

Recruiting Trends

# 2021

**HAYS UK SALARY &  
RECRUITING TRENDS  
UPSKILLING FOR THE  
NEW ERA OF WORK**

[hays.co.uk/salary-guide](https://hays.co.uk/salary-guide)

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## METHODOLOGY

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The salary data has been compiled using information gathered during 2020 from Hays offices across the UK. It is based on job listings, job offers and candidate registrations. The recruiting trends and benefits data is based on a survey conducted in October and November 2020.

The survey was completed by almost 23,000 employees and employers from organisations of all sizes and sectors. The survey on which the comparisons in this guide are based was carried out in June and July 2019 and received over 31,500 responses.

# RECRUITING TRENDS AT A GLANCE

Here we summarise the key findings from our research of almost 23,000 professionals. This overview offers insight into employer and employee sentiment towards hiring, skills in demand, salaries and benefits.

## Covid-19 has changed the workplace forever

Employers and employees who think their workplace won't ever return to the way it was before the Covid-19 pandemic:

**81%**  
employers

**63%**  
employees

## Cautious activity plans within the market, but recruitment continues

▼ **88%** of employers expect their organisation's activity levels to increase or stay the same this year... **compared to 94% last year**

▲ **37%** of employers are optimistic about the long-term economic climate... **compared to 36% last year**

▲ **75%** of employees are concerned about the long-term economic climate... **compared to 55% last year**

▲ **70%** of employers expect to recruit staff over the next year... **compared to 68% last year**

**67%**

of employees would prefer to be working in a hybrid way in 12 months' time

## Employers face ongoing skills shortages in niche areas

**77%**

of employers experienced skills shortages in the last year

## Expected hiring challenges in the year ahead:

A shortage of suitable applicants

**51%**

Competition from other employers

**46%**

## Top negative impacts of skills shortages:

Productivity

**45%**

Ability to deliver projects

**39%**

Employee morale

**37%**

## Upskilling high on the agenda

54%

of employees plan to upskill in their current or a different profession...

84%

of employers plan to support their team's upskilling

## Salary increases will continue for in-demand skills, but salary dissatisfaction remains

48%

of employers increased salaries in 2020... the same percentage plan to increase salaries in 2021

▼ 38%

of employees are dissatisfied with their salary... compared to 39% last year

## Covid-19 negatively impacting sentiments towards career prospects and job satisfaction

47%

of employees feel uncertain about their career prospects for this year

32%

of professionals say their job satisfaction has worsened because of the Covid-19 pandemic

43%

of professionals are considering a career change in the next 12 months as a result of the pandemic

## Employees choosing to move for better salaries, benefits and career opportunities

56% of employees expect to move jobs in the next 12 months

### Top three reasons employees want to move job:

Salary and/or benefits

21%

Lack of future opportunities

20%

Concerns about job security

18%

## Wellbeing benefits prioritised as Covid-19 impacts work-life balance

45%

of employees would prefer additional leave for wellbeing due to the pandemic

### How employee work-life balance has changed since March 2020:

Improved

29%

Stayed the same

42%

Worsened

29%

# RECRUITING TRENDS

## MARKET OUTLOOK

Following an unprecedented year due to Covid-19, understanding the latest recruitment trends takes on a new significance. In many areas, there is a greater disparity of sentiment than ever before, but what's clear is that there has been a shift in the skills needed. With further digital transformation and the acceleration of change within organisations set to continue, the need to upskill staff has never been more important.

### Activity levels signal caution within the market

Positive sentiment regarding business activity has slightly decreased, with 88% of employers expecting their organisation's activity levels to increase or stay the same in the next year, representing a dip from 94% in 2019. Of these, over half (53%) expect activity to increase – a largely positive sentiment given the ongoing uncertainty.

However, the number of employers anticipating that activity will decrease has doubled to 12% and over a third (35%) expect their organisation's activity levels will stay the same, so there is also a considerable note of caution.

# 1.2%

Average salary increase over the last year

### Over the next 12 months, do employers expect their organisation's activity levels will change?

■ Increase ■ Stay the same ■ Decrease

2020



2019



### Employees more concerned than employers about economic outlook

Employers have a more optimistic view for the long term. Over a third (37%) of employers say they are optimistic about the wider economy and the opportunities it may create within the next 2-5 years, almost no change from 36% in 2019.

However, that still leaves almost a third (30%) of employers who aren't optimistic. When looking specifically at what might be fuelling this, employers express greater concern about the effects of the Covid-19 pandemic on their organisation in the next six months (41%) than Brexit (11%). A further 38% say they are equally concerned about both and only 10% are not concerned about either.

In comparison, employees are much more concerned than employers about the longer-term outlook. Three quarters (75%) of employees say they are concerned about the wider economic climate and employment opportunities in the next 2-5 years, which is a significant increase from 55% last year.

