

# Employment Trends Survey 2009 Report on Findings

## Executive Summary

Our 2009 Employment Trends Survey was collated against an economic backdrop of almost unprecedented gloom with our banking sector nearing total collapse and the squeeze on global liquidity threatening to suppress the mood of even the most stalwart of businesses.

The UK Labour Market Report on Jobs\* at the beginning of this year showed that demand for staff contracted at a record pace in early 2009, with overall vacancy levels in January falling for an eighth consecutive month. Most employers entered the year looking at ways to cut costs to mitigate falling sales revenues with many actively considering redundancy plans and other more innovative ways of reducing staff costs through reduced pay, shorter working weeks and holiday purchase. By contrast, availability of staff to fill vacancies rose for the tenth consecutive month.

The CIPD predicted that the period between New Year and Easter 2009 was likely to be the worst for redundancies since 1991, whilst the TUC published figures showing that there were 10 jobseekers for every vacancy advertised in UK jobcentres.

Against this difficult backdrop, our Survey sought to capture the mood of recruiting managers and job seekers and to gauge how the uncertainty in our markets was impacting on the behaviours of our respondents.

The Survey, 5<sup>th</sup> in our annual series, was sent to over 20,000 employers and 45,000 employees and job seekers within the west London and Thames Valley region. The findings were compiled from over 1,000 respondents.

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## Section 1: Employers

### Key Findings

- 58% of employers have tightened cost control in 2009
- 20% plan to make redundancies in 2009
- 14% plan business expansion in 2009 whilst 8% anticipate no change on prior year
- 33% will give no salary increases at next review
- 51% will give 2-3% salary increase at next review
- 42% expect to hire as frequently or more frequently in 2009 than in 2008
- 65% reported ongoing difficulty in sourcing skilled / professional candidates
- 82% expect the economy to improve in or before 2010
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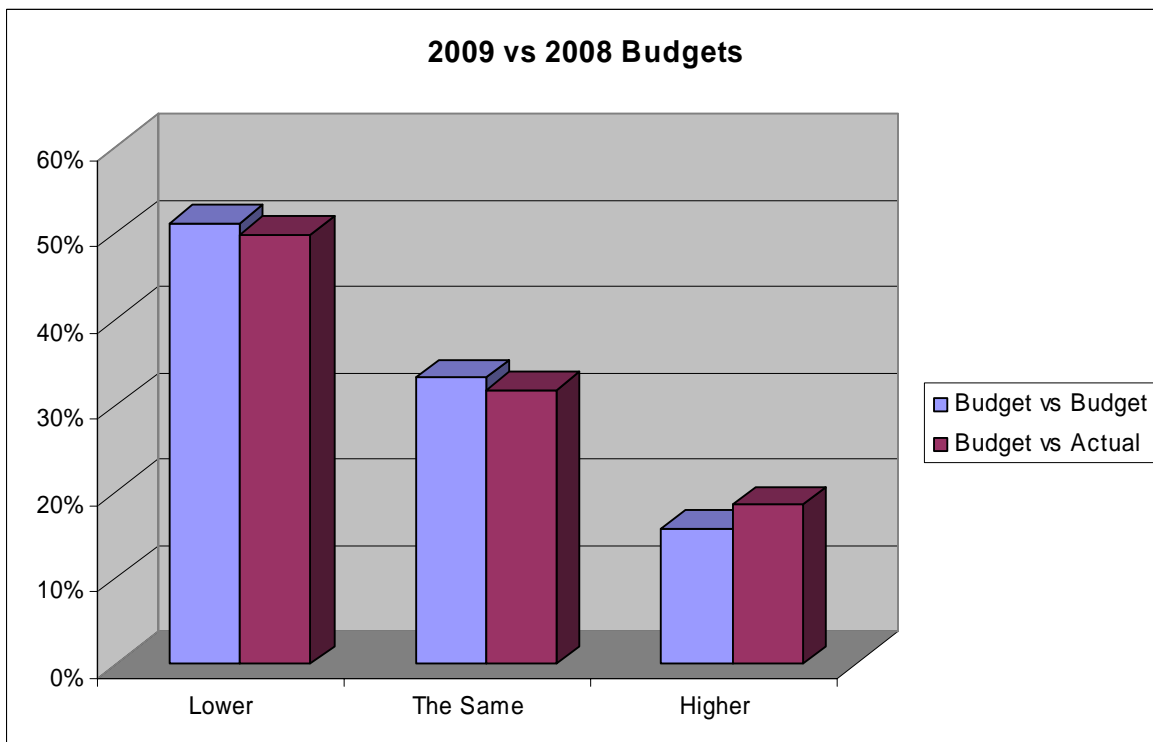
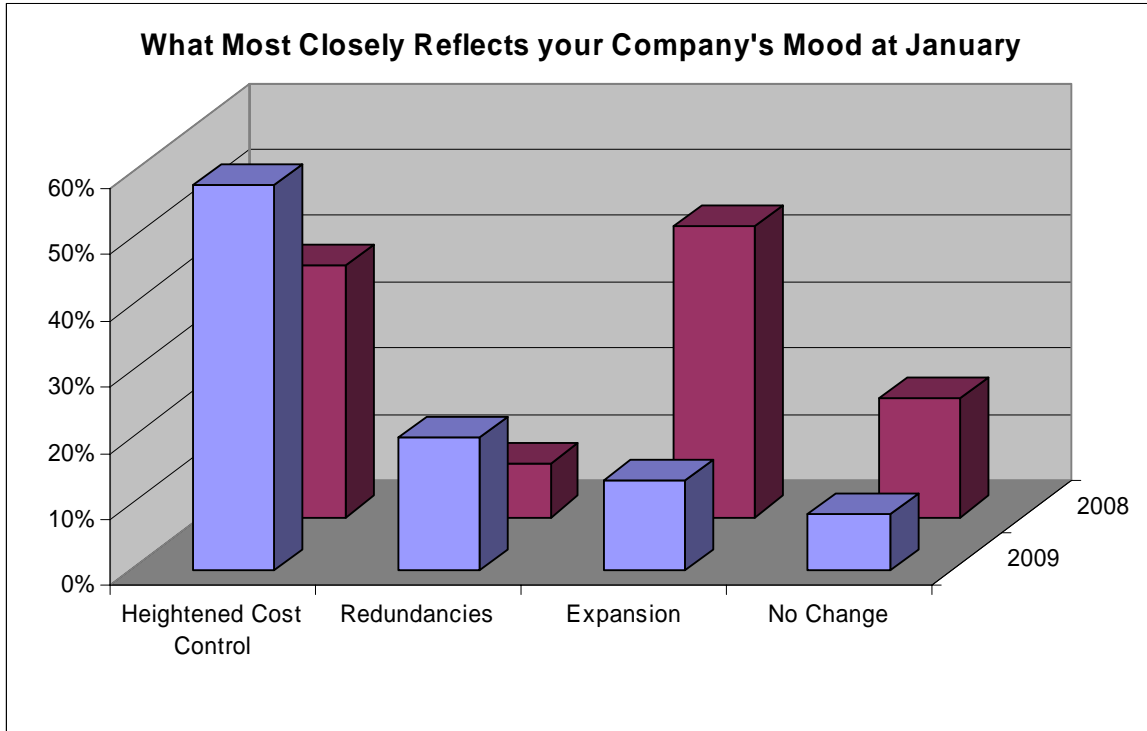
### Challenges Facing HR in 2009

Whilst inarguably there are many more job seekers in early 2009 than there were a year ago, the uncertainty in the job market has created a new set of challenges for HR professionals and hiring managers:

