compensation Strategy Pillars

Step 1: Gather Stakeholders

Bring together HR, finance, leadership, and operations for a review session.

Step 2: Start with a Pillar-by-Pillar Audit

Assess your current approach across each of the five pillars.

Action: Use a simple table or worksheet to evaluate what you currently offer, what's missing, and where you need to evolve.

Pillar	Current Status	Gaps or Issues	Priority to Improve (Y/N)
Position	e.g Job architecture in place for senior roles only	Inconsistent role levelling across functions	Y
Pay	Salary bands are in place, bonus structure is unclear	No documented pay progression	Y
Progression	Development plans exist but not linked to reward	Promotions are ad hoc	Y
Perception	Mixed employee feedback on fairness	Lack of transparency in variable pay decisions	Y
Personalisation	Flexi benefits exist but are underused	No tiering by role or region	N

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

How to Use the 5-P Compensation Strategy Pillars – Continued

Step 3: Prioritise Which Pillars to Focus On First

You don't need to overhaul everything. Pick the top 1–2 pillars that are most misaligned or high impact.

Action: Rank each pillar by:

- Strategic importance (e.g. retention, attraction, equity)
- Current state (e.g. developed vs. inconsistent)
- Feasibility (what's realistic in the short term vs long term)

Example: If attrition is high among early-career roles, you might prioritise "Progression" and "Pay."

Step 4: Set Design Objectives for Each Pillar

Move from gap analysis to solution design.

Action: For each priority pillar, define:

Design Focus	Example Objective
Position	Create a consistent job architecture across all global functions
Pay	Introduce structured pay progression linked to performance and tenure
Progression	Launch career pathways with defined milestones for promotion
Perception	Improve reward communication and manager capability in pay conversations
Personalisation	Offer tiered flexible benefits by region and job family



Tip: Assign ownership for each initiative; this moves ideas into action.

Step 5: Engage Stakeholders for Input and Testing

Involve managers, employees, and other stakeholders in shaping or testing design ideas.

Action:

- Run feedback sessions, manager focus groups, or test communications
- Use simple pulse surveys to understand employee perception of changes

Example: "Do you understand how your bonus is calculated?" can surface critical gaps in perception.

Step 6: Launch, Communicate, and Track Impact

Design is only the start; embed it with communication and measurement.

Action: Communicate clearly. What's changing, why it matters, and what it means for people.

- Train managers on new structures or frameworks
- Define success metrics (e.g. promotion equity, reward satisfaction, internal mobility rates)

Outcome: A comprehensive and balanced compensation design that supports engagement, retention, and internal equity.



Tip: Use this framework as an annual review tool to track progress and refine your approach.

Part 4: Practical Strategies and Tools for Compensation

Strategic Compensation in Maritime Report 2025

Bringing It Together: A Strategic, Structured, and Practical Approach

The Strategic Compensation Flow brings together three connected tools that support more confident, consistent, and people-centred reward decisions.

- The **Compensation Maturity Curve** helps you understand your starting point.
- The **Strategic Compensation Alignment Model** ensures your direction is shaped by business goals, employee priorities, and market realities.
- The **5-P Compensation Strategy Pillars** give you the structure to design a reward model that works in practice.

Together, they form a cohesive framework that guides organisations from assessment to action, enabling more intentional reward strategies that are aligned, adaptable, and effective.

But this is not a linear process. This process is ongoing. Once a compensation strategy has been built and implemented, it's important to return to the Maturity Curve to assess how far you've progressed, whether from foundational to structured, structured to strategic, or further into an adaptive model.

This creates an ongoing feedback loop:

- **Reassess** your current state using the Maturity Curve.
- **Refine** your strategic focus based on new insights, data, and workforce feedback.
- **Revisit** the 5-P Pillars to keep your reward offering relevant and responsive.

The Strategic Compensation Flow is designed to evolve with your organisation. It's a living model, guided by insight, shaped by people, and grounded in purpose, supporting long-term clarity, consistency, and progress.



Part 5: The Future of Strategic Compensation

Strategic Compensation in Maritime Report 2025

Strategic compensation is no longer just a lever for attraction and retention. It's becoming a key indicator of organisational values, agility, and long-term competitiveness. As the workforce continues to evolve, maritime businesses will need to rethink not only how they pay, but why and what they pay for. Here are the major forces shaping the next wave of compensation strategy:

1. EVP, Sustainability, and the Expanding Role of Reward

Reward is increasingly integrated into the wider Employer Value Proposition (EVP). In the maritime industry, where sustainability and corporate responsibility are gaining attention, compensation is part of how organisations demonstrate fairness, inclusion, and alignment with long-term goals.