### How optimistic are employers about the wider economic climate and business opportunities in the next 2-5 years?

■ Optimistic ■ Neutral ■ Not optimistic

2020



2019



### How concerned are employees about the wider economic climate & employment opportunities in the next 2-5 years?

■ Concerned ■ Not concerned ■ Unsure

2020



2019



# RECRUITING TRENDS

## RECRUITMENT PLANS

### Recruitment plans remain in place for the year ahead

Overall, the majority of employers (70%) expect to recruit staff over the next year, which is on a par with the 68% who said they intended to recruit last year. Of those employers planning to hire, over half (55%) plan to recruit permanent staff, the same percentage as the 2019 survey, and 34% expect to hire temporary staff, a slight increase from 30% last year. In light of Covid-19 and other economic challenges, it is positive that recruitment plans remain in place.

#### Are employers planning on recruiting staff over the next 12 months?



#### What type of staff will employers be recruiting?



Of the third (34%) who are planning to hire temporary staff, 68% plan to do so to meet peaks in demand. 36% also plan to hire temporary staff to access specific skills for one-off projects, which is a rise of 7% compared to last year.

When asked specifically if temporary recruitment was tied to Covid-19 and Brexit preparations, a third (32%) of employers say they are planning to recruit temporary, contract or interim staff over the next 12 months due to either Covid-19 or Brexit.

#### Why do employers plan to recruit temporary, contract or interim staff over the next 12 months?

To meet peaks in demand

68%

To ensure flexibility of staffing costs

22%

Access to specific skills for one-off projects

36%

To cover extra workload as a result of legislative changes

17%

To cover staff on long-term leave

22%

Difficulty finding suitable permanent workers

15%

### IR35 reforms causing contractors to seek permanent positions

Reforms to [IR35 legislation](#), which came into force in April 2017 for the public sector, passed the responsibility for determining the tax status of all personal service company (PSC) interim workers to the hiring organisation, including potential liability for tax and national insurance contributions. In the Autumn 2018 Budget, it was confirmed that the legislation would be extended to the private sector in April 2020 for large and medium-sized organisations. However, due to the Covid-19 pandemic, this was delayed until April 2021.

For private sector employers, the biggest risks they foresee of the reforms to IR35 legislation are potential cost increases (59%), the loss of key talent (42%) and increased workloads needed to comply with the changes (42%). A further 51% of private sector employers believe the changes to IR35 legislation in April 2021 will make it harder to hire non-permanent contractors.

This issue could be further exacerbated as a significant proportion of contractors who would be affected by the reforms say they will seek a permanent position instead. Prior to the delay of the reforms in March 2020, some organisations chose to implement a personal service company (PSC) ban. 32% of contractors who worked with organisations that put this ban in place say they took the PAYE offer, but 40% say they looked for an out-of-scope contract, and 22% looked for a permanent job. In the future, if their assignment is determined to be in-scope of IR35, 38% of contractors affected say they would look for a permanent job, 27% would take the PAYE offer and 26% would look for an out-of-scope contract.

# RECRUITING TRENDS

## SKILLS SHORTAGES

### Skills shortages remain a persisting problem

Over the next 12 months, around half (51%) of employers expect a shortage of suitable applicants to be their top challenge to overcome when recruiting staff. This has dropped from 65% in 2019 and 68% in 2018. However, the other challenges remain largely unchanged from previous years. Competition from other employers remains a key obstacle to hiring for 46% of employers, as well as applicants with unrealistic salary requirements (44%).

#### Top three challenges employers expect when recruiting over the next 12 months:

■ 2020 ■ 2019 ■ 2018

##### Shortage of suitable applicants



##### Competition from other employers



##### Applicants with unrealistic salary requirements



Over three quarters (77%) of employers have experienced skills shortages in 2020, almost half (47%) of whom have faced moderate or extreme skills shortages. This is a decrease compared to the 62% that faced moderate or extreme skills shortages in 2019. In addition, over half (54%) of employers say that it has been difficult to recruit permanent staff in the last year, and over a third (37%) say it has been difficult hiring temporary staff in this timeframe.

#### To what extent have employers experienced skills shortages in the past year?

■ Extreme shortages ■ Moderate shortages ■ Minor shortages ■ No shortages

##### 2020



##### 2019



Productivity remains the top area which is being negatively impacted by skills shortages according to 45% of employers. This is followed by the ability to deliver projects for 39% of employers, overtaking employee morale, which now stands at 37%.

Skills shortages are also having an adverse effect on innovation and creativity, which over a quarter (26%) of employers say has been negatively impacted.

Interestingly, albeit still an issue, skills shortages appear to be having less of an impact on employee morale and absenteeism due to stress, as both of these areas have dropped in significance over the past year. Skills shortages therefore appear to be having a greater impact on business outputs, rather than on individuals based on our survey results.



## In what areas have skills shortages impacted organisations according to employers?

■ 2020 ■ 2019

Productivity



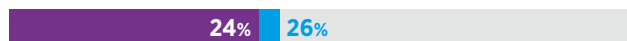
Ability to deliver projects



Employee morale



Innovation/creativity



Customer/client service



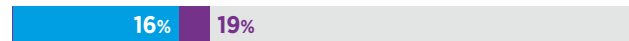
Growth/expansion



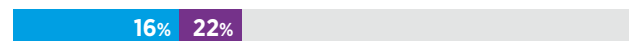
Business development



Revenue/profit



Absenteeism due to stress



## Employers looking for new ways to secure and develop the skills they need

Strategies used to address skills gaps include hiring temporary or contract workers to tackle immediate skills shortages (40%), as well as recruiting apprentices (21%). Furthermore, a fifth (20%) of employers have increased their use of recruitment agencies, implemented a mentoring programme, increased their marketing activity to raise their profile with prospective employees or allowed employees study leave for external training.

