



About the Survey

Arras People, the project management recruitment specialists, used independent research company Benchpoint's unique real time polling technology to question 1,650 permanent and contract Programme and Project Professionals during January 2008.

The survey provided a detailed picture of project professionals' careers, earnings and prospects building upon the data gathered in previous surveys. In addition this years survey included some questions on gender and work life balance.

We hope you will find this publication useful, and thank everyone who took part.

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How we did the survey

The respondents are principally clients and project management contacts of Arras people, invited personally by email to do a Benchpoint™ electronic survey.

Additionally, a small number of respondents were recruited via the Arras People website.

1,650 People responded. The results have been independently audited and analysed.

The survey has a confidence level of 99%, and a confidence interval of 3.11

i.e. you can be 99% certain that the views of the entire project manager population are within +/- 3.11% of the numbers in the survey. We treat small demographic clusters with caution, and ignore them in the analysis.

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Summary



Survey highlights:

- **Employment remuneration, broadly static, with contractors the worse off**
- **Majority of contractors expect their incomes to be static or decrease in 2008, but employees anticipate increased earnings**
- **Gender and age still account for major market differences and there is still discrimination at work –YET females performed better than men when it came to increasing their income**
- **Nearly a quarter of all respondents claim to have an “Unacceptable” work/life balance.**
- **The six magic factors which denote a happy project management professionals working life**
- **55% of self employed contractors started the year with less than 3 months, or no current projects.**
- **Only 15 % of contractors had more that 6 months work at the start of the year.**

Arras People, the UK Specialists in Project & Programme Management Recruitment conducted a Benchmark™ internet survey of 1650 UK based project professionals by, examining their careers, qualifications, earnings and prospects, comparing the results with two previous annual surveys. The latest survey was carried out in January 2008.

Background

It is estimated that between 1.5 and 2 million* people earn a living as project managers in the UK. It's an occupation which has morphed from stop-gap employment on short term "task force"-type activities to a fully fledged professional career. *[Middlesex University - National Centre for Project Management]

There are university courses and a wealth of accreditations and professional qualifications available. "Projects" abound everywhere – from local authority traffic schemes to big ticket infrastructure numbers like Heathrow's Terminal 5 and the forthcoming London Olympics.

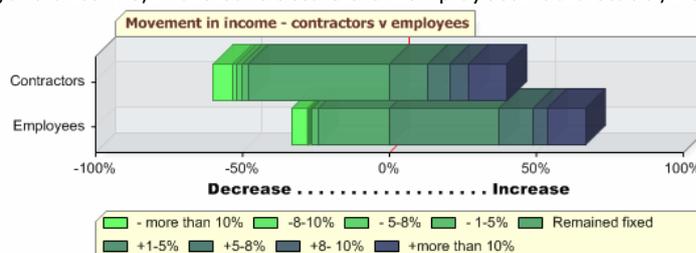
Project management has its own philosophy, synthesised from the academic study of successful case histories at management schools.

There's a lot of money (over £100k per year) to be earned by the successful practitioners, but the rewards do not appear to come easily. Many practitioners make lifestyle sacrifices and for some, insecurity is a way of life. All projects, whatever their size, come to an end, and so there is constant churn in the marketplace as project management people look for new projects to work on.

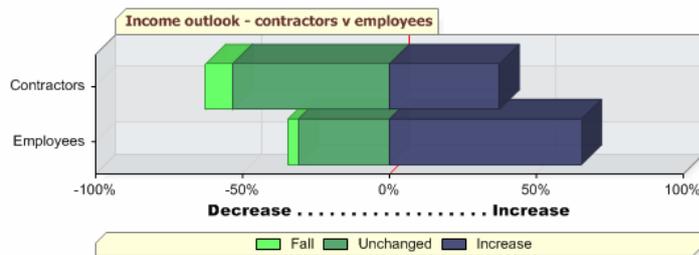
Project Management employment climate

Around 40 per cent of all project managers are self employed, and there is a noticeable drift, first noticed last year, from self-employed contracting back into full time employment. It would appear that for some practitioners the "golden age" of self-employed contracting in project management is drawing to a close. There is currently a slowdown in the number migrating from employee to contractor status, with an increase in the number moving back in to permanent employment. Comments from respondents bear out this movement, citing work/life balance, lack of opportunity, taxation and general market pressures.

Project management professionals have always had mixed fortunes. However, it is very clear that in general terms, more contractors than employees had a static / reduced income in 2007, but more



employees than contractors enjoyed increased incomes, primarily in the modest 1 to 5% range. Both groups saw similar numbers of high performers achieving inflation busting >5% increases. 61 % of all project managers saw their incomes remain fixed or only increase by less than 5%, with nearly twice as many contractors remaining fixed.



The message is underlined by the fact that considerably more employees expect their incomes to rise in 2008, and considerably more contractors (indeed the majority) expect their incomes to remain fixed or decline.

Gender and age issues

Gender and age discrimination in employment is forbidden by law, but the survey data suggests it is still there, if only in the minds of respondents. Gender first. Just under a quarter of the respondents were female, and over a third of them (34%) claimed that gender issues had impacted their careers, compared with 6% of men.

Yet females performed better than men when it came to increasing their income. As noted, 2007 was a bleak year for increases, yet 49% of contractor females managed to increase their rates against 37.5% of male respondents, and 40% of salaried females achieved more than a 5% increase, compared with just 31.7% for males. Interestingly, 15% of females achieved over a 10% increase in salary.

But it's not all good news for females. They still dominate the lower-paid bands as either contractors or employees, and are more likely to be in project support roles than leading the field.

The conclusion is that sexual discrimination continues, but it's now a minority activity.

Typical comments centred around:

- Females being perceived as project support rather than management
- Females suspecting or knowing their pay was significantly less than that of male counterparts
- Females feeling that construction, engineering and IT are male dominated environments in which they are under more pressure to prove their ability against that of their male counterparts

A number of respondents commented very positively that they worked in a discrimination-free environment, other responses included males praising the contribution of women in the workplace, an occurrence that was not repeated by the female respondents!

Others hinted that political correctness was a malign force- "Some outfits; so conscious of equal opportunities; do not believe in quality but prefer to hire someone who fits a particular profile; rather than have the ability to fill the role".

The Arras People survey did not ask for examples of age discrimination, but there is some evidence that the over 50's do less well than others when it comes to salary or rate increases.

It would appear that the 50+ age group of contractors fared worst with 68% failing to get any increase in their rates and 17% seeing their income go down. The under 34's performed best, with 46% increasing their rates. A similar pattern can be seen for employed project management people.

Work/Life Balance

Life for project management teams can be stressful. The hours are long and irregular, and travel and nights away are often the norm. When projects end the uncertainty of where the next one is coming from begins.

Is this a formula for satisfaction? The survey asked respondents if they had an acceptable work/life balance. Over three quarters (77%) of respondents said yes, equally spread across gender, sector and age groups, with a tendency toward greater satisfaction by the under 34s, contractors in general, and females.

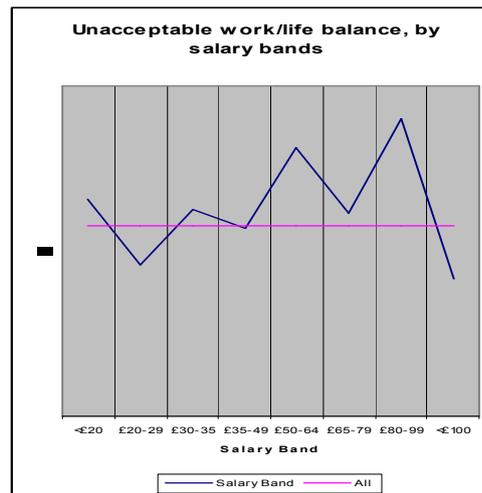
That leaves some 23% with an unacceptable work/ life balance (The questionnaire did not ask for degree- it was a straight Yes or No). This represents a lot of people, and "unacceptable" is a strong word.

The factors which lead to an unsatisfactory work/life balance appear to be the length of the daily commute, the number of nights spent away from home every month, the ability to work from home, and, it seems, financial pressures.

Employees, when analysed by their salary bands create a mixed picture of states of unhappiness:

Salary Band	% of Respondents with unacceptable work/life balance
Under £20,000	26.3%
£20,000 to £29,999	18.3%
£30,000 to £35,499	25.0%
£35,500 to £49,999	22.8%
£50,000 to £64,999	32.5%
£65,000 to £79,999	24.6%
£80,000 to £99,999	36.0%
More than £100,000	16.7%

(Sample –those who said their work/life balance was unacceptable)



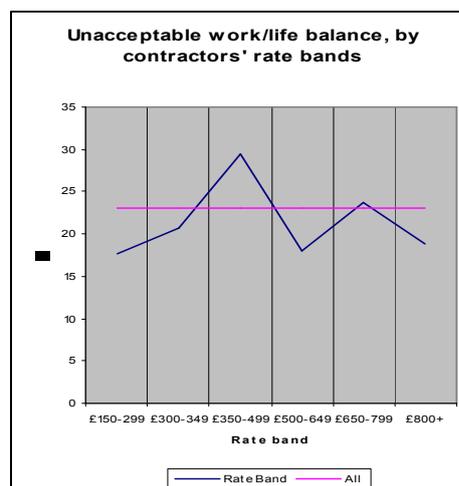
(The higher the graph, the greater the unacceptability of the work/life balance)

It would appear that there are “pinch bands” where the level of unacceptability increases in waves then subsides as highlighted in the table above.

Contractors, when analysed by their day rate bands also present a similar picture of alternating states of happiness though not as pronounced as employees;

Day Rate Band	% of Respondents with unacceptable work/life balance
£150 to £299	17.6%
£300 to £349	20.7%
£350 to £499	29.5%
£500 to £649	18.0%
£650 to £799	23.7%
£800+	18.8%
All respondents	23.0%

(Sample –those who said their work/life balance was unacceptable)



(The higher the graph, the greater the unacceptability of the work/life balance)

The biggest group of contractors with an unacceptable work/life balance is the £350 to £499 daily rate band, which is 6% higher than the average. However, the most striking group of apparently unacceptable work/life balances are those who are away from home for more than 10 days per month. This group has 39% unacceptable work/life rating. Within this group the over 50's, whose home responsibilities have presumably lessened, are the least affected, but even then, a third say the lifestyle is unacceptable.

So what is work life balance? One definition is “*Work-life balance is about people having a measure of control over when, where and how they work. It is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society*” from <http://www.employersforwork-lifebalance.org.uk/work/definition.htm>. Some respondents manage to create an acceptable work life balance and others do not feel able to do so, perhaps seeing themselves as victims? Peer pressure plays a part, and people worry that striving to achieve an acceptable work/life balance will brand them as “uncommitted and unmotivated” and therefore affect their future progression. People who work in the more macho organisations may see it as a career death wish. Or are they workaholic martyrs who won't take the opportunity to change because it is not in their nature?

So is this a fad? Will it pass? Is it mainly an issue for parents? An analysis of the number and pattern of respondents' positive and negative comments showed:

By gender: 26% of the comments of those that were unhappy with their work life balance were from females and 74% from males – so men are more affected than women? Or is it that they feel less able or inclined to take positive action to bring about a change?.

Verbatim comments -Unhappy by Gender		
	Female	Male
Time Away	10%	29%
Commute	8%	24%
Flexibility	10%	6%
Hours	52%	19%
Workload	18%	19%
Money	2%	3%
Respondent Split	26%	74%
(Sample -those who said their work/life balance was unacceptable)		

Verbatim comments -Unacceptable work/life balance, by Age group			
AGE GROUP	To 34	35 - 49	50+
Time Away	7%	29%	29%
Commute	14%	17%	31%
Flexibility	12%	8%	2%
Hours	33%	28%	20%
Workload	30%	16%	16%
Money	5%	2%	2%
Respondent Split	22%	53%	25%
(Sample -those who said their work/life balance was unacceptable)			

The time spent away from home was the largest issue for males, which when combined with their commute scored 53% of the total. By comparison, the female score for these same issues was only 18%, suggesting that the males are more mobile in the "hunter gathering" stakes.

By age group, the 50+ group had highest concerns regarding time away/commuting, with 60% commenting negatively, compared to 21% for the under 34's

Long working hours was the largest concern from female respondents at 52% compared with 19% for the males, with many respondents feeling that they "had to work excessive hours" for a variety of reasons. By age, the under 34's scored 33%, and the 35 to 49's 28% , compared with only 20% in the 50+ age group.

Workload was the next highest concern across both genders at 18 and 19%. By age we again saw the under 34's reporting 30%, compared with 16% for the remainder.

If workload and hours are combined the under 34's total 63%, compared to 42% and 36% for the 35 to 49's and 50+ age group's respectively. Is this part of the learning process, do they feel obliged to accept this or is there some other factor at play in this group?

Workload is an interesting issue, particularly for a population of project professionals who live and die by scheduling and control! Is it simply failure to manage, or is there really a situation where workload demand far outstrips the supply capability within regular working hours? If so, how long is this sustainable for and what recompense should be made available?

The happy majority

A similar analysis on the 73% of respondents who stated that their work life balance was acceptable countered the unhappy respondents. There were more positive actions such as "changed job", flexible working and "manage workload" all of which address many of the challenges faced by those that are currently dissatisfied.

The most common responses of the "satisfied" across the genders indicated a positive management of workload with 74% of males and 53% of females indicating this. By age there was no discernable difference with all age groups reporting in the 57% to 75% range.

Flexible working was the second highest satisfaction factor across gender with 28% female response to 17% for males. Across age groups it the interesting contrast was a score of 30% for the under 34's moving to 12% for the over 50's. This suggests that females are more aligned to flexible working and that there is a new breed of professional in the under 34 age group which is embracing, or grew up with this concept.

The most striking answer from this group with acceptable work/life balances is that "change jobs", is the ultimate sanction if all else fails. Females led the way with 18% having made this decision compared with just 6% of the male respondents. By age, the under 34's lead the way with 14%; the score for the over 50's was just 5%.

The money

Does money make a difference? Some responses indicated the reward recompensed for the pain, the lifestyle accepted, "I have made my choice and I will get on with it!" However, is it interesting that for those who professed having an unacceptable life style, dissatisfaction is a way of life, no matter how much they earn.

The winning formula?

Our research indicates that an acceptable work/life balance is achieved with:

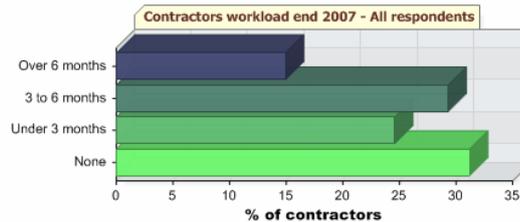
- Flexible working
- The ability to manage and control one's workload
- Self employment – being one's own boss
- Only the occasional night away
- Earnings between £500- £650 per day for contractors or
- An annual salary under £30k, or way over £100k!

Outlook for 2008

Significant numbers of employees expect to change or move jobs in the coming 12 months, and 13.3% expect to move into consultancy, the majority of these being the over 50's.

By contrast, 31% of self employed contractors started the year with no work, and 24% had only three months contracting. Only 15% had more than 6 months work.

52% of contractors bemoan the lack of opportunity, and 12% are concerned by falling rates.



About Arras People

Arras People are UK Specialists in Programme and Project Management Recruitment.

Based in Heywood, Lancashire, they offer recruitment services across all sectors and all over the UK and Europe.

They focus only on Programme and Project Management-related professionals - interims, contract and permanent recruitment services.

They have over 10,000 registered programme managers, project managers and project office / support professionals on their books. These roles include (but are not exhaustive):

- Programme Managers
- Project Managers
- Programme and Project Office Managers
- Programme / Project Support
- Programme / Project Planners
- Business Analysts

Arras People works with some of the Top 20 project management consultancies in the UK, construction, engineering, public sector (central and local government), marketing and media organisations, third sector organisations.

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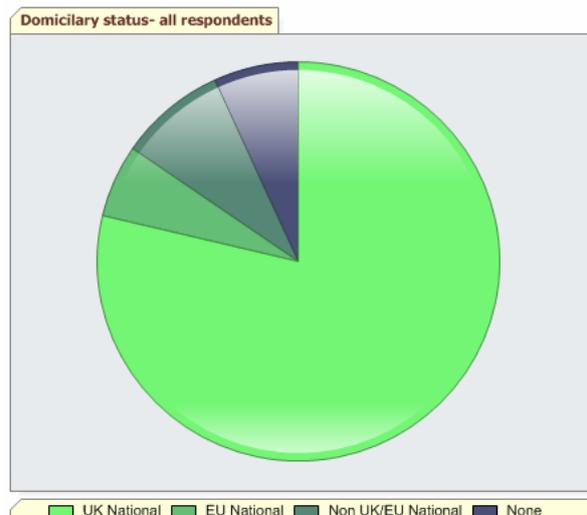
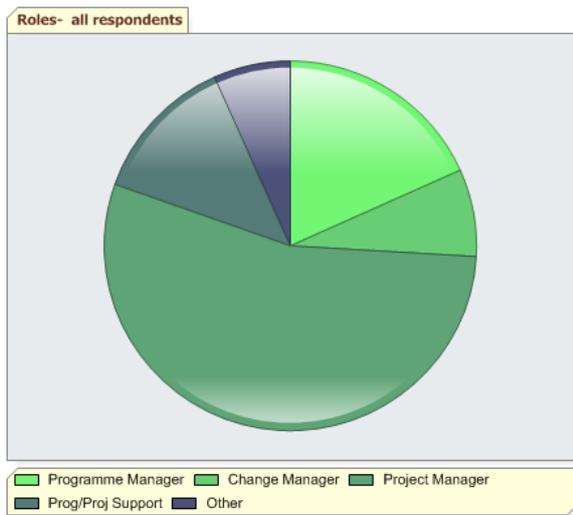
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Project Management Landscape

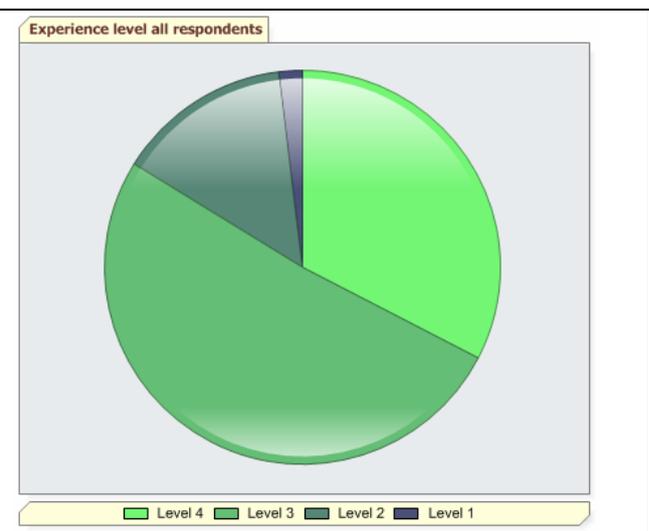
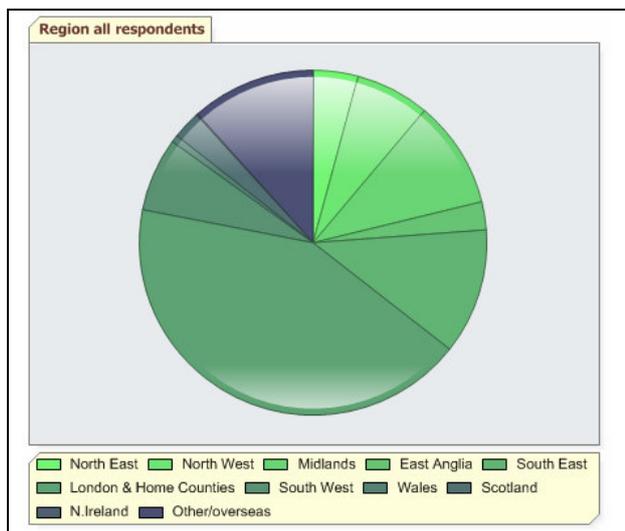
Respondent baseline:

The survey questioned both contractors and employees in order for us to understand more about their roles, working styles, gender and most importantly their earning patterns in 2007 and their outlook on earning going into 2008.

For the purpose of the exercise we categorised the respondents into four areas that we believe are recognisable as functional areas for our target audience, for simplicity we also categorised our respondents by domiciliary status to ensure that our results were restricted to people currently working in the field of project management in the UK. All respondents outside of this area were excluded from the survey.



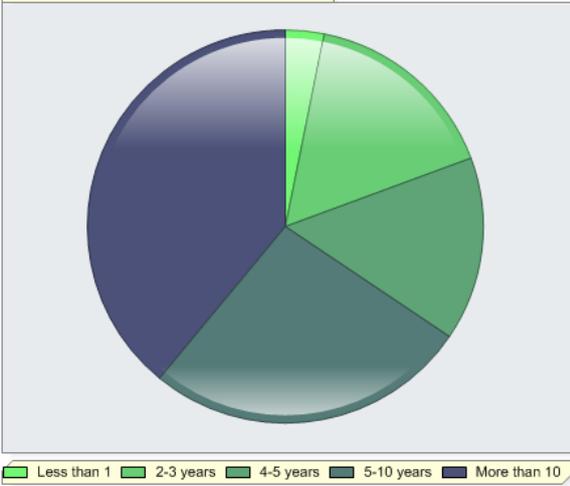
Demographic data was also captured to see if we could see any regional variances across our respondents as well as experience levels which allows further detailed investigation.



Experience level was captured on a scale of 1 to 4 where;

- Level 4 = Respondents see themselves as an Expert
- Level 3 = Respondent sees themselves as Experienced
- Level 2 = Respondent sees themselves as Knowledgeable
- Level 1 = Respondent sees themselves as having a level of Awareness

Actual experience in years- all respondents

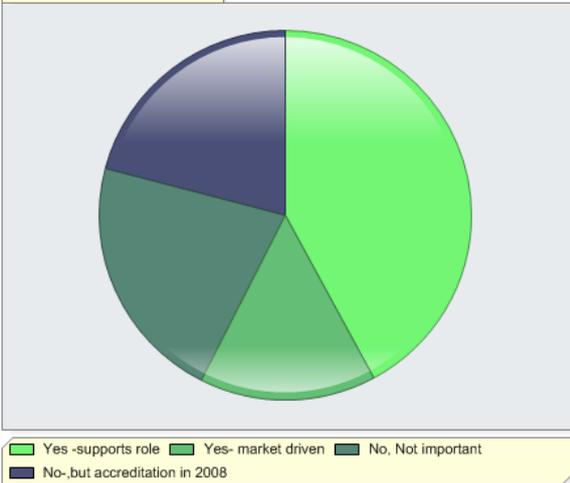


In order to further quantify the levels of expertise we also asked each respondent about the number of years experience that they have within their chosen field. As can be seen we had a wide spread of experience through the 5 bandings.

We also asked our respondents if they have formal Project Management accreditation eg. Prince2, APM to seek their views as to whether they see this as something that supports them in their roles.

- 42.2% responded, Yes – I believe this supports me in my role
- 15.3% responded, Yes – I have been driven by market demand
- 21.6% responded, No - I do not believe this is important in my role
- 20.9% responded, No - but I am planning accreditation during 2008

Accreditation all respondents



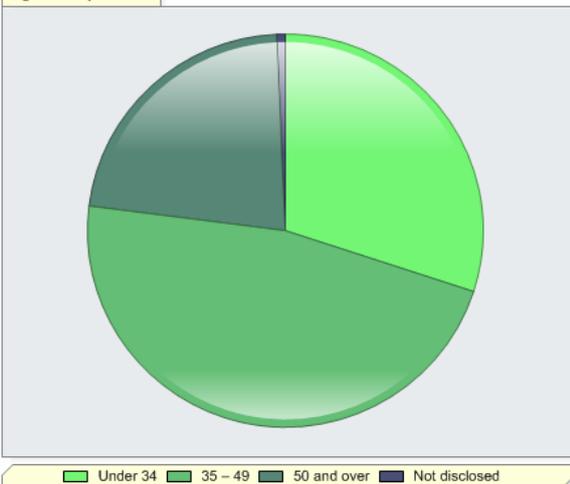
We also asked our respondents to indicate their age group in order that we could cut data from other questions by age to see what patterns emerge. The respondents fell into the following age groups;

- 30.1% – Under 34
- 47.1% – 35 to 49
- 22.1% - 50 and over

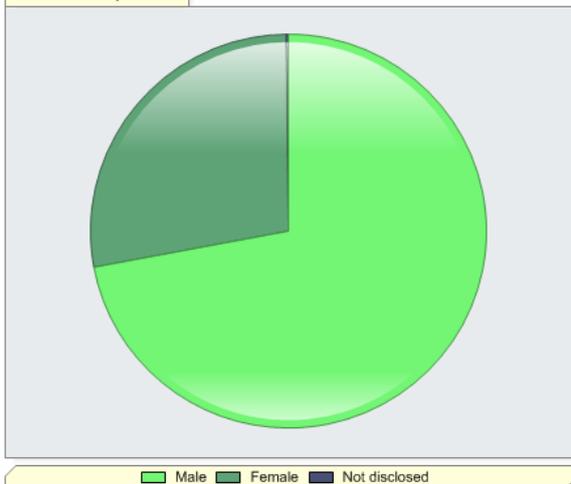
Our final categorisation, and a new cut for this year was to look at gender to examine the data patterns across this divide. Our respondents were;

- 71.9% – Male
- 27.9% – Female

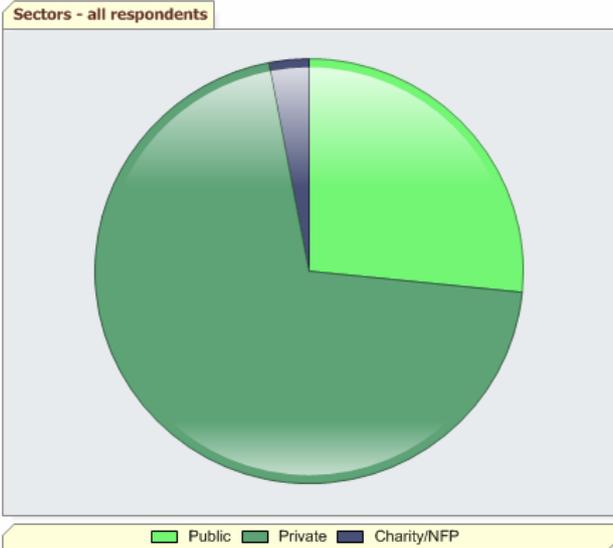
Age all respondents



Gender all respondents

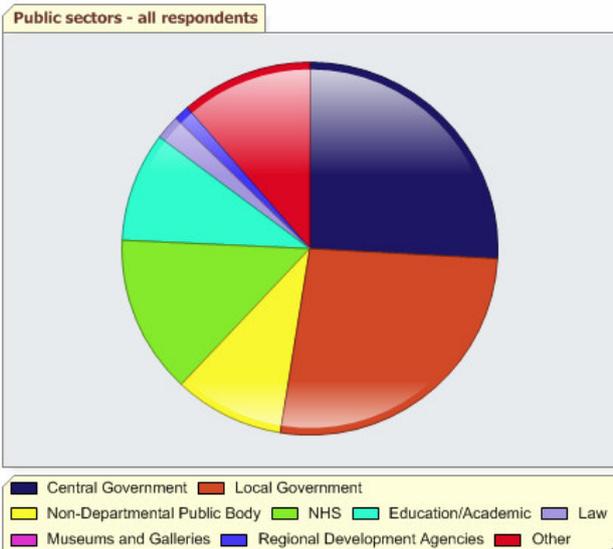


Respondent Sectors



We asked our respondents to indicate the sector in which they had primarily worked in during 2007.

