



Arras People Project Management Benchmark Report 2010

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Welcome

Welcome to the 2010 Project Management Benchmark Report from Arras People.

This is our fifth annual report on the UK Project Management community and I would like to thank the many participants who took time to complete our online survey from which this report has been collated.

The 2010 survey confirms many project management practitioners felt the adverse effects of the UK economy spending a record breaking six consecutive quarters in recession including the whole of 2009. The report found the practitioners operating in the Private sector took the majority of the pain and there is an expectation 2010 will not see a rapid reversal of fortunes. Practitioners delivering in the Public sector did not appear to feel the impacts of the recession to the same degree, but are now expressing concern that in 2010 and beyond they will bear the brunt of measures to deal with the UK's budget deficit. The report highlights the impact on individuals and groups within the UK's PPM community during 2009 and shares their outlook for 2010.

Whether you are a project management professional looking to benchmark yourself against your peers or an employer looking to benchmark your rates, we hope you find this report to be a useful window into the UK PPM community. Over the coming months we look forward to releasing further snippets from the data on our blog and through our newsletter Project Management TipOffs.

If you require any further detail about the report or how Arras may be able to help you please get in contact with us. If you have any comments about the survey itself, please do feed them back to us through our dedicated email address survey@arraspeople.co.uk

Best regards

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Management Summary

The 2010 Project Management Benchmark survey from Arras People set out with the objective of understanding how the recession during the last six consecutive quarters (a record) has impacted the UK's Programme and Project Management community. We asked questions through our annual survey in order to explore how the post credit crunch downturn is affecting the project management community, their earnings, aspirations and other professional issues. This data has been collated and presented with a historical context by using data collected in our previous four surveys.

Unsurprisingly the main headline would appear to be that the recession has hit the practitioners working in the Private sector much harder than their peers who operate in the Public sector. With growth at -4.8%, 2009 was a tough year not only for those who lost their jobs, but also those who continued working, many of whom saw their pay frozen or reduced and their working hours extended. Once again the Contractors appear to be the hardest hit grouping, with 42% seeing remuneration falling compared with 17% of employees or just 14% in the public sector. Looking forward into 2010 only 15 % of contractors expect their earnings to increase compared to 42% of employees.

For the respondents in the Public sector there was significantly less disruption during 2009; remuneration continued to rise and job cuts were minimal. However looking forward into 2010 the survey responses suggest that many Public sector workers are now beginning to fear the next phase of the economic cycle. Whilst pay rises have been agreed for 2010-11 for many Public sector workers, they can see harder times ahead. The impending general election and plans to tackle the budget deficit are seen as a major threat to both job security and incomes in 2010 and beyond. This expressed itself through those expecting growth down 15% from the last survey, whilst those expecting tough times has increased by 17%.

This year we introduced a section on Green Project Management as it was so much in the news again during 2009. The doubters still exist, and there appears to be much confusion over how this will impact PPM practitioners. The survey shows that the "greening of projects" is seen by many PPM practitioners as a compliance issue which will add complexity, cost and time to their programmes and projects. Whilst many respondents are making changes to reduce consumption of resources such as paper and petrol there is generally not a clear understanding of what "green" will mean.

We also looked into Project Failure to see if we could establish who is to blame as this has been consistently in the news during 2009. The short answer appeared to be "not me"! Practitioners highlighted a lack of executive support as the biggest single cause of project failure. Detailed analysis reveals project initiation is major point of failure with poor requirements, scope creep and expectations not being set or managed also being a major contributors.

So in summary, 2009 turned out to be a tough year for many of the UK's PPM practitioners as they correctly forecast in last years survey. Based on this years data, the expectation is for more of the same, with green shoots for Private sector confidence and the Public sector preparing to see a downturn.

About The Survey

How we did the survey

Arras People, the project management recruitment specialists, used independent research company Benchpoint's unique real time polling technology to question 1,000 permanent and contract Programme and Project Professionals during December 2009 / January 2010. The respondents are all project management professionals, some of whom have previously made contact with Arras People and were invited personally by email. In addition web and printed media campaigns were also used to attract project management professionals from all walks of life who have had no previous contact.