While hiring temporary staff is one way to secure needed skills, employers should be aware of the potential impact of the IR35 legislation which has encouraged a significant proportion of contractors to seek permanent roles. As a result, employers risk trying to acquire skills from a smaller pool of contractors. It is notable that one in five employers are investing in their staff's development through mentoring and external training to develop the skills they need.

## Top actions taken by employers to address immediate skills shortages within the workforce

Hired temporary or contract workers



Allowed employees study leave for external training



Recruited apprentices



Increased training budget



Increased use of recruitment agencies



Encouraged a more diverse range of candidates



Implemented a mentoring programme



Increased recruitment budget



Increased marketing activity to raise profile with prospective candidates





# RECRUITING TRENDS

## SKILLS IN DEMAND

### Transformation projects fuelling skills requirements

Although almost all employees surveyed (97%) believe they have the skills needed to fulfil their current role, almost a quarter of employers (22%) do not think their organisation has the talent needed to achieve its current objectives. This has only changed marginally over the past three years.

#### Do employers think their organisation has the talent needed to achieve current business objectives?

■ Yes ■ No

2020



2019



2018



In terms of the specialist skills most needed by employers, there has been a marked shift from previous years with project and change management skills having moved to the top of the list (22%), alongside finance skills (22%), and operations skills (21%). In 2019, there was a much greater focus on managerial and leadership skills (33%) and operations (32%).

This year's strong focus on project management and change management reflects the increasing number of transformation projects, and finance skills are also in greater need compared to the previous year (rising from 16% to 22%). Technology skills, such as IT infrastructure, data and analytics and cyber security skills, have also all seen an increase in demand this year, increasing in demand by 4%, 7% and 4% respectively.

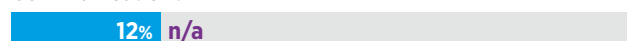
#### Which of the following specialist skills are most needed by employers?

■ 2020 ■ 2019

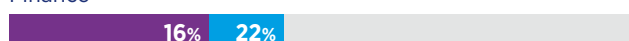
Project and change management



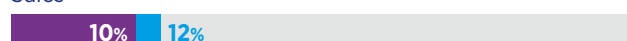
Communications



Finance



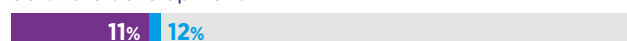
Sales



Operations



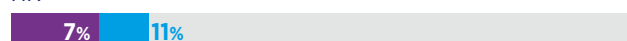
Software development



IT infrastructure



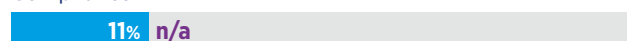
HR



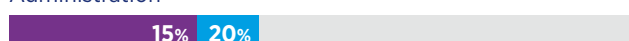
Managerial/leadership



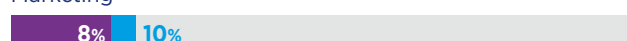
Compliance



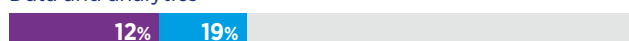
Administration



Marketing



Data and analytics



Cyber security



## Employees not prioritising the adoption of change as much as is required by employers

In terms of the soft skills in greatest demand, 55% of employers say communication and interpersonal skills are most required, closely followed by the ability to adopt change (53%), problem-solving skills (45%), and flexibility and adaptability (43%).

Although employers are seeking communication skills and the ability to adopt change, employees are most focused on developing their people management skills, with over a third (37%) saying they would like to develop this skillset to progress their career.

Also, although the ability to adopt change is now the second most sought after soft skill, there is a clear gap in employees' understanding of how important the ability to adopt change is to employers. Over half (53%) of employers are in need of this skill, yet only one fifth (20%) of employees want to develop this in order to progress their careers.

There is also a mismatch with regards to negotiation. Although 27% of employees rate negotiation as an important skill, only 17% of employers do.

### Soft skills employees would like to develop in order to progress their career versus those most needed by employers

■ Soft skills employees would like to develop ■ Soft skills most needed by employers

Communication and interpersonal skills



Ability to learn



Ability to adopt change



Judgement and decision-making



Problem-solving



Emotional intelligence



Flexibility and adaptability



Creativity



People management



Service orientation



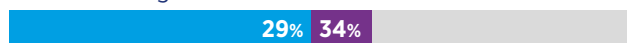
Coordinating with others



Negotiation



Critical thinking



# RECRUITING TRENDS

## EMPLOYEE UPSKILLING

### Learning and development key to staff attraction and retention

Given the new skills requirements, investment in the [learning and development of staff](#) is important for organisations to consider for both staff retention and attraction. 88% of employers and 71% of employees believe that this is quite or very important to attract new staff. Employers (91%) and employees (70%) both believe upskilling of staff is important to staff retention.

#### How important do employers and employees believe an investment in learning and development is to support staff attraction?

