

THE 2015 HR AND L&D SALARY SURVEY

Are you getting what you're worth? Benchmark yourself with the UK's most authoritative guide to HR pay

The UK economy is staggering out of the doldrums of recession – and the positive news for HR and L&D professionals is that their pay packages are keeping pace with the recovering market. But which areas of HR are flying, and which are decidedly slow? And is the current recovery in HR pay sustainable?

People Management partnered with management consultancy Hay Group for the second year running to delve into the base pay figures of more than 700 public and private sector organisations. Overall, we've found salaries rising by around 3 per cent, which is broadly consistent with the wider economy.

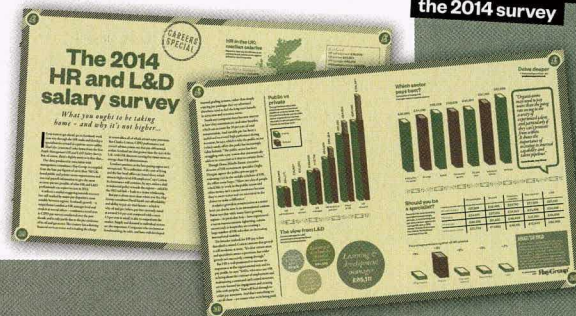
But there are deep regional variations. Scotland continues to receive the most impressive pay rises year on year, undaunted (or perhaps encouraged) by the economic uncertainty that plagued the country for the duration of the independence debate. As Hay Group consultant David Smith points out, the cost of living in major cities such as Edinburgh and Aberdeen is now comparable to London, an occurrence which can only be partly attributed to the oil and gas sector. Northern Ireland also recorded impressive figures, though the south of England and Wales were notably more subdued. But as ever, the figures are worth drilling into further.

The gap between the public and private sectors, much discussed in broader terms, is prevalent in HR roles and appears to be widening. Charles Cotton, CIPD performance and reward adviser, says successive pay freezes have taken their toll on the public sector workforce and worse may be to come – outside of the NHS and education, up to one million jobs are forecast to be lost between now and 2020, with a knock-on effect for remuneration. But, says Cotton, base pay is rarely an absolute measure in the public sector, where progression pay and benefits are more prevalent than the private sector – meaning the true gap between the two sectors may not be as wide.

Even in the private sector, there are notable disparities. Oil and gas, industrial goods and utilities all continue to pay above the market rate, with the retail sector slipping behind. Reward continues to be the most lucrative specialist path, though recruitment records the most impressive wage hikes of the year.

The Hay Group figures are compiled using real payroll

This year's figures are compared with the 2014 survey



The state of the nation

Reported median base pay for HR roles at six common levels in seven regions defined by Hay Group – including year-on-year increase from 2014 survey.

Northern Ireland

HR administrator **£24,531** ▲ 3.13%
 HR adviser **£36,686** ▲ 3.34%
 HR manager **£39,771** ▲ 4.36%
 HR business partner **£61,675** ▲ 4.2%
 Head of HR **£83,190** ▲ 1.97%
 HR director **£91,941** ▲ 3.4%

Scotland

HR administrator **£26,080** ▲ 4.32%
 HR adviser **£34,644** ▲ 3.12%
 HR manager **£47,506** ▲ 4.09%
 HR business partner **£69,174** ▲ 4.69%
 Head of HR **£94,502** ▲ 3.84%
 HR director **£129,780** ▲ 3%

East Midlands, Yorkshire, Humberside & north east

HR administrator **£25,057** ▲ 2.81%
 HR adviser **£32,733** ▲ 2.27%
 HR manager **£41,798** ▲ 2.08%
 HR business partner **£62,413** ▲ 3.15%
 Head of HR **£96,664** ▲ 2.28%
 HR director **£123,713** ▲ 2.33%

West Midlands & north west

HR administrator **£28,329** ▲ 3.28%
 HR adviser **£34,928** ▲ 2.84%
 HR manager **£44,291** ▲ 2.99%
 HR business partner **£69,224** ▲ 3.27%
 Head of HR **£97,446** ▲ 4.76%
 HR director **£110,528** ▲ 3.43%

Wales

HR administrator **£24,502** ▲ 2.48%
 HR adviser **£33,558** ▲ 3.37%
 HR manager **£39,739** ▲ 1.19%
 HR business partner **£72,799** ▲ 2.46%
 Head of HR **£95,085** ▲ 3%
 HR director **£108,970** ▲ 2.25%

Southeast, south west & East Anglia

HR administrator **£24,439** ▲ 2.47%
 HR adviser **£33,062** ▲ 2.42%
 HR manager **£42,693** ▲ 3.07%
 HR business partner **£66,054** ▲ 2.4%
 Head of HR **£89,361** ▲ 2.43%
 HR director **£119,123** ▲ 2.55%