The results have been independently audited and analysed.

The survey has a confidence level of 95%, and a confidence interval of 3.22

i.e. you can be 95% certain that the views of the entire project management population are within +/- 3.22% of the numbers in the survey. We treat small demographic clusters with caution, and ignore them in the analysis.

Aims of the survey

Arras People have been undertaking a benchmarking survey for the last five years with the aim of building a detailed picture of project professionals' careers, earnings and prospects. The respondents are required to be active in the UK market and working in a role that is recognised as a project management discipline. This allows us to build a consistent dataset for cross reference against the data gathered in previous surveys. As always this year's survey included some questions on topical subjects within the profession; this year we chose to focus on professional competence, project failures and green project management as well as the economic impact of remuneration, job opportunity and general feeling of well being amongst the community.

Demographics of the respondents

This year's survey has a demographic spread which offers a high degree of consistency with those of previous years which gives us the confidence that the results are representative of the project management community.

As can be seen the Project Managers are once again the largest group in terms of responses as we would expect based upon other market data. The number of responses from the Programme / Project Support specialism have dropped in this year's survey which may be due to the economic conditions. Gender is once again consistent with a 75:25 male to female ratio.

Role	2009	2008	2007
Project Manager	56%	55%	59%
Programme Manager	24%	17%	20%
Change Manager	8%	9%	8%
Prog/Proj Support	12%	20%	14%
Age Group	2009	2008	2007
Under 34	18%	26%	30%
35 to 49	52%	46%	47%
50+	28%	27%	22%
Not disclosed	1%	1%	1%
Gender	2009	2008	2007
Male	75%	75%	72%
Female	25%	25%	28%
Not disclosed	0%	0%	0%

Arras People Surveys—Demographic

About The Survey

Once again in this year's results we are seeing a reduction in the number of younger respondents and as a consequence the Career Levels of our sample have also risen as can be seen in the table below. On first analysis this reflects the hiring patterns that we have seen over the last twelve months, in that clients have been looking to hire "experienced practitioners, with a proven track record" who can deliver during these recessionary times.

As a consequence the entry level opportunities have been squeezed in the Project Management field just as in other occupations. On the other hand, it may be a situation that reflects the changing nature of social interaction.

Career Level	2009	2008	2007
Entry	1%	2%	2%
Foundation	6%	9%	32%
Practitioner	45%	44%	51%
Senior	48%	44%	14%

Career Level — All Respondents

As "degree level education" and "second degree level" become more prevalent in specifications for PPM roles, this year for the first time we asked our respondents to indicate their level of educational achievement.

Education Level	ALL	Male	Female	<34	35to49	50+
PhD	2%	3%	0%	2%	1%	4%
Masters	25%	26%	22%	26%	27%	23%
Bachelors	36%	31%	51%	55%	37%	22%
HND/HNC	17%	20%	7%	6%	17%	23%
Vocational	4%	4%	3%	2%	5%	4%
A-Level / Higher	11%	11%	12%	6%	9%	20%
Secondary	5%	4%	5%	3%	5%	4%

Education Level Attained — All Respondents

As can be seen in the table above there is certainly no shortage of educated people in the community with 63% at degree level, rising to 83% in the under 34's. The data also shows a historical perspective of where "project management" came from, with the 50+ age group having more vocational and HND/HNC level respondents which has fallen off over the years. This identifies a wealth of talent that employers and hiring managers must be careful not to exclude through narrow criteria when they are looking to employ practitioners.

In terms of work location for respondents the picture is again very consistent with the previous year's results with London & the Home counties, plus the South East providing just over 50% of the responses. The remaining areas of the UK remain relatively consistent compared to previous years. This demographic is not a surprise and it reflects the picture of demand seen at Arras People. It also reinforces the common perception of the "pull of the South East" where both Public and Private sector organisations have a strong demand for project management professionals.