- Cost reduction vs. increased productivity
- Overwhelming candidate choice vs. limited resources to acknowledge, sift and screen incoming CV's
  - Application to Placement ratios have more than doubled in recent months to circa 100 : 1
- Ongoing skills shortage exacerbated by globalisation
- Candidates demonstrating increasing reluctance to move employers
- Communicating change as businesses respond to market conditions
- First recession to hit a workforce with such a generationally diverse range of values and concerns
  - Baby Boomers ... unable or unwilling to take early retirement
  - Generation X ... cynical
  - Generation Y ... shocked
- Low levels of staff motivation (redundancies, job security, pay & benefits scale-back), leading to ...
- Impact on performance levels
- Increasing speculative approaches from recruitment agencies
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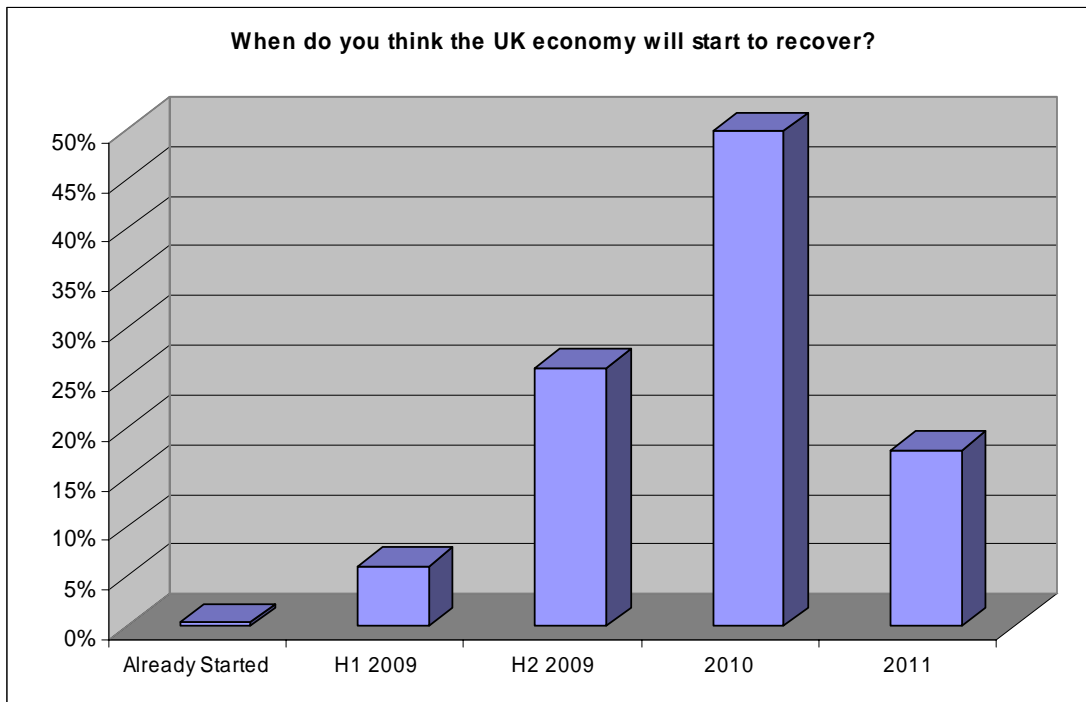
## Taking the Region's Pulse

Not surprisingly the mood of businesses in early 2009 was mainly one of increased cost management and cautious budgeting. Nevertheless, 15% of the businesses surveyed reported planned expansion in the year ahead.

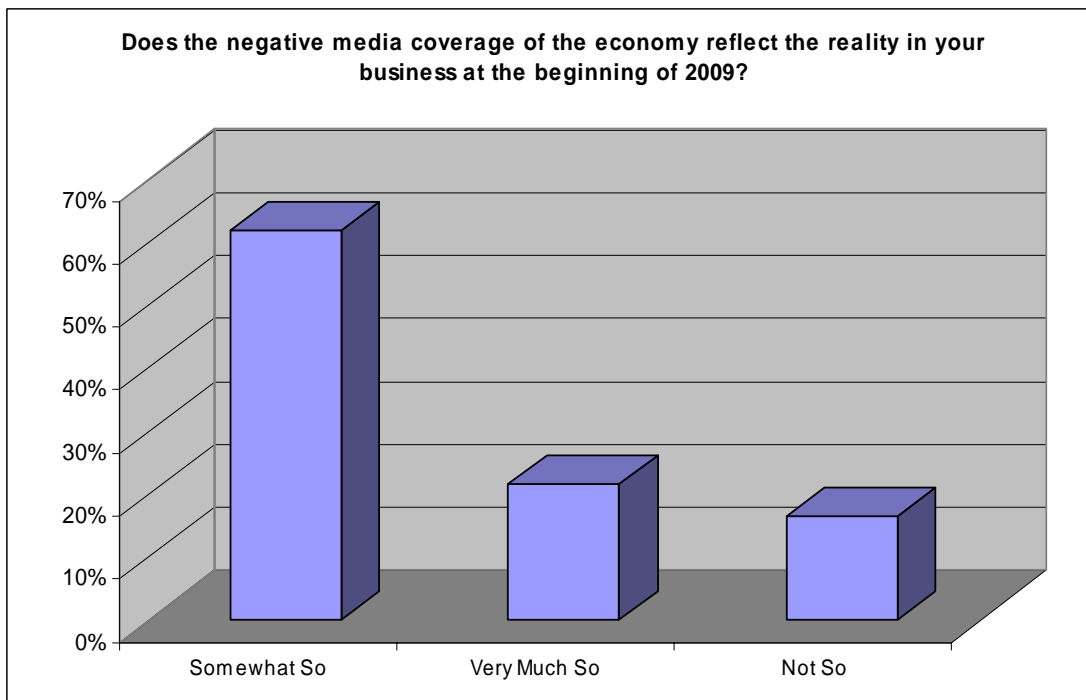


## Recovery on the Horizon?

Asked when they predicted the economy might recover, an encouraging 32% of businesses felt this would start during 2009 while a further 50% predicted 2010.

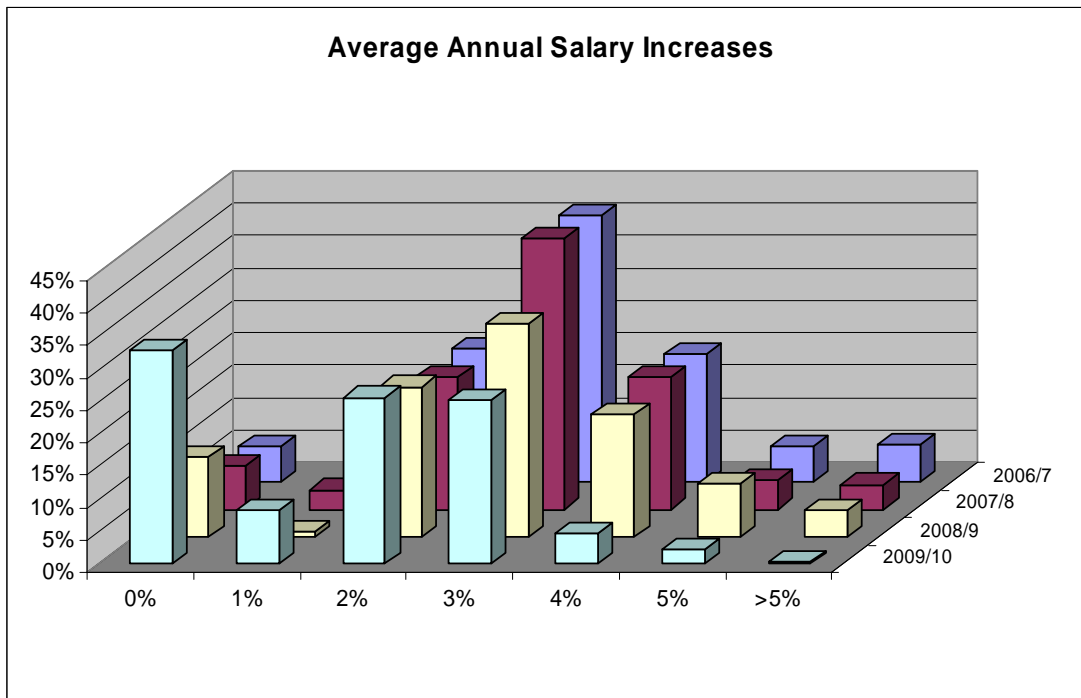


More than three quarters of respondents reported that the negative media coverage at the beginning of 2009 did not – or did only somewhat – reflect the reality in their business at that time.



