



HR Outlook Report 2021

A survey of 150 UK companies

April 2021



2021

Foreword

Welcome to the Outlook 2021 report

We are in unprecedented times with a perfect storm of events placing more pressure on businesses and their people. Critical decisions are being made which will affect the survival and future of thousands of companies and millions of colleagues across the UK.

Taking a data led approach is now more important than ever. This report provides the external data view across all of the major issues facing HR teams. Data that is incredible helpful to identify best practice and market trends so you can make the right decisions with confidence. The topics of this report were chosen in consultation with the wider HR DataHub community.

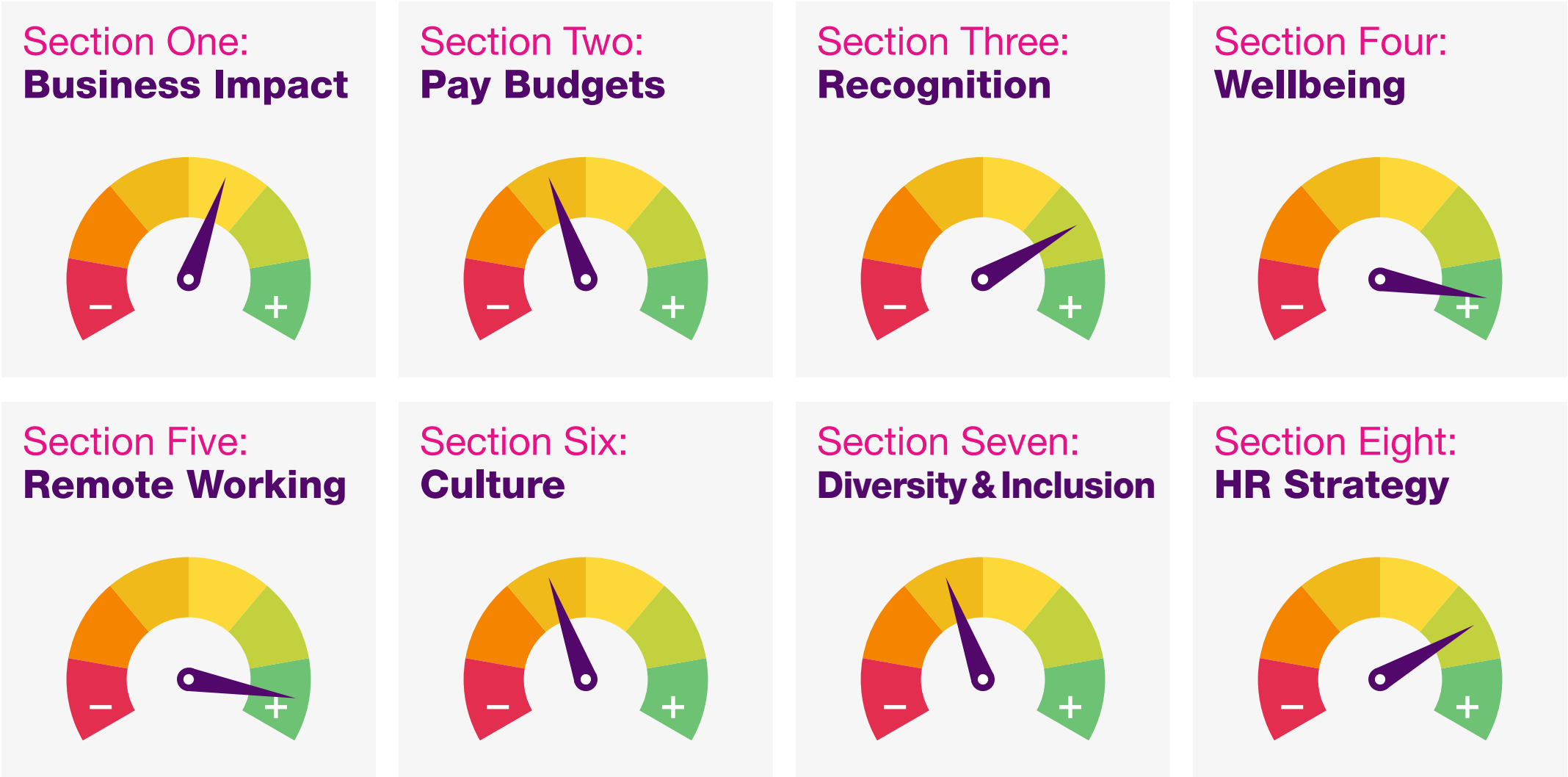
All of this data is available on the HR DataHub platform and can be viewed by Sector, Sub Sector and by selected companies (sample 5+).

Access is free via a free trial.

Click **HERE**
to access
your free trial



Summary Findings



HR DataHub

HR DataHub is a community of HR professionals from over 300 companies and growing.

Working together we:



Built an online benchmarking platform

100+ Metrics

D&I – Reward – ER – L&D –
Engagement – Recruitment



Created important research

Impact of COVID on the workplace

Ethnicity Data & Action

Gender Pay Gap - actions that work

Ethnicity Data Guide



Solve problems

In person (Zoom for now)

Via the HRDH community app

All of this data is available on the HR DataHub platform and can be viewed by Sector, Sub Sector and by selected companies (sample 5+).

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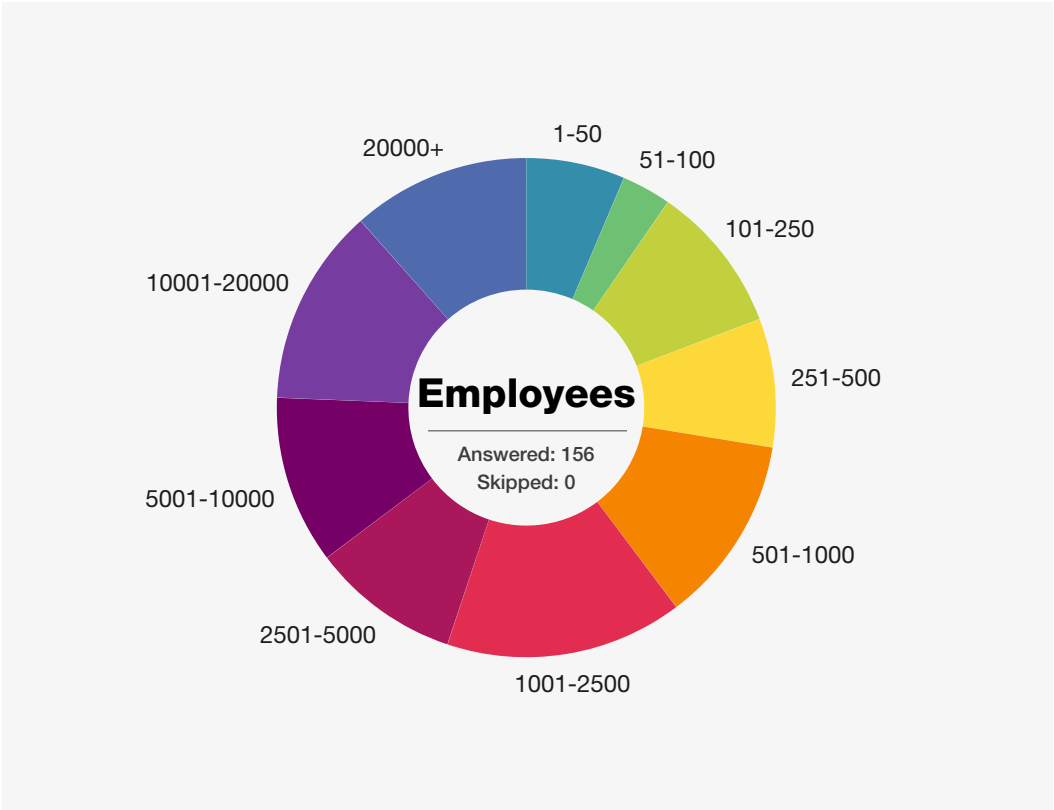
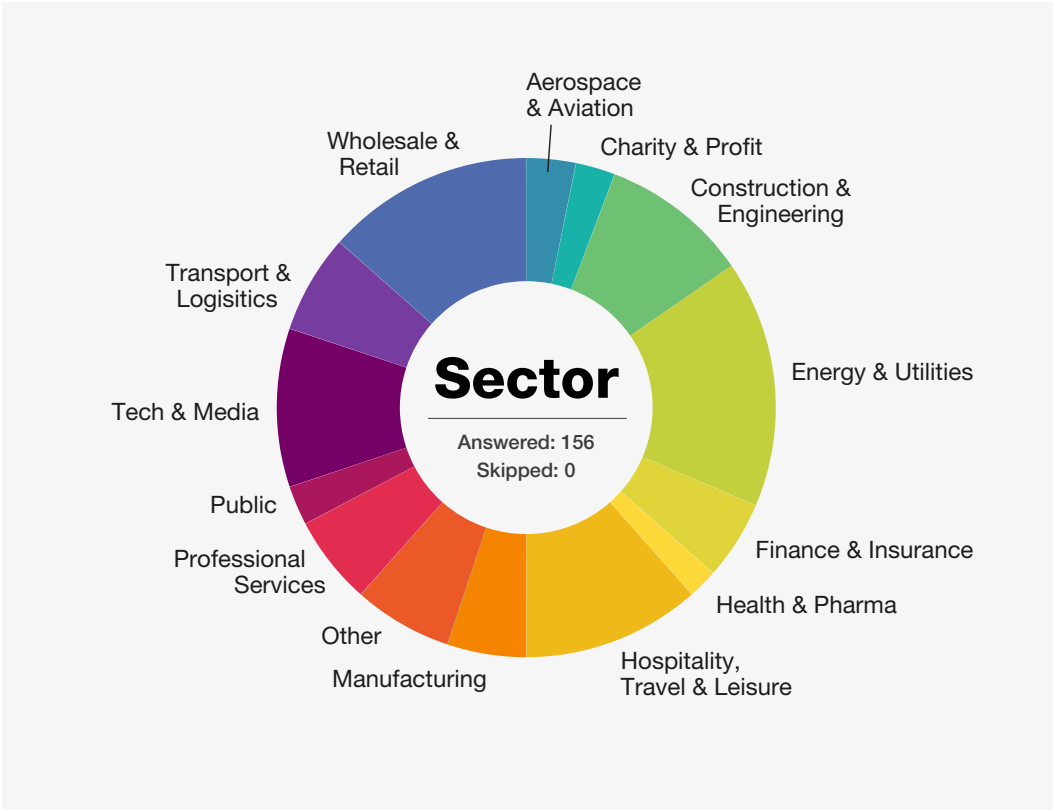
Our Community