Work Location - All	2009	2008
London & Home Counties	40.5%	42.6%
South East	10.8%	12.7%
North West	6.7%	9.4%
Midlands	10.1%	8.0%
South West	5.9%	6.1%
North East	4.3%	3.5%
East Anglia	3.0%	2.9%
Scotland	3.6%	2.1%
Wales	1.2%	1.6%
N.Ireland	0.3%	0.6%

Work Location—All Respondents

PPM and Professionalism

As we enter 2010 with no fresh updates regarding the APM's (Association for Project Management) initiative to become the guardians of the Chartered Status for Project Management Professionals, we have continued to probe the respondents about the question of professionalism in this year's survey.

Based on our discussions over the past twelve months there would still appear to be disparate views regarding the APM's Chartered status initiative and deep seated concerns about the profession's readiness for this step change. Looking at the dates of association there would not appear to be any great rush from PPM practitioners to join the APM in the hope of acquiring some form of grandfather rights should they be successful in their quest to become the masters of charterdom. It would appear from the responses that the rate of growth dropped during 2009 with 10.5% of respondents joining compared to 16.6% in the previous two years. In contrast PMI new members appeared up at 15.9% compared with 14.6% in 2008.

As a starting point we asked the respondents if they belonged to any professional body regardless of it's focus. The majority of our respondents, 54% do not hold any membership, a number which is consistent with last year's data. From this figure 30% indicated that they were at some point a member but have subsequently let their membership lapse. Of those that indicated membership 55% are members of the APM, 23% of the PMI and 16% BCS, the remainder belonging to "other" associations including Engineering, Management, RICS and Quality. The results suggest that it is not uncommon for a PPM practitioner to belong to a Chartered Institute allied to their first career.

Professional Involvement?

The results would suggest that like most subject matter groupings, PPM practitioners divide into groups of those that are active participants, those that see it as a "requirement" and those that are passive.

Across all the groupings an average of 33% of respondents indicated that they regularly attend member events, this equates to 19% of the total group.

When asked about involvement in SIG's (Specialist Interest Groups) the BCS and PMI (28%) appear to have a more active membership than the APM (15%). Across roles Programme Managers and Support practitioners indicated the highest levels of support at 12%, with Project Managers indicating 6% being involved when measured across the whole community.

Like other professional associations, one of the biggest challenges for those who are actively engaged with the UK's PPM community is to make themselves relevant to the wider community. As we have seen there is a relatively small core of active members, but more concerning is the 40% of the community that so far have not seen a reason to join a professional association and the 14% who have let their membership lapse.

74% of those that do not hold current membership of any association have issues with relevance, be that to their own situation, that of the marketplace or even general cynicism that it is just a money making machine!

No reason to Join	29%
My Experience is more important	27%
I see no tangible benefit	18%
Other	13%
Too expensive	13%

Non-Member Analysis

PPM and Professionalism

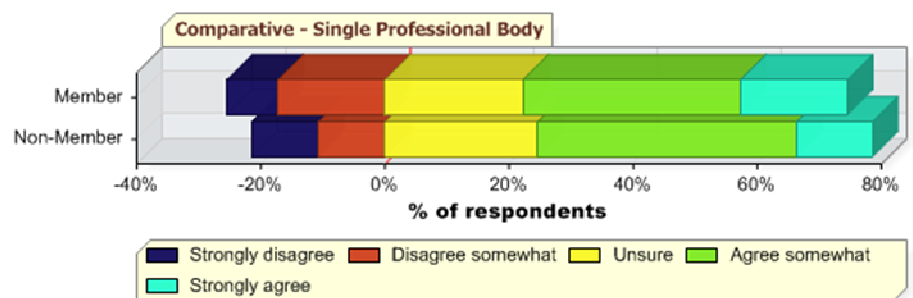
Ready for a Single Professional Body?

Project management today is a broad church which involves many skill sets and also crosses many industries and sectors where differences, subtle or not, exist that make organisations and individuals feel different. This breadth and depth offers both advantages and disadvantages in the quest to be recognised as a true profession in line with other sectors of the workforce.