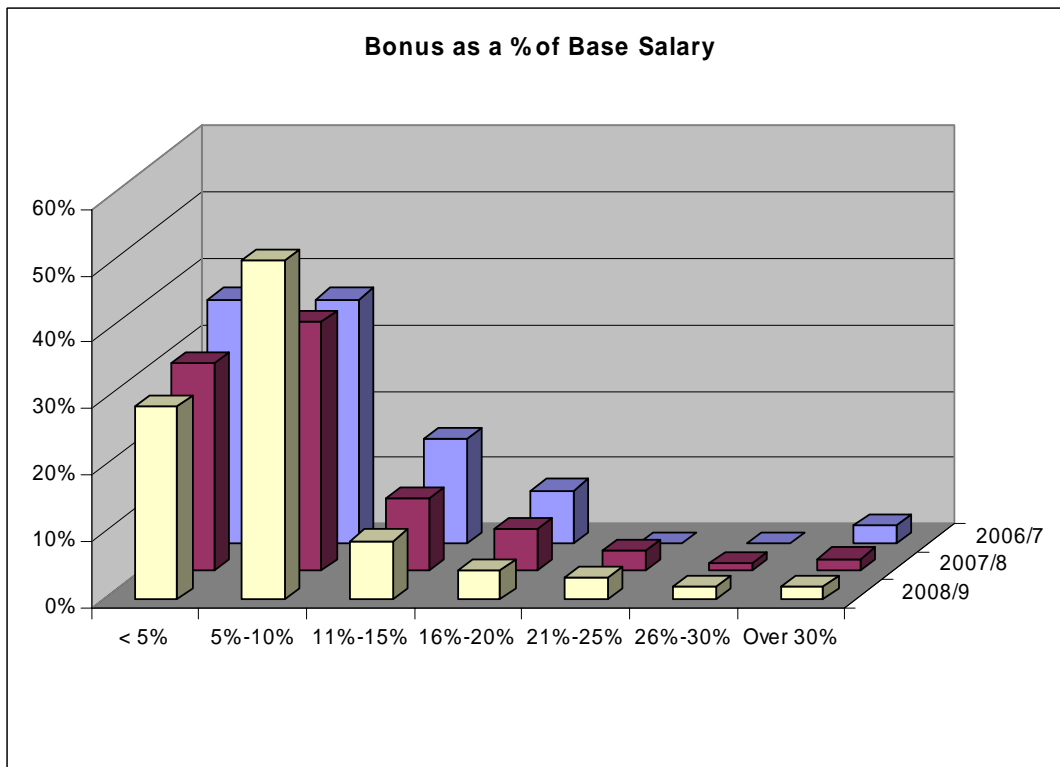
## Salary Increases & Bonuses

Although 33% of businesses planned zero salary increases in the current year, 50% expect to make a 2-3% average increase.



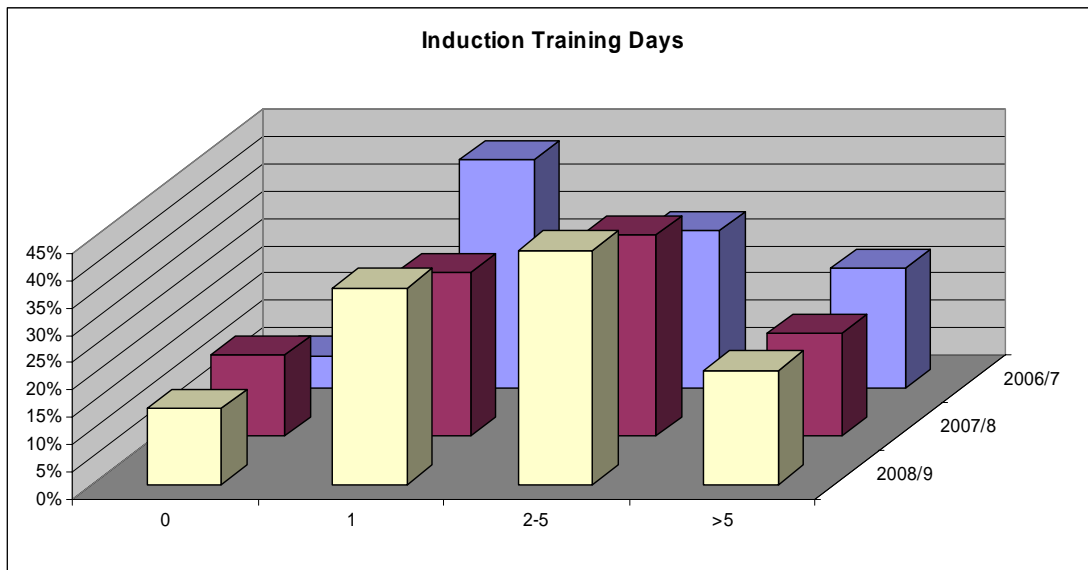
## Bonuses

80% of bonuses paid by businesses last year were up to 10% of basic salary. A higher proportion of bonuses fell within the 5-10% range in 2008-9 than in prior years.

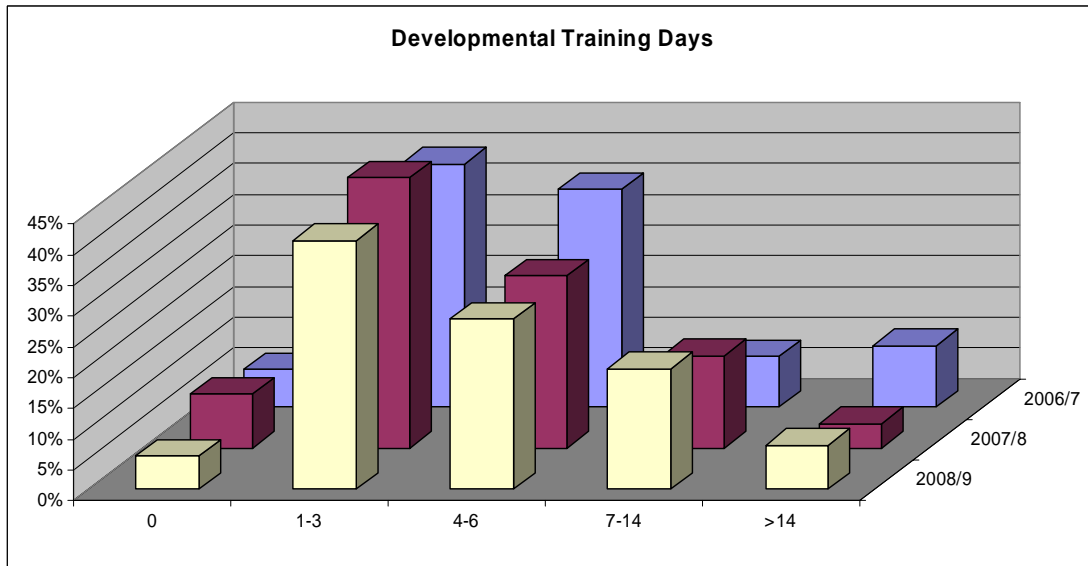


## Training & Development

Companies showed a willingness to invest additional time in induction of new staff with 64% offering 2 or more days of training compared to only 56% in previous year.



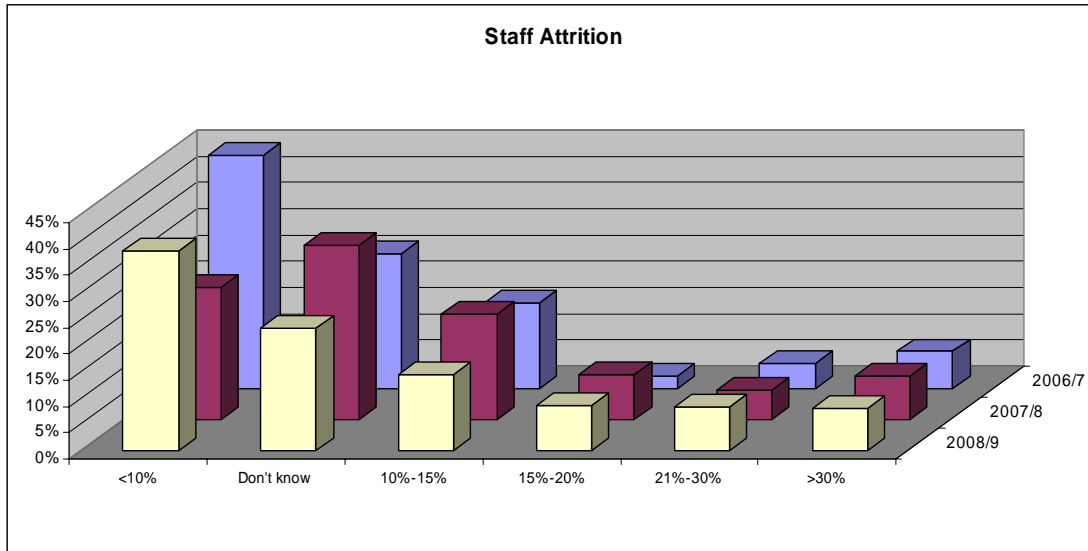
27% of businesses offered 7 or more days of developmental training compared to only 19% in prior year. 40% of businesses offer 1-3 days of training per annum.