- 27% - Public
- 70% - Private
- 3% - Charity / NFP

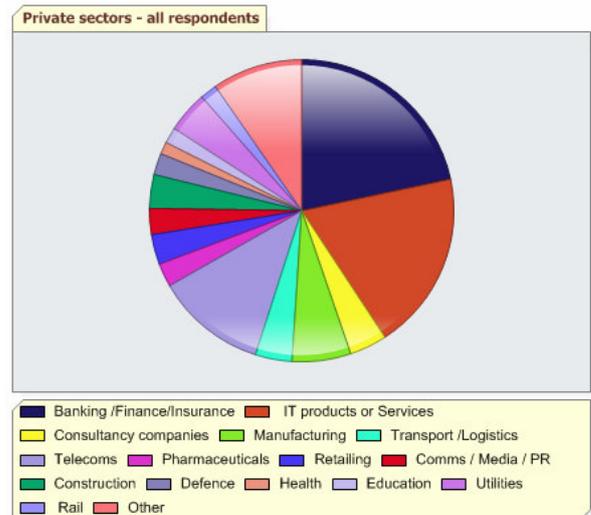
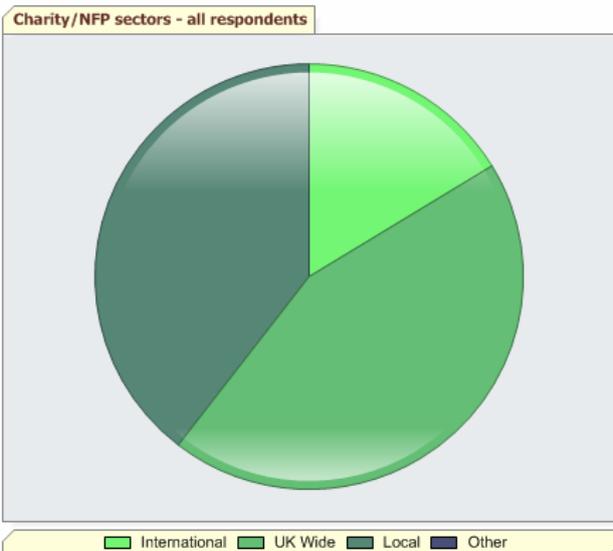


As can be seen from the charts we also asked for industry sectors within sectors. Unfortunately due to granularity we have limited analysis in the report at this level as the sample sizes became too small. Most analysis is also Public v Private for the same reasons.

Top sectors were:

- Public:
- 25.9% - Central Government
 - 26.7% - Local Government
 - 13.7% - NHS

- Private:
- 21.6% - Banking & Finance
 - 19.1% - IT Products or Services
 - 11.8% - Telecoms



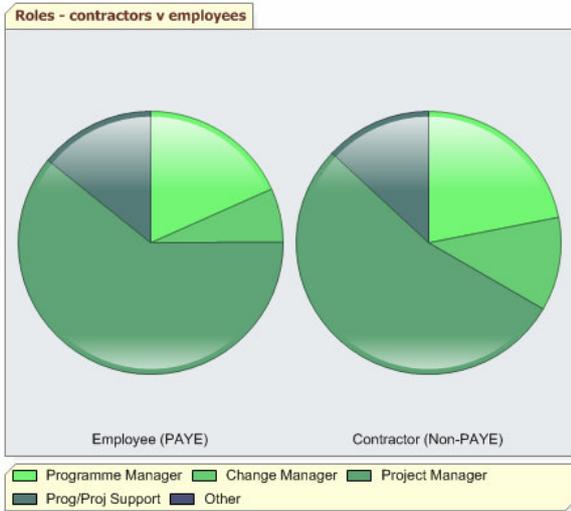
Arras People Project Management Survey 2008



As will be seen later in the survey the final split on the respondents was across their employment status, so that we can look at trends for both employees and contractors and where applicable make comparisons.

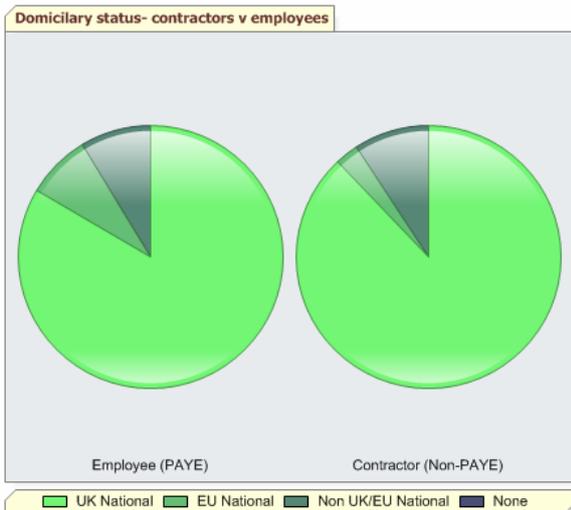
Baseline Analysis:

In this section we will look at the baseline data across a number of cuts to paint a picture presented by the respondents to our survey.



The respondents when split across employment type were as follows:

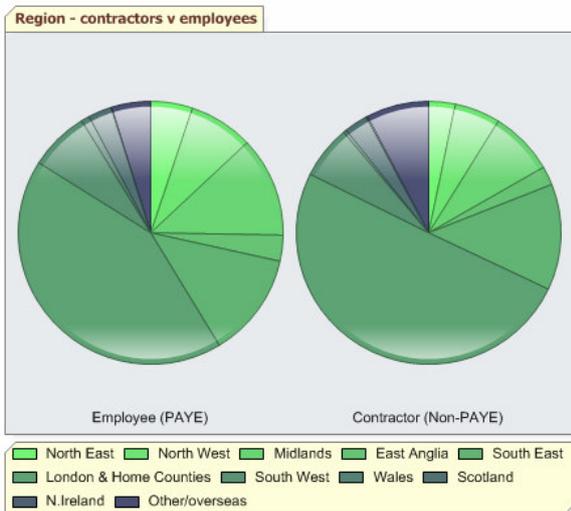
All:	
Programme Manager:	18.26%
Change Manager:	7.63%
Project Manager:	54.47%
Prog / Project Support:	12.95%
Employees:	
Programme Manager:	18.24%
Change Manager:	6.61%
Project Manager:	60.89%
Prog / Project Support:	14.25%
Contractors:	
Programme Manager:	21.88%
Change Manager:	11.52%
Project Manager:	53.55%
Prog / Project Support:	13.05%



The respondents when split across domiciliary status were in the main UK nationals, across all respondents the breakdown was as follows:

UK National:	78.74%
EU National:	5.88%
Non UK/EU:	8.57%

When analysed across Employee and Contractor status the number of UK Nationals was consistent with Contractors showing a lower number of Non UK/EU Nationals.

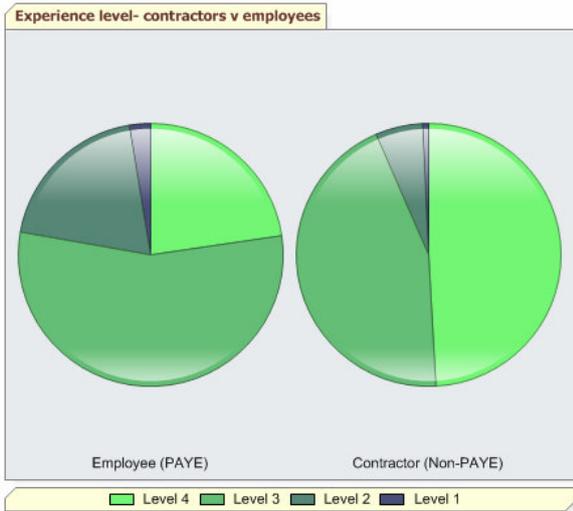


Regional data regarding the normal place of work of the respondents showed a high return for London & Home Counties and the South East. Across the respondents the breakdown was as follows:

ALL:	54.29%
Employee:	55.47%
Contractor:	63.34%

Due to these results we have a limiting factor for analysis across regions as there is no other one region which has a statistically high enough return to warrant analysis. As such further regional analysis will be made on the basis of London & the Home Counties and the South East 'v' The rest of the UK.

Experience Levels



The responses from our respondents regarding their perceived level of experience shows marked differences between the employee and contractors.

94% of all contractors who responded see themselves as level 3 or 4 compared to 77.8% of employees.

Within this, 49% of the Contractors saw themselves as Experts in their chosen roles as against 22.5% of those who are employees.

This distribution of experience is not unlike that seen in previous surveys and demonstrates how many people build experience levels as employees before making the transition to the contracting market.

We will see how this translates into pay later in the results.

- Level 4 = Respondents see themselves as an Expert
- Level 3 = Respondent sees themselves as Experienced
- Level 2 = Respondent sees themselves as Knowledgeable
- Level 1 = Respondent sees themselves as having a level of Awareness

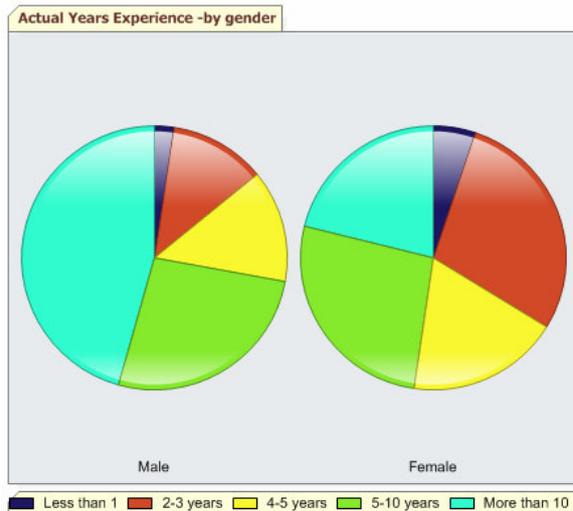
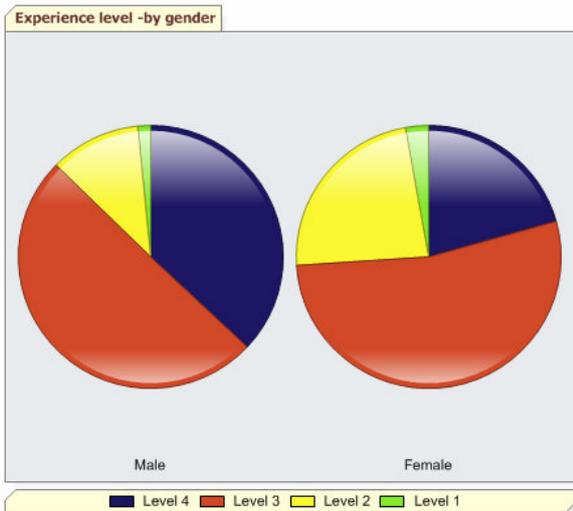
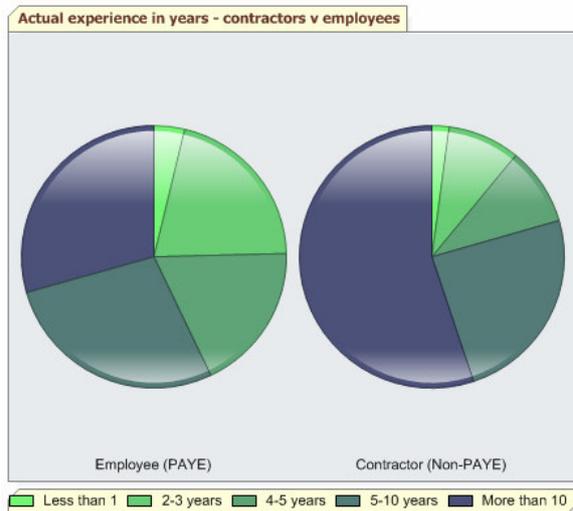
The responses from our respondents regarding their numbers of years experience again shows marked differences between the employee and contractors.

79.5% of all contractors who responded have over 5 years actual experience compared to 57.1% of employees.

Within this, 55% of the Contractors have more than 10 years experience in their chosen roles as against 29.1% of those who are employees.

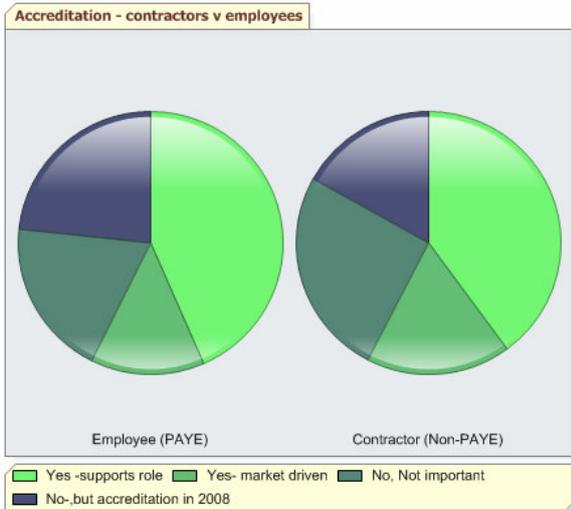
Again this distribution of experience is not unlike that seen in previous surveys and lies fairly with the data above.

We will see if this translates into pay later in the results.



As can be seen above, when gender is added to the equation some distinct patterns can be seen when looking at actual years experience where males have 72.1% with >5 years experience against 47.7% for females. However when it comes to perceived experience level the level 3 (Experienced) sample is very consistent across gender and analysis of the males and females with <5 years experience at level 1 and 2 is consistent at around 47%. The open question would appear to be why there is such a big differential in the >10 years experience?

Accreditation in project management is a subject which continues to be a source of discussion and our survey would appear to show that there are multiple views around their worth.

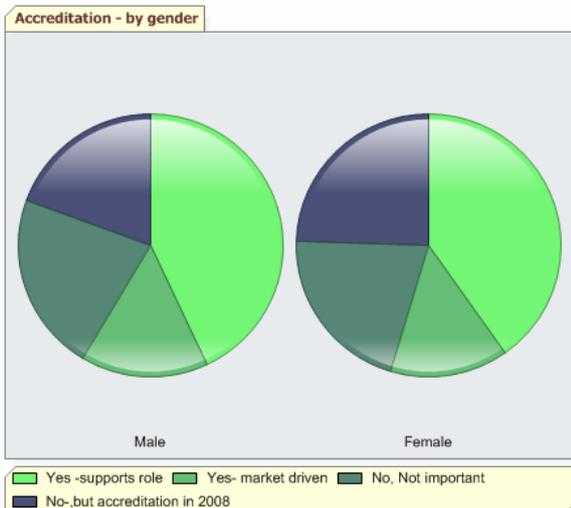


The respondents with formal accreditation who see this as important in supporting their role is consistent across the employee / contractor cut at around 42%.

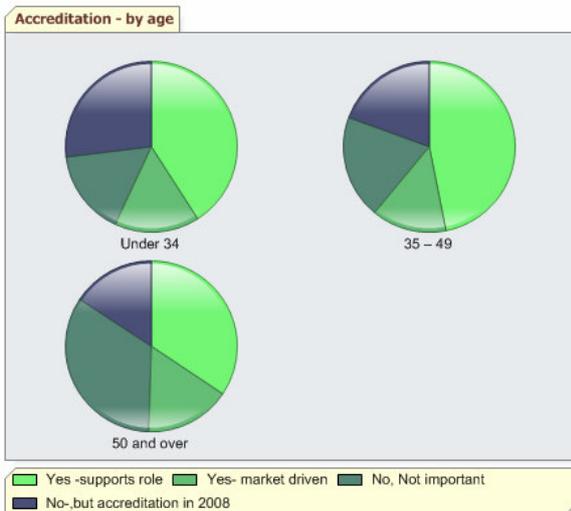
The first level of deviation comes with those who have accreditation as they believe that the market ie. employers are driving the trend. Here contractors register at 18%, 3 % above the mean.

A second level of deviation is in the area of No, not important where again contractors deviate at 25% again 3% above the mean.

Finally this trend of thought would appear to consolidate with 17% of contractors planning to take accreditations during 2008 against a figure of 23% for those that are employees.

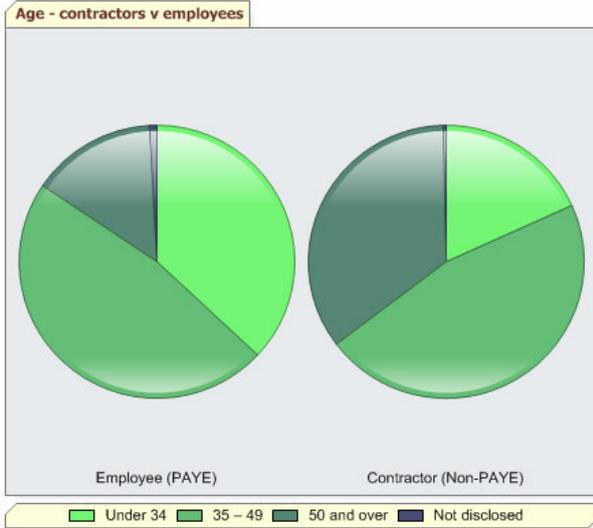


When accreditation is viewed by gender there is no discernable difference in the views put forward by our respondents.



However when viewed by age the under 50 age groups have a noticeable slant towards the positive with 67% having or planning to take accreditation to support their delivery. This compares with the over 50's who have just 50% with a similar view. The over 50's also appear to hold a stronger view that accreditation is not important with 34% expressing this view against 19% in the mid range and 16% in the under 34's. One can probably assume that the over 50's believe that their experience is much more important than a certificate when selling their credibility to potential employers.

Age Groups



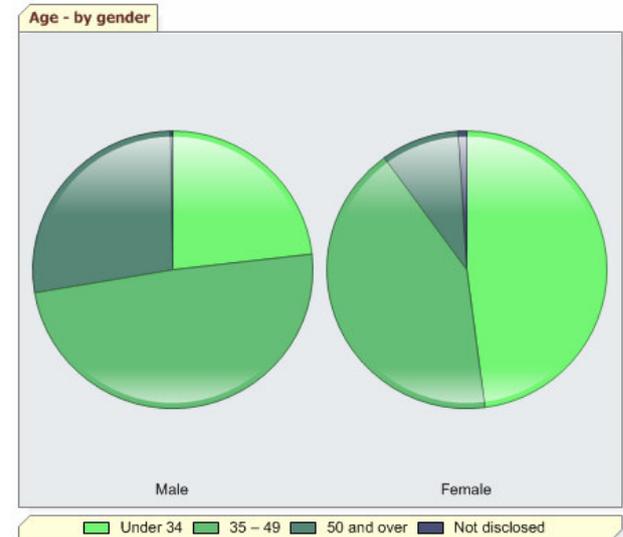
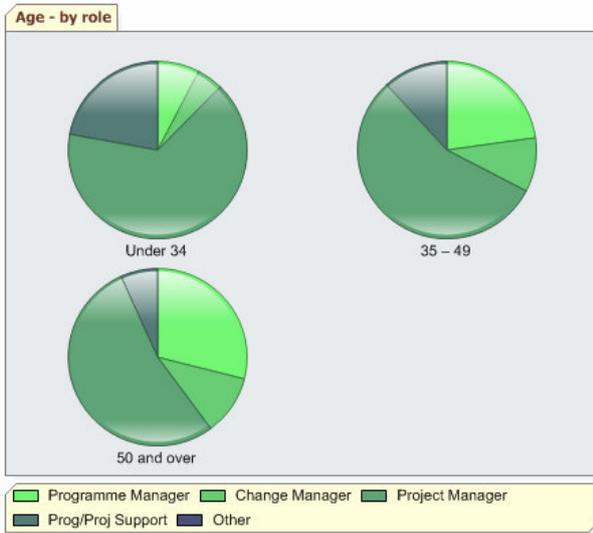
Age is another interesting cut across the respondents as it will allow us to review how this impacts role, pay and other factors examined during the survey.

When reviewed across the Contractor v Employee section we can see that the breakdown offers some insight into the path followed by many project professionals.

Under 34's account for 37% of those who are employed, whilst accounting for 18% of the contractor population.

In the 35 to 49 age group this figure becomes more balanced at 46% for Contractors and 47% for Employees.

In the final grouping of those 50+ we see a sharp change again to 15% of those who are employed, whilst accounting for 35% of the contractor population.



When role is viewed by age we can see distinct differences in the roles which dominate in each age range. The data suggests that age is linked to role and career path for many of the respondents.

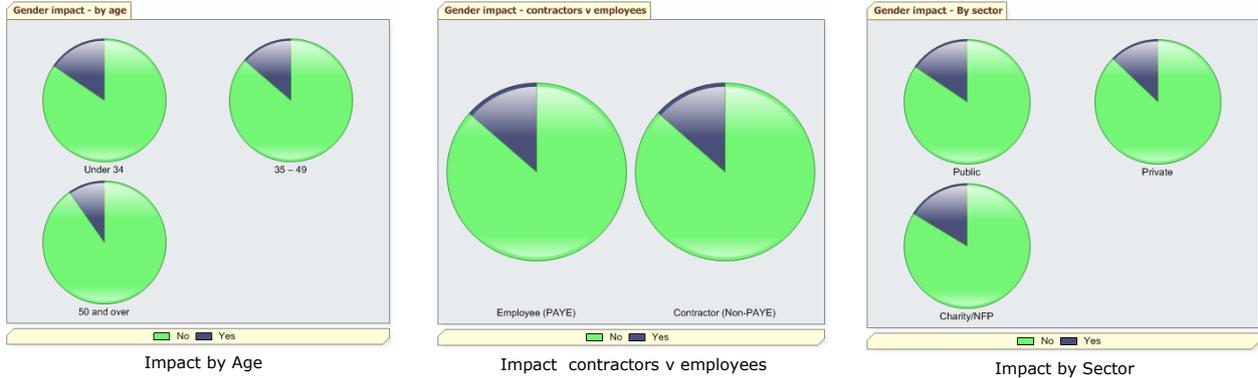
	Programme Mgr	Change Mgr	Project Mgr	Support
Under 34	8%	5%	65%	22%
35 to 39	23%	10%	56%	12%
50+	29%	11%	53%	7%

When viewed by gender the age groupings again paint a very distinct picture of the different demographic spreads.

	Under 34	35 to 39	50+
Female	48%	42%	9%
Male	23%	49%	27%

The data raises the possibility that more females are now seeing Project management as a career which they can enter and be successful in (48% under 34's) where as this did not used to be the case (50+ 9%). Or alternatively it may be that we loose many females as they go through their middle years to other professions or the challenges faced in raising a family. It will be interesting to see over time if this distributes more evenly to align with the male profile.

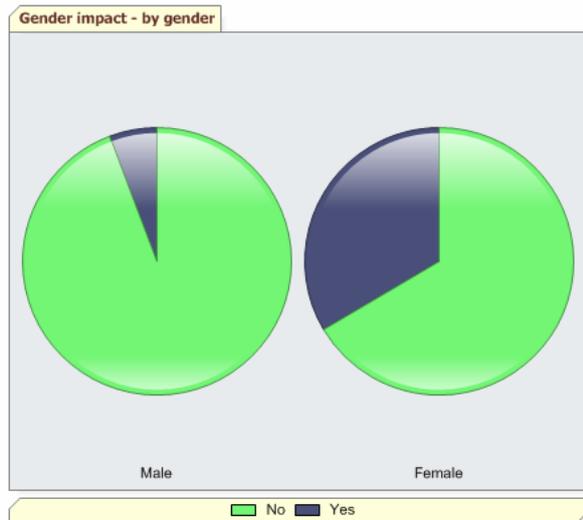
Gender Impact. We asked our respondents if they felt that gender had impacted their career as a Project professional, the vast majority 86.4% felt that this was not the case. However we still were left with 13.6% who felt that it had!



When viewed across contractor v employee there was no major deviance from the 13.6%.

Age though, gave a slight variance at the under 34's which rose to 15.8% and the 50+ group saw a corresponding fall to 9.6%.

By sector gender impact again gave a slight variation with the Private sector appearing to be the one where gender has least impact at 12.8% as against 15.5% in the Public sector.



Finally we cut the responses by Gender itself and suddenly a very different picture emerged. Over twice as many in actual numbers, and a whopping 33.6% of females stated that gender has impacted their role as a professional in the project management space compared to just 5.8% of males.

We also gave our respondents the opportunity to add free text comments to back up their answers to this question be that a positive experience or a negative one. Of the responses completed 20% were from the female respondents compared to 5% of the males.

Within the female comments 67% were negative, with 7% positive and 25% ambivalent. Males were harder to categorise. Around 42% gave an ambivalent answer suggesting gender passes under their radar in their work environments?

Comments included, Ageism, Cultural issues, Discrimination, Money, Stereotyping, Travel and Value. Some of which are explored below.

- When looking at the comments in terms of industry sectors it was not unexpected to see that Construction, Engineering and Manufacturing were all seen as male dominated and difficult for female respondents, however a significant number of negative comments were aimed at the IT industry. Many female respondents felt that they had to "work much harder in their roles to prove their worth and gain respect".
- Females being perceived as project support rather than management
- Maternity and pregnancy would also appear to still be a real issue in the workplace with comments indicating that respondents have been "overlooked for promotion" and "removed from a management role".
- Money and equality in pay was seen as an issue by our respondents with females suspecting or knowing that they are not on an equal footing with their male peers.
- Several respondents felt that women succeeded over them in winning roles as the hiring organisation was hiring to profile rather than according to candidate skills sets.