Based on discussions over the past 12 months around the APM's initiative to obtain guardianship of the Chartered Status for project management professionals we felt that there was a ground swell of concern. Whilst there is the desire to create a professional body for PPM Practitioners, many people feel that any such initiative must be agnostic of existing associations agenda / historical investment etc and reflective of all areas of practice, if it is to be inclusive, recognised and meaningful to the wider PPM community.

To get a broader feeling from the community, we asked all respondents "***Do you believe Project Professionals should have a single body that represents, regulates and enhances our reputation?***"

As can be seen in the graphical comparison the response to this question was broadly supportive of the idea across both current members and non-members alike.



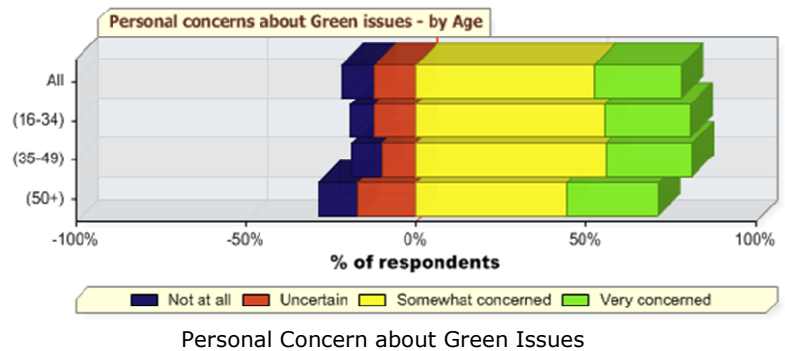
In the negative, current members were 25.5% against this idea, 4.1% more than the non-members at 21.4%. At the other extreme those who agreed and strongly agreed were much closer at 52.4% and 54% respectively. Whilst this can be seen as a potential green flag for action there were many comments supporting both views. The comments generally fell in to the following areas;

- A unified voice will wield more influence and credibility for members and businesses customers
- Worries over the structure of a single body and its governance / accountability
- Need a single national body linked to international bodies and methods
- A singular body would not be effective in governing a broad span of expertise / interest
- Concerns as Project Management is encompassed in many other professions / associations. Where is the dividing line?
- Could be done with a structure similar to Engineers— single governing body with groups representing domain interests
- Time for a genuine licence to practice
- Singular bodies tend to be insular and exclusive rather than representing the majority
- Where is the debate about this?

With concerns about the environment and “green practises” continually in the news and seemingly weaved into every agenda, we thought this year’s survey was an ideal opportunity to see what practitioners are thinking and gauge the current reality.

Are we concerned?

We asked the respondents about how concerned they are personally about green issues? The vast majority in all cuts of the data were firmly in the “somewhat concerned” grouping that averaged around the 50% mark. At the extremes the “vey concerned” was also a consistent cut across all groupings at 26% of all



respondents except for the Charity / NFP sector which rose to 43%.

When the “not at all concerned” group were analysed there were two groups that had a much higher level; Males recorded 11% against just 5.5% of females, whilst the 50+ age group recorded 17.5% against 13.5% in the under 34’s and 9.5% in the 35 to 49 age group.

Green Business?

The respondents were questioned about the impact of environmental issues on their day to day business activities and the attitude of their organisation to green issues. Given the high profile associated to this subject a surprisingly small 9% of respondents said they are measured against green objectives. When looked at by sector this increased to 13% in the Public sector, which may suggest that commercial business drivers (profit) have not yet been identified by the Private sector. Practitioners appear to be taking a pro-active stance in this area with 26% reporting that “Although unmeasured, I personally include green objectives in my/our activities”. 32% of respondents reported that their organisations are looking to pursue the competitive advantage that being green may offer, though 41% report that they can see no competitive advantage at this time. So it looks like early days for the majority of organisations looking to unlock the “value” rather than the “cost”.

Green PM?

