

# MBS and Cerebra sound out the industry on key issues and salaries

Between September and December 2008, *Modern Building Services*, in association with Cerebra Recruitment, carried out a reader, industry and salary survey. Hundreds of people took part from all areas within the industry and of all levels of experience and seniority. The results are summarised in this special report.

Almost as soon as the survey began, it quickly became clear that three issues predominate in the industry almost to the exclusion of all others.

- Ecological, economic and legislative demand for energy efficiency, sustainability and low-carbon technologies.
- A shortage of skilled engineers entering the industry and a lack of training and development opportunities both before and after entering the industry.
- The fear of an industry-wide slowdown caused by the current wider economic troubles.

Interest in these issues reflected the wider economic picture as at the start of the survey in September the economy was reported as the least important, but as the year progressed it grew in significance.

Meanwhile, whilst the future of the industry and the next generation of skilled engineers remained an area of high concern, areas perceived as luxuries always decline most in times of economic worry, and so it is perhaps unsurprising that comparative interest in the green agenda declined fastest — especially as fewer than one third of respondents reported that they felt clients held the environmental credentials of their buildings as a high priority.

## Reporting of issues (by percentage)

Despite the rise in concern about the economy, even as late as November more respondents were indicating that they perceived the industry as growing or remaining static (49.9%) than contracting (47.8%), and only a minority reported seeing a sharp decline in work (although once again the number of responses indicating growth declined sharply between September and November — a worrying trend if continued into 2009) — see chart.

Simon Dyke, division manager for building services and sustainability at Cerebra Recruitment, clarifies: 'It was hard for many companies to predict employment levels in the Autumn due to projects being won but subsequently shelved. This decline in work was felt hard at the tail end of the survey — resulting in contractors being released, pay cuts and redundancies.'

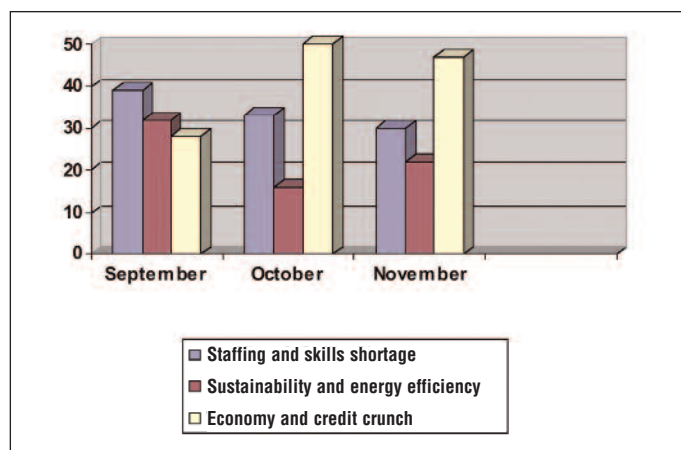
## Staff shortages

Linked to the concern about a shortage of skilled staff entering the profession is a feeling that the industry is not appreciated by those outside it. Despite the majority of respondents describing the role of the building-services engineer as crucial in the design and running of buildings, and more than two thirds saying they would recommend building services as a career, only a small minority of

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respondents felt their role was respected by either Government (18%) or the general public (6.5%).

The consensus of opinion seems to be that school and university leavers entering work are ill-informed about building services as an industry worth investigating for their future. A majority of respondents suggest that a great many



Despite growing concerns about the economy and the credit crunch as Autumn 2009 progressed, it is clear that staffing and skills shortage, and sustainability and energy efficiency are important industry issues.

of the staffing problems faced by the industry could be solved in the long term if the rewards of the work could be presented when students are making career choices; such a move to engage with schools, colleges and universities would have to come from industry or the Government, but MBS would be delighted to be involved in any such project.

