

Skills Shortage in Human Resources fuel Interim market and salary increases

- HR Salaries rising steadily across the UK
- Major HR skills shortage
- 65% growth in number of vacancies in 2007, compared to 2006
- 30% growth in HR Interim Division to fill candidate void

The demand for HR Professionals remained strong in 2007, according to the annual salary survey of HR professionals from leading recruiter Reed Human Resources, with salaries rising steadily. There was a major skills shortage in the industry and Reed Human Resources noted a 65% growth in the number of vacancies for permanent HR professionals compared with 2006. This has helped fuel a 30% growth in the Interim HR market, with Interims being deployed on a temporary and temporary to permanent basis to fill the recruitment gap.

The growing popularity of Interim Managers is down to their specialist skills and because some companies recruit Interims on a temporary or project basis to reduce their recruitment spend in the face of gloomy economic predictions. This skills shortage has increased salaries quarter on quarter however, this growth has been steady at around 9-11%, depending on the job title. The average wage for a HR Assistant in the UK in 2007 rose by 9% to £21,396 compared with £19,416 in 2006. Equally, there was a 9% growth in the average wage for a HR Officer, with salaries reaching £27,157 in 2007, compared with £24,691 in 2006.

The average UK salary for an HR Manager has risen by 11% to £43,275, compared with £38,389 in 2006 and salaries for HR directors and heads of HR have seen a 15% rise in salary in 2007 taking the average salary to £73,264.

Jason Willis, Operations Manager for Reed Human Resources says, "Faced with an uncertain economic outlook and a widening skills shortage, employers will need to focus fully on staff retention this year, which will mean that HR Professionals with specialist skills in talent and performance management will be in big demand. Larger companies are also tending to recruit HR professionals with specialist skills which can add value to business with the most sought after being professionals experienced in recruitment, learning and development and compensation and benefits. With a scarcity of candidates, businesses are also more open to recruiting HR professionals from different industry backgrounds and we will see more of this in 2008."

The market for Interim Managers grew by 30% in 2007 as interims were being called upon for their specialist skills, to manage specific projects and to fill in key HR vacancies. The average daily rate for Interim HR Managers is £196 a day, with Interims in London commanding £262 a day and Interim HR Directors being paid on average £333 per day, with this figure rising to £475 in London. HR professionals with specialist experience in compensation and benefits commanded the highest salaries – an average of £42,674 for a permanent position, compared with £37,127 for a permanent Learning and Development HR professional and £37,082 for a recruitment specialist. Jason Willis concluded, "Across the UK, there will be a real demand for strategic, commercially minded HR specialists to work within local management teams and at board level and as the skills shortage continues, we will continue to see an increase in deployment of Interim managers to meet this need. Equally, generalist HR advisors will be needed to provide support across all business areas. With such a gap between the supply and demand of HR professionals, we also expect salaries to grow, albeit more slowly given the market outlook."



Notes to Editors

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