From the responses received it would appear to us that the “greening of projects” is seen by many PPM practitioners as a compliance issue which will add complexity, cost and time to their programmes and projects. Whilst many respondents are making changes to reduce consumption of resources such as paper and petrol there is generally not a clear understanding of what green will mean; just 7% indicate that they have a clear understanding regarding green project management. In terms of the implications beyond simple compliance 31% of practitioners believe that a market will emerge for Greened practitioners; 30% are undecided whilst the remaining 33% believe that practitioners “will just add it to their skill set”. Of course there are still the doubters, with 4% expressing the belief that it is just a fad!

PPM Competence

Over the years the team at Arras People have consistently been troubled by the lack of attention given to the question of competence in the field of Programme and Project Management. It feels like the educationalists have stolen a march on us all by convincing the market that attaining “knowledge based certifications” such as Prince2[®], bestows upon an individual the capacity to deliver projects and programmes. Whilst at the other extreme we have a quest for chartered status to legitimise the “professionalisation” of our art. What appears to be missing is the bit in the middle; a recognised industrial measure of competence that can be aligned to life long learning and development of the individual against a peer based matrix.

This is further compounded by many organisations when they recruit programme and project practitioners asking for certification (whether relevant or not) and though it is illegal under age discrimination legislation “ a minimum of ‘x’ years experience”. It is our belief and that of many respondents to our surveys over the last five years that these two metrics are in many instance flawed as they do not indicate competence.

What are Competencies?

The OGC definition is “*Competencies are the ability to use **knowledge, understanding, practical and thinking skills** to perform effectively to the standards required in employment. They are **identified and demonstrated through sets of behaviours** that encompass the skills, knowledge, abilities and personal attributes that are **critical to successful role accomplishment**”.*

Looking across the web there are a plethora of competency models (of varying complexity) that can be applied to roles within the PPM family, dealing with most every nuance, across sector and domain. What we don’t yet have is a recognised core set of useable competencies that can be applied as a recognised standard and a body with the authority and credibility to be their guardian. Whilst this could be seen as an impossible undertaking, the fact that ISO are creating a global standard for Project Management (ISO 21500) with the co-operation of the major global bodies should offer hope that it could be achieved.

Common Model?

We asked our respondents if they subscribe to the view that a common PPM Competence Model would be useful addition to the domain.

- 30% of respondents identified the primary advantage would be “the ability to asses their skills and experience against a recognised model”. This number increased to 35% for respondents working in the Public sector and 34% for the under 34 age category.
- 22% identified the ability to identify training and development needs as the primary advantage, increasing to 32% for the under 34 age category.
- 20% of the respondents suggested that a common PPM Competence Model would underpin the advancement of PPM as a profession, the over 50’s supporting this at a level of 25%.
- 19% identified the fact that recruiters and employers could utilise such a tool to help in identifying the right person for their role as the primary advantage, this increased to 23% for the 50+ age group.
- 9% responded negatively to this idea, primarily expressing concerns that this would be an unnecessary level of bureaucracy, pushed and managed by an organisation which was fiscally motivated rather than interested in progressing the art of PPM.

PPM Competence

Top Competencies?

We examined a number of competence models and created a short list of competencies which we believe are applicable to PPM practitioners and asked our respondents to indicate the top 3 competencies which they believe make them effective in their role. In order to avoid unnecessary complication for the purpose of this question we grouped methods, tools and domain knowledge into a single choice "Technical".