Very important Quite important Neutral Not important

Employers



Employees



#### How important do employers and employees believe an investment in learning and development is to support staff retention?

Very important Quite important Neutral Not important

Employers



Employees

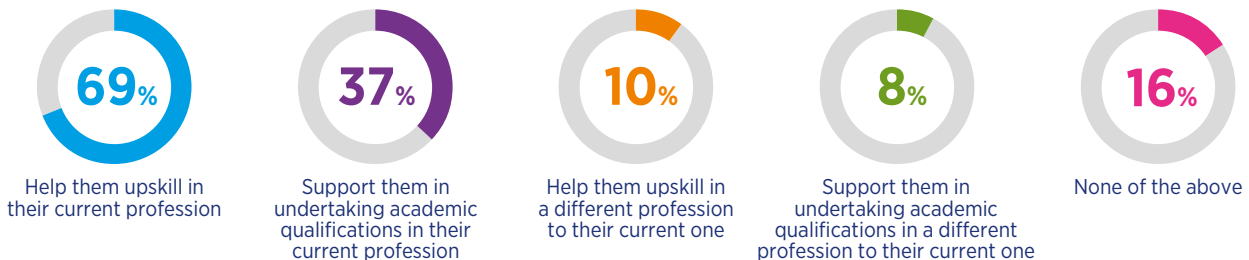


### Upskilling a key focus for employers for the year ahead

Upskilling staff will be widespread in the year ahead, with two thirds (69%) of employers planning to help their staff upskill in their current profession, and a further third (37%) expecting to support staff to undertake academic qualifications in their current profession.

A further 18% of employers even plan to help their team to upskill or take an academic qualification in a different profession to their current one.

#### How do employers plan to support the upskilling of their team in the next 12 months?



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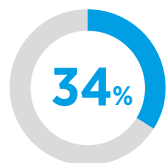
### Employees plan to upskill to progress their careers

Although there is a discrepancy between the skills employers need and those employees wish to develop, Covid-19 has caused employees to consider their skillsets and the need to upskill. Over a third (34%) of employees plan to upskill further in their current profession over the next 12 months, a fifth (20%) plan to upskill in a different profession to their current one, and 12% plan to undertake academic qualifications in a different profession.

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#### What changes to their skills do employees plan to make in the next 12 months, as a result of the Covid-19 pandemic?

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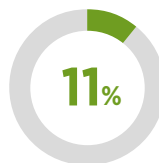
Upskill further in my current profession



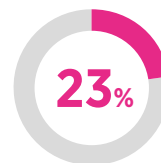
Upskill in a different profession to my current one



Undertake academic qualifications in a different profession to my current one



Undertake academic qualifications in my current profession



None of the above



# RECRUITING TRENDS

## EMPLOYEE MOBILITY

### Employees claim career progression has stalled due to Covid-19

40% of employees do not feel there is scope for career progression within their current organisation, a slight rise from 37% in 2019. Almost a third (29%) of professionals believe this scope for career progression has decreased directly as a result of the Covid-19 pandemic.

Positivity around career prospects for the year ahead has also decreased for employees since last year, from 52% to 38%. A further 47% of professionals say they are uncertain about their career prospects, an increase from 39% in 2019. In addition, 15% say they feel negatively about their prospects, a rise from 9% the prior year.

Although employees are feeling less positive about their career progression and prospects, only just over one fifth (21%) say their employer has taken steps to reduce their uncertainty about their career prospects since the outbreak of the pandemic.

#### Do employees feel there is scope for progression within their organisation?

■ Yes ■ No

2020



2019



#### How do employees feel about their career prospects for this year?

■ Positive ■ Uncertain ■ Negative

2020



2019



### Covid-19 both motivates and inhibits job moves

When it comes to considering moving roles, Covid-19 is both a motivator – for those frustrated by its impact on their career progression – and an inhibitor for employees who believe now is not the right time for change. Over the last year, 38% of professionals changed roles, a decrease of 5% from 2019, and a further 36% considered doing so. 29% of employees say they left their last role due to redundancy. This was followed by their salary being too low (15%), a lack of career progression (14%) and a lack of career development opportunities (13%).

Prior to the onset of the pandemic, 44% of professionals were looking to move roles. Of these, 34% are still in employment and still actively looking for a new job, while 21% are looking for a new role because they are no longer in employment. A quarter (25%) of employees say they are no longer looking for a new role or their search has slowed considerably as a result of the pandemic, the main reason being they believe it is too risky to move jobs at this time.

#### Has the Covid-19 pandemic changed the job search of those planning to move roles before the pandemic began?

■ Now looking more actively, but still in employment ■ No longer looking/slowed considerably ■ Now need a new job, no longer in employment ■ No



Despite some caution with regards to actively job searching, employees say they are still planning to move jobs. Over half (56%) of employees still anticipate a move in the year ahead, which is on a par with the survey in 2019 (55%). Of these, over a third (35%) plan to do so in the next six months, again in line with last year's survey. Indeed, there has been very little change in employee plans to move jobs over the past three years.

