

UK Reward Management Survey

Autumn 2019 - Key Findings

The latest edition of the Paydata UK Reward Management Survey gives an insight into what is happening, and what is going to happen, in the world of reward.

The full report showing the overall analysis of the responses is distributed to all those who took part. Here we present an overview of the key findings from the report.

REGISTER NOW
The spring edition of the UK Reward Management Survey will launch in March 2020.

Business activity

A distinct decline in the number of organisations expecting **revenues to increase**



Spring 2018

60%

Autumn 2018

54%

Spring 2019

57%

Autumn 2019

31%

Pay reviews

40%



expect their pay reviews to be carried out in April

April



is the most popular month which coincides with the beginning of the new financial year

35%

of pay reviews take the form of a combination of **across the board** and **individual** increases, whilst **28%** favour an **across the board** increase

Pay awards

UP TO **3%**



remains the most common predicted pay budget for **2019** and **2020**

58%



target pay actions based on external relativities and **52%** target high performing people

Out of cycle pay awards

Pay increases continue to be supplemented by out of cycle pay awards



Out of cycle pay increases most commonly account for **up to 1%** of annual pay bills, in line with our 2018 results



75%

cite **market pressures** as the driver for out of cycle pay increases

71%

anticipate **market pressures** will continue to drive these increases in **2020**



Nearly half of respondents cite **internal pay alignment** as key drivers for both **2019** and **2020**

Brexit

49%

have a plan in place to protect the business and/or take advantage of potential opportunities



Only **6** and **8%** of businesses see Brexit as an opportunity on any timescale:

Over the next 2 years:

One third perceive Brexit as a threat



Over 2 – 5 years:

11% see Brexit as a threat; **36%** are neutral; **45%** don't know

Beyond 5 years:

6% think Brexit is a threat; **39%** are neutral; **47%** don't know



Half of organisations anticipate that **investment in HR/Reward operations** will stay the same for pay review funding, project budgets and employment of young people. The majority of other respondents said it was too early to tell.

Brexit

Organisations believe Brexit will have the biggest impact on skills/labour shortages – **33%** said this will increase, whilst **36%** said it is too early to tell



Pre-Brexit

76%

are not experiencing **delays in HR/ reward planning and project decisions** because of Brexit; 12% don't know

Post-Brexit

More people don't know what impact Brexit will have on **delays to planning and project decisions (26%)**, whilst 65% do not anticipate delays



In light of Brexit, the areas most impacted and likely to appear in HR projects over the next 12 months include **pay benchmarking** and **employee opinion surveys**, suggesting competitive pay and engagement is a key priority



Bonuses

Bonus levels remain stable



64%



expect the **number of people receiving bonus payments will stay the same**, with 16% expecting the number to increase

NEARLY Half

of organisations anticipate the **size of bonus payments to stay the same**, whilst 25% think it's too early to tell

Long-term incentive plans (LTIPs)

Slightly more organisations report using this type of incentive:

Autumn 2018

33%



Autumn 2019

40%



Employee benefits

Top three benefits:

1

97%

Pension scheme

2

89%

Life assurance

3

86%

Employee Assistance Programme

66%

have reviewed their benefits offering in 2019 and 82% expect to in 2020



Retention

55%

have experienced difficulty retaining people



55%

expect to have difficulty retaining people



Recruitment

66%

have experienced difficulty recruiting people

60%

expect to continue to have difficulty recruiting people



Two thirds of organisations have had to offer new recruits salaries that conflict with those paid to existing employees

Mental health and wellbeing

Top 3 mental health and wellbeing initiatives in the workplace:



Top 3 challenges to managing mental health and wellbeing:



83% of respondents have **policies and procedures** in place to specifically support mental health and wellbeing in the workplace

Do you have a **dedicated budget** for mental health and wellbeing programmes in your business?

YES
55%

NO
28%

DON'T KNOW
17%

The next edition of the Paydata UK Reward Management Survey will be launched in Spring 2020. All participants receive a comprehensive free report covering the results of the survey. To be kept up-to-date when the survey is launched, please [register here](#).

To discuss these results, or to see how we can help with your needs, please contact us on +44 (0)1733 391 377 or via info@paydata.co.uk