

PAYING THE RATE FOR THE JOB IN TODAY'S MARKET

The boom in building and infrastructure projects has put a premium on property professionals. Who is driving the market and how can public sector and housing associations compete in the market place?

Increasingly, public sector and not-for-profit organisations are having difficulties in finding and retaining the services of suitably qualified professionals. This is especially so for organisations that operate in and around the “growth” areas of the south-east and London.

There has been a sustained boom in the construction and property market which has driven pay rates upwards and there are no signs of this abating. Traditionally the construction sector was notorious for its volatile upswings and downturns. However for the past decade the pressure has been constant and consistently upwards.

The influx of skilled labour from eastern Europe and elsewhere has helped to keep pay rates at the construction worker and allied trades down to barely tolerable levels. But at the senior levels (such as Directors of Development, Lands Director, Regional Development Managers, Project Directors and Managers) there is such strong competition in the market place that reward packages have been driven up and up.

IRIS Consulting was recently commissioned to research the rates of pay of property and development professionals.

WHAT WE HAVE FOUND SHOWS:

- There are huge variations (in some cases over 100%) in the pay packages for similar roles as between different organisations
- The differences are more marked at the more senior levels
- Although some of the highest paying organisations are private sector companies some quangos are also paying top rates of pay

The differences between the highest and lowest paying organisations are considerable – sometimes amounting to 100% of base salary. Given these differences how can local authorities and housing associations compete to recruit and retain the services of good qualified professionals?

Unable to compete by matching the higher pay rates, many public sector bodies are now revisiting their job contents and looking to enhance the non-pay element of the packages that they can offer. Policies around work/life balance, flexible working, are being rekindled with a view to providing the incentives for staff to join and then to remain with the organisation. One area where the public sector has scored better than the private is in terms of pensions; but for many new joiners the old salary-linked schemes are no longer open to them.

So more radical recasting of roles, responsibilities and general working conditions are the factors that are now being revamped. Through this route, public sector employers are now promoting themselves as offering a more attractive and positive working environment in order to attract the highly skilled staff now in demand.