#### When do employees anticipate they will next move jobs?

■ Within 6 months ■ Between 6-12 months ■ Between 1-2 years ■ Between 2-3 years ■ More than 3 years

2020



2019



2018



#### Employees dissatisfied with career development and concerned about job security

Almost a third (29%) of employees say they are dissatisfied with their job, the main reasons being a lack of career development opportunities (42%), as well as a lack of job security (42%). Furthermore, a third (32%) of employees specifically say their job satisfaction has worsened as a result of the Covid-19 pandemic.

In line with previous years, the main reason employees plan to leave their current role is because of their salary and benefits package (21%). A lack of future opportunities is also a key reason to move for 20% of employees. Furthermore, this year has seen a jump in those wanting to change job due to concerns about job security, increasing from 13% in 2019 to almost a fifth (18%).

#### Top five reasons employees want to leave their current role:

■ 2020 ■ 2019

Salary and/or benefits package



Lack of future opportunities



Concerns about job security



The work itself



Organisational restructure



# RECRUITING TRENDS

## EMPLOYEE MOBILITY

Job security has also risen in importance for those employees looking for a new role in 2020 compared to 2019. Its importance has risen from 12% to 19% for employers, and from 12% to 18% for employees, to become the second most important factor for both.

After a year spent grappling with remote working, with many parents furthermore being forced to juggle childcare with their professional commitments on top of this, the most important factor for professionals when considering a new role, aside from salary, is work-life balance (30%).

### Difference between what employees and employers rate as most important when considering a new role, aside from salary

■ Important for employees ■ Important for employers

Work-life balance (including flexible working)



Challenging role/projects



Job security



Benefits package



Career development/CPD



Work environment



Location

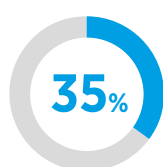


Employer brand

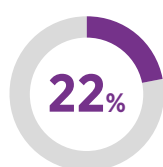


The past year has also led professionals to reconsider their career options. Over a third (35%) plan to change organisation but stay within the same role or industry due to the impacts of Covid-19. Almost a quarter (22%) plan to find a role with a greater purpose and almost a fifth (17%) plan to follow a completely different career path.

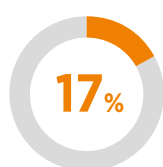
### What changes to their career path do employees plan to make in the next 12 months, as a result of the Covid-19 pandemic?



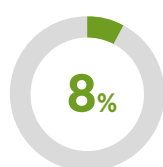
I plan to change organisation but within the same role/industry



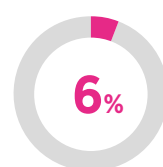
I plan to find a role with greater purpose



I plan to follow a completely different career path



I plan to find a new role within my current organisation



I plan to set up my own business/become self-employed



None of the above





# RECRUITING TRENDS

## SALARY STRATEGY

### Salary increases targeted in areas of skills shortages

An uncertain marketplace caused by Covid-19, Brexit, IR35 and other industry-specific factors has undoubtedly influenced salaries. Although, overall, there has been an average salary increase of 1.2% across the UK, this increase isn't widespread across all roles and regions, reflecting the more targeted increases in areas of skills shortages.

With areas such as IT, procurement, HR and life sciences topping the list of largest salary increases, this reflects the increased demand in these areas. However, even within these areas, the increases are largely driven by niche roles achieving significant increases.

### Salary changes and the outlook for the year ahead

Over the last 12 months, almost half (48%) of employers increased their employees' salaries compared to over three quarters (76%) who said they increased salaries the previous year. A further 47% kept them the same, compared to 23% who kept them the same in 2019. These changes and a rise in the number of employers who stated they decreased salaries is reflective of Covid-19. 5% of employers decreased salaries over the last year, of whom 92% say this was as a direct result of the Covid-19 pandemic.

This situation looks set to remain for the next year, with half (50%) of employers predicting their employees' salaries will stay the same and 48% expecting them to increase in the next 12 months. This reflects a decrease compared to 2019, when 71% of employers stated they were planning to increase salaries.

#### During the last 12 months, how have employers changed their workforce's salaries?

■ Increased ■ Stayed the same ■ Decreased

2020



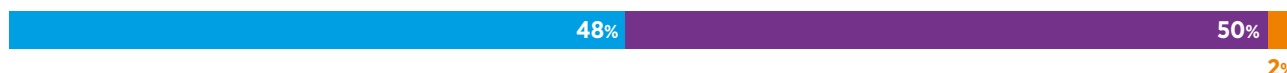
2019



#### Over the next 12 months, how are employers likely to change their workforce's salaries?

■ Increase ■ Stay the same ■ Decrease

2020



2019



Perhaps unsurprisingly given the disparity between what employers were planning for salaries compared to the salary increases they are actually awarded, salary dissatisfaction remains high. Over a third (38%) of employees stated they aren't satisfied with their salary. However, this does remain on a par with the previous year, when 39% of employees stated they weren't satisfied with their salary.

#### Are employees satisfied with their salary?

■ Yes ■ No

2020



2019



Furthermore, while 18% of employees also received a performance-related bonus in the last 12 months, just over a fifth (22%) say they are dissatisfied or very dissatisfied with their bonus payment. This remains consistent with 2019, when 20% of professionals received a bonus, of whom 24% were dissatisfied or very dissatisfied.