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Sample



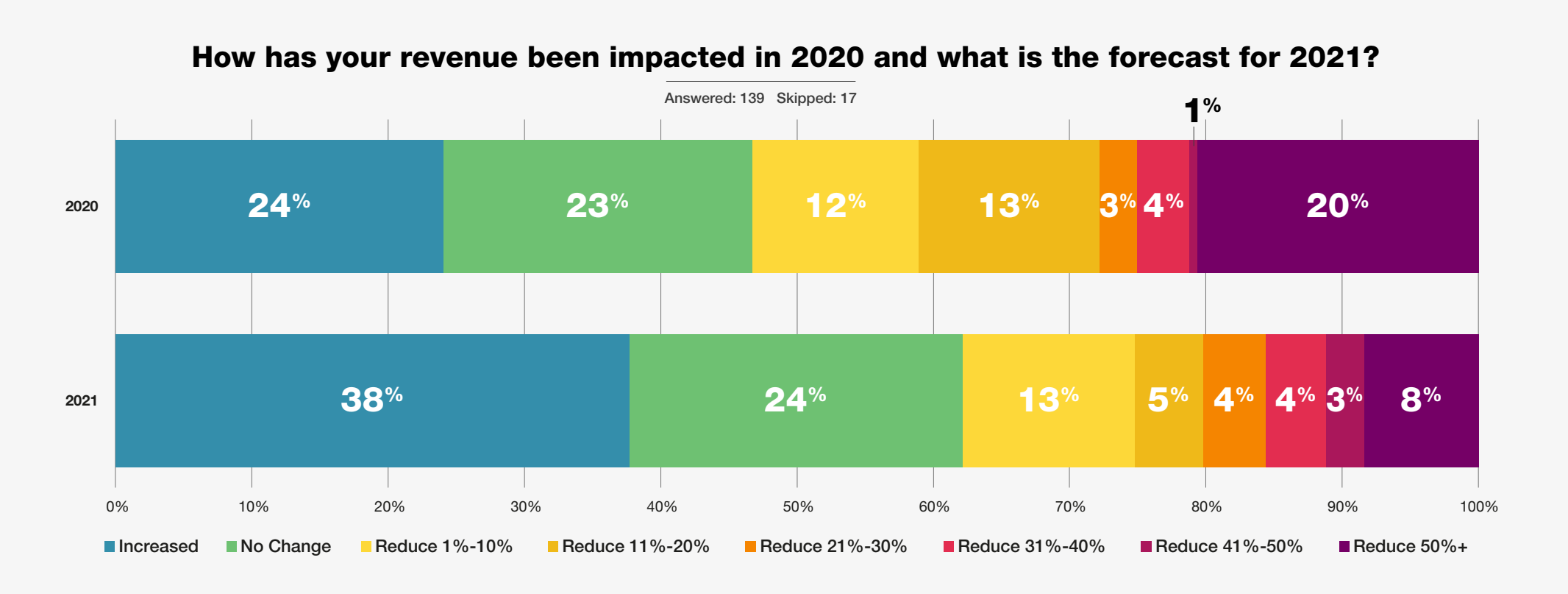
Business Impact



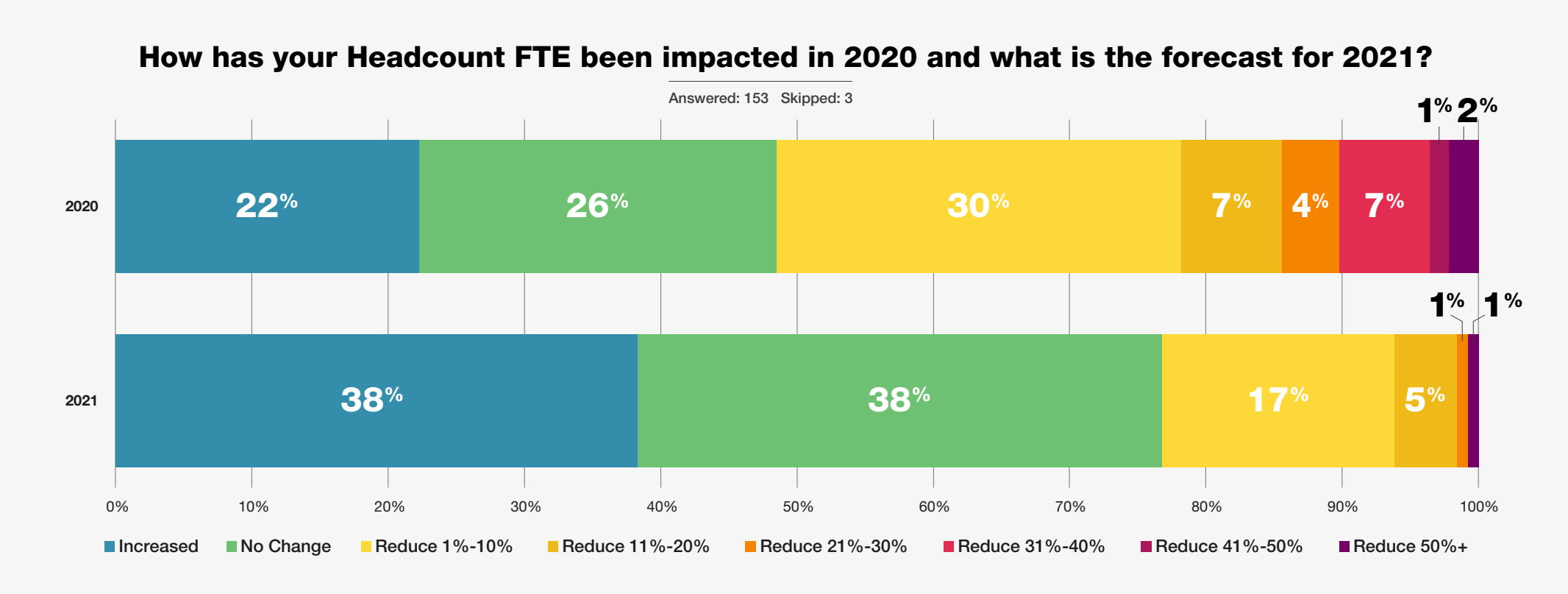
- All major indicators are improving between **2020** and **2021**
- The **expected levels of reduced revenue** and further redundancies is a cause for concern
- **Switch to online shopping** will continue to accelerate and will inevitably lead to new ways of working and company OD
- Some companies are **expecting to see positive growth**
- Dramatic decrease in the **number of recruitment freezes**
- **Salary reviews** will start to happen again in 2021 after largely been cancelled in 2020



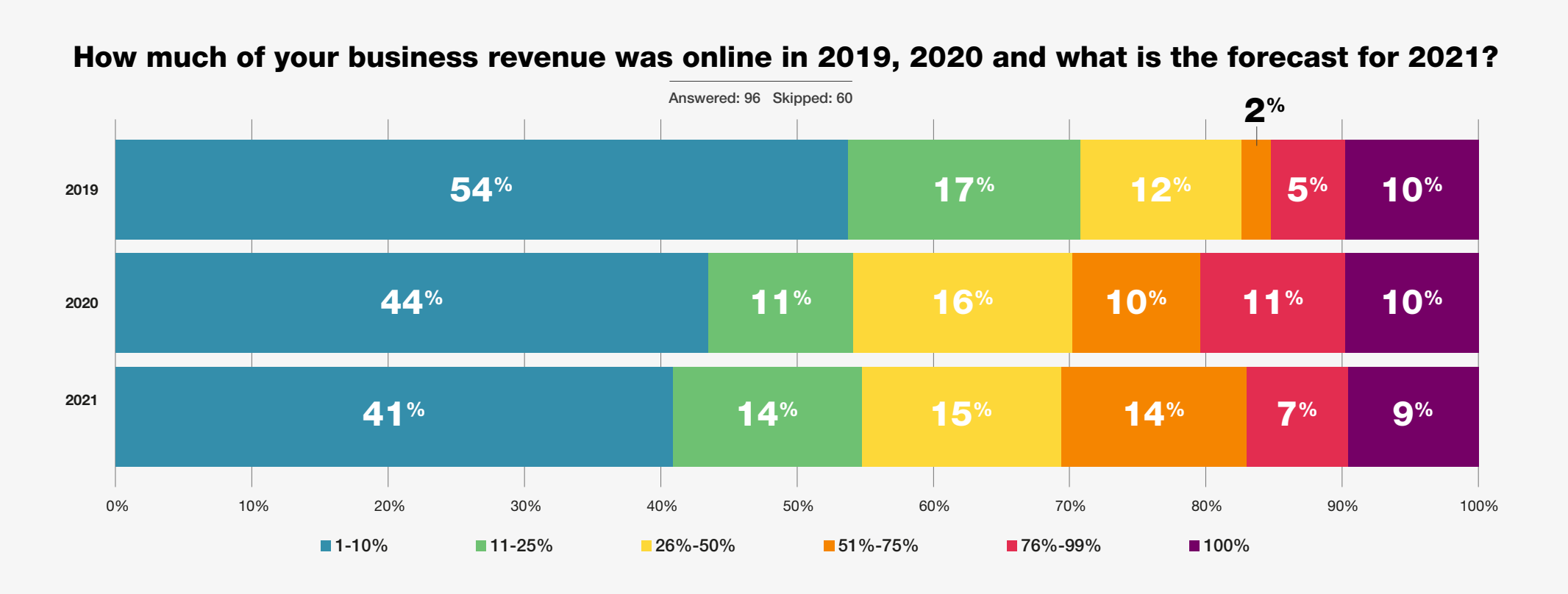
Section One: Business Impact



Section One: Business Impact



Section One: Business Impact



Section One: Business Impact

Outlook indicators



Decrease in revenue

53%
2020

38%
2021

Decrease in revenue 50%+

20%
2020

8%
2021

Online revenue 11%+

46%
2019

56%
2020

59%
2021

Online revenue 51%+

17%
2019

31%
2020

30%
2021

Reduced headcount

52%
2020

24%
2021

Reduced headcount 11%+

22%
2020

7%
2021

Increased headcount

22%
2020

38%
2021

Section One: Business Impact



Outlook indicators

Recruitment freeze

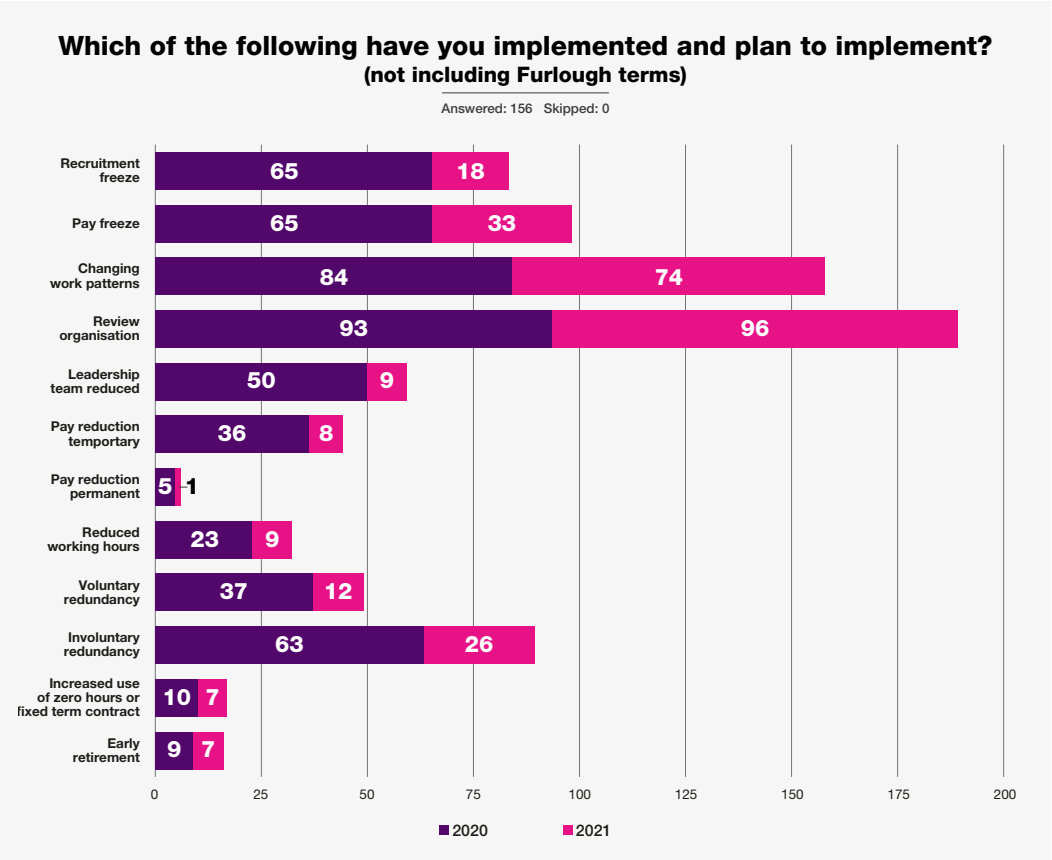
65 18
2020 2021

Involuntary redundancy

63 26
2020 2021

Pay freeze

65 33
2020 2021



TWO

Pay Budgets



- For negotiated grades the outlook for Trade Union talks will be difficult with **pay freezes** and **very few companies with pay freezes and a limited budget above 2%**
- It is a different story for salary reviews where **pay freezes are set to fall in 2021** and most companies providing a decent budget (2%+)
- Many companies would have been **legally obliged** to have applied a negotiated increase in 2020 with this being reigned back as part of discussions in 2021



