



The future of compensation:

Insights from the
HR DataHub 2024
Pay Planning Survey





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Introduction

Pay trends have been significantly impacted over the past few years by rising inflation and economic downturns. As a result, wages for many industries and job roles are struggling to keep up with the rising cost of living.

According to the Office for National Statistics (ONS), the average weekly full-time earnings has risen by around 30% in the past 10 years.

But while this may seem adequate, this increase hasn't been consistent across all sectors, job roles or locations. It also hasn't kept up with the rising cost of living and inflationary pressure many people are experiencing in the UK.

What does this mean for HR teams?

HR teams grappling with what to pay staff to attract and retain the best people for their business. They're facing greater pressure to set appropriate compensation strategies, while managing tighter margins and increased competition.

The impact of market volatility

The UK has experienced significant pay volatility in recent years. In 2021, pay increases sat at around 2%. Fast forward to today, and we're sitting at around 5%.

However, while initial rises post-Covid were sharp, they have become less extreme in recent years and appear to be settling. Although they're significantly higher than before the pandemic, the current rate is understandable given the impact of wage inflation we're seeing worldwide.

Getting the right compensation levels matters

This report uncovers the way HR teams are approaching pay planning for 2024.

Almost 150 companies share their thoughts, spanning 15 sectors. Their responses build a comprehensive view of the most significant factors impacting pay budgets. And the strategic changes HR teams are investing in to retain and attract the right people to build high performing teams.

We hope the results of this report will help you with your pay planning for 2024 and beyond. By monitoring salary trends and anticipating how pay has evolved, and will continue to evolve, your business can set the right compensation levels to succeed.





Key Findings

- ❖ After a volatile few years of pay trends, 2024 appears on track to be more settled
- ❖ The average actual pay increases across all sectors has grown from 2% in 2021 to 5% in 2023.
- ❖ The 2024 forecast pay increase for negotiated and non negotiated roles is 5% - the same as 2023 but companies providing increases higher than this is now more unlikely
- ❖ There is little differentiation in 2024 pay increase budgets across industries
- ❖ The number one strategic priority for businesses is attracting talent - across every single sector
- ❖ 18% of companies currently pay salaries above market with another 52% considering but 0% planning to implement in 2024
- ❖ Around 15% of companies offer above market bonus but this may change in 2024
- ❖ 22% of companies provide a retention bonus and 23% provide a sign on bonus for certain roles - around a third of companies are considering implementing something for 2024
- ❖ A major focus for 2024 is retention; including investing more in staff development and funding accreditation and training
- ❖ Very little work is planned for workplace changes as most of this work has been completed post covid
- ❖ Reviewing benefits to attract and retain talent is an emerging trend in 2024, with companies planning to enhance the benefits they already offer





About HR Data Hub

At HR DataHub, we're passionate about designing beautiful, digital tools that empower HR professionals to make smarter decisions backed by rock-solid data.

Our mission? To arm HR teams with comprehensive UK job market insights, ensuring they're always in the best position to attract and retain the talent they need to stay ahead of the competition.

Our Platform is your trusted ally for seamless, data-driven decision-making. By staying in sync with real-time UK job market trends, you have the insights you need to make fair and competitive compensation decisions that boost your brand reputation and keep your top talent happy.

ATTRACT

Building the right teams to accelerate your business isn't easy. Offering a fair package that helps you stand out from the crowd makes it easier. Our data insights help you to build compensation packages that candidates love to accept.

RETAIN

How do you stop losing talent to the competition? Make sure your employees feel valued through fair and equitable pay. Never drop behind the market rate by keeping your finger on the pulse with live market trends.

TRUST IN DATA

Regain confidence in your decision making through actions backed by data. Our rich data sources, trends over time insights and thorough job deduplication process means that by using our single platform, you get the most accurate view of the market.

HR Datahub

Data can be complicated and feel overwhelming, sure - the kind of thing you might want to leave to experts. The thing is, nowadays, we all need data to make decisions. And that's especially true when you're in HR: the decisions that you take impact the working lives of so many people.

Our teams know this better than anyone - David, one of our co-Founders, spent the last 15 years of his careers leading large HR teams at some of the UK's largest organisations. Paired with Alexa (our other co-Founder)'s scale-up experience, our amazing team is on a mission to build beautiful digital tools to empower HR people to use data to make the world of work fairer and better for everyone.





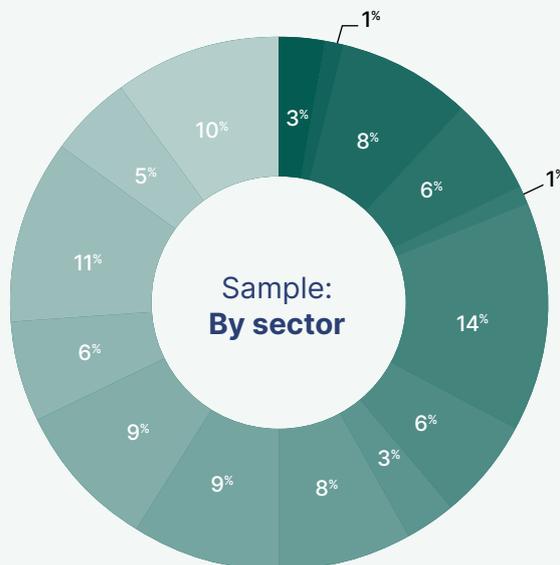
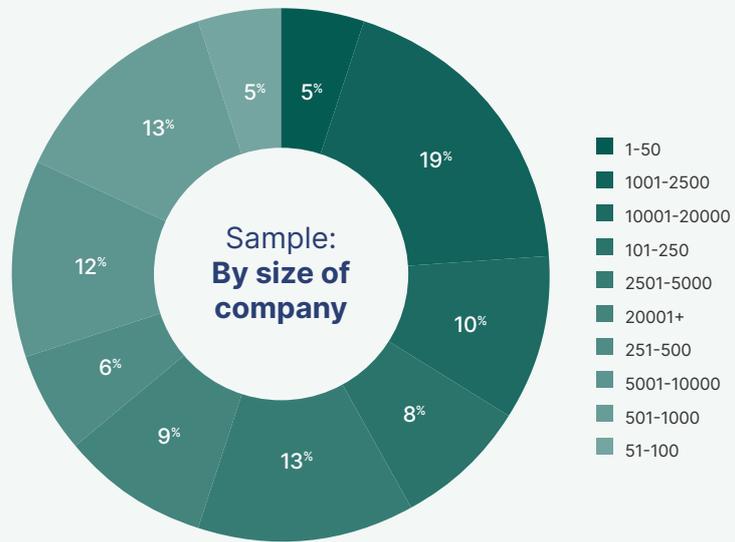
Who We Asked

To help give HR professionals relevant and powerful information to build the best teams, we asked businesses from various sectors to share their thoughts around pay planning for the coming year.

HR professionals from 146 different organisations completed our survey. These businesses ranged from smaller companies with under 500 employees, to large businesses employing over 2,000 people.

While all face unique challenges to their industries, they share similar hurdles for retaining employees, and increased competition to attract the right people.

We sought to get the views of companies from all sizes. The sample reflects this well with a good representation from of small, mid and large organisations.



Our largest response was from companies in the **Energy & Utilities** sector (14%), followed by **Aerospace & Aviation** (11%) and **Charity & Non Profit** (10%).





What is Impacting Budgets?

With continued uncertainty around inflation, we wanted to uncover the key factors impacting salary budgets across the UK.

We identified five key areas affecting salary budget decisions:

- **Affordability:** This isn't about budgets or willingness to spend - it refers to whether an organisation has the funds to pay higher salaries.
- **Benchmarking data:** Benchmarking allows companies to compare data with aggregated industry data. It helps provide valuable context to set appropriate and relevant salaries for industry specific job roles and locations.
- **Wage inflation:** Refers to an increase in national wages and salaries, leading to higher pay for employees.
- **Consumer Price Index (CPI):** CPI is the main domestic measure of inflation. It measures consumer price inflation produced to international standards in line with European regulations.
- **Retail Price Index (RPI):** This is another form of inflation measurement produced by the Office for National Statistics (ONS). It measures certain cost escalations but it's not considered an official inflation statistic. However it is still widely used by many unions.

What factors do you consider when setting the budget?



Given the current economic environment, it is no surprise that **Affordability** is the top factor affecting budgets across every industry at 91%.



Wage inflation and CPI doesn't matter if companies can't afford to pay people more.

Many companies also place considerable focus on benchmarking data (83%). Demonstrating the importance of comparing against the market to help determine appropriate salary levels.

Analysing the external market is good practice to remain competitive. Using a benchmarking tool that offers access to real-time data can help HR professionals understand what the market looks like today, and how it's evolved, to set appropriate salary levels.

Benchmarking also allows HR teams to rule out assumptions around specific job roles or locations. For example, assuming wage inflation for a specific position is 15%, but in reality the market has only moved by 7% allows you to set appropriate salary levels.

At HR Data Hub, we built PayTracker Live specifically for this purpose. So that businesses could get access to real time data to make informed pay decisions.

The third and fourth most important factors for pay decisions were wage inflation (78%) and CPI (66%). Given the current economic environment in the UK this is perhaps unsurprising.

According to the Office for National Statistics, in the three months to June 2023, wages in the [UK grew almost 8%](#) which was the fastest yearly rate since records began. Wage inflation in particular is likely to have a significant impact on salaries over the next 12 months, as real pay shows signs of recovery.

While RPI is no longer used as a form of measurement by the UK government, it's still widely used in many trade unions. Of those companies surveyed, 35% indicated it was a factor in their salary considerations.

What Specific Industries Said About Pay Budgets

Almost all sectors ranked Affordability at over 80%, highlighting the current economic pressures impacting all sectors throughout the UK.

Hospitality, Travel & Leisure, Health & Pharma, Finance & Insurance and Charity & Non-Profit - all rated it 100%.

The only industry that ranked under 80% was Construction & Engineering (75%); an industry that continues to see [steady growth](#) and is forecast to increase to a revenue of £476.6 billion until 2027.

The results show that highly unionised industries, such as Transport and Logistics (71%), and Construction and Engineering (50%) had the highest responses for RPI.

[Unite Union](#), which represents a range of sectors, says the union will continue to base claims on RPI rather than CPI because it better reflects the actual price rises experienced by its membership.

Professional Services also ranked RPI relatively high at 56%, which is surprising, given the industry doesn't have a huge union presence.



Highly unionised industries also appear to be less concerned about wage inflation.

For example, Transport & Logistics ranked wage inflation at a low 57%, in contrast with other industries like Wholesale & Retail which rated it at 80%.

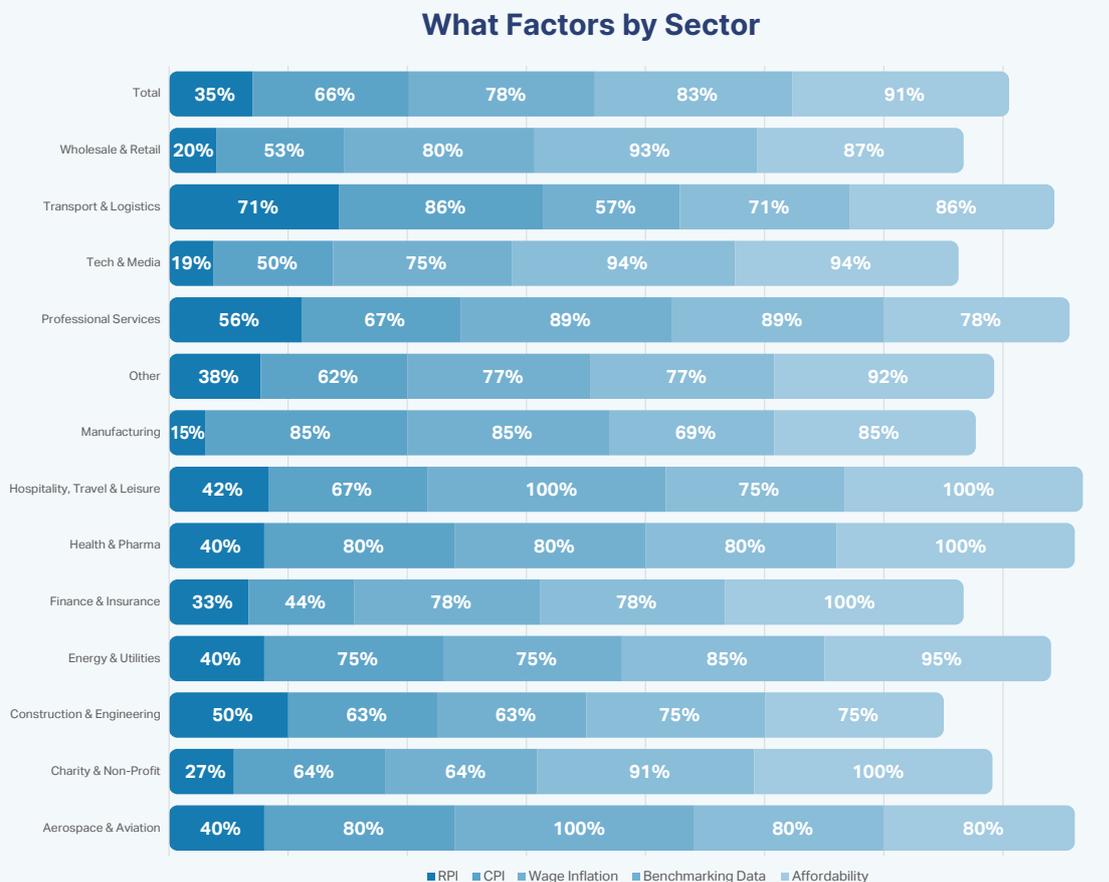
On the whole however, CPI ranked higher than RPI across each sector. Transport & Logistics (86%) and Aerospace & Aviation (80%) placed more importance on CPI than other industries. Surprisingly, CPI ranked relatively low for Finance & Insurance (44%), where you may typically expect it to be a key measure.