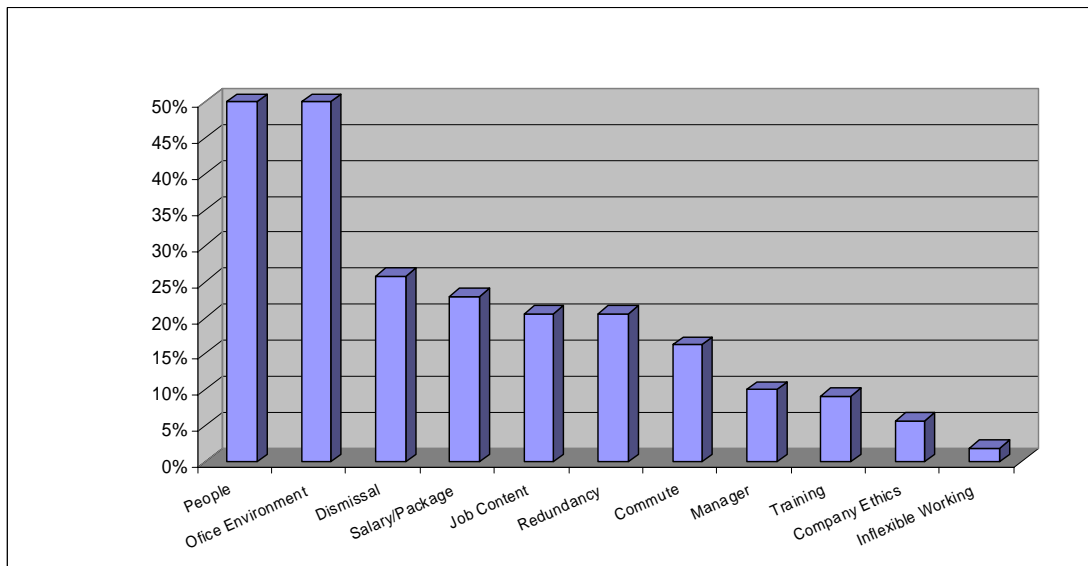
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## Staff Attrition

Staff attrition rates fell on prior year with more than a third of businesses reporting rates of below 10% in 2008-9 compared to only a quarter at this level in prior year. Awareness of attrition has improved with less than a quarter of respondents claiming not to know their company's attrition rates compared to a third in prior year.



Reasons for leaving given by staff at exit interview suggested that 'people' and the 'office environment' were the most likely causes of disaffection in the work place.

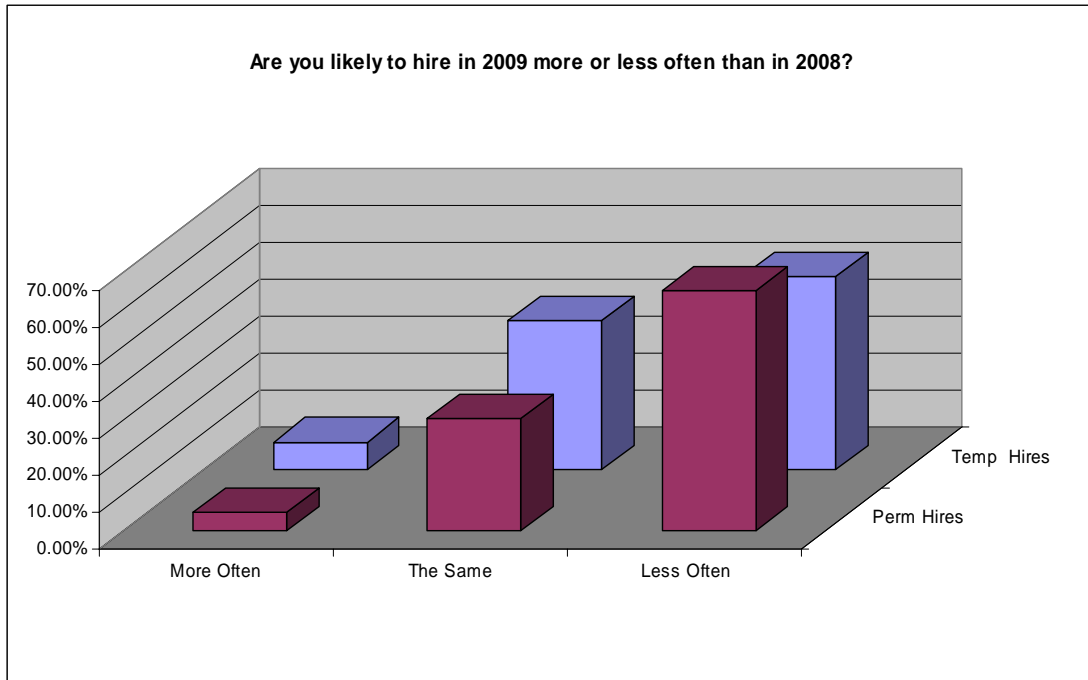


When employees were asked the same question relating to their reasons for leaving their previous employer, they cited a different set of causes. High on their list were 'salary', 'redundancy' and 'lack of progression' (see Section 2: Employees).

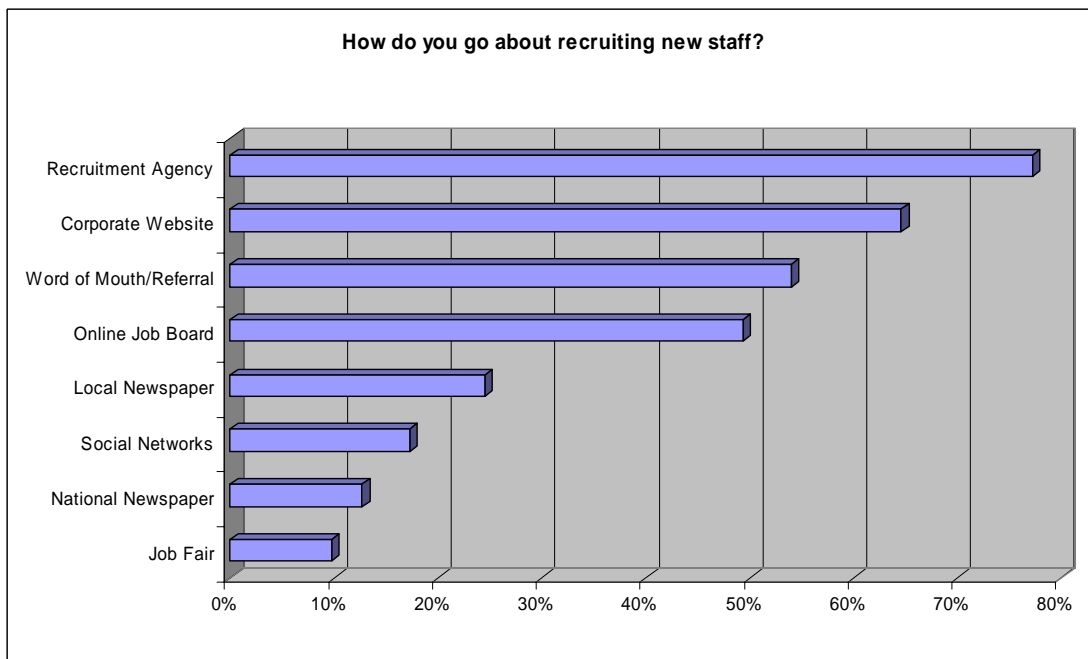
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## Recruitment

Not surprisingly, businesses reported that their plans for recruitment in 2009 were down on previous years. Nevertheless 48% of companies anticipated hiring more or the same temporary staff and 35% anticipated hiring more or the same permanent staff.



Recruitment Agencies remain the recruitment method of choice, cited by 77% of employers, while corporate websites and online job boards continue to increase in popularity.