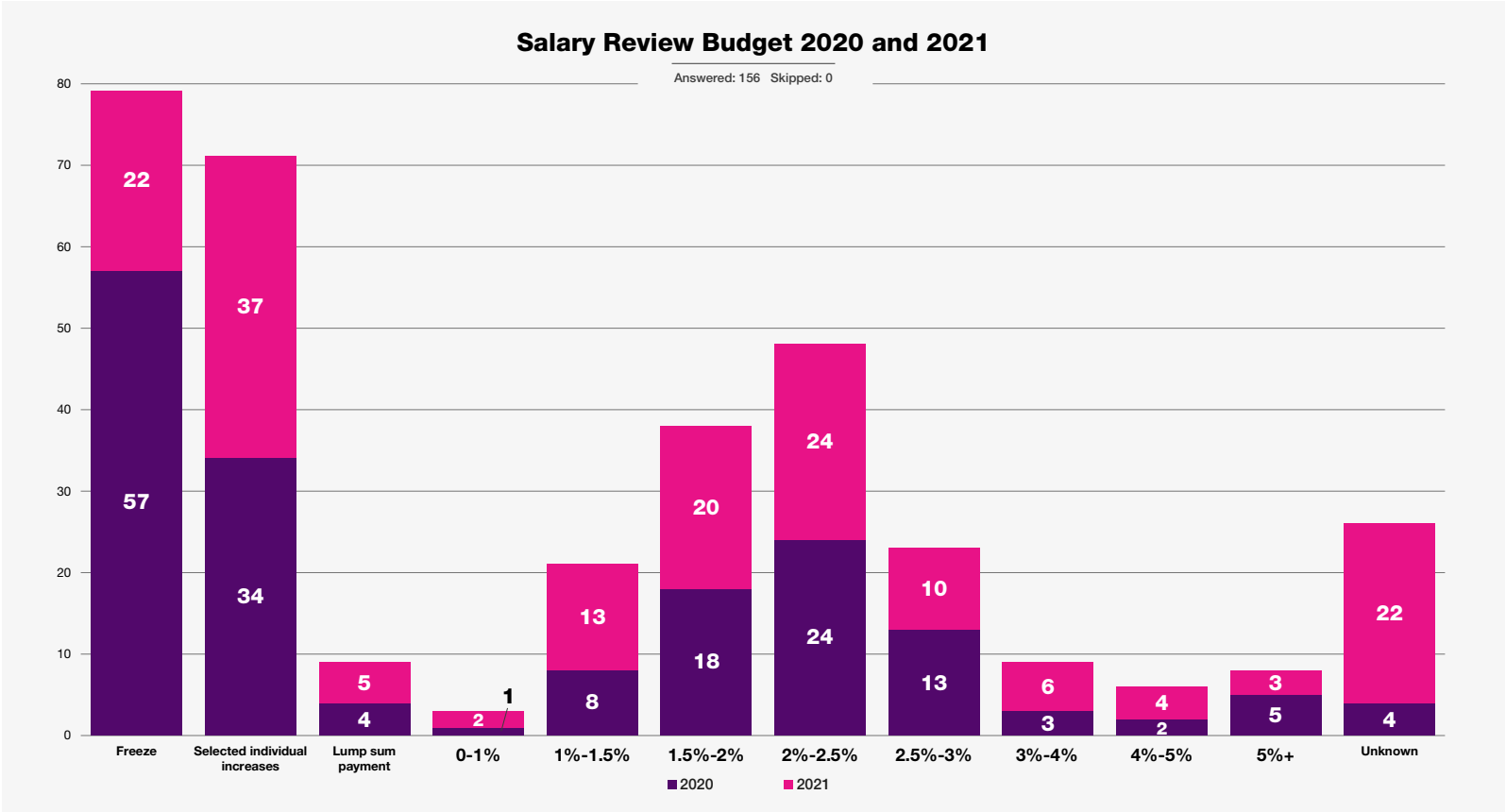
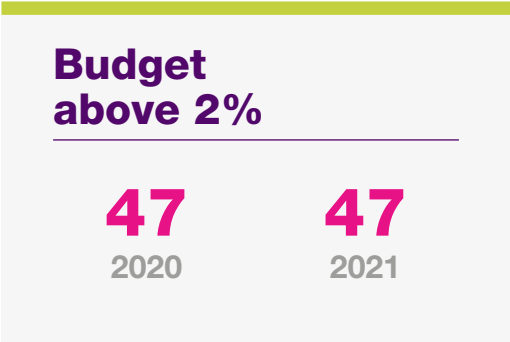
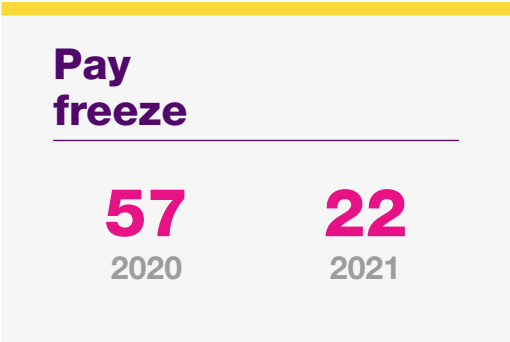
Section Two: Pay Budgets



Section Two: Pay Budgets



Outlook indicators



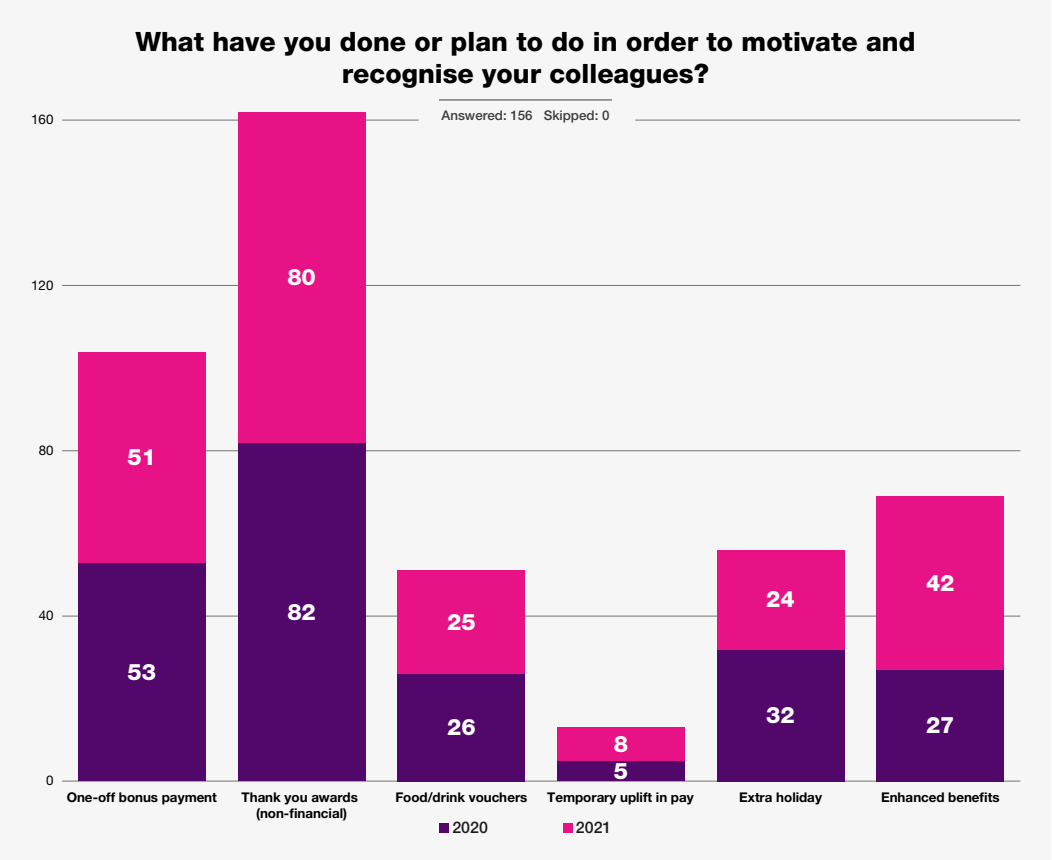
Three Recognition



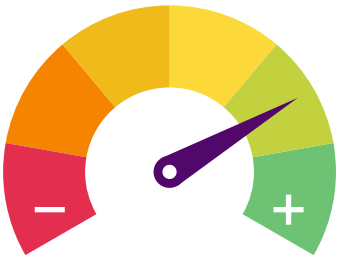
- Companies have done some **great work in recognizing the efforts of their colleagues** in 2020 and moving into 2021
- **Lots of creative thinking** and small acts of ‘thank you’ have proven tremendously popular with colleagues
- **The impact on bonus for 2021 is not as dire as expected** with most companies projecting an on target pay-out level
- Great to see **companies are investing more on benefits** to look after their colleagues and recognizing the changing conditions of work



Section Three: Recognition



Outlook indicators



Enhanced benefits

27
2020

42
2021

One-off bonus

53
2020

51
2021

Section Three:

Recognition

What have you done or plan to do in order to motivate and recognise your colleagues?

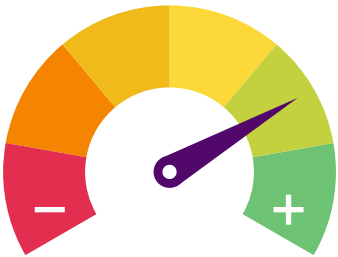
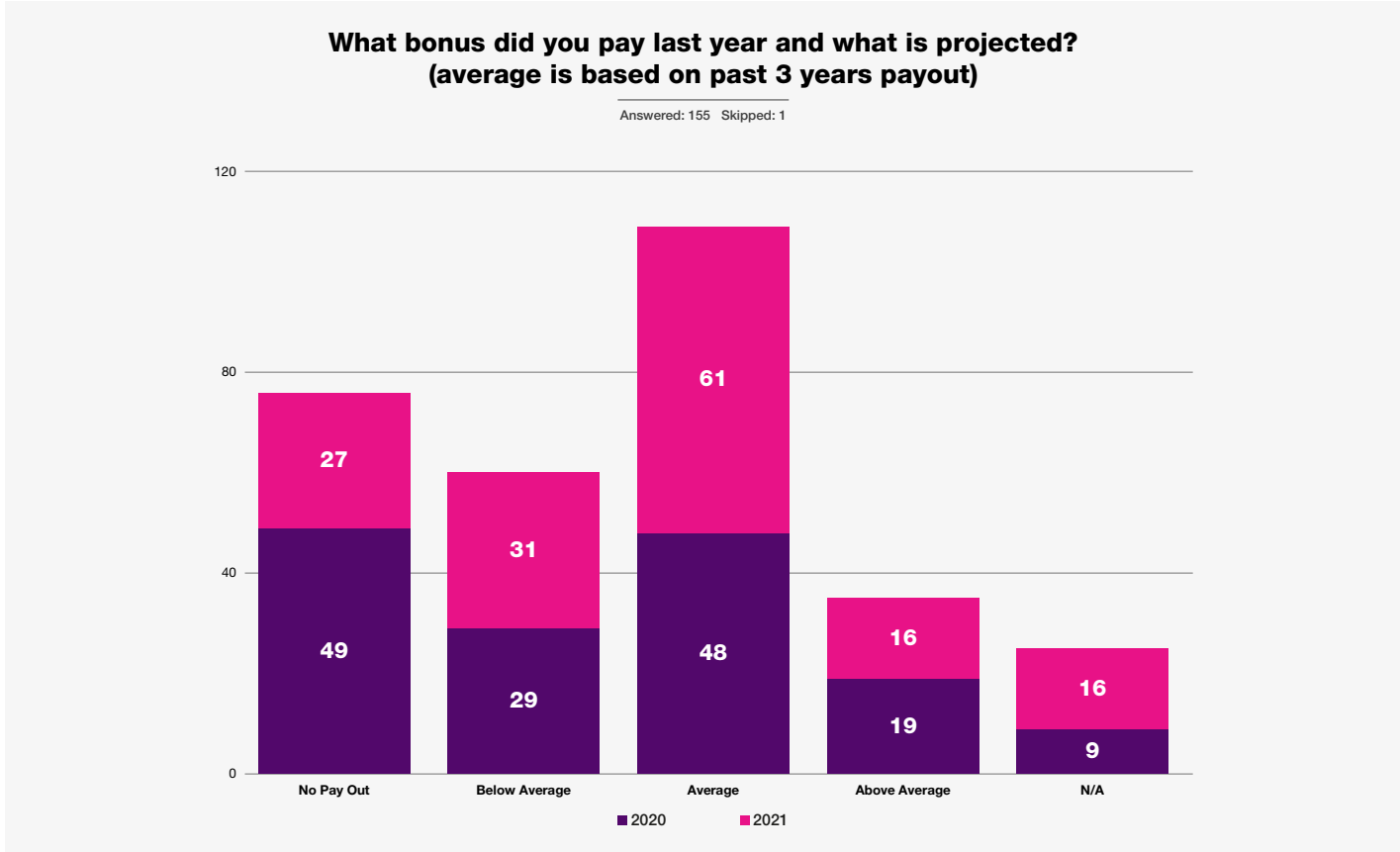
Other (please specify)

