

YOUR MONEY AND

Six months ago the Accountancy Age/Robert Half Accounting & Finance salary survey appeared to herald double-digit salary growth across the profession. But despite rumblings of a war for talent, salaries have remained virtually static – and in some cases have fallen. Rachel Fielding analyses the spring 2005 survey and offers you the chance to benchmark yourself against colleagues and leading lights

In the week that the government outlines its latest plan to tackle an adult skills crisis in the UK, could it be that the accountancy profession too is at something of a skills crossroads? The long hours' culture, and well-documented stresses and strains of the job are now being compounded by concerns of a dearth of skills and evidence of a male-dominated, family-unfriendly environment.

As the quest for the best candidates moves up a notch, the question begs, is enough being done to attract and retain the best candidates? Although the ultimate winners in the war for talent are accountants' bank balances, it's not without a price.

Salaries across the profession are, on average, on the up – but only just. Accountants now take home an average basic salary of £44,850 – marking a pitiful £610 increase on the last survey six months ago. The skills shortage rhetoric has, it would appear, done little to fuel inflation-busting pay increases.

But while a breakdown of the survey results by job title finds that some have fared better than others, the news on the whole is not good. Finance directors remain at the top of the salary tree, taking home an average basic salary of £65,700, compared to £61,707 just six months ago. But elsewhere pay packets are smaller than six months ago. The exceptions to the rule are financial controllers and accountants – but their pay rises barely registered in percentage terms.

£9.7K AVERAGE GENDER PAY DIFFERENCE

Rather depressingly, attempts to address pay disparity between the sexes are showing little sign of having any impact. Six months after publication of the last salary survey, the chasm gapes as wide as ever.

Female accountants today take home on average £9,670 less than their male counterparts, down from the £10,750 reported in October last year.

At the same time, while the proportion of respondents earning less than £25k has increased only slightly to 11% (compared with 10% six months ago), the figure conceals the fact that 18% of female accountants fall into that pay bracket, compared to just 7% of their male counterparts.

At the other end of the scale, just 9% of the 2,160 respondents to the survey said they earned an annual basic gross salary of £81K+. This represents 9% of male respondents, and just 2% of female respondents. Of these, the majority are partners. In fact 39% of partners

| Salary survey Spring 2005 | | | | |
|------------------------------------|----------------|---------------------|----------------------|----------------------|
| | Average salary | Average CIMA salary | Average ICAEW salary | Average Hours worked |
| FD | £65,701 | £65,402 | £67,363 | 46.5 |
| Financial controller | £48,206 | £45,956 | £55,014 | 44.0 |
| Partner | £61,593 | £46,500 | £61,920 | 46.5 |
| Accountant | £34,717 | £34,489 | £38,894 | 40.0 |
| Audit | £35,271 | £40,667 | £33,920 | 39.3 |
| Credit controller | £23,520 | n/a | n/a | 38.3 |
| Payroll | £30,432 | £20,000 | n/a | 39.5 |
| Tax | £47,467 | £20,000 | £50,219 | 39.6 |
| Accounts assistant | £20,789 | £20,000 | n/a | 35.2 |
| Accounts manager | £30,300 | £39,500 | £43,000 | 40.6 |
| Finance manager | £43,235 | £43,750 | £47,407 | 42.4 |
| Director/assistant director | £56,800 | £49,000 | £66,150 | 46.4 |
| Management accountant | £36,452 | £36,367 | £41,833 | 41.4 |
| Manager/assistant manager | £53,765 | n/a | £56,050 | 44.8 |
| Other finance | £44,992 | £41,968 | £53,526 | 42.4 |

source: Accountancy Age/Robert Half Finance & Accounting salary survey spring 2005



THE LEADING LADY

NAME: MARGARET EWING

COMPANY: BAA

AGE: 49

APPOINTED: JULY 2002

SALARY: £370,000

BENEFITS: £20,000

BONUS: £100,000

TOTAL: £500,000

now fall into the top pay category, an impressive 10% increase on October 2004.