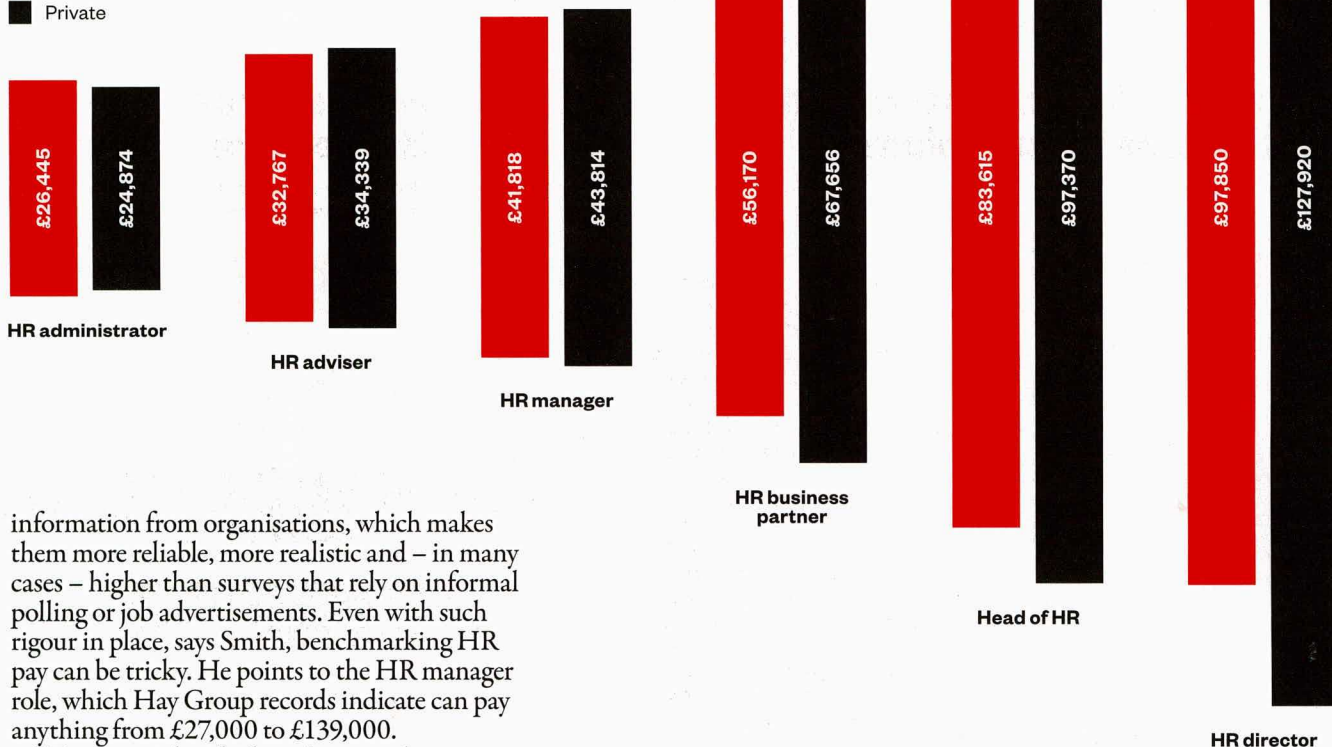
London

HR administrator **£30,335** ▲ 2.37%
 HR adviser **£35,569** ▲ 2.01%
 HR manager **£44,287** ▲ 2.49%
 HR business partner **£70,268** ▲ 3.75%
 Head of HR **£112,138** ▲ 4.67%
 HR director **£132,458** ▲ 3%

Public vs private

The potential for future public sector job losses is likely to only exacerbate the widening gap between the sectors in terms of base pay.

■ Public
■ Private



information from organisations, which makes them more reliable, more realistic and – in many cases – higher than surveys that rely on informal polling or job advertisements. Even with such rigour in place, says Smith, benchmarking HR pay can be tricky. He points to the HR manager role, which Hay Group records indicate can pay anything from £27,000 to £139,000.

“The same job title doesn’t mean the same thing everywhere,” says Smith. “When benchmarking yourself or your organisation, it’s important to look at the nature of the job, so you’re comparing like for like. Many people haven’t got a handle on that yet.”

Still, there are plenty of reasons to be cheerful. Recruiters report the market for HR roles is buoyant, with plenty of movement at HR director level – Valerie Hughes-D’Aeth’s appointment to the BBC’s top HR job was the most notable of many moves this year. And it isn’t just the permanent market that has picked up: Bill Dudman, head of interim management at Consult-HR, says his consultancy filled more interim HR roles on day rates in 2014 than in the past five years. Interim positions are generating considerable interest among HR business partners, he says: “It used to be seen as something you did while waiting for a permanent role, but now they see it as a life choice – and it doesn’t affect your marketability.”