- Short and long term incentive plans Recognition and incentives (in general).
- Unfortunately not been able to, due to financial impact of COVID.
- 2020 - Thank you card with £25 voucher Review of recognition programmes.
- Introduction of a rewards and recognition platform - Kudos.
- We enhanced some benefits for salaried colleagues pre-covid and maintained.
- Introduction in EAP, greater focus on health and wellbeing.
- Focus on wellbeing offerings 3/4/2021 5:28 PM
- Released Unmind which is a mental health support app. Did a few Feel Good Festival which was recognising the troubles of Covid and how employees can help their mental and physical health.

- Social events, Executive Vlogs, individual performance bonus, employee of the quarter/year. Additional holiday carry over without expiry date.
- Voluntary days Values awards.
- Bonuses were paid in '20 (higher than in '19) and will be paid in '21. We have also laid talks, workshops and events in various areas (work, health and social issues) as well as social events and one off gifts.
- One off bonus payment is awarded as one-off shares award but vest in two equal amounts in Jan and July 21.
- Introduced a Wellbeing Hub, focused on Mental and Physical Wellbeing.
- Personal card from CEO, scratch card and lottery ticket at xmas (low cost). Personal welfare call from CEO.
- Primark Radio Station , Live online fitness classes , company challenges.
- Bonus in 2021 will be contingent on business performance - so it is in plan but not guaranteed.

- Lump sum payments only in some front-line roles, not company-wide approach.
- Holiday for birthday, SAYE scheme in 2020 and 2021, considering a free share award.
- Salary increases in 2021, introduction of town halls to keep employees informed of what's happening in the business
- Additional volunteering day.
- Sharing a smile campaign - comedy night, pub quiz etc in evenings live. Being Kind campaigns, LGBTQ+ focus and workshops, full suite of wellbeing - social and mental, physical as well as recognitions schemes and awards.
- Employee of the month became Employee of the week for a period of time. We did a weekly prize draw across 2 months. 3 COVID related bonuses paid.
- Competitions and incentives.
- Flexible and remote working now part of our core offering and across all roles; increased communication and personal development.

Section Three: Recognition

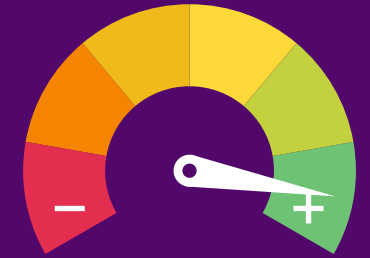


Outlook indicators



FOUR

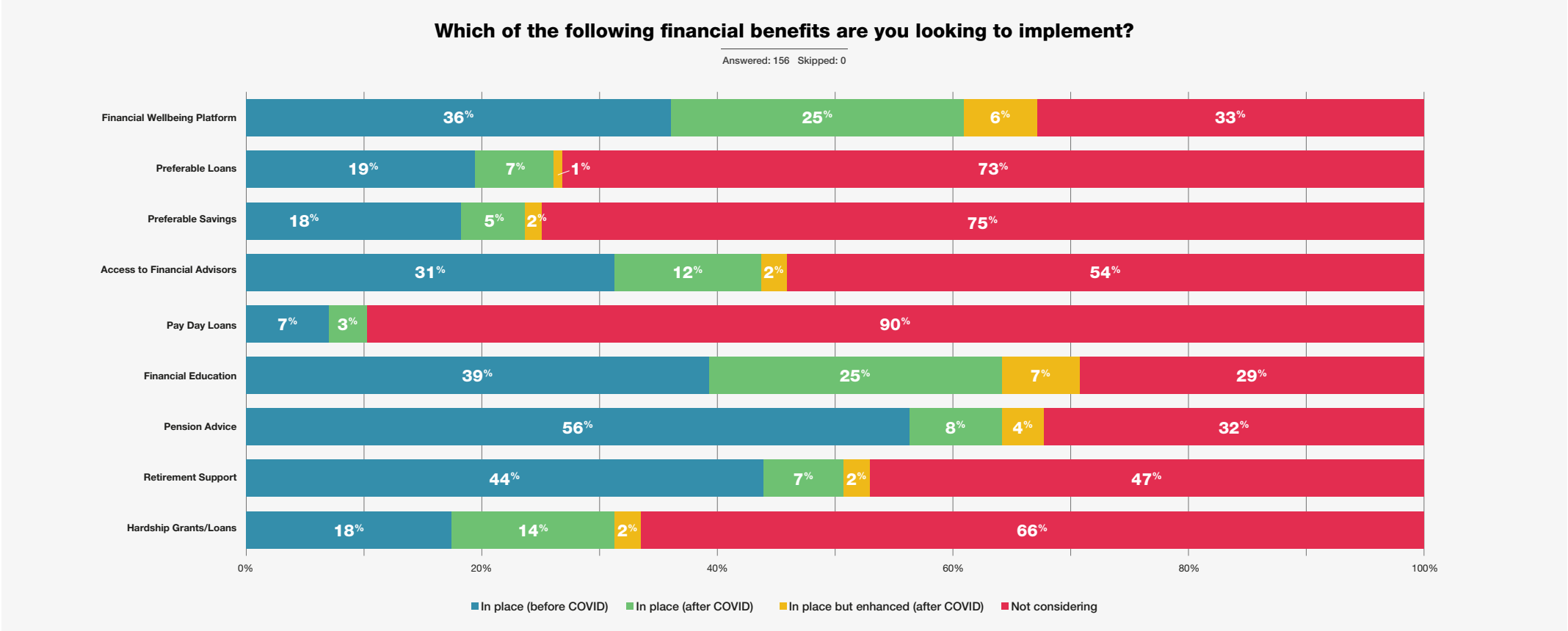
Wellbeing



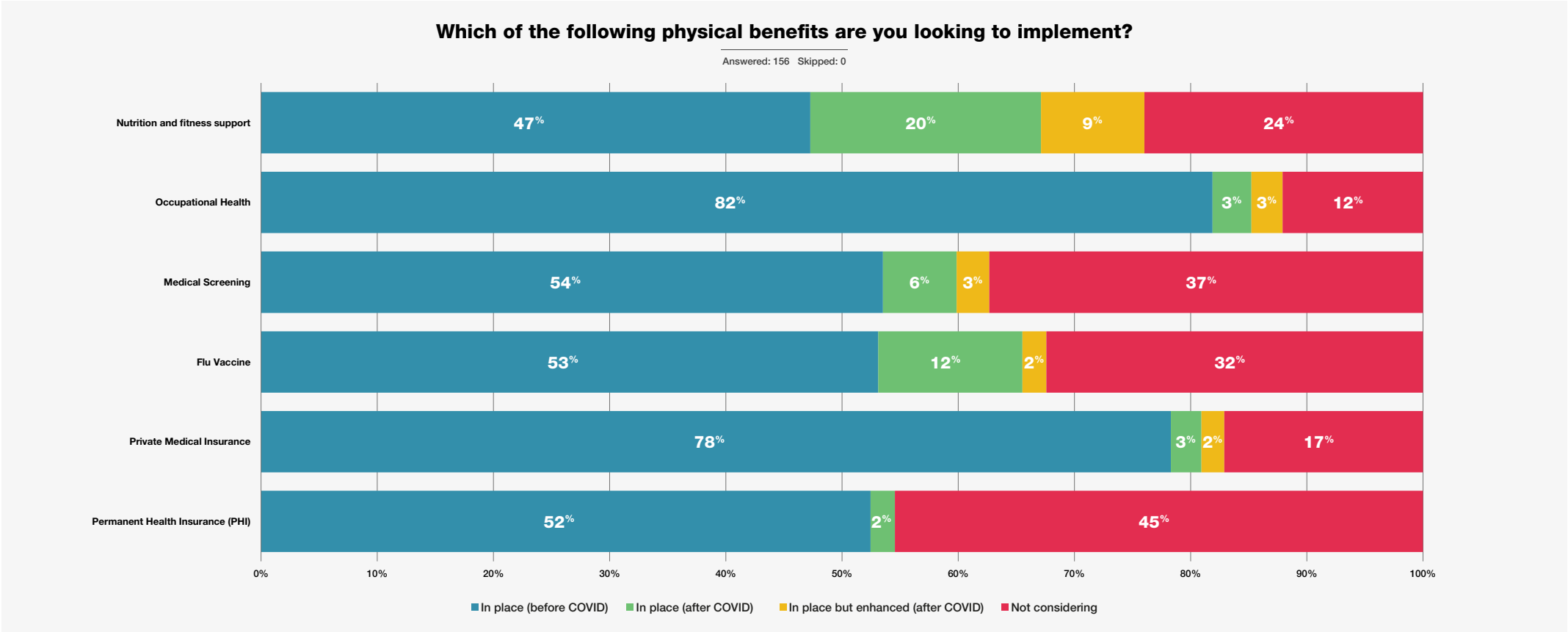
- Understandably the wellbeing of colleagues has been a **huge focus for companies in 2020 and 2021**
- This goes across **mental, physical**, and **financial** wellbeing
- **Caring days** has seen the biggest change with almost half of the companies providing support for colleagues
- With colleagues struggling with working from home and generally because of the pandemic companies have **invested a huge amount in a broad range of mental health support** – around 20% of the companies have invested in these from 2020 to 2021
- **Two thirds of the companies** offer some form of medical screening but it would be interesting to see if that is offered at all levels



