

2022 Salary Survey- Executive Summary

Remuneration, Reward & Retention in the Professional Recruitment Sector



32% 
pay commission upon invoicing

76% 
of all respondents have increased headcount by more than 10% in the last 12 months

over 75% 
of respondents said that of respondents said that up to 5% of their workforce disclosed a disability

Less than 1/2 
of businesses have increased commission for any job function

29% 
of staff turnover was headhunted

47% 
of respondents said they grew their own staff through training & development

34% 
of businesses were planning to increase average salaries to match the cost-of-living increases

22% 
of staff turnover left their role for higher pay

73% 
of those working in recruitment have a learning and development plan

60% 
of businesses in the pharmaceutical & life sciences and procurement sectors were planning a cost of living increase

19% 
of staff turnover left for promotional opportunities

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Introduction

Welcome to the executive summary of our brand-new Remuneration, Reward and Retention Survey which we have developed as a response to member demand. It has been designed to give our members a better understanding of the talent market within the professional recruitment sector and to help them benchmark their businesses and consequently attract, and retain the best people.



The data was collected in the summer and as we write this summary, we are seeing unprecedented changes in our political and economic ecosystems. Unstable financial markets, rising interest rates and a cost-of-living crisis which, it seems, will get worse before it gets better – not to mention a Government struggling to decide its tax and spending plans.

The full biennial report, available to members only, not only gives data on basic salary bonus and commission structures by job function and region, but also trends around planned pay increases, reward and benefits packages, hiring intentions and training & development.

Despite the economic turmoil in which we find ourselves, the one certainty we can rely on is that with skill shortages still rife, coupled with record lows in unemployment, the professional recruitment sector is going to be more important than ever in attracting and sourcing hard to find talent.

If you would like to see the full results of the survey then talk to one of our membership advisors today.

Ann Swain
Global CEO

APSCo provides great central resources we can always fall back on, which is why we have been a member for nearly 10 years.

DCL Search and Selection

About this research

During the summer of 2022 we surveyed the APSCo membership to ascertain:

- Current pay levels across job functions and regions
- Commission structures
- Benefits and reward packages
- Plans for pay and commission increases
- Reasons for staff churn and plans for headcount increases
- Training & development trends

About our membership

The Association of Professional Staffing Companies is made up of members within the professional recruitment sectors, the majority of which (82%) are SMEs with turnovers of up to £10m; 12% of the membership have turnovers of between £10m and £50m; 3% have turnovers of between £50m and £100m and 3% have turnovers of over £100m. This is broadly reflective of the make-up of the UK recruitment sector as a whole.

The members operate within the professional and specialist sectors such as Clinical & Healthcare; Education; Social Work; Engineering; Banking & Finance; HR; Interim; Legal; Media Marketing & Sales; Pharma & Life Sciences and Technology & Telecoms, which represents our largest sector at 29% of the membership.

APSCo has become the ideal partner to have in your corner when working in the recruitment sector, as they have a huge range of experience and resources available to help companies of all sizes to grow and achieve their goals.

Future Education



Remuneration

Average salaries, bonuses and commission

Our survey shows little difference between the overall packages for contract and permanent recruiters, although there is some variation in individual and team-based commissions and bonuses dependent upon the type of recruitment performed.

It is unsurprising to note that all of our respondents entered a zero for commission for marketing roles reflecting the prevailing attitude that sales are made by sales people.

Similarly, finance and payroll staff scored zero on the commission stakes. With healthy cash flow a crucial metric in running a business, perhaps an incentive to finance staff may be something to think about.

Almost a third (32%) pay commission upon invoicing rather than candidate start date (16%) with only 14% paying commission upon receipt of payment i.e. pay when paid.

Less than half of businesses have increased commission ranges for any job function, with the highest percentage (43%) increasing ranges for the resourcing function, due, no doubt to the ongoing candidate shortage across professional sectors.

