

Heywood Associates Recruitment Salary Survey 2010

Salary Survey 2010

INTRODUCTION

Last year, Heywood's Salary Survey exceeded all expectations in terms of depth of coverage, print run and national and trade media coverage.

Our Salary Survey remains the industry's key salary reference source and continues to anticipate major trends. This 11th edition builds on last year's Survey with yet another increase in scale and depth of coverage. For 2010 we have published two separate Surveys reflecting our various recruitment businesses. This Survey produced by Heywood Associates, covers a wide range of white collar sectors within contingency recruitment. The other Survey published by Heywood Search, covers data relating to the Executive Search and Interim Management sectors.

THE MOST COMPREHENSIVE SURVEY

This year's Survey draws on an overall sample of some 2,383 recruitment firms and 4,280 recruitment specialists across the whole of the UK. The information mirrors the financial packages offered from the 173 open job requirements that registered with Heywood between June and October 2009.

In addition to the geographical coverage, the Survey also looks in detail at seven key sectors dominating our market: Accountancy & Finance, Banking & Investment Management, Human Resources, Legal, Marketing, Secretarial and Technology & Telecoms.

We have continued to highlight the average fee income generated by fee earners and compared this data with the financial data from last year broken down by sector, location and level of experience. In addition, we have compared OTEs (On Target Earnings) to last year's Survey.

We have also illustrated Senior Consultant average basic salaries, OTEs and fee income in a graph format representing data sourced from 2004.

MAJOR TRENDS

Overall, the last quarter of 2008 and the first half of 2009 started poorly but since then business has begun to show some signs of improvement. Billings fell by as much as 31% and take-home pay per head by 26% during this period. No sector was immune from the downturn however there has been a noticeable improvement since Quarter 3, 2009 in most sectors particularly in Banking, HR & Marketing. It is expected that growth will continue throughout the remainder of 2009 and 2010.

Job orders were noticeably down during the first half of 2009 but there are positive signs and a definite uplift of business forecasted for the remainder of 2009 and throughout 2010. Despite the doom and gloom caused by the 2008-2009 recession, the recruitment sector is in reasonable shape and moving forward, the demand for quality fee earners will increase. Few firms are now considering redundancies and many are cautiously hiring. The recruitment to recruitment market remains client-driven although it is likely that there will be a swing towards a candidate-driven market from Quarter 2, 2010. There are currently at least one to three jobs for each successful billing recruiter.

Once there is more certainty regarding global events we envisage a dramatic improvement to the sector and strong fee earning candidates will become scarcer. Those clients playing hardball on rates and other terms with their suppliers will need to review their practices imminently or attracting the best applicants will prove difficult.

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MAJOR TRENDS ...continued

Given the current climate the timescale from interview to offer has increased. We put this down to caution in the market and a greater number of candidates available. Some of the mid and large firms who appointed in-house recruiters to manage their own growth have removed this level of management and a return to a more entrepreneurial view on hiring now exists.

Clients are more cautious in hiring and this has led to an adjustment in the basic salaries on offer. With the global recession of 2008–2009, a high number of consultants experienced a reduction in basic salary and commission payments were stopped. Candidates can no longer expect to receive a guaranteed pay rise on changing jobs and consequently they need to review opportunities to ascertain whether the career progression and OTE is a better option than that which they are currently receiving.

Recruiters appreciate that they are working in tough conditions yet the recruitment sector as a whole remains financially lucrative compared to other sales-focused sectors. The fact remains that we will need to work harder this year just to stand still. Longevity of service has remained the same over the past 12 months.

Client-facing and new business development experience continues to be in highest demand. Fewer opportunities exist for entry-point candidates at this time although this is expected to improve in 2010.

At present man-management opportunities remain few and far between for external candidates with the majority of positions being filled internally. Given the current economic climate a number of larger firms have removed levels of management in order to remain competitive and reduce costs. We expect this trend to continue into 2010.

Commission structures have remained competitive over the past 12 months and take-home pay falls firmly between 20 and 30% of fee income generated. This percentage remains the same as last year but basic salaries overall have fallen. Recruiters billing more will, of course, earn more.