Industries including Hospitality, Travel & Leisure, and Aerospace & Aviation, all place wage inflation at 100%. Both of these industries were severely impacted by Covid-19 and Brexit. In October 2022, the [annual UK Aviation Consumer Survey](#) found Covid was still a prevalent barrier to flying, with 32% of people indicating they hadn't flown in the previous 12 months.

In terms of benchmarking data, manufacturing placed the least emphasis at only 69%, followed closely by Transport & Logistics at 71%.

This could be due to a lack of reliable, industry specific and localised benchmarking data.

The highest ranking was for Tech and Media at 94%, followed by Wholesale & Retail at 93% and Charity & Non-Profit at 91%.





Pay Increase Budgets (Non-Negotiated)

Since 2021, the UK market has seen pay median budget increases rise from 2% to 5%. After such intense rises, most industries predict pay budget increases to remain flat into 2024.

What Each Industry Is Saying

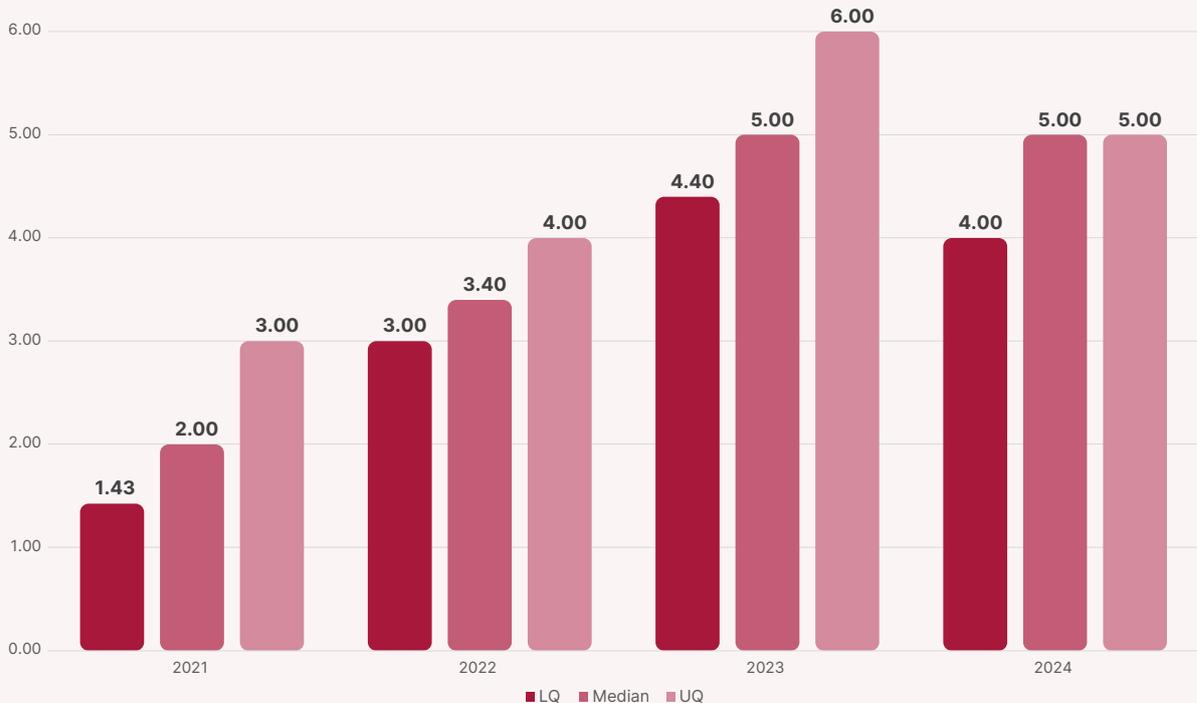
Across all industries, the projected increases for budget salaries are sitting at around 5%.

If we look at the highest cumulative pay increases over the past four years (including projections for 2024) Energy & Utilities comes out on top, followed closely by Transport & Logistics and Construction & Engineering. Tech & Media are also strong, along with Wholesale & Retail and Professional Services.

At the bottom are Aerospace & Aviation, Hospitality, Travel & Leisure, Charity & Non-Profit and Manufacturing. However it's important to note that these were all sitting at a very low base four years ago. These industries were some of the hardest hit during Covid, with many facing furloughs and permanent lay-offs, particularly those in aviation and travel.

Since 2022, while some of the increases in these industries have lagged slightly behind other sectors, most have been relatively consistent. Aerospace & Aviation are preparing for pay increases of 4% in 2023, not far off the projections of the Energy & Utilities sector at 4.96%.

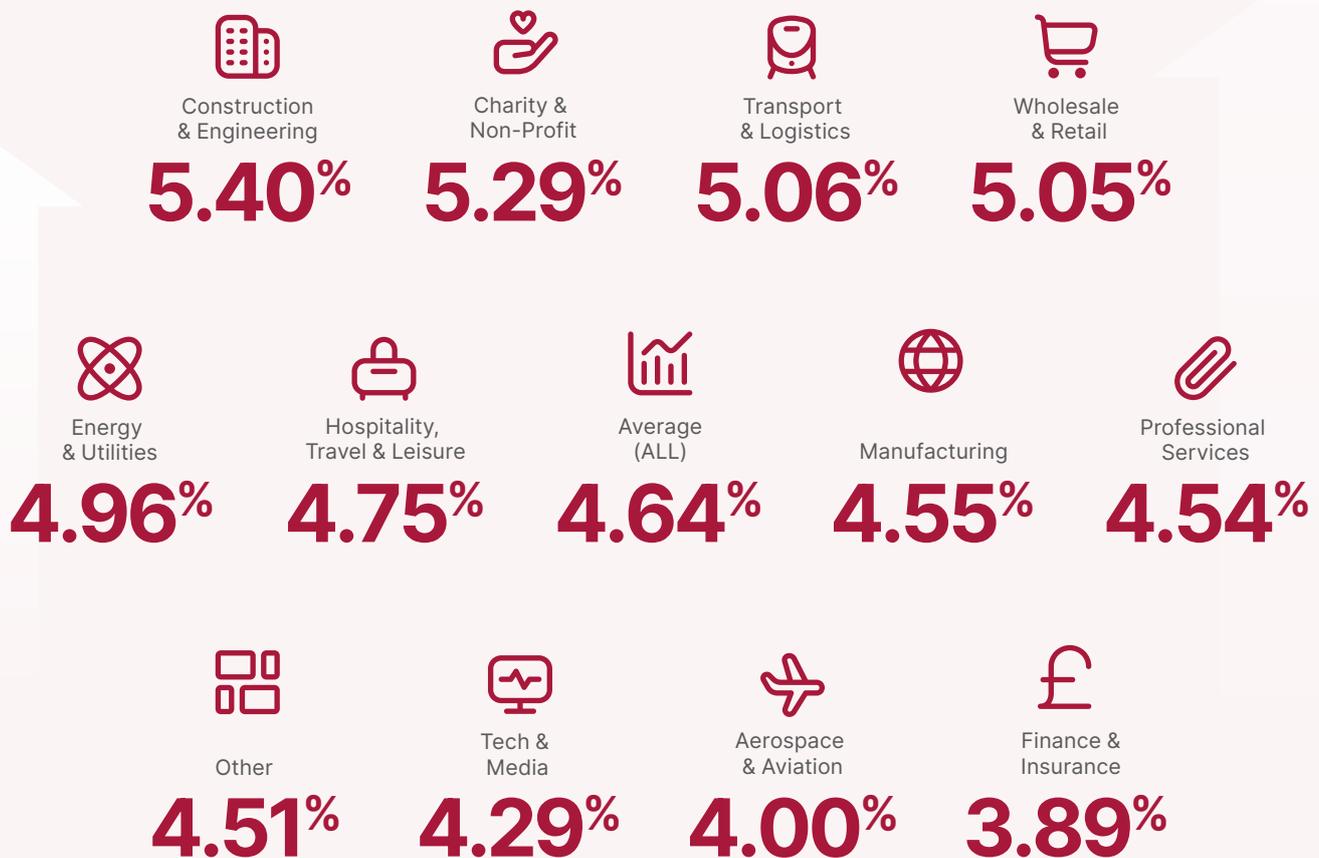
2021-2024 Pay Increases



Looking ahead to next year, the highest projected industries in 2024 include Construction & Engineering at 5.40%. Construction is still one of the highest-paying industries in the UK, averaging **33% above the market average** even in the current economic climate. Charity & Non-Profit followed close behind at 5.29% and Transport & Logistics predicted pay rises of 5.06%.

The lowest projected increase, at 3.89%, is in the Finance & Insurance sector. Given Finance & Tech organisations make up some of the **highest-paying companies across the UK**, perhaps this is to be expected given the last few years' growth (5.38% and the fourth-highest industry in 2023).

Projected Pay Increases Across Industries 2024 (non-negotiated)



see Appendix I



Pay Increase Budgets (Negotiated)

After seeing much sharper increases than non-negotiated budgets in the past few years, projected increases across all sectors for 2024 are more in line with non-negotiated grades.

Dropping back to 5% from a median average of 6% last year, which was a 4% rise from 2021.

What Each Industry Is Saying

Many of the largest cumulative increases in the past four years are in highly unionised sectors, including Transport & Logistics, Energy & Utilities, and Construction & Engineering.

Aerospace & Aviation comes in fourth. Although the industry was severely impacted by Covid in 2020, it has seen rapid growth, particularly in 2023 (6.95%), as the industry shows signs of recovery.

Some of the lowest cumulative growth rates industries include Hospitality, Travel & Leisure and Charity & Non-Profit, which have low trade union representation. Both industries have also experienced very little growth compared to other industries over the past four years. They remain some of the lowest projected increase for 2024 at 3.86% for Hospitality, Travel & Leisure and 4% for Charity & Non-Profit.



The highest pay increase prediction for next year is in Manufacturing at 5.35%, following on from a high 6.36% last year. This coincides with Brexit, and more manufacturing returning to the UK. In 2022, trade body [Made UK](#) said 40% of manufacturing was returning to the UK from China, over 30% from Eastern Europe and 20% from India.

Transport & Logistics had the second highest projections at 5.17%, followed by Construction & Engineering and Health & Pharma, both at 5%. Tech and Media pay increases have also fallen off for 2024, down to 3.95% from 4.6% last year. This is despite a recent report by [PWC predicting the UK media market](#) was set to become the largest market in Europe by 2026 with a value of almost £100 billion.

Projected Pay Increases Across Industries 2024 (non-negotiated)

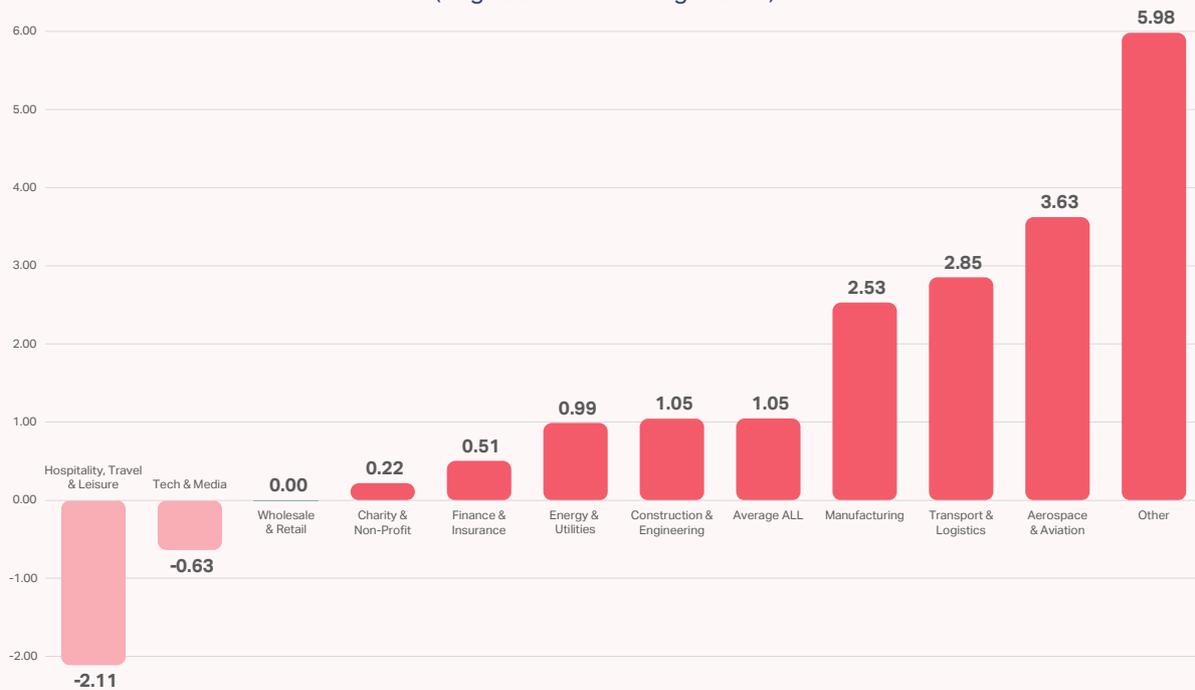


see Appendix II



Negotiated vs Non-Negotiated Pay Budgets

2021-2024 Cumulative Increases
(negotiated v non-negotiated)



Generally speaking, industries with unions negotiating salary rises on behalf of employees can expect to see a 1% pay rise over a four year period.