Section Four: Wellbeing

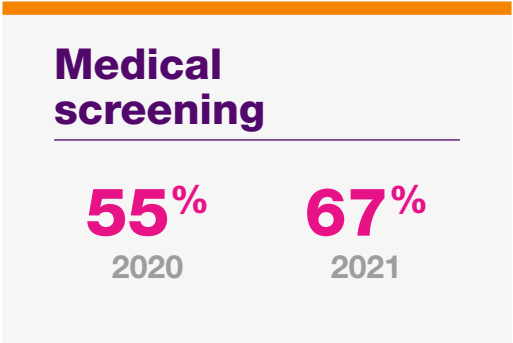
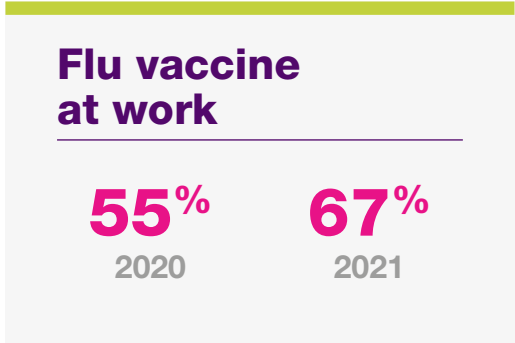
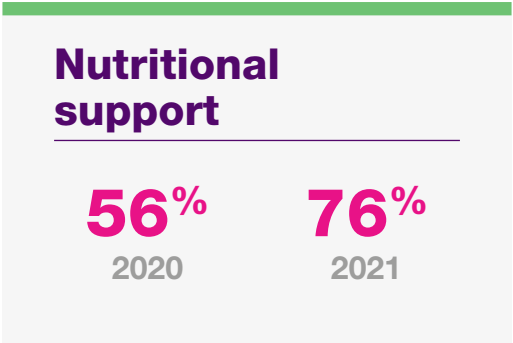
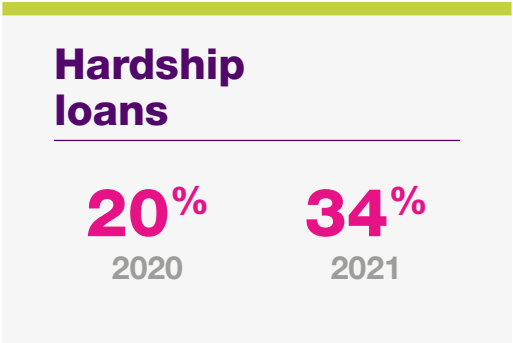
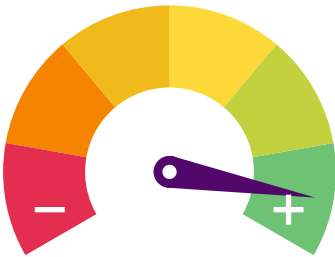


Section Four: Wellbeing

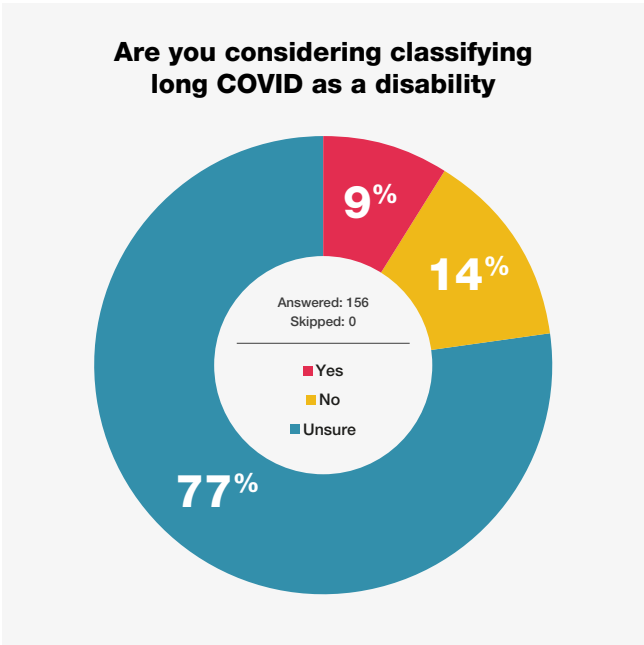
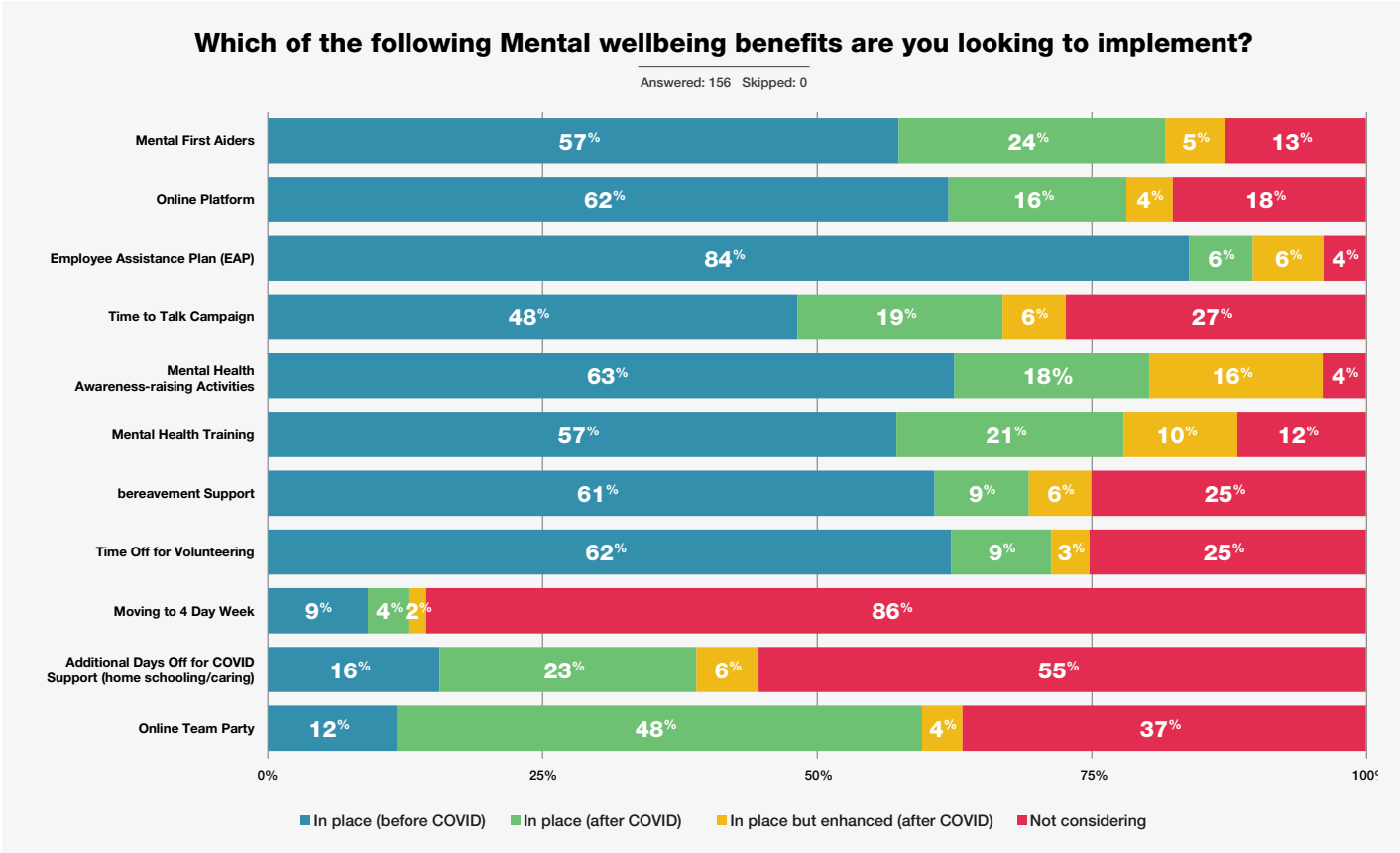