Six months ago the fresh blood entering the profession was predominantly female, and over half of those in the under-25 age group were women. Today that figure is down to 42%, raising questions about perceptions among the fairer sex about the attractiveness of accountancy as a long-term career.

If the proportion of women at the highest echelons of the profession is a gauge of equality across accountancy, then the survey paints a sorry picture. Just 14% of women in the sample had made it to the heady heights of finance director or partner. This compares to

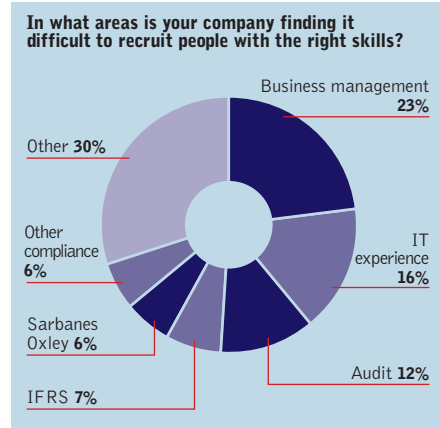
21% of female partners and 18% of female finance directors in the October 2004 survey, suggesting that attempts to redress gender imbalances have proved at best ineffective and at worst counterproductive.

Having said that, the most female-dominated jobs across the profession are still in credit control and payroll – women represent 58% and 59% respectively of staff across those areas. Almost a third of financial controllers in the sample – 30% — are women.

Geographically, the Midlands remains the most male-dominated place to work in accountancy (72%) whereas Southampton is the clear capital of female accountancy, and the only place where female accountants were found to be in the majority. Overall the profession remains a male-dominated one – made up of two thirds men and a third women – just 1% didn't specify.

£45K AVERAGE SALARY OF AN ACCOUNTANT

Overall, the benefits that accountants are most likely to receive remain unchanged. Top of the pile is still pensions – with a third of respondents boosting their basic pay with a pensions contribution from their employer. Almost one in five respondents receive healthcare as part of their benefits package and 17% boost their salary with a bonus – this



YOUR LIFE

Are you seeking a new job?

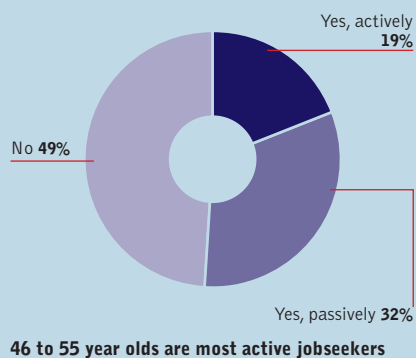


figure rises to 22% of finance directors and 27% of those working in tax. Although, overall, company cars didn't rate highly on the list of received benefits – just 6% – among partners in accountancy firms that figure rises to 18%.

But there are some interesting disparities between the remuneration packages on offer by companies and the benefits wish list of employees. Pensions are rated highly by both employers and employees, but although respondents cited flexible hours as second in the list of benefits they'd most like to receive, just 1% of respondents have the option of flexitime.

Surprisingly, industry-wide payrises have failed to materialise in the last six months. Nonetheless, just over half of respondents to the spring 2005 Accountancy Age/Robert Half Accounting & Finance survey said they were satisfied with their salary and benefits package. Given the persistent pay gap between genders, it's perhaps not surprising that more women than men expressed dissatisfaction with their lot.

Those earning the most and the only beneficiaries of any significant pay rise in the last six months – finance directors – are the happiest bunch with 69% expressing satisfaction with their financial package, closely followed by partners at 68%. Geographically speaking, those in the southwest or on the south coast were more likely to be satisfied with their pay.

4 YRS AVERAGE TIME SPENT IN JOB

The survey results make it clear that those who feel they are earning the 'right' package are less likely to seek new employment. It's no coincidence that 63% of active job seekers said they were not satisfied with their current salary and benefits package.