Male views included;

-“prefer a pretty lady”
- “I think that because the role involves administration function; a female is preferred”
- “In the human mind this is not a female role yet; though it is wrong!”
- “I think males are still treated with more respect and credibility in the UK work culture”
- “Attitude to female project managers during multi-national and multi-industry meetings is very poor. Greater respect is given to males”
- “Female clients either love or loath me; Nowhere in between. Men have no such reaction”
- “When working in Health & Education having no female presence holds back the flow of information from the other side of the table”

Female views included;

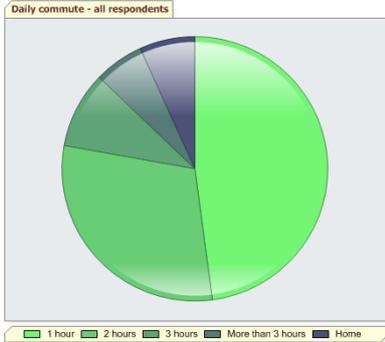
- “All the men in the office are on a higher band level ... job for the boys; mostly women on my band level”
- “Only with occasional very old fashioned men.....”
- “Men can tend to assume you are the secretary!”
- “I think i have always been viewed as a Support; never a potential Project Manager”
- “When joining male dominated teams; initially; I can be treated as the admin girl!”
- “every day as a woman I have to struggle more to show my skills and have an influence on the decision-making process. As woman I’m sometimes seen as not fully competent or lacking”
- “It is harder to be accepted to a position of a project manger as a woman. They prefer men”

It was notable that whilst there were fewer responses from the male population, there were responses praising the contribution of women in the workplace, an occurrence that was not repeated by the female respondents!

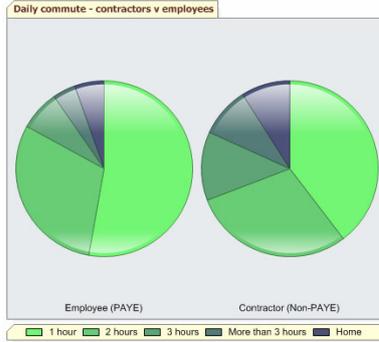
Work Life Balance.

This year the survey included questions which allowed us to paint a picture of the Working Environment in which Project Professionals exist and to check out what's happening with their work life balances.

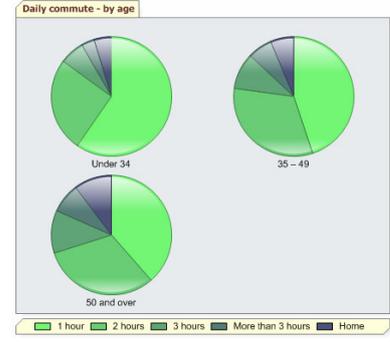
The Daily Commute. As the daily commute becomes more of an issue with daily calls for us all to have better life balance and greener lifestyles, we asked our respondents about their daily commutes.



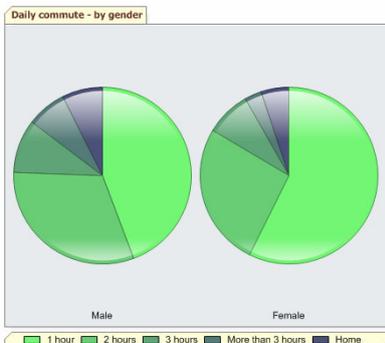
Daily commute - all respondents



Daily commute - contractors v employees



Daily commute - by age



Daily commute - by gender

The overall picture has 48% of our respondents with a commute of an hour a day which has significant variations across the cuts by age, status and gender

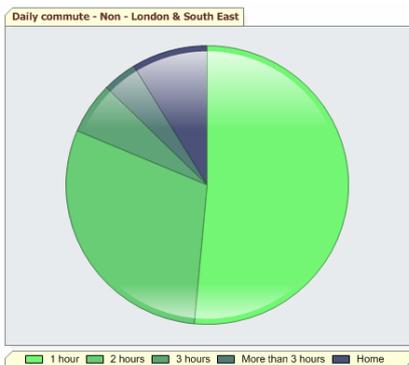
	1hr	2hr	3hr	>3hr
All	48%	30%	9%	6%
Employees	+5%	0%	-2%	-2%
Contractors	-8%	-1%	+4%	+3%
Under 34	+12%	-5%	-2%	-2%
35-49	-3%	+2%	+1%	+1%
50+	-10%	+1%	+3%	+2%
Male	-4%	+1%	+1%	+1%
Female	+10%	-4%	-1%	-3%

Home based	
All	7%
Employees	5%
Contractors	9%
Under 34	5%
35-49	6%
50+	10%
Male	7%
Female	5%

It would appear that the under 34's have the best time of the commute with less time spent commuting than any other grouping, whilst the 50+ group appears to spend more time commuting. Both of these could be down to lifestyle choices? The next biggest variances are the contractors with a bias towards longer commutes and the Females with a bias towards shorter commutes presumably driven by flexibility and family issues?

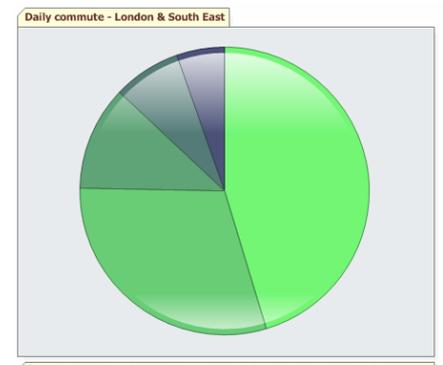
Home based working as an overall percentage is still relatively low, though male contractors and the, 50+ age group have the highest uptake.

When viewed by geography between London & Home Counties and the South East v the rest of the UK the primary differences can be seen in the 1, 3 hour commute and the number of home based workers



Daily commute - Non London, HC & SE

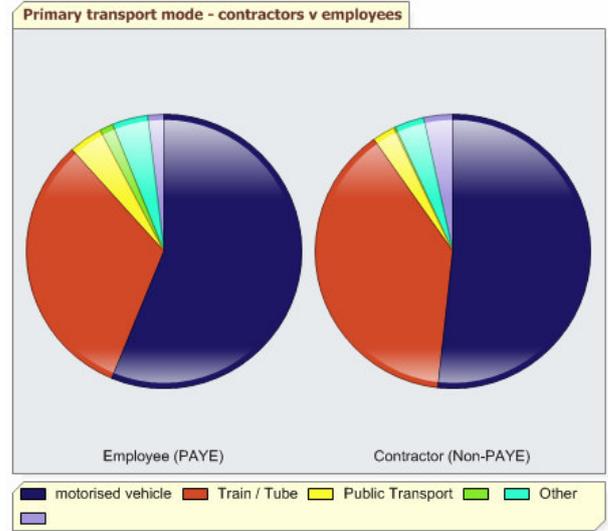
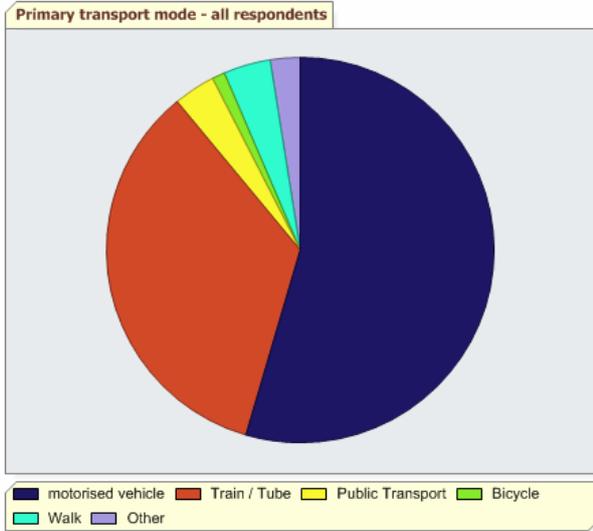
Non L&SE	Home	L&SE
9%	5%	5%
51%	46%	46%
30%	30%	30%
6%	12%	12%
4%	7%	7%



Daily commute - London, HC & SE

Modes of transport.

Again on the green front we asked our respondents how they travel to their regular place of work.



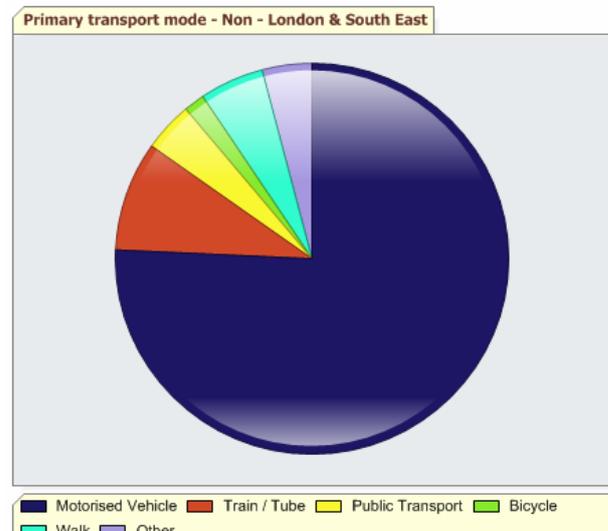
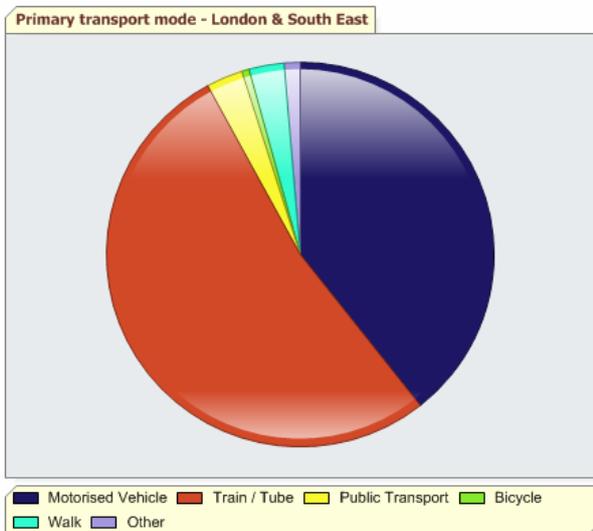
	motor	Train/tube	public	bike	walk
All	54%	35%	3.5%	1%	4%
Employees	56%	32%	4%	2%	4%
Contractors	51%	39%	3%	0%	3%
Lon & SE	39%	53%	3%	1%	3%
NoN-Lon&SE	76%	9%	4%	2%	5%

It would appear that Project Professionals are no different than the rest of the UK population and still see the motorised vehicle as their transportation mode of choice. Overall 54% of our respondents have this as their primary mode of transport which drops to 39% for London and the South East and increases to 76% for the other regions of the UK.

The use of the tube and train is high in London and the South East at 53% which probably indicates the higher level of availability and connectivity. As a group contractors are the highest users at 39%.

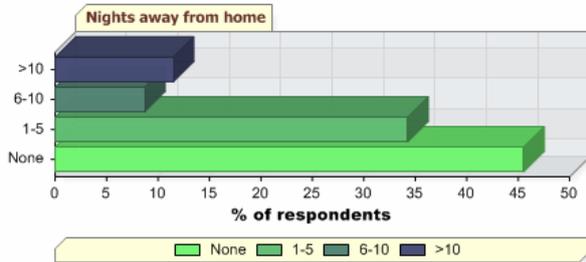
Public transport has a low take up generally across the whole geography.

Walking and using the bicycle are again very low in terms of usage with a 7% take up in non London and the South East against 4%.



Nights away from home

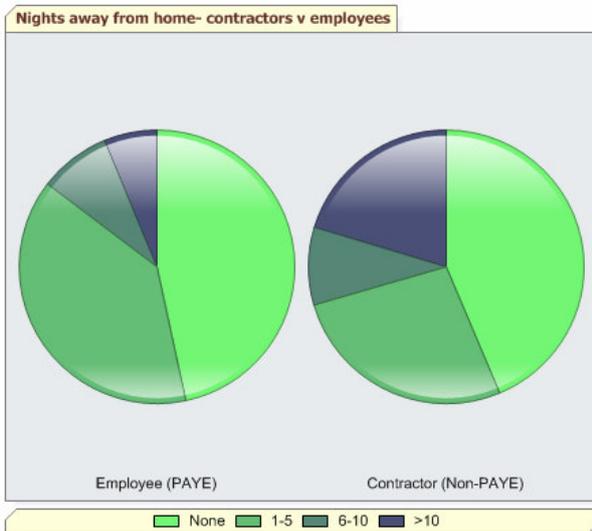
Flexibility for working away from home is a common request from a number of clients, so we asked our respondents how often they are required to do so in a typical month when undertaking their regular work.



Overall we can see that 46% of our respondents do not have to spend any time away from home on a regular basis. 34% have a requirement for between 1 and 5 days. 9% are away for between 6 and 10 nights per month with 11% telling us that they are away for more than 10 nights on a regular basis.

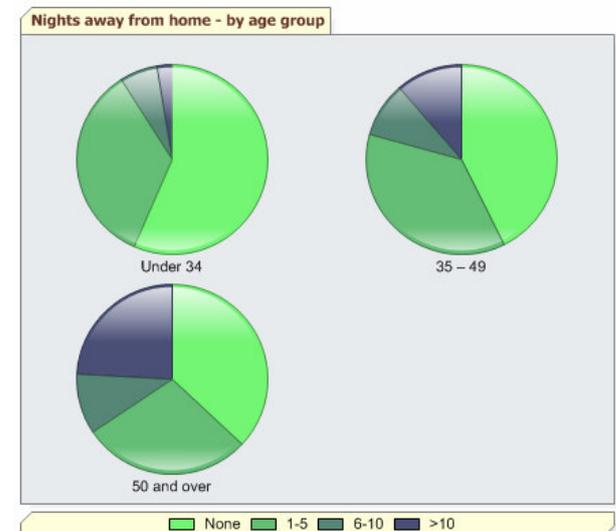
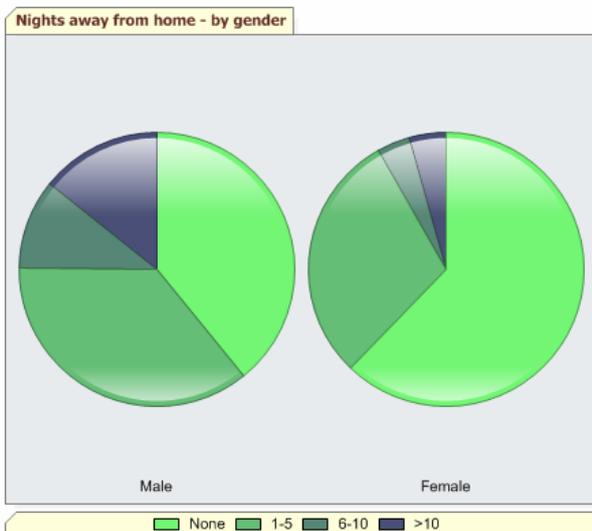
Is this a lifestyle choice or driven by the market?

	None	1 - 5	6 - 10	>10
All	46%	34%	9%	11%
Employees	+1%	+5%	0%	-5%
Contractors	-2%	-7%	0%	+9%
Male	-7%	+2%	+2%	+3%
Female	+16%	-5%	-5%	-7%
Under 34	+11%	0%	-3%	-8%
35 - 39	-3%	+3%	+1%	0%
50+	-9%	-5%	+1%	+13%



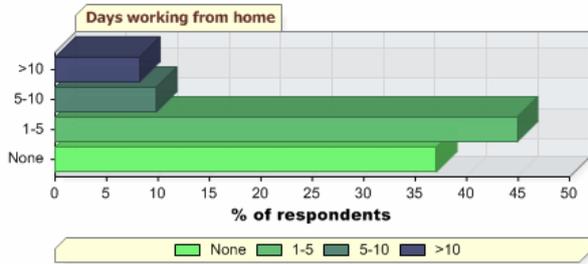
Looking at the results probably a mixture of the two?

- Contractors score high on time away with +9% on the greater than 10 days per month.
- Females score highest on the least nights away from home and are consistently below the mean on all other scales. Is this linked to primary responsibilities for childcare?
- Males spend more time away against the mean.
- Under 34's are again more liable to operate below the mean in terms of nights away per month.
- The 50+ age group spends the most number of nights away as a group against the mean.

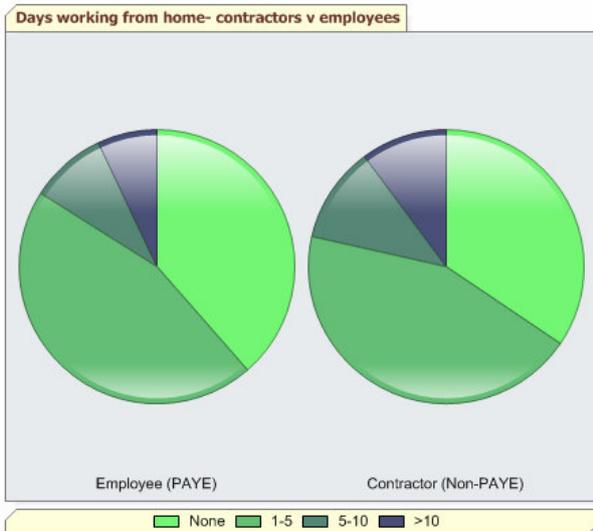


Home Working

Home Working, the way of the future? With increase in the deployment of IT solutions that enable remote working and document sharing is this an option that is having an impact on Project Professionals or are people still required to be visible?



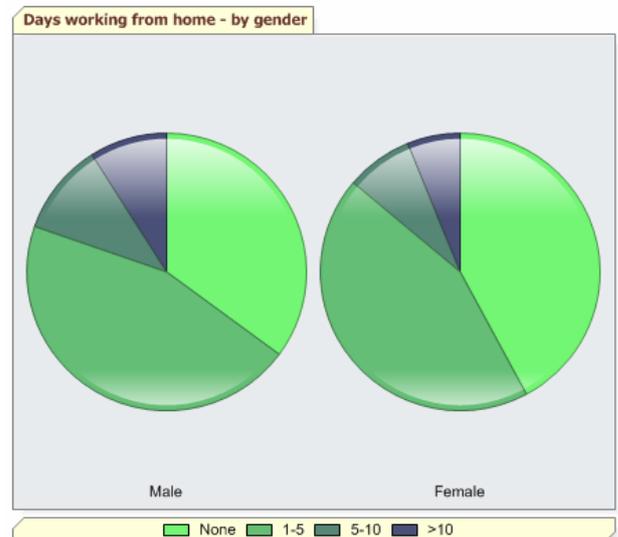
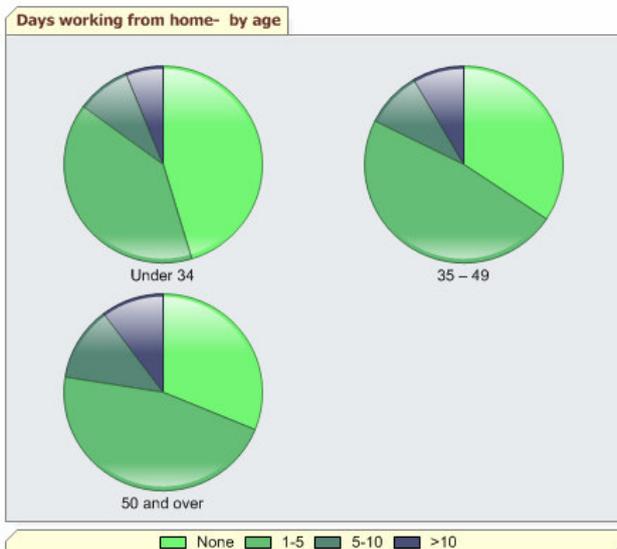
When questioned about commuting 7% of our respondents stated that they were home workers. Thus if we have consistent data that means that 1% of our respondents are able to work from home more than 10 days per month. At the opposite extreme we have 37.5% of our respondents who have no opportunity to work from home in their current roles. Some 45% state that they can work from home between 1 and 5 days per month typically which is our biggest individual group.



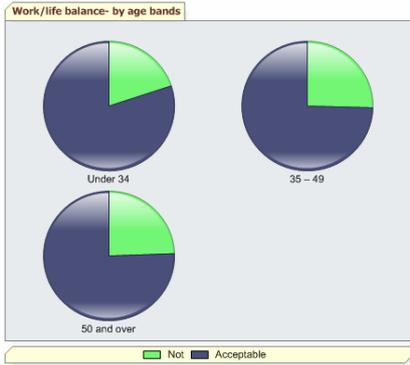
Working from home is an interesting arena as while technology moves on and allows this to happen many people are social beasts and do not actually wish to work in this mode, they need the social aspects of work. Others would appreciate this option, but work in an environment where their employer needs to see them for real or perceived reasons. There then appears to be a happy group who have the flexibility to work at the place that is most appropriate to what they are doing at the time. Why drive 60 miles to sit in an office and write a report all day?

	None	1 - 5	5 - 10	>10
All	37%	45%	10%	8%
Employees	+2%	0%	-1%	-1%
Contractors	-2%	-1%	+1%	+2%
Male	-2%	0%	+1%	+1%
Female	+5%	-1%	-2%	-2%
Under 34	+9%	-5%	-1%	-2%
35 - 39	-3%	+3%	-1%	-2%
50+	-6%	+1%	+2%	+2%

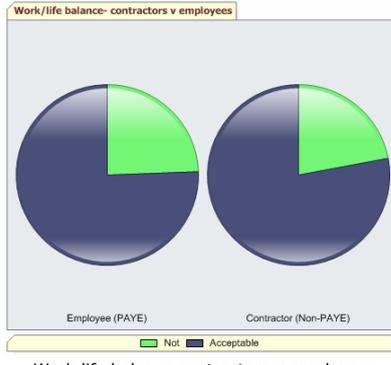
- Much lower variance across the slices.
- Females and Under 34's are again consistently below the mean spending less time working from home.
- Males, Contractors and the 50+ age group appear to have most opportunity to work from home against the mean.



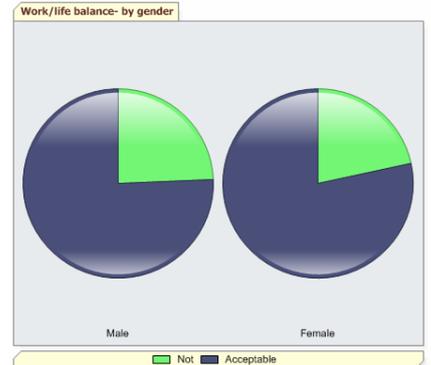
Happy with the balance? We all hear on a regular basis that we need to achieve better work life balance as we in the UK are the workers of Europe. We decided to find out if are respondents are happy with their lot? and if not, why not and what are they are going to do about it.



Work life balance by age



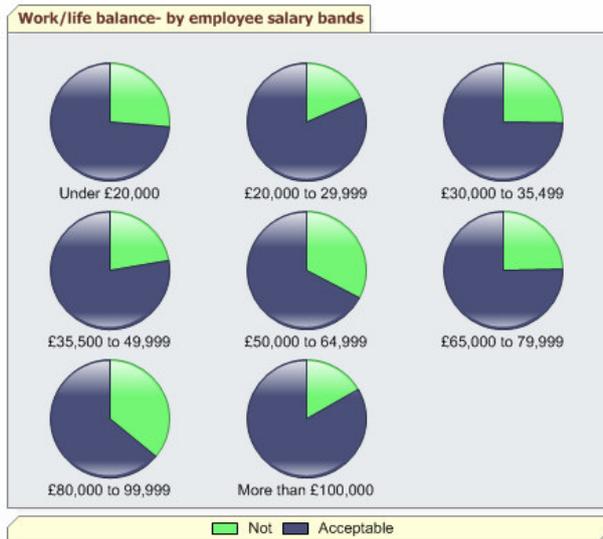
Work life balance contractors v employees



Work life balance by gender

Across all respondents we found that 23.5 % were not happy with their current work/life balance! On first cut across age, employment method and gender there were only slight variances away from the mean.

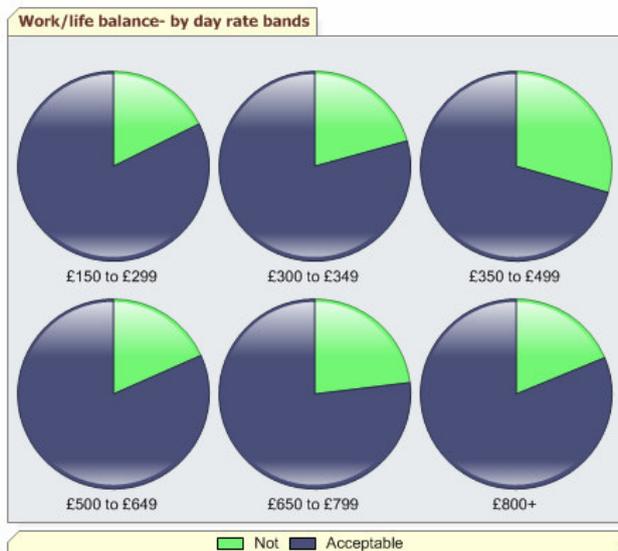
- The under 34's appear to be the most satisfied within age groups with 19.8% unhappy
- The contractor population appear to be the most satisfied against employees at 21.9% and 24.5% respectively
- By gender females appear to be the most satisfied against males at 21.4% and 24.4% respectively



Employees, when analysed by their salary bands create a mixed picture of states of happiness;

Salary Band	% of Respondents unhappy
Under £20,000	26.3%
£20,000 to £29,999	18.3%
£30,000 to £35,499	25.0%
£35,500 to £49,999	22.8%
£50,000 to £64,999	32.5%
£65,000 to £79,999	24.6%
£80,000 to £99,999	36.0%
More than £100,000	16.7%

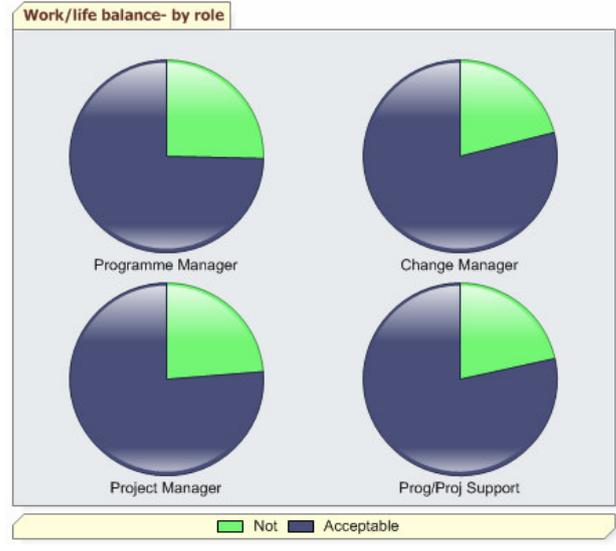
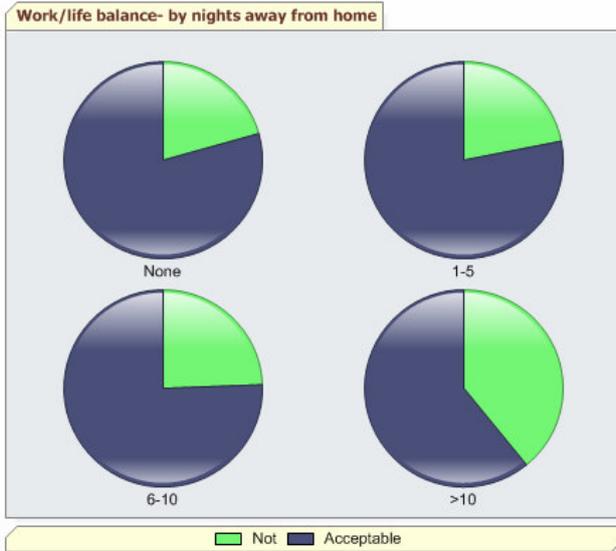
It would appear that there are pinch bands where the level of dissatisfaction increases in waves then subsides as highlighted in the table above.



