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KEY CHANNEL PARTNER OF THE MONTH

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Employers Report Unchanged Salary Budgets, With Increases Flat at 3.5%

Most U.S. employers are expected to maintain their salary budgets for 2026, with increases remaining flat at 3.5%, matching actual increases for 2025, according to a July 8 report from WTW, a global advisory firm. In a survey of more than 1,500 U.S. organizations, 3 in 5 said their salary budgets changed in the last pay cycle. While 53% reported no change in their anticipated and actual pay budgets for 2025, 31% projected lower salary increase budgets than last year.

"While top-line budgets are generally holding steady, the real shift is happening beneath the surface," Brittany Innes, director of rewards data intelligence for WTW, said in a news release. "Organizations are being more deliberate about how they allocate pay, where they focus investment and what outcomes they expect to drive. Employers are no longer simply reacting to economic signals; they're reimagining how to best support broader business goals despite uncertainty."

Companies with lower salary increase budgets cited an anticipated recession, weaker financial results and cost management concerns. Those projecting higher salary increase budgets pointed to tight labor markets and inflationary pressures.Despite flat pay increases, employees aren't on the move, the report found. Fewer organizations have reported challenges with employee stability in 2025, compared to the past two years; only 30% reported difficulty with attracting or retaining employees, marking an 11-point decrease from 2023. In response, companies said they're supporting their workforce by improving the employee experience (47%), enhancing health and wellness benefits (43%) and increasing training opportunities (40%).

Employers also said they're adjusting compensation programs in various ways, such as performing compensation reviews, hiring people higher in relevant salary ranges and raising starting salary ranges. More than 40% have upped their use of retention bonuses or sport awards, and 37% have focused on base salary increases for specific employee groups. In total, about 7 in 10 reported total annual payroll expenses higher than the previous year, and the average annual payroll expense climbed 3.6%.

During the first quarter of 2025, fewer job candidates said they received multiple job offers, reflecting a softening labor market, according to a Gartner report. More than half of candidates said higher compensation was their main factor for accepting an offer, along with career growth, work-life balance and opportunities to learn new skills.

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HUMAN RESOURCES

How Recruiters Are Using Gen AI to Enhance Interview Prep

Generative AI (GenAI) is transforming how recruiters prepare interview questions, making the process faster, easier, and more effective. Recruiters can harness the power of AI to design interview questions that are thoughtful, inclusive, and aligned with both the role and the candidate — ultimately leading to more meaningful conversations and better hiring decisions.

Getting Started Before interviews are even set up, recruiters are using GenAI tools to review resumes and applications, matching them to job descriptions and candidate profiles. Kristin Hughes, director of recruiting at Odyssey Information Services, a technology consulting and staffing firm in Plano, Texas, helped create an AI recruiting assistant GPT trained on recruiting books and a list of prompts and instructions to evaluate and interview candidates.

Hughes explained that her team uploads a job description and a profile of a recent hire in the same role into the GPT and asks it to compare the candidate to the job description and the recent hire. She asks it to: Provide a side-by-side comparison chart of their skills against the job description. Provide a brief analysis of how they compare to the previously successful candidate, as well as a fact-based pitch we can use in submission.

Pete Radloff, senior leadership recruiter at Datadog, a monitoring platform for cloud applications in New York City, uses GenAI to assess candidate profiles against particular jobs as well. "Leveraging the agent allows for me to have profiles assessed in a similar way and removes potential blind spots I might otherwise miss," he said. "I've set up an agent to assess the candidate's background to ideate questions for areas I may want to dive deeper into and gather more signals or information about."

Jones said she creates custom recruiter screening questions and rubrics that include a numerical scoring system. "Using AI to generate screening questions helps shorten the initial candidate calibration phase, and my hiring partners actually read and use the scorecards," she said. "Instead of duplicating questions, they go deeper based on the insights I've gathered, building trust and elevating the process."

Using the Job Description One way to create relevant interview questions with GenAI is to start with the job description. Recruiters can copy and paste the job description into their GPT and ask AI to generate interview questions tailored to the role. Radloff said he trains the AI to use the job description and some of the role intake notes "so that there's a full picture of the need, and what to be assessing in a candidate's background during the interview."