Most sectors do see more of an increase if they're in negotiated grades, except for Hospitality, Travel & Leisure, and Tech & Media, which both received less than the non-negotiated grades.

The most significant change is in the Aerospace & Aviation sector. On average, employees in this industry received

3.63% more pay increases than other industries. Interestingly, over the past few years we've seen increased strikes in this industry, disrupting travel plans for many people throughout the UK.

Transport & Logistics and Manufacturing also came in high at 2.85% and 2.53% respectively.





What Businesses are Doing to Attract Talent

Given the increased competitive pressure affecting all sectors in the UK to attract and retain talent, we wanted to explore the different strategies businesses were taking to attract the best people.

Above Market Pay

No industries have plans to implement offering above market pay as a strategy in the next 12 months, though many industries have done so in the past.

Of all the businesses surveyed, 30% say they're not considering offering above market pay to attract new employees, though 52% would consider it as an option.

Industries where above market pay has been offered as a strategy to attract talent in the past include Aerospace & Aviation (40%), Energy & Utilities (37%) and Tech & Media and Professional Services (33%).

The only two industries where this strategy hasn't been used are Wholesale & Retail and Hospitality, Travel & Leisure. Both of which have reputations for low salaries. A recent report by the [Joseph Rowntree Foundation](#) found that over half of workers in hospitality are low paid, with just under half of retail workers also low paid.

The sectors with the highest rankings for considering offering above market pay were Charity & Non Profit (at 55%), followed by Finance & Insurance (44) and Aerospace & Aviation (40%).



see Appendix III



Above Market Bonuses

When we look at above market bonuses, again no industries are considering implementing this as a strategy to attract employees in the next year.

60%

wouldn't consider above market bonuses an option



Tech & Media



Finance & Insurance



Hospitality, Travel & Leisure

Already have bonuses in place



Charity & Non-Profit



Wholesale & Retail



Health & Pharma

Not considering above market bonuses

Out of those surveyed 60% said they wouldn't consider this as an option.

Interestingly, above market bonuses have never been offered as an incentive for new staff in Wholesale & Retail or Health & Pharma. However in Tech & Media, 31% of businesses said they already had bonuses in place, along with 25% of Finance & Insurance and Hospitality, Travel & Leisure businesses.

Perhaps unsurprisingly, the industries that wouldn't consider these types of incentives are ones who don't traditionally offer bonuses, such as Charity & Non-Profit (92%), Wholesale & Retail (79%) and Health & Pharma (75%). Although Aviation & Aerospace do have arrangements in place, 80% of those surveyed said they would not consider above market bonuses.

In industries where bonuses are typically more prevalent, there was more consideration. For example, Finance & Insurance at 44% and Professional Services at 38%.

see Appendix IV



Sign on Bonuses

The only industry implementing sign-on bonuses in the next year was Energy & Utilities (11%), although many industries already use sign-on bonuses as a way to attract employees.

Sign on bonuses are more widely seen in Aerospace & Aviation (40%) and Transport & Logistics (33%). A large number of industries also indicated they'd consider the strategy in the future, with the Health & Pharma (75%), Construction & Engineering (50%) and Energy & Utilities (44%) indicating the strongest responses.

In areas with lower-paying positions and higher turnover, there was less consideration. The majority of those surveyed in Wholesale & Retail (60%) and Charity & Non-Profit (73%) said they wouldn't consider it as part of their recruitment strategy.



The Importance of Wellbeing

After a turbulent few years in the workplace, due to Covid, Brexit, and some of the highest inflation levels on record in the UK (reaching an all time high of 11.1% in October 2022), more employers are focusing on employee wellbeing.

According to Mind, a charity that offers support to anyone experiencing a mental health problem, 60% of employees in the UK say they would feel more motivated and likely to recommend their organisation as a good place to work if their employer took action that supported their mental wellbeing.

67%

Already have additional wellbeing benefits in place as part of their recruitment strategy



Energy & Utilities



Charity & Non-Profit

Weren't considering additional wellbeing benefits



Health & Pharma



Wholesale & Retail

Have recruitment programs in place that focused on the wellbeing of employees

13%

Implementing in the coming year



Transport & Logistics



Construction & Engineering

Using additional wellbeing benefits as a primary recruitment strategy

Only two sectors, Energy & Utilities (5%) and Charity & Non Profit (9%), said they weren't considering additional well-being benefits.

Both Transport & Logistics and Construction & Engineering ranked highest at 100% for using additional well-being benefits as a primary recruitment strategy.

Health & Pharma (80%) and Wholesale & Retail (71%) also indicated they had recruitment programs in place that focused on the wellbeing of employees. Health & Pharma (20%) are introducing additional wellbeing measures in the next 12 months, while Wholesale & Retail (29%) stated they would consider adding more wellbeing options for retail staff as part of their overall recruitment strategy.

see Appendix V



The industry using additional well-being benefits as a current recruitment strategy the least was Professional Services, at 50%, followed by Manufacturing at 54%.

However, both industries indicated they were implementing additional benefits in the next 12 months (25% and 23% respectively) and would also consider more wellbeing initiatives in the future.

Flexible Working

Not surprisingly given the events of the past few years, almost 80% of all industries now have flexible working policies in place.

Only 4% of all industries wouldn't consider flexible arrangements, with 5% planning to implement in the next 12 months.

The majority of industries who aren't considering flexible working are those less able to accommodate remote work, including Wholesale & Retail (7%), Tech & Media (6%), Hospitality, Leisure & Travel (15%), and Energy & Utilities (5%).

The highest considerations for flexible working come from Construction & Engineering (43%), Manufacturing (22%), Finance & Insurance and Aerospace & Aviation, both at 20%.

80%

Industries have flexible working in place

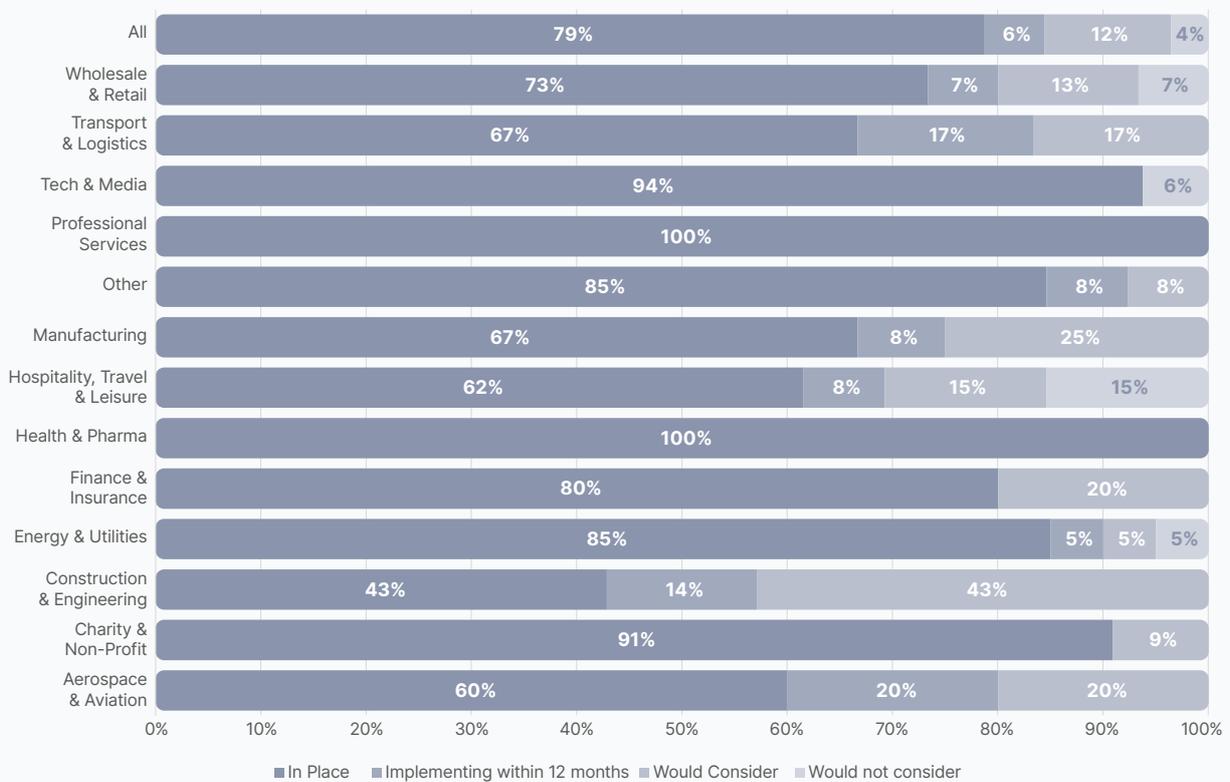
4%

Wouldn't consider flexible working

5%

Looking to implement flexible working in the next 12 months

Flexible Working



The Importance of ESG in Recruiting

In the last few years, Environmental, Social & Governance (ESG) has emerged as an important consideration for prospective employees. Many of which are seeking more meaningful work, and want to feel a connection between job purpose and their own personal values.

In a recent survey, **nearly 40% of people** said they'd look for a new job if they thought their employer wasn't doing enough in relation to ESG. This number was closer to 50% for those employees aged 18 to 34.

According to our research, almost 60% of companies told us they already had ESG policies in place and were demonstrating these as part of their recruitment strategy to attract top talent.

Of those, 13% also said they had plans to implement additional commitments in the next 12 months and 24% said they'd consider implementing additional policies.

Professional Services has the highest percentage for not considering additional ESG commitments at 25%. While the Health & Pharma (25%), Transport & Logistics (33%), and Finance & Insurance (33%) sectors had the lowest percentages when it came to existing ESG programs.

The industries with the biggest focus on ESG for recruitment



Aerospace & Aviation

80%



Manufacturing

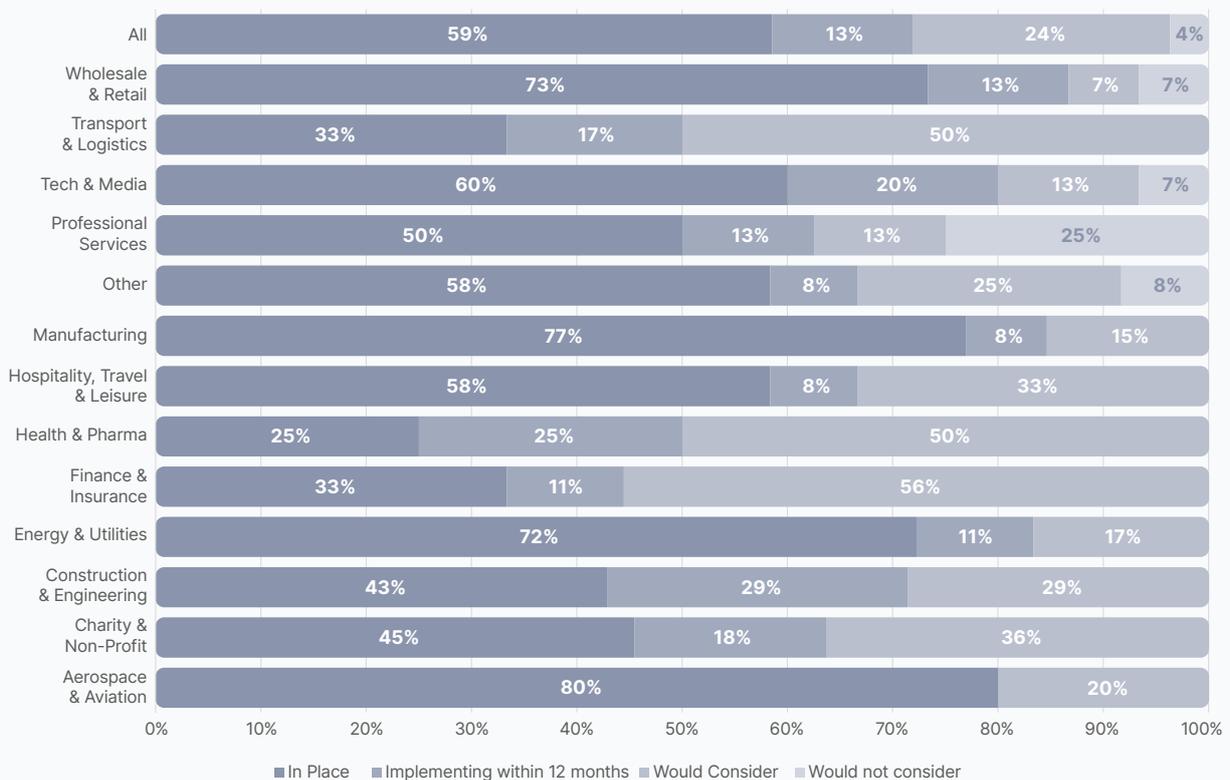
77%



Wholesale & Retail

73%

Show Commitment to ESG



Other Recruitment Strategies to Attract Talent

Funding staff accreditation and technical training is an area that many sectors are considering implementing (31%) to help them attract the right staff, with 55% saying they already have programs in place to show their commitment to professional development.