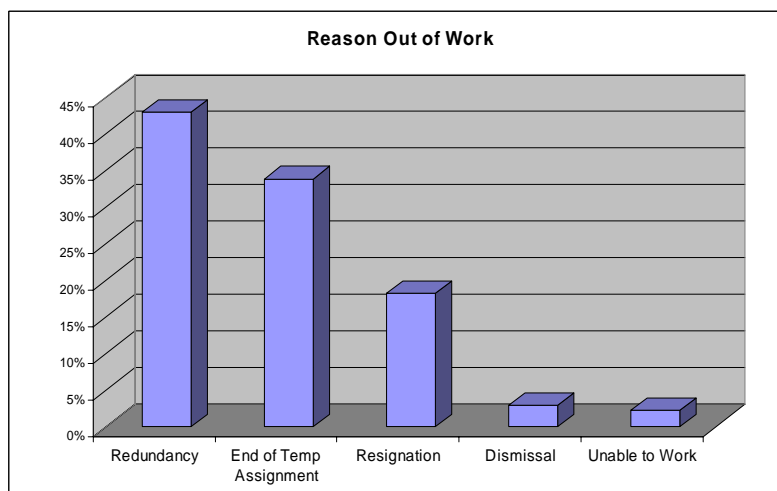
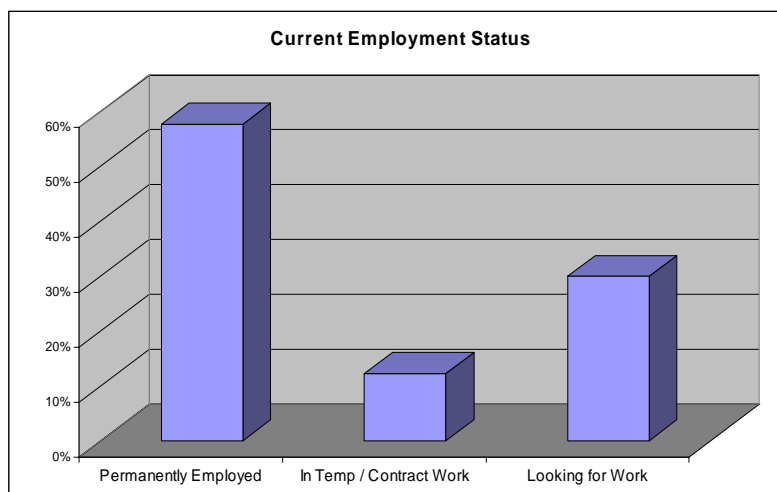


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## Section 2: Employees

### Key Findings

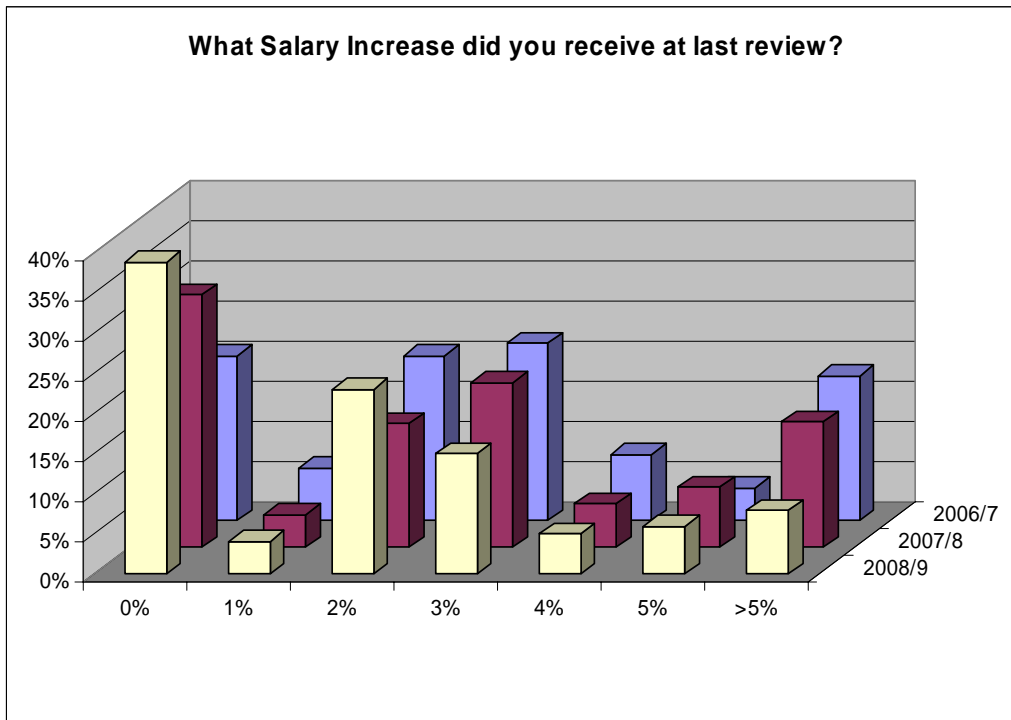
- 30% of respondents are currently out of work, a third for more than 3 months
- 17% were recently made redundant
- 12% are in temporary or contract work
- Only 58% are in permanent employment
- Less than a half of those in employment have 1+ years' service
- Less than a quarter have 3+ years' service
- 50% of candidates are more anxious about moving job
- 80% of job seekers will use a recruitment consultant when looking for a new job
- In times of economic uncertainty, job seekers value the confidential nature of a recruitment intermediary



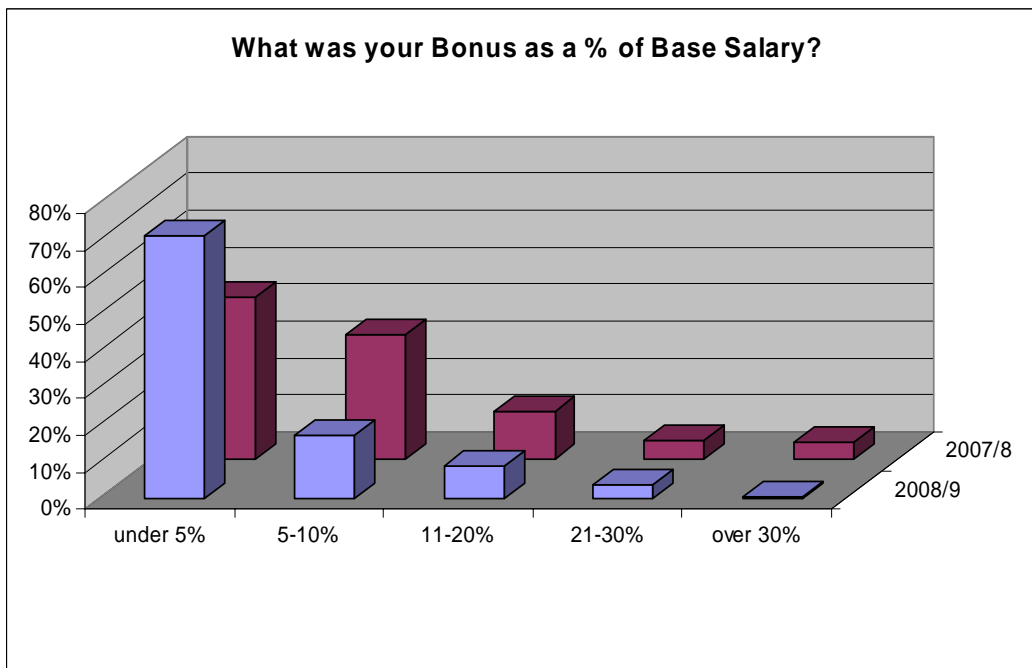
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## Salary Increases & Bonuses

39% of employees received no salary increase at last review. In general salary increases, when awarded, were lower than prior year.



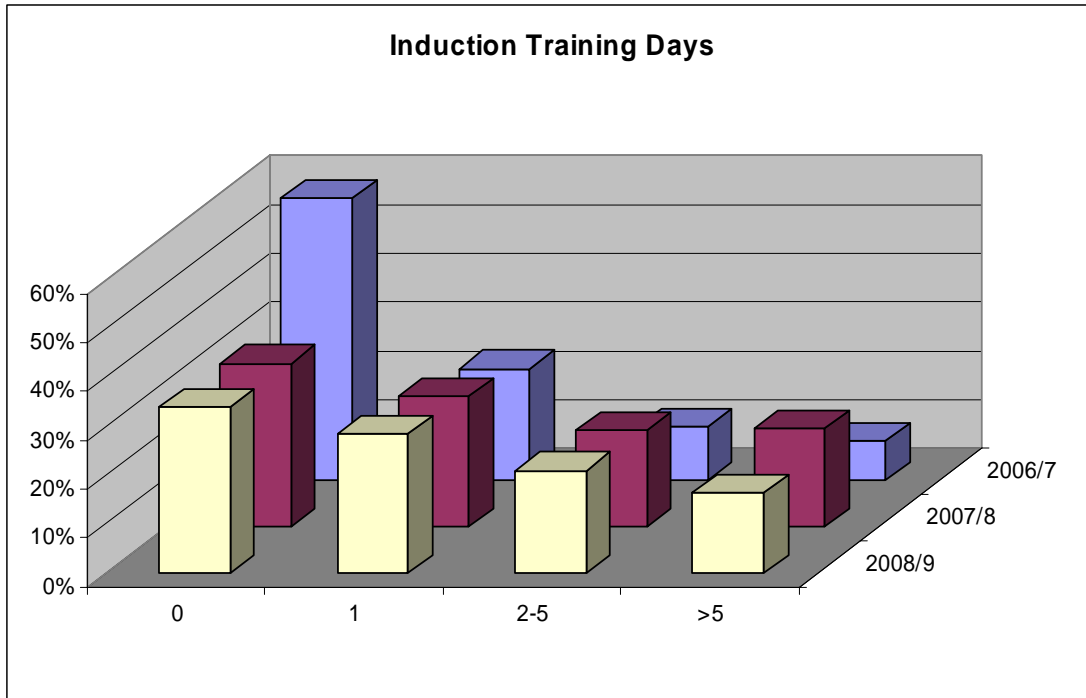
Bonuses were also down with only 12% receiving bonuses in excess of 10% of base salary, compared with 23% in prior year.



