



# Personnel Rewards

## October 2009

The past 12 months have been a turbulent time for most HR professionals as the crisis in the financial services sector has spilled out into the wider UK economy. Many HR professionals have found themselves introducing various initiatives to help their employers survive the downturn and prepare for the recovery, such as job and pay cuts, salary and recruitment freezes, flexible working arrangements and benefit reviews.

HR professionals themselves have been impacted personally by these initiatives. Around one in four of them have reported receiving no salary increase in the past 12 months. By sector, four in 10 people in the private sector have not enjoyed a pay rise, while around one in ten, in both the voluntary and public sectors, also have not enjoyed a rise.

However, public sector HR professionals are now gloomier about their future pay prospects with them predicting a 2% increase in 2010, compared with a rise of 2.5% for 2009. By contrast, private sector respondents are predicting a 3% increase in 2010, compared with the 2% they got in 2009. Voluntary sector HR professionals are even more pessimistic, after enjoying a 3% rise in 2009, they anticipate that they will get 2% in 2010.

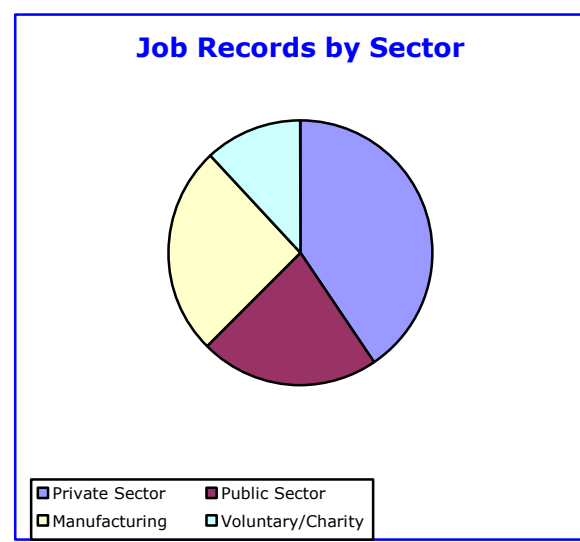
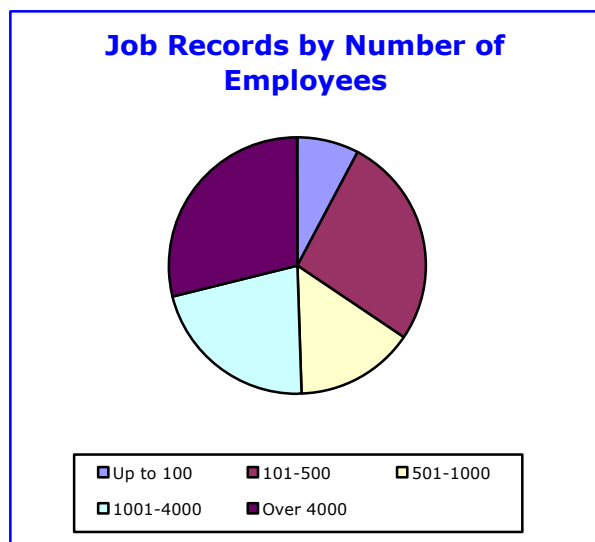
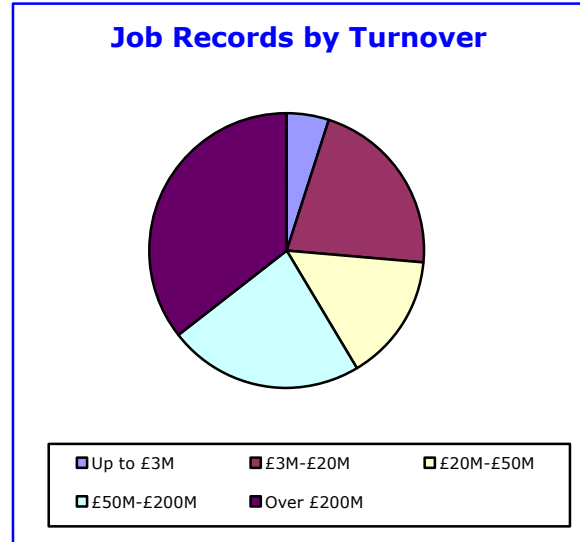
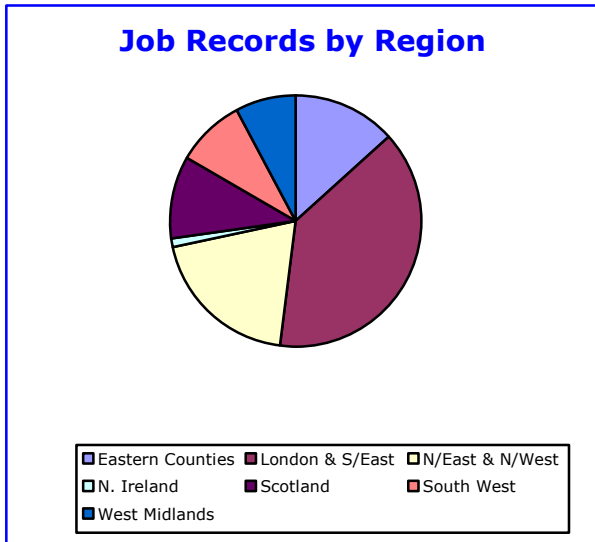
The research also shows that those employed in HR are working longer, with 71% of those in the private sector now working between 40 to 50 hours a week. That said, over half of HR professionals still rate their job satisfaction as good or excellent, while a similar number feel that they have good or excellent job security and a good or excellent work-life balance. Interestingly, just two-fifths thought their organisation recognises their contribution in an excellent or good way.