ALL	Prog. Mgr's	Change Mgr's	Project Mgr's	Support
Planning and Organising	Leadership	Planning and Organising	Planning and Organising	Planning and Organising
Communication skills	Planning and Organising	Communication skills	Communication skills	Communication skills
Leadership	Relationship Management	Adaptability	Relationship Management	Adaptability
Relationship Management	Communication skills	Relationship Management	Adaptability	Technical
Adaptability	Commercial Awareness	Leadership	Leadership	Proactive/Initiative
Proactive/Initiative	Influencing	Influencing	Technical	Team Working
Technical - Methods / Tools	Adaptability	Proactive/Initiative	Decision Making	Relationship Management
Influencing	Decision Making	Technical	Team Working	Influencing
Decision Making	Proactive/Initiative	Decision Making	Proactive/Initiative	Leadership
Team Working	Technical	Organisational Awareness	Influencing	Concern for accuracy
Commercial Awareness	Team Working	Commercial Awareness	Commercial Awareness	Organisational Awareness
Concern for accuracy	Organisational Awareness	Team Working	Concern for accuracy	Decision Making
Organisational Awareness	Concern for accuracy	Concern for accuracy	Organisational Awareness	Commercial Awareness

PPM Competencies by Role

As can be seen in the table above, when All the results were analysed Methods and Tools sat in the middle of the list returning just 7% of the result. As anticipated the ranking of "Technical" decreases with seniority when we look across the roles whilst the softer skills come to the fore. Planning and Organisation with 16% is the top listed competency which is reflected across all role groupings except Programme Managers who rated Leadership above it. In all, the top six took 68% of the response to this question and the profiles align with our expectations at this level of analysis.

Professional Development

The results provided in the table above support the question many practitioners have "How do I develop the knowledge and expertise to be able to work proficiently in a project environment?"

Today we have a plethora of training courses which provide / test "Technical Knowledge", some even offer guaranteed success and entry in to the field of Programme and Project management, though it is generally acknowledged that they lack any dimension which measures their effective application!

The results support the views held by many experienced PPM practitioners who refuse to collect "badges" in order to somehow validate their experience; many express the view that employers who require them are making uneducated assumptions about their value and the impact that a "certified" practitioner may make on their programmes and projects.

Overall we believe the current situation is not good enough, the pendulum has swung too far and the curriculum is too narrow. Prince2®, PMBoK, M_o_R®, MSP™ etc. have their place, but we need to recognise the breadth of knowledge and experience required to make effective practitioners both today and for the future!

Project Failure

Project failure has been consistently in the news with many high profile examples dissected to highlight the associated costs and an apparent lack of improvement in delivery capability. Many research groups have investigated and reported on the causes of failure, with Standish research suggesting that the number of successful projects is falling: 32% in 2009, down from 35% in 2006. So for the first time we decided to probe our respondents on this subject

Reasons for failure?

If the figures are to be believed we wondered how many of our PPM respondents have been associated with a project that has failed, surprisingly the numbers came in at just 41%. This figure was consistent across both Public and Private sectors, with 46% of support practitioners the highest sub group, Project Managers being the lowest with just 38%.

We listed ten elements from a cross section of report's into project failure including Standish and the OGC; we then asked these practitioners to indicate what they believed the key contributors were for the failures that they had experienced.

Reason for Failure	All	Public	Private
Lack of executive support	17%	18%	18%
Incomplete requirements	13%	11%	14%
Expectations not set / managed	12%	13%	12%
Scope creep	12%	12%	12%
Project / Organisation not aligned	10%	10%	10%
Lack of resources	7%	8%	6%
Technology Issues	7%	5%	8%
Other	6%	6%	6%
Lack of user involvement	6%	6%	6%
Poor Planning	5%	6%	4%
Inexperienced PPM People	4%	4%	4%

Project Failure—Cut by Sector

As can be seen in the table, a lack of executive support was identified across the board as the biggest reason for project failure, with inexperienced PPM practitioners identified as the factor that had least impact.

If we analyse the results it would appear that project initiation is the biggest point of failure with poor requirements, scope creep and expectations not being set / managed accounting for 37%. Add to that the lack of alignment between the project team and the organisation and this reaches a 47%! Based on these figures maybe we should celebrate 32% success rate as it may be that most projects are actually setup to fail?

Accountability?

