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# The Engineering Construction Industry Association

## Pay and Benefits Update Survey

Report for participants

2024 Edition

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## Introduction

This management report summarises current reward market practice collected from a short Reward Survey for members of the Engineering Construction Industry Association. It has been designed to inform decision making regarding common market policy in the areas of Pay and Benefits within the sector.

### BACKGROUND

The survey gathers data about common market practice in several areas in the HR sector regarding salary reviews and benefits market trends.

### REPORT STRUCTURE

This report has the following structure:

Section 1	Introduction	Background information, the method of approach and data sources.
Section 2	Survey Results	Analysis and commentary of the results of the survey.

### APPROACH

The information and quantitative data presented in this report is based on information provided in response to a short.

### CONFIDENTIALITY

Our aim is to provide robust data. At the same time, we are committed to maintaining the confidentiality of participants' data. Consequently, we will not report data where sample populations fall short of acceptable minimum levels.

### DATE OF INFORMATION

The information in this report reflects market practice as at spring 2024.

The results of this survey represent responses completed between 3<sup>rd</sup> January and 30<sup>th</sup> January 2024.

### DEFINITIONS

A number of statistical terms are used in this report and these are defined as follows:

<b>LOWER QUARTILE</b>	Where 25% of people in the sample population receive less than the figure shown.
<b>MEDIAN</b>	Where half of the people in the sample population receive less than the figure shown.
<b>UPPER QUARTILE</b>	Where 25% of people in the sample population receive more than the figure shown.

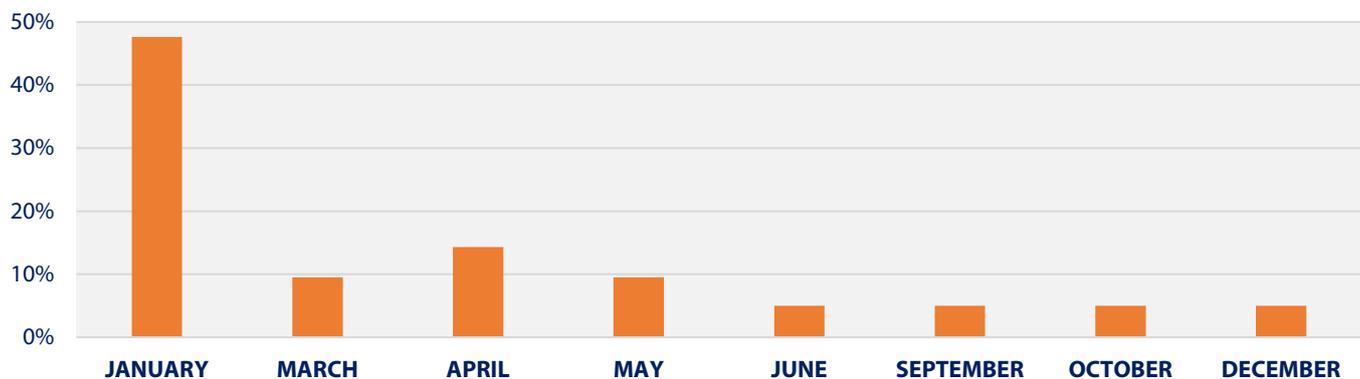
## Survey results

This section details the results of the survey based on responses from ECIA members.

### SALARY REVIEW

The chart below illustrates the months in which salary reviews take place. Like last year, there is a strong trend with most organisations reviewing within the first four months of the year.

#### IN WHICH MONTH WILL YOUR MAIN SALARY REVIEW IN 2024 TAKE PLACE?



This year's **salary review budget** figures have changed only marginally since they were collected in Summer 2023 and, despite inflation falling significantly, are now only marginally lower than last year. Indeed, the **most common salary review currently is 5%**, the same as last year. Like last year, no organisation states they are having a salary freeze this year.

Salary review budgets			
	Last year	This year (August 23)	This year (By Jan 24)
	%		
<b>Lower quartile</b>	4.3	3.9	4.0
<b>Median</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
<b>Upper quartile</b>	6.0	5.3	5.6
<b>Mode</b>	5.0	5.0	5.0



Within ECIA members, the lowest 2024 pay award stated is 3% and the highest is 11%.

The median figure is 0.5% higher than those collected in Paydata's wider pay market database, otherwise the figures are broadly in line with our figures. 0.25% of organisations across all sectors state they will have a salary freeze this year.