Jones said her process "absolutely starts with the job description. I'll ask the LLM [large language model] if the language is gender-neutral, and if not, I'll prompt it to make recommendations with a goal of making it appeal to a wide variety of viewers. I'll then input the job description, including skills and responsibilities, and overlay it with our company's core values. From there, I generate interview questions, outreach messaging, and rubrics." For example, she may prompt one of her custom agents with: I am a technical recruiter working on a Director, Product Management role. I need candidate interview questions (Recruiter video screen), a rubric, and a scoring scale from 1-2 (low), 3-4 (mid), 5 (high). Here's another example of a prompt using the job description: Based on the responsibilities and qualifications of this job description, generate 10 first-round interview questions that assess the candidate's relevant experience, problem-solving skills, and cultural fit. And another: Based on the job description, generate five interview questions that specifically assess the key hard and soft skills required for this role. Ensure the questions encourage candidates to provide detailed, real-world examples of their experience.

When it comes to writing prompts, Radloff said he avoids yes/no questions, "so that I can get examples and depth in the answer. This also allows me to dig deeper into follow-up questions." Hughes said it's more effective to just start using AI and experimenting, instead of trying to come up with template prompts. "It's more about understanding the concept," she said. "You don't have to engineer prompts — you have to communicate with the GenAI directly and effectively, which should be a recruiter's top skill set."

Refining Interview Questions GenAI tools can also be used to clarify questions, enhance them with follow-up queries, and improve an existing set of standard interview questions. "I'm constantly experimenting," Jones said. "I'm all the time fine-tuning baseline questions to focus on specific skills or competencies. Ever had a hiring manager rattle off half-formed thoughts and you're left to decode them? AI helps translate that into structured, meaningful questions." She asks AI to tweak questions based on whether the role is more technical, more product-focused, or a blend. Hughes also continuously refines the questions produced by AI. "With GenAI, the more specific and detailed you are, the better the outcome," she said.

Radloff uses multiple agents to provide different options for questions, based on the level and complexity of the role. "Some areas to drill down into will have more or less importance based on the level of the role," he said. Before using AI-generated interview questions in an interview, recruiters should review them closely to ensure they are legally compliant and aligned with the role and the company's hiring goals. AI can also be used to audit the questions for potential bias or exclusionary language as a proactive step toward building a more consistent and inclusive interview process.

The Human Conductor Recruiters are starting to use AI as a strategic assistant, saving time, reducing bias, and ensuring consistency.Hughes thinks of AI as a sidekick that helps "push productivity, spark ideas, assist in speeding up tasks that require a lot of time and focus. If AI is the orchestra, the human is the conductor. The potential is truly limitless for how we use it."

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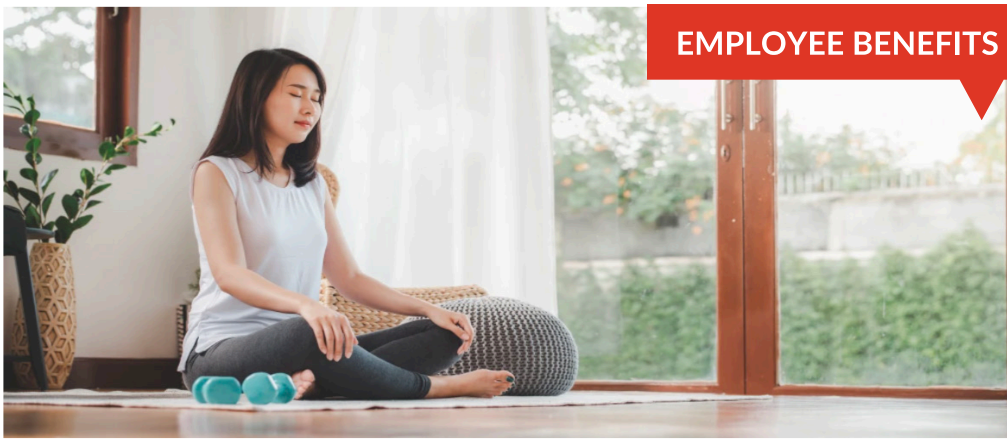
EMPLOYEE BENEFITS



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You May be Investing in the Wrong Wellness Benefits

Organizations are boasting an endless array of wellness benefits, but the reality is that they're doing very little to improve employees' health. Investment in wellness benefits is only anticipated to grow. The current market for these offerings — which includes employer spending on mental health platforms, gym stipends, stress management resources and financial wellness programs — is $68.41 billion, according to data from market researcher Fortune Business Insights, up from $65.25 billion in 2024. By 2032, that number is projected to reach $102.56 billion. Yet 66% of employees are experiencing some sort of burnout in 2025, according to new research from online education platform Moodle and market research firm Censuswide. Twenty-four percent say they don't have enough resources or the right tools to do their job properly.