So what part does the PPM Practitioner have to play in this failure? According to Wikipedia "A project manager is the person accountable for accomplishing the stated project *objectives*" so we asked our respondents;

- 13% of Private sector respondents said they were accountable for the failure, falling to 6% in the Public sector
- 13% of Private sector respondents said their team was accountable for the failure, falling to 8% in the Public sector
- 62% of Private sector respondents said they were not in a position to influence a different outcome, rising to 72% in the Public sector

Does this suggest that authority and accountability are not part of the deal for many PPM practitioners when they take on the responsibility for leading a programme or project? This is backed up by comments suggesting practitioners are removed where they deliver bad news which the executive do not wish to hear!

Current Economic Climate

Last year we introduced a section to the survey called "Current Climate and Me", the aim being to judge respondents' feelings in terms of personal well-being and confidence. 2009 saw the UK economy officially in recession with unemployment rising in many sectors and some commentators worrying that we could see a full blown depression. Many employers reacted to the economic conditions by making staff redundant, freezing or reducing pay and limiting recruitment activities as they sought to reduce their operating costs. All of which had an impact on many of the UK's PPM practitioners.

Sector confidence moving into 2010?

	All	Private	Public	Contractor	Paye
Buoyant	6%	7%	6%	3%	9%
Steady Normal Growth	30%	36%	20%	27%	33%
Neutral	30%	31%	27%	33%	27%
Contraction	21%	17%	29%	22%	21%
Hard Times	13%	9%	17%	14%	10%

Sector Confidence 2010

The table above illustrates the picture painted by our respondents when asked to describe their current sector's confidence moving into 2010. Compared to the confidence levels expressed twelve months ago we have some significant shifts by both sector and employment type. Overall the positive response has increased by 4%, whilst the negatives have decreased by 5% which is good news.

Significantly there has been a major shift when the data is analysed across sector; from a neutral position twelve months ago the private sector appears to have entered 2010 with a significant increase in confidence, whilst the Public sector confidence appears to have collapsed. Respondents in the Public sector who expressed positive feelings are down 15%, with those expecting contraction and harder times registering 46%, an increase of 17% from a year earlier.

When the data is analysed by employment type the UK's Contractors have moved from being neutral to a more negative position against the mean, whilst Employees have moved into a more positive position.

Personal confidence moving into 2010?

	All	Private	Public	Contractor	Paye
Buoyant	12%	14%	11%	13%	13%
Steady	59%	60%	65%	57%	64%
Low	20%	19%	20%	23%	17%
Gloomy	8%	7%	5%	8%	5%

Personal Confidence in 2010

When asked about personal confidence moving into 2010 the response from the project practitioners was once again positive compared to the one they painted about their sectors. As it was twelve months ago only 8% were feeling gloomy with the vast majority (72%) feeling steady / buoyant. It is again noticeable that Private sector confidence has increased whilst that of the Public sector has declined over the twelve month period.

Current Economic Climate

Job Confidence?

We asked our respondents a number of questions to test their confidence about the prospects for jobs in 2010 in terms of both hiring and redundancy. Responses to these questions consolidated the view that the Public sector practitioners are feeling less optimistic. Overall there were 38% not anticipating job cuts in 2010 compared to 30% in the public sector; of those anticipating cuts the public sector led with 53% with 9% of those expecting major cuts.

Personal Wellbeing?

To get a general feel we asked all the respondents once again "Compared to this time last year would you say you are..?"

	All	Private	Public	Contractor	Employee
Much Better Off	5%	6%	5%	8%	4%
Slightly Better Off	17%	18%	15%	13%	20%
About Same	29%	27%	37%	27%	33%
Slightly Worse Off	27%	30%	25%	28%	29%
Much Worse Off	22%	19%	18%	25%	14%

Personal Wellbeing—Entering 2010

Once again the responses showed that whatever the economic conditions there will be winners and losers; 22% of all respondents reported that they are feeling better off than they did 12 months ago, with 29% feeling about the same and 49% feeling worse off.

As can be seen in the table below the comparison between this year's results and last years show that the Private sector respondents have been hit hardest with 12% dropping into the worse off categories and Contractors reporting an even harder hit at 14%.

