

UK Reward Management Survey

Autumn 2022 - Key Findings

REGISTER NOW
The spring edition of the UK Reward Management Survey will launch in March 2023.

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 2023.

Data for the survey was collected throughout September and October 2022.

Participants

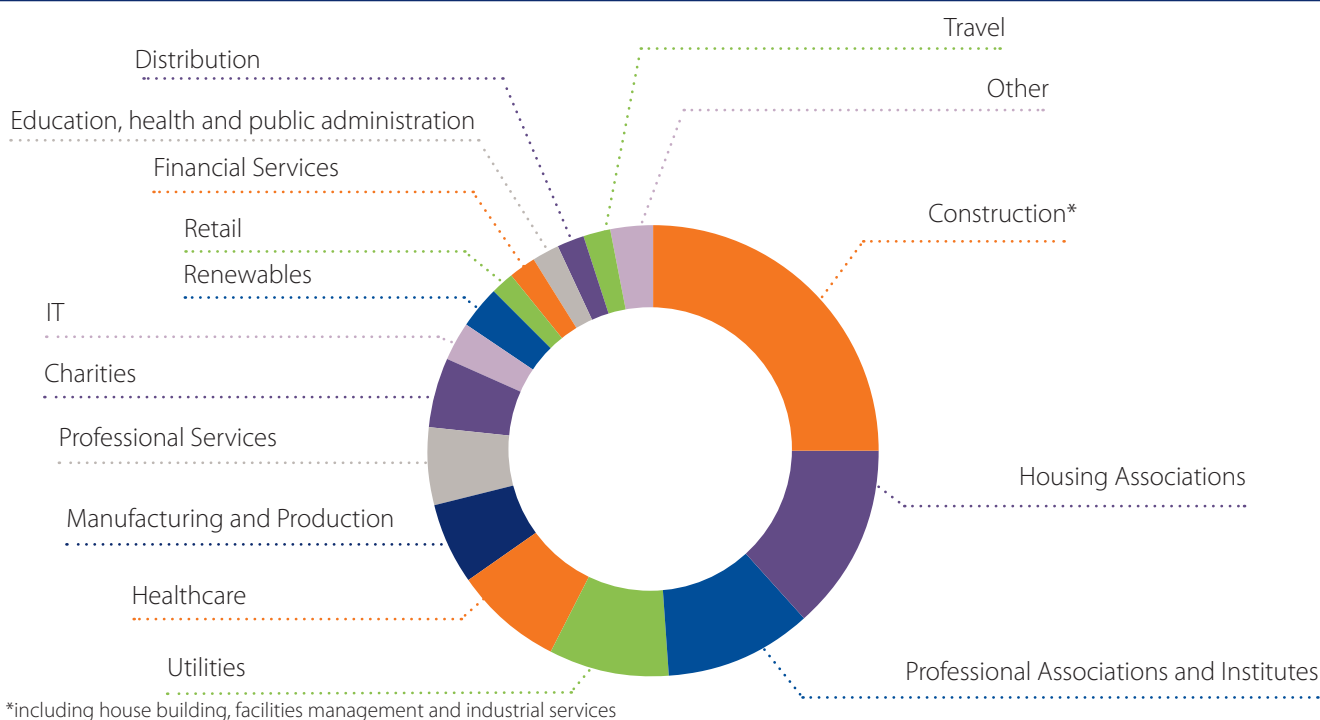
240



employers completed the survey from across the UK

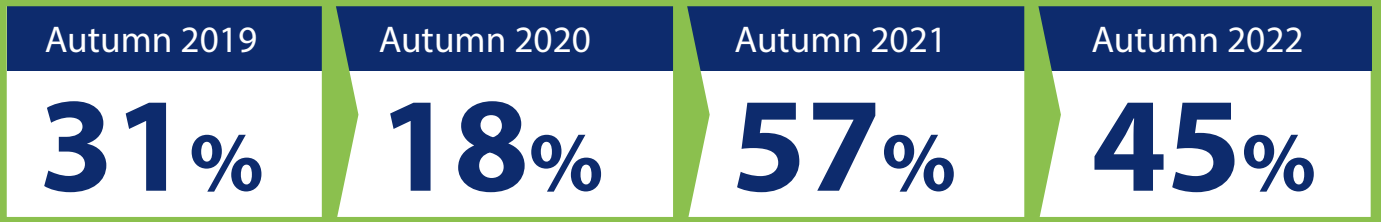
600k

Together they employ more than 600,000 people



Business Outlook

Talk of a recession has scaled back business optimism with **reduced revenue predictions**



