



# The Spotlight

The Spotlight is a regular Q & A feature that showcases our people, their expertise, and trending topics that are on top of our clients' minds directly from the voices of our business leaders.



## Ephraim Edelman, Partner, McLagan Reward Data Solutions

Ephraim Edelman leads the reward data business for McLagan, including strategic initiatives of product development, platform roadmap, machine learning, and governance, as well as new data and analytics client solutions.

### Questions and Answers

#### **Does compensation market data still matter?**

Yes, and more than ever! In the age of the 24 hour news cycle, free flow of data in the public domain, and the market environment, it is challenging for organizations to sift through the sheer volume of information that is available. Partnering with professionally run, independent, institutional data, and advisory providers is the best way to ensure that the compensation data is fact-based, accurate, and trustworthy.

#### **How do firms approach adjusting their compensation strategies to address best practices and regulatory alignment on pay equity?**

Best practice in the financial services sector continues to entail building a strong link between pay and performance, which is not a new concept. Pay equity regulations, in essence, encourage this by focusing on the true value of the role, rather than historical pay levels for employees. Utilizing compensation market data in an objective manner is a valuable tactic for determining fair, equitable pay levels.

#### **How is McLagan adapting to increasingly challenging client needs?**

We are focused on a number of initiatives aimed at delivering greater data insights through innovative product design and technology. We recently launched our new platform, McLaganLive, which provides the ability to visualize, customize, and access market data more efficiently. We are working hard to

update our products and product delivery to provide next generation capabilities. What will never change is our focus on clients and products that are specialized to the unique needs of the financial services sector.

#### **If you could describe compensation in the financial services industry in three words, what would they be?**

Dynamic, Impactful, Differentiated.

#### **What do you see as the next big challenge for financial services firms in designing compelling reward strategies?**

Financial services firms should continue to develop reward strategies that are directly aligned to their human capital strategy and, more broadly, to their overall business strategy. That was true yesterday, is true today, and will be true tomorrow. While many of the variables in designing a compelling reward strategy have remained the same, there are several notable areas of change as a result of transforming business environments and emerging competition. Compensation professionals and the broader HR function need to understand what these changes mean for their particular organization to ensure that their human capital and reward strategies remain both relevant and compelling. For rewards, in particular, this could mean re-evaluating everything from salary design, to annual and long-term incentive plans, in addition to redesigning the full reward value proposition.