#### Are employees satisfied with their bonus?

■ Very satisfied ■ Satisfied ■ Dissatisfied ■ Very dissatisfied

2020



2019



#### Covid-19 led to leadership pay cuts but these are not forecast to continue

Salary dissatisfaction may also have been fuelled by pay cuts that took place as a direct result of Covid-19. Almost a third (29%) of employers say their leadership team took a pay cut or reduced their bonuses during 2020. However, not all leadership teams have not committed to taking a pay cut or reducing their bonuses in the year ahead, with only 11% of employers saying their senior leaders plan to do so in the next 12 months.

#### Did your leadership teams take a pay cut or reduce their bonuses as a result of the Covid-19 pandemic?

■ Yes, they took a pay cut ■ Yes, they reduced their bonuses ■ Yes, both ■ No ■ Unsure



# RECRUITING TRENDS

## SALARY STRATEGY

### Employees value pay transparency

For organisations looking to address salary satisfaction levels, pay transparency is key. Over two thirds (70%) of professionals say it is important for their organisation to be transparent about how pay levels and pay rises are set, but a third (35%) of employers do not agree that their organisation is consistently transparent with employees. This is on a par with 2019, when almost three quarters (74%) of employees deemed it to be important, yet two fifths (41%) of employers felt their organisation wasn't transparent about pay levels.

#### How important is it to employees that their organisation is transparent about how pay levels and pay rises are set?

■ Important ■ Neutral ■ Not important

2020



2019



#### Do employees agree their organisation is consistently transparent with employees about how pay levels and pay rises are set?

■ Agree ■ Disagree

2020



2019



### Perceived gender pay gap negatively impacting retention

Gender pay gaps also continue to be an issue within organisations, which is prompting some employee attrition. 27% of employers and 18% of employees say they are aware of a gender pay gap in their organisation. Of these employees, 83% say it is an issue for them, with 18% saying it is enough of an issue that they will either leave their organisation or are considering leaving.

In a similar trend to last year, women are more likely than men to say they are aware of a gender pay gap at their organisation (21% and 15% respectively). Of those who are aware of a gap, 88% of women consider it an issue compared to 77% of men. Over a fifth (21%) of women say it is enough of an issue for them that they either will leave or are considering leaving their organisation, compared to only 13% of men.

#### Of those employees who are aware of a gender pay gap in their organisation, how much of an issue is this for them?

■ Significant issue - enough to consider leaving their organisation ■ Moderate issue ■ Minor issue ■ Not an issue ■ Unsure



**21% of women say the issue is significant enough for them to consider leaving**





# RECRUITING TRENDS BENEFITS & WELLBEING

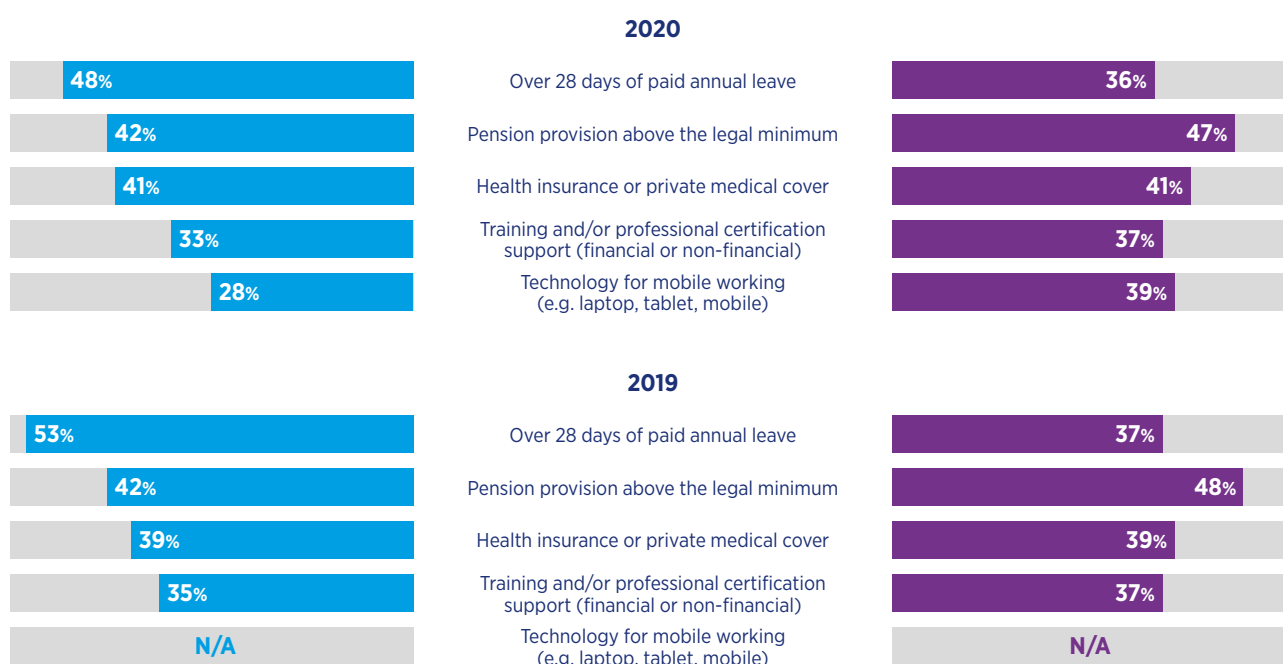
## Generous annual leave prized by employees

Almost half (48%) of employees deem having over 28 days of paid annual leave as the most important benefit when moving to a new role. This is slightly lower than 2019 when 53% of employees rated generous annual leave as the most important benefit. This is followed by placing importance on a pension provision above the legal minimum (42%), and health insurance or private medical cover (41%), both of which remain on a par with the previous year.