But far from being a mercenary bunch, increased salary is by no means the only reason why our respondents get itchy feet – not unless you're a partner. Of the 19% actively looking for a new job, just 6% (and 8% of

male respondents) said the desire for a pay rise was the main reason behind their job search. Among partners, that figure rises to 29%.

Money's not the main driving force behind partner churn. In fact, of those partners currently seeking a new job, just as many said they were looking to address work/life balance issues (43%) as those that cited the quest for better career development potential (43%). A further 14% of partners said they simply wanted a change or a new challenge.

The survey also explodes some of the age stereotypes, in particular the one that suggests that younger employees are less committed to their jobs than their older counterparts.

In fact, those respondents aged between 46 and 55 are more likely to be actively job seeking than any other age group.

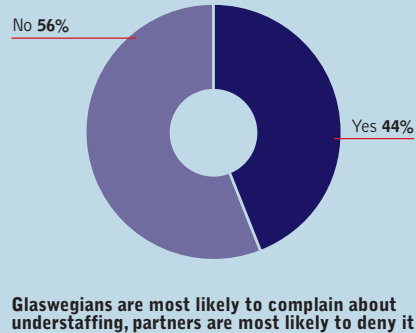
Nor would it be true to say that larger organisations are doing a better job of keeping their employees happy or, motivating them to stick around in the job. Well over half – 56% – of those working in organisations with a turnover of £351m+ said they were looking for a new job. This compares to 43% of respondents from organisations with a turnover of £5.6m or less.

Could it be that accountants in Milton Keynes are the most disillusioned in the country? One in five respondents in the region said they were either actively or passively seeking employment. This comes to just 12% of job seekers in the City.

In fact, those actively knocking at the recruiters' doors say a pay increase is no more important than the opportunity for better career potential. A further 4% cited improved work/life balance and just 3% said increased responsibility had prompted them to look for something new. The results are reassuring in that they fail to highlight any fundamental issues with the sorts of packages on offer across the profession.

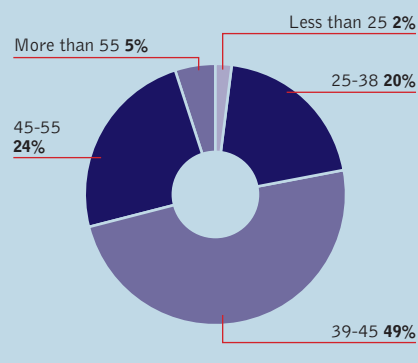
The flipside to the coin is that a one-size-fits-all approach to staff recruitment and retention packages simply won't work. One accountant's mortgage relief is another accountant's subsidised leisure facilities.

Do you think your organisation is understaffed?



One benefit that appears to be losing favour among the sample is the sabbatical – six months ago, 16% of accountants cited sabbaticals as the benefit they'd most like to receive. Today, that figure has fallen to just 6%, although 9% put extra holidays at the top of their fantasy benefits wish list – perhaps it's a case of downsizing their expectations.

How many hours do you work in an average week?



2,520 AVERAGE MINUTES A WEEK WORKED

Work/life balance is in serious danger of making the transition from well-worn cliché to business imperative, if the results of this latest salary survey are anything to go by.

The long-hours culture is by no means a thing of the past, but if the average number of hours worked by our respondents is anything to go by, the situation is certainly improving. In just six months, average weekly working hours have come down by seven hours across the profession to an average and quite respectable 42 hours a week.

Before we jump to pat ourselves on the back, it's worth pointing out that the average working week for accountants is still almost four hours longer than the national average. And for many across the sector, industry averages conceal the fact that many continue to burn the corporate candle at both ends.

Overall, the number of respondents working 55 hours or more has remained static compared with six months ago at 5%. Women are still far less likely than men to work excessive hours – 3% compared to 6% of their male counterparts) Finance directors continue to work the longest hours – 46.5 every week, and eight hours more than their counterparts in credit control – although partners are not far behind them at all.