Contractors, when analysed by their day rate bands also create a mixed picture of states of happiness though this is not as varied as the employees;

Day Rate Band	% of Respondents unhappy
£150 to £299	17.6%
£300 to £349	20.7%
£350 to £499	29.5%
£500 to £649	18.0%
£650 to £799	23.7%
£800+	18.8%

The most unhappy band of contractors would appear to be operating at the £350 to £499 which is 6% higher than the average.



The most striking group of apparently unbalanced people are in the group where they are away from home for more than 10 days per month with a 39% response.

	Splits	Acceptable	Not acceptable
Under 34	7%	45%	55%
Employees	34%	49%	51%
Female	11%	53%	47%
35 - 39	47%	55%	45%
All	100%	61%	39%
Male	89%	62%	38%
Contractors	66%	66%	34%
50+	46%	69%	31%

As can be seen in the table the detailed analysis shows the different groups who have made up the data in the group who spend more than 10 days away from home per month. The happiest group again are the 50+ age group who appear to be generally in control and enjoying their work. Also above the mean are the Males and Contractors. By comparison the under 34's, Employees and Females are the major groupings above the norm in not being happy with their work life balance.

Comments from the happy people include;

- "I enjoy my work; I see it as fun as well."
- I have time between contracts to level my work life balance
- Yes; Kids have grown up and contract work is generally free from politics etc etc
- I can manage my time so that I have long weekends

Comments from the unhappy people include;

- Never enough time due to lack of support or matrix management
- Seven day working no personal life
- Too much time away from home
- Excessive unpaid hours over and above my typical working week.
- I work away in the week and on the weekend I have a lot of catch up work to complete in preparation for the next week
- I work where I can obtain contracts; not necessarily close to where I live

Moving on to the full cross section we can review the comments left by our respondents about their work life balance. In all 23% left a comment and within that 52% were left by people who are unhappy with their work life balance with 48% leaving positive comments.

So what is work life balance? One definition is "control over when, where and how people work to achieve an optimal quality of life". This is interesting as it doesn't state who has the control; looking at our respondents we appear to have people who take that opportunity to create an acceptable work life balance and also those who do not feel in that position to do so, thus becoming victims? Maybe these people feel that striving to achieve an acceptable work life balance will brand them as "uncommitted and unmotivated" and thus be impacting their future opportunities within their organisations. "Main bread winners may see it as a kiss of death to their careers". On the other hand maybe they are martyrs to the cause and in reality don't want to take the opportunity to make things change because it is not in their nature?

So is this a fad? Will it pass? Is it mainly an issue for parents? Let's have a look. We analysed the comments made by our respondents and classified their comments to see if we could establish any patterns within the positive and negative responses.

Unhappy by Gender		
GENDER	Female	Male
Time Away	10%	29%
Commute	8%	24%
Flexibility	10%	6%
Hours	52%	19%
Workload	18%	19%
Money	2%	3%
Split	26%	74%

Firstly we looked at the responses by gender. Of those that were unhappy with their work life balance 26% of the comments were from females and 74% from the males.

The time spent away from home was the largest response from the males, which when combined with their commute added up to 53% of the total. By comparison the female responses only raised 18% against these same issues suggesting that the males are more mobile in the "hunter gathering" stakes. By age group, the 50+ group had highest concerns in these areas with 60% compared to just 21% for the under 34's

Unhappy by Age group			
AGE	To 34	35 - 49	50+
Time Away	7%	29%	29%
Commute	14%	17%	31%
Flexibility	12%	8%	2%
Hours	33%	28%	20%
Workload	30%	16%	16%
Money	5%	2%	2%
Split	22%	53%	25%

Hours of work or expected hours was the largest concern from the female respondents at 52% against 19% for the males, with many respondents feeling that they "had to work excessive hours" for a variety of reasons. By age we saw a complete reversal with the under 34's reporting 33%, and the 35 to 49's 28% against 20% in the 50+ age group. Maybe confirming the suspicion that they are "protecting their futures"?

Workload was the next highest concern across both genders at 18 and 19%. By age we again saw the under 34's reporting 30%, against 16% for the remainder. Maybe further confirming the suspicion that they are "protecting their futures"?

Workload is an interesting issue especially when we are talking about a population of Project Professionals who by the very nature of their roles should be providing scheduling and control! Whilst we can all appreciate that programmes and projects have peaks of activities, do they not also have troughs where the balance can be corrected? Or is the situation really worse than that, where we have a demand line that far outstrips the supply capability in terms of regular working hours? If so, how long is this sustainable for and what recompense should be made available?

Happy by Gender		
GENDER	Female	Male
Changed Job	18%	6%
Work Flexibly	28%	17%
Manage Workload	53%	74%
Enjoy Money	2%	4%
Split	31%	69%

When running a similar analysis on the respondents who stated that their work life balance is acceptable we saw a different categorization which in many ways countered the unhappy respondents. We saw more positive actions such as "changed job", Flexible working and "manage workload" all of which address many of the challenges faced by those that are currently dissatisfied.

The most common responses across the genders indicated a positive management of workload with 74% of males and 53% of females indicating this. By age there was no discernable difference with all age groups reporting in the 57 to 75% range.

Happy by Age			
AGE	To 34	35 - 49	50+
Changed Job	14%	10%	5%
Work Flexibly	30%	20%	12%
Manage Workload	57%	67%	75%
Enjoy Money	0%	2%	7%
Split	24%	45%	31%

Flexible working was the second highest count across gender with 28% female response to 17% for males. Across age groups this was also interesting with 30% for the under 34's through to 12% for the 50+. Interesting splits that maybe suggest that females are more aligned to flexible working and a new breed of professional in the under 34 age group who are embracing this concept?

The most striking decision from this group to achieve their state of happiness to "to change jobs", the ultimate sanction if all else fails. Females led the way with 18% having made this decision with just 6% of the male respondents having made a similar statement. By age the under 34's lead the way with 14% with 5% in the 50+ age group. Again data from which a statement of intent could be made?

Finally in this analysis, Rewards. Yes the money aspect did appear and we had responses that indicated the reward recompensed for the pain, the lifestyle accepted, I have made my choice and I will get on with it!

Comments from the happy people include;

- Last job required 5 days a week travel and 65 hrs per week and current job does not
- Currently working locally but previously have covered UK; Europe & US and clients are not concerned with consultant work / life balance
- Working from home balances out the travel within my role and when I'm working within the office that is only 35mins away.
- All non site or client site work is based at home which I find comfortable
- Freelance working lets me retain control over my work/life balance
- I have learned over the years that the work life balance is very important in order that I can be effective in all areas of my life.
- It is how I choose to live
- I try to work around 6-9 months only each year
- Long commute is preferable to being away from home all week - flexible working at home by secure laptop helps this. I work with the client to make sure they also see that its all about achievement; not just attendance.
- The remuneration for the work away from home compensates me for the inconvenience.
- The harder I work the more I earn which allows me to regain the balance by having longer down time between contracts etc .

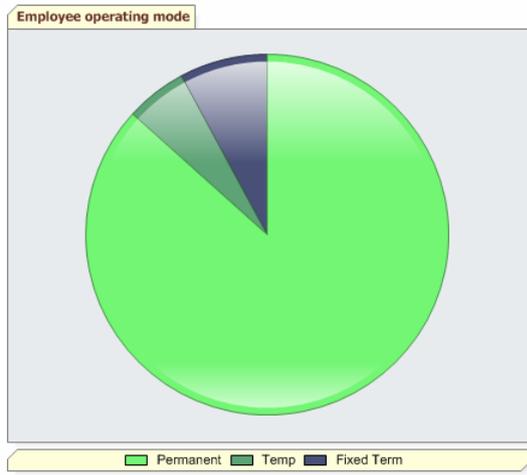
Comments from the unhappy people include;

- I need to travel to find work and that means absence from home
- My demanding role; with many nights away from home each month; is placing great stresses on my personal life
- Commuting does not leave any time for life during the week and am too tired at weekends
- I spend too much time travelling to and from work; at least 20 hours a week.
- I am not able to work from home in my current role. On occasions this would be both useful and beneficial.
- Too much car travelling + no flexibility from employer to work from home
- My official working week is 37 hours but rarely work less than 60 hours. I have a role where there is no back up due to limited resources and so often find myself working long days; at weekends and have occasionally cancelled or moved annual leave due
- 10 hours per day - no breaks - takes it toll by the time you get to the weekend
- I do not make enough time away from work. I focus too much on getting the job done to the extent of de-emphasising non-work activities in life
- Programme Management is demanding and not always compatible with an ideal life style.
- I need more money for a better quality of family life
- Never stop thinking about the job

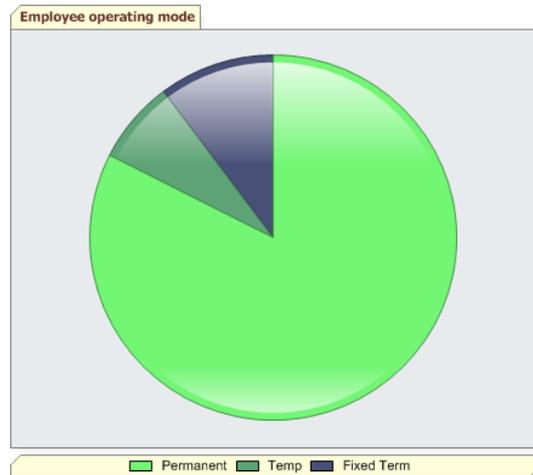
Employee's review

Who are our employees?

In this section of the report we will look at the responses from the employees who responded to the survey. The first section looks at the employee landscape, we then move into the detail of their responses regarding the operating conditions for employees. Where possible we will look at their responses for the year of 2007, compare that to the responses from last years survey and then cut the details across Age, Gender, Role, Sector and Rates.



[2007 Results]



[2006 Results]

When asked the nature of their employment, 87% of respondents were on permanent contracts compared to 8% on fixed term contract and 5% working as temps. The permanent employee rate shows a 4.5% increase from the 2006 results, with a 2% decrease on fixed term contract and 2.5% decrease in temps.

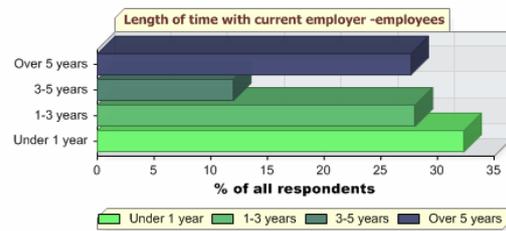
How long?

The majority of respondents have been with their current employer less than a year (36%), followed by 1-3 years (31%). Respondents in the 3-5 year category were slim at only 10% – is this the 'comfort zone' of employment?

Only 22% of respondents have been with their current employer for over 5 years which possibly is not surprising for a survey conducted by a recruitment agency and also the nature of project based work.



[2007 Results]

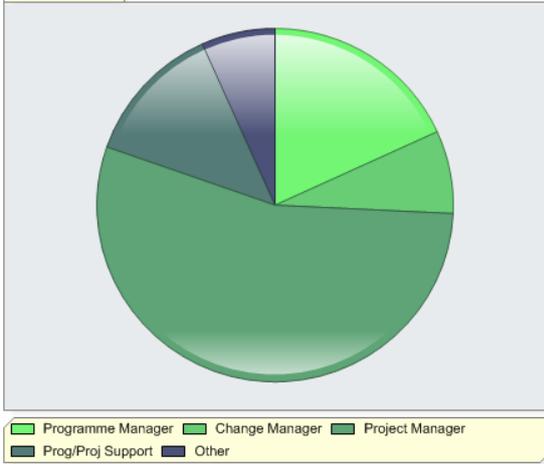


[2006 Results]

When compared to 2006, we can see 6% decrease in the number of respondents who have been with their current employer for > 5 years, -2% for those at 3 to 5 years, +3% for 1 to 3 years and +4% at under 1 year.

We also asked our respondents to tell us their primary role, age bands, gender and primary sector in which they operated during 2007, all of which can be seen in the following tables;

Employee roles

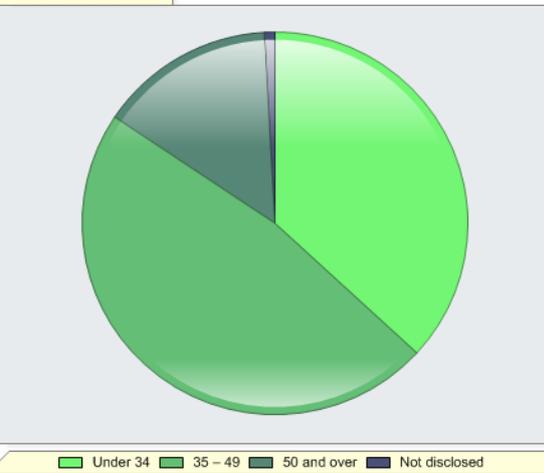


Of the respondents, 55% work as project managers compared to 13% holding support roles. 18% Programme Manager, 8% Change Manager, 6% Other. Comparing this profile to our Contractors we can see the following;

Role	Employees	Contractors
Project Manager	55%	54%
Programme Manager	18%	22%
Change Manager	8%	11%
Prog / Proj Support	13%	13%

Compared to the 2006 survey 51% Project Managers 21% in Support roles, 16% Programme Managers and 7% Change Managers.

Employee by age band



When comparing roles by gender we can see;

	Male	Female
Change Manager	7%	7%
Programme Manager	21%	12%
Project Manager	61%	59%
Project Support	11%	22%

Other Employee / Contractor splits show;

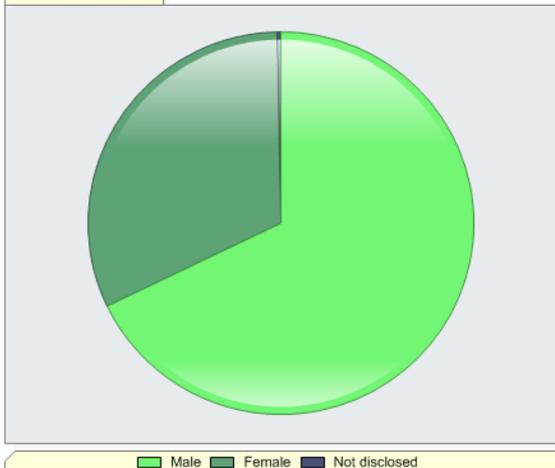
Role	Employees	Contractors
Age <34	37%	19%
Age 35 to 49	48%	46%
Age 50+	15%	35%
Male	68%	79%
Female	32%	21%
Private Sector	70%	70%
Public Sector	27%	27%
Charity / NFP	3%	3%

The age profile suggests that most project professionals spend their early years as employees, migrating over time to contractors as their skills and experience develops.

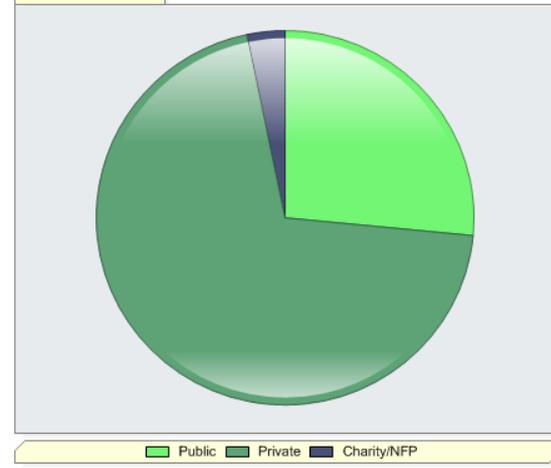
More males appear to be willing to work as independent contractors than females.

The split across sector is amazingly exactly the same across employees and contractors!

Employee by gender



Employee by sector



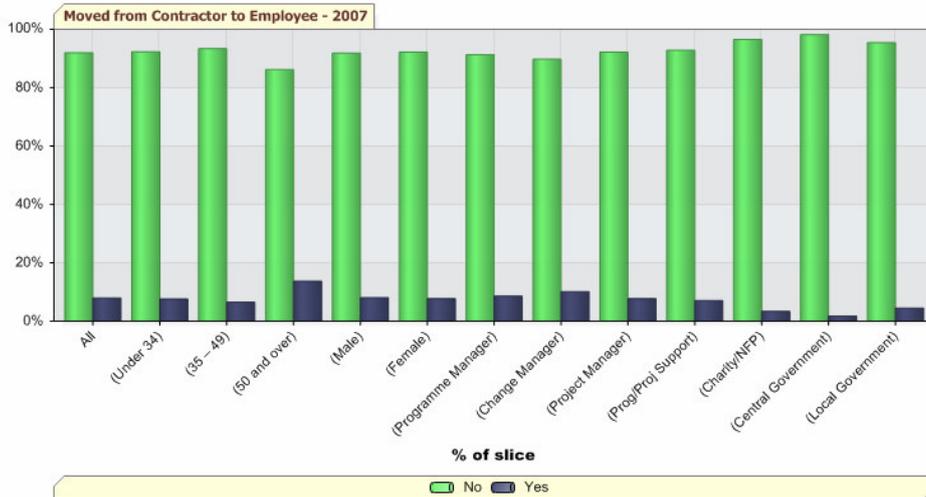
Contractors moving to Employee status



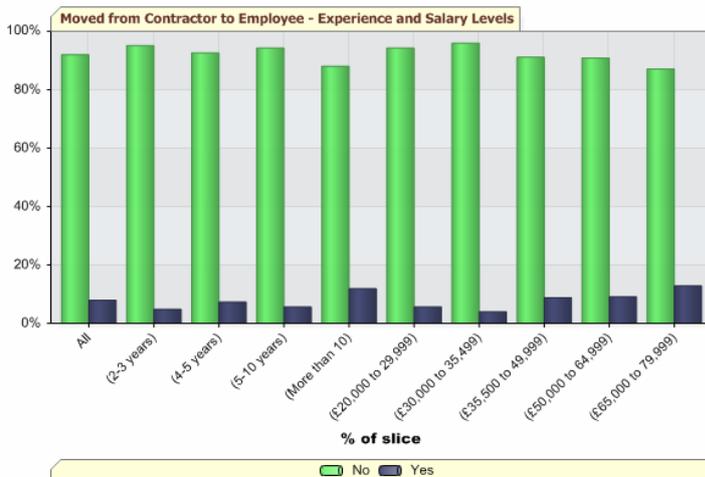
In 2007 8% of the respondents moved from contractor status to become an employee, this compares to 6.5% in 2006.

By contrast we have 16% of respondents making the move from employee to contractor in 2007 compared to 23% in 2006.

So we appear to have had a slowdown in the number migrating to contractor status with an increase in the number moving back in to permanent employment. Comments in the contractor review bear out this movement and there appear to be a number of elements contributing to this such as work life balance, lack of opportunity and general market pressures.



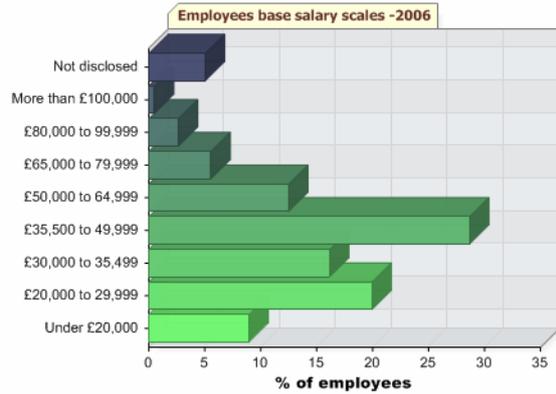
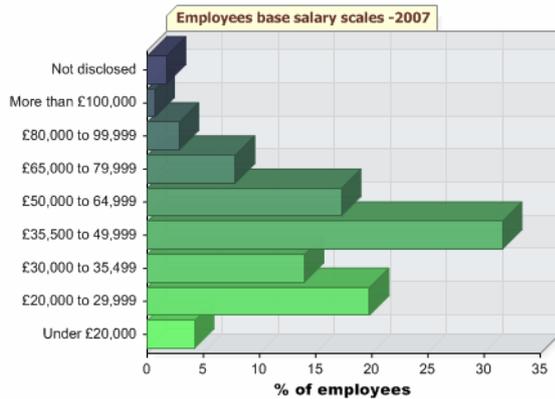
The charts above looking at age, gender, role and sector of those moving from contractor to employee show the highest section of movers were in the 50+ age group



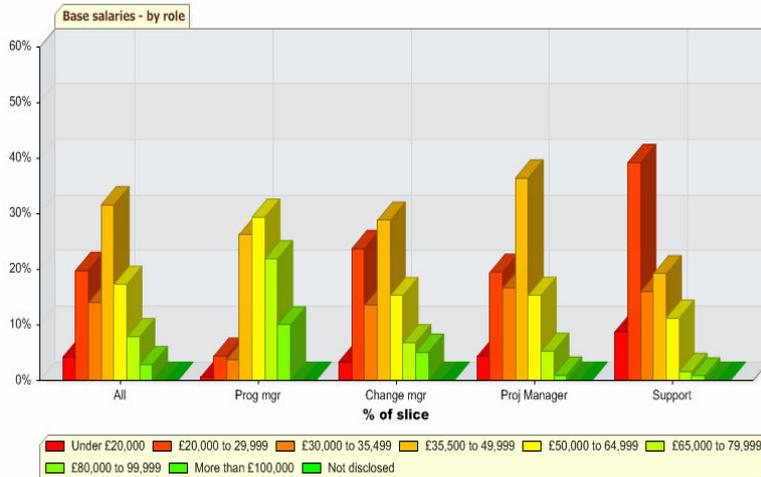
The data cutting years experience of the movers sees the largest migration in the group with greater than 10 years experience which correlates with the over 50's in the graph above.

It also shows that the movers were also going back into jobs that were at the top of the salary bands.

Employees Salary



Of all the 883 employees who took the survey, 32% fell in the £35.5k to £49.9k band an increase of 3% over the 2006 responses. This year we saw fewer respondents in the under £20k banding (-5%) with an increase in the £50 to £65k band of 4%. The mix between roles in this salary band is fairly evenly split - 26% Programme Managers, 28% Change Managers, 26% Project Managers and 19% holding support roles and the mix of candidates across the base salary scales replicates the pattern seen in 2006.



Salary by role

For Project Support Staff, the average salary is less than £30k with 47% falling into this category (8% of whom have salaries of less than £20k).

Compared to 2006. The £50k+ band for Project Support Staff is populated with 12% of respondents and may account for more senior Project staff such as Project Directors who are not wholly involved in direct delivery

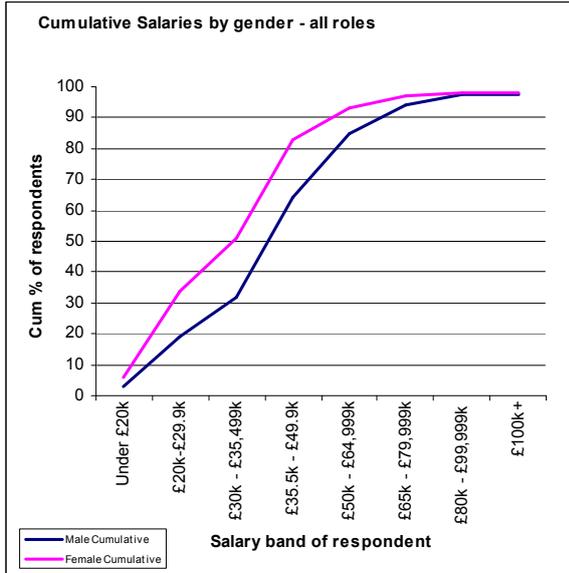
The bulk of Project Managers fall in the £30k to £49.9 k band (53%). However, a not inconsiderable 23% remain in the less than £30k band.

Programme Managers occupy the higher end of the spectrum with only 9% earning less than £35.5k. 51% of Program Managers earn from £50k to £80k with 12% sitting in the £80k+ band.

Salary and Gender

As we have already seen, of the respondents to the survey who fell into the Employee category, almost twice as many were male as females;

	M	F
Change Manager	7	7
Programme Manager	21	12
Project Manager	61	59
Project Support	11	22



The pay divide between men and women is as evident in the project world as elsewhere.

The bleak news

8 pay bands across 4 roles give 32 possible salary bands – men out earn women in all but 8.

Top level cumulative analysis shows 34% of females across all project roles earn less than £29,999k compared to only 19% of males.

This pattern is repeated – 51% of females earn up to £35,499 compared to only 32% of males and by £50k this gap is at the widest with 83% of females earning less than £49,999k compared to 64% of males.

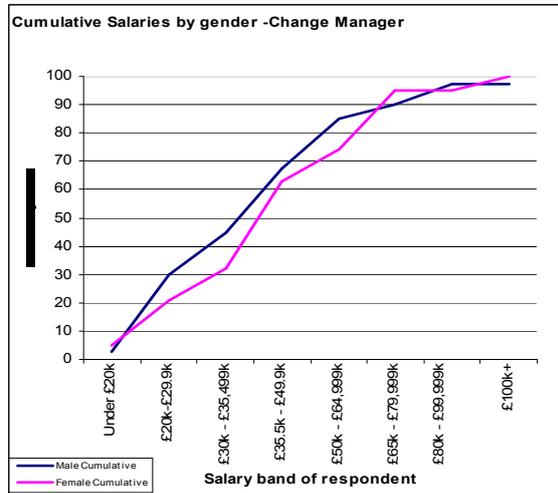
Approximately twice as many males as females occupy the £50k+ roles – 33.5% compared 15% of females.