2022 Pay Outlook



April remains the most popular month for pay reviews

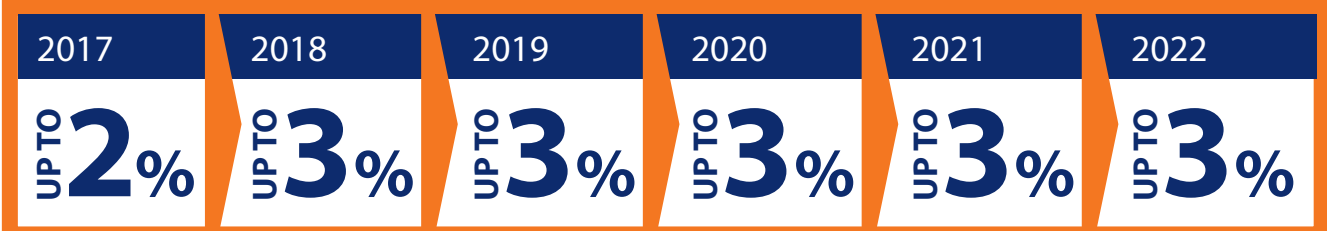
1 in 3

paid, or are expecting to pay, **up to 3%** increases

28%

paid, or are expecting to pay, an **up to 4%** increase

Pay review budgets



Pay review budgets of **up to 4%** and **up to 5%** were also **common** in 2022

Second pay reviews

10%

reported considering a second pay review in 2022

11%

are **offering a second pay review** in 2022

The **median additional pay award** is

3%

46%

are **targeting** this additional review at the **lowest paid levels**



16%

say the second pay review **applies to everyone**

5%

say that everyone will be included, but the lowest paid levels will receive more



One-off cost of living payments

23%

of employers are **paying a lump sum** to support their people, whilst 26% are considering it



Average payments per person range from **£500 - £1000**



£750

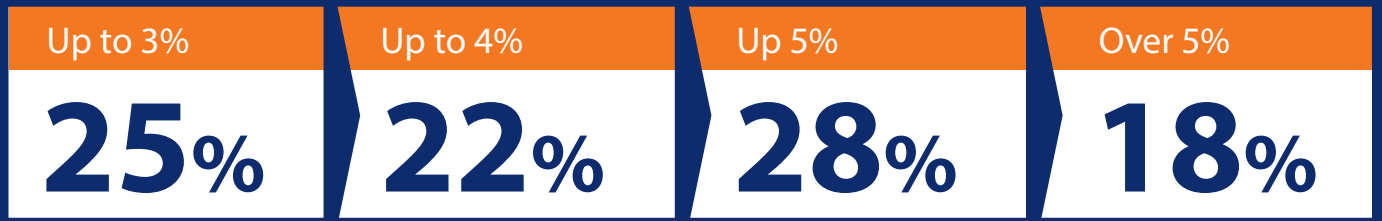
is the **median** amount paid per person

1 in 4

employers are **offering this to all staff**, whilst 40% are targeting their lowest paid employees only

2023 Pay Budgets

Expected pay budgets for 2023 are fairly evenly split, with the highest pay award expectations seen for some time:



Key drivers for pay actions

70%



consider **external**
relativities

43%



target **high**
performing people

42%



consider **internal**
relativities

Out of Cycle Pay Reviews (excluding promotions)

Autumn 2019 survey

88% used out of cycle pay increases

87.5% anticipated using these increases in **2020**

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% anticipated using these increases in **2022**

Autumn 2022 survey

86% used out of cycle pay increases

85% anticipate using these increases in **2023**

These awards **account for up to 2% of annual pay award budgets** for **one in five** respondents

Out of cycle pay awards **account for up to 5% of pay budgets** for **9% of employers**

Factors responsible for out of cycle pay increases in 2022:

81%  cite **market pressures**

55%  cite **inflationary pressures**

47%  cite **internal pay alignment**

Bonus Outlook

76% operate a **bonus scheme**



71%



expect the **number of people receiving bonus payments to stay the same**

42%



expect the **size of bonus payments to stay the same**

Top 3 Benefits

1

Pension scheme



2

Employee assistance programme



3

Life assurance



Flexible benefits



Half of respondents **do not offer flexible benefits**

27%

offer flexible benefits

23%

do not offer this yet, but it is under consideration

Recruitment and Retention

Employers reporting retention difficulties

Autumn 2019

55%

Over 2020

15%

Spring 2021

22%

Autumn 2021

60%

Spring 2022

72%

Autumn 2022

77%

Employers reporting recruitment difficulties

Autumn 2019

66%

Over 2020

40%

Spring 2021

31%

Autumn 2021

73%

Spring 2022

85%

Autumn 2022

86%

71%

have **offered new recruits salaries that conflicted with those paid to existing employees** in autumn 2022, an increase from 57% in autumn 2021.

65%

are **offering up to 10% more**

Top 3 recruitment and retention strategies

1

75%

make **greater use of technology**

2

73%

analyse the results of **'exit interviews'**

3

67%

communicate the wider **reward package**

Sickness absence

2022 **levels remain consistent** with 2021

The **median** number of sick days in 2022 is **3.15**

Employee Turnover

In the last 12 months:

17%

increased from 13% in autumn 2021

In the next 12 months:

41%

of employers expect employee turnover to **stay the same**, whilst 24% expect it to increase

Drivers behind increased employee turnover:

95%

labour shortages

94%

lack of suitable candidates

82%

employees being offered higher salaries elsewhere

Employee turnover below management level

Spring 2021

31%

predicted an increase

Spring 2022

46%

predicted an increase

Autumn 2022

27%

predict an increase

The next edition of the Paydata UK Reward Management Survey will be launched in spring 2023. 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