



# New Year hiring intentions remain resilient



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**Sammons Pensions Annual Salary Survey, 2015 now in its 14th edition, provides detailed insight into current market trends, with invaluable contribution from employers and individuals providing both specific data and views on salaries, bonuses and benefit packages as well as recruitment issues and challenges the pensions industry presents.**

## Market Overview

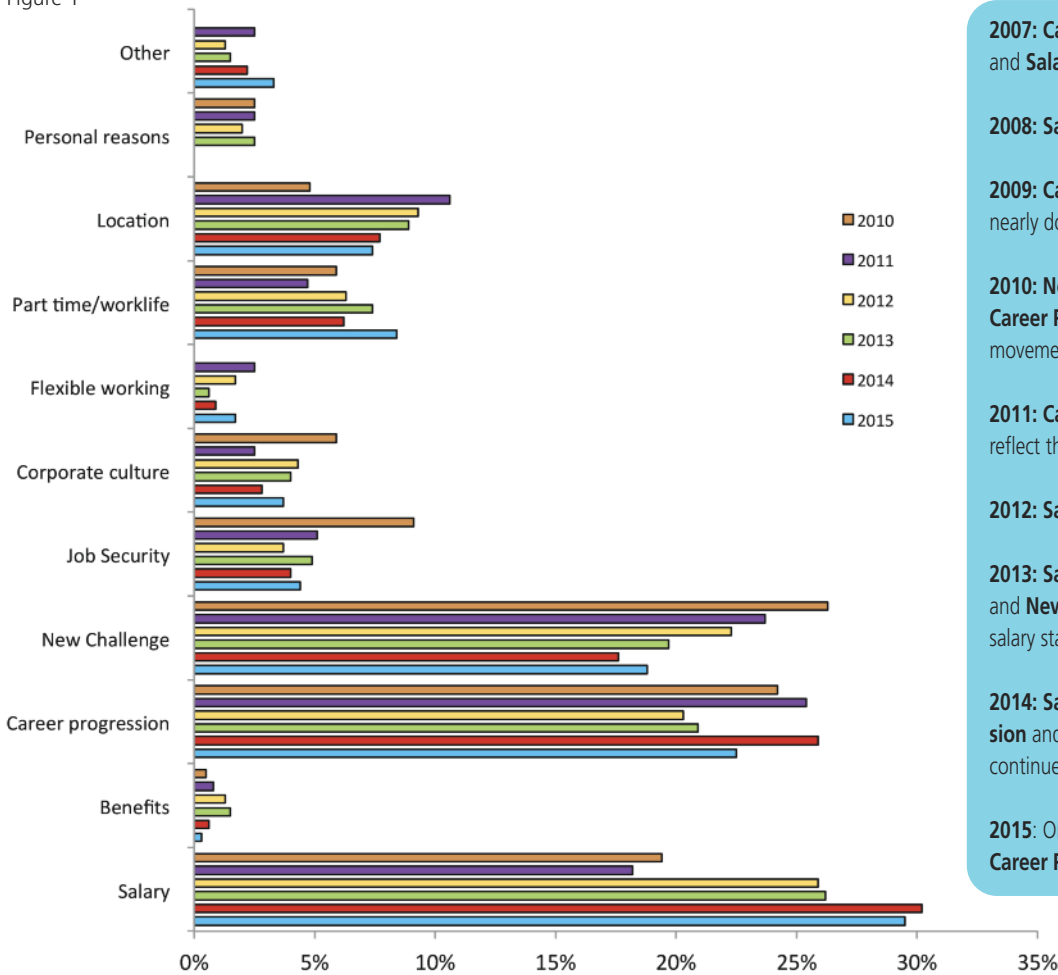
The Recruitment & Employment Confederation (REC) reported in December 2015 that "Hiring intentions are healthy and responding to demand". More than eight in ten employers believe that economic conditions are improving, and 97% feel that the outlook translates into static or improved prospects for hiring and investment decisions. 93% of UK employers are either operating with no spare workforce capacity or feel they may have to add resource should demand increase. Roll forward to February 2016 and the REC reported a drop to 77% of employers who believe that economic conditions are improving, but nine in ten planning to hold (8%) or increase (82%) headcount over the quarter leading up to the introduction of the National Living Wage. The key concern cited remains availability of

staff, not least with a continuing fall in unemployment (expected to be c. 5% November 2015 – January 2016).

## Why change role?

Employees are increasingly confident about making moves, whether for career progression or remuneration. Whilst they typically cite role as the main driver, many allude to a disconnect between salary expectations of employees and employers. 19.67% of respondents changed jobs in the past 12 months, reflecting improving confidence/market buoyancy. With increasing levels of opportunities in the industry, candidates are typically able to consider more than one opportunity to ensure that they move for the right career reasons. See Figure 1.