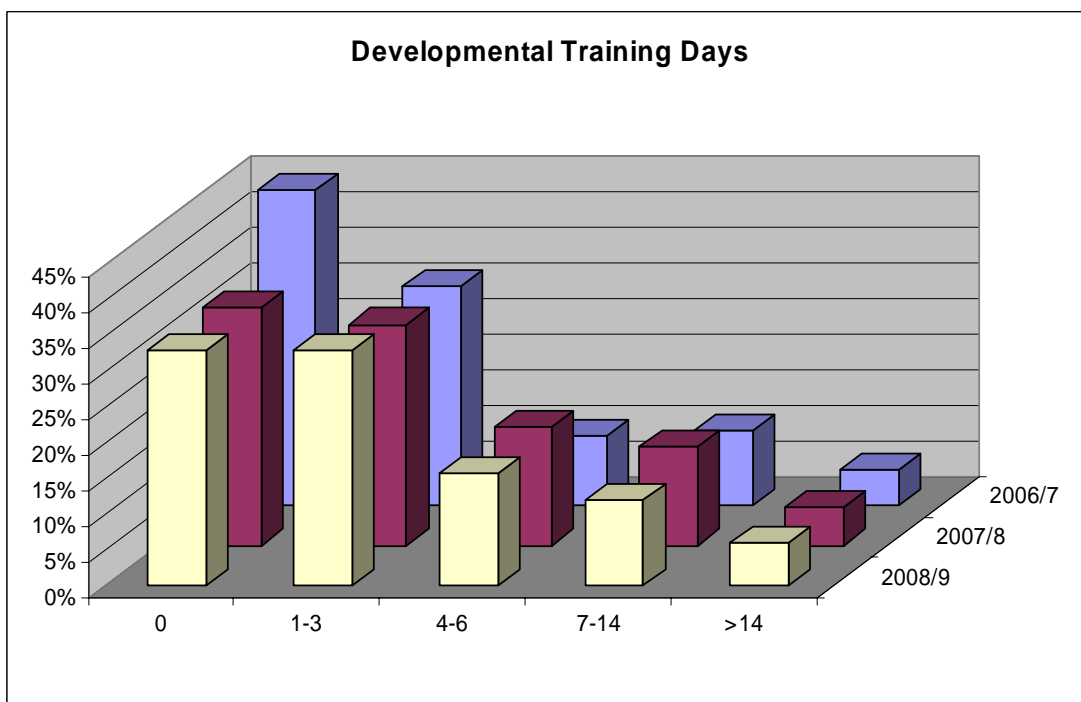
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## Training & Development

There was little change in the pattern of induction training over the past 2 years but a notable improvement since 2006/7 when 58% of all respondents claimed to receive no induction training when they first joined their company. This has reduced to 33% over the past two years.

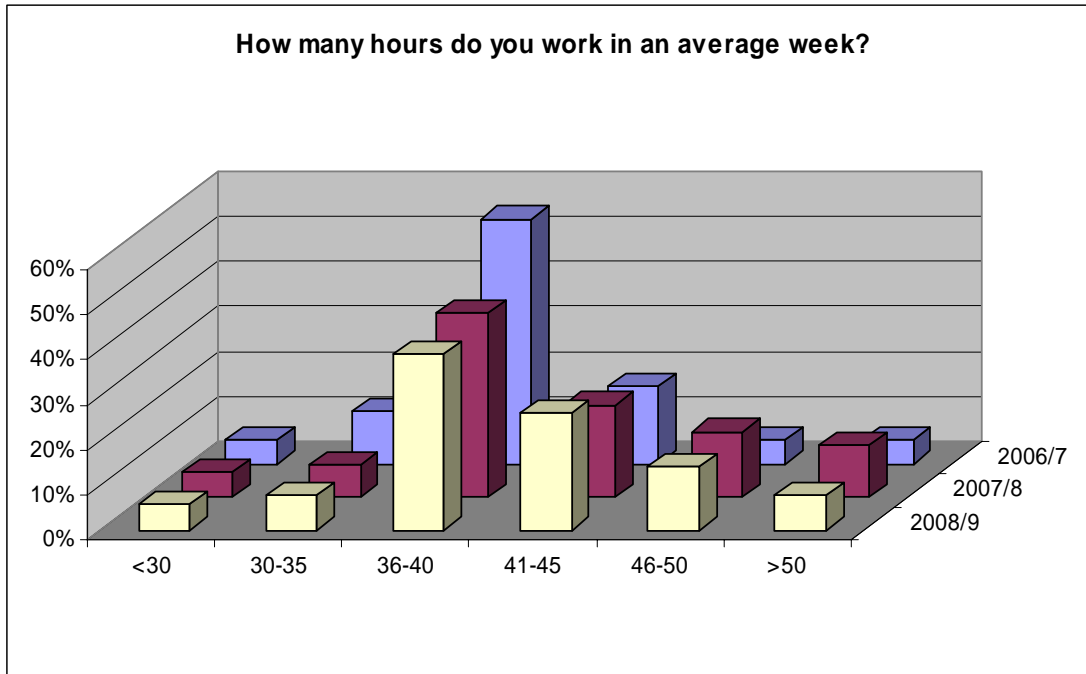


Developmental training has improved in a similar vein. In 2006/7 44% of all respondents received no developmental training. Today that number is 33%.



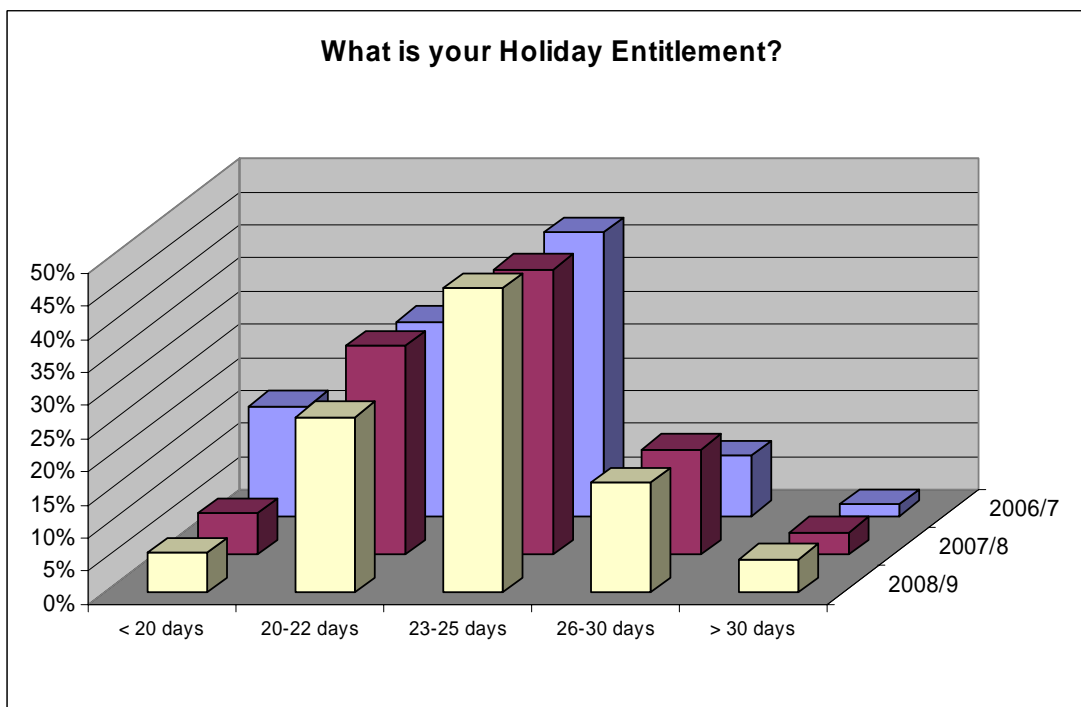
## Hours of Work

Average weekly hours worked by employees increased in 2009, with 26% now working between 41-45 hours compared with 20% in prior year. This data might support anecdotal evidence that workers are knuckling down in the current climate of job insecurity.