Comparison	2010 ALL	All	Private	Public	Contractor	Employee
Much Better Off	5%	-2.9%	-1.2%	-6.2%	-0.8%	-3.9%
Slightly Better Off	16%	-5.9%	-3.3%	-9.7%	-8.1%	-3.0%
About Same	29%	-4.0%	-7.6%	6.5%	-5.3%	-0.5%
Slightly Worse Off	27%	4.6%	6.7%	5.4%	5.0%	6.2%
Much Worse Off	22%	8.3%	5.4%	4.1%	9.2%	1.2%

Personal Wellbeing—Comparison 2009 to 2010

Comments left by respondents took a number of themes including;

- Many respondents have seen a real increase in the cost of living (food, petrol, child-care) whilst their income has fallen.
- Many reports of employees being made redundant and contractors who have been unable to secure a role during 2009.
- Many employees have taken a pay cut or pay freeze in order to keep their jobs.
- Some of those looking for permanent employment report that the number of available roles has significantly decreased, whilst some packages on offer are much lower as employers look to take advantage.
- Many contractors have found a significant reduction in the number of contracts available and also day rates. Some have reverted to permanent employment in order to feel more secure.

Working Patterns

Respondent Groupings

Each year the Arras People survey allows us to separate and analyse data based on the Contractor market versus the Employee market (those paid through PAYE) and we look at the three key sectors ie. Public, Private and the Charity / NFP. We take these splits so that we can look for trends and also consistency in our results.

As can be seen from the table, our demographic between the Contractor and Employee groups has no significant change for those who are working. When we look by sector we see a decrease in the Private sector responses whilst the Public/Charity/NFP has risen as a percentage of those who worked during 2009. For the first time we captured data regarding the number of people who did not work at all during 2009, this figure was 7.5% of the total respondents.

Status - Working	2009	2008
Employee	59%	61%
Contractor	41%	39%
Sector Spread - Working	2009	2008
Charity / NFP	5%	4%
Public	34%	30%
Private	61%	66%
Not Worked in 2009	7.5%	

Respondent Groupings 2009

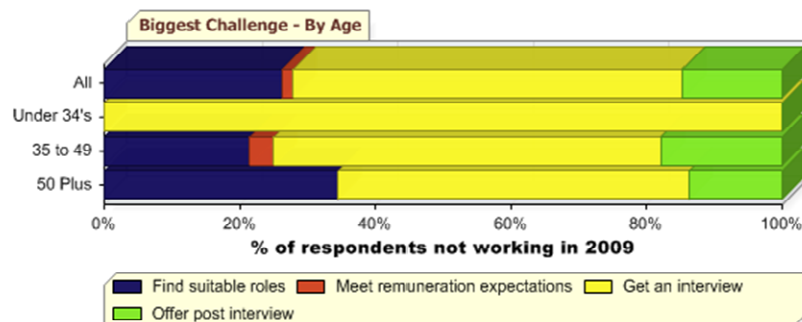
Not worked in 2009

When we analysed the 7.5% of respondents who had not worked during 2009 we found the following breakdown;

- 85% of the group were previously employed in the Private sector, 15% Public.
- 52% of the group were previously PAYE Employees, 48% being contractors.

When we further analysed these figures 93% of respondents who had not worked during 2009 were male, overall by gender the rates were 9% for males and 3.5% for females. By role the Project managers had the largest figure at 9% of the total respondents whilst by age the 50+ grouping was hardest hit with 13%.

We then asked this group about the biggest challenge they face in finding a new role. We provided four options and the group responded as follows; 26% are having difficulties finding suitable roles which align to their skills and experience; 2% can not find roles that meet their remuneration expectations; 57% are experiencing issues securing an interview for roles that they have applied for; 15% are failing to convert interviews into offers.



Not Worked—Biggest Challenges

When analysed by age group the differences were marked, most noticeably with the Under 34's being impacted by their inability to secure an interview; the over 50's experiencing difficulties finding suitable roles, but then doing slightly better at interviews; Not unexpectedly the 35-49 age group are suffering at all levels.

Working Patterns