

UK Reward Management Survey

Autumn 2021 - Key Findings

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 2022.

Data for the survey was collected throughout September and October 2021.

REGISTER NOW
The spring edition
of the UK Reward
Management Survey
will launch in
March 2022.

Participants

184



employers completed the survey from
across the UK

HALF

a million

Together they employ more than
half a million people

Business outlook

Organisations predict **better revenues** for 2022,
a return to 2019 expectations



Spring 2019

57%

Autumn 2019

31%

Spring 2020

15%

Autumn 2020

18%

Spring 2021

45%

Autumn 2021

57%

Pay outlook

April continues to be the most common time of year for pay reviews



Pay review budgets for 2021

2%

is the most common pay increase

12%

had a higher pay review than originally planned

3%

is the most common predicted pay increase for 2022

Key drivers for pay actions:

1

External
relativities



2

Internal
relativities



3

High
performance
of people



Out of cycle pay reviews (excluding promotions)

Autumn 2020 survey

69.6%

used out of cycle pay increases

68.8%

anticipated using these increases in **2021**

Autumn 2021 survey

79%

used out of cycle pay increases

78%

anticipate using these increases in **2022**

Key factors driving out of cycle pay increases:

Market pressure



Internal pay alignment
e.g. to rectify pay inequality



Bonus outlook

77% operate a **bonus scheme**



22%

expect the **number of people** receiving bonus payments will increase



26%

expect the **size of bonus payments** to increase



Has the pandemic altered bonus strategies?

41%

have introduced **one-off discretionary bonuses**

34%

utilising **thank you payments** instead of discretionary bonuses

30%

have **lowered targets**

Employee benefits

Top 3 benefits

1

Pension scheme



2

Employee assistance programme



3

Life assurance



The top benefits reviewed/being reviewed in the next 12 months:

1

Bike to work scheme



2

Private medical insurance



3

High street discount schemes



The return to the office

Organisations with 91-100% of staff returning to the office

October 2021

27%

By the end of 2021

34%

By April 2022

44%

By August 2022

50%

The percentage of organisations anticipating 100% weekly hours within the workplace

October 2021

14%

By the end of 2021

13%

By April 2022

15%

By August 2022

14%

1 in 3

expected to return to the office **by the end of 2021**

50%

of employees expected to return to the office **by August 2022**

To date, the expectation for employees to be in the office is around **one to two days**, which is predicted to increase to **two to three days** by August 2022



Most commonly, **up to 5%** of employers' total workforces are **resistant to a return to the office**



57%

have a **'new ways of working'** policy in place as a result of the pandemic

15%

have a **temporary policy** that will be reviewed in the future

Recruitment and Retention

60%

have had **difficulty retaining** people

73%

have had **difficulty recruiting** people

60%

expect to experience difficulty retaining people going forward

75%

expect difficulty in recruiting people going forward

57%

offered new recruits salaries that conflict with those paid to existing employees

47%

offered up to 20% more



Strategies to overcome recruitment and retention challenges



Using social media as a recruitment tool



Accessing a more diverse candidate pool



Listening to employee exit interviews



Developing existing talent



Monitoring labour turnover data trends



Creating a values-led EVP



Using all recruitment networks



Strengthening reward strategy

Employee Turnover

In the last 12 months:

11%

in spring 2021, increased to
13 per cent in autumn 2021

In the next 12 months:

50%

expect turnover to increase
for all employees

34%

of organisations made redundancies
as a direct result of Covid-19



Impact of the government furlough scheme:

22%

saved from having to
make redundancies



22%

reduced the number of
redundancies needed



8%

delayed inevitable
redundancies



47%

did not use the scheme



The next edition of the Paydata UK Reward Management Survey will be launched in spring 2022. 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**