Working silly hours used to be synonymous with a career in accountancy, but as time progresses and the dynamics of the market are increasingly driven by the need to be seen as the employer of choice in order to attract quality staff, it seems that things are showing signs of changing.

It would be wrong to imply that candidates

FAMILY MATTERS AND THE WORKING ENVIRONMENT



There is, according to a recent survey by *New Woman* magazine, a fundamental shift in young women's attitudes towards life and work, writes

Damian Wild. Seven out of 10 young women (average age 29) say that they want to take it easier than their mothers did, and one in four would like to give up work altogether to raise a family. Many said they found females who combine a lucrative career with bringing up a family both 'irritating' and 'unhelpful'.

Contrast that with the results of this spring's *Accountancy Age*/Robert Half salary survey. Though our questions were very different to those polled by *New Woman*, it's difficult to see how the results tally.

Some 75% of you believe your organisation supports working mothers – and there is implied support of the policy. It's a figure that's relatively uniform whatever level of the organization you work in, whatever the organisation's size and whichever part of the country it's in. Flexible hours and home working are the most common solutions.

So are female accountants more career-minded than the readers of a women's magazine? Perhaps. In fact our results seem to chime more with an article by Patricia Hewitt in *Accountancy Age* earlier this month. 'Family and working life is changing,' wrote Hewitt, who is also minister for women. 'Today both parents often have to work and greater flexibility is needed. Getting flexibility right can work for employees and for employers as well.'

But how much do family-friendly hours matter to accountants? Perhaps not as much as Hewitt makes out.

Most of you would rather receive mortgage relief, share options, leisure facilities or healthcare than enjoy flexible hours. (That said sabbaticals, home working and extra holidays rank higher than a bonus and pensions).

But perhaps it matters less because the 50-60 hour working week seems to be a thing of the past. The average number of hours worked by accountants each week is a shade north of 42, though partners and finance directors typically work more than 46 hours. Geographically, Glaswegians work the longest hours, while those in the southwest and those working in SMEs feel most guilty about not working longer.

Interestingly it's partners who are most likely to have experienced complaints about them not working longer hours – at 14% this is twice the average.

And not surprisingly it's partners who are the most likely to argue that their organization is not understaffed – only one in three believe it to be the case. In Glasgow almost twice as many believe that to be the case.

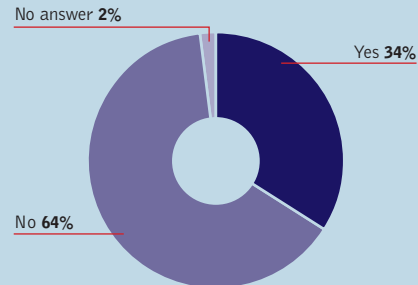
Still with understaffing a concern across the board – a phenomenon forcing up workloads in the Midlands and fuelling stress in the City – flexible working will continue to be a gender-neutral issue for some time to come.

**THE REGULATOR****NAME: STEVE BUNDRED****TITLE: CHIEF EXECUTIVE****ORGANISATION: AUDIT COMMISSION****AGE: 52****APPOINTED: SEPTEMBER 2003****SALARY: £113,000****BENEFITS: £16,000****BONUS: N/A****TOTAL: £129,000**

are 100% in control of the hours they work. Most still don't view a career in accountancy as a nine-to-five job but the demand for increased flexibility on the part of employers is growing. It's no coincidence that 14% of respondents said the benefit they would most like to receive was flexible hours, and a further 7% said the ability to work from home would be top of their list.

There's also a direct correlation between age (and presumably seniority) and the amount of time spent behind your desk. Those in the 46 to 55 age group spend 43.7 hours a week at work, compared with 41.6 hours for those aged 25 to 35. That falls to an average 37.5 hours a week for those under 25.

Has your company cut back on recruitment in the last two years?