In general, the static market has driven a number of trends including:

- *Continued demand for the Professional Services sectors*
- *Increased competition in less populated sectors such as Commercial, Human Resources & Legal*
- *All seven key recruitment sectors have indicated a fall in demand for their products.*
- *Redundancies were common during Quarter 4, 2008 and Quarter 1, 2009 although fewer redundancies were made after Quarter 2, 2009*
- *Confidence in the market has fallen although the sector remains financially lucrative for most recruiters*
- *Sustainable growth is not expected until Quarter 2, 2010 although experienced, strong fee earners will always be in demand*
- *In 2009 there were, typically in excess of 1-2 job opportunities per experienced recruiter*
- *Clients are taking longer to make hiring decisions and basic salaries are not increasing*
- *Financial guarantees are rarely offered.*

THE RECRUITMENT-TO-RECRUITMENT SECTOR

Late 2008 through to early 2009 have been challenging times for the Recruitment-to-Recruitment sector although there have been pockets of opportunity in some recruitment sectors and growth in the international markets.

In order to survive in a competitive market, we at Heywood recognise that providing added value services, building deep client working relationships and offering a professional and ethical approach is essential. We would like to thank all our clients for their continued support over the past twelve years.

Heywood continues to champion standards of professionalism for the sector and is a proud founder Recruitment to Recruitment sector group member of the Recruitment and Employment Confederation (REC).

REGIONAL PATTERNS

Given the minimal differences attained at this time we have decided to merge salary data from the previously separate London/M25 and Rest of the UK regional data surveys. The sector experienced a contraction during the final quarter of 2008 and the first quarter of 2009, a direct knock-on from the global recession. Despite this, for every experienced successful candidate considering a move there are still in excess of one to two job opportunities, fewer than last year.

INTERNATIONAL PATTERNS

At the moment, there is little appetite for recruiters interested in an overseas move. We do not anticipate an increase in demand until Quarter 3, 2010. The recession has hit all markets across the globe and those firms hiring overseas will need to determine whether they can fill their roles locally before looking further afield.

ACCOUNTANCY & FINANCE

The Accountancy and Finance sector in 2009 has been greatly truncated with recruiters chasing a far smaller number of clients and roles. Clients have been much more stringent in their criteria and interviewing processes due mainly to the glut of good people on the market giving them greater opportunity to pick and choose.

Firms recruiting into the Financial Services space have been particularly badly hit by the global recession although since Quarter 3, 2009, the market has improved. Commerce and Industry experienced tough times too. Those firms recruiting into the Not for Profit space have fared reasonably well throughout the recession although 2010 is expected to be more challenging given the anticipated job cuts. Demand for Risk, Compliance & Tax together with turnaround strategists have remained in high demand.

With an increase in business there is a noticeable increase in enquiries for additional recruiters and this trend is likely to continue throughout 2010. Experienced Temporary/Contract recruiters are in particular demand.

This sector has been particularly badly hit by the global downturn as recruitment firms drastically slashed their head count. We anticipate this sector will hire in increased numbers in order to manage the demand in new business.

BANKING & INVESTMENT MANAGEMENT

After experiencing a severe downturn in business during the second half of 2008 and early 2009, the demand for recruiters in this space increased significantly after Quarter 2, 2009. Banking Operations is particularly in high demand and areas including Front Office have also begun to show levels of improvement. Head count freezes are being lifted and there is a considerable appetite for experienced Perm and Temp Banking Recruiters to take advantage of the large number of hires being made in the sector.

Those Banking recruiters who survived the downturn will benefit from a strong second half in 2009 and a strong 2010. Some firms have expanded overseas and into emerging markets and are building additional revenue streams to complement their core businesses.

HUMAN RESOURCES

HR has remained fairly buoyant for those who had already built and consolidated their relationships but as with other sectors, apart from those supplying HR staff into Public Sector, revenue and take-home pay has fallen this year and consultants have had to work considerably harder.

Experienced HR Consultants are in demand and firms will consider cross-training those that would suit HR recruitment. As the market continues to improve, the appetite for recruiters in this space will increase.