It is also interesting to note the discrepancy between employers and employees with regards to technology. 39% of employers stated that they now offer technology for mobile working, yet only just over a quarter (28%) of employees deem this to be important.

## Top five benefits considered important to employees/offered by employers:

■ Important to employees ■ Offered by employers



## Covid-19 changed the benefits employees want

With many employees encouraged to work from home where possible, benefits have needed a rethink. Over a third (37%) of employers say they have reviewed their benefits offering as a result of the Covid-19 pandemic. Many of the top benefits centre around enabling employees to carry out their roles from home, including providing hardware, such as headsets and computer monitors (58%), laptops (57%) and an office chair (46%).

However, there is also a clear mismatch with regards to what employers are offering and what employees rate as important. For example, 58% of employers provide hardware to support remote working, but only 32% of employees rate this as an important benefit, and 57% of employers provide laptops, but only 32% of employees rate this as an important benefit.

A further example is also seen in wellbeing support. Almost half (45%) of employees would like to have the option for additional days off work for wellbeing, but under a third (28%) of employers have offered this so far.

## What benefits have employers offered as a result of the Covid-19 pandemic/would employees prefer?

■ Preferred by employees ■ Offered by employers



## Greater disparity amongst workforce's work-life balance

Overall, work-life balance has been negatively affected over the course of 2020. There has been a 5% rise in professionals who rate their work-life balance as average or poor compared to last year, increasing from 43% to 48%. However, Covid-19 hasn't merely caused this decrease, but it has created greater disparity amongst the workforce. 29% of professionals say their work-life balance has improved since the Covid-19 lockdowns began, while 29% say it has worsened and 42% say it has stayed the same.

To improve their work-life balance, over a third (36%) of employees would ideally change their working hours, and a fifth (20%) would change the expectation to work outside their contracted hours, a continued upward trend from 2019 (16%) and 2018 (12%).

## How would employees rate their work-life balance?



## How do employees feel their work-life balance has changed since the Covid-19 lockdowns began?





# RECRUITING TRENDS

## BENEFITS & WELLBEING

### Switch to remote working viewed positively

With many having switched to remote working for the first time on such a scale, it is significant that even with the added complications of Covid-19, 59% of employers and 63% of employees feel that since March 2020, remote working has had a positive impact on their organisation.

However, the proportion of those with a negative view towards remote working since March 2020 was greater for employees, with over a quarter (27%) of employees regarding the switch to remote working as negative compared to only 13% of employers.

#### How do employees and employers rate the impact of remote working on their organisation since March 2020?

■ Positive ■ Negative ■ Uncertain

##### Employee



##### Employer



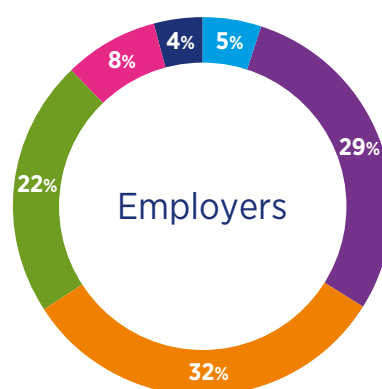
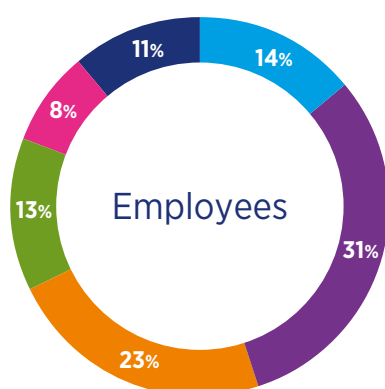
### The future is hybrid

While professionals have had to adapt to remote working, looking ahead employees are most inclined to prefer some form of hybrid working, with over two thirds (67%) of employees preferring this option and 83% of employers stating that they would prefer their staff to be working in a hybrid manner in 12 months' time.

Overall, employees' preference is to work mostly, but not fully, remotely (31%) or split their time evenly between the office and working remotely (23%). When considering a new role, over a third (38%) of jobseekers state that hybrid working is the most important flexible working option for them. Only 14% of employees and 5% of employers state that their preference is to be working fully remotely in a year's time.

#### Ideally how would employees prefer to be working/employers prefer their staff to be working in 12 months' time?

■ Fully remotely ■ Majority remote, with some in the office ■ Half in the office, half remote  
■ Majority in the office, with some remote ■ Fully in the office ■ Not sure





# RECRUITING TRENDS RECOMMENDATIONS

Despite the challenges presented by Covid-19, employers still need to ensure they have access to the talent they need and to do so they must combat both existing and new challenges. Below are some recommendations to help employers with their talent management strategies for the year ahead.