Working hours may be down, overall – but by no means does that constitute slacking off on the part of respondents. Nevertheless, a significant proportion of our sample – 43% – said they felt guilty if they didn't put in extra hours, a figure that rises to 49% among female respondents. But with only 7% of respondents admitting that anyone had complained about them not putting in enough hours, accountants are their own worst enemy when it comes to piling on the pressure.

There's another good reason why the pressure is still on to put in the hours – 44% of accountants feel that their organisation is understaffed. The figure rises to 50% among credit controllers and 55% of those working in audit. As a result, 60% said their workload had increased, and 39% said they were more stressed as a result.

A significant proportion of our sample – 39% – have children under the age of 18, and are presumably well aware of the issues surrounding the challenges of balancing a career with the demands of a family. But as family-friendly working shifts from a 'nice-to-have' to a legal requirement, attitudes across the profession are struggling to keep pace.

Six months ago, one in three respondents to the survey said they believed that the accountancy profession discriminated against working women. Today that figure has reduced to 25%, although 39% of female

**HIGHEST SALARY IN UK PRACTICE****NAME: JOHN CONNOLLY****FIRM: DELOITTE****AGE: 53****APPOINTED: UK SENIOR PARTNER 1999/****GLOBAL MD 2003****UK CONTRIBUTION: £1,433,000****GLOBAL CONTRIBUTION: £1,435,000****BONUS: N/A****TOTAL: £2,868,000**



HIGHEST PAID FINANCE DIRECTOR

NAME: PETER CLARKE

COMPANY: MAN GROUP

AGE: 45

APPOINTED: 1993

SALARY: £295,000

BENEFITS: £63,000

BONUS: £2.1M

TOTAL: £2.4M

respondents said they believed that discrimination against working women was an issue that plagued the profession, compared to 18% of their male colleagues.

It's almost two years to the day that the Employment Rights Act came into force, offering parents of children under the age of six or disabled children up to 18 the right to request to work flexibly.

Therefore, it is somewhat surprising that just 75% say that their organisation supports working mothers. Of those, just 57% offer flexible hours, and less than a quarter (23%) offer opportunities to work from home. Just 2% of respondents say their organisation offers an onsite crèche. Only 6% offered help with childcare costs.

55% SOCIALISE WITH COLLEAGUES AT THE WEEKEND

Still, at least the survey shows what a sociable bunch accountants are. They may not be spending quite as much time in the company of their colleagues during 'working hours'. But old habits die hard.

Perhaps that explains why 48% of accountants have socialised with colleagues 'once or twice' at weekends, and 7% admit to socialising regularly with their work buddies. For others, the boundaries between work and home life are not to be crossed –

45% say they never socialise with colleagues at the weekends, and for 7%, even a quick drink after work is a definite no-no.

Not all of these findings will chime with every reader. Riaz Shah, UK head of audit operations, is surprised that salaries are not rising faster than the survey suggests. 'In audit, salaries have had to go up and have gone up because we have had to respond to the market.' For it's best people, E&Y pays more than its competitors, including PwC.

But while Shah admits he would have expected more people to be looking for flexible benefits, he says that many accountants simply want to know that there are benefits on offer – not that they necessarily want to take them up themselves.

E&Y, for instance, launched an MBA programme, which proved extremely popular with staff. 'Only 16 people applied,' he says. It was a similar story with a flexible car scheme: keen anticipation followed by relatively low take-up.

'You could be happy stuck on a desert island but you would be happier if someone gave you a boat,' says Shah. 'You might not want to leave but you would prefer to have the option.' No one would disagree with that.

Are you happy with your employer? Or are you working more than the average or earning much less than most? Let us know at comment@accountancyage.com



TOP PUBLIC SECTOR ACCOUNTANT

NAME: JOHN SMITH, FORMER GROUP FINANCE DIRECTOR AT THE BBC, NOW COO AND CEO OF BBC WORLDWIDE

FIRM: BBC

AGE: 47

APPOINTED: APRIL 2000

SALARY: £238,000

BENEFITS: £26,000

BONUS: £63,000

TOTAL: £327,000