

# Industry News

## Pay increases to continue but staff focus on security and training

Jacqueline Balian, GAMBICA, [jacqueline.balian@gambica.org.uk](mailto:jacqueline.balian@gambica.org.uk)

A 2.5 year low in starting salaries and reductions in both permanent and temporary vacancies might lead you to conclude that the wage increases will be minimal in 2024, but the recruitment agency, *Europrojects*, has recently released a salary survey which predicts an average wage growth in 2024 of 4.6%. Increases won't be across the board though, the focus this year is absolutely on retaining key staff and 'less essential' employees are likely to see little, if any, wage growth. However, companies which are doing well are planning to pay up to 7% to retain key staff says *Europrojects*.



As employment conditions become less certain, staff are expected to become risk averse, and value security of employment way above other factors but personal development will also be a major consideration for employees.

In the three months to November 2023, there were approximately 949,000 job vacancies in the UK, compared with 959,000 in the previous month. This is still roughly 25% higher than before the pandemic. But a low growth 2024 is likely to reduce the number of job opportunities overall and may increase the use of temporary staff.

Members are reporting that it is now easier to find staff than at this time last year. In 2023 scientific sales staff were in short supply and the ongoing shortage of field service staff was particularly acute. Many members who manufacture in the UK have been finding it difficult to recruit production staff and particularly engineering production staff who had often been with companies for many years but who are now reaching or past the age of retirement.

According to *Europrojects*, roles in engineering and manufacturing remain in growth, albeit weaker than 12 months ago. Candidate supply remains tighter than in other sectors with engineering employers recognising the need to prioritise the retention and recruitment of their staff. At an average of just 3 applications per job, electronics receives the second lowest number of applications per job across all industries. To meet demand, the number of engineering apprentices and graduates needs to double the agency says.

Pressure on production staff wages may also increase because of the recent rise in minimum wage. Those in the tier above the lowest paid are now seeking an uplift in wages to maintain their differentials. It is not uncommon to see a higher rate of award for lower paid employees says *Europrojects*, with 6% currently being offered to employees with up to £40,000 per annum earnings and 5% for those above £40,000 annual earnings.

### Productivity improvements - today's holy grail

GAMBICA member companies are concentrating on finding ways to retain staff and improve their productivity. To help them, GAMBICA's Lab Board asked that training particularly aimed at productivity improvement, be provided for members on a shared-cost basis. GAMBICA has contracted with MakeUK to use their training courses and trainers so members can book courses directly from GAMBICA, knowing that the more who book (up to a maximum of 12 per course), the cheaper the training will be

per person. The training is either online, in the GAMBICA London offices or located at members' premises, so that it is as convenient as possible, especially for staff who are not used to travelling.

The first tranche of training booked, reveals members' priorities on staff development. Productivity improvement comes top of the list with courses on *Making your office 'lean'*, *8D practical problem solving*, *Problem solving using lean techniques*, *Introduction to six sigma* and *Project management for non-project managers* among the first to sell out.

Giving staff the soft skills they need to make business run smoothly has made courses on *Effective communication*, *How to behave assertively* and *Time management and prioritisation*, particularly attractive. GAMBICA has also partnered with laboratory training specialist George James to provide sales training, but because of members' overriding interest in achieving productivity gains, a course on *Effective selling skills to increase productivity* has been specially developed for GAMBICA members.

The popularity of *Project management for non-project managers* is particularly interesting. It is easy to see how it would appeal to individuals who want to improve their ability to get things done but its importance to employers has made it one of the best-sellers so far.

I think I have heard about more companies installing new ERP systems in the last year and this than ever before. The efficiency and productivity gains to be had from having all your IT systems properly integrated are being rammed home as never before, and with the grants available to make plans a reality, no director worth their salt can ignore this obvious low-hanging fruit.

Equally however, there can be few experienced business leaders who have not seen system installations go horribly wrong. Getting all staff to understand how projects work, and their part in making them a success, is one of the best steps any business can take to making those big productivity gains.

The Growth Company will be at the GAMBICA Lab Industry conference in March to tell you how to plan the digitalisation of your company, and get the funding to do so. So I do hope to see you there. For information on that, or on training, do get in touch. [jacqueline.balian@gambica.org.uk](mailto:jacqueline.balian@gambica.org.uk)

To receive a copy of the *Europrojects* report, visit <https://www.europrojects.co.uk/2024-Strategic-Salary-Survey-and-Pay-Awards-Guide>



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