

# UK Reward Management Survey

## Spring 2020 - Key Findings

Our spring edition of Paydata's bi-annual report provides HR professionals with insights into current trends in the world of reward and benefits. We share tools, statistics and information to help manage pay and reward practices.

The full report showing the overall analysis of the responses is distributed to all those who took part.

We hope you find this overview of the key findings from the report useful context when thinking about your own approach to pay and reward and that you contribute to our next edition in autumn 2020.

Data for the survey was collected between March and May 2020.



### Participants

170



employers completed the survey from across the UK

HALF a million

Together they employ nearly half a million people

### The impact of the coronavirus pandemic

88% of employers have **business continuity plans** in place



### HR involvement in setting strategy:

79%

'very involved'



16%

'somewhat involved'



## Outlook

**52%**

of businesses expect revenue to **decrease** in the wake of coronavirus



**49%**

expect their ability to operate business as usual to **decrease**



**37%**

anticipate employee productivity will **decrease**



**97%**

of organisations think that their response to coronavirus **influences employee opinion**



## Businesses are taking the opportunity to:

Work on **long-term** strategic planning/reorganisation



Assess what the '**new normal**' looks like



Support **wellbeing**



Harness **technology**



Use time **efficiently**



Identify **innovative** ways of working



**Diversify**

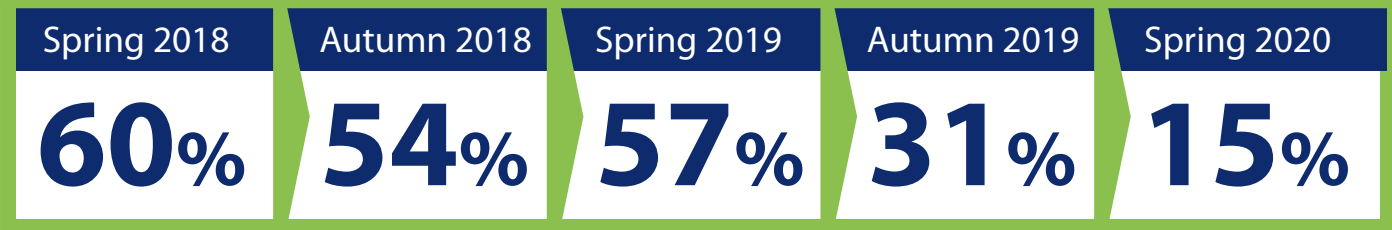


**Future-proof** the organisation



## Business confidence remains cautious

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



HR budgets remain constrained as 31% expect a reduction in their headcount budget. Top 3 agenda items:



## Pay Reviews



**One third** expect pay reviews to be carried out in April, the most common month

5%



do not anticipate a 2020 pay review

26%



of pay reviews take the form of a combination of across the board and individual increases

## Pay budget trends



56%

target pay actions based on external relativities

41%

target high performing people

12%

predict pay freezes

## Out of cycle pay awards

Pay increases continue to be supplemented by **out of cycle pay awards**, most commonly accounting for up to 1% of annual pay bills.

### Autumn 2019

**88%**

used out of cycle pay increases

**87.5%**

anticipate using out of cycle pay increases in **2020**



### Spring 2020

**81.5%**

used out of cycle pay increases

**67.3%**

anticipate using out of cycle pay increases in **2020**



### The drivers for out of cycle pay increases:

**66%**

cite **market pressures**



**47%**

say **internal pay alignment**



**24%**

indicate **inflationary pressures**



### Bonus Schemes

**74%**



of employers operate **bonus schemes**

More **conservative outlook** on the number of employees and size of bonuses, with many saying it is too early to tell

Use of **LTIPs** has increased over the last year from **33%** to

**40%**

## Recruitment and Retention

FEWER THAN **1 in 3**

employers expect to have **difficulties recruiting** people in the next 12 months.

**1 in 5**

expect **challenges in retaining people** in the next 12 months.



These are the **lowest figures** we have seen since the financial crisis in **2008 / 2009**.

The number of employers paying a premium to attract talent:

Down from **63%** in autumn 2019 to **48%** in spring 2020.

## Gender Pay Gap Reporting

**The government has suspended gender pay gap reporting for 2019/20, however many have collected and intend to publish the data.**

Closing the gap

**70%**



of respondents measure the gap

Spring 2019

**16.3%**

with an interquartile range of **8.8%** and **24.7%**

Spring 2020

**14.0%**

with an interquartile range of **8.1%** and **20.7%**

What next?

**39%**

are **conducting further analysis** into their figures

**9%**

intend to carry out an **equal pay audit**

**31%**

are taking **no further action**

## Diversity and Inclusion

**72%**

will examine their ethnicity pay gap data

**63%**

intend to investigate employee data based on age

**63%**

will analyse how they support disabled employees

**76%** of respondents have **diversity and inclusion initiatives** in place



### The top diversity and inclusion initiatives are:

**1**

**Networking groups** – dedicated support groups to connect those who are traditionally under-represented in the workplace and who can share their experiences.



**2**

**Dedicated working groups** – all staff coming together to champion equality.



**3**

**Mentoring, coaching and sponsorship programmes** – providing support and training designed to support the individual.



The next edition of the Paydata UK Reward Management Survey will be launched in autumn 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](mailto:info@paydata.co.uk)