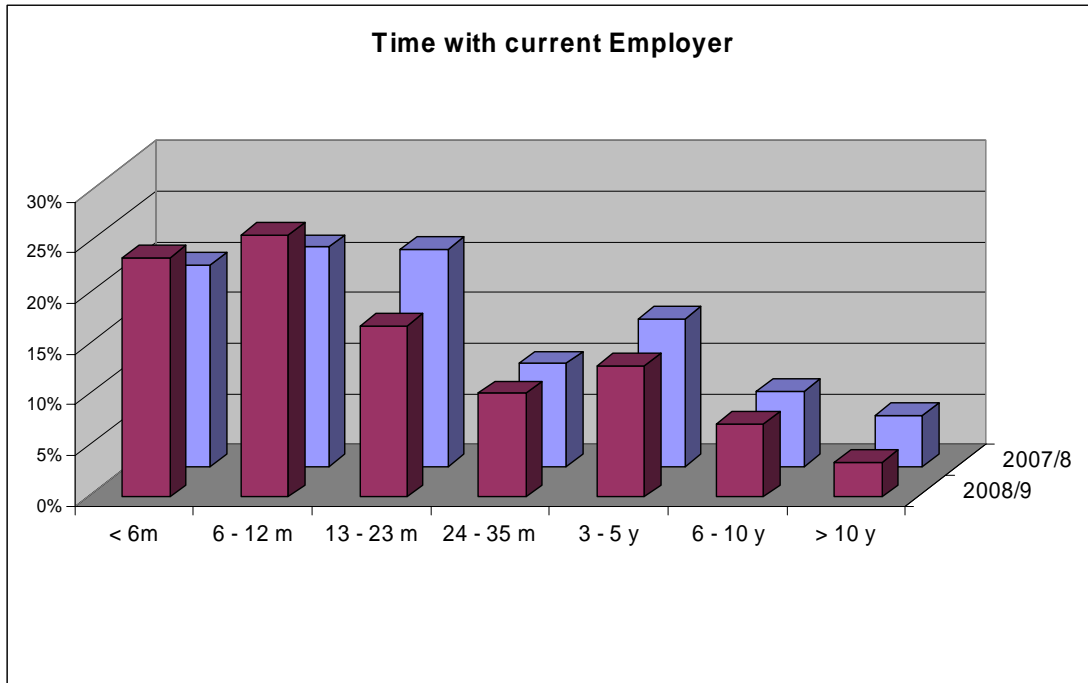
## Holiday Entitlement

Holiday entitlement has increased in the past year. 68% of respondents have 23 or more days per annum compared to 62% in prior year.

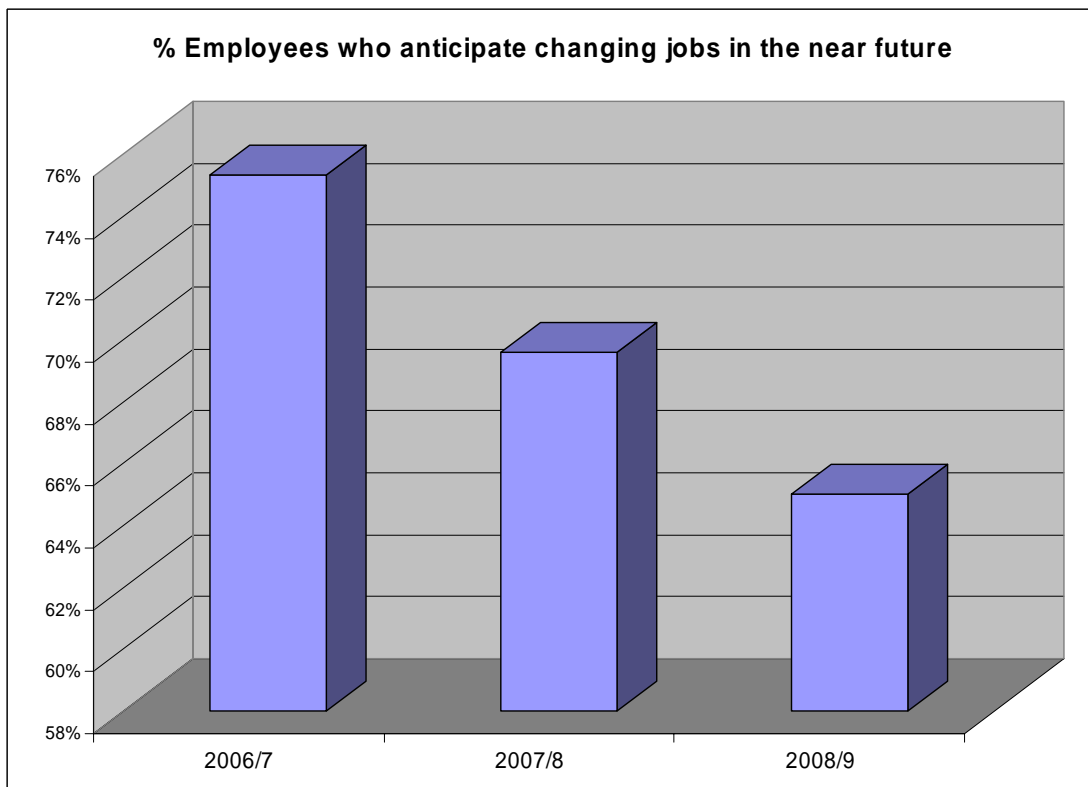


## Career Mobility

Career cycles have been increasingly short over recent years with more than half of January's respondents with less than a year's service with their current employer and less than a quarter with more than 3 years.

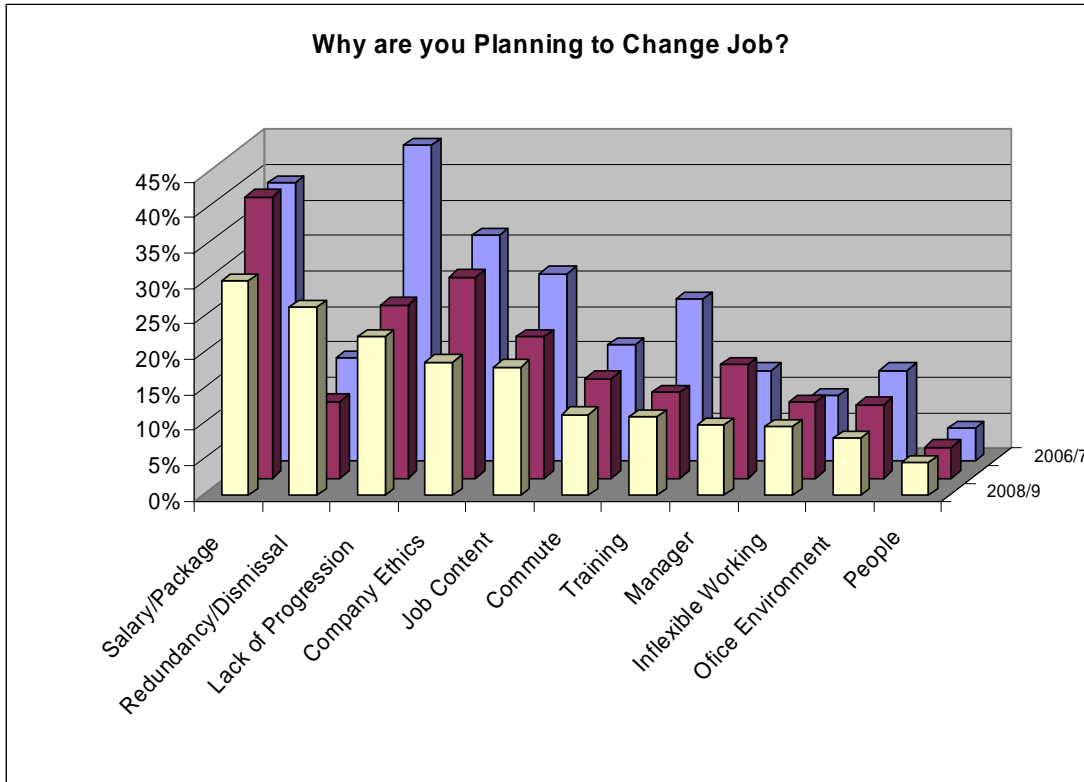


The uncertain economic climate of 2009 may have curbed the appetite for rapid career mobility with only 65% anticipating a move in the near future compared to 70% in 2008 and 75% in 2006.