As ever, I would like to thank all those individuals who took the time and made the effort to respond to this year's Personnel Reward survey, as well as my colleagues at the CIPD, and the team at Croner Reward for all their hard work in creating and analysing the survey.

[Charles Cotton, CIPD Adviser, Performance and Reward](#)

## Key findings

To collect the data for this year's Personnel Rewards, online questionnaires were sent to 23,000 members of the Chartered Institute of Personnel and Development. 1,869 questionnaires were returned, checked and used in the survey. This provided 2,300 job records. To this substantial body of data was added appropriate and matching data from the Croner Reward pay databank, collected through other surveys. The total data analysed in the survey was 5,158 jobs from around 1,400 organisations. The data was collected in October 2009 and the survey published in December 2009.



## Sample profile

- 39% London and South East
- 66% private sector
- 59% working in organisations with over £50m turnover
- 80% female
- 20% male
- 62% generalists.

## Pay settlements and forecasts

The median increase for HR professionals at their last review was 2.5% and the forecast for reviews in the coming year is 2.5%.

The quartile range for settlements was NIL to 3.3%, and NIL to 3% for forecasts.

PAY INCREASES						
Sector	Settlements			Forecasts		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Public Sector	2.0	2.5	3	1	2	3
Private Sector	NIL	2	3.25	NIL	3	4
Voluntary	1.25	3	3.3	1	2	3
Overall	NIL	2.5	3.3	NIL	2.5	3

Pay rises in the public sector averaged 2.5% with a quartile range of 2% to 3%, and 8% had a pay freeze. In the private sector the average rise was 2% with a range from NIL to 3.25%, and 38% of respondents had a pay freeze.

35% of respondents forecast a 3% rise in the coming year and 16% are forecasting a pay freeze. Respondents from the private service sector are slightly more optimistic regarding forthcoming pay rises with 40% of them forecasting 3%. The median pay rise for rank 0 director level was 3%.

Included in these figures are the 25% of HR professionals who had a pay freeze. Of the other 75% of respondents who did receive an increase, the median award was 3% and an inter quartile range of 2.2% to 4%.