Funding staff accreditation as a retention strategy:

31%

Considering implementing

55%

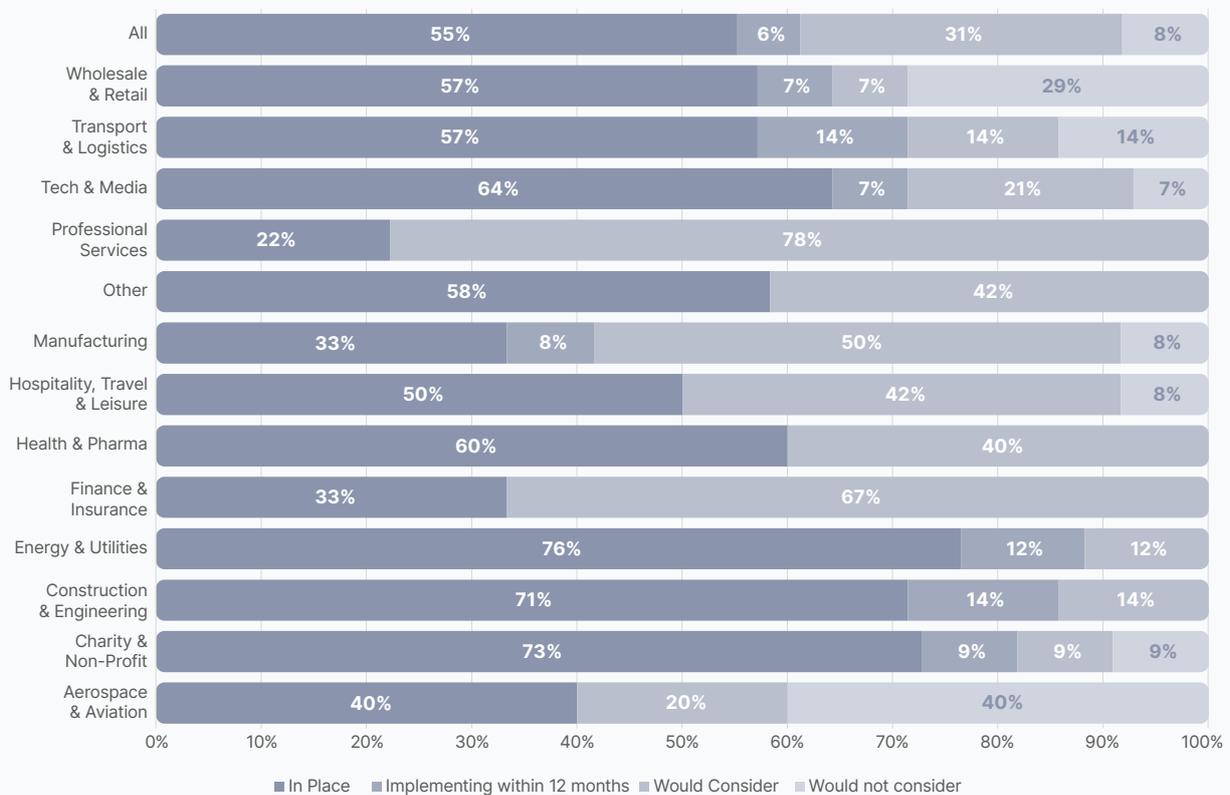
Already in place

The sector using this strategy the most is Charity & Non-Profit (73%), followed closely by Construction & Engineering (71%).

In contrast, the industry using this strategy least is Professional Services (22%), although 67% indicated they would consider it in the future.

Over the next year, various sectors are introducing accreditation and training as part of their recruitment strategy, including Wholesale & Retail (7%), Transport & Logistics (14%), Tech & Media (7%), Manufacturing (8%), Energy & Utilities (12%), Construction & Engineering (14%) and Charity & Non-Profit (9%). Aerospace & Aviation had the highest rate of non consideration at 40%.

Fund Accreditation / Technical Training



We're seeing a slight shift away from using staff perks as a recruitment strategy, with higher levels of non-consideration. While 68% of industries said enhanced staff perks are already offered, overall 10% said they wouldn't consider offering more to attract new talent.

Industries where non-consideration responses were high included Professional Services (22%), Charity & Non-Profit (18%) and Construction & Engineering (14%). Some industries did plan to introduce more perks in the next 12 months, including nufacturing (40%), Aerospace & Aviation (20%) and Transport & Logistics (14%).

Given the competitive market we've experiencing across the UK, it's not a surprise to see that many sectors (74%) already have a friend program in place to attract talent. It's being used most in Finance & Insurance (100%), Aerospace & Aviation (100%) and Hospitality, Travel & Leisure (92%).

This strategy is used least in Wholesale & Retail (43%), which may be due to the current high turnover rates in the industry (currently over 50%) and the high rate of casual and part time employees (around half of UK employees).

Charity & Non Profit are planning to implement refer a friend strategies in the next 12 months (18%) and would consider in the future (18%). While Wholesale & Retail (22%) and Health & Pharma (20%) aren't considering this approach to attract talent.

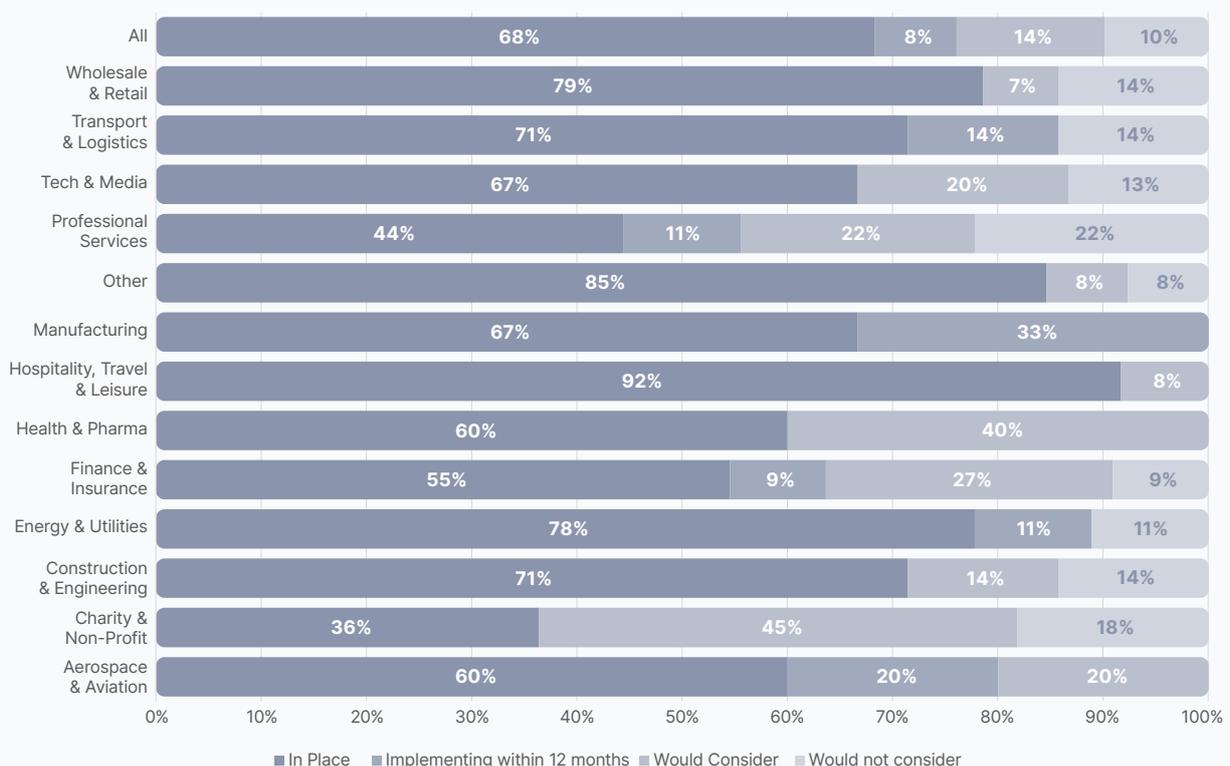
68%

Industries offering advanced staff perks

10%

Wouldn't consider offering more to attract new talent

Enhanced staff perks



see Appendix VI



What Businesses are Doing to Retain Talent

With the [current churn of UK workers](#) sitting at around 35%, we know how important it is to businesses from every sector to retain their employees, to maintain productivity and business performance.

We wanted to drill down to the specific strategic changes organisations were making to help keep people engaged in the workplace as part of their retention strategies.

Above Market Pay Increases

Only 4% of all sectors had any plans to implement above market pay increases in the next 12 months.

Only 13% said they currently paid above market as part of their retention strategies, while 71% said they would consider it as an option. 14% indicated they wouldn't consider paying staff above market in an effort to retain them.

The largest sector considering implementing above market increases to retain staff was Wholesale & Retail, who are experiencing high levels of turnover across the UK.

In what may indicate increased competition in a tightened Aerospace & Aviation industry, 20% said they were introducing above market increases over the next year.

4%

Planning to implement above market pay increases

13%

Currently pay above market

71%

Would consider it

14%

Wouldn't consider it

see Appendix VII



Above Market Bonus Payments

The majority of industries (53%) wouldn't consider paying an above market bonus payment as an incentive to keep staff.

Similar to above market salaries, Aerospace & Aviation (20%) said they were implementing bonuses in the next 12 months, although they also had the second highest ranking for non consideration at 80%.

Tech & Media (6%) and Energy & Utilities (6%) both also indicated they had plans to introduce above market bonuses in 2024.

Charity & Non Profit had the highest levels of non consideration at 91%. Tech & Media, Professional Services and Hospitality, Travel & Leisure all indicated (25%) they were currently offering above market bonuses in an effort to retain their people.

Provide Flexible Working

Not surprisingly, 79% of businesses surveyed said they already provide flexible working for employees, with an additional 6% implementing further measures in the next year.

Industries with the lowest consideration were Hospitality, Travel & Leisure (15%) and Tech & Media (13%). Health & Pharma and Charity & Non Profit were the only two sectors who indicated they had 100% flexible working in place as a strategy to retain staff.

53%

Industries would not consider paying an Above Market Bonus as a retention strategy

see Appendices VIII and IX



Enhance Staff Perks

When it comes to staff perks, 69% of companies told us they've already enhanced their staff perks in an effort to retain their top talent.

15% said they'd consider it, 7% said they're implementing more perks in the coming year and only 9% said it wasn't a consideration.

Industries implementing changes to their employee benefit packages in 2024 include Manufacturing (23%), Aerospace & Aviation (20%), Transport & Logistics (14%) and Professional Services (13%).

Nearly all industries indicated they'd consider it to retain staff, with the highest consideration in Health & Pharma (67%); where [burnout is a widespread reality for many employees](#).

Industries implementing changes to employee benefit packages



see Appendix X

Enhanced Development

One of the biggest areas companies are focusing on in the next year is professional development opportunities.

20% of all companies said they were introducing enhanced development opportunities in the next 12 months as part of their retention focus.

52% indicated they currently already focus heavily on PD in the workplace, while another 27% said they would consider this as an effort to retain top performing workers.

The industries with the biggest focus on development include Construction & Engineering and Manufacturing, with 38% of companies in both industries stating their intention to implement changes to development plans in the next year.

Construction in the UK is grossly understaffed, so offering the chance to upskill and enhance skills makes sense in an effort to keep highly qualified people on staff.

Health & Pharma are also set to introduce further development opportunities to keep staff (24%). While Tech & Media were the only industry that said they wouldn't consider additional development (6%).

20%

of companies introducing enhanced development opportunities

57%

Are already doing it

27%

Would consider implementing

see Appendix XI



Fund Accreditation/Technical Training

Funding specific accreditation and technical training is another important area of focus for many in an effort to keep highly qualified and niche staff. 61% of companies indicated this already forms part of their retention strategy and 7% stated their intention to implement this in 2024.

