

# UK Reward Management Survey

## Spring 2023 - Key Findings

**Our spring edition of Paydata's bi-annual report provides HR professionals with insights into current trends in the world of pay, reward and benefits. We share the latest statistics and insights 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 2023.

Data for the survey was collected throughout March, April and May 2023.

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

### Participants

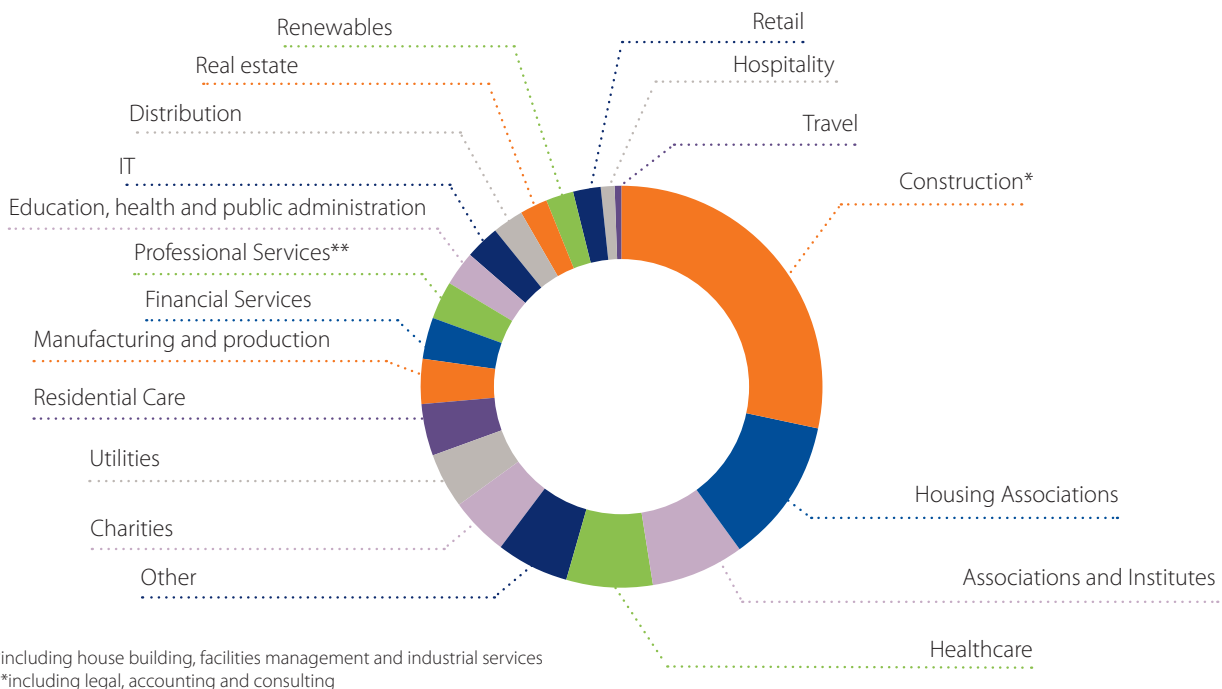
**208**



employers completed the survey from across the UK

**500k**

Together they employ almost 500,000 people



## 2023 Pay Outlook

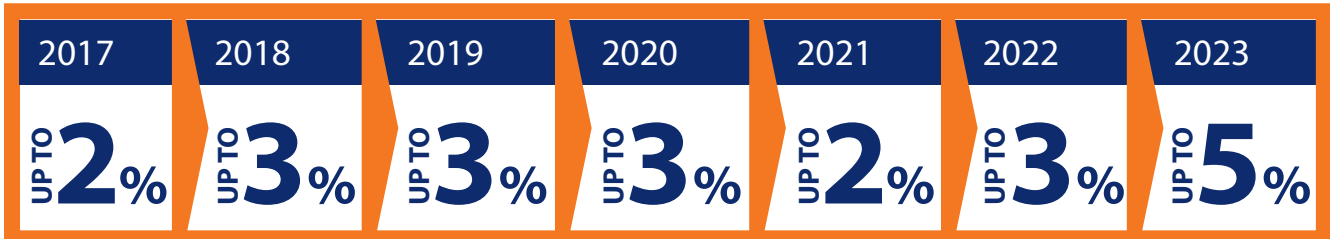
**April** remains the most popular month for pay reviews



