



**Press Release –
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UK COMPANIES REPORT DECLINE IN STAFF BONUSES

- ***One in five businesses won't be rewarding bonuses this financial year***
- ***68% of businesses will be decreasing employee bonuses***

In contrast to the widely reported bumper pay-outs expected in the City this December, the majority of employees across the UK are likely to be disappointed by their annual bonus.

Research conducted by Innecto, a specialist employee reward consultancy, found that 19% of human resource directors said their company definitely wouldn't be awarding a bonus this year and 40% were still unsure. Only 41% of HR directors said their companies would be awarding staff bonuses.

In addition, of the 173 HR directors interviewed in the snapshot survey, only 18% expected bonuses to be higher than last year. The large majority - 68% - said they expected bonuses to be less than last years, while 15% said they would be the same.

Indicating of a lack of confidence in the economy, the general opinion was that the key factors affecting this reduction in bonuses were the general economy (22%) and the market in which their businesses operate (37%). Only 8% blamed the downturn on a change in management approach and 6% the employees' own performance.

Deborah Rees, director of Innecto, said, "When profits are down, linked bonuses are obviously cut - but this usually creates a despondent workforce. With difficult times ahead, I would advise companies to concentrate on smart ways of keeping

employees motivated. Investment in employee communication, clear career paths, constructive appraisals and positive feedback will all pay dividends when bonuses don't pay out."

- Ends -

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About Innecto Reward Consulting:

Innecto Reward Consulting is a specialist consultancy advising businesses and public sector organisations on their employee reward strategies. Covering key strategic areas such as pay, bonus schemes, career progression, organisation and job evaluation, Innecto's team of highly experienced reward consultants work with clients to align reward strategy with the overall business plan.

Formed in 2002, Innecto clients include Dixons Group plc, Marsh UK, Walt Disney, Channel 4, Vision Express and Aardman Animation. The company's success is founded on its combination of the skills and experience and depth of larger reward service providers and the agility, flexibility and personal approach of a specialist consultancy.

www.innectogroup.co.uk