Industries where this strategy is already embedded include Construction & Engineering (88%), which is unsurprising given the technical skills required to perform job tasks in this industry.

Transport & Logistics and Tech & Media (both 67%) were also high, given many of the roles within these areas require specialised skills.

The highest non consideration for funding more specialised technical training was in Aerospace & Aviation (40%).



61%

**of companies have
Technical Training in place**



7%

**are looking to
implement in 2024**

see Appendix XII

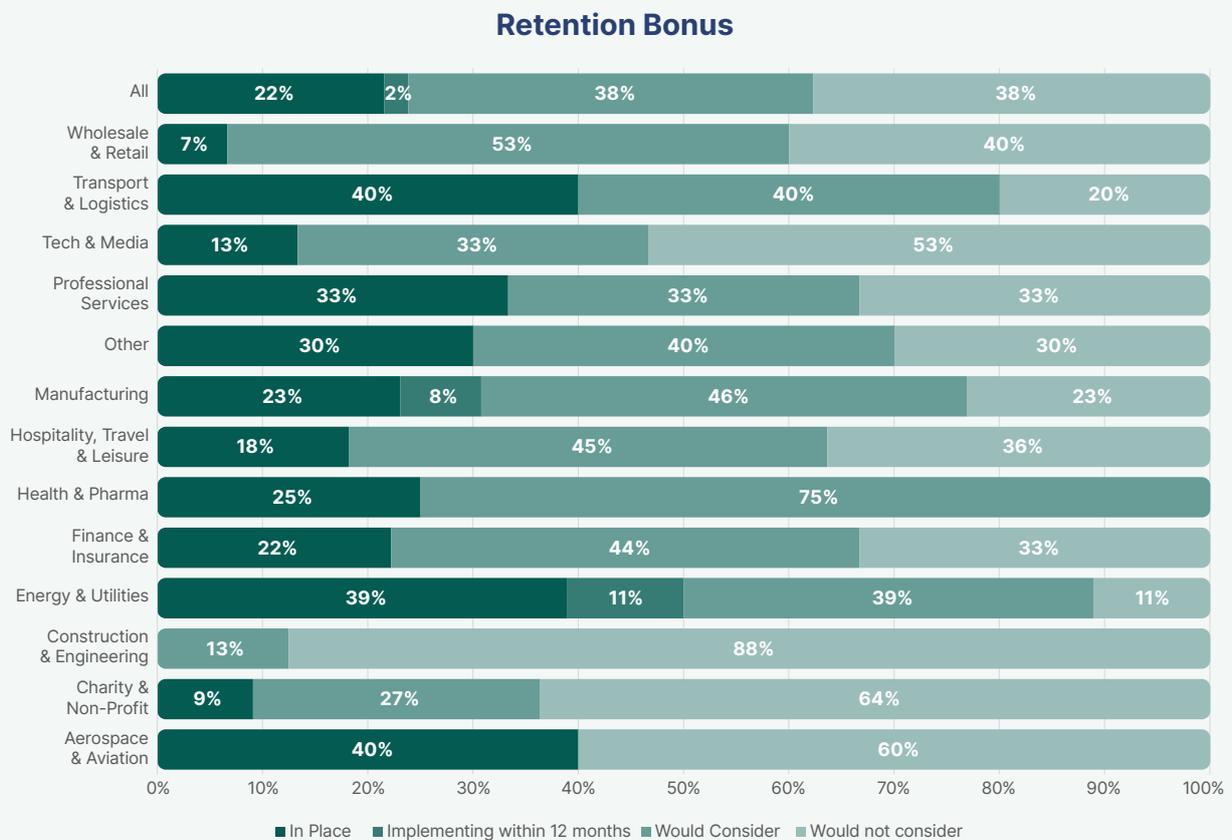


Retention Bonus

Overall, retention bonuses are not likely to be a trend in 2024. 38% of those surveyed indicated they wouldn't consider implementing bonuses to retain staff, and currently, only 22% of businesses have arrangements in place.

Some of the industries offering retention bonuses include Aerospace & Aviation (40%), Energy & Utilities (39%) and Professional Services (33%). No businesses within the Construction & Engineering sector currently offer retention bonuses.

Only two sectors said they were looking to implement these bonuses in the next 12 months - Manufacturing (8%) and Energy & Utilities (11%).





The Importance of Financial Wellbeing

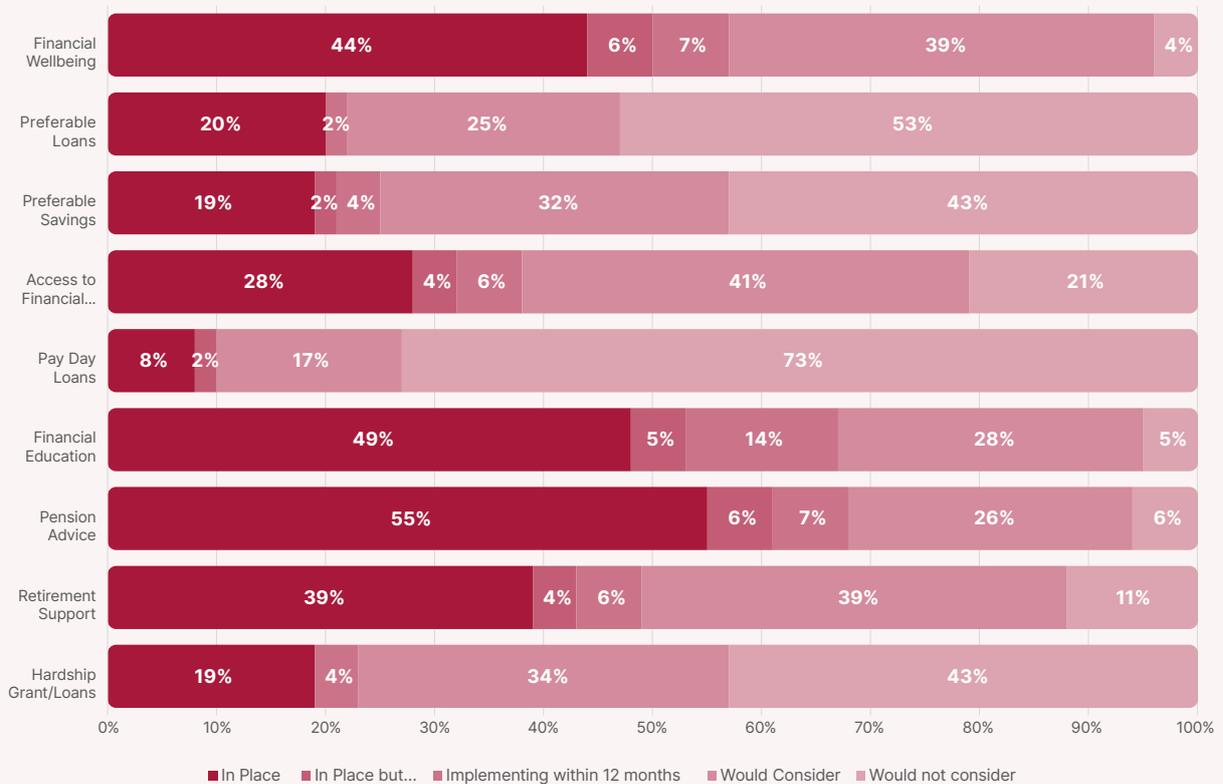
Given the current economic pressures in the UK, with inflation cancelling out wage growth, we wanted to see whether companies were considering implementing new financial wellbeing benefits to better support their people.

Most industries already have a range of financial wellbeing programs in place, including pension (55%), financial wellbeing (44%), financial education (49%) and retirement support (39%).

However, the majority of these programs are slanted to long-term financial planning and assistance, rather than how to help employees cope with the current cost of living crisis in the UK.

That said, most aren't considering implementing any short term incentives to support staff, such as hardship grants or loans, payday loans or preferable loans.

Which of the Following Financial Benefits are You Looking to Implement?

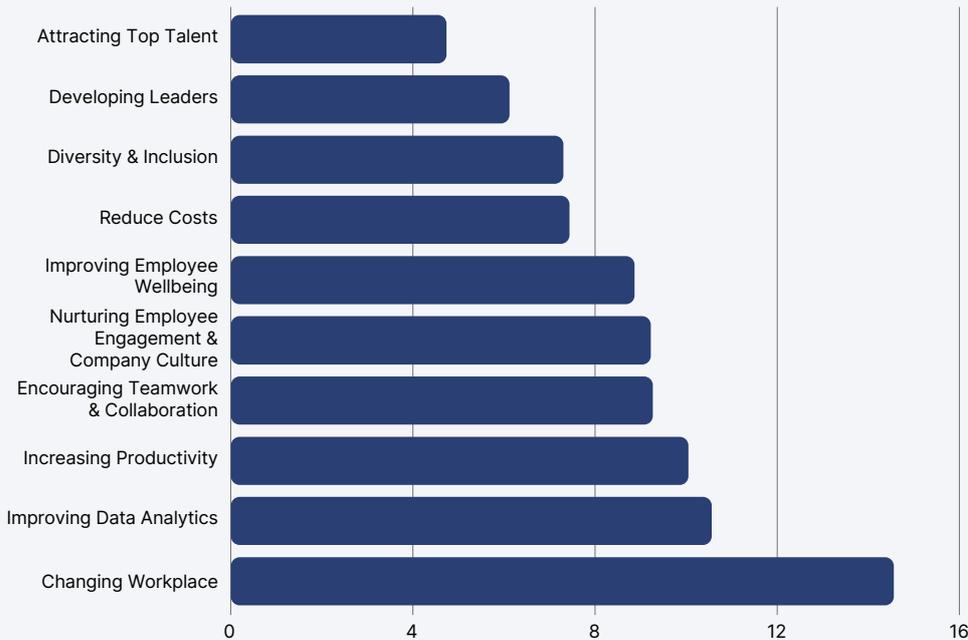




HR Strategy: Significant Drivers in 2024

When it comes to the most significant strategic drivers for HR teams in 2024, there are slight nuances across industries.

All Sectors: Strategy Ranking
(low score = higher importance)



But it's no surprise that attracting top talent comes out on top overall.

The Office for National Statistics reported over 40% of companies (across all sectors) are struggling to attract talent. Vacancy numbers are at near-record high levels. At the end of 2022, vacancy rates averaged 1.2 million per month. More than the number of unemployed people in the UK.

Other key drivers include the importance of developing leaders, diversity and inclusion, reducing costs and improving wellbeing.

Least important was changing the workplace to accommodate flexible working arrangements - ranking lowest across every industry. This isn't surprising given how many businesses were forced to make rapid changes to their flexible working arrangements during the pandemic.

HR teams are also less focused on improving data analytics and increasing productivity.

What Different Industries Are Focusing On

Aerospace & Aviation and Finance & Insurance are focusing on reducing costs. Attracting top talent rated second and third respectively, with Finance & Insurance also concerned about developing leaders.

Reducing costs and employee wellbeing also ranked highly across every sector, reflecting the challenges all industries are facing with the current economic climate and the mental burnout employees across various industries are experiencing.