32% 
pay commission upon invoicing

Less than 1/2 
of businesses have increased commission for any job function

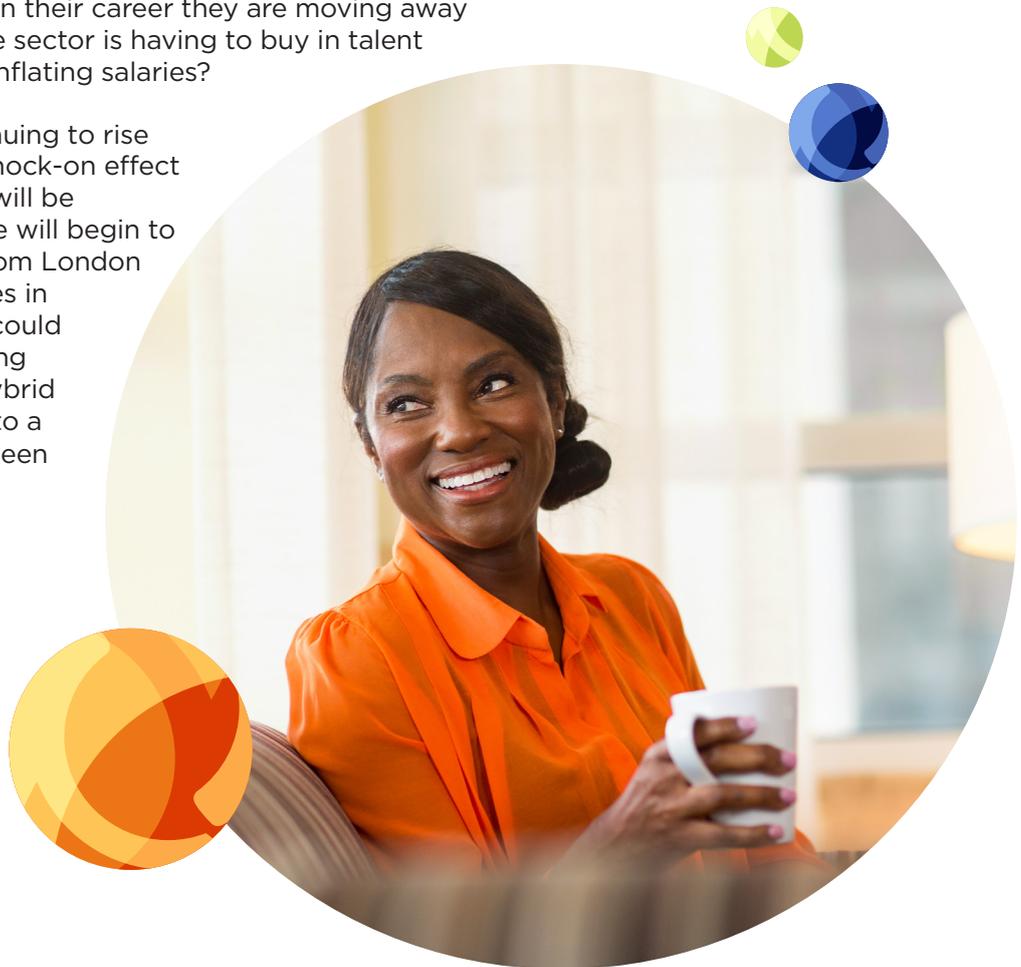


Average basic salaries by region

Our analysis shows that there is in general a significant difference between London and all other regions. The data shows that most salaries in London are approximately 10-12% higher than elsewhere in the UK. However, there are some notable differences. C Suite roles, particularly in the North West and the Midlands are relatively more expensive, which could be due to a lack of experienced, regional talent. We also note a much smaller variation across the regions in terms of basic salaries for senior consultants. Is this due to the need of companies to keep their experienced recruiters and a dearth of experienced talent in the market overall?

Are we in general seeing higher salaries where there are corresponding skills shortages? In London the disproportionately higher salaries are in the mid-level management roles, such as business development managers, account managers, and bid managers. This could be partly due to the need to raise salaries as staff move up through their careers, and the desire of businesses not to lose their experienced staff. Another factor could be that, as people reach a certain point in their career they are moving away from the capital, or is that the sector is having to buy in talent from other sectors, which is inflating salaries?

