

# UK Reward Management Survey

Spring 2021 - 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 2021.

Data for the survey was collected throughout April and May 2021.

## Participants

**278**



employers completed the survey from across the UK

**HALF**

**a million**

Together they employ more than half a million people

## Business outlook

Expectations of **revenue increases** – a marked improvement and optimistic outlook



Spring 2019

**57%**

Autumn 2019

**31%**

Spring 2020

**15%**

Autumn 2020

**18%**

Spring 2021

**47%**

## The impact of the pandemic

### Engaging employees in new ways of working

**89%**

have adopted strategies to bolster employee wellbeing

**80%**

reported using employee surveys and consultations



Around half of respondent employers have used working groups and parties to actively listen to employee concerns

### Measures to protect employees

**81%** continue to offer **home-working**

**67%** are making the return to the workplace **voluntary**

**66%** operate a **booking system** to limit capacity in the workplace



### Return to the workplace

**1 in 5**

anticipate a return of over **90%** of employees to the workplace by the **end of 2021**

The majority of respondents predict that between **20 and 60 per cent** of employees' hours will be carried out in an office space by the **end of 2021**.

### Long-term impact on ways of working

**84%** anticipate that **flexibility** will be more readily available; only **four per cent** expect to return to old ways of working

**36%** per cent are looking to **reduce** the office space they currently hold



## Pay reviews

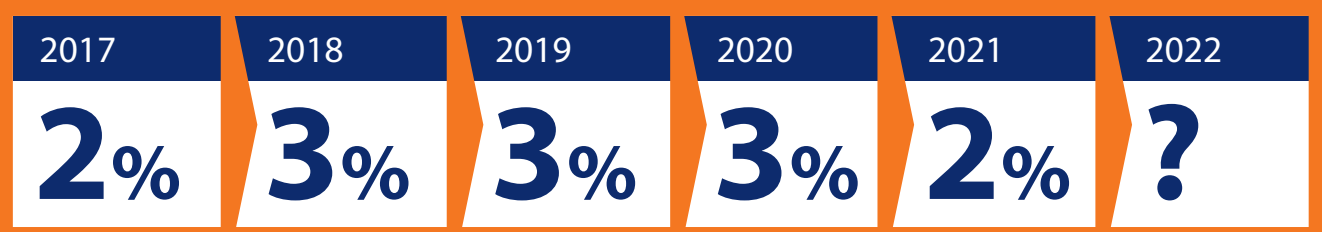


**April** remains the most popular month for pay reviews for **one third**



**Three quarters** predict their pay review will take place in the normal month this year

## Pay budget trends



**11%**

are operating a **pay freeze**, a decrease from **24%** in autumn



**29%**

of respondents are implementing an **across the board increase**



**26%**

are implementing a **combination of across the board and individual increases**



## Targeted pay awards

**54%**

driven by external relativities

**47%**

target high performing people

**38%**

driven by internal relativities

## Out of cycle pay awards

Pay increases continue to be supplemented by out of cycle pay awards. **One third** anticipate that they will award out of cycle pay increases that will account for up to **one per cent** of their annual pay bill.

### Autumn 2020

**70%**

used out of cycle pay increases

**69%**

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



### Spring 2021

**67%**

used out of cycle pay increases

**77%**

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



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

**78%**

cite **market pressures**



**52%**

cite **internal pay alignment**



**28%**

list **pay/scale restructure**



## Bonus schemes

**75%** of employers operate **bonus schemes**, consistent with **76%** of employers reporting this in **autumn 2020**



**Stable outlook** on the number of employees and size of bonuses



**Half** say the number of employees receiving payments will stay the same

**1 in 3**

predict the size of bonuses will stay the same

## Gender pay gap reporting

The government suspended gender pay gap reporting for **2019/20** but reinstated the requirement for **2021**, extending the deadline to **October**.

### Closing the gap

**61%** of respondents **measured the gap** in 2020, despite not being required to report it



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%**

Spring 2021

**14.8%**

with an interquartile range of **5.7%** and **23.1%**

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## Recruitment and Retention

### Employers reporting retention difficulties

Autumn 2019	Over 2020	So far in 2021	Expected in the next 6 months
55%	15%	22%	31%

### Employers reporting recruitment challenges

Autumn 2019	Over 2020	So far in 2021	Expected in the next 6 months
66%	40%	31%	35%

The number of employers paying a premium to attract talent is down from **63%** in **autumn 2019** and **48%** in **spring 2020** to **30%** in **spring 2021**.



## Human Resources Budgets

**Half of respondents** expect their HR budgets to stay the same

**The top 3 agenda items for HR in 2021 include:**

**79%**



employee  
opinion surveys

**77%**



pay benchmarking

**64%**



job evaluation

**The next edition of the Paydata UK Reward Management Survey will be launched in autumn 2021. 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**