Section Four: Wellbeing

Outlook indicators

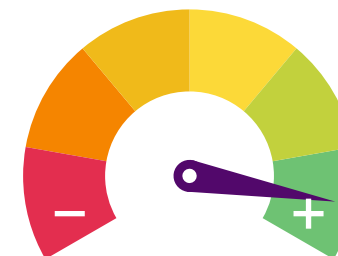


Section Four: Wellbeing



Section Four: Wellbeing

Outlook indicators



Mental first-aiders

62%
2020

86%
2021

Caring days

22%
2020

45%
2021

Moving to 4-day week

10%
2020

14%
2021

Flu vaccine at work

55%
2020

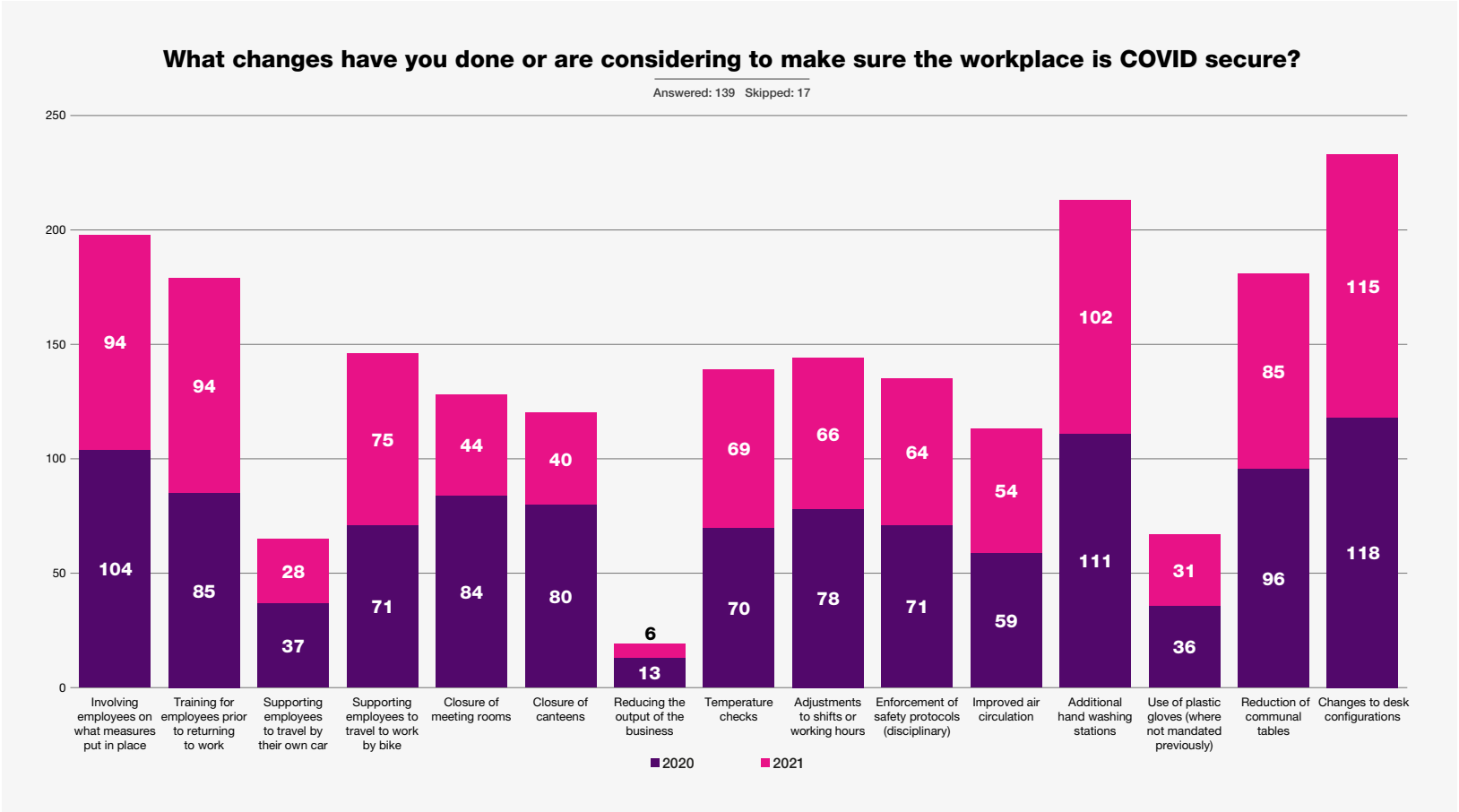
67%
2021

Medical screening

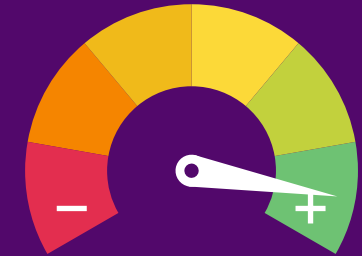
55%
2020

67%
2021

Section Four: Wellbeing



Remote Working

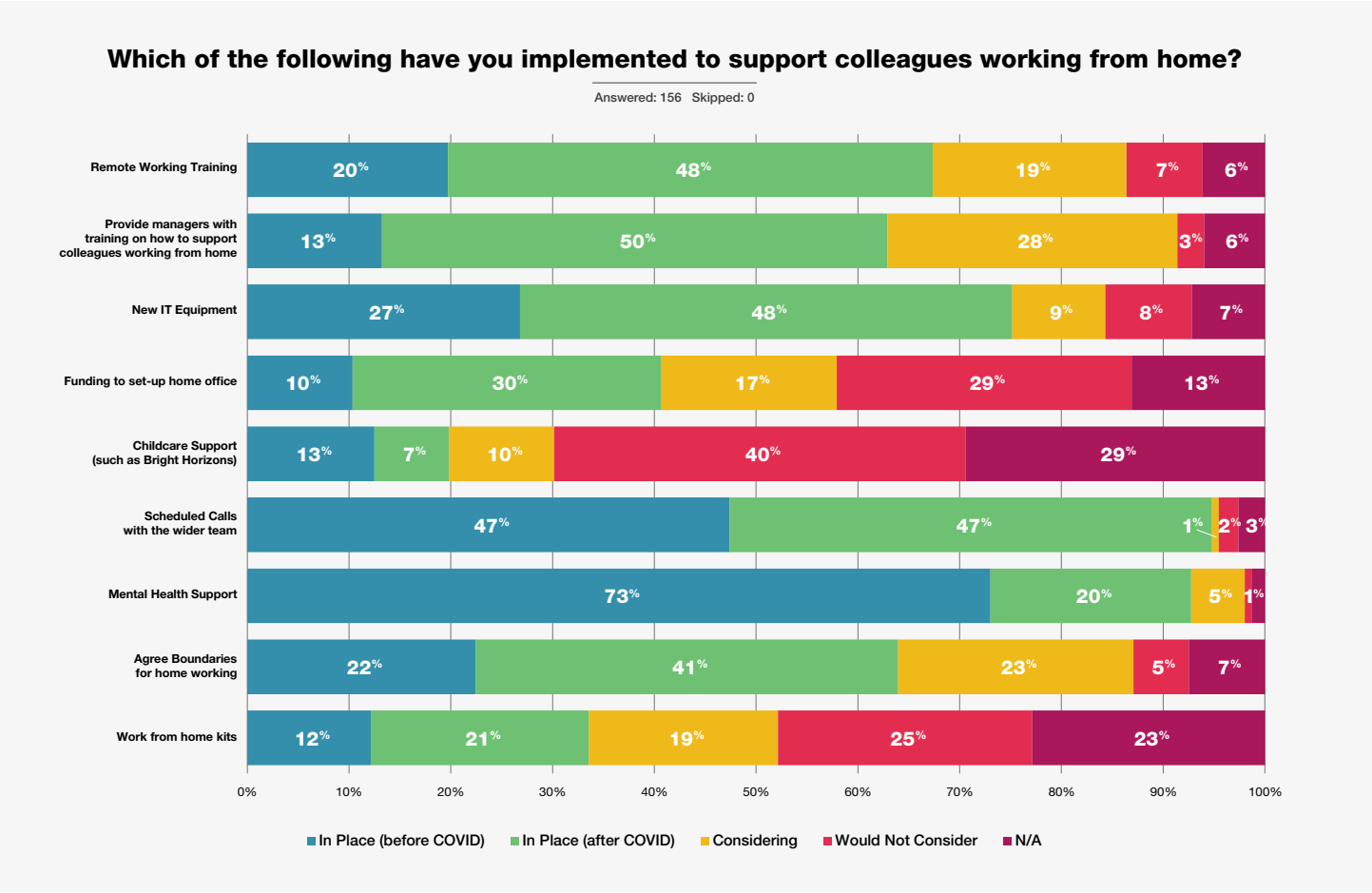


- The pandemic has created an **unprecedented change** in the way colleagues and companies approach remote working
- Must work from home (for those companies that have made the decision) has **dropped from 65% in 2019 to just 8% in 2022**
- The data for **2020 is skewed because of legal obligations regarding lockdown** but looking into 21 and 22 around 85% of companies will be providing remote working (where possible)
- In terms of benchmarking pay (for remote colleagues) **most companies (121) have not yet changed their methodology** but this is likely to change in the future
- The **majority of companies stepped up during the pandemic** to support managers and colleagues with extra training and support (when working remotely)
- By the end of 2021 companies expect their colleagues (where applicable) **to spend more time working from home (52%)** than in the office

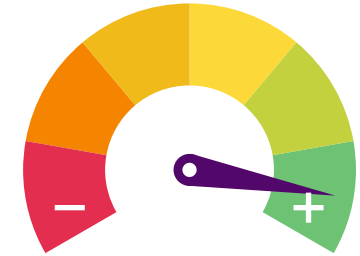


Section Five:

Remote Working



Section Five: Remote Working



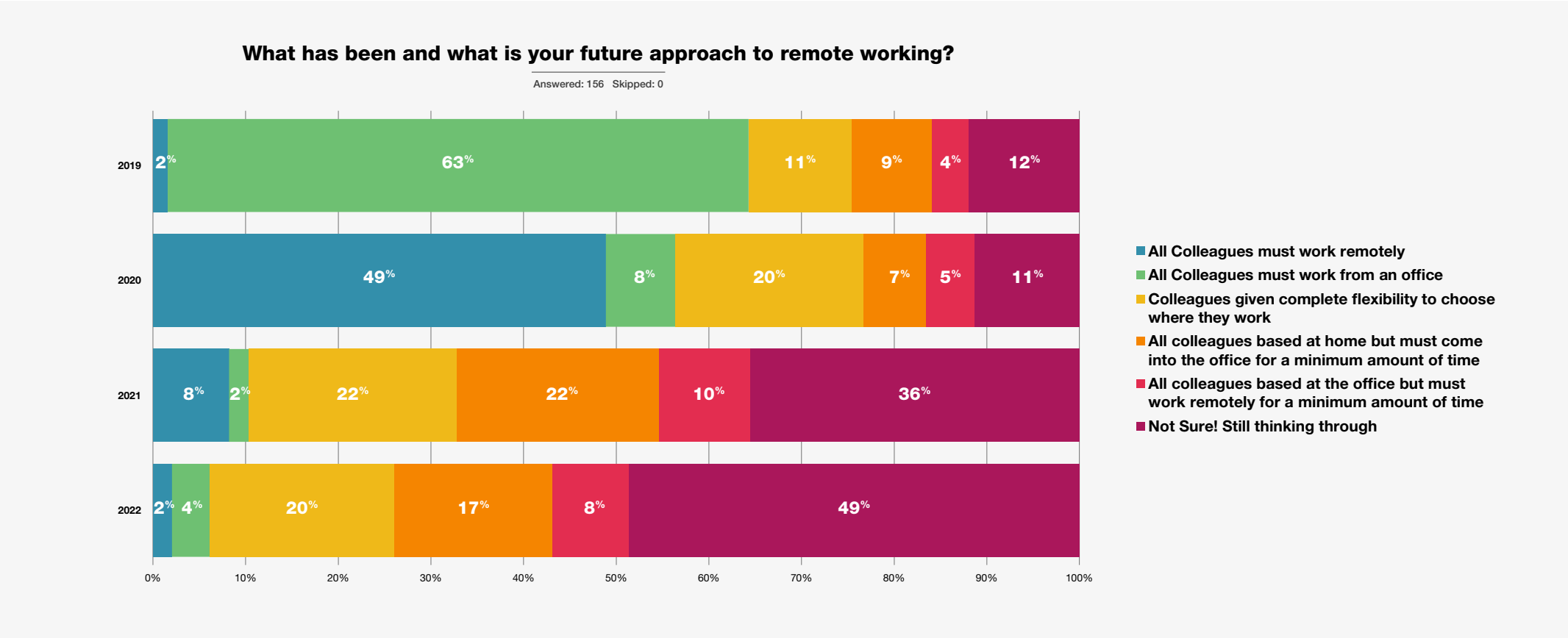
Top 5 NEW initiatives to support colleagues through COVID

- 1** Mgt training on how to support their teams **50%**
- 2** Colleague training for remote working **48%**
- 3** New IT Equipment **48%**
- 4** Scheduled Calls with the wider team **47%**
- 5** Agree Boundaries for home working **41%**

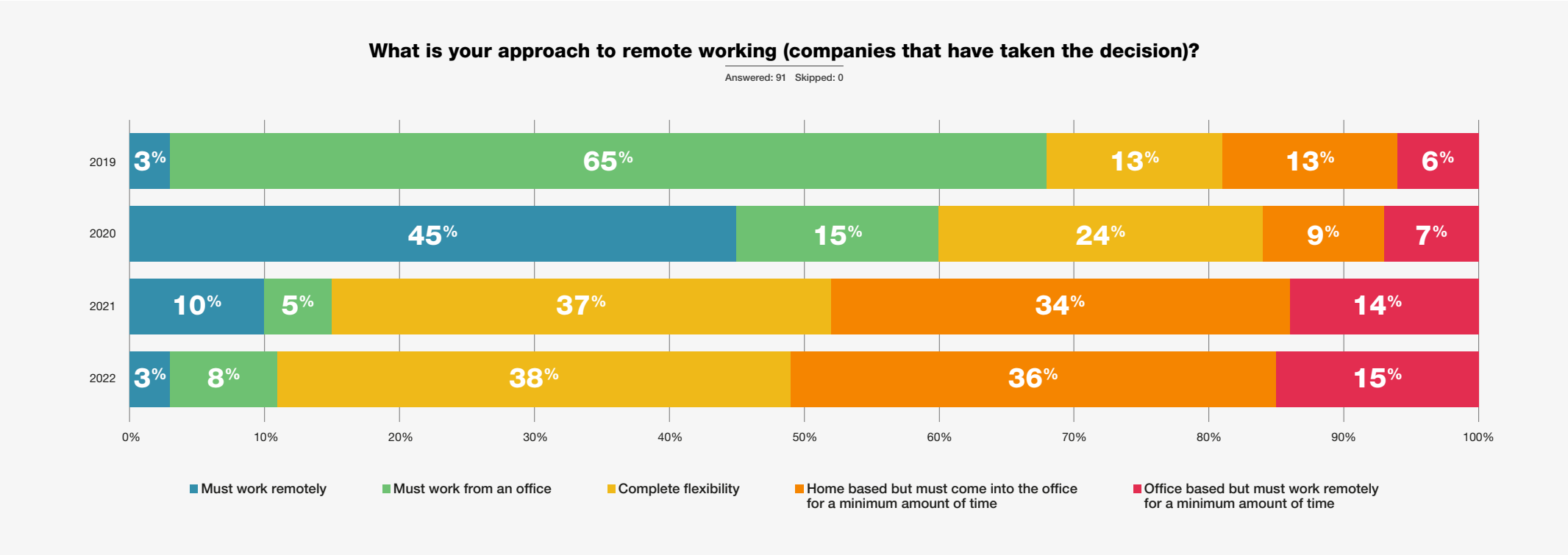
Top 3 new initiatives which are NOT being considered

- 1** Childcare Support **40%**
- 2** Funding to set-up home office **29%**
- 3** Work from home kits **25%**

Section Five: Remote Working

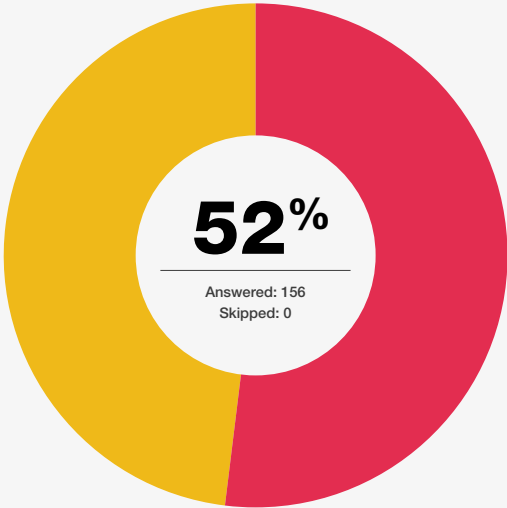


Section Five: Remote Working

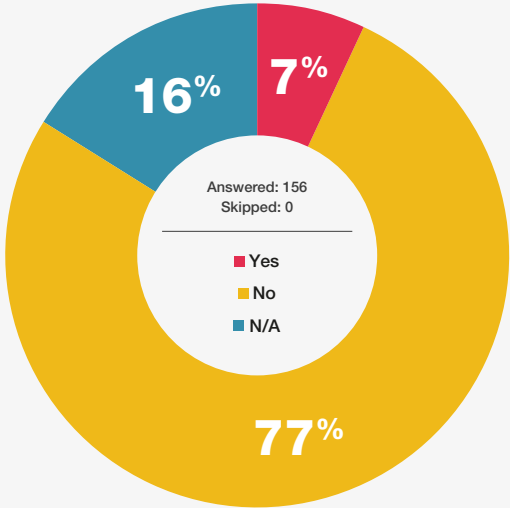


Section Five: Remote Working

By the end of 2021 what % of time in your company will be spent working from home?
(for the roles that are applicable)



Will you be changing the way you benchmark pay for remote workers?