Appendix

Aerospace & Aviation

ADS Group Ltd
Lockheed Martin
London Luton Airport Operations Limited
Marshall of Cambridge Aerospace Ltd
Moog Inc

Agriculture

G's Fresh

Charity & Non-Profit

Anchor
British Red Cross
Bromford
Certitude Support
Diabetes UK
E3G
Royal Pharmaceutical Society
Scope
Sovereign Housing Association
Trinity College London
VSO International
whg

Construction & Engineering

Amey
Balfour Beatty Group Employment Limited
Edgewater Contracts &
Specialist Joinery Ltd
Laing O'Rourke
M Group Services Ltd
Restoration and Renewal
Delivery Authority Ltd
Ridge and Partners LLP
Severfield Plc

Defence

Thales UK Ltd

Energy & Utilities

EDF
EDF Renewables UK & Ireland
EQUINOR UK LTD
GE Vernova
Kellas Midstream Ltd
National Gas
Proserv UK Ltd
Reward Business Partner
ScottishPower
Severn Trent
Shields
Sonnedit
SSE
Subsea7
Utility Warehouse
Veolia
Welsh Water
Wessex Water

Finance & Insurance

Brooks Macdonald plc
Castles Technology
Homeserve
LGIM
Metro Bank
Novia Financial
RSA
Sanlam UK
Tysers Insurance Brokerage Services

Health & Pharma

Newcross Healthcare Solutions
Philips
Quell Therapeutics
Simplyhealth
The Royal Orthopaedic Hospital
NHS Foundation Trust

Hospitality, Travel & Leisure

Attraction Tickets Ltd
Bourne
Bourne Leisure Ltd
Carnival UK
Compass Group Holdings PLC
Flight Centre UK Ltd
Gatwick Airport Limited
Greene King
Odeon cinemas group
Whitbread

Manufacturing

AkzoNobel UK
Bakkavor
Britvic Soft Drinks Limited
Devro
Devro
DS Smith PLC
Greencore Group plc
HARIBO
McLaren Automotive
Molson Coors Beverage Company
Muller UK & Ireland
Refresco
Rotork
Scientific Management International

Other

CBRE
Cox Automotive
Crawford & Co
Exemplar Ltd
Global Fashion Group
Hello Tomorrow HR Ltd
Kellogg
Landsec
Property Hub
Sage Homes
The Very Group
Transport for London
Westerleigh Group
Zalando SE

Professional Services

AAH
Capita
Christie Group Plc
ERM
Just Rewards Limited
Moore Kingston Smith
Reward Heads
SThree plc
Talk Staff
The Gap Partnership

Tech & Media

BBC Studios
Capita
Esri UK
Gamma
GDS
GWI
Ocado
Oxford Instruments plc
Purdicom
Racecourse Media Group
SHL Group Ltd
SportPesa
Stats Perform
Techspert
Telent Technology Services Ltd
Trainline
Wise Plc

Transport & Logistics

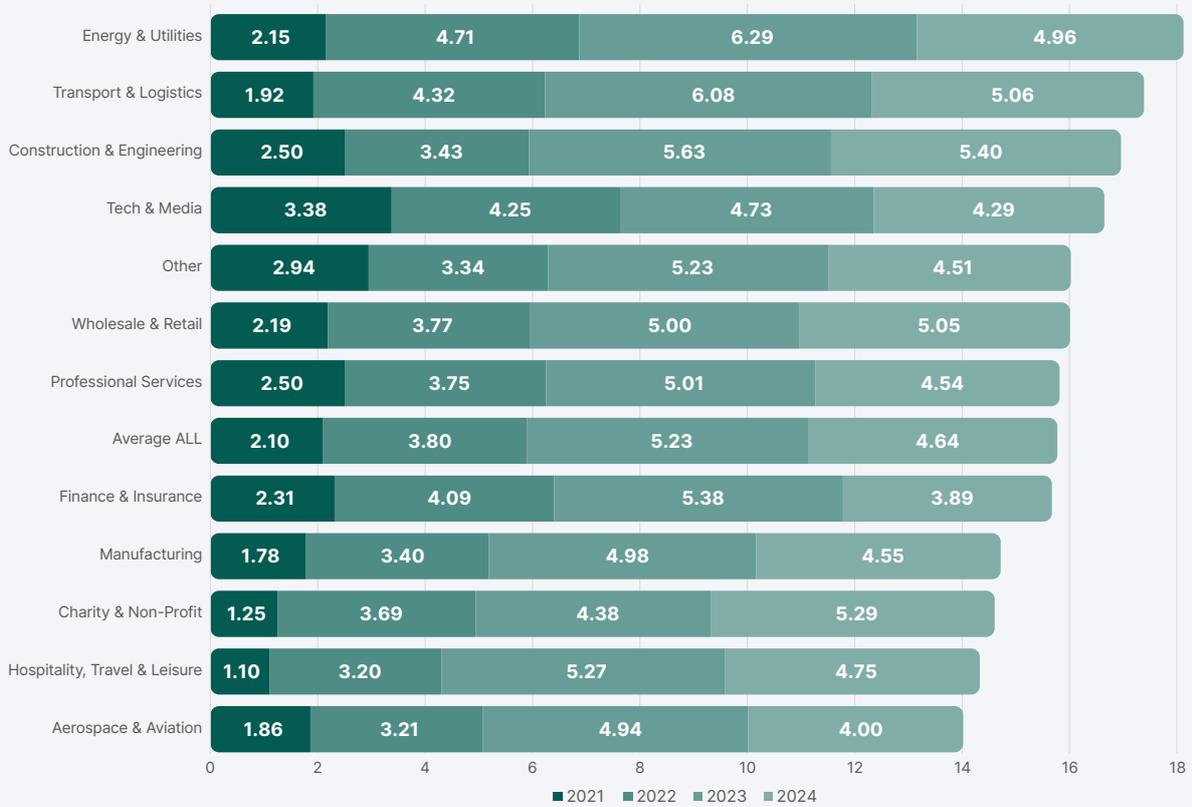
Associated British Ports
Brambles
Heathrow Airport
Neovia Logistics
Network Rail
Northern Rail
People Puzzles
Yusen Logistics UK Limited

Wholesale & Retail

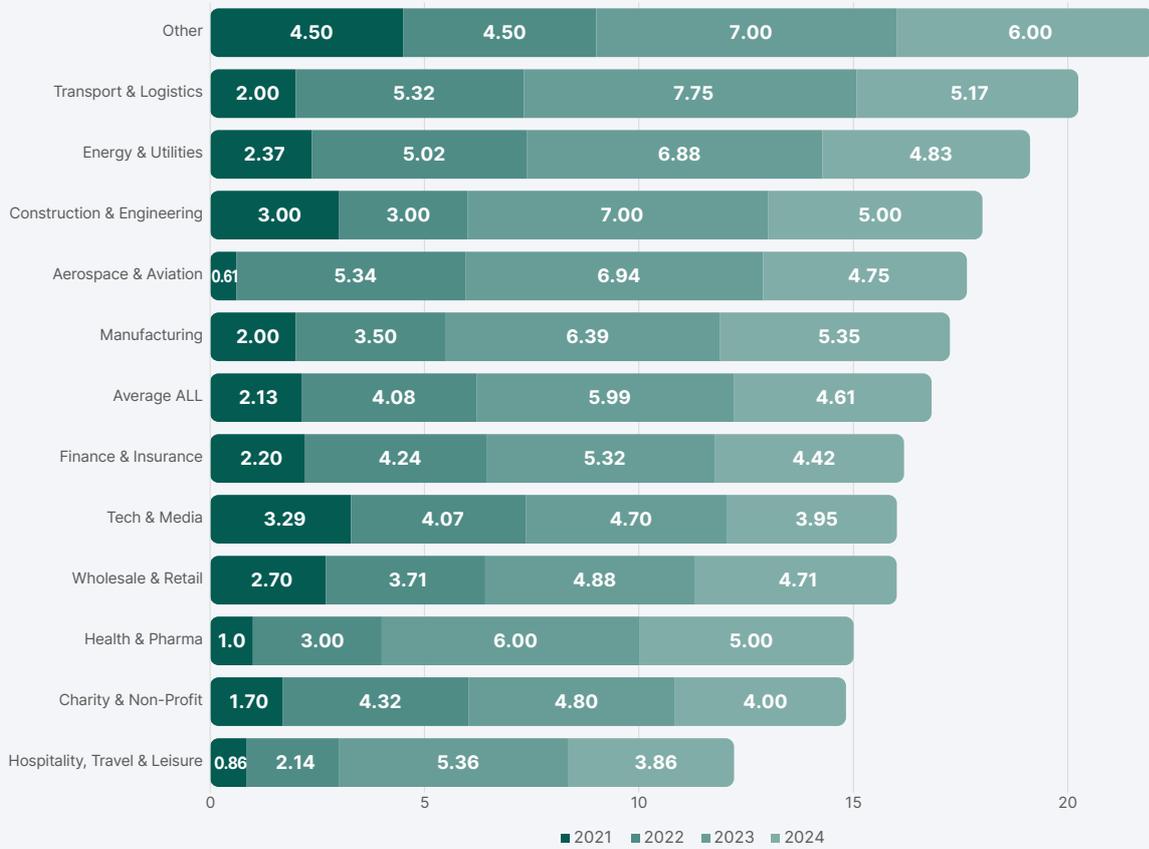
ASOS
Bird and Blend
Burberry
Checkout Superstore
Coop
Fortnum & Mason
Hotel Chocolat
IKEA UK Ltd
Kingfisher PLC
Matalan Retail Ltd
Pendragon Plc
River Island
Secret Linen Store
The Very Group
Wickes



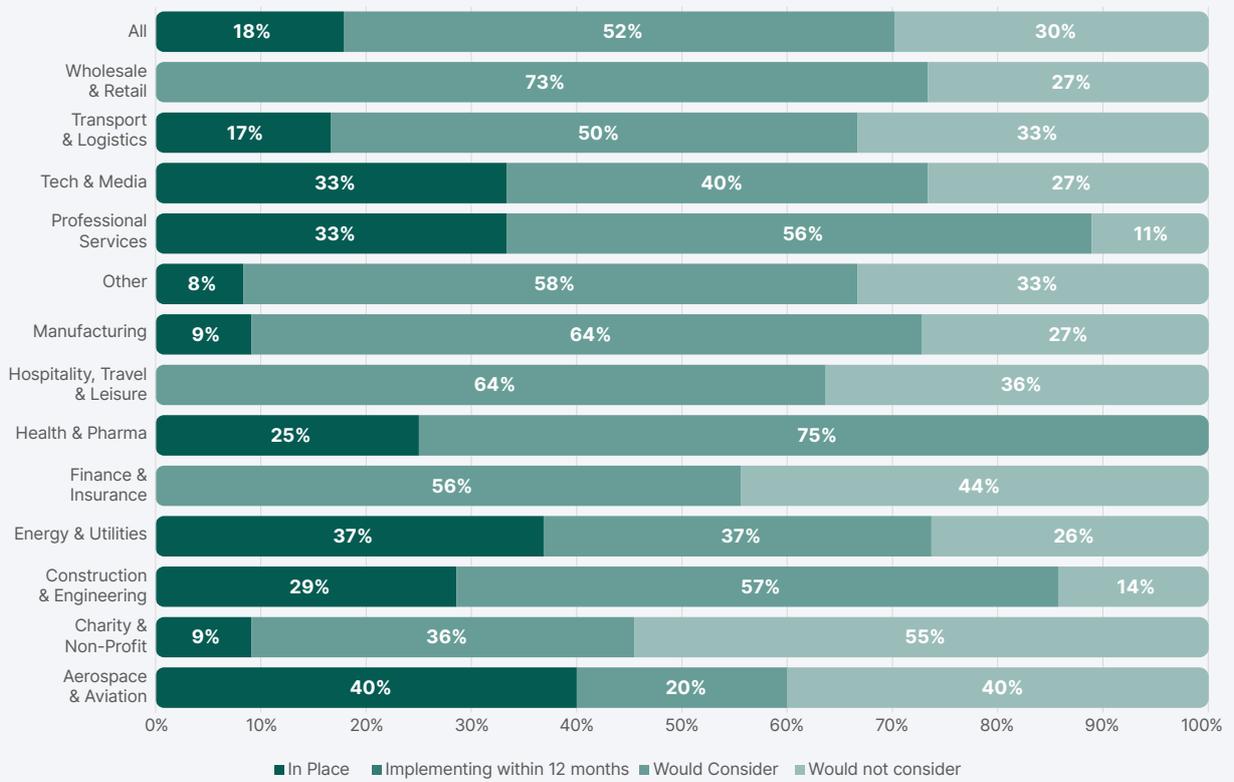
2021-2024 % Pay Increases (non-negotiated)



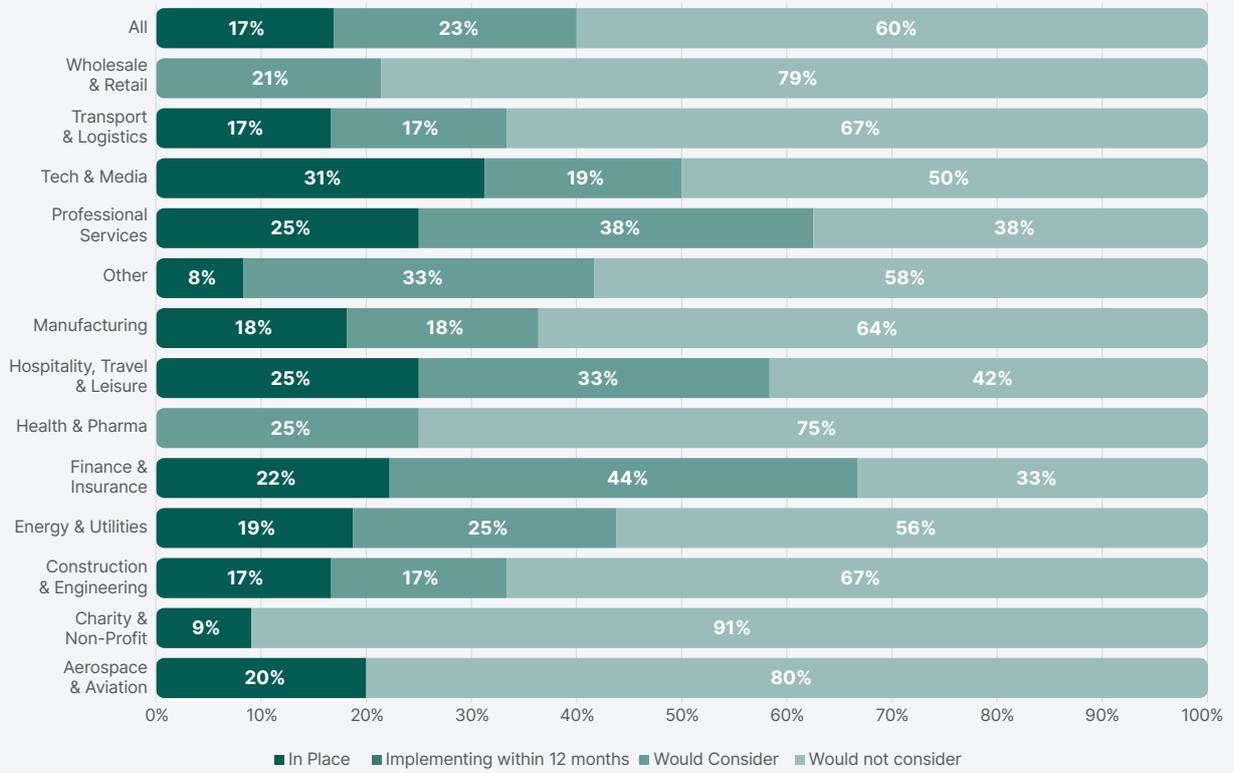
2021-2024 % Pay Increases (negotiated)