LEGAL

The legal sector has been badly hit by the global recession and fee income and take-home pay has fallen considerably. A slight pick-up was noted around Quarter 2, 2009 and the demand for recruiters covering this space increased. It is anticipated that the market will noticeably improve from the beginning of 2010. Despite the downturn, recruiters with a proven track record and a portable client base will always be in demand.

MARKETING

Marketing suffered enormously during the second half of 2008 and the first half of 2009. Marketing departments and budgets were slashed resulting in fewer roles and lower salaries. Marketing recruiters who have survived the downturn may have had to accept lower revenues but as the market improves fee income and take-home pay is expected to rise. During Quarter 4, 2009, we noted an increase in demand for experienced Consultants. There is also an appetite for Industry candidates who want to move into recruitment.

SECRETARIAL

The secretarial sector has also been badly affected by the recession. With few roles and a glut of consultants in this sector it has been very tough and a number of recruiters have left the industry. As demand in the City improves, the outlook is more positive and an increasing number of secretarial recruitment firms are passively looking. We anticipate this trend will continue and that 2010 will be a strong year for recruiters in this space.

Consultants with strong relationships will always be in high demand and fee income and take-home pay should improve considerably during 2010.

TECHNOLOGY, MEDIA & TELECOMS

The Technology and Telecoms recruitment industry re-trenched during 2009 with some specialist areas such as Identity Security and Mobile Technology being very strong whilst other more traditional areas were fairly depressed. From Quarter 2, 2009 we noticed an increase in demand for recruiters and fewer firms were making redundancies. As expected, fee income and take-home pay were substantially down on the previous year but with projects coming on line during late 2009 and throughout 2010, those remaining within the industry can expect much better billings and take-home pay.

The New Media and Online sectors are also improving and the downturn in the market seems to have had less effect on these revenue streams. Demand is expected to be high for proactive entrepreneurial recruiters who have an interest/passion in the sector and are prepared to cross-train as mobile and internet takes an even stronger hold on the retail, gaming and media markets.

CAR ALLOWANCES

Resourcer/Trainee Consultant	Nil
Consultant	£3,000 - £4,000 per annum
Senior Consultant	£3,500 - £6,000 per annum
Divisional Manager	£5,500 - £7,500 per annum
Operations Director	£6,500+ per annum

COMMISSIONS & BONUSSES

Commissions and/or bonuses vary between industry sectors and range between 10% and 35% of personal billings/margins incorporating basic salary. The higher percentages relate exclusively to above threshold revenue generated and may be subject to various revenue triggers. The average gross take-home pay ranges between 20-25% of personal fee income.

EMPLOYMENT BENEFITS

Benefits offered to recruiters after a qualifying period may include:

- Additional holiday entitlements
- Company car or car allowance
- Contributions to either a company or private pension scheme
- Equity in the business
- Flexible working hours and the possibility of working from home
- Full or subsidised health club membership
- Home telephone or mobile telephone bill paid
- Interest-free season ticket loan
- Life Assurance
- Mobile phone supplied by employer
- Mortgage subsidy
- Personal incentives, i.e. meals, holidays, sporting events
- Private Health Insurance
- Share Option scheme
- Team drinks and social functions
- Team/office weekends away
- Team player bonuses
- Training schemes

EMPLOYEE RETENTION

Employee Experience

0 to 2 years
2 years+

Length of Employment

6 – 24 months
9 – 36 months

Holiday Entitlement

0 – 2 years service	20 – 23 days
2 – 5 years service	23 – 25 days
5 years+ service	25 – 30 days

INTERVIEWS

Sector

Accountancy & Finance
Banking & Investment Management
Human Resources
Legal
Marketing
Secretarial
Technology, Media & Telecoms