Six Culture

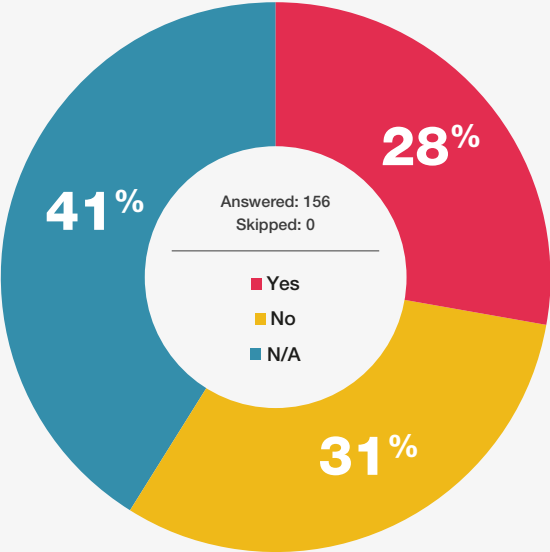


- Almost half of the companies indicated that **furlough arrangements had created a cultural divide**
- Those that stayed working were **envious of those that got furloughed** and vice versa
- This could be a **real issue for companies through 2021** in our they recognize/reward both groups and how they bring them together
- From our previous research at the start of the crisis* we generally **saw a significant improvement in engagement** as leaders rallied to support their colleagues – including authentic communication
- This does not seem to have lasted with **engagement broadly remaining unchanged**

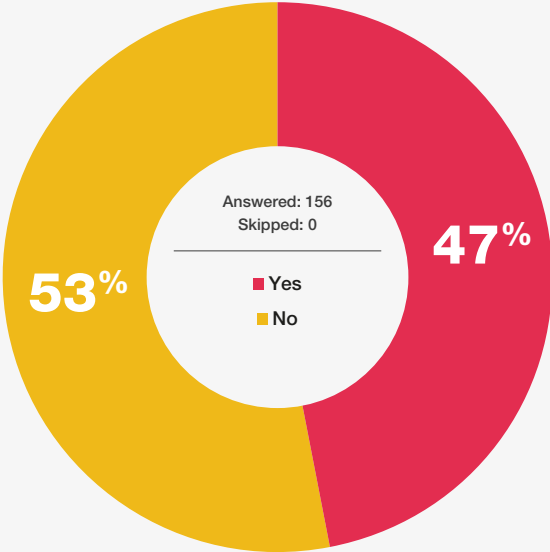


Section Six: Culture

Do you believe that the crisis has created a divide between those colleagues who went on furlough and those that stayed working?



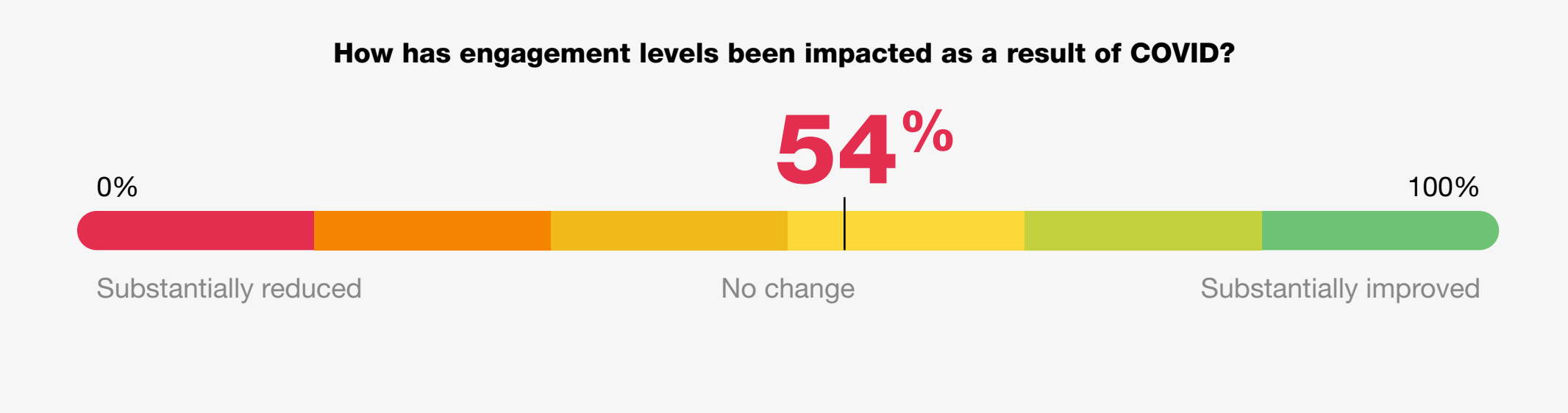
All companies



Applicable companies only

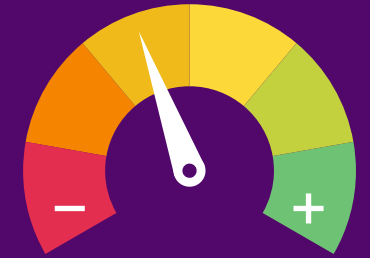
Section Six:

Culture



Seven

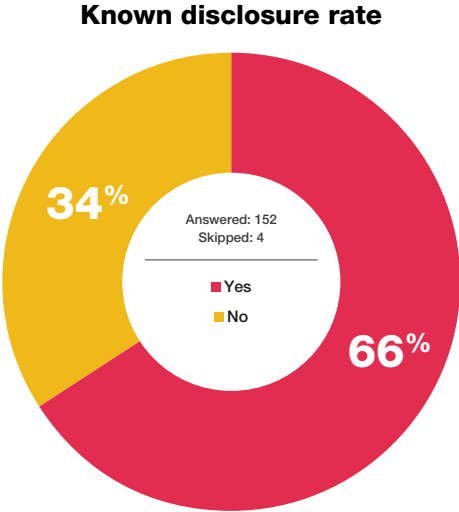
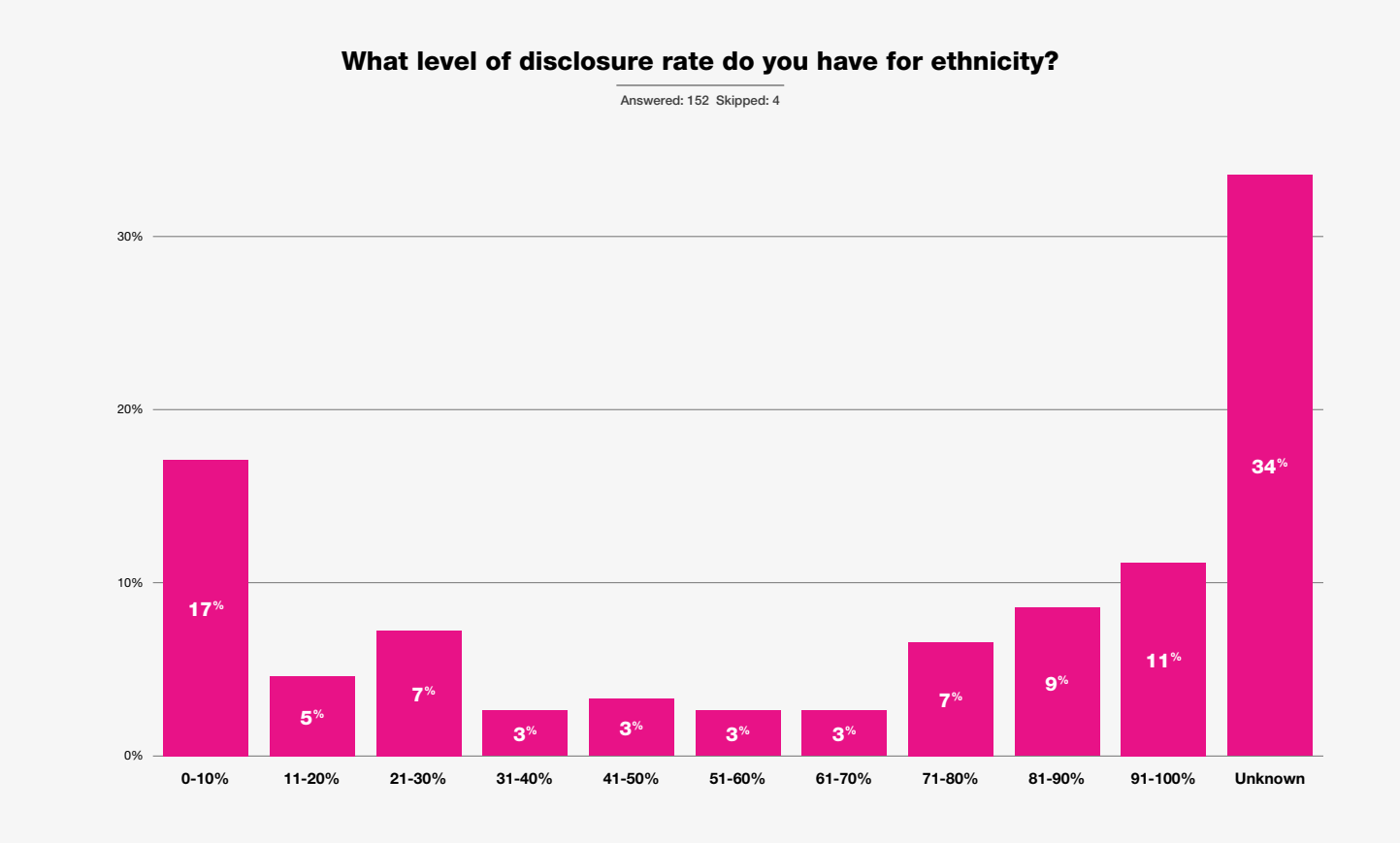
Diversity & Inclusion



- Just **two thirds of the respondents** were aware of their company's disclosure rate for Ethnicity
- **Almost half of the companies have a disclosure rate below 40%** which means there is a great deal of work they need to do before they can start to understand ethnicity in their organisation
- Great to see that **76% of companies have or intend to publish their ethnicity pay gap externally** – although 53% are not sure when this will happen
- Just **6% of the companies** have actually published
- The **majority of companies are at the data collection phase** with few companies putting in place actions/targets tied to analysis
- We know now that reporting of GPG will be mandatory for 2021 but it still good to see **91% of the companies were going to publish regardless**