Salary by gender by role

The good news

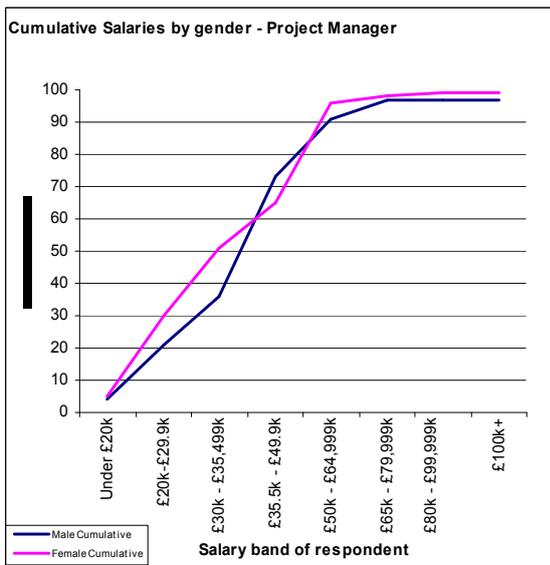
For women who wish to reverse the roles, Change Management appears to be the arena where women can out earn men.

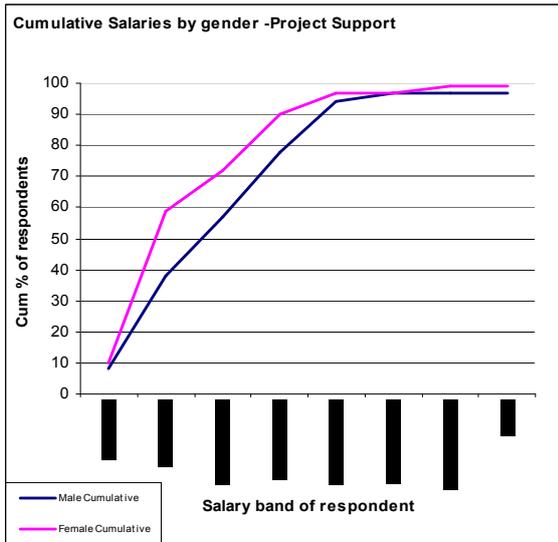
Though dominated by males (two thirds of the respondents working in change management roles were male), it is the women who monopolise the upper end of the salary bands. 32% of female respondents earn up to £35,499 compared to 45% of males. The £35.5k to £49,999k is a lucrative band for females with 31% of females respondents sitting in this band compared to 22% of males.



Similarly, the pattern for Project Managers tends to be flatter than perhaps one would expect. The lower salary bands are dominated by females (51% of respondents claim to be female Project Managers earning £35,499 or less compared to only 36% of males). The band above (£35,5k - £49,999k) is well populated by males, 37% of respondents compared to only 14 % of females.

However, women catch up and exceed males in the £50k to £64,999k band with almost twice as many females earning at this level than males (31% compared to 18%).





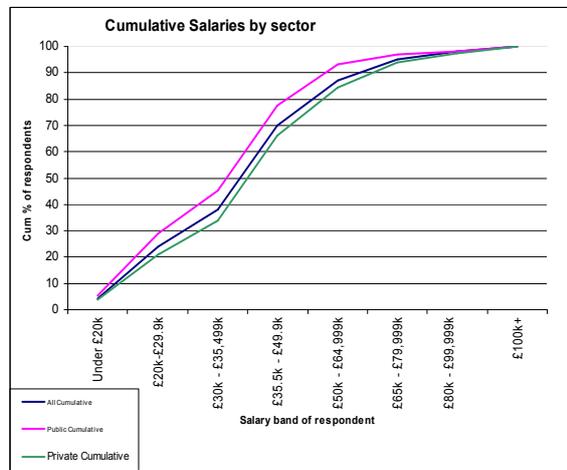
Project Support roles are held almost 50/50 by males and females.....yet the males still out earn the females!

59% of females earn under £29,999k compared to only 38% of males
 72% of females earn under £35,499k compared to only 57% of males.

The gap starts to close around £64,999k+ where 6% of males reside compared to 3% of females. Still twice as many.

Salary and Sector

Salary bands for all roles follow a similar pattern regardless of sector. Just over three quarters of respondents in the public sector earn up to £50k compared to 66% in the private sector. Spread of respondents is fairly even – neither sector has a disproportionate number of high or low earners as demonstrated below.



Cumulative Salaries by sector (% of respondents)	Under £20k	£20k-£29.9k	£30k - £35,499k	£35.5k - £49.9k	£50k - £64,999k	£65k - £79,999k	£80k - £99,999k	£100k+
All Cumulative	4	24	38	70	87	95	98	100
Public Cumulative	5.5	28.9	45.07	77.41	93.15	96.98	98.26	100
Private Cumulative	3.69	21.03	34.03	66.13	84.43	94.06	97.43	100

Performance related pay

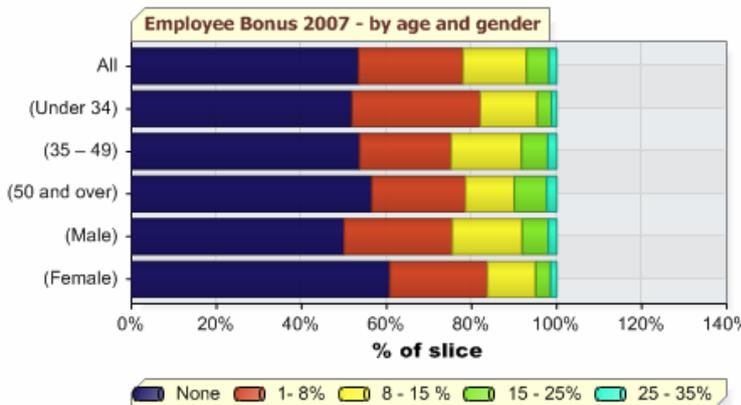
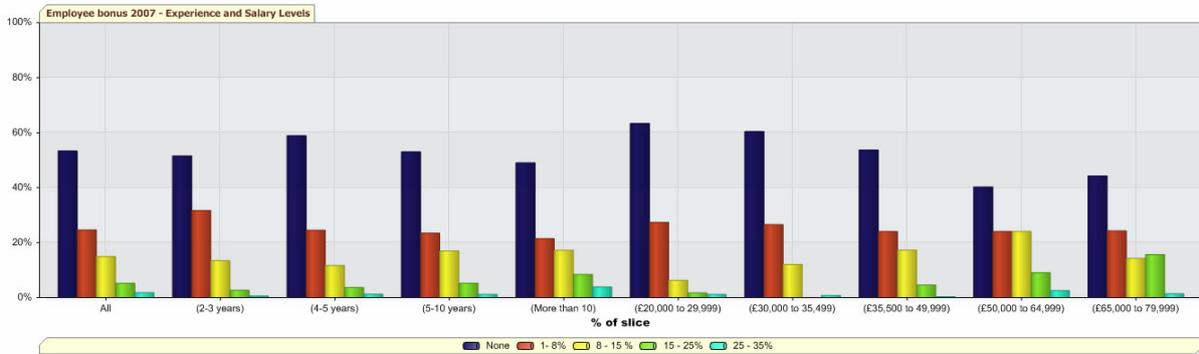
We asked our respondents if they received performance related bonus on top of base salary. Just over half (53%) of all respondents did not receive a bonus in 2007. The overall spread from our respondents was consistent with the data received in 2006 with no significant changes.

Private sector employees were more fortunate with 54% receiving a bonus in 2007 compared to only 31% in the public sector.



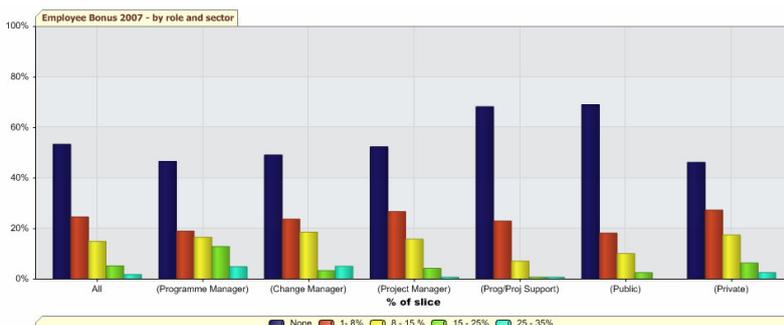
When it comes to the value of bonuses paid the private sector is more lucrative with 27% of employees receiving up to 8% and a further 17% receiving up to 15% of their salary compared to 18% and 10% respectively in the public sector.

Big bonuses are hard to come by – particularly in the public sector, though 6% of Programme Managers and 9% of Change Managers in the private sector have succeeded on in achieving bonuses that equate to 25-35% of their annual salary.



When viewed by age group the under 34's have a higher than average number in the 1 to 8 % band than any other group. The over 50 group has a mixed bag, with higher than average on no bonus but more people on the higher bonus levels.

When cut by gender the males respondents appear to fair better than their female counterparts across the range with lower than the mean on no bonus related pay and higher than the mean across all other levels.

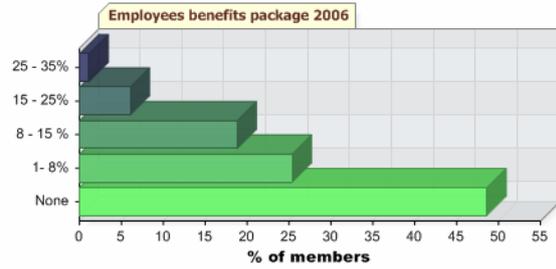
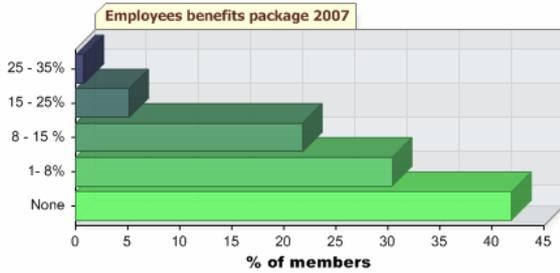


By role and sector We again see a large difference between the Public and private sectors.

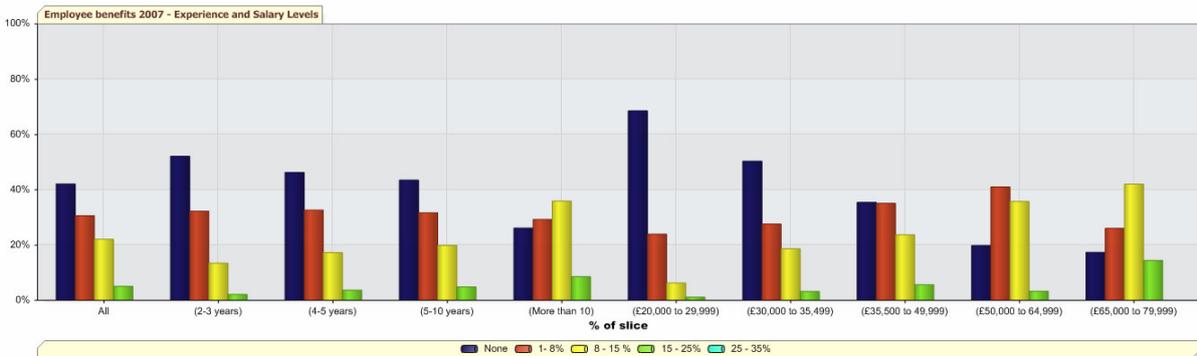
By role the Programme managers take the most in bonus payments with Prog / Proj Support lagging way behind the mean. It would appear, rightly or wrongly, that there is a link between bonus payments and perceived value of the role.

Benefits Package

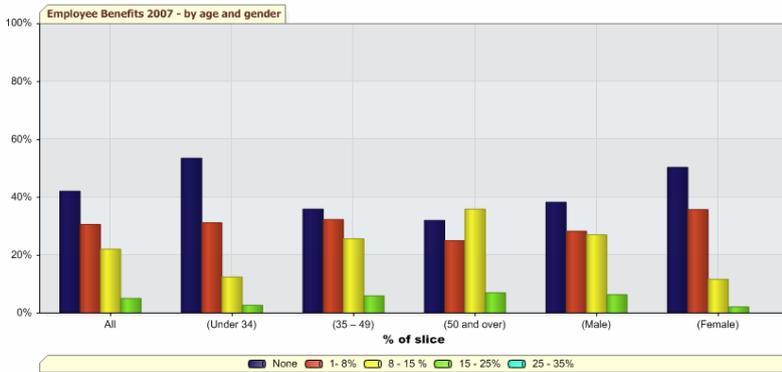
We asked our respondents if they received a benefits package during 2007 on top of their base salary, ie. Car / car allowance, healthcare etc...



As can be seen from the above tables, the 2007 picture of benefits shows an increase over the responses gained in 2006. We can see a 7% reduction in the number of respondents who receive no benefits above base salary, with a 5% increase in those receiving between 1 and 8% and a 3% increase in those receiving between 8 and 15%. Is this a trend where employers are keeping base salary down and supplementing earnings with benefits?

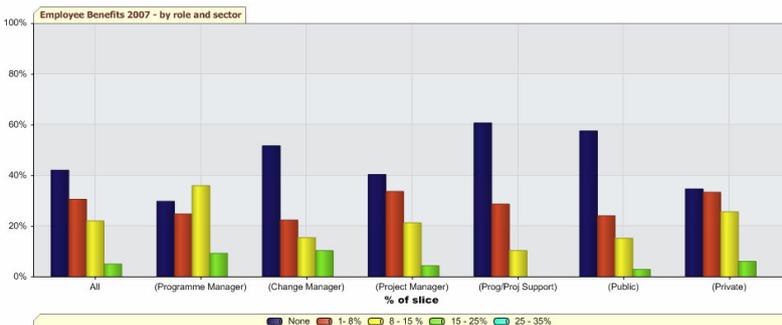


When benefits are reviewed by experience levels and salary banding there is a clear progression from no / low benefits at the lower scales of both to higher rewards for experience and to accompany higher base salary.



When this data is viewed by age groups we can see a pattern of benefits increasing as the age bands get higher. 54% of the under 34's receiving none, compared to 32% of the 50+ group.

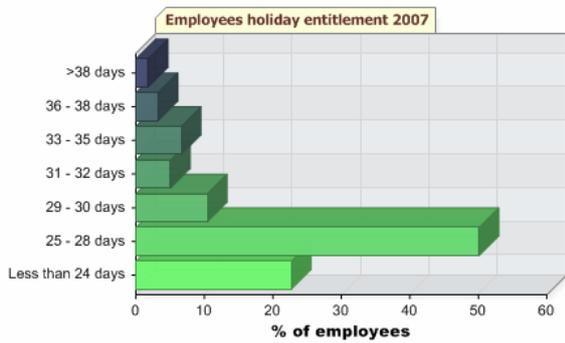
By gender we again see stark contrasts with the males having a 60/40 split of those receiving benefits against a female profile of 50/50.



By role the Programme manager has the best benefits package with the Support staff lagging way behind.

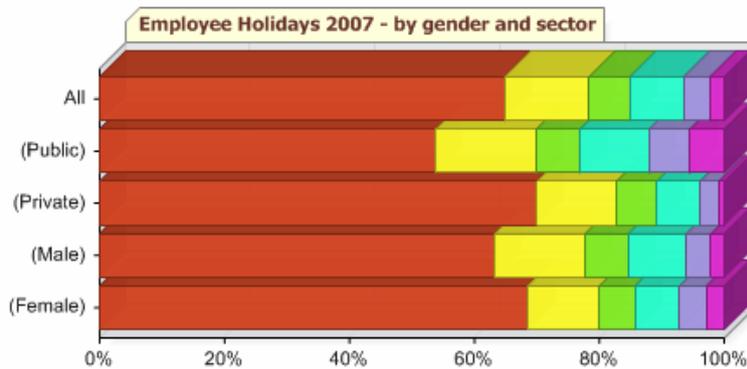
By sector the Private sector appear to use benefits more across the scale to reward employees with positives against the mean at all levels.

Employee Holidays.



We asked our respondents what holiday allowance they received during 2007, including statutory days. This was asked bearing in mind the updated legislation regarding paid holidays which came into force during 2007.

According to the response there are respondents who may be falling below the statutory requirement of 24 days. Or this may be impacted by part time working or a misunderstanding in the way the question was answered.

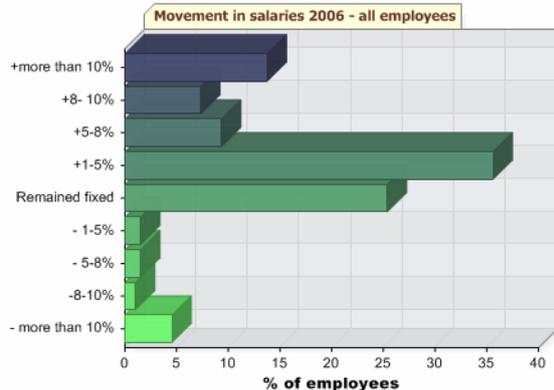
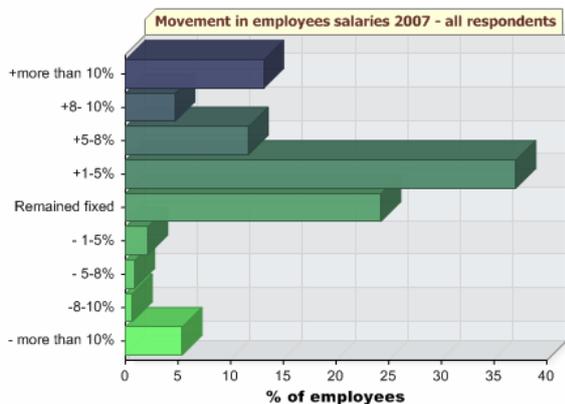


Excluding the respondents who answered less than 24 days we can see the holidays by gender and sector.

Against the mean the Public sector would appear the place to be if you like holidays with +11% against the mean getting 25 to 28 days. They also get the highest levels of holiday at the 33+ days with 23% against the mean of 15% in this range.

By gender the males are very much aligned to the mean and there are slight differences across males and females but nothing significant.

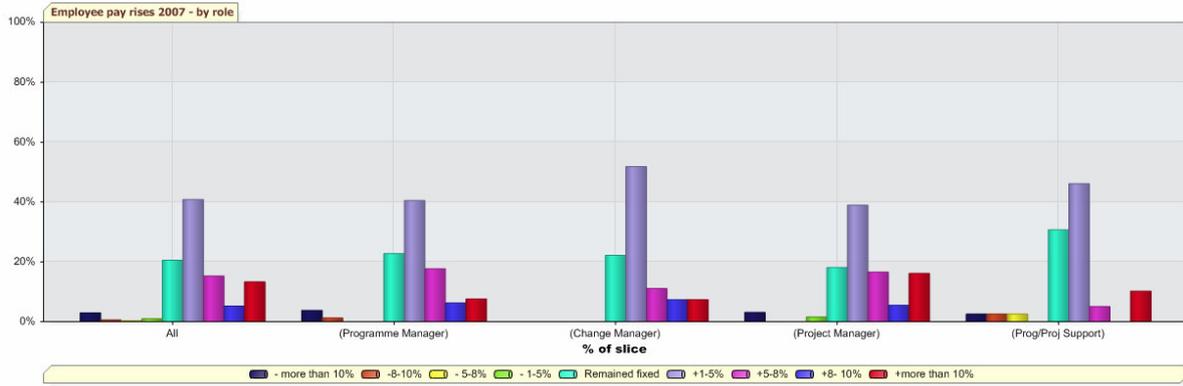
2007 Movement in salary



Through the 2006 survey, respondents demonstrated a positive outlook on their salary prospects for 2007 with 68% anticipating a pay increase of some form. Respondent proved themselves to be fairly accurate – 67% of 2007 respondents received some sort of pay increase in the past year with the majority receiving 1-5% (37% of respondents). In terms of movement between 2006 and 2007 the picture is very consistent in terms of increases, remaining fixed and those anticipating a drop.

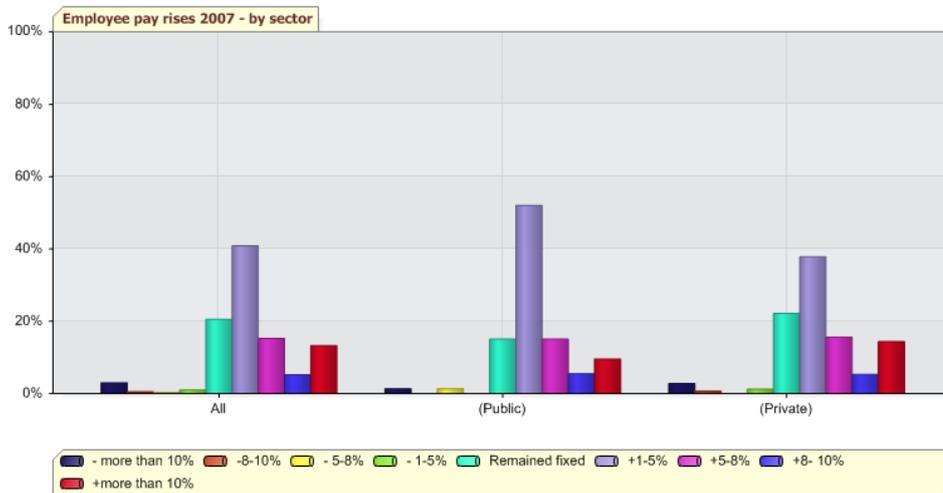
In terms of increases, Project Support staff may have been a little over optimistic with 77% anticipating a rise in 2007 and only 57% actually receiving it.

	2006 Increase anticipated	2007 Increase received
Programme Manager	66%	70%
Change Manager	58%	72%
Project Manager	71%	67%
Programme/Project Support	77%	57%



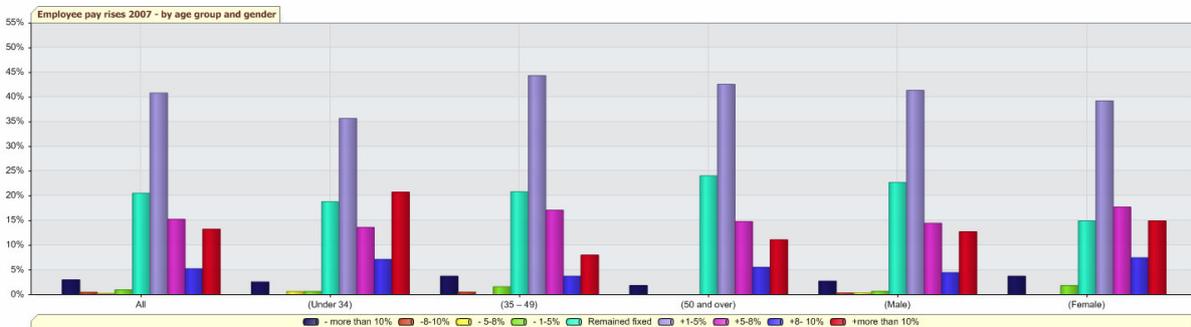
As can be seen in the table above the different roles had mixed fortunes in the pay stakes. Each group had significant numbers in the +1 to 5% pay range. In the 5 to 10% band the Support personnel fared worst with just 5.1% compared to 18.5% of Change managers, 22.1% of Project managers and 24.1% of the Programme managers. At the top end all had high achievers, though only the Support and Project managers achieved double digits with 10.3% and 16.1% respectively.

Which Sectors awarded pay increases?



Public sector employers were more generous when it came to awarding pay increases in 2007 with 60% of employees receiving a rise compared to 44% in the private sector. The private sector is marginally more lucrative with 26% of respondents receiving a 5-8% raise compared to 20% in the public sector

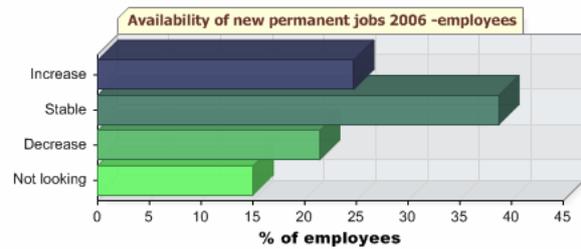
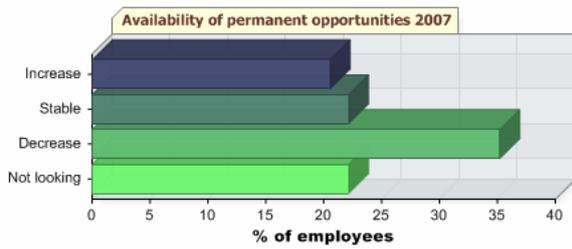
Winners and losers by age and gender?



From the results it would appear that our high achievers are the under 34 age group who saw the biggest rises 41.6% achieving more than a 5% increase of which 21% were >10%.

By gender our high achievers are the female group who saw 40.2% achieving more than a 5% increase of which 15% were >10% compared to 31.7% of the males.

Availability of new permanent opportunities

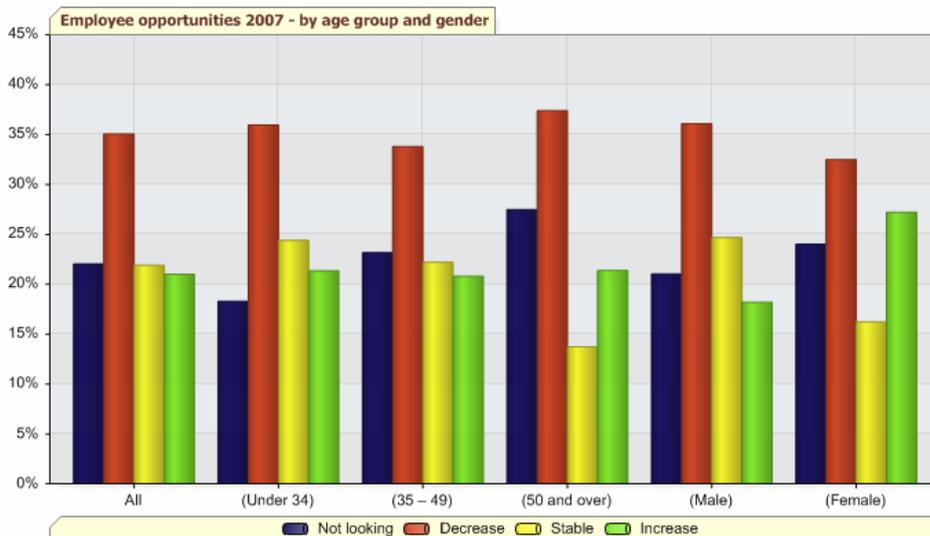


22% of respondents claimed not to be looking for new permanent opportunities compared to 15% in 2006. 35% of the remainder have noticed an actual decrease in the number of roles available to them compared to 21.5% in 2006. 22% maintain the number of opportunities available to them has remained stable a 17% reduction from the 2006 response and finally only 21% have seen an increase, which is a 4% reduction from the 2006 figures. So the market would appear to be tighter with less opportunity which in turn could be propping up the number of employees not looking to change.