Reward strategies are beginning to reflect priorities such as employee well-being, diversity, equity, and links to ESG goals. This shift supports both employer brand and workforce engagement.

Steps to consider:

- Review how reward structures align with your EVP
- Make fairness and inclusivity core pillars of compensation
- Explore long-term incentives that reflect purpose and sustainability

2. AI, Automation, and the Data-Driven Shift

New technologies are reshaping how compensation is planned and implemented. Tools powered by AI and automation offer ways to improve benchmarking, identify gaps in pay equity, and provide employees with clearer insights into their compensation.

Organisations are using these tools to enhance accuracy, speed up analysis, and improve the employee experience of reward.

Steps to consider:

- Strengthen your internal data on pay, performance, and progression
- Begin integrating tools that support faster benchmarking or compliance tracking
- Build capability in your teams to interpret and explain data



Part 5: The Future of Strategic Compensation

Strategic Compensation in Maritime Report 2025

3. Flexibility as a Strategic Imperative

Compensation strategies are adapting to keep pace with changes in personal circumstances, inflation, and shifting workforce priorities. Pay frameworks that allow for more customisation and regular review are becoming more common.

Employers are moving toward more modular reward options, flexible benefits, and more frequent pay conversations that align with life stages and evolving employee needs.

Steps to consider:

- Introduce more choice within your reward offerings
- Equip managers with tools to adjust rewards within consistent guidelines
- Shift from static annual reviews to more agile reward check-ins

What's influencing the next phase in compensation?

Several trends are shaping how organisations will develop compensation strategies in the coming years. These include:

- Evolving regulation, such as pay transparency and ESG-related disclosures
- Rising expectations around fairness, visibility, and opportunity for progression
- Balancing consistency across global operations with local market realities
- A growing view of compensation as part of the overall employee experience

Steps to consider:

- Continue using the Strategic Compensation Flow as a planning tool
- Apply employee personas to guide more targeted reward design
- Increase the frequency and granularity of market benchmarking
- Prepare for future regulation by auditing current structures and communications

Strategic compensation is becoming more fluid and responsive. By focusing on what matters most to your workforce and aligning rewards with the realities of your business and market, you can build a strategy that evolves with confidence and purpose.



Final thoughts: Compensation with Purpose

Strategic Compensation in Maritime Report 2025

Compensation plays a pivotal role in shaping organisational culture, performance, and future direction. It influences how people feel about their work, their sense of fairness, and their connection to their employer. In a changing maritime landscape, where expectations are evolving and talent remains competitive, the way compensation is designed and communicated is increasingly vital.

Strategic compensation is more than pay

Pay remains a core component of reward, but it's part of a broader value exchange between employer and employee. Flexibility, recognition, wellbeing, development, and purpose all influence how people experience their work and how they assess the value of their total package.

Reward systems that reflect a wide spectrum of employee needs, including life stage, job function, and personal priorities, contribute to stronger engagement and higher retention. This calls for a reward approach that is aligned with real expectations and thoughtfully structured to deliver meaningful impact.

Data should guide your decisions, and people should shape your strategy

Compensation planning benefits from clear, high-quality data. Benchmarking, internal equity reviews, and performance analysis all support confident, consistent decisions. However, data becomes more effective when it's combined with real insight into employee needs.

Using feedback, surveys, and employee personas creates a fuller understanding of what different workforce segments value. This helps design strategies that feel relevant and improve the overall reward experience.

The best reward models balance business goals with what people value

A successful compensation strategy aligns with business priorities while reflecting what matters most to employees. It requires clarity of purpose, collaboration across departments, and strong internal governance. The most effective models are based on a shared understanding of value, organisationally and individually. They provide structure and consistency while allowing space for relevance and personalisation across different roles, regions, and generations.

A compensation strategy can be a competitive advantage

Compensation communicates value. A strong strategy builds trust, strengthens reputation, and reinforces the kind of employer brand organisations want to project. It helps attract skilled professionals, supports workforce stability, and improves overall business confidence in reward decisions.

Where reward models are thoughtfully constructed, they support resilience, adaptability, and long-term business health.

Looking ahead: compensation as a living system

Compensation strategies benefit from being dynamic and regularly reviewed. As workforce needs shift and external factors change, compensation needs to stay responsive and aligned. Reward can be integrated throughout the employee journey, from onboarding and development to progression and recognition. With strong foundations, regular review, and strategic clarity, compensation becomes a system that supports both individual success and organisational strength.



A static pay strategy won't support a changing workforce.

To stay competitive, compensation must adapt in step with your people, your business, and the market.



faststream
recruitment group