Format of 2024 salary review		
Increases	Percentage of organisations	
	2023	2024
An across-the-board increase.	32	24
Individually-determined increases.	24	24
A combination of across the board and individual.	<b>40</b>	<b>29</b>
Across-the-board for some groups and individually determined for others.	4	19
Other *	-	5

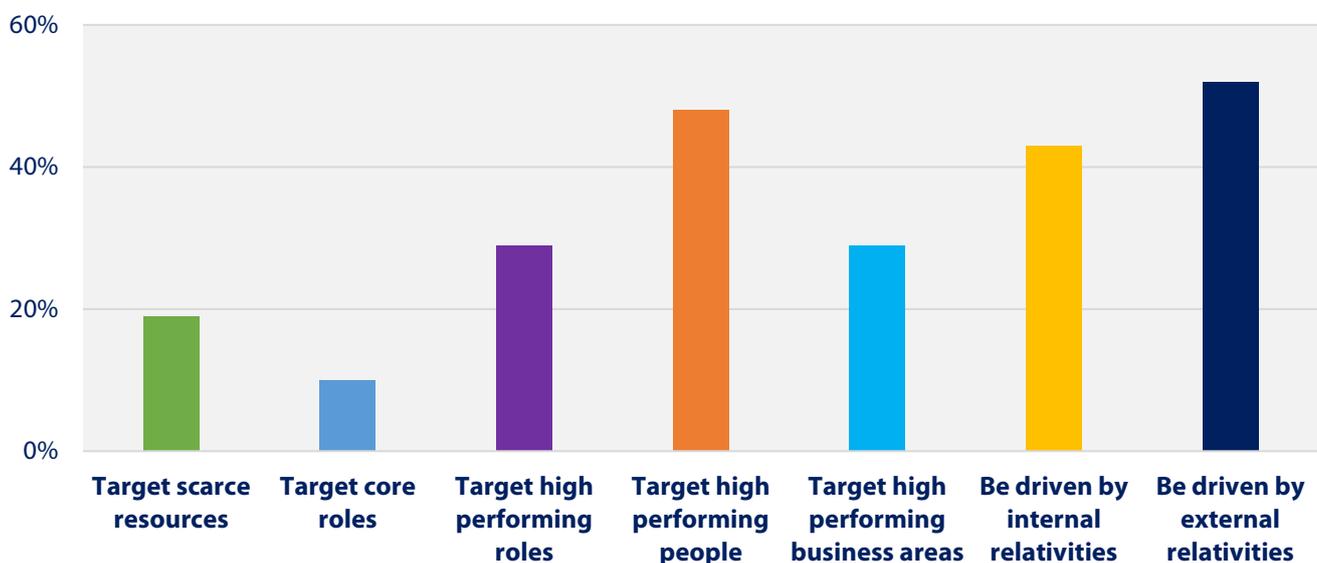
\* Determined by pay band with highest increases going to lowest paid

As has been seen in recent years, the most popular trend for distributing salary reviews is to use a **combination of the across-the-board and individually-determined increases**.

### SALARY ACTIONS

Employee groups targeted for salary budgets vary from year to year. The table below details the results for 2024:

#### WHAT DO YOU EXPECT YOUR SALARY ACTIONS TO DO AND BE DRIVEN BY?



\* Organisations were invited to tick all applicable.

As in previous years, a common salary action is to **target high performing people**. Like last year, a high proportion of organisations' actions are also **being driven by external relativities**.

Unlike last year, more than twice as many organisations' pay actions are **being driven by internal relativities**, indicating a greater focus on internal relativities / pay equity.

## OUT-OF-CYCLE SALARY INCREASES

Organisations were asked what they expect to be the value of their **out-of-cycle salary increases**, excluding employee promotions.

Out-of-cycle salary increases			
	2022	2023	2024
	<b>% of pay bill</b>		
<b>Lower quartile</b>	2.0	1.0	0.6
<b>Median</b>	<b>2.8</b>	<b>2.4</b>	<b>1.9</b>
<b>Upper quartile</b>	3.6	4.5	3.8
<b>Mode</b>	5.0	5.0	0 or 5.0

The **median** out-of-cycle increase this year is **1.9%**, which is noticeably lower than last year or the year before. This appears to support anecdotal views that labour market pressures, whilst still prevalent in hotspots, overall have somewhat eased over the latter half of 2023.