Section Seven: Diversity & Inclusion



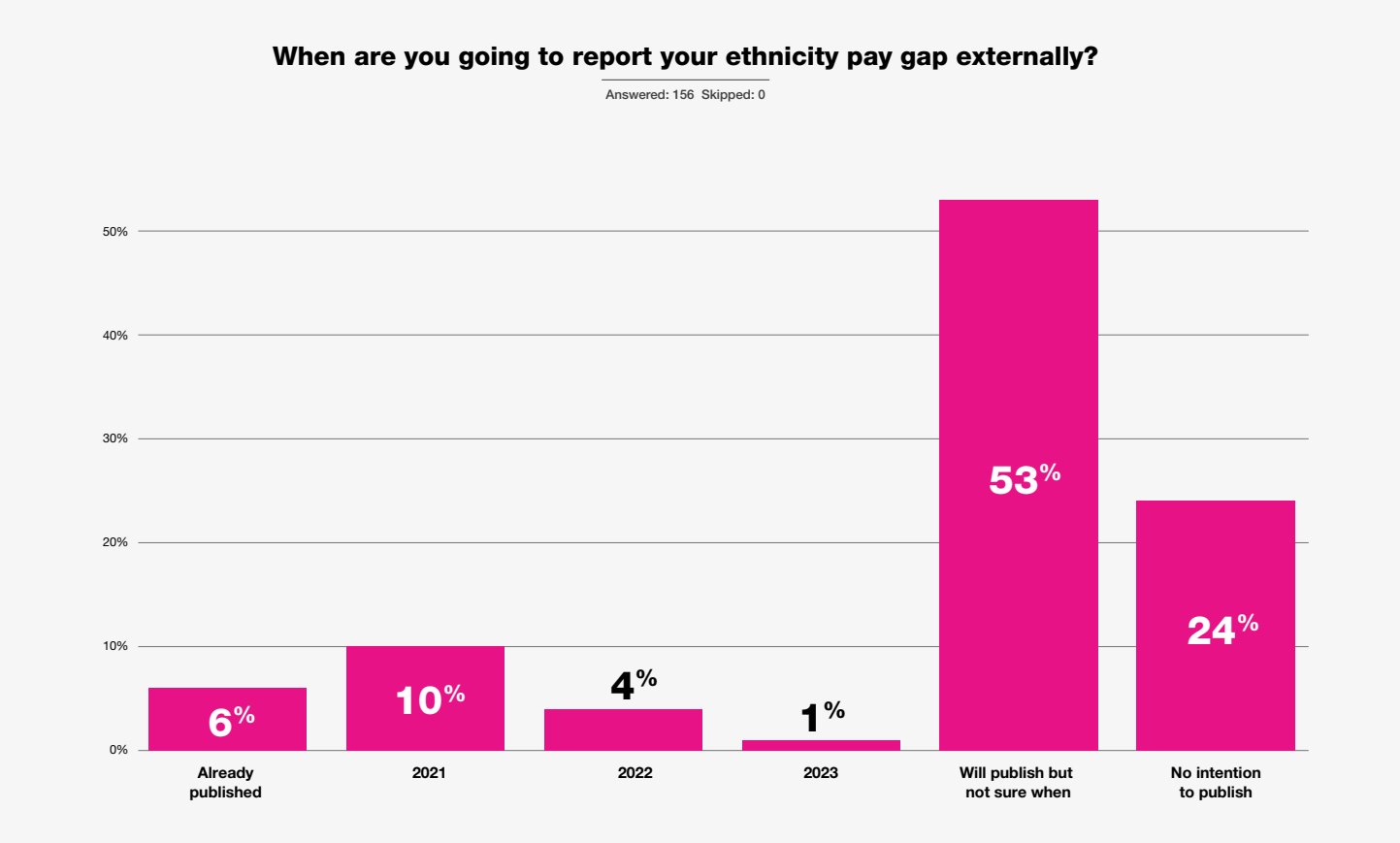
Section Seven: Diversity & Inclusion



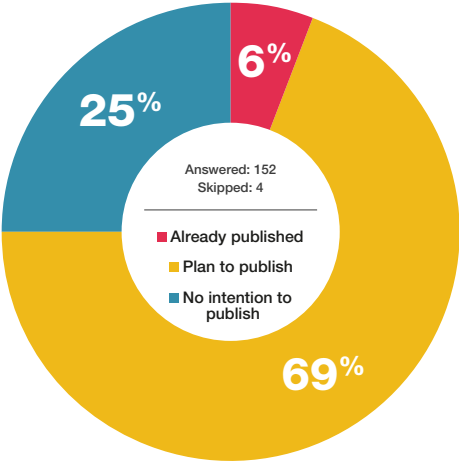
**Disclosure
levels**

<div>Low</div> <div>0%-40%</div> <div>48%</div>	<div>Medium</div> <div>41%-70%</div> <div>13%</div>
<div>High</div> <div>71%-90%</div> <div>23%</div>	<div>Exceptional</div> <div>91%-100%</div> <div>17%</div>

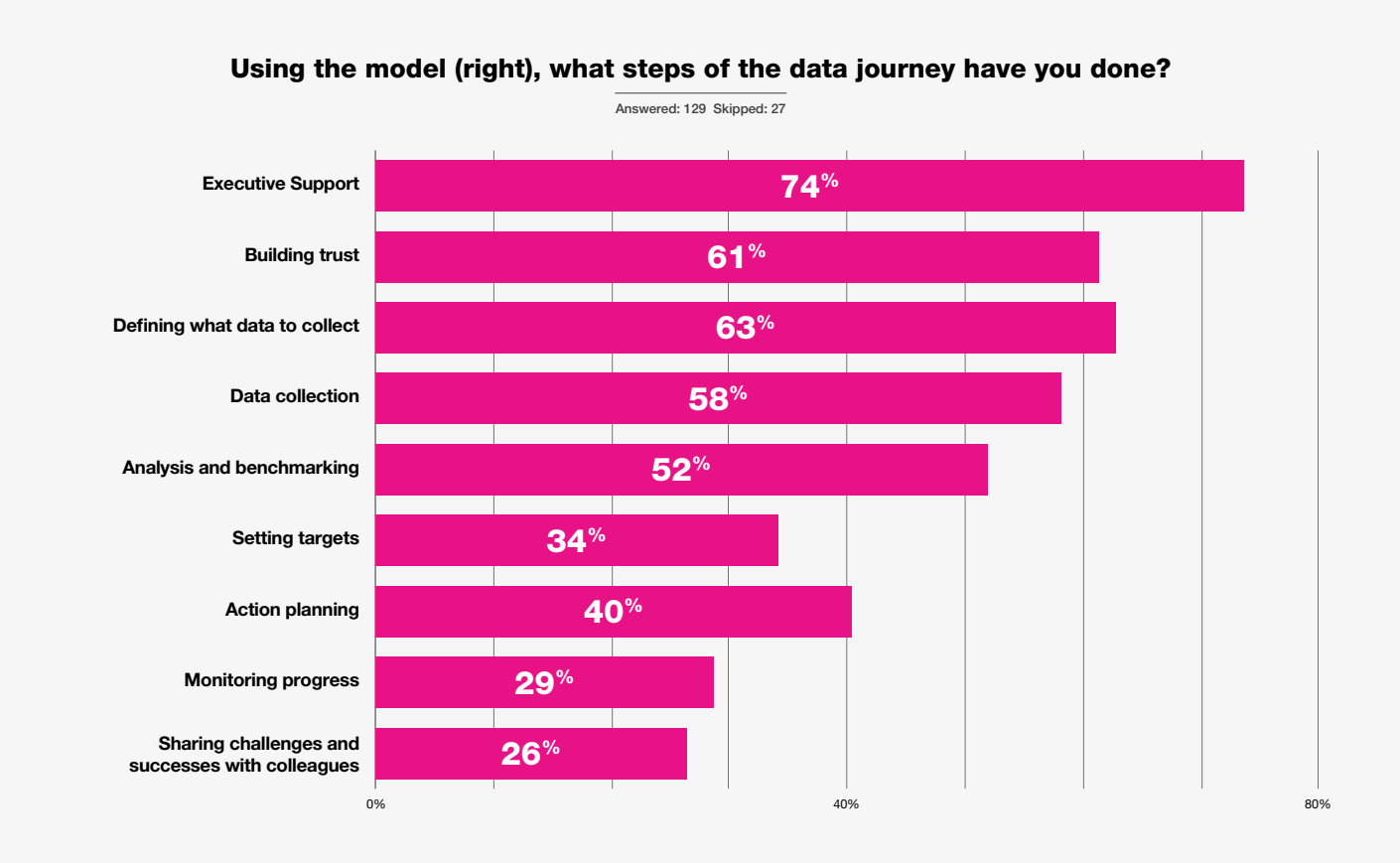
Section Seven: Diversity & Inclusion



Ethnicity Pay Gap External Publication



Section Seven: Diversity & Inclusion



Section Seven: Diversity & Inclusion



Disclosure phases
(% of companies at each phase)

**Pre-data
collection**

65%

**Collection
& analysis**

55%

**Targets
& actions**

37%

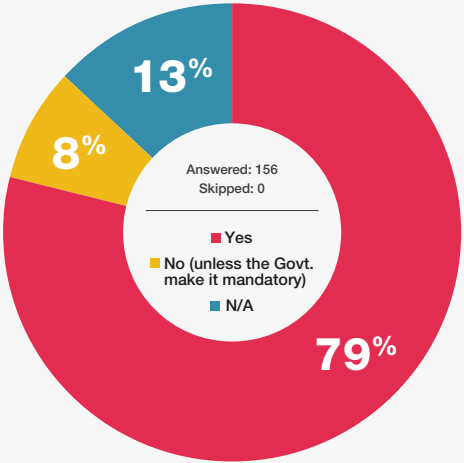
**Monitor
& share**

27%

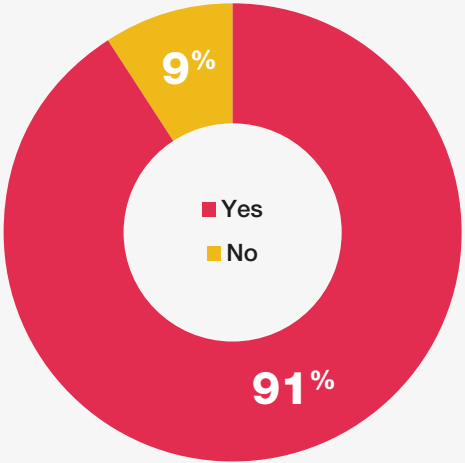
Section Seven: Diversity & Inclusion



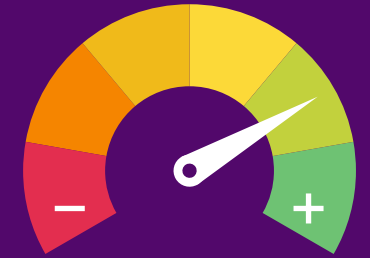
Will you report your Gender Pay Gap (GPG) this year?



% eligible companies will report GPG without Government mandating



HR Strategy



- The priorities of the **HR leadership teams clearly reflect the challenges** faced by companies in 2021
- Those being supporting colleagues through and **post-COVID-19 and the D&I agenda**
- **Top talent and developing leaders** are traditionally higher but is rightfully below the aforementioned initiatives



Section Eight: HR Strategy



Rank in order of importance the following for 2021 as a HR Team:

Answered: 156 Skipped: 0



Top 5 strategically important initiatives for 2021

- 1 D&I 7.4
- 2 Improving employee wellbeing 7.3
- 3 Attracting top talent 7.2
- 4 Developing Leaders 7.1
- 5 Nurturing employee engagement and company culture 6.8