With the cost-of-living continuing to rise and interest rates having a knock-on effect on the cost of mortgages, it will be interesting to see whether we will begin to see a notable 'talent drain' from London as people seek cheaper places in which to live and work. This could be intensified by the increasing trend towards remote and hybrid working. Whether this leads to a "levelling up" of salaries between London and the rest of the country remains to be seen.



Average pay increases

We asked all respondents for the most common percentage pay increase awarded over the last 12 months by function. Not surprisingly, front line sales roles tended to attract the highest pay increases and were the only sub sector that attracted equal to, or higher than the prevailing rate of inflation.

When we looked at your intentions in terms of salaries, only just over a third (34%) of businesses were planning to increase average salaries to match cost-of-living inflation. By sector, almost 60% of both the pharmaceutical & life sciences and procurement sectors were planning increases in line with the rise in the cost-of-living. However, only 20-40% of all other sectors planned to do the same. That still leaves a significant percentage of firms, that were not, at the time of data collection, planning to increase salaries in line with inflation.

Since surveying members we have seen inflation rise to its highest level in 40 years, which may precipitate changes in plans laid down over the summer.

34% 

of businesses were planning to increase average salaries to match the cost-of-living increases

60% 

of businesses in the pharmaceutical & life sciences and procurement sectors were planning a cost-of-living increase

APSCo really knows its members and understands their business drivers - the material provided is on point and so relevant.

McCall Ltd



Reward

Benefits

The most popular benefits awarded to all staff across the professional recruitment sector were:

- **Contractual annual leave**
- **Contractual paid sickness**
- **Flexible working**
- **Contractual paternity leave**
- **Contractual maternity leave**
- **Private health insurance**
- **Training and development plan**
- **Company mobile phone**
- **Employee life insurance/death**
- **Retail discounts & rewards**
- **Contractual adoption leave**
- **Digital healthcare/health apps**
- **Pension**
- **Season ticket loans**
- **Subsidised gym membership**
- **Company car**
- **Crèche/subsidised childcare**
- **Income protection insurance**

Research into benefits across commercial and industrial sectors outside of the recruitment market suggests that many companies are now moving away from a 'one size fits all' benefits package to more of a flexible menu, designed to suit particular lifestyles at different stages of life.

It was interesting to note that benefits around health, wellbeing and sustainability such as cycle to work schemes, miscarriage and menopause leave, and self-care days for mental health and stress issues, for example were not mentioned.

APSCo is our 'one stop shop' providing advice and professional support for our employees and every area of our business, from compliance to education, from UK to EU legislation, a 'must have' to support future company growth.

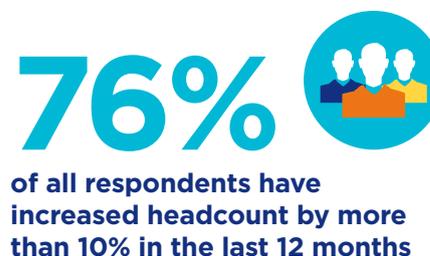
Skillfinder International



Retention & hiring

Headcount plans

Over three quarters (76%) of all respondents across all sectors have increased headcount by more than 10% in the last 12 months and more than half (54%) plan to increase by more than 10% in the next 12 months. The sectors with the biggest headcount growth plans were the legal, engineering and technology sectors.

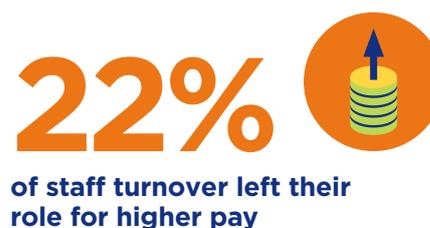


Staff turnover

Excluding 'Other', the three top reasons for staff losses were: being headhunted by another firm (29%); higher pay (22%); followed closely by promotional opportunities (19%). Whilst the above reasons look at turnover from a business viewpoint, we are aware that there will be underlying reasons why a headhunt approach is successful.