Figure 1



**2007: Career Progression** followed by **Location** and **Salary**

**2008: Salary** at 54%

**2009: Career Progression** key motivator, nearly double the response for **Salary**

**2010: New Challenge** followed closely by **Career Progression** reflected a lack of natural movement in the market

**2011: Career Progression** and **New Challenge** reflect this continuing frustration

**2012: Salary** returned as strongest motivation

**2013: Salary**, followed by **Career Progression** and **New Challenge**, reflected the past few years' salary stagnation/lack of movement in the market

**2014: Salary**, followed by **Career Progression** and **New Challenge**, unsurprisingly has continued to feature most highly

**2015: Once again Salary**, followed closely by **Career Progression** and **New Challenge**

## Is your salary in line with the market? An increase of 5% to 35% of respondents said no

Half of employers in the private sector have increased pay/earnings over the past 12 months. Indeed, while the average salary may be expected to rise by 3% in 2016, some workers can anticipate their pay to rise between 4 and 7.5%. Most of those roles are in technology and finance – fast-evolving but tightly regulated sectors where skills shortages will create upward pressure on salaries. The average payrise reported, as for the past three years, was 2-2.9%. Comments made by respondents included: “salary has fallen behind cost of living increases”; “not having regular review mechanisms in place”; “not being paid in line with experience following promotion”; “challenge of being able to benchmark as few similar roles internally”. ‘Salary’ continues to be the most frequently reported motivation for changing role.

The majority of employers do not share salary information internally or externally, but the benefits of a greater level of transparency could include increased trust between employer and employee; more accurate benchmarking when reviewing salaries; reduction in gender pay gap.

**Money talks – cash as reliable as ever when it comes to motivation.** In an independent study commissioned by Xactly, over 27% of UK employees say the hope of receiving a financial bonus is their main motivator. Financial incentives are a key consideration in employee engagement, with over 69% stating that it motivates them to push towards their next professional goal. In such a vibrant economy, boosting productivity has never been so important. See Figure 2 on p40.

## How could your benefits package be improved?

Each year we list some 30 benefits in our questionnaire, and ask respondents to list the three they value most highly (excluding salary). In 2014 Pension was most valued, followed by Life Insurance and Flexibility. This year Pension was closely followed by Bonus and Flexibility. We also ask respondents what benefits they would like to receive, if not currently offered. Key trend for the past two years has been Flexibility, whether flexible package, ability to buy/sell holidays, or flexible working. Another common response was that benefits packages are not keeping up to date with the market. ▶

## Salary breakdown by role/sector

Figure 2

In-House	London	South East	Midlands & South West	North & Scotland
Junior Pensions Administrator	£14-26k	£16-25k	£12-23k	£15-23k
Pensions Administrator	£18-41k	£20-35k	£18-35k	£15-30k
Senior Pensions Administrator	£25-47k	£25-45k	£25-40k	£20-40k
Team Leader	£31-45k	£25-48k	£28-45k	£25-42k
Administration/Operations Manager/Director	£40-110k	£35-110k	£35-90k	£32-90k
Assistant Pensions Manager	£35-70k	£35-65k	£30-60k	£27-60k
Pensions Manager	£41-100k	£50-90k	£38-105k	£45-110k
Group Pensions Manager	£80-125k	£60-140k	£65-160k	£66-145k
Pensions Director (UK wide)	£88-300k+			

Consultancy/Third Party	London	South East	Midlands & South West	North & Scotland
Junior Pensions Administrator	£17-23.5k	£17-23.5k	£15-23k	£15-19k
Pensions Administrator	£18-30k	£18-36k	£19-27k	£17-26k
Senior Pensions Administrator	£24-35k	£24-35k	£22-35k	£21-35k
Team Leader	£32-47k	£30-45k	£28-40k	£25-40k
Administration/Operations Manager/Director	£40-90k	£30-110k	£40-85k	£30-120k
Trainee/Assistant Consultant	£24-40k	£25-40k	£25-40k	£22-35k
Consultant	£40-70k	£33-65k	£35-65k	£28-60k
Senior/Lead Consultant /Partner	£60-185k	£55-140k	£50-135k	£32-140k
Client Manager/Director	£40-100k	£30-90k	£35-80k	£36-80k
New Business Consultant	£30-100k	£30-80k	£30-95k	£30-80k
	OTE £100k+	OTE £100k+	OTE £80k+	OTE £80k+

\*note Salary range in each category due, in part, to varying benefits packages, bonus structures; as well as the wide-ranging responsibilities typically categorised by relatively few job titles.

## What factors do you value most highly in your current employment?

Figure 3

	2011	2012	2013	2014	2015
<b>Most Valued</b>	Variety of position	Salary	Salary	Salary	Salary
<b>Highly Valued</b>	Colleagues	Benefits	Bonus	Working environment	Bonus
<b>Valued</b>	Benefits	Working environment	Colleagues	Colleagues	On-site facilities

### Study supported?

In 2012 42.6% advised "yes", increasing each year to 61% in 2015, with incentives ranging from £75-1500 per exam. Each year APMI is the most popular qualification to hold, or be studying towards, along with FIA. We have seen significant increase in those studying for or having attained RPC, FPC and Trustee Toolkit. The volume of responses reiterates the high regard in which professional qualifications are held in this industry.

### Recruitment challenges

As a recruitment specialist to the pensions industry we are continuing to see a sharp increase in demand for highly skilled individuals, for both interim and permanent vacancies. "Shortage of suitably experienced candidates presented" continues to be the key issue reported by employers. This year "candidate salary" was the next most frequently reported challenge to overcome. Comments made included "Shortage of candidates

with appropriate experience and business cultural fit"; "Candidates having unrealistic expectations of a role and progression"; "Candidates using job hunt as tool to get existing company to offer more money"; "We have not compromised on the quality of staff we have sought - if the right people are not there we do not take anyone on".

### Conclusion

Employers have to move quickly to secure the best candidates, and are offering other benefits to attract top professionals, such as flexible working, annual leave and career breaks, as well as the potential to up-skill, as the industry is continually evolving in terms of knowledge and expertise sought.

We had the highest response yet to our annual survey, and would like to thank everyone who participated. [■]