Interviews

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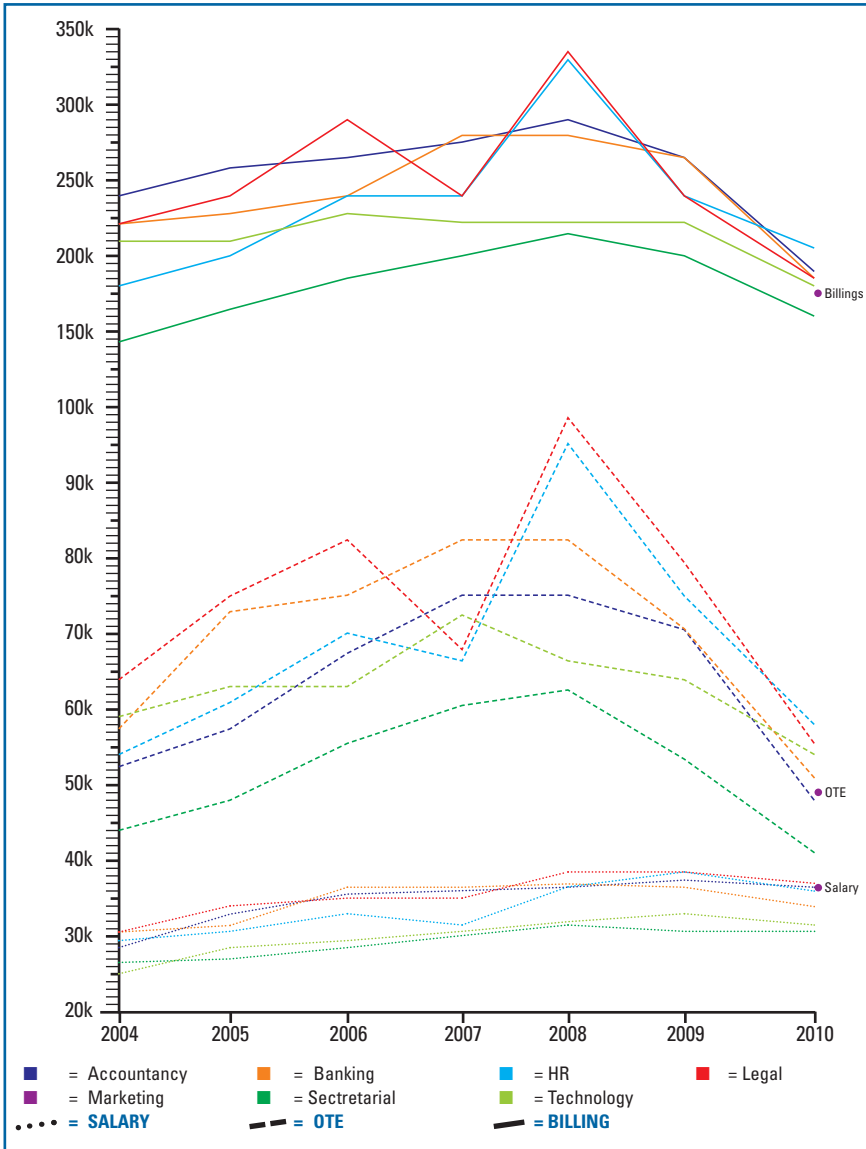
Turnaround

21 - 35 days
14 - 35 days
21 - 35 days
21 - 35 days
21 - 35 days
14 - 28 days
7 - 21 days

