

Q3 2016 UK Employment Confidence Survey

Overview

The Glassdoor® UK Employment Confidence Survey¹, conducted online quarterly by Harris Interactive UK in September 2016 among 2,028 GB adults (ages 16+), monitors four key indicators of employee confidence: salary expectations, re-hire probability, job security and company outlook. In addition, this survey highlights experience and perceptions of starting salaries and salary negotiations. For purposes of reporting, employees² refers to those employed full or part-time unless otherwise indicated.

Employment Confidence Highlights — Q1 2009 vs. Q1 2016

Indicator	Q2.15	Q3.15	Q1.16	Q3.16	% Change
Redundancy concerns — self	29%	32%	26%	31%	↑ 5
Redundancy concerns — others	41%	44%	38%	40%	↑ 2
Salary expectations — pay increase in 12 months	34%	37%	41%	40%	↓ 1
Company outlook — better	39%	39%	40%	40%	Same
Re-hire probability (employed)	34%	32%	34%	37%	↑ 3

Please note: company outlook and re-hire probability above based on all those employed and self-employed.

HIGHLIGHTS

EMPLOYER ACTIONS DURING THE PAST SIX MONTHS

- Of employees surveyed who reported *positive changes* at their organisation:
 - Thirty eight percent said that they were awarded new company benefits, such as flexible working hours or casual dress code, which is an increase of five percentage points since Q1 2016.
 - Thirty four percent said that their company had initiated large scale hiring, an increase of nine percentage points since Q1 2016.
 - Twenty three percent said that their company had restored benefits and perks that were previously cut, almost half the change reported in Q1 2016 (43 percent).
- Among employees who reported *negative changes* at their organisation:
 - Forty two percent said that their company had made employees redundant (or had communicated the intention to), the same level as Q1 2016.
 - Thirty nine percent said that they had their pay or bonus reduced, or bonus not paid, up 10 percentage points since Q1 2016.
 - Twenty seven percent said that their employer had restructured their job or laid them off, four percent increase on Q1 2016.
 - Seventeen percent said that their company had initiated a hiring freeze, consistent with Q1 2016.

IN THE PAST SIX MONTHS, WHAT POSITIVE CHANGES HAS YOUR ORGANISATION MADE?

(Base: Employees who had indicated positive changes)

	Q3.14 %	Q4.14 %	Q1.15 %	Q2.14 %	Q3.15 %	Q1.16 %	Q3.16 %
Awarded new perks (e.g., option to work remotely, casual dress, flexible work hours)	30	49	45	57	47	33	38
Awarded new shares or other compensation	26	25	17	30	27	23	32
Initiated large scale hiring	31	22	29	31	33	25	34
Restored health and dental benefits, pay and perks previously cut	45	41	38	39	45	43	23

IN THE PAST SIX MONTHS, WHAT NEGATIVE CHANGES HAS YOUR ORGANISATION MADE?

(Base: Employees who had indicated negative changes)

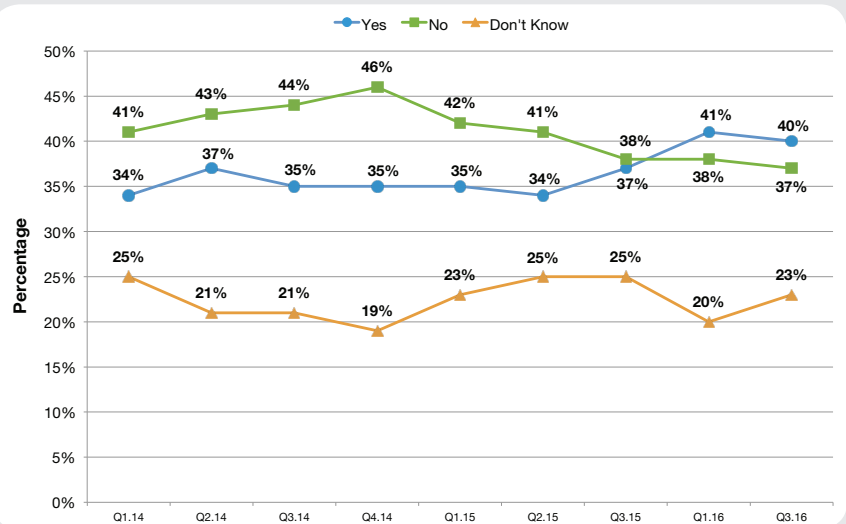
	Q3.14 %	Q4.14 %	Q1.15 %	Q2.15 %	Q3.15 %	Q1.16 %	Q3.16 %
Made employees redundant and/or communicated plans to make employees redundant	50	47	53	51	49	44	44
Restructured job / created redundancy	15	18	24	24	28	23	27
Initiated or communicated a hiring freeze	13	13	12	16	13	17	17
Reduced individual's pay/ bonus / didn't pay bonus	27	36	30	33	31	29	39
Initiated or communicated bonus reductions or eliminations	11	10	7	11	8	12	12
Initiated or communicated pay cuts	9	8	8	8	9	10	12
Made changes to compensation structure (e.g., changed formulas or percentages for salary increases and/or bonuses, initiated salary caps)	16	18	16	16	19	15	20
Reduced health and/or dental benefits coverage	5	9	5	7	8	6	11
Taken away company benefits such as travel allowance, subsidised canteen, subsidised study support	13	13	10	12	17	13	16
Initiated unpaid leave	6	10	8	11	8	9	13

