

UK Reward Management Survey

Autumn 2024 - Key Findings

Our autumn 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 spring 2025.

Data for the survey was collected throughout September and October 2024.

REGISTER NOW
The spring edition
of the UK Reward
Management Survey
will launch in
April 2025.

Participants

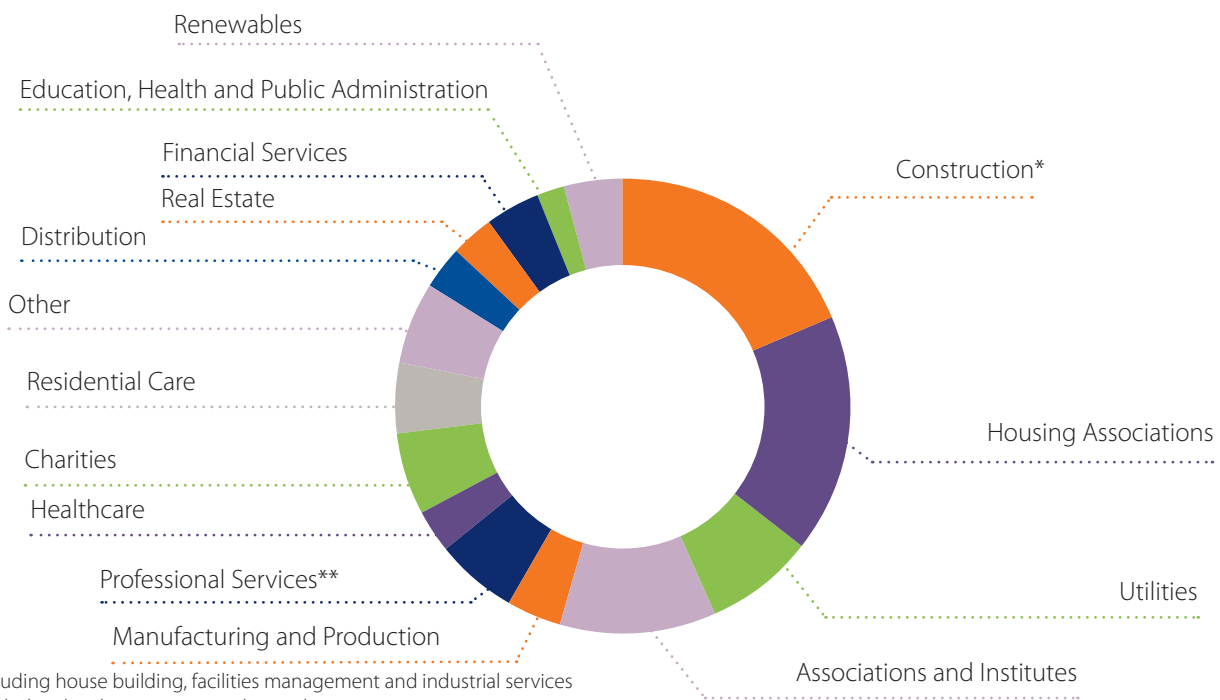
189



employers completed the survey
from across the UK

440k

Together they employ more
than 440,000 people



2024 Pay Budgets (excluding those affected by National Living Wage)

2024

Pay budgets plateau

3.0%

Lower Quartile

4.0%

Median

5.0%

Upper Quartile

The **mode and median** for 2024 have both ended up at **4.0%**, however **5.0%** is a very close second in terms of most common pay award.