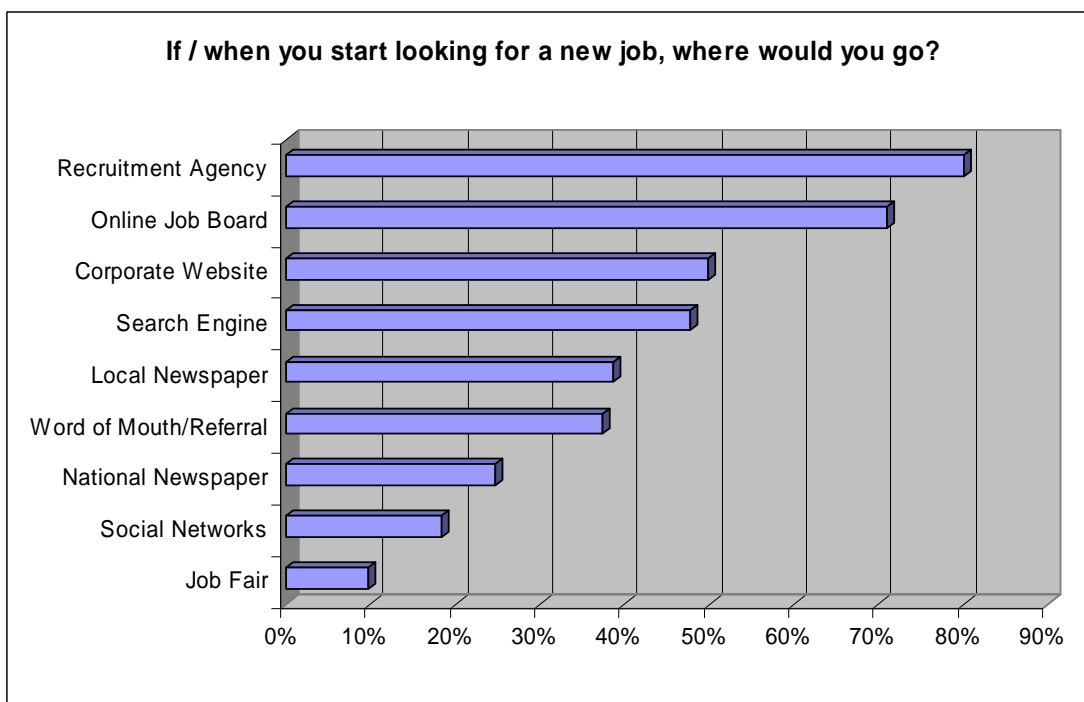


## Motivators for Change

The adverse economic climate may also have had a dampening effect on some of the previously cited motivators for changing job / company. Previously cited considerations such as career progression, corporate ethics and developmental training have all reduced in frequency.



80% of job seekers will use a recruitment agency when looking for a new job while an increasing number will use commercial job boards or go direct to corporate websites.



## Section 3: Compensation & Benefits

Overall, the basket of benefits offered by businesses has improved over the years although not all employees benefit from products on offer.

There is evidence to suggest that businesses are increasingly attuned to flexible working options, aided by improvements in technology. Today more employees take advantage of home access to business systems to facilitate a more flexible working arrangement with their employer.

### Which of these benefits does your company provide?

#### Hard Benefits

	Employer Response		Employee Response	
	2007/8	2008/9	2007/8	2008/9
Pension	89%	89%	62%	60%
Private Medical	73%	76%	44%	44%
Free Car Parking	67%	70%	45%	50%
Bonus	73%	69%	43%	39%
Life Assurance	57%	63%	34%	28%
Mobile Phone/Home Phone Paid	49%	60%	25%	22%
Childcare Vouchers	47%	56%	18%	22%
Laptop/Home Computer	48%	54%	27%	24%
Study Support	50%	47%	17%	20%
Overtime	43%	46%	19%	22%
Permanent Health Insurance (PHI)	30%	42%	14%	14%
Car Allowance	36%	40%	6%	6%
Company Car	27%	40%	10%	5%
Mat/paternity (beyond statutory minimum)	30%	37%	23%	21%
Subsidised Canteen	24%	29%	22%	24%
Share Option Scheme	21%	28%	22%	19%
Season Ticket Loan	24%	26%	13%	15%
Employee Assistance Programme (EAP)	24%	26%	11%	13%
Private Dental	15%	21%	13%	13%
Critical Illness	19%	21%	11%	11%
Relocation Assistance	22%	20%	10%	8%
Flexible Benefits	13%	15%	13%	15%
Free Gym Membership	14%	14%	13%	10%

#### Lifestyle Benefits

	Employer Response		Employee Response	
	2007/8	2008/9	2007/8	2008/9
Part-time working	74%	79%	48%	47%
Dress-down policy	55%	56%	39%	45%
Team Drinks & Social Functions	53%	54%	36%	35%
Home Access to Business Systems	47%	54%	28%	31%
Home working	43%	52%	25%	29%
Flexitime	31%	40%	39%	45%
Job share	23%	22%	12%	12%
Paid Sabbatical	2%	4%	3%	1%
Life Coaching	3%	4%	2%	2%

## Salary Scales - Office Professionals

Job Title	Min £	Ave £	Max £
<b>Human Resources</b>			
HR Director	44,000	70,000	150,000
HR Manager	30,000	44,000	73,000
HR Advisor	20,000	30,000	36,000
HR Officer	25,000	29,700	38,000
HR Administrator	17,000	22,500	26,000
<b>Sales &amp; Marketing</b>			
Sales Director	38,000	76,000	150,000
Sales Manager	25,000	45,000	80,000
Sales Executive	17,000	23,000	75,000
Account Manager	20,000	37,400	45,000
Marketing Director	35,000	62,000	100,000
Marketing Manager	32,000	42,000	58,000
Marketing Executive	18,000	23,500	35,000
Marketing Administrator	17,000	22,050	30,000
Telesales Manager	19,000	28,000	45,000
Telesales Executive	16,000	23,000	28,000
<b>Customer Services</b>			
Customer Service Director	40,000	60,000	110,000
Customer Service Manager	25,000	35,000	50,000
Customer Service Team Leader	23,000	26,800	38,000
Customer Service Executive	15,800	19,500	27,000
<b>Business Support</b>			
Bid Manager	35,000	48,500	65,000
Project Manager	30,000	43,150	68,000
Project Coordinator	19,000	25,500	33,000
IT Helpdesk	17,000	25,500	35,000
Facilities Manager	27,500	38,000	65,000
Facilities Coordinator	16,000	22,500	27,500
Training Director	36,000	47,500	70,000
Training Manager	28,000	33,800	45,000
Training Co-ordinator	17,000	22,500	26,000
<b>Office Support</b>			
Office Manager	24,000	28,000	34,000
Executive Assistant	26,000	34,000	40,000
PA/Senior Secretary	24,000	30,000	35,000
Team Secretary	23,000	26,000	28,000
Senior Administrator	21,000	25,000	32,000
General Administrator	16,000	22,000	26,000
Receptionist/Telephonist	14,000	19,000	24,000
Data Entry Clerk	14,500	18,000	20,000
Import/Export Clerk	19,000	21,500	24,000

## Salary Scales - Accounting & Finance

Job Title	Min £	Avg £	Max £
<b>Qualified Accountants</b>			
Finance Director	60,000	85,000	150,000
Financial Controller	45,000	60,000	85,000
Finance Manager	45,000	55,000	65,000
Financial Accountant	35,000	45,000	55,000
Management Accountant	35,000	45,000	55,000
Financial Analyst	35,000	45,000	55,000
<b>Part Qualified / Studying Accountants</b>			
Up to 1 year PQE	40,000	45,000	52,000
Finalist	31,000	35,000	40,000
Part Qualified	28,000	33,000	38,000
<b>Finance Support</b>			
Payroll Manager	30,000	35,000	45,000
Payroll Supervisor	25,000	32,000	35,000
Payroll Clerk	18,000	21,000	26,000
Credit Manager	28,000	40,000	60,000
Credit Supervisor	26,000	30,000	38,000
Credit Analyst	23,000	29,000	40,000
Credit Controller	20,000	25,000	30,000
Ledger Supervisor	25,000	30,000	38,000
Ledger Clerk	18,000	21,000	25,000
Assistant Accountant	21,000	25,000	28,000
Accounts Clerk	16,000	18,000	21,000
<b>Tax &amp; Treasury</b>			
Tax Manager	45,000	55,000	75,000
Tax Accountant	40,000	50,000	55,000
Treasury Manager	45,000	55,000	65,000
Treasury Accountant	30,000	38,000	45,000
Treasury Administrator	18,000	21,500	30,000

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