"Companies see rising burnout rates, rising turn-over, and they want to do something, so they invest in wellness benefits," says Caitlin Collins, organizational psychologist and program strategy director at Betterworks. "If those investments aren't tied to the actual causes of stress in the organization, they're not going to move the needle." Collins shared common missteps organizations and benefit leaders are making when it comes to their approach to wellness, as well as some strategies for keeping efforts as effective as possible.

Why aren't organizations' corporate wellness programs working? A lot of wellness programs miss the mark because they treat symptoms instead of causes. They offer meditation apps or gym discounts while ignoring what's actually driving stress — things like unrealistic workloads, unclear expectations, or lack of recognition. If your day-to-day experience at work is over-whelming or disorganized, no amount of yoga is going to fix that. Wellness can't be a perk that's bolted on after the fact. It has to be built into the culture and the way work is structured and supported through performance expectations, feedback loops and team dynamics.

What are the consequences of investing in ineffective programs? The biggest consequence is employee cynicism. People know when a company is putting a Band-Aid over a bullet hole. If you're promoting mindfulness workshops while still rewarding burnout or ignoring feedback, people lose trust — and that's hard to rebuild. You also risk wasting resources on programs that don't solve the problem, while missing the opportunity to create real, systemic change that actually improves employee well-being and performance.

How can benefit leaders fix their approach? Start by asking better questions — not just "what benefits do people want," but "what's getting in the way of people doing their best work?" Are managers having regular check-ins? Do employees feel valued? Are goals realistic and aligned? Is there space for feedback and coaching that actually helps employees grow in a meaningful way? These are structural questions, and answering them helps create a work environment that supports wellness by design, not just by benefit offering. When performance enablement is built into the rhythm of work, people feel supported and secure, and that's the foundation of real wellness.

What is the future for corporate wellness? I think it'll be about how work itself is designed. We'll see more companies investing in manager training, continuous feedback systems and AI tools that help teams prioritize better and spot signs of burnout earlier. The most effective wellness strategies won't live in the benefits portal, they'll live in team meetings, one-on-ones, and daily workflows. At the end of the day, people don't burn out from lack of perks, they burn out from broken systems. The future is about fixing those systems.

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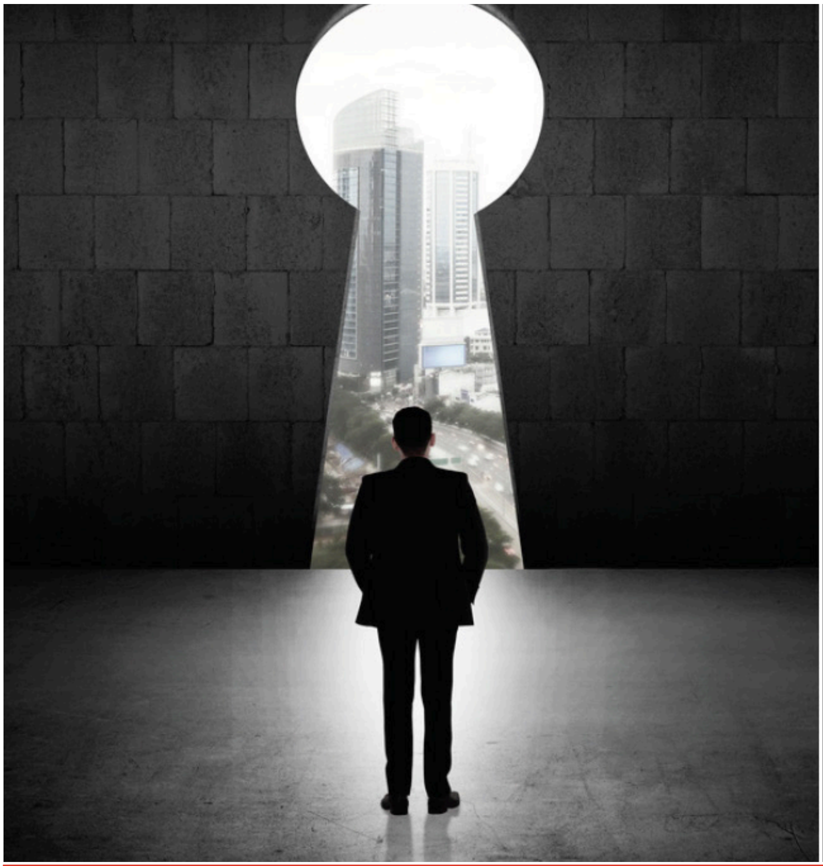

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