EMPLOYMENT CONFIDENCE MEASURES

Salary Expectations In The Next 12 Months

- Forty percent of employees expect to receive a pay rise in the next 12 months, representing a three percentage point increase compared to the same period in 2015. Forty five percent of men expect a pay rise (up one percentage point), compared to just 36 percent of women (up one percentage point) compared to Q1 2016.
- Forty four percent of full time workers expect a pay rise in the next 12 months compared to just 28 percent of part-time workers.

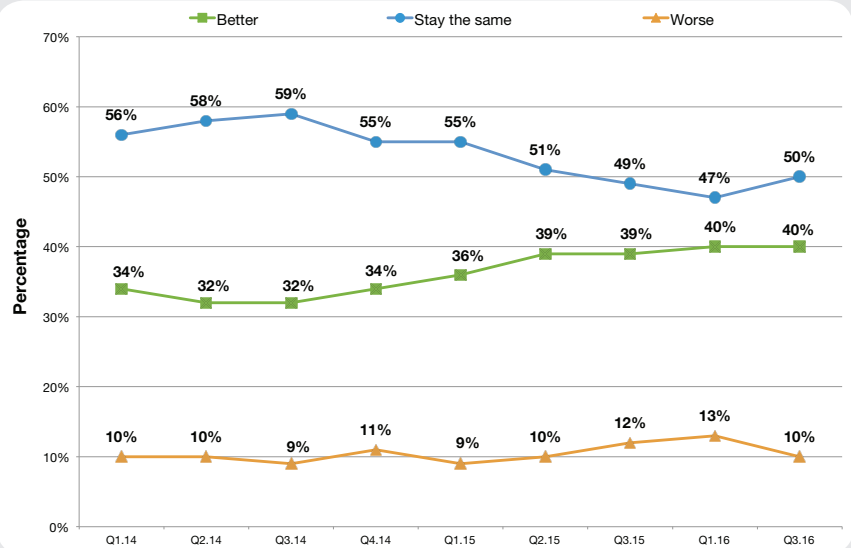
Salary Expectation: Expect Pay or Cost-of-Living Increase in the Next 12 Months (Base: Employed full/part-time)



Business Outlook In The Next Six Months

- Forty percent of employees believe that their company's business outlook will improve in the next six months, up six percentage points compared to the Q1 2014.
- Forty four percent of men feel their company's business outlook will improve compared to just 35 percent of women.
- Employees aged 25-34 are the most optimistic about their company's business outlook as 56 percent believe it will improve in the next six months. This compares to just 27 percent of employees aged 55+, the most pessimistic group.