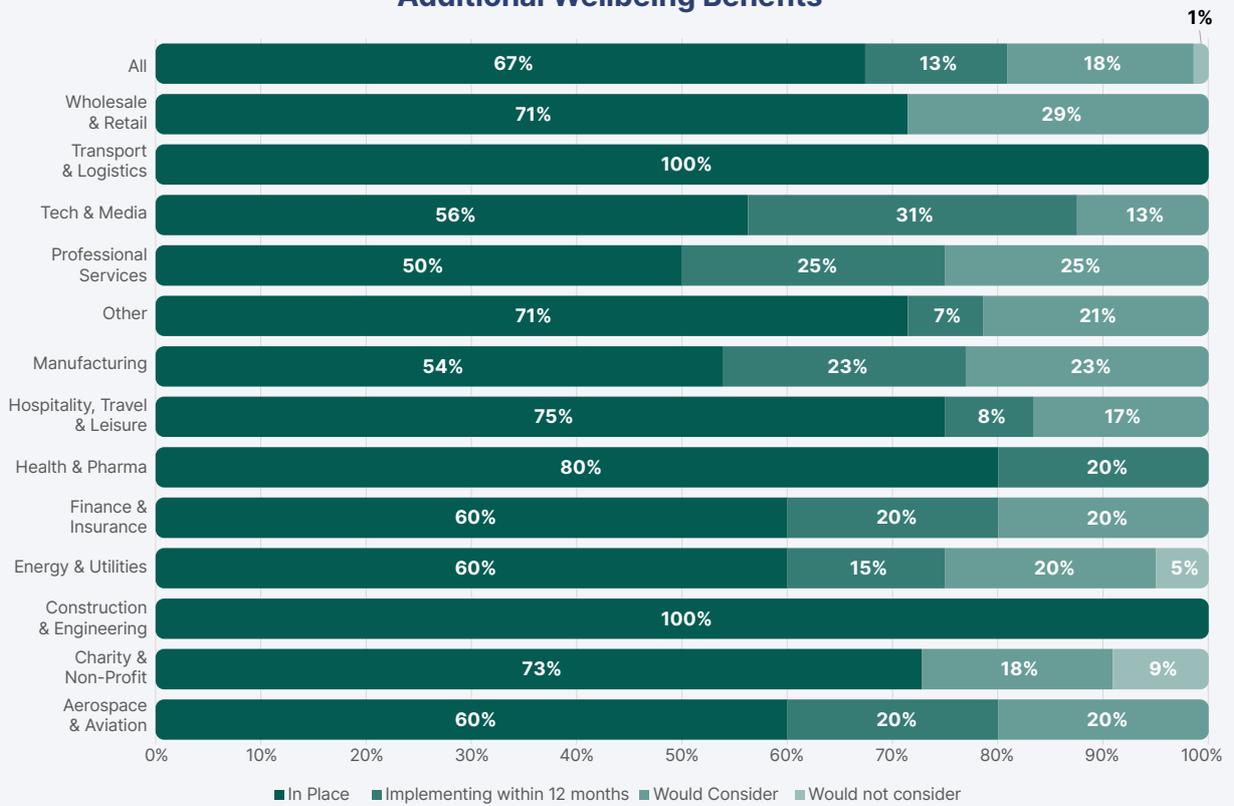
Offer Above Market Pay



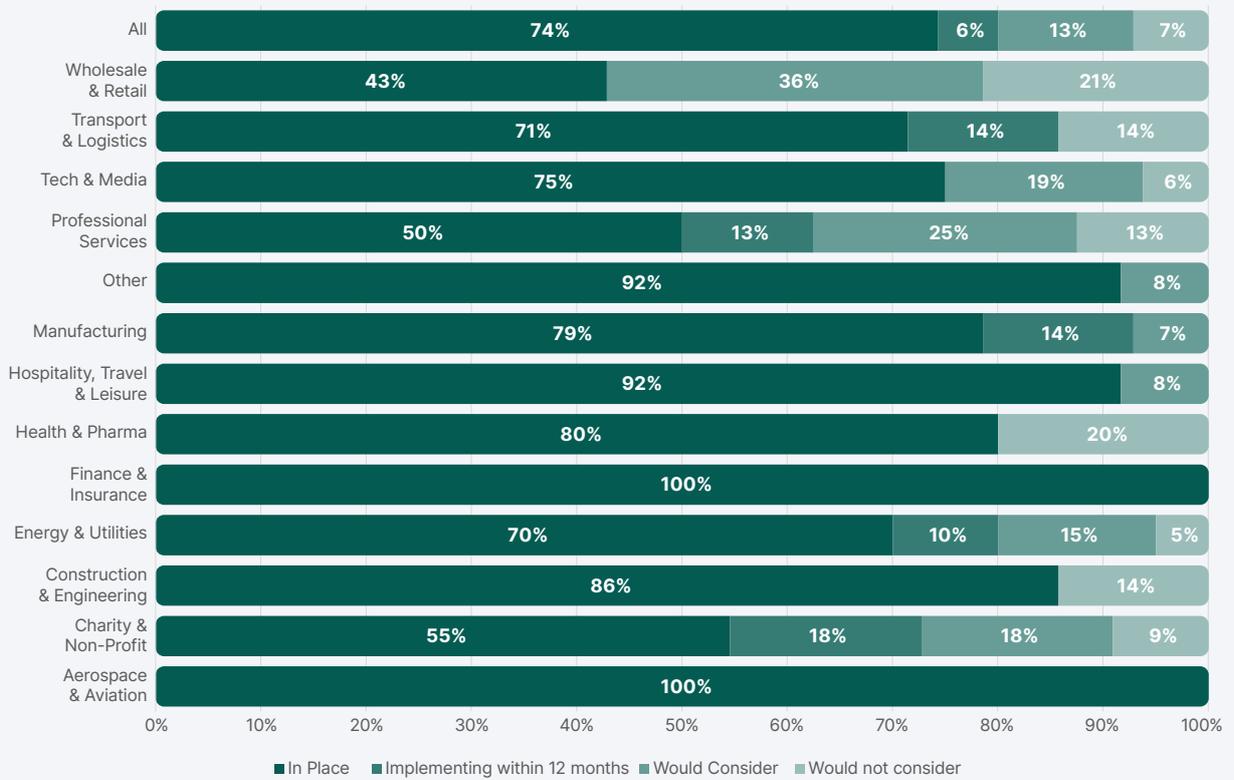
Offer Above Market Bonus



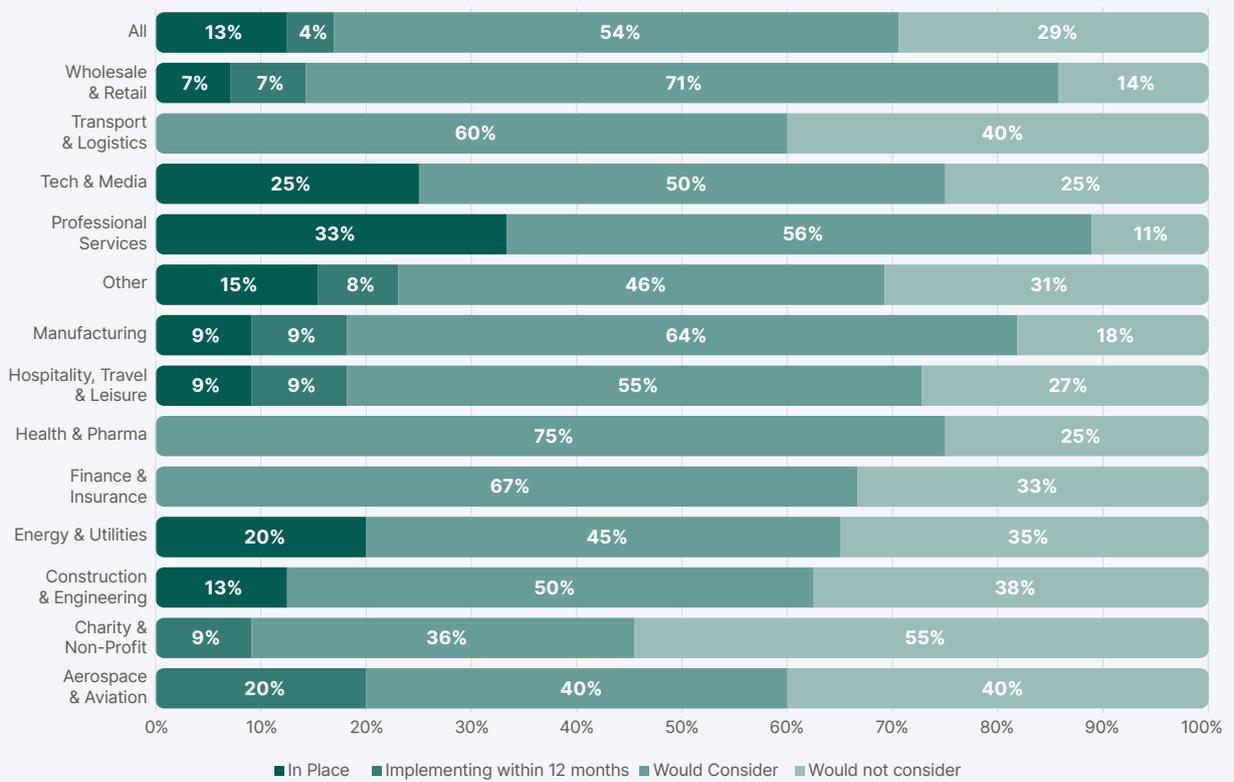
Additional Wellbeing Benefits



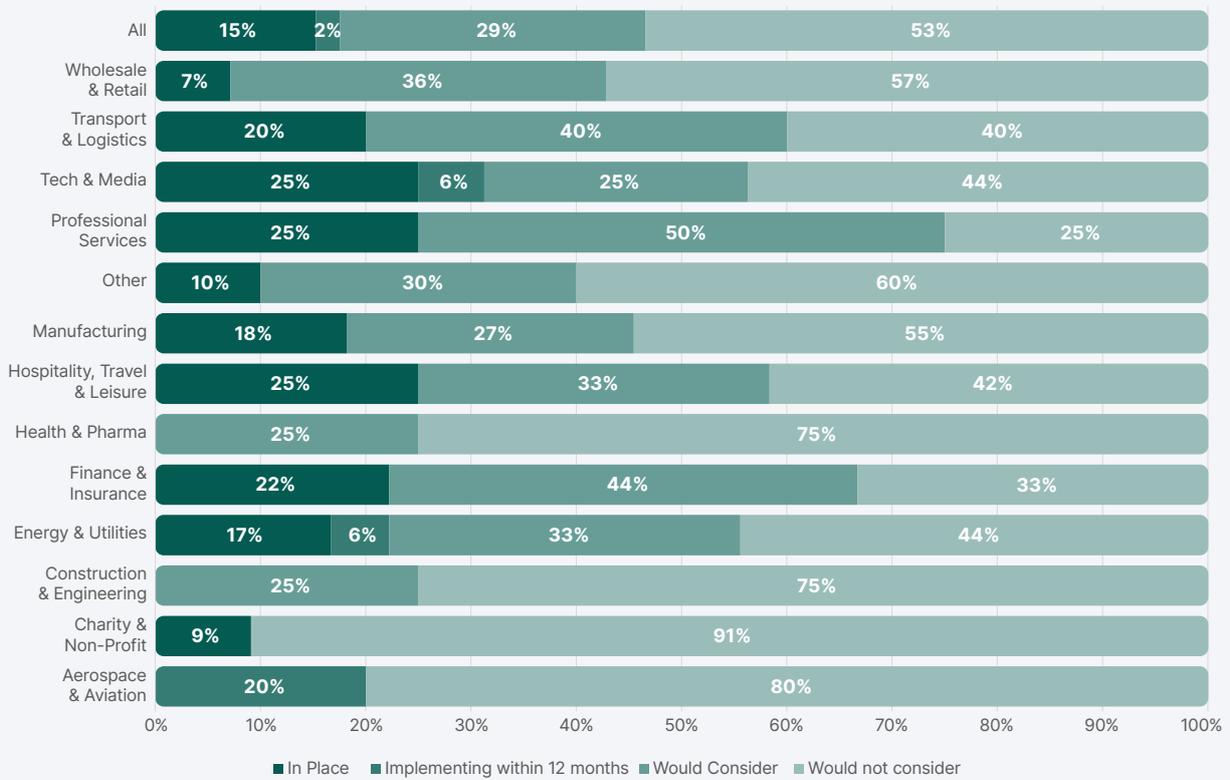
Refer a Friend



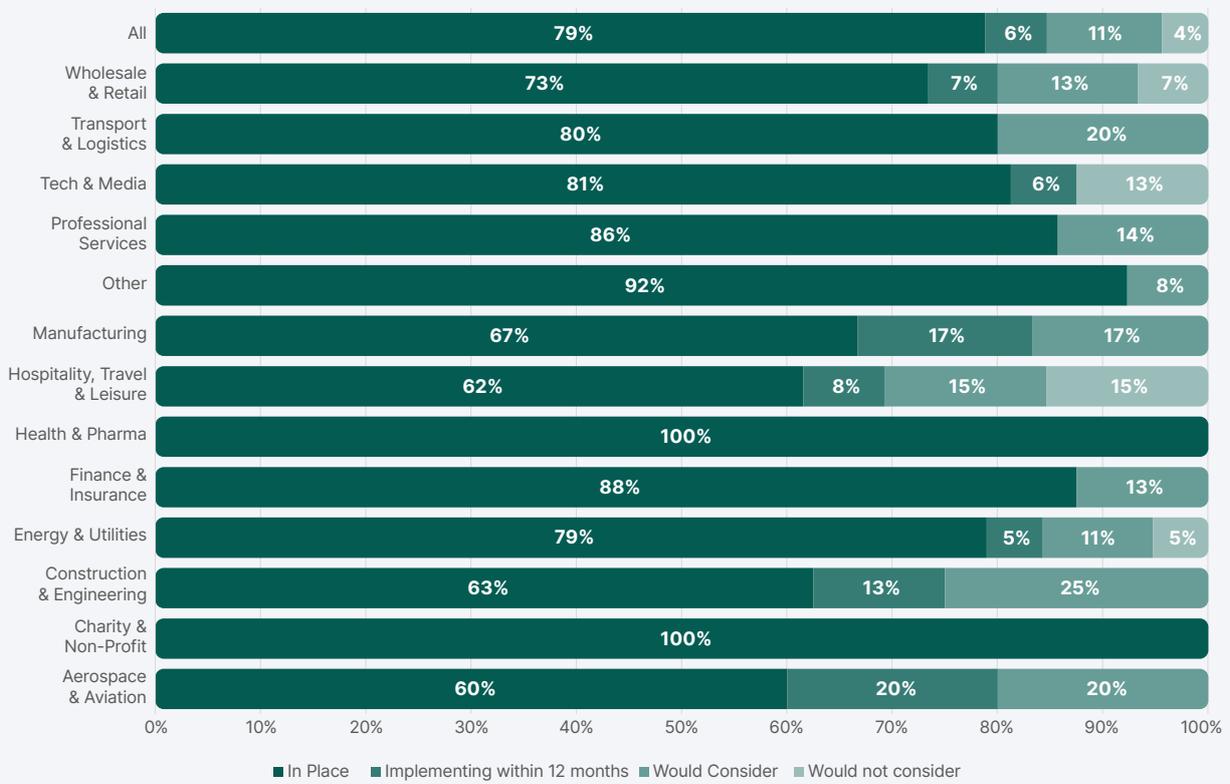
Above Market Pay Increases



