# Businesses reward in-office work with pay rises despite worker dissent



A recent poll conducted by Reed Group indicates a growing trend among businesses to reward employees who return to the office with pay rises and promotions. The survey, which involved 251 companies, reveals that 68 per cent believe those who work in-office exhibit faster career progression. This aligns with Reed.co.uk’s previous predictions that employers would increasingly enforce in-person work policies, deemed the ‘in-person premium’.

However, the sentiment is not universally shared among workers. A separate survey encompassing 2,000 UK employees found that 29 per cent of respondents disagreed with the notion that more time in the office would enhance their prospects for advancement. Workers reported that they typically spend three days in the office each week, preferring to balance their time with the same amount spent working from home rather than adapting flexibility in their work schedule.

Looking ahead, Reed anticipates that the emphasis on the ‘in-person premium’ will intensify by 2025. This projection arises amidst predictions of a cooling jobs market that could lead businesses to make difficult hiring and firing decisions. James Reed, chairman and CEO of Reed Group, was noted for being one of the first prominent figures in the business community to warn of a potential recession and its implications for the jobs landscape, including anticipated changes in National Insurance contributions set to take effect in April.

In its analysis for 2024, Reed.co.uk highlighted a significant downturn in job postings, with a 24 per cent reduction compared to the previous year. This decline was reflected across 95 per cent of sectors, while applications saw a contrary increase of 19 per cent. Reed's report indicated that just over half of surveyed workers had experienced a salary review in 2024, with pay rising most notably in sectors characterised as ‘inflation proof’, such as technology, energy, and financial services.

Specifically, the research revealed that 51 per cent of employees received a salary review, and of those, 66 per cent reported an increase of up to 5 per cent, while 22 per cent noted an increase between 6 to 10 per cent. Notably, the Consumer Prices Index (CPIH) recorded a rise of 3.5 per cent over the year leading to November 2024.

Reed's findings further illustrated the upward trend in average salaries, which climbed to £41,605 from £39,973 in the preceding year, marking a year-on-year increase of 4.1 per cent. Particularly lucrative sectors included IT and Telecoms, averaging £69,620, energy at £57,341, and financial services at £51,757—illustrating increases of 6.3 per cent, 6.5 per cent, and 8.6 per cent respectively.

Despite improvements in pay, many employees expressed concerns over promotion opportunities within their firms, with 24 per cent identifying this as a primary challenge, ahead of issues like unsupportive management, which was cited by 12 per cent.

With inflation expectations likely to influence salary negotiations in the near future, Reed predicts that those equipped with technology skills, particularly in AI, will command substantial pay increases in 2025. Their research also uncovered that 44 per cent of respondents acknowledged a notable skills gap in technology within their organisations, and 34 per cent of hiring managers indicated their firms were not adequately prepared to incorporate AI.

As the job market evolves, 58 per cent of individuals surveyed perceive it to be harder to secure employment than in previous years, even as 19 per cent plan to explore new job opportunities in 2025. This trend suggests a potentially more recruiter-driven landscape in the upcoming year, enabling candidates to leverage specialised insights and conduct effective job searches.

Furthermore, the desire for personal and professional development remains strong, with 29 per cent of workers expressing interest in upskilling or obtaining new qualifications. The majority of sought-after skills involve leadership, management, and communication, although only 33 per cent of surveyed companies reported offering development opportunities.

Despite a diverse set of opinions on career resolutions, a considerable portion of the workforce shows varying sentiments towards the concept, with 39 per cent finding the notion of New Year career resolutions somewhat off-putting, while others find the idea inspirational. The landscape for workers is clearly shifting as businesses navigate the complexities of a transforming job market and the rise of AI technologies.

Source: [Noah Wire Services](https://www.noahwire.com)

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