SALARY SURVEY 2010

POSITION	BASIC £,000	OTE (On -Target Earnings) £,000	ANNUAL REVENUE £,000
ACCOUNTANCY & FINANCE			
Resourcer/Trainee	£18 - 22k	£21 - 25k -11%	£0 - 50k -38%
Consultant (1-3 years)	£21 - 35k	£24 - 54k -19%	£120 - 180k -18%
Senior Consultant	£28 - 45k	£36 - 60k -43%	£180 - 200k -43%
Divisional Manager	£35 - 55k	£40 - 80k -16%	£80 - 150k -25%
Operations Director	£50 - 85k	£65 - 95k -14%	£0 - 120k -20%
BANKING & INVESTMENT MANAGEMENT			
Resourcer/Trainee	£18 - 22k	£21 - 25k -11%	£0 - 50k -38%
Consultant (1-3 years)	£21 - 35k	£24 - 57k -32%	£80 - 190k -21%
Senior Consultant	£28 - 40k	£36 - 66k -37%	£150 - 220k -63%
Divisional Manager	£35 - 58k	£45 - 75k -15%	£100 - 210k -16%
Operations Director	£55 - 80k	£65 - 95k -10%	£0 - 150k
COMMERCIAL			
Resourcer/Trainee	£20 - 22k	£25 - 30k -12%	£0 - 100k -17%
Consultant (1-3 years)	£25 - 30k	£37 - 66k -6%	£150 - 220k -12%
Senior Consultant	£32 - 40k	£37 - 78k -26%	£150 - 260k -13%
Divisional Manager	£40 - 60k	£55 - 87k -17%	£120 - 250k
Operations Director	£60 - 80k	£75 - 90k -22%	£0 - 150k
HUMAN RESOURCES			
Resourcer/Trainee	£20 - 22k	£25 - 30k -12%	£0 - 100k -17%
Consultant (1-3 years)	£25 - 30k	£37 - 66k -6%	£150 - 220k -12%
Senior Consultant	£32 - 40k	£37 - 78k -26%	£150 - 260k -13%
Divisional Manager	£40 - 60k	£55 - 87k -17%	£120 - 250k
Operations Director	£60 - 80k	£75 - 90k -22%	£0 - 150k
LEGAL			
Resourcer/Trainee	£20 - 22k	£25 - 28k -13%	£0 - 80k -47%
Consultant (1-3 years)	£24 - 35k	£30 - 54k -25%	£100 - 180k -25%
Senior Consultant	£32 - 42k	£54 - 66k -37%	£150 - 220k -27%
Divisional Manager	£45 - 60k	£55 - 75k -32%	£120 - 180k -25%
Operations Director	£60 - 75k	£68 - 95k -21%	£0 - 180k
MARKETING			
Resourcer/Trainee	£18 - 22k	£21 - 25k	£0 - 50k
Consultant (1-3 years)	£23 - 35k	£31 - 54k	£120 - 180k
Senior Consultant	£28 - 45k	£38 - 60k	£150 - 200k
Divisional Manager	£35 - 45k	£50 - 70k	£100 - 150k
Operations Director	£45 - 60k	£65 - 85k	£80 - 120k
SECRETARIAL			
Resourcer/Trainee	£18 - 20k	£21 - 25k -11%	£0 - 50k -38%
Consultant (1-3 years)	£20 - 37k	£24 - 38k -30%	£100 - 150k -17%
Senior Consultant	£26 - 35k	£32 - 50k -33%	£120 - 200k -20%
Divisional Manager	£35 - 45k	£42 - 65k -20%	£100 - 150k -17%
Operations Director	£40 - 65k	£50 - 75k -12%	£0 - 100k -17%
TECHNOLOGY, MEDIA & TELECOMS			
Resourcer/Trainee	£18 - 20k	£20 - 28k -7%	£0 - 100k
Consultant (1-3 years)	£22 - 29k	£28 - 48k -20%	£100 - 160k -11%
Senior Consultant	£28 - 35k	£36 - 72k -20%	£120 - 240k -20%
Divisional Manager	£38 - 55k	£45 - 72k -31%	£120 - 180k -28%
Operations Director	£60 - 75k	£65 - 85k -32%	£0 - 120k

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REVENUE DATA

OTE (On Target Earnings) & Personal Fee Income per Head (compared to 2009)

	OTE	Personal Fee Income
Accountancy & Finance	-21%	-29%
Banking & Investment management	-21%	-21%
Human Resources	-17%	-14%
Legal	-26%	-31%
Secretarial	-21%	-22%
Technology, Media & Telecoms	-22%	-20%

SURVEY NOTES

The figures outlined in this Survey reflect data supplied to Heywood from some 2,383 recruitment firms and some 4,280 recruiters from across the United Kingdom. We have also incorporated data obtained from more than 173 live job requirements obtained between June and October 2009.

The OTE (On Target Earnings) column highlights total financial compensation which includes basic salary and regular commission and/or bonuses.

The revenue figures relate to personal fee income generated by permanent placement recruiters or the net profit generated by temporary/contract recruiters on an annual basis.

Benefits continue to move towards 'quality of life' options such as working from home and wealth creation schemes.

JOB TITLES

- Resourcer/Trainee Consultant will have up to 12 months experience
- Consultant will typically have between 12 months and 3 years experience
- Senior Consultant will have 3 years+ experience
- Divisional Manager will have between 12 months and 3 years experience
- Operations Director will typically have 3 years+ experience



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