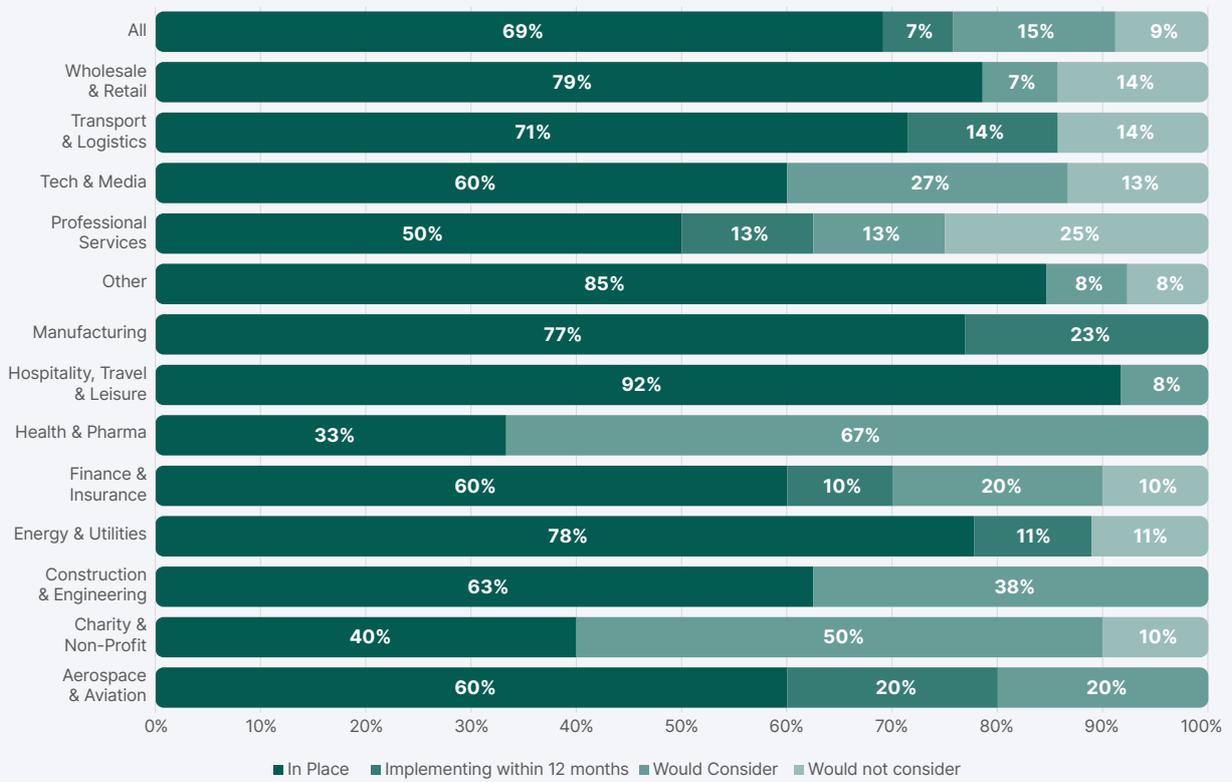
Above Market Bonus Payment



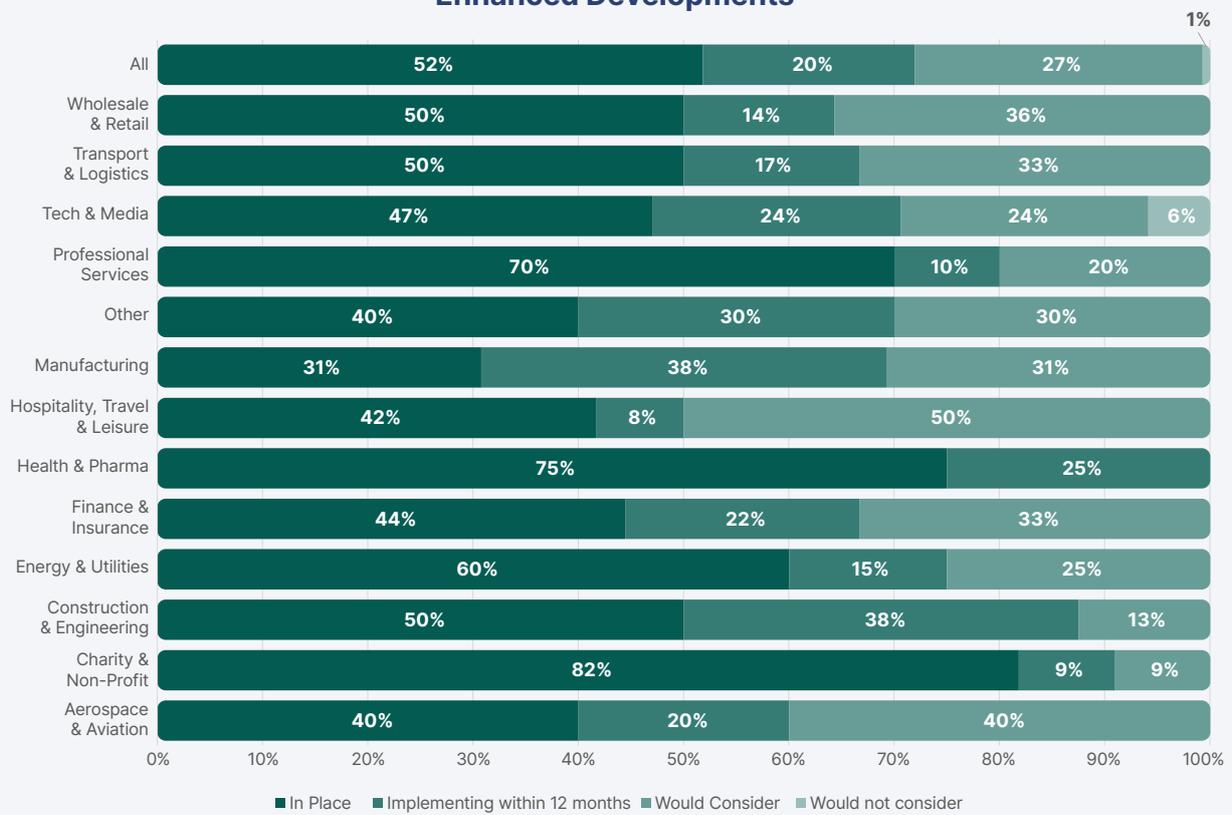
Provide Flex Working



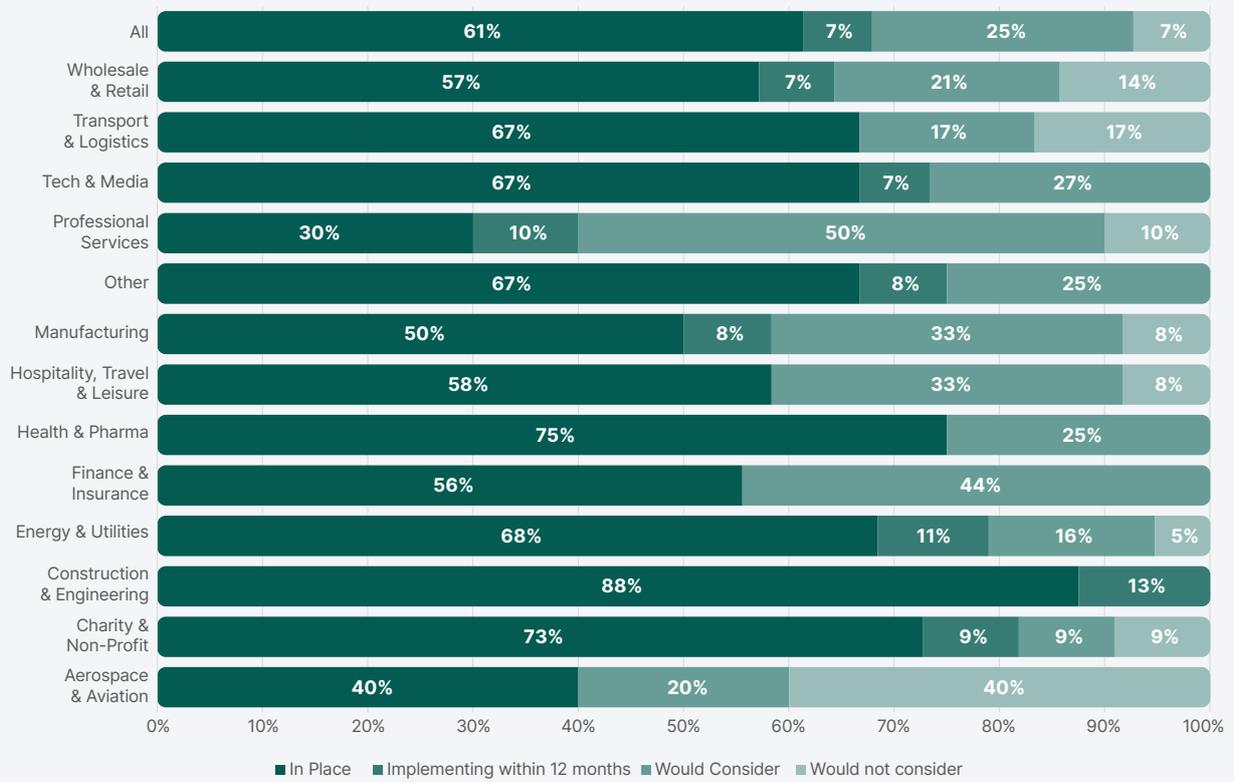
Enhance Staff Perks



Enhanced Developments



Fund Accreditation / Technical Training



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