

UK Reward Management Survey

Autumn 2020 - Key Findings

REGISTER NOW
The spring edition
of the UK Reward
Management Survey
will launch in
March 2021.

Our autumn 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 spring 2021.

Data for the survey was collected between August and October 2020.

Participants

204



employers completed the survey from across the UK

HALF a million

Together they employ more than half a million people

Business Outlook

Decreasing revenue predictions



Autumn 2018

54%

Spring 2019

57%

Autumn 2019

31%

Spring 2020

15%

Autumn 2020

18%

The impact of the coronavirus pandemic

Absence policies



One third of respondents have reviewed their sickness policy as a direct result of Covid-19.



Two thirds have not, and do not intend to, review their sickness policies as they actually experienced a decrease in sickness absence levels.

94% offered **working from home** in response to the pandemic, lockdown and stopping the spread of the virus

80% have offered **flexible working options** to support employees juggling home life and remote working

41% **redeployed employees** to other areas of the business to retain talent

39%



have made redundancies/
restructured

43%



have not and don't intend
to make redundancies

56% have used the **Coronavirus Job Retention Scheme**



86% continue to encourage **home-working**

70% operate a **booking system** to limit capacity

The impact of the coronavirus pandemic

52% expect that they will make **flexible working** more readily available as a result of this year

ONLY 1 in 5

think that home working will **become the norm**



14%

will look to **reduce** the office space they currently hold



The return to the office

To date, the biggest proportion (**25 per cent** of respondents) reported that **1-5%** of employees had returned to the office. Levels decreased amid talk of a second lockdown or circuit-breaker in October.



25%

expect 100% back in the office by **April 2021**

39%

expect 100% of their staff back in the office by **August 2021**

ONLY 26%

think that they will return to employees working 100 per cent of their hours within the office by **August 2021**



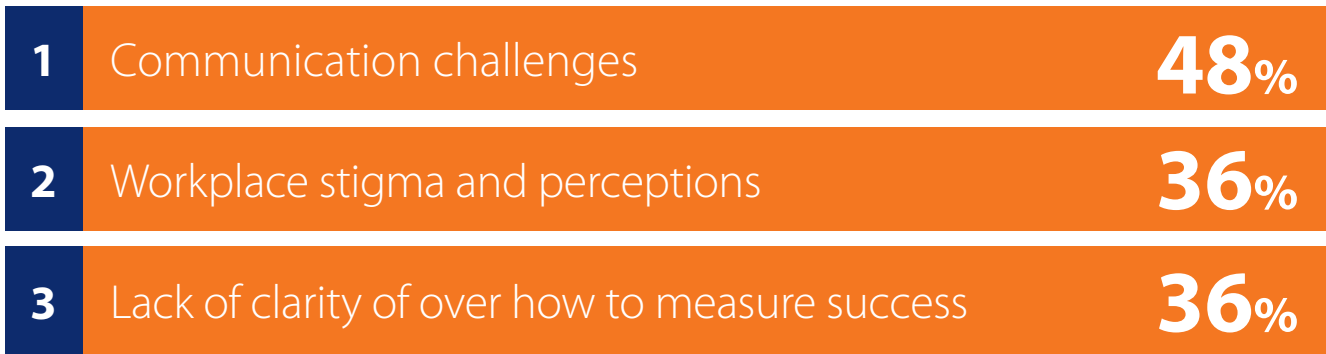
Mental health and wellbeing

90% have policies and procedures in place to specifically support **mental health and wellbeing**

The top three most popular mental health and wellbeing initiatives in the workplace include:



The three most common challenges faced in managing mental health:



Reported benefits:



Pay Reviews



One third carry out pay reviews in April, which remains the most common month for pay reviews



This may account for pay budgets remaining at **3%** in **2020**, with a predicted decrease to **2%** in **2021**

Pay budget trends



48%

went ahead with the same **pay review** as planned



24%

are operating a **pay freeze**, an increase from **12%** in spring



32%

of respondents implemented an **across the board increase**



16%

predict **pay freezes** in 2021



Targeted pay awards

62%

target pay actions based on external relativities

43%

target high performing people

35%

target internal relativities

Out of cycle pay awards

Pay increases continue to be supplemented by **out of cycle pay awards**. Accounts for up to **1%** of annual pay bills for **42%**

Autumn 2019

88%

used out of cycle pay increases

87.5%

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



Spring 2020

81.5%

used out of cycle pay increases

67.3%

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



Autumn 2020

69.6%

used out of cycle pay increases

68.8%

anticipate using out of cycle pay increases in **2021**



The drivers for out of cycle pay increases:

76%

cite **market pressures**



53%

say **internal pay alignment**



26%

list **pay/scale restructure**



Bonus Schemes

76% of employers operate **bonus schemes**



Stable outlook on the number of employees and size of bonuses



One quarter say it is too early to tell the number receiving payments

JUST OVER 1 in 3

say it is too early to predict the size of bonuses

Recruitment and Retention

1 in 5

employers expect challenges in **recruiting and retaining** people in the next 6 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 **42%** in autumn 2020

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