Support Staff seem to be the happiest of the bunch with 34% claiming not to be looking for work. However, a further 33% have registered a decrease in the number of permanent roles available to them – perhaps support staff are not looking for roles as there is a perception that there are few to be found?

Project Managers appear most speculative with 81% of respondents looking for new opportunities. Leading the way in noticing a decrease in the number of roles available to them (38%) this could be considered either the most competitive field..... or the one with the most negative outlook!

	Not looking	Decrease	Stable	Increase
Programme Manager	21%	28%	30%	21%
Change Manager	27%	32%	18%	22%
Project Manager	19%	38%	21%	21%
Programme/Project Support	34%	33%	16%	16%



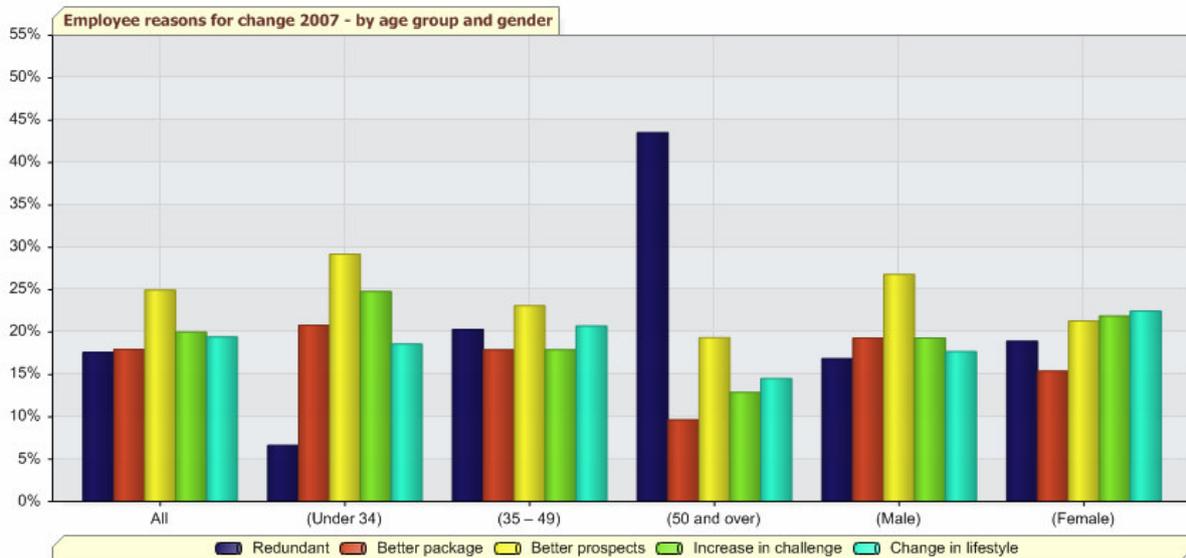
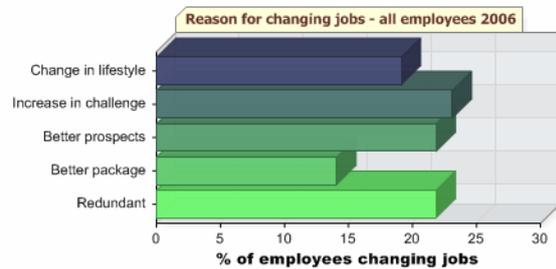
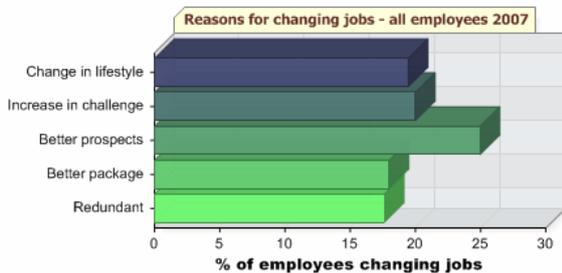
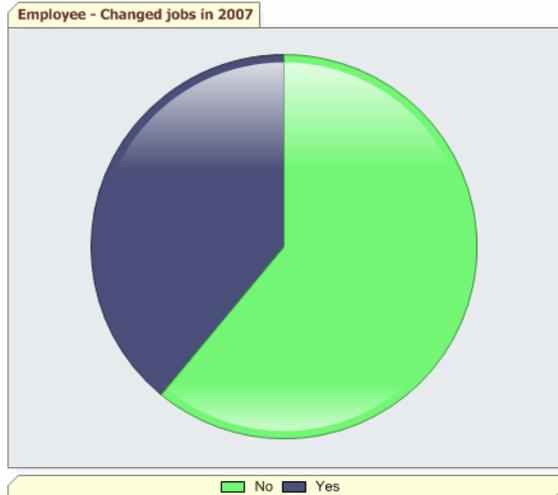
By age the upper and lower bands seem to be seeing the higher levels of decreased opportunity and the under 34's have the most people looking for a new opportunity. Whilst overall the respondents have seen a drop in the number of opportunities all three age bands see a consistent level of increase.

By gender the female group have fewer people looking for a role over their male counterparts whilst at the same time higher levels of those seeing increased opportunity in the marketplace.

Changed Jobs 2007

40% of respondents had moved jobs in 2007 exactly the same proportion as in our 2006 survey, with pay being cited as one of the lowest reasons for a change (18% of respondents).

Reviewing further the reasons why our respondents changed jobs we see changes in 2007 over 2006 in all categories except change in lifestyle which remained constant at 20%. Better prospects and better package both saw increases in 2007 of 3.1% and 3.9% respectively, whilst increasing challenge and redundancy saw falls in the respondent levels by - 3.2% and -4.3% respectively.



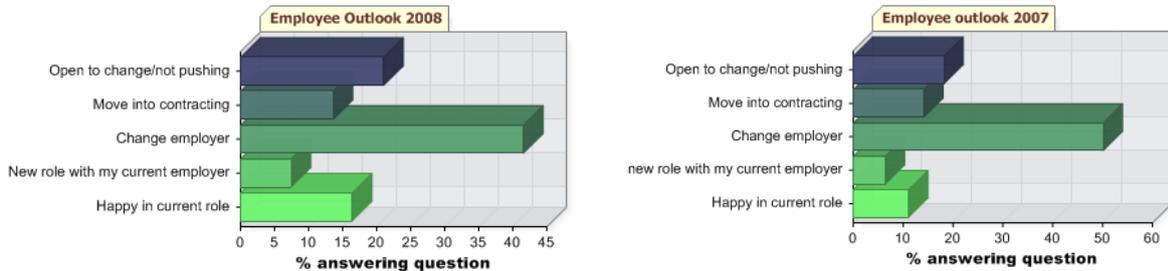
When viewed across the age groups the results are in many ways typical of what one may expect in terms of reasoning linked to age. Redundancy increases over the age ranges from Under 34's to the 50+ groups whilst the more aspirational reasons decrease across the age bands.

By gender the females would appear to be moving for more aspirational reasons than their male counterparts with lower numbers moving for package, but interestingly the females also have higher levels experiencing redundancy.

Prospects for 2008

When asked about intentions for 2008, 42% of respondents noted their desire to change employers totally over the next 12 months compared to 7.5% who will be looking for a new role with their current employer. In a similar vein to the pattern shown in 2007, 13% of employees intend to make the move into contracting.

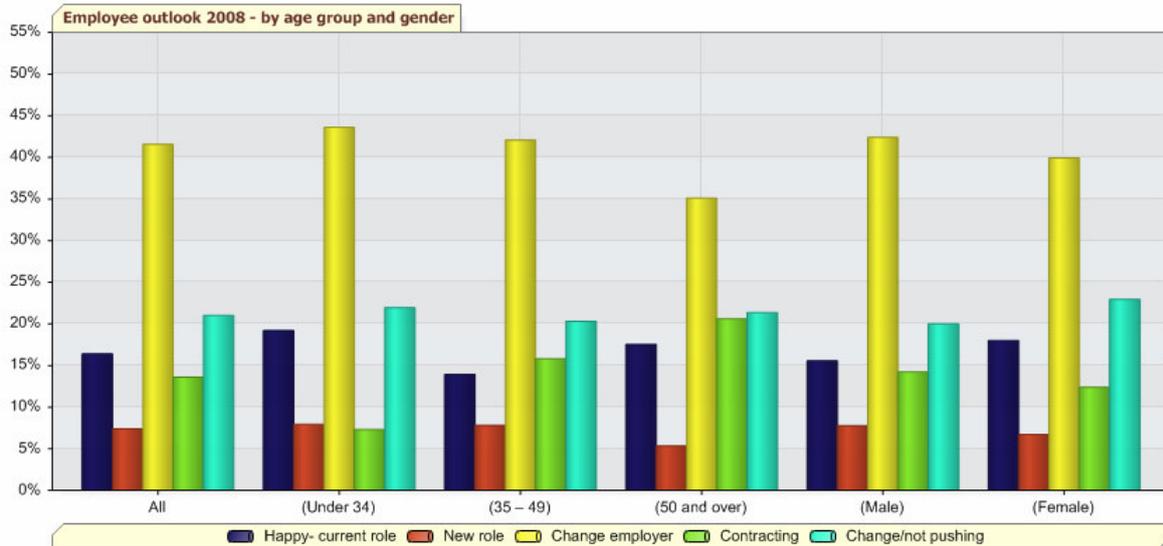
Of the remaining permanent workforce questioned 16.5% claim to be happy in their current role whilst 20% would be open to change but are not pushing.



Living up to their names, Change Managers seem to be the most keen to move on with almost 60% looking to change roles in 2008 – this is 10% above average across all roles.

Interestingly when questioned about their perception of the number of permanent opportunities available to them in 2007, 34% of support staff claimed not to be looking. However, when asked how employees are going into 2008 only 14% of support staff claimed to be entering the new year happy in their current role. This would suggest there is a bulk of disgruntled support staff somewhere not looking for new roles and not happy in the one they are in – Good news for recruiters!

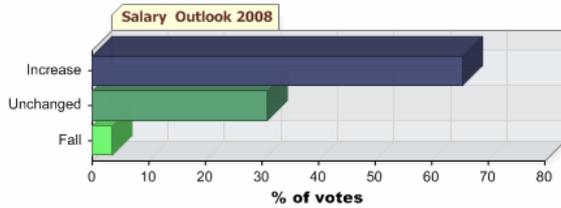
	Happy in current role	Looking for new role with current employer	Looking to change employer	Looking to move into contracting	Open to change but not pushing
Programme Manager	18.75%	7.5%	40%	14%	19%
Change Manager	15%	13.5%	46%	8%	17%
Project Manager	16.5%	6.5%	41%	14.0%	22%
Programme/Project Support	14%	9%	46%	14%	17%



When viewed by age we can see that the 35 to 49 age group appear to be the least settled in their current roles with 42% looking to change employer, 20% open to change and 16% considering a move to contracting. By contrast the under 34's have just 7% contemplating a move to contracting whilst the 50+ group have 21% considering this option.

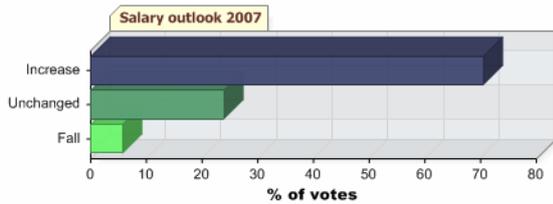
By gender the male respondents appear more restless with higher levels planning change either with their current employer 7.8%, looking to change employer 42.4% or considering contracting 14.2%. The female respondents are happier in current role and would also be open to change at 18% and 23% respectively, both of which are above the mean.

Confidence for 2008

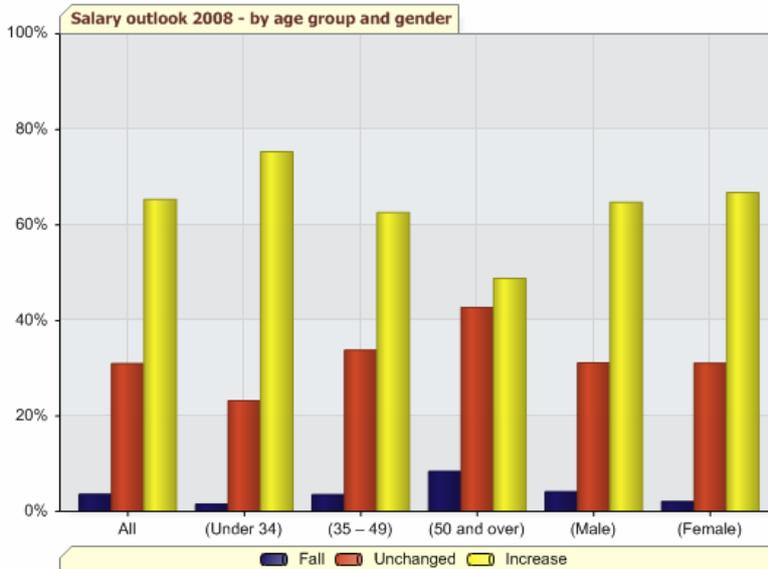


Despite a high number of people feeling less positive about the market opportunities in 2008, salary outlook for 2008 is still fairly positive with 65.4% of respondents anticipating an increase in earnings, a 5% drop on the previous year's results.

A small minority (3.6%) expect a decrease in salary over the next 12 months with 31% expecting to remain at the level they are currently at, an increase of 7% over last year..



Role seems to have little bearing on salary expectations for 2008 with Project/Change/Program Managers and Support staff all reflecting the above pattern and the same can be said about the Public and Private sectors.



When considered by age group the 50+ appear to be very concerned about prospects during 2008. All levels are depressed against the mean, with;

- 8.4% anticipating a fall in earnings
- 42.8% expecting no change
- -16.9% from the mean anticipating an increase.

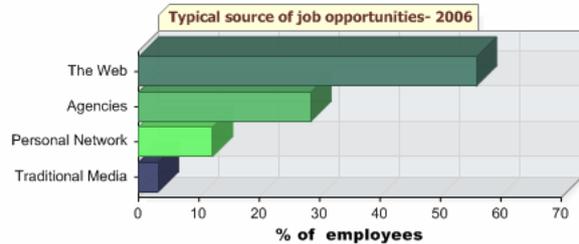
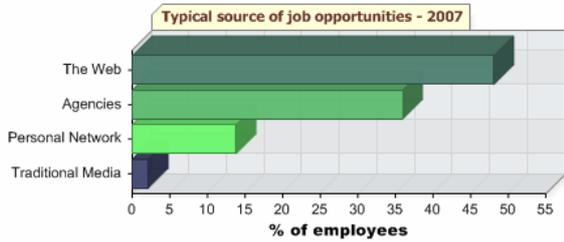
By gender, there is only a slight difference of 2% between male and female, with the males appearing less confident.

We asked our employees what they saw as the biggest challenges they faced in 2008, as expected they responded around the themes of age discrimination, sexual discrimination, delivering more for less, work life balance and finding a suitable new role. A selection of the responses includes;

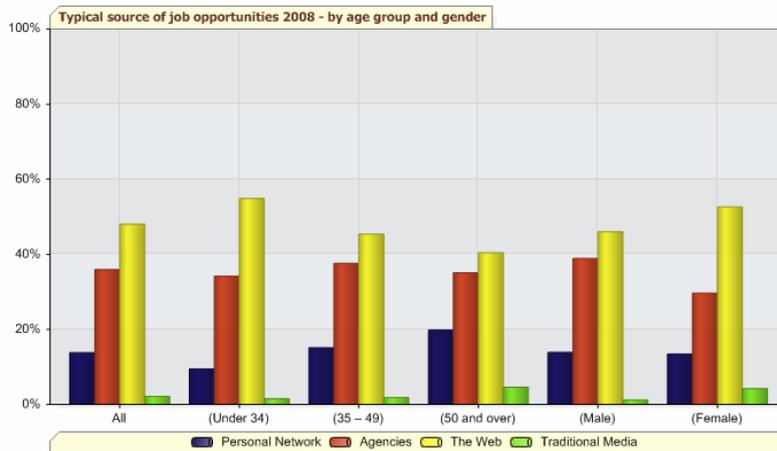
- "Achieving a pay rise commensurate with my peers on an equal level."
- "Adapting to a work environment that demands greater flexibility"
- "Approaching 30 as a woman - employers seem very concerned about me having a family!"
- "Changing the culture and attitude of my organisation towards projects"
- "Doing more with less"
- "Finding a good employer and a role with prospects and work/life balance."
- "I have to work part time. Will the private sector allow me to continue that?"
- "keeping on top of my employers expectations of my role"
- "Maintaining motivation to work in an industry that has too many people not doing their jobs properly; especially from offshore"
- "Retaining my quality of life; I feel this will diminish as the demands of work increase"

Source of new vacancies

Good news for job boards in that the Web and agencies continue their dominance on a similar level to last year at 84% when it comes to employees' job hunting. The web was interestingly down 8% on the 2006 response, with agencies taking up that drop.



Only 2% of respondents' rate traditional media as a typical source of new job opportunities another percentage point down from last year with the remaining 14% maintaining a network of personal contacts through which opportunities are filtered.



When viewed by age group it is very easy to spot the following trends across the age groups;

- The older you are, the more personal networks come in to play.
- The older you are, the web is used less when finding new roles.
- The older you are, the traditional media is used more when finding new roles.

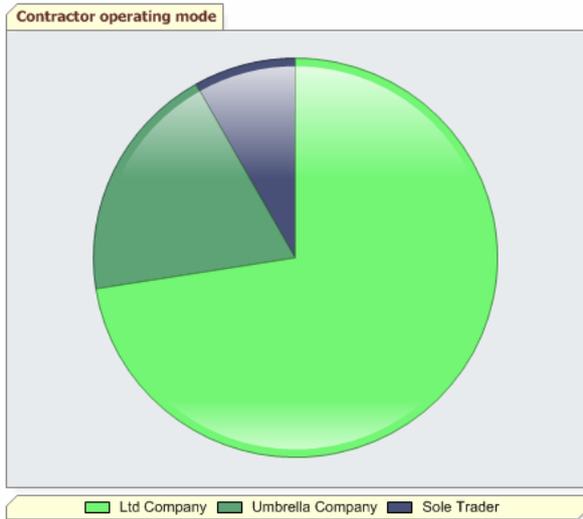
When this is analysed by gender there are also some notable differences between the male and female responses.

- Both genders use their personal networks (14%).
- Male respondents use agencies more than the female respondents (39% v 30%)
- Females use the web more than the male counterparts (53% v 46%)
- Females use the traditional media more than the male counterparts (4% v 1%)

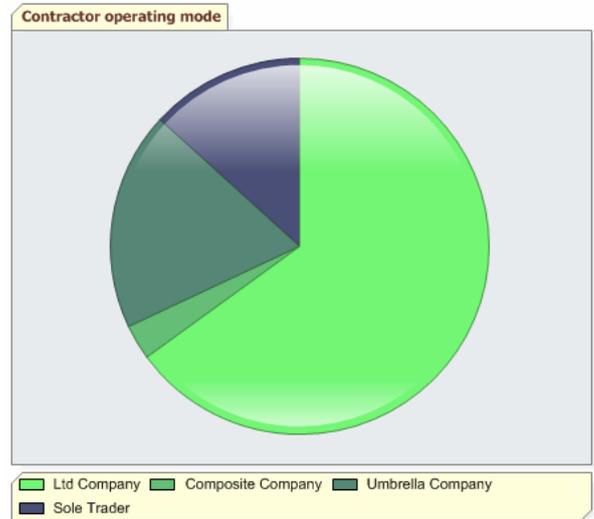
Contractors review

Who are our contractors?

In this section of the report we will look at the responses from the contractors who responded to the survey. The first section looks at the contractor landscape, we then move into the detail of their responses regarding the operating conditions for contractors. Where possible we will look at their responses for the year of 2007, compare that to the responses from last years survey and then cut the details across Age, Gender, Role, Sector and Rates.



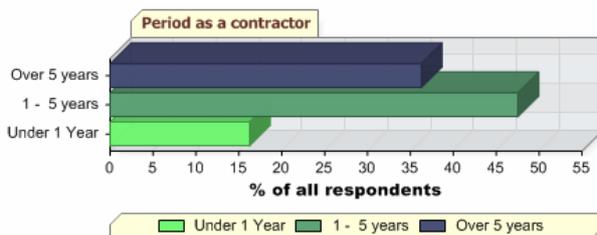
[2007 Results]



[2006 Results]

The big change in 2007 saw the introduction of legislation regarding the operations of composite services in the form of MSC's [Managed Services Companies]. Contractors operating through these mechanisms had their services withdrawn and had to re-assess their method of operation. Thus contractors had a choice of setting up their own Limited companies, acting through an Umbrella company or managing their affairs as a Sole Trader.

From our data in 2006 we saw that MSC's were not a mechanism used by a significant number of contractors recording just 3% of respondents. The latest data shows a significant increase in the numbers operating through Limited companies +8 %, whilst the numbers operating through Umbrella companies has increased by just 1% to 19% and the numbers of Sole traders also having fallen by 5%. So even with the challenges of Government legislation, ongoing issues regarding IR35 and the potential challenges of S660 the Limited company appears to be on the increase.



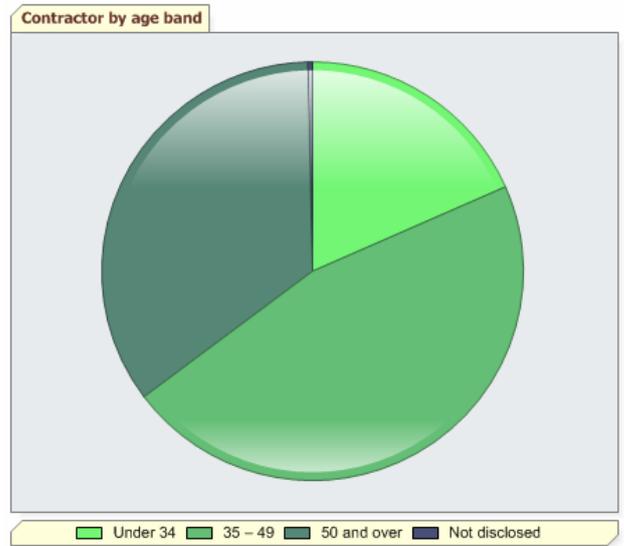
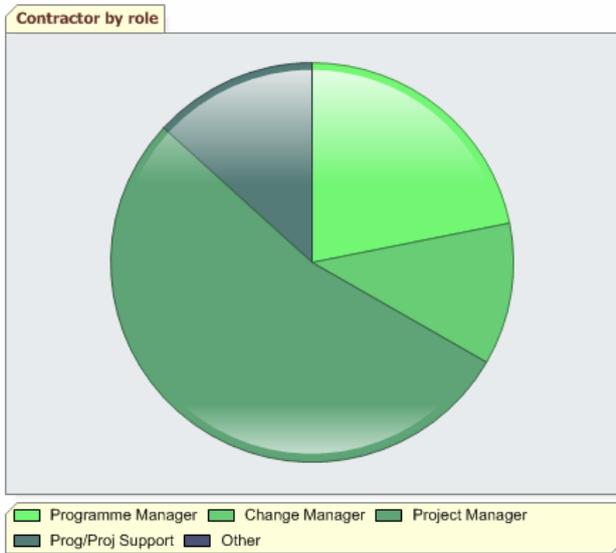
[2007 Results]



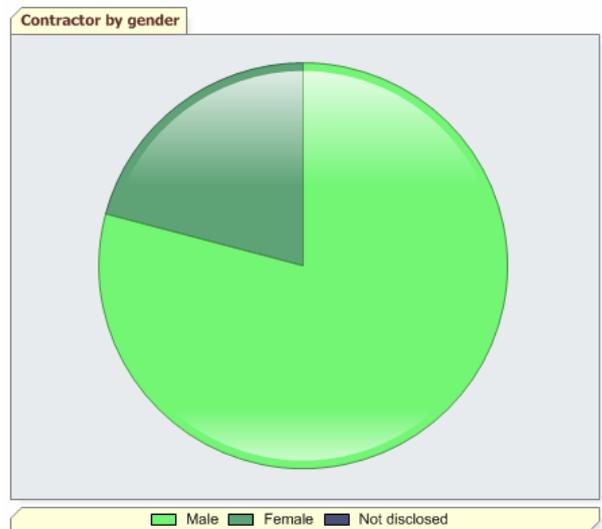
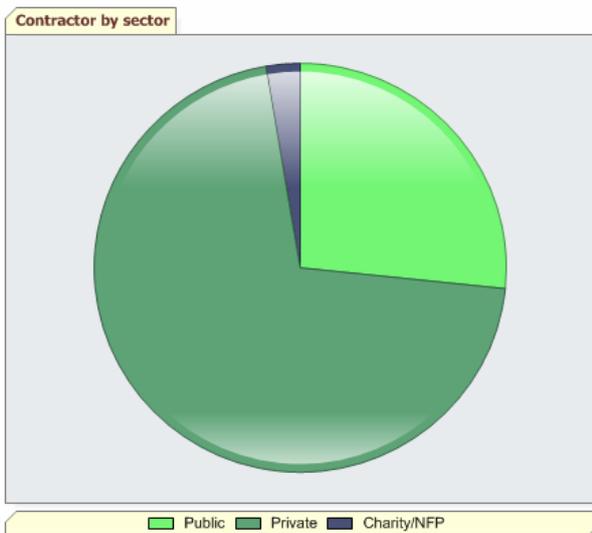
[2006 Results]

A review of the time that the contractors have been operating in the market shows a sharp decline in the number of respondents who have been contractors for less than one year -7% which may suggest that 2007 was a more difficult year to take the plunge from being an employee. Our experiences at Arras People certainly saw a reduction in the number of contract roles on our books.