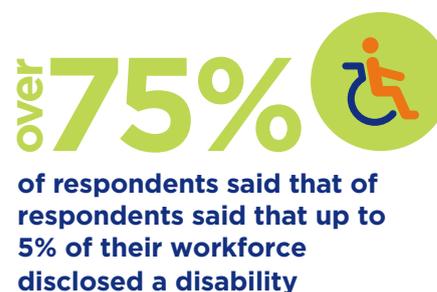
To truly understand your staff churn businesses must undertake robust exit interviews, and analyse and act upon the results. APSCo is looking into further support for members in this area.



While it is clear that content staff do not actively search for better training, benefits or work-life balance; it is also the case that they may be tempted to jump ship when approached. Therefore, retention policies are going to be key if firms are going to be able to achieve the headcount growth they are looking for.



Additionally, it is becoming increasingly obvious that we cannot just keep moving the same people around the market and hope to grow our profession unless we recruit fresh blood and equip them with robust training and development plans. It is also obvious that our sector is not diverse, and we are, therefore, missing out on potential candidates. Over 75% of respondents said that only up to 5% of their workforce had disclosed a disability and we know from our research last year that over 75% of the sector identified as White/British.



Although we asked for more detailed diversity data for this report, firms were unable, to provide the information. The diversity research we undertook last year found that 41% of recruitment firms did not record demographic data on their workforce. While the tracking of sensitive personal data requires careful management, APSCo's Embrace Hub has a whole host of resources to support recruitment firms. As a profession that holds the future careers of others in its hands, it's crucial that the recruitment sector itself reflects the diversity of today's world and that means looking outside of the 'usual suspects' and considering new and different talent pools when it comes to recruiting new blood into the profession.

Learning and Development

One of the keys to retention is that staff feel they are being trained and developed in their careers and yet less than half of the respondents to our survey (47%) said that they grew their own staff through training and development. That having been said, actually 73% of respondents said they have learning and development plans, however the percentages varied significantly when looking at individual job roles.

From the data we can see that L&D plans are more prevalent in front line sales roles. While 87% of trainee recruitment consultants and 82% of sales managers have a training and development plan, when we look at non sales roles, the percentages drop significantly. According to our respondents, less than two-thirds of HR, marketing and finance professionals have formal training plans and for administration and compliance roles this drops to 57%.

The most surprising statistic is the percentage for C Suite and director level roles at 58%, suggesting that firms are potentially undervaluing leadership development. This could be costly in the medium to long term as according to research that APSCo has undertaken with Saffery Champness, those firms that have a strong core leadership team tend to see quicker expansion, better retention levels and a higher value on exit. Investing in your leaders not only demonstrates your commitment to them but also ensures that they have the tools to lead in an ever-changing market.

Additionally, research undertaken with Jane Newell Brown, co-author with Ann Swain of the Professional Recruiter's Handbook, suggested that businesses should be taking much more care in recruiting and developing their future leaders and increasing investment in their development. This is just one of the reasons why APSCo partnered with the Chartered Management Institute (CMI) to develop two internationally recognised and CMI accredited leadership programmes aimed at both existing and future leaders.

47% 
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73% 
of those working in recruitment have a learning and development plan



Recommendations

There is no doubt that the macroeconomic environment is taking us into uncharted territory, and the professional recruitment sector is more important to UK plc than ever before. We have record employment levels – and record vacancy numbers – a situation we must take full advantage of by helping firms recruit the talent they need.

There are a number of action points recruitment leaders can take on board from this report:

- Consider how you can restructure pay and commission structures to help offset the cost-of-living increases that all your staff will be experiencing
- Consider reward/commission schemes for non-sales staff
- Review your benefits packages in consultation with your employees to make sure that they are aligned with what your staff value
- Review flexible working policies to ensure they align with employees' and the business' requirements
- Review training and development plans to ensure all staff have a structured training programme
- Start collecting meaningful diversity data to ensure that you can build a truly diverse workforce

We avidly supports APSCo as an organisation and truly believe that its global work in raising industry standards aligns with our company strategy.

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