Valerie Hughes-D'Aeth was among the 2014 movers

And amid such optimism, it makes sense to look beyond the UK. For the first time, we’ve included an indication of where HR roles command the greatest premium over the general jobs market – and the Middle East and China emerge as the regions most in need of strong HR professionals. That’s not news to Cotton. “As organisations in the Middle East become more sophisticated, they need more sophisticated HR practices,” he says. “In the past, HR in the region has been seen as more transactional than transformational, but today they understand they need an approach to HR and reward that is aligned to what the business is trying to achieve.” Whether you stay at home or venture to pastures new, the pay outlook seems decidedly sunny for HR. **PM**

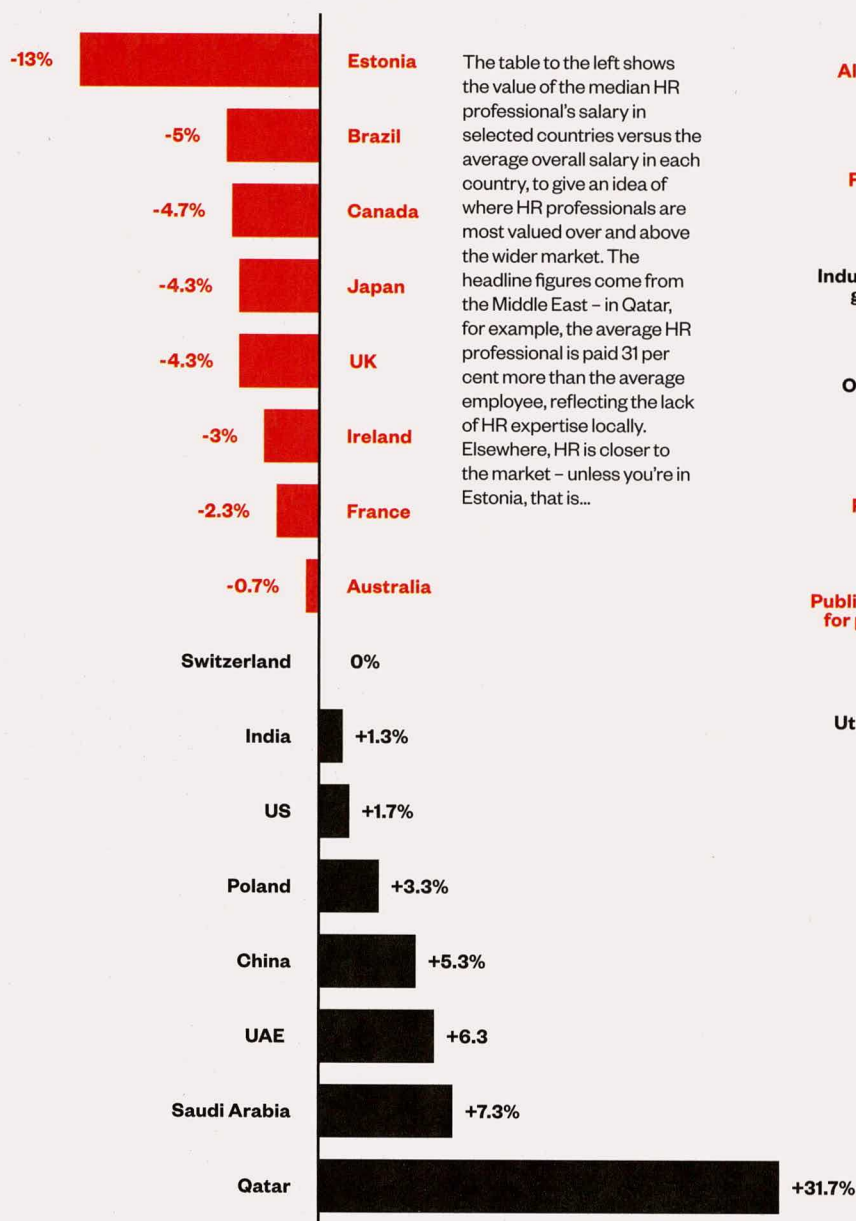
“Interim roles are being seen as a life choice now... and taking one doesn’t affect marketability”

The power of specialising

The recruitment function has seen the biggest gain in the past 12 months, reflecting the increased hiring optimism in many sectors.

	HR generalist	Reward	Industrial relations	Recruitment	L&D
HR administrator	£29,077	£29,628	£29,129	£27,567	£30,297
HR adviser	£36,639	£37,821	£36,640	£36,296	£36,257
HR manager	£47,680	£52,865	£49,211	£49,227	£49,820
HR business partner	£74,407	£74,855	£70,292	£76,184	£69,808

Which country pays the most impressive HR premium?



Snapshot of the sectors

Median HR manager salary in selected industry sectors.



ABOUT THE DATA

The data in the *People Management* salary survey has been taken from the July 2014 Hay Group UK PayNet database. The database contains data for more than 1.1 million jobs within over 730 organisations. It is updated four times a year and all data is provided directly from organisations. All roles in the database have been sized in accordance with Hay Group's world-renowned methodologies to ensure the benchmarks are robust.

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