Pay award budgets over time

2020	2021	2022	2023	2024
2.0%	2.2%	3.5%	5.0%	4.0%

2024 Pay Budgets (including those affected by National Living Wage)

3.5%

Lower Quartile

4.5%

Median

5.0%

Upper Quartile

Figures suggest that the **National Living Wage** adds around **0.5%** to pay budgets



2025 Pay Review Budgets

April is expected to be the most popular month for 2025 pay reviews, followed by **January**



Excluding those affected by the National Living Wage:

3.0%

Lower Quartile

3.0%

Median

4.0%

Upper Quartile

Including those affected by the National Living Wage

3.0%

Lower Quartile

3.5%

Median

4.5%

Upper Quartile

The form of the 2025 pay review

39%

will offer a **combination of across the board and individual pay increases**

35%

will offer **across an the board increase**

Drivers of pay actions

71%



will be driven by **external relativities**

53%



will be driven by **internal relativities**

36%



will target **high performing people**

Out of Cycle Pay Awards (excluding promotions)

2024

79%

offered out of cycle pay awards, with a median value of **1.0%**

2025

77%

expect to offer out of cycle awards, with a median value of **1.0%**

Bonus Outlook

68% operate a **bonus scheme**



Fewer expect an increase in the size and number of bonus payments

65%

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



46%

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



Frequency of bonus payments

93% pay bonuses on an **annual basis**



Performance criteria for bonuses

63%



determine bonuses based on a combination of **individual, team** and **company performance**

28%



use **company performance**

8%



use **individual performance**

Pay Equity and Transparency

68%

are familiar with **EU pay transparency legislation**

18%

have a comprehensive **formal pay equity policy** in place

67%

have a **formal pay structure/pay scale** in place

45%

say that **all employees** are **familiar** with pay structure/pay scales, whilst for **one third** it is limited to **senior management and HR only**

59%

plan to review pay structure/scales in the next year



64%

of organisations **analyse internal pay equity** annually



20%

are **very transparent** with employees about pay equity, whilst **44%** admit to not being transparent

61%

do not provide training on **pay equity** and bias in making pay decisions



Adopted measures to improve pay transparency

70%



have conducted and published **gender pay gap reports** to improve pay transparency

39%



provided employees with information on how their **pay is determined**

32%



have **publicly posted rates of pay/pay ranges** for each role

Pay Equity and Transparency

Challenges to achieving pay equity

70%



identify **budget constraints** as a key challenge

47%



cite the scale of **historic pay inconsistencies**

36%



highlight a **lack of awareness or understanding** of pay equity

Recruitment and Retention

Retaining people

35%

experienced difficulty in the last 6 months

36%

anticipate difficulty in the next 6 months

Recruiting people

42%

experienced difficulties in the last 6 months

39%

anticipate difficulties in the next 6 months



48%

have had to offer new recruits **salaries that conflict** with those paid to existing employee



73%

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



27%

have offered **up to 20% more**

Over the next 6 months, **59%** expect the premium to **stay the same.**

Recruitment and Retention

The top 3 recruitment and retention challenges:

- ① **89%** report **labour shortages** as the biggest recruitment and retention challenge
- ② **87%** report a **lack of suitable candidates**
- ③ **69%** say they cannot match the **higher salaries offered elsewhere**

Top 3 strategies to tackle recruitment and retention challenges:

- ① **67%** are analysing the results of **exit interviews**
- ② **66%** are making **greater use of technology**, e.g. LinkedIn recruitment
- ③ **65%** are offering **flexible working**

Absence and Labour Turnover



Levels are **broadly consistent** with 2023



The **median** number of **sick days** in 2024 is **3.5 days**, compared to 3.7 days in 2023

Employee turnover levels remain consistent with 2023:

15%

Median level of **employee turnover** in the **last 12 months**

50%

expect employee turnover to **stay the same**



Business Outlook

Business Activity

A stable outlook



47%

expect **order books**
to **increase**

46%

expect an **increase** in
business revenue

40%

expect an **increase** in
business profitability

Looking Ahead to 2025

The top challenges in priority order are:

1 Financial constraints and affordability



2 Recruitment and retention in a competitive labour market



3 Regulatory and legal changes



4 Employee engagement and organizational culture



5 Flexible and hybrid working expectations



6 Technological advancements and skills requirements



The next edition of the Paydata UK Reward Management Survey will be launched in spring 2025. 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