## Basis of pay review

Overall 60% of HR professionals had an element of performance linked to their pay review and 40% had a review based solely on the cost of living. In the public sector, 67% of reviews were based just on cost of living and only 33% included an element of performance. In the private sector 47% of HR professionals had a pay review based solely on performance and a further 37% had a review based on a mixture of performance and the cost of living.

Overall 65% of directors had some element of performance in their pay award, as did 63% of head of personnel and 66% of senior personnel managers.

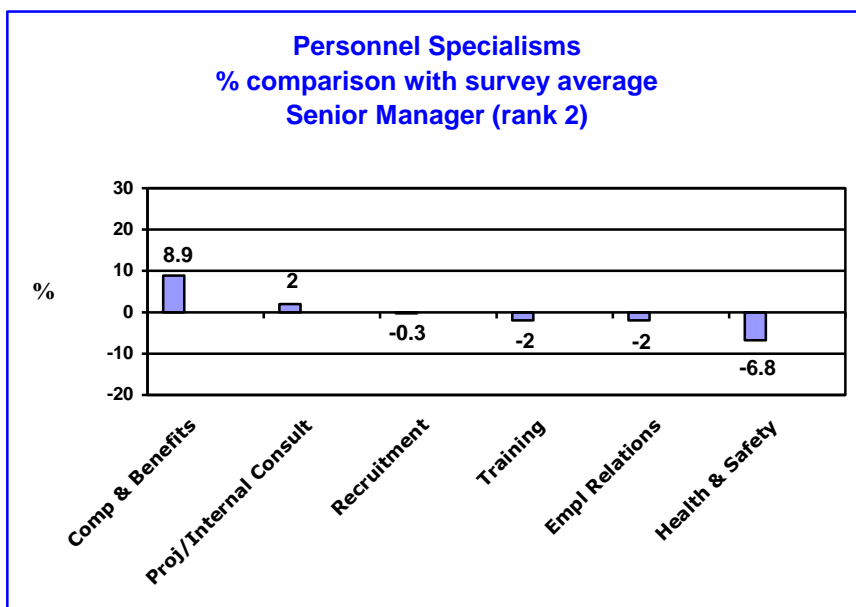
## Pay for personnel specialism

Overall, compensation and benefits specialists receive 9% premium.

In order to draw comparisons between different disciplines in the HR function, we have looked at the pay for a range of jobs at senior manager level (rank 2). The results are an indication of which specialisms are more highly rewarded.

This year's survey shows that again compensation and benefits specialists are the highest paid specialism receiving as much as 9% above the average salary for a senior manager (£50,000 compared with £45,900).

Also above average are project managers/internal consultants.



## Views

HR professionals feel fairly satisfied and secure and that their contribution is well recognised but there is a variety of views in different sectors as discussed below.

52% of HR professionals rate their job satisfaction as good or excellent. In previous years we have seen differences in job satisfaction levels across various sectors, but this year levels are similar across all sectors. There has been a noticeable drop in the not-for-profit sector from 70% good or excellent job satisfaction last year to 52% this year.

55% of HR professionals feel they have good or excellent job security. This is more highly rated in the voluntary sector where 11% reported excellent job security and 56% 'good', making a total of 67%.

However, the voluntary sector scores worst on the promotion stakes with 46% of respondents reporting no promotion prospects in their current organisation compared with the average for no promotion across all sectors of 34%.

More HR professionals think their pay is above the market rate (19%) than below it (9%). This year 8% of respondents from the not-for-profit sector feel their pay is well below the market compared with 4% last year.

42% of HR professionals felt their contribution to the business was recognised in an excellent or good way.

55% felt their work-life balance was good or excellent, but 17% felt it was poor or bad.

### **The 2009 Personnel Rewards survey**

The 2009 Personnel Rewards survey is available to purchase for £440 full price, £180 if you participated or £360 if you are a CIPD member. Published annually, Personnel Rewards gives a unique insight into pay and benefits trends in the UK.

All salary information is analysed by a number of factors, including, company size, age, business sector and region. The survey also includes analysis of benefits packages.

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