## Upskilling is vital

As the world has changed so have the skills that employers need most. This year, project and change management skills top the list of specialist skills most wanted by employers. However, there is an understanding gap between the skills employees want to develop to progress their careers and the skills employers need. Employers should provide support to their teams to help develop this understanding and close this gap.

Supporting staff with targeted training and development opportunities should be a priority for employers. This could include supporting your team in undertaking academic qualifications, or investing in online training, such as Hays Thrive, our free online training portal to help your team with the tools they need to thrive in the new world of work.

## Plan your contractor recruitment

Engaging non-permanent contractors and temporary workers is how many employers plan to meet peaks in demand and overcome immediate skill shortages caused by Brexit and the Covid-19 pandemic. However, from April 2021, reforms to IR35 legislation will come into effect for medium and large-sized organisations in the private sector which will pass the responsibility for determining the tax status of all personal service company (PSC) interim workers to the hiring organisation, including potential liability for tax and national insurance contributions.

In order to continue to engage contractors and keep projects on track, employers should prepare for the IR35 changes by taking the time to understand the reforms, implementing appropriate processes to determine if roles are in or out of scope of IR35, and auditing their recruitment partners to ensure they are familiar with the reforms and able to demonstrate they are following the correct procedures.

## Get remote recruitment and onboarding right

It's not just how we work that's changed, for many the recruitment process has also changed, and interviews are now more likely to take place over a video than in person. This is a significant shift and employers need to ensure that those responsible for hiring understand how to conduct successful video interviews and identify the right candidate without meeting them in person.

Remote onboarding is also key to the success of any new hires – don't underestimate how important this is to get your new hire up to speed quickly, engaged with the team and the company culture, and contributing to the team's success. Failure to adapt your onboarding process could risk your new hires leaving shortly after joining. Consider working with an expert like Hays, who understands not only how to find talent remotely but can also advise you on the changes needed to your onboarding process to ensure it is effective for those working partially or fully remotely.

## Be transparent about pay and bonuses

After a challenging year with pay increases not meeting many employees' expectations, it isn't surprising that salary dissatisfaction has increased. Ensuring there is clarity about how pay structures are set is key to improving salary satisfaction and staff retention. Over two thirds (70%) of professionals say it is important for their organisation to be transparent about how pay levels and pay rises are set.

Sharing how pay and promotion structures are agreed, and publishing pay levels within your business will help improve transparency. With many organisations going through rapid change it's important to ensure regular pay reviews are in place so that if employees' roles expand and their responsibilities increase their remuneration package is also reviewed.

Assessing the pay of your team regularly and being transparent about how pay and bonuses are set will not only improve your existing staff salary satisfaction, but it will also make your business more attractive to new potential new employees.

“Over two thirds of professionals say it is important for their organisation to be transparent about how pay levels and pay rises are set.”



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### Consider long-term hybrid and remote working policies

The events of 2020 radically accelerated the uptake of remote working for many organisations, and while the extent to which remote working will continue remains to be seen, most professionals believe the workplace has changed forever.

With the door now open for more employees than ever before to work remotely, employers should consider what impact this has on hiring, such as access to wider talent pools if proximity to the workplace is no longer a necessity.

Employers should also consider the effects of the rise of remote working on their current staff. Looking long-term, employees are more inclined to want to work remotely most of the time. Flexibility is the key here, as one size won't fit all when it comes to preferred ways of working, so putting processes and resources in place should be a focus throughout.

### Recognise the importance of work-life balance and wellbeing

After a year grappling with remote working, many parents forced to juggle childcare on top of their professional commitments and limited options for annual leave, the most important factor for professionals, aside from salary, when considering a new role is work-life balance. It would be remiss of employers not to look at how they can facilitate a better work-life balance and support their teams to put in place positive working routines.

Employers should also evaluate whether their benefits package should change in light of the Covid-19 pandemic. For example, Covid-19 has affected the benefits employees want with almost half of employees saying they would like to have the option for additional days off work for wellbeing. Employers should look at what support structures they have in place to help their staff improve their wellbeing, such as mental health first aiders and wellbeing ambassadors.

Ensuring policies and agreed working practices are led from the top is also an important strategy for companies that need to drive cultural change with a new approach to work-life balance and wellbeing.

### 6 THINGS TO TACKLE THIS YEAR

- 1 Make upskilling a priority
- 2 Plan your contractor recruitment
- 3 Get remote recruitment and onboarding right
- 4 Be transparent about pay and bonuses
- 5 Consider long-term hybrid and remote working policies
- 6 Recognise the importance of work-life balance and wellbeing

**To discuss how these recommendations could be applied to your organisation, contact your Hays consultant. To find your recruiting expert, visit [hays.co.uk/offices](https://hays.co.uk/offices)**

“ With the door now open for more employees than ever before to work remotely, employers should consider what impact this has on hiring. ”

# CONTACT US

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For further information on how our core employer services can help support your recruitment strategy, visit [hays.co.uk/recruitment/employer-services](https://hays.co.uk/recruitment/employer-services)

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