## BENEFITS MARKET TRENDS

Organisations were asked which benefits are most valued by employees. The top answers were:

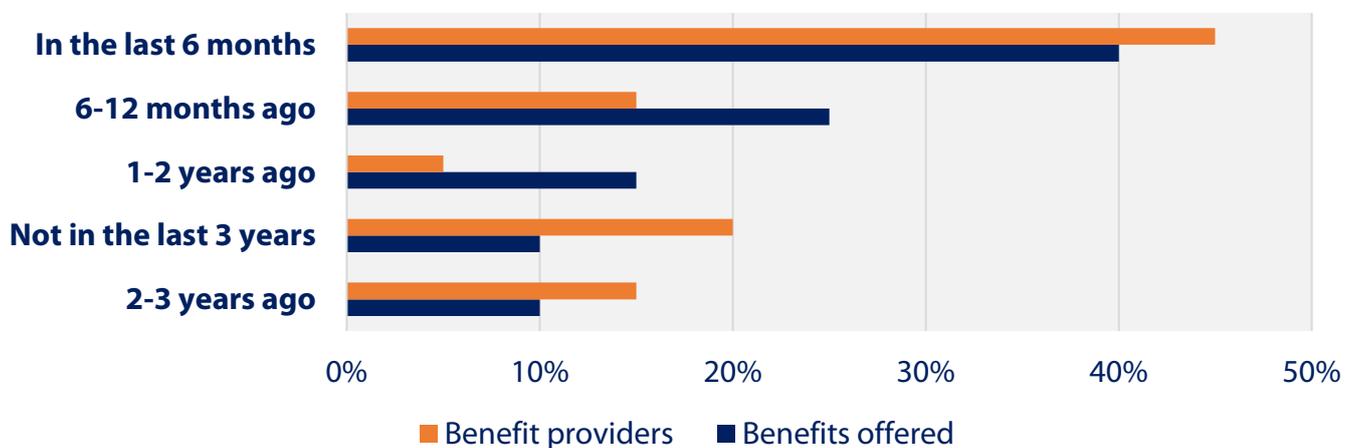
Which benefits do you see as most valued by employees?	
	% of organisations
Pension	<b>16.9</b>
Private Medical Insurance	<b>15.3</b>
Car / Car Allowance	11.9
Flexible working	10.2
Health care	6.8
Holiday (Buy)	6.8

Organisations were asked which benefits they receive most positive and most negative scrutiny about from employees:

Which benefits they receive <u>most positive</u> scrutiny about from employees?	
	% of organisations
Private Medical Insurance	<b>35.7</b>
Pay	<b>21.4</b>
Holiday (Buy / Sell)	7.1
Shares	7.1
Hybrid Working	7.1
Other	21.4

Which benefits they receive <u>most negative scrutiny</u> about from employees?	
	% of organisations
Pension	26.7
Private Medical Insurance	13.3
Cars / Allowances	13.3
Sick pay	6.7
Bonus	6.7
Other	33.3

Organisations were asked when they last reviewed their benefits arrangements:



Most organisations last reviewed their benefits arrangements **within the last 6 months**.

Why do you review your benefits provision?	
	% of organisations
To aid recruitment and retention	85
To reduce costs	50
To gain efficiencies through consolidating suppliers	45
To reduce internal time and resource	35
Other	20
To mitigate a lower pay award than employees desire	10

Most organisations review their benefits **to aid recruitment and retention**, although many also do it **to reduce costs**. Indeed, when asked what are the key challenges facing benefits provision, “cost” or budget constraints was answered the most.

Organisations have introduced a range of innovative benefits, including dental benefit, free shares, 10-day Holiday Buy, as well as enhanced Maternity and Paternity Leave. Lastly, increased company car offering from 32 cars to 250 cars by grade was also mentioned.

## Appendix A

### Participating organisations

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**THIS REPORT INCLUDES DATA FROM 20 MEMBER ORGANISATIONS, INCLUDING:**

Actavo (UK) Limited
Altrad Employment Services
Atlantic Projects
Athena PTS
Balfour Beatty Group
Barrier Fire Protection Limited
Beaver Management Services Limited
BGEN
Dalkia Engineering Services
Enigma Industrial Services Limited
Hitachi Zosen Inova
Integrity Support Solutions Group Limited
Jacobs Engineering
Mactech Energy Group
McDermott
Mitie
Morgan Sindall
NG Bailey
TEi Limited
Worley

Thank you for reading this document. If you have any questions please do not hesitate to contact us by phone on +44(0)1733 391 377 or by email at [info@paydata.co.uk](mailto:info@paydata.co.uk)

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