Primary analysis of the 2008 survey respondents who are contractors is shown below. The analysis of responses in the following pages is broken down across these segments.



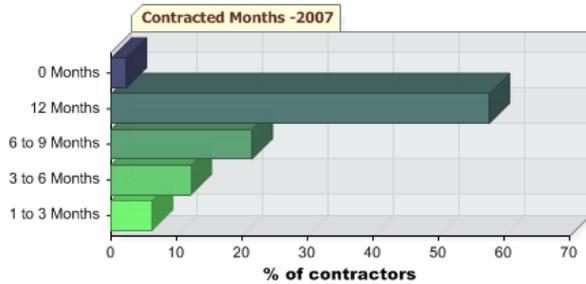
As can be seen in the graphs above the segmentation by role is dominated by Project Managers with 54% of the responses. The Programme Managers were the next largest slice at 22% followed by Programme / Project Support and Change Managers with 13% and 11% respectively. In terms of age groups the split at under 34 was consistent with last year at 19% of all respondents. The change in the 35 to 49 group was down 6% at 46%, whilst the 50+ group saw a similar rise to 35%.



In terms of sector spread the contractors were predominantly working in the private sector with 70% of the total. The public sector had 27% of the total with just 3% registering in the charity / NFP sector.

Finally in this analysis we introduced gender to see if there is any important differentiation that can be seen by looking across this split. The response generated 79% male and 21% female responses in the contractor field.

Contractors – Contracted months in 2007



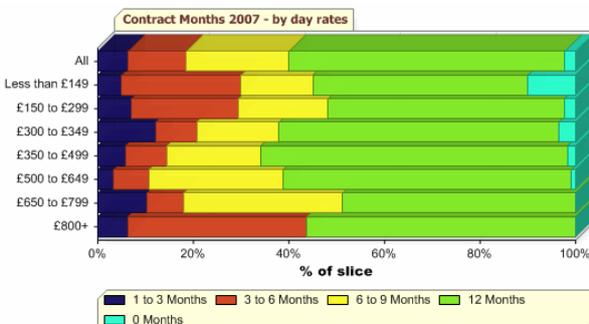
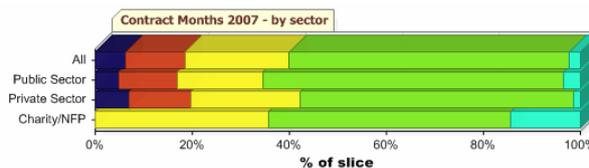
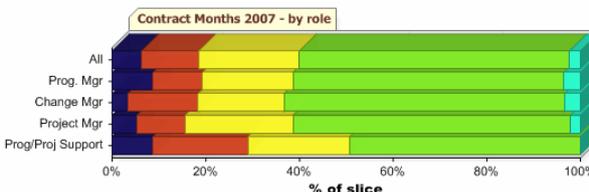
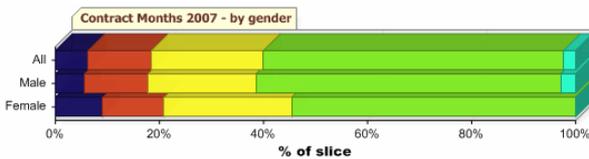
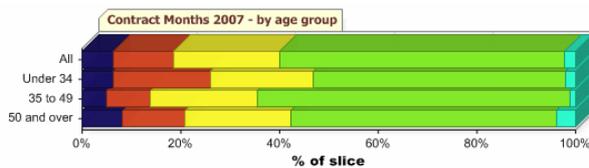
From responses taken it would appear that our contractors were kept much busier during 2007 compared to the results in 2006. Those contracted for the full 12 months rose by 25% to 58% of the respondents. Overall those contracted for between 6 and 12 months accounted for 80% of respondents which was up 10% from 2006.

When reviewing by age group the 35-49 year olds appear to be the most active, with the 50+ having the largest numbers at the low number of months and inactive.

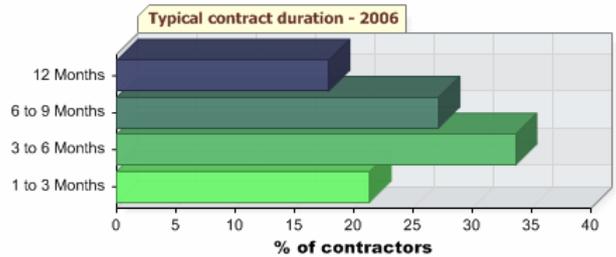
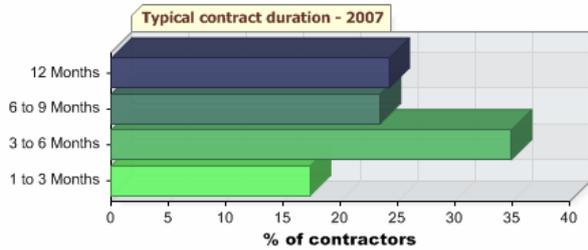
Gender shows a fully active female population, though with a lower number of respondents contracted for the full 12 months.

Programme and project support would appear to be the most active with none of the respondents reporting 0 months. However they have a higher than average number of respondents in all the <12 months active.

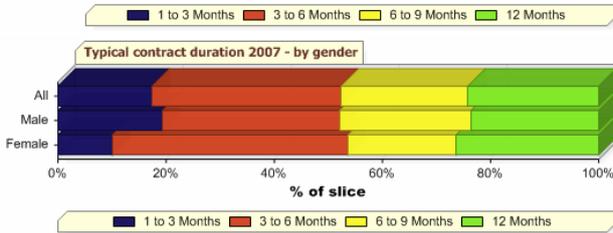
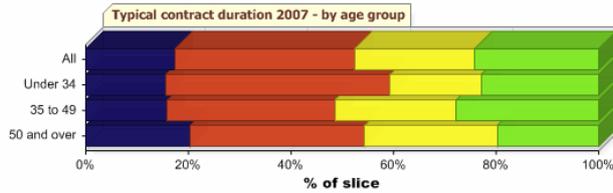
In terms of contracted months by day rate the £350 to £499 group would appear to have the highest utilization with 65% of the respondents contracted for 12 months. The £500 to £649 group are slightly higher if considered between 6 and 12 months at 88% compared to 85% for the latter. Statistically these two groups also account for 56% of the respondents.



Contractors – Typical contract Duration 2007



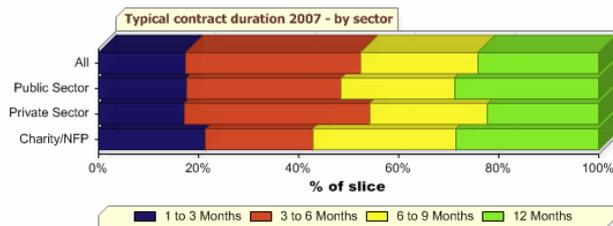
Whilst 58% of our contractors were kept active for 12 months during 2007 it would appear that fewer than half this number were working on a single contract for that duration as just 24% reported that they had contract duration of 12 months. This compares with 18% in 2006 with the 6 to 9 month group recording at 23% and 27% respectively. It would appear that the 3 to 6 month contract duration is still the most typical at 35%, an increase of 1% on the 2006 figure.



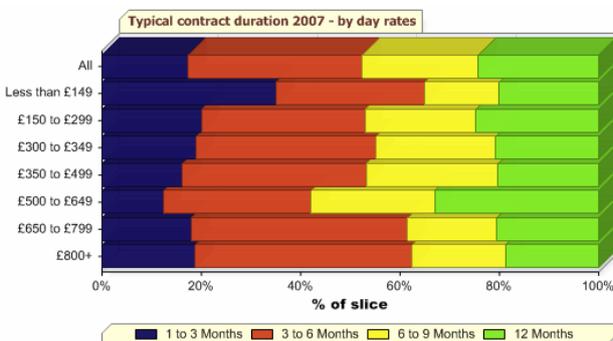
By gender there is a noticeable increase in the 3 to 6 months contract duration, though this appears to be at the expense of shorter rather than longer contracts.



By role the Support roles appear to have a higher than average number of contracts in the 3 to 6 month duration with an average level of 12 month contracts, the squeeze being in the 6 to 9 months durations.



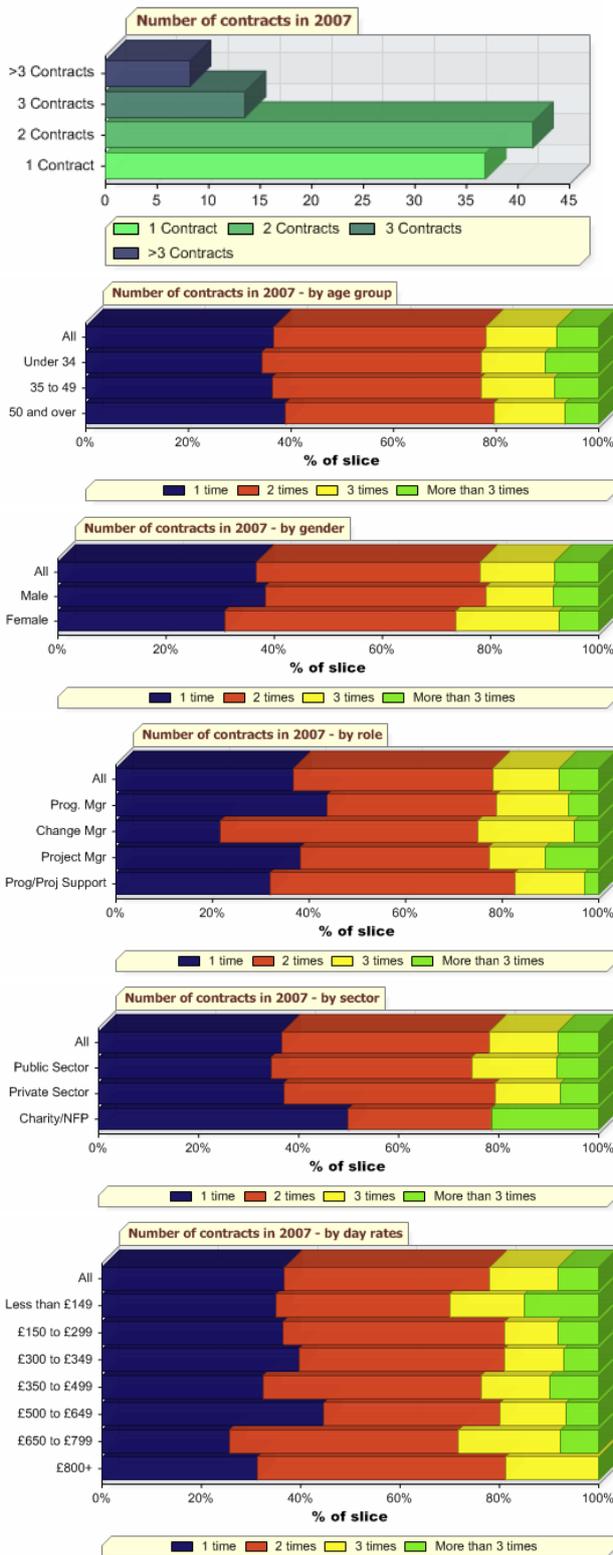
In terms of sector the Public sector would appear to be more generous at offering 12 month contracts at 30% against 22% in the Private sector.



When reviewed by day rate the £300 to £499 group would appear to be the most typical against the norm, these two groups also account for 44% of the respondents.

The £500 to £649 group appear to be able to negotiate better contract durations with 58% of this group gaining contracts >6 months in duration against the norm of 47%, this group also account for 23% of the respondents.

Contractors – Number of contracts in 2007



The number of contracts which our contractors worked during 2007 saw a shift in the numbers working more than two down to 22% from 26% in 2006. The most typical number of contracts at 2 was up 5% on 2006 to 41% in 2007.

By age group there would appear to be a very slight difference other than the 50+ having a slightly higher incidence of 1 and 2 contracts.

By gender there is a noticeable difference in the number of females attaining contracts 1 time at 31% which is 7% less than the male group. Overall the incidence of 1 and 2 contracts is 72% for females against 81% for the males.

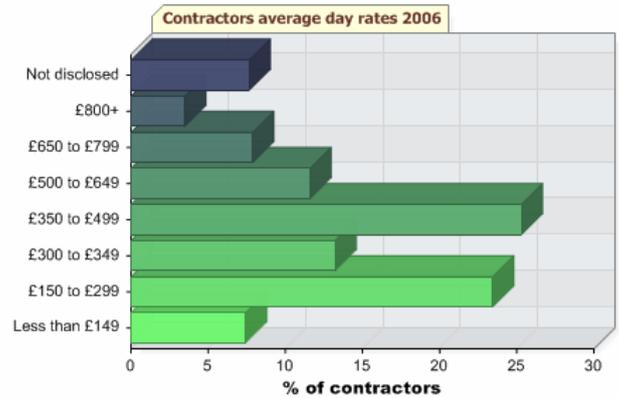
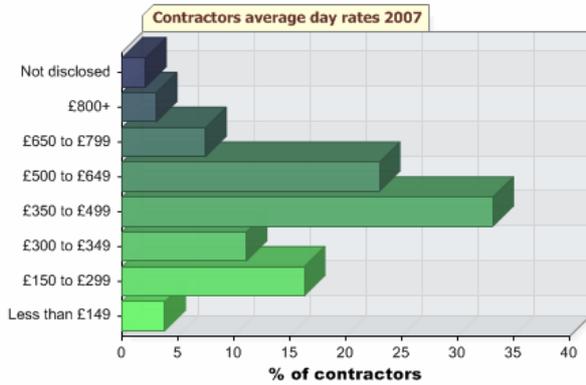
By role the Support roles appear to have a higher than average incidence of 1 and 2 contracts at 83%. The change managers at 22% have the lowest number of respondents with 1 role against the average of 37%.

In terms of sector the Public sector there would appear to be little discernable difference.

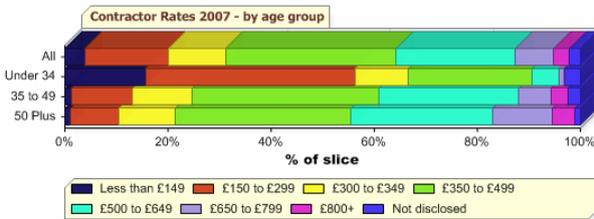
When reviewed by day rate, again the £300 to £499 group would appear to be the most typical against the norm.

The £500 to £649 group appear to be able to negotiate better contract durations with 45% of this group working on 1 contract against the norm of 37%.

Contractors – Average day rates in 2007

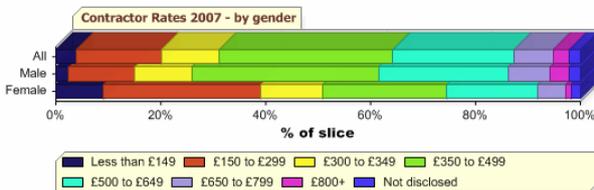


When comparing the 2007's top day rate earners against 2006 respondents the >£650 per day population has remained constant at 11.5%. The first significant shift is in the £500 to £649 range where an 11% increase can be seen against 2006 taking this range to 23% of the total respondents. The £350 to £499 is still the most common banding for our contractors with 33% an increase from 25% in 2006. Bands below £349 account for 31% of respondents in 2007 against 43.5% in 2006.

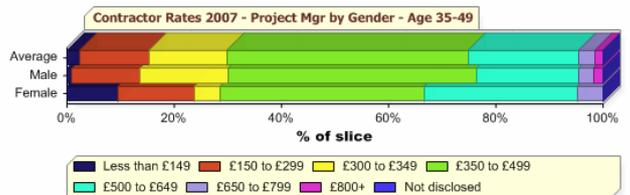
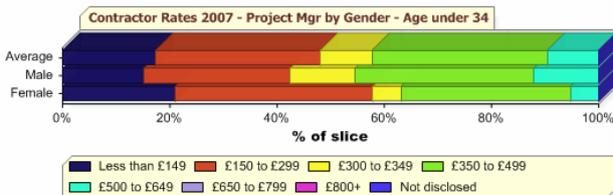


When viewed by age group we can see significant differences in earning power for the contractors at both ends of the scale. Under 34's have 15.6% of respondents at less than £149 per day against the average of 3.8% with a consistent trend through all the ranges.

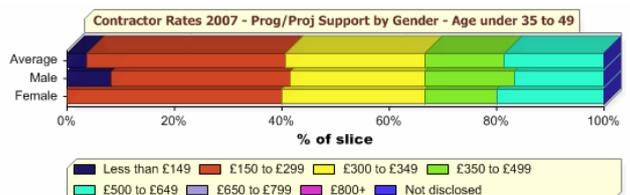
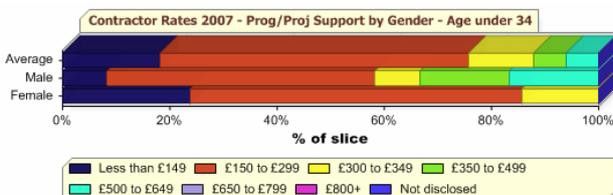
At the other end of the scale the 50+ range of respondents have 16% earning >£650 against an average of 10.5% with a significantly lower percentage in the <£350 per day range also.



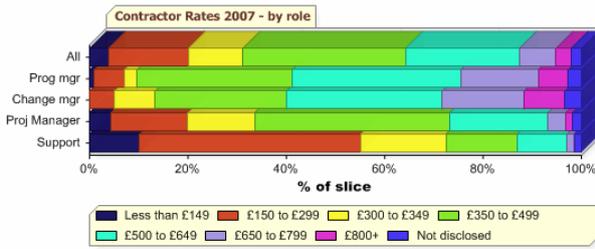
Gender provides a sharp divide between the earning powers of our contractors with 39% of respondents at less than £300 per day against the average of 20%. In the next band of £300 to £349 the females return is slightly above the average at 12%, then rapidly falling behind in the next band at 23.5% against the average of 33%. At the top end of the scale females earning >£650 records at 6.5% against an average of 10.5%.



When Project Manager roles are cut by gender and age there is a noticeable difference in the spread between the male and female respondents. At the lower end of the scale <£300, has 57.9% of females compared to 37.4% of the males. There is parity between the genders in the £350 to £499 level and then again a 6.9% differential once the higher band of £500 to £649 is reached. Once in the 35-49 age groups there are still more females at the lower bands <£300 and fewer at the >£650 per day levels.



When Project Support roles are cut by gender and age significant differences can be seen at the under 34 levels with the data suggesting that the females pay lags considerably behind that of the males. Once in the 35-49 age groups this appears to even out.

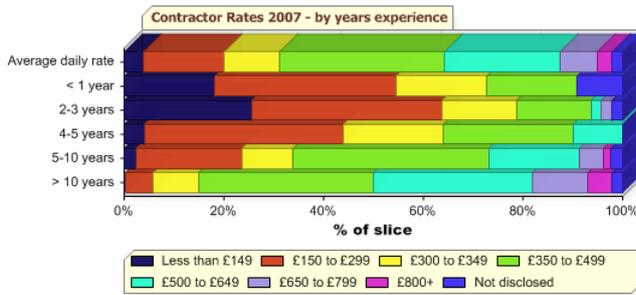


The £350 to £649 banding is pretty consistent for Programme, Change and Project Managers, the percentages in the £650+ bands is considerably different with 22% of Programme managers, 25% of Change managers and just 5% of Project Managers.

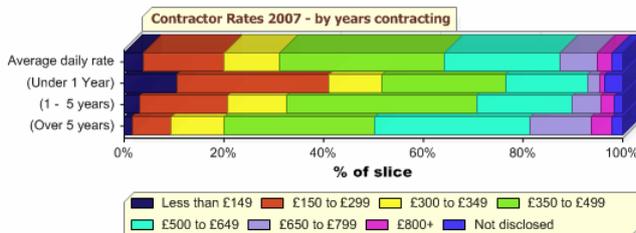
When day rates are viewed by role it produces what many would see as a stereotypical view if the marketplace with clear differentiation across the differing skills.

Support roles have 55% of respondents in the <£300 per day bracket against 20% across all roles.

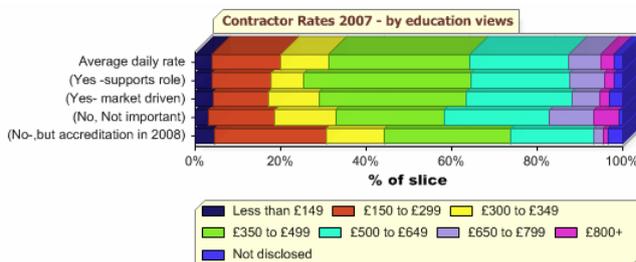
Project Managers have a salary spread across all bands with the bulk (40%) in the £350 to £499 band which reflects the varying levels of the role.



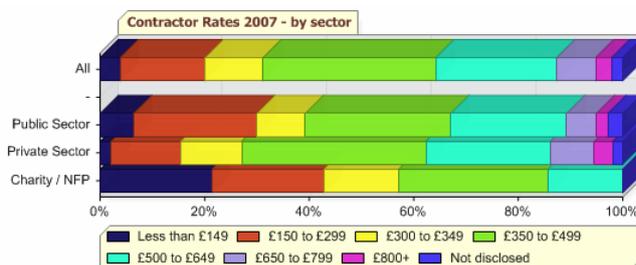
When the contractor's years of experience in their field of delivery are factored in, the data shows a very clear pattern that experience drives achievable day rates for the majority of contractors. Again this spread ties in with a career path and accumulation of knowledge that makes a contractor more valuable in the market.



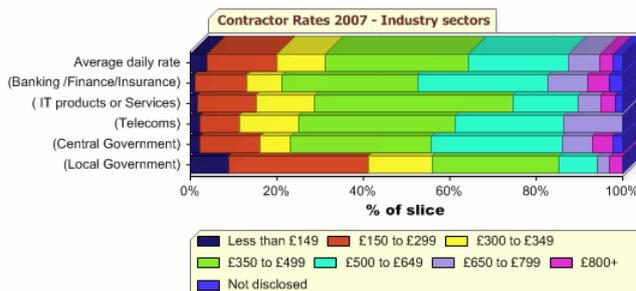
When rates are viewed against the number of years that people have been contracting the average is pretty much driven by the contractors with between 1 and 5 years experience. In this group the most common banding is again the £350 to £499 where there are 38% of the respondents.



The view towards education is interesting from the stance of those contractors who do not see it as important. There are those that appear to be doing well and earning well, 43% >£500 against the average of 33%. Whilst at the same time there are a significant number (33%) who are operating at the lower levels of the band <£350 who may have the opportunity to increase their earning powers. There also appears to be a healthy number of contractors who are looking to take some form of accreditation during 2008 to support their position in the marketplace.

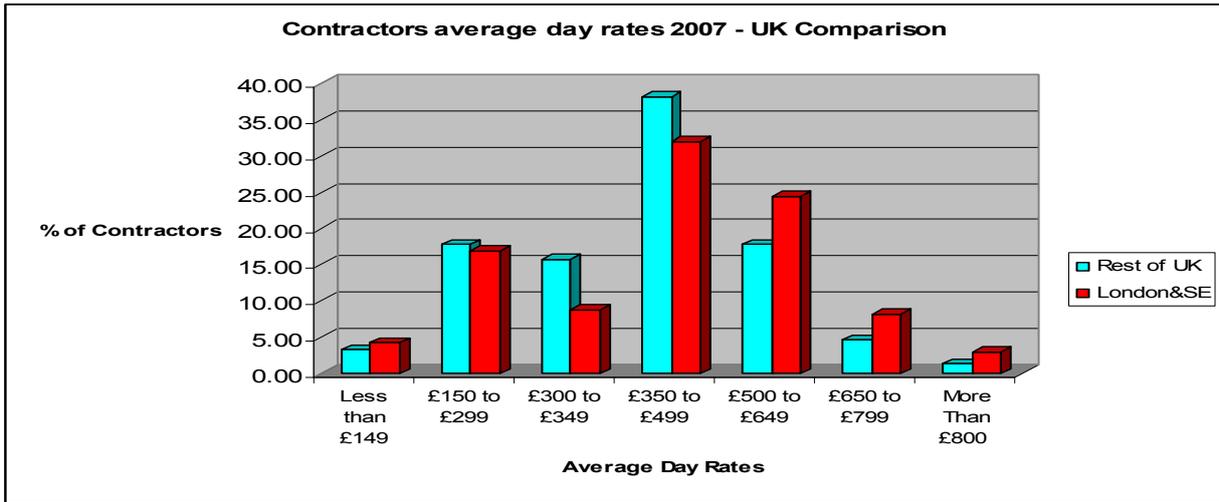


When viewed by sector the rates attained by the contractors are much more consistent at the top end ie. >£500 per day across the Public and Private sectors. At the lower end of the scale the Public sector has a greater level of people below the £350 per day mark (39%) compared to the Private sector with 27%.



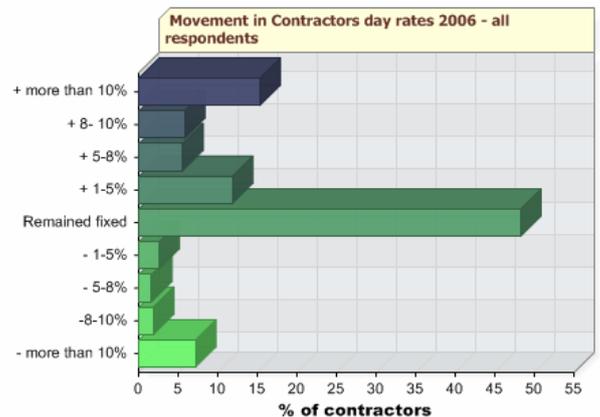
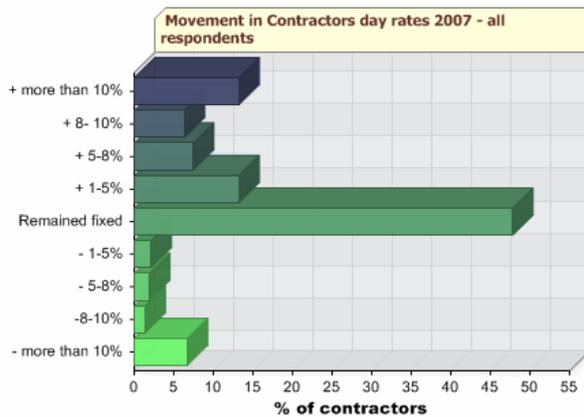
A snapshot of rates across industry sectors shows that the Central Government rates which our respondents attained during 2007 were on a par with those available in the Private sector.