Were there an initiative to communicate with potential recruits, the industry is in a strong position to attract talent. An average graduate salary of £24,159 is higher than that across the engineering and construction sectors as a whole [£23,115, according to the Association of Graduate Recruiters (AGR) Graduate Recruitment Survey 2008], and staff satisfaction is high, with more than two thirds of respondents claiming to be either satisfied or very satisfied with their current employer.

However, the economic downturn may have unforeseen knock-on effects. Simon Dyke sounds a note of caution: 'The current economic situation has not helped. Graduates (with up to two years of experience) are struggling to find jobs, finding themselves out of work or first on the redundancy lists. These people are the future of an industry which has a high average age and losing them now could be disastrous to our industry in the long term.'

Respondent Neil Granger puts it bluntly: 'We cannot afford to neglect the new blood coming through the ranks.'

Another respondent makes the additional point: 'Work-experience students should be exposed to the full design process and not treated as cheap labour. If these people learn and feel valued, they are more likely to come on board permanently later.'

## Cautious optimism?

Perhaps the most positive aspect of the results is that despite concerns over the current state of the economy, fewer than half of respondents considered this to be the most important issue facing the industry — even as late as the end of last year. As events have unfolded into the New Year, conversations suggest a feeling

of cautious optimism that the building-services industry will weather a downturn far better than many sectors of the economy. Large public sector infrastructure projects like Building Schools for the Future, The Olympics and Crossrail will provide continued opportunities to the industry, even as private sector work slows.

Clients questioning their economic priorities could also have a long-term positive impact on take-up of sustainable technologies as they become more cost-efficient and whole life costing grows in importance. As respondent Steve Cooke of CJR Design says, 'Where we can demonstrate real benefits and returns on investments for using green technology, they are taken up across the board.'

**SALARY SURVEY**

**Going up?**

Like-for-like comparisons with the building-services salary survey carried out by Hays in 2007 shows that the rate of salary increases appears to have slowed in the last 12 months — understandable in the light of current concern over the economy. Cerebra Recruitment reports that for much of the market the salary situation remains 'business as usual', with

salaries remaining static over the last 12 months. However more recently, 'Companies who traditionally have paid above-average salaries based on thriving sectors have been hit hard, and opportunities of inflated salaries have been removed from the market. In some cases, companies are choosing to try and maintain staffing levels for future projects by asking for staff pay cuts of 10% or more.'

Contractors have been hit hard by the economic downturn, with high contractor take-home pay meaning that they are often the first target for companies wanting to make cutbacks. A lack of contractor jobs has further pushed down contractor hourly rates significantly.

Simon Dyke says: 'The candidate-driven market of the last few years has flipped into a client-driven one. Salaries have, so far, not taken a huge decline, but the opportunity for candidates to gain large salary increases from a career move has.'

**Increasing value**

The most valuable thing an engineer can do to raise their worth in the marketplace is to gain experience. Reports suggest that the industry has seen 'job title inflation' in recent years as an impressive title is a

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cost-free benefit to an employer; however, an engineer with 30 years of experience is capable of being paid noticeably more than someone with an apparently more senior title 10 or 20 years their junior. As a rule of thumb, every year of experience appears to be worth a cumulative average of 1 to 2% more salary, even amongst those with the same job title.

The demand from the market in recent years for experience or qualifications in sustainability, energy efficiency and low-carbon technologies is reflected in salaries, as people specialising in those areas can expect to be paid as much as 5% more than others of the same age and seniority. Whilst legal obligations require a certain amount of knowledge of sustainability in every building-services professional, direct experience or accreditation by any of the major energy-assessing/low-carbon courses can only add to the attractiveness of a candidate to an employer.

Similarly, although chartered status may not appear to equate directly to a higher monetary salary, it can help improve overall package levels. Simon Dyke says: 'In consultancy, to be chartered is a very valuable asset and will aid both employment prospects and package levels.'

**Career development and benefits**

The common assumption that many people move jobs for purely financial reason appears untrue. When asked why they left their last employer the most common reason from respondents was career progression, and the top three reasons for choosing their new one were job role, career progression and employer reputation — with money coming a poor fourth. Career training is seen as especially important by more-junior engineers, with a majority of graduate respondents reporting dissatisfaction with the practical use of their academic qualifications and a desire to learn more.

