

# City HR Compensation Forum

## 10 May 2022

- Survey Participants
  - London focused
  - Smaller to medium-sized FS organisations
  - Commercial & Investment Banks
  - Private Banks & Wealth Management Companies
  - Fund/Asset Management Companies
  - Other Financial Sector

# Pay Reviews 2021

- Based on City Pay Survey published findings
- Just over 10% of companies had a complete pay freeze, less than we saw in 2020 (16%)
- However, average increases lower year on year
- Median pay increase in 2021, by company - 2.2% compared to 2.8% in 2020, and 3.6% in 2019.
- When comparing matched individuals (same person in same job as last year) over 20% received no pay increase in 2021

# Annual Bonus Awards 2021 for 2020 performance

- Bonus awards were lower, on average, than in recent years.
- Around a quarter of all eligible individuals did not receive a bonus, with several organisations paying no bonuses to any employees
- Median bonuses as percent of salary for matched individuals:
  - Front office/senior management: 15% of base (27% in 2020)
  - Back office management: 10% of base (27% in 2020)
  - Clerical: 8% of base (16% in 2020)

# Pay Reviews 2022

- Cost of Living concerns have impacted salary increases
- Over 50% of those responding to a mini-survey (March 2022) advised that inflation had caused them to increase their expected salary budgets.
- Others felt cost of living was not a factor in their decision-making
- Other key factors
  - competing with market pay rates (difficulty in recruiting and retaining staff due to increasing salaries in the London market);
  - affordability and sustainability of the pay budget;
  - catching up after low increases in previous years

# Pay Reviews 2022

- Median company-wide pay increases implemented Jan – Apr 2022, c3.3%
- Focusing available budget on
  - key employees;
  - talented individuals;
  - some teams (particularly control functions)

# Ongoing Hybrid Working Arrangements

- Around 90% of our survey participants continue to offer a hybrid working arrangement
- Most popularly 3 days in the office, 2 working from home
- Expectations that this will continue for at least the foreseeable future though being monitored & reviewed
- When recruiting applicants now expect to see hybrid working pattern available
- Culture of the organisation can impact on the acceptance of hybrid working

# Employee Benefits

- In addition to more flexible working arrangements companies are looking at offering further benefits to attract and retain staff
- Increased holiday entitlement
- Additional Leave for personal commitments
- Health and Medical Benefits
- Shopping vouchers
- Improved maternity & paternity benefits

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