Only **one per cent** of participants are planning a **pay freeze**



### Pay review budgets



**4.0%**

Lower Quartile

**5.0%**

Median

**6.0%**

Upper Quartile

### Targeting pay actions

**35%**

are offering an **across the board** increase

**32%**

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

**17%**

are making **individually determined increases**

### Key drivers for pay actions

**71%**



say that **external relativities** are driving their pay actions

**43%**



are targeting **high performing people** with pay increases

**40%**



say pay actions are being driven by **internal relativities**

## Out of Cycle Pay Reviews (excluding promotions)

### Spring 2021

**67%**

used out of cycle pay increases

**77%**

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



### Spring 2022

**78%**

used out of cycle pay increases

**85%**

anticipated using out of cycle pay increases in **2022**



### Spring 2023

**82%**

used out of cycle pay increases

**80%**

anticipate using out of cycle pay increases in **2023**



**22%**

say the value of their **out of cycle pay awards** will account for **up to one per cent** of their **annual pay review bill**

## Cost of Living Support

**35%**

**paid** a lump sum to support employees

**Median amount: £750**

2022

**15%**

have **decided** to pay a lump sum

2023

**14%**

are **considering** paying a lump sum

**Median amount: £550**

**10%** reported **more than 5%** of their workforce opted out of, or are reducing their pension contributions.



## Bonus Outlook

**73%**



operate a **bonus scheme**

**67%**



expect the **number of people** receiving bonuses will stay the same

**51%**



think the **size of payments** will stay the same

## Employee Benefits

**29%**



offer a **flexible benefits** scheme

**17%**



are considering offering a flexible scheme

**1**

**95%**

report offering pensions

**2**

**84%**

provide an Employee Assistance Programme

**3**

**79%**

offer Life Assurance

## Diversity and Inclusion

**65%**



have a diversity and inclusion plan

**9%**



do not have a plan

### Top 3 measures:

**1**

Diversity and inclusion training

**2**

Creation of dedicated working groups

**3**

Flexible working / family friendly policies

## Recruitment and Retention

**64%**

experienced retention difficulties in the last 6 months

**61%**

anticipate retention difficulties to continue

**74%**

experienced recruitment difficulties in the last 6 months

**66%**

anticipate recruitment difficulties to continue



### Conflicting salaries

**59%**

have had to offer new recruits **conflicting salaries** than those offered to current staff:



**65%**

have offered salaries of **up to 10% more**



**34%**

have offered **up to 20% more**

### The top 3 recruitment and retention challenges

- ① **95%** report labour shortages
- ② **94%** report a lack of suitable candidates
- ③ **78%** report existing employees being offered higher salaries elsewhere

### Top 3 strategies to tackle recruitment and retention:

- ① **72%** are making greater use of technology
- ② **71%** per cent are analysing the results of exit interviews
- ③ **66%** are offering flexible working

## Sickness Absence



Levels are **broadly consistent** with 2022



The median number of **sick days** in 2023 so far is **3.24 days**, compared to **3.5 days** in 2022

## Employee Turnover

**16%**

Employee turnover levels **remain consistent** with 2022 at 16%

**58%**

expect turnover to **stay the same** in the next 12 months

## HR Budgets and Agendas

Around **half** do not expect changes to overall HR budgets



### Top 3 priorities for the year ahead:

**1**

**Pay benchmarking**



**2**

**Employee opinion surveys**



**3**

**Benefits benchmarking**



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