The data would also suggest that the Local Government sector does not, on the whole have the spending power to compete with either Central Government or the Private sector.



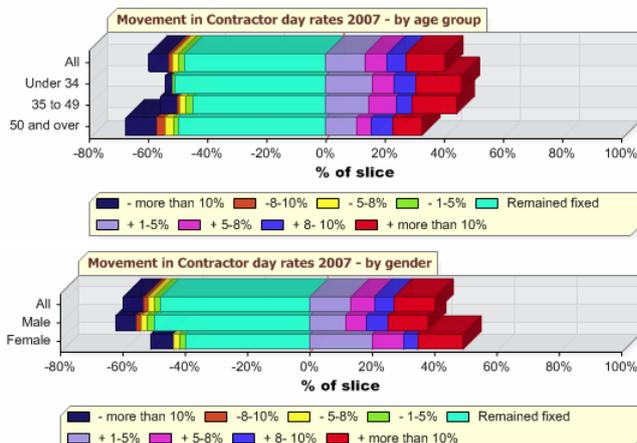
Geographically we have again limited the comparison to the London and the South East against the rest of the UK due to the balance of respondents working in the different regions. The plot clearly demonstrates that day rates of £500+ are on offer more in London and the South East than the rest of the UK. However if contractors are happy to earn in the £350 to £499 band then they appear to have options that are outside of the Capital and surrounding areas.

Contractors – Movement in day rates 2007



2007 once again saw mixed fortunes for our contractors in their day rates as the squeeze was kept on costs. Again we saw a significant number of our respondents reporting that they did not see any increase in their day rates. 2006 and 2007 saw 48% of respondents saying rates remained fixed.

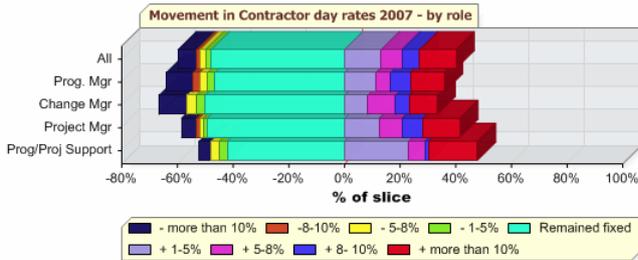
Contractors seeing increases in their day rates rose by 1.5% in 2007 to 40%, whilst 12% of contractors reported that their day rates had decreased. Of those seeing increases each of the three bands, 1 to 5%, 5 to 10% and >10% were equally populated with 13.3% of the respondents.



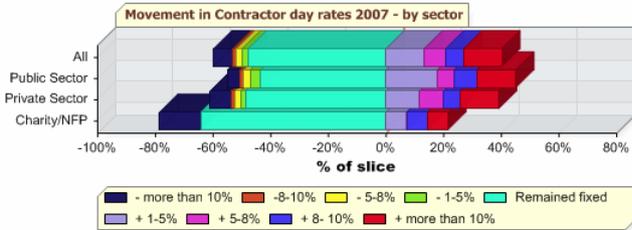
When viewed by age group it would appear that the 50+ age group fared worst with 68% failing to get any increase in their rates. The under 34's performed best with 46% increasing their rates. Interestingly the three bands, 1 to 5%, 5 to 10% and >10% were equally populated with 15.6%.

In the gender analysis the females came out on top with 49% increasing their rates as against 37.5% of the male respondents.

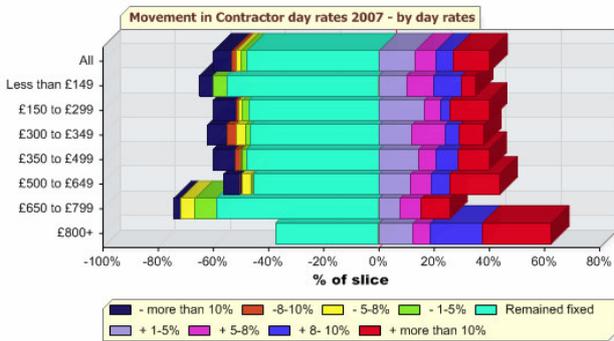
20% managed an increase of 1 to 5%, whilst the bands, 5 to 10% and >10% were equally populated with 14.5%.



By role the contractors operating in Support roles topped the scales on increases with 48% reporting an increase in rates. 23.2% managed an increase of 1 to 5% as against the norm of 13.3%, with 17.4% reporting >10% increases. Change managers had the toughest time with 66% not achieving any increase at all.



Sector analysis shows that the Public sector contractors saw more day rate raises, though a higher proportion (17.9%) of these were in the 1 to 5% band when reviewed against the Private sector (11.6%). Higher bands were very similar.

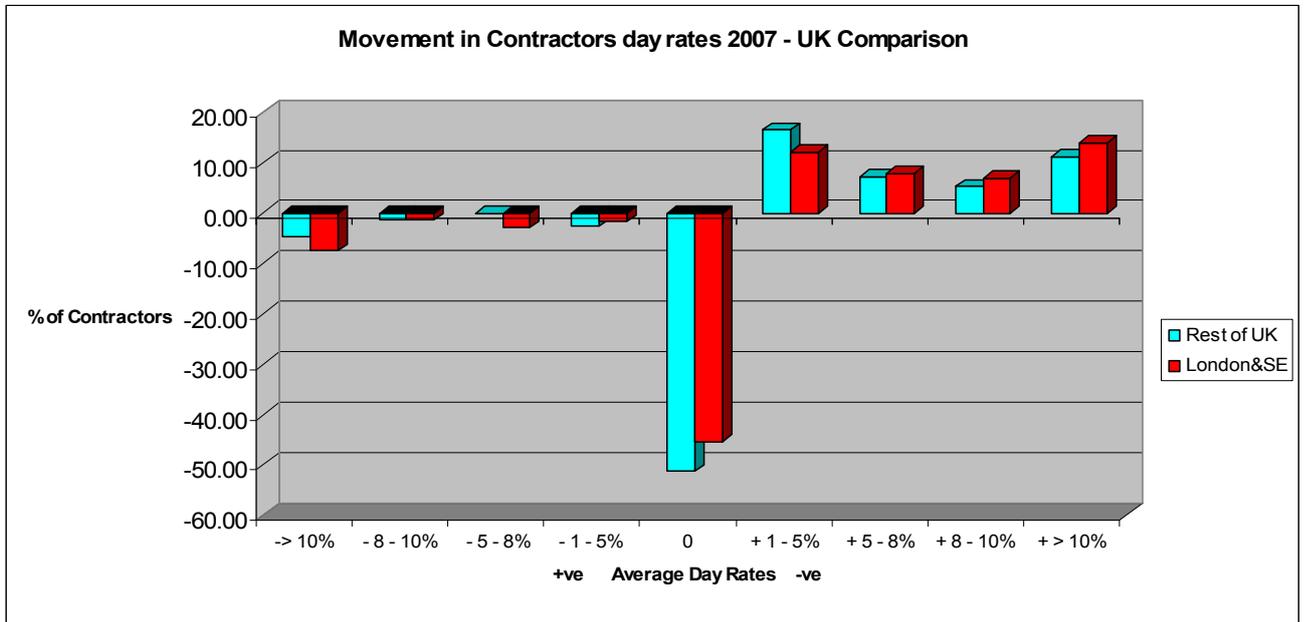


When viewed by day rate rates the movement in contractor day rates shows a very clear band that took a hit during 2007 with the £650 to £799 band seeing 74.35% no increase in their rates.

The core bands covering £150 to £500 per day were all averaging out at 47% remaining fixed with an average of 40% achieving an increase in rate. Of those 25% managed increases greater than 5%.

The most successful salary band in terms of gaining increases was the £500 to £649 day rate where 44% managed an increase, with 33% seeing greater than 5%.

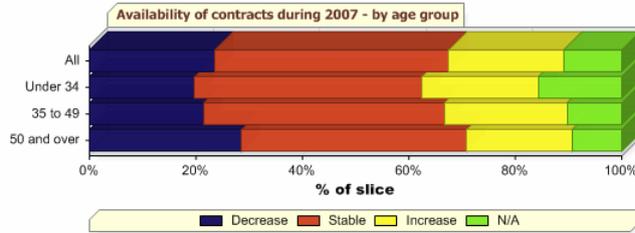
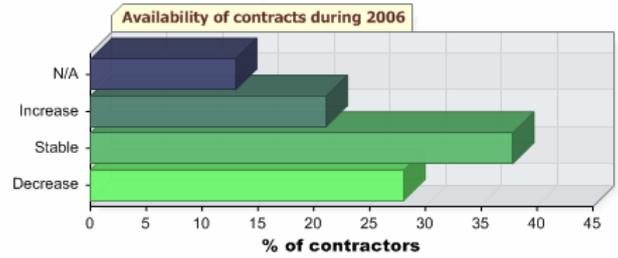
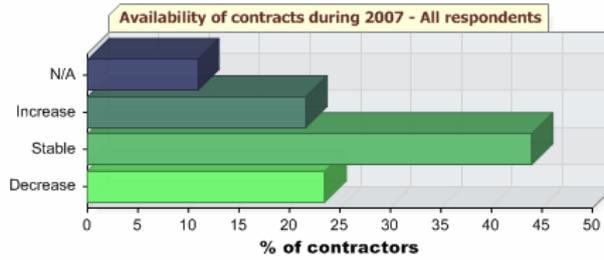
(£800 plus excluded due to low sample size)



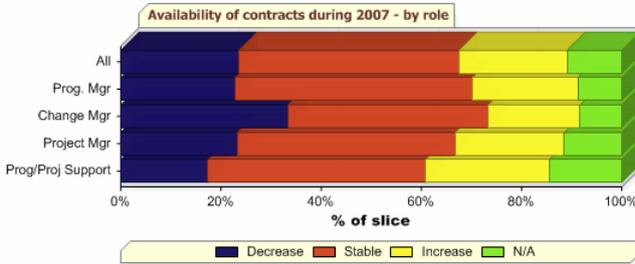
Geographically we have again limited the comparison to the London and the South East against the rest of the UK due to the balance of respondents working in the different regions. From the plot we can see that whilst both regions saw contractors achieving an increase at 40%, those in London and the South East achieved the higher value increases with 28.7% achieving >5%. than the rest of the UK (8.55%).

However contractors who saw a decrease in their rates were harder hit in London and the South East where 13.9% saw their rate reduce as against 8.6% across the rest of the UK.

Availability of Contracts in 2007



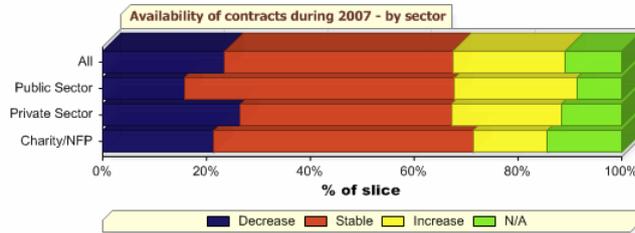
We asked our contractors for their views on availability of contracts during 2007 and the overwhelming majority responded that the market was stable at 44%. This compares favourably with the response in 2006 when it returned 38%. The number of contractors feeling that opportunities had decreased fell by 4% to 24%, whilst those who felt there was an increased opportunity increased by 1% to 22%.



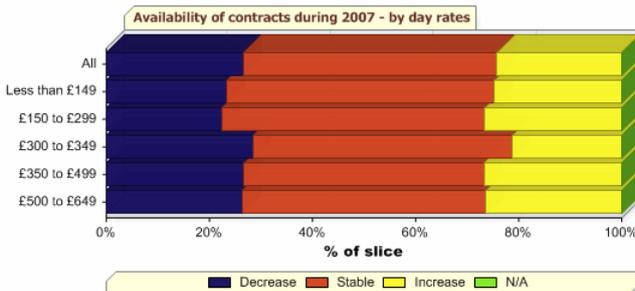
Availability by age group shows the 50+ group reporting the highest decrease at 28.6% against the mean of 23.6% with the 35 to 49's reporting the highest increase at 23%.

By gender there would appear to very little difference.

By role the Change managers are having the biggest decrease in availability with 33.3% reporting a decrease in availability, -9.7% from the mean. The support group having the least impact with 17.4%, +6.2% from the mean.



When viewed by sector the contractors operating in the public sector appear to be having fewer issues with regards to new contracts with just 15.7% reporting a decrease in availability. This compares to 26.7% in the private sector who also saw 12% fewer respondents stating that opportunity was stable.

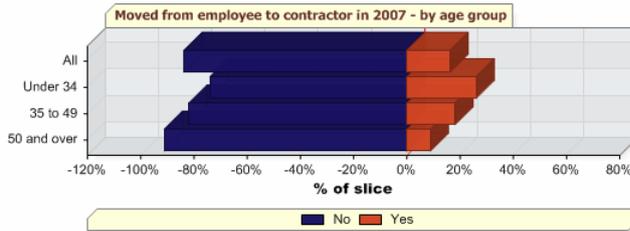


Day rates were again very close when compared to the mean. Lower rates <£299 saw average stability with a reduced level of decrease, by 3.5%. £300 to £349 saw the highest level of decrease at 2% above the mean with a 3% below the mean decrease against increased opportunity. Finally the higher bands >£350 were aligned to the mean.

Contractors who moved from employee during 2007

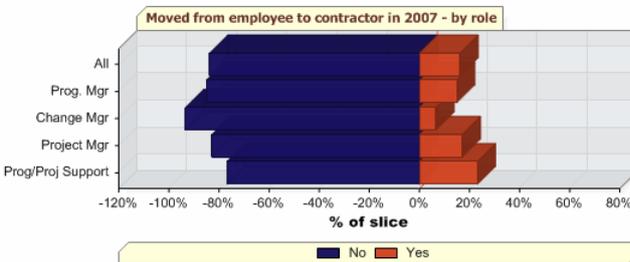
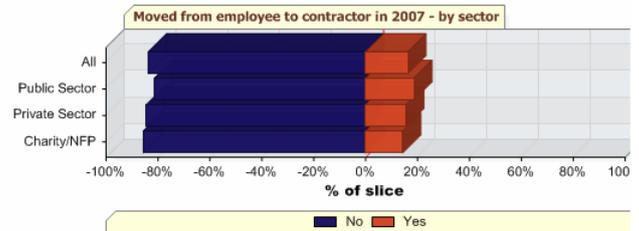
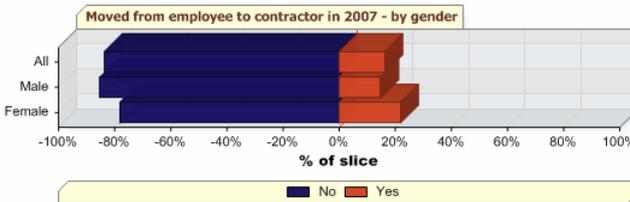
Having viewed the market perception of contractors, another indicator of the market opportunity and mobility is the number of people making the transition from employee to contractor.

Respondents indicated that 16% of our contractor pool had made such a transition during 2007, this is 7% lower than the corresponding response in 2006 when 23% had made the move.



When the movers are reviewed by age group the most significant group is the under 34's where 25.8% made that first step into the contracting world, 9.6% above the mean.

The 35 - 49 age group moves were at 2% above the mean whilst the 50+ age group were -7.4% against the mean.

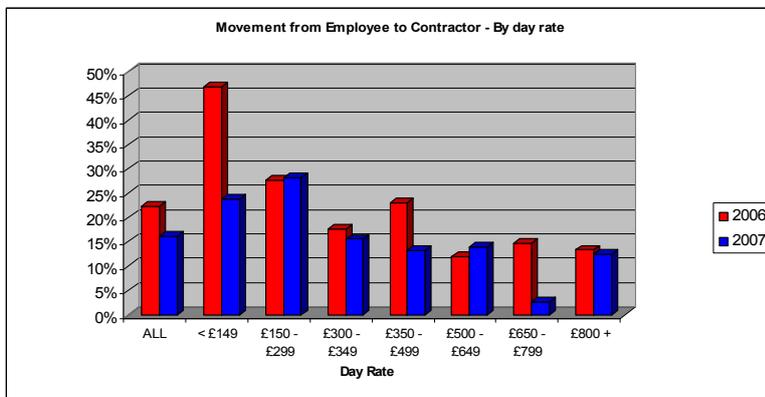


When viewed by Gender, sector and role the most significant change groups are females, Public sector and Prog / Project Support all with higher levels than the mean.

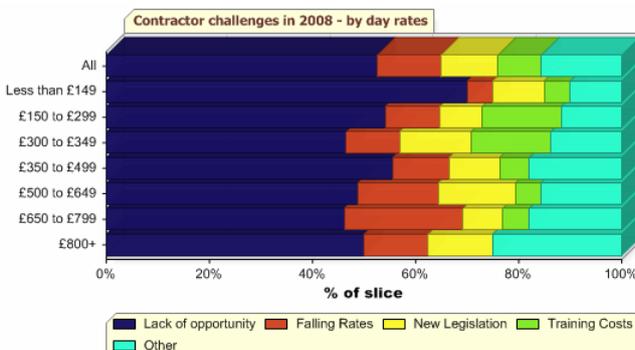
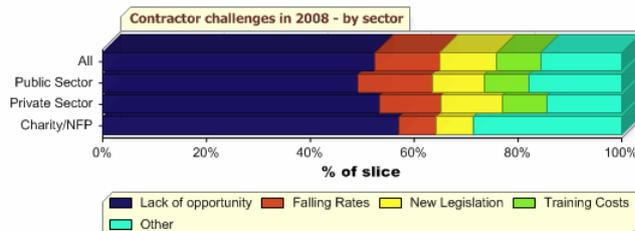
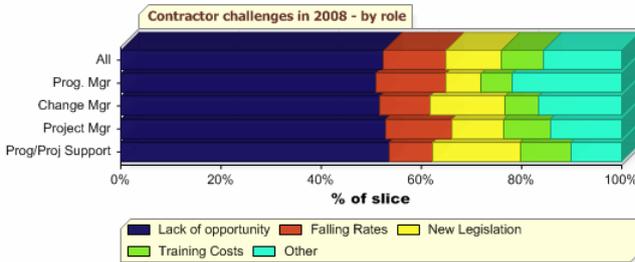
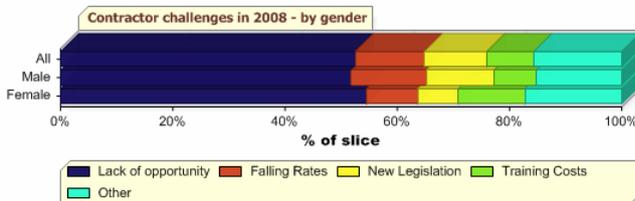
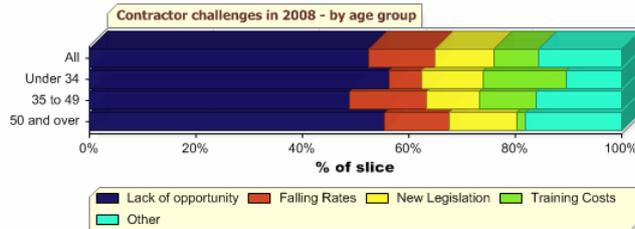
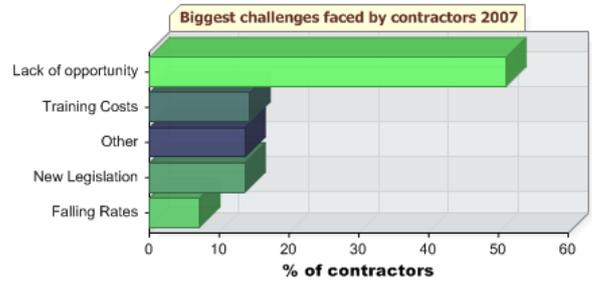
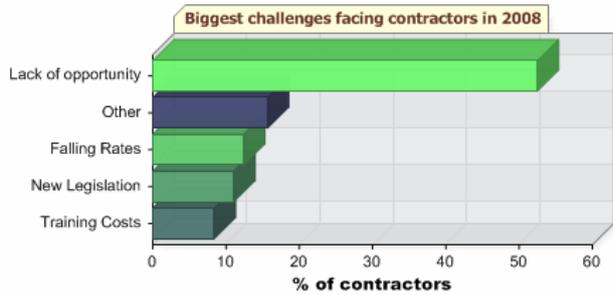
The most significant being;

- Females +5.5%
- Prog/Project Support +6.7%

When respondents who moved from employee to contractors are viewed by their day rate the movements in 2007 compared to 2006 it is noticeable that the significant movement occurred at <£300 day rate. Most rate bands saw a decrease or parity with 2006 in the numbers making the jump to being a contractor except for the £500 to £649 band which saw a 2% increase.



Contractor Challenges in 2008



As we moved into 2008 we asked our contractor respondents what they saw as the biggest challenges as they looked forward to the coming year.

Once again the lack of opportunity was seen as the number one issue with 52% of our respondents, very similar to the previous year at 51%.

Training costs, a large concern in 2007 saw a significant decrease this year with a drop from 14% to just 9%.

Falling rates also dropped in terms of the overall cut this year with just 12% of the cut compared to 14% last year.

The under 34 age group have concerns about the lack of opportunity above the mean, whilst having lower concerns about falling rates. Training on the other hand is a major concern at 16.3% which is twice the mean.

The 35-49 group by contrast are mostly concerned about rates falling with 14.5%. As could be possibly predicted the 50+ age group have little worry over training costs at 1.6%.

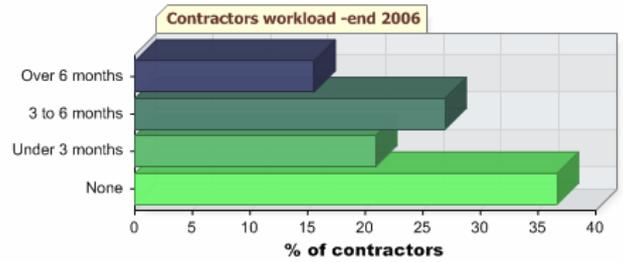
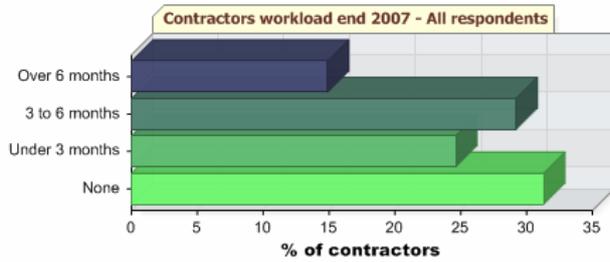
By gender the biggest challenge for females is stated as training costs, with a lower than the mean concern about falling rates.

The public sector contractors seem to have least worry about lack of opportunity but increased concerns about their rates falling.

Comments left by respondents included a wide range of comments both positive and negative. Many of the challenges we have already discussed in different parts the survey, some comments left included;

- Age - it is STILL an growing issue
- Combination of available roles with maintaining rate - do not want to drop rate to keep fully occupied
- Credit Crunch
- Decision whether to return to PAYE
- Due to clients requirement of Prince 2 accreditation
- Falling rates and fewer contract positions are also making the chances way more competitive. Companies appear to want cheaper; younger people irrespective of real experience. Its all cost focused rather than quality
- Had a baby and wish to find a part time contract - not very likely though
- I am keen to seek a part-time contract ie 3 or 4 days a week but recognise this may be difficult to achieve.
- I believe there will be plenty of work
- Self development whilst remaining employed

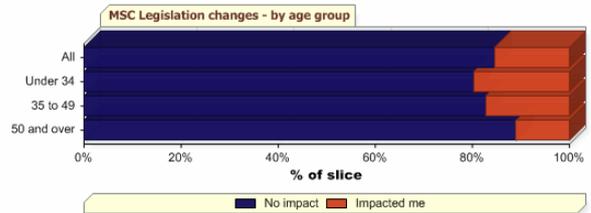
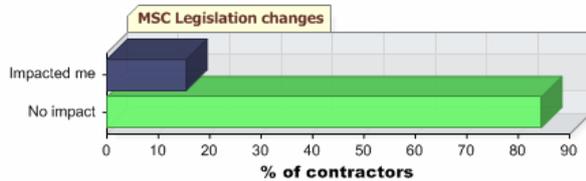
Contractor Workload at end of 2007



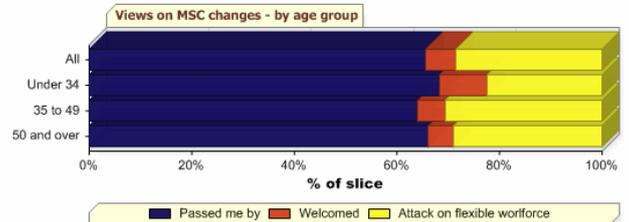
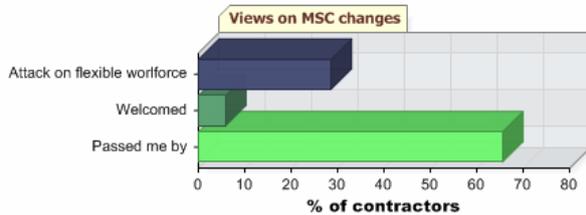
Contractor workload at the end of 2007 looks slightly more positive than twelve months ago with 44.2% of respondents carrying >3months work into 2008. There is a slight drop in those with >6 months at -0.7% with an increase in 3 to 6 months work up 2.5%. Those with no work moving into 2008 is down 5.4% at 31.3%.

MSC Legislation changes

The final question we asked our contractors regarded the changes to legislation around MSC's.



Of the respondents, 15.4% reported that the changes in MSC legislation had had an effect on them. When viewed by age groups the least impacted group was the 50+ with 11%, the under 34's being the most impacted with 19.4%.



In terms of awareness and views, 66% of the contractors stated that the legislation changes passed them by! 28% saw the changes as yet another attack on the flexible workforce with just 6% seeing it as a welcomed change.

Comments left by contractors included the following:

- The S660 tax implications (Arctic Systems test case) are a concern; if the Government changes the dividend rules; I will start to wonder how long it will be sustainable to remain as a sole operator
- Current and planned legislation appears to work against the goal of a flexible workforce
- Government legislation is trying to kill off the independent Ltd co contractor
- Increasingly bureaucratic, only means more of my own time is spent preparing accounts/tax than before. No impact on the tax I pay.
- It does make the benefits of contractor vs employee fewer in comparison. I may now take a permanent job in 2008 as a result.
- None that are printable here
- There is no understanding of the high levels of experience in the PM sector by many employers; my daily rate on the current contract? 400 is same as in 1998 - yet inflation has averaged at least 3% over the last 10 years.