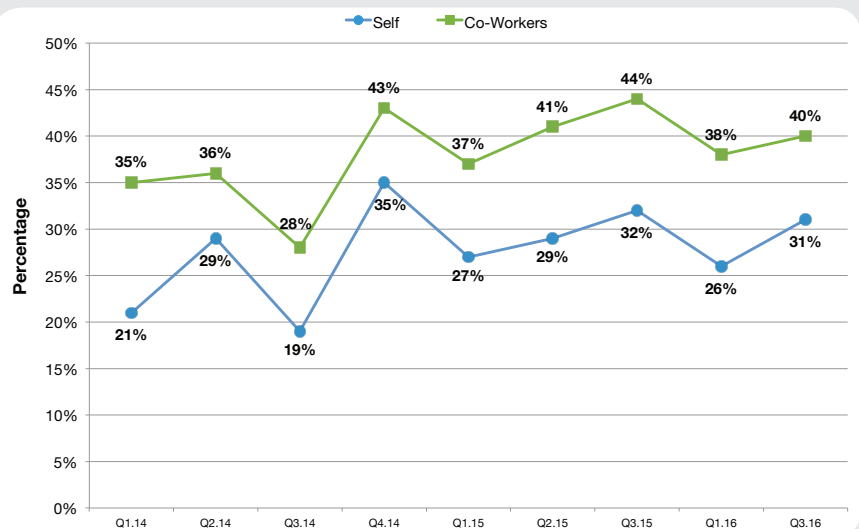
Business Outlook: Next 6 Months (Base: Employed full/part-time; self-employed)



Job Security In The Next Six Months

- Almost a third (31 percent) are concerned that they may be made redundant, an increase of five percentage points since Q1 2016 at 26 percent. Compared to Q1 2014 when the survey started, this is an increase of ten percentage points.
- Employees concerned about colleagues being made redundant is up to 40 percent from 38 percent six months ago.
- Thirty six percent of men are worried about being made redundant compared to 24 percent of women.
- London has the lowest level of job security, with 45 percent of employees concerned about being laid off, whereas in South East, just 20 percent of employees are concerned.

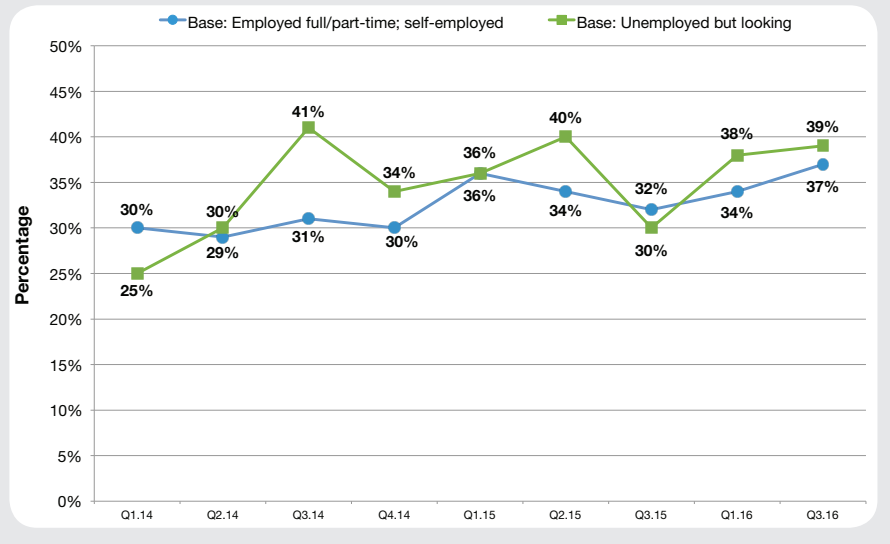
Employees Concerned About Redundancies in the Next 6 Months (Base: Employed full/part-time)



Job Market: Re-Hire Probability In The Next Six Months

- Thirty seven percent of employees (full and part-time employees and those self-employed) say they think it is likely that they would be able to find a job matched to their experience and current compensation levels in the next six months, up three percentage points since Q1 2016.
- Those unemployed but looking for work are marginally more confident about finding a new job: 39 percent of those unemployed but looking for work report optimism that they could find a job matched to their experience and most recent compensation level in the next six months, an increase of one percentage point from Q1 2016. Compared to Q1 2014, this figure has increased from just 25 percent.
- Half of employees aged 25-34 think it is likely that they could find a job matched to their experience and current compensation levels in the next six months, compared to just 28 percent for those aged 55 and over.

Re-Hire Probability:
Question: Ability to find job matched to experience and compensation level in next 6 months
Answer: Very likely (or) somewhat likely



Methodology

¹ The Q3 2016 survey of 2,028 people, among whom 923 are employed full-time/part-time, was conducted online within Great Britain by Harris Interactive on behalf of Glassdoor from 19/09/16 to 23/09/16. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact pr@glassdoor.com.

² For the purposes of this study "employees" were defined as GB adults 16+ employed full-time and/or part-time unless otherwise indicated.