When asked for the most important employee benefits a company could offer its staff, a contributory pension scheme, healthcare or life insurance and career development and training topped the list of what employees want. However, perhaps tellingly, of the 37% of respondents who indicated that their employer is currently experiencing difficulty in recruiting and retaining staff, the vast majority felt the reason for this was simple — money.

*A note on the tables. Figures shown indicate typical basic salary at that age and seniority and are not inclusive of benefits packages or bonuses. Unfortunately insufficient responses were received from Northern Ireland to give results. The figures have a 5% error margin.*

**Mechanical engineers**

Location	Senior mechanical contracts manager aged 45	Mechanical contracts engineer aged 35	Junior mechanical contracts engineer aged 25
	Typical salary	Typical salary	Typical salary
London	53,000	43,500	30,000
Southern England	42,000	37,500	30,000
South West & Wales	41,000	33,000	23,000
Midlands & East Anglia	43,500	35,000	23,000
North East	38,500	31,000	21,000
North West	40,000	36,000	24,000
Scotland	35,000	30,000	23,500
Northern Ireland	Insufficient data		

**Electrical engineers**

Location	Senior electrical contracts manager aged 45	Electrical contracts manager aged 35	Junior electrical engineer aged 25
	Typical salary	Typical salary	Typical salary
London	50,000	46,000	29,000
Southern England	50,000	40,000	28,000
South West & Wales	35,000	33,000	22,000
Midlands & East Anglia	43,000	36,000	26,000
North East England	44,000	35,000	25,000
North West England	41,000	36,000	27,000
Scotland	41,000	35,000	24,000
Northern Ireland	insufficient data		

**Manufacturers and distributors (sales and marketing, UK-wide)**

Sales and marketing executive aged 25	Regional sales manager aged 35	Sales and marketing director aged 45
Typical salary	Typical salary	Typical salary
22,000	40,000	52,000

## Consultants

Location	Principal design engineer aged 45	Senior design engineer aged 35	Junior electrical engineer aged 25
	Typical salary	Typical salary	Typical salary
London	47,000	42,000	33,000
Southern England	45,000	40,000	30,000
Midlands & East Anglia	45,000	38,000	30,000
North East England	37,500	32,000	26,000
North West England	41,000	35,000	28,000
South West & Wales	36,000	31,000	26,500
Scotland	41,000	35,000	28,000
Northern Ireland	Insufficient Data		

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## Senior Consultants

Location	Associate engineer aged 40	Associate director engineer aged 45
	Typical salary	Typical salary
London	53,000	58,000
Southern England	50,000	54,000
South West & Wales	49,000	53,000
Midlands & East Anglia	40,000	51,000
North East	42,500	46,000
North West	44,500	53,000
Scotland	44,000	50,000
Northern Ireland	35,000	Insufficient data

## Estimators

Location	Junior estimator aged 25	Intermediate estimator aged 35	Senior estimator aged 45
	Typical salary	Typical salary	Typical salary
London	28,000	41,000	51,000
Southern England	28,000	40,000	49,000
South West & Wales	25,000	33,000	38,500
Midlands & East Anglia	27,000	36,000	43,000
North East	24,000	32,500	44,000
North West	25,000	35,000	42,000
Scotland	24,000	36,000	45,000
Northern Ireland	21,500	29,000	39,000

## Commissioning engineers

Location	Commissioning engineer aged 35	Senior commissioning engineer aged 45
	Typical salary	Typical salary
London	37,000	45,000
Southern England	33,000	41,000
South West & Wales	30,000	35,000
Midlands & East Anglia	29,000	35,000
North East	29,000	32,500
North West	31,000	34,000
Scotland	29,000	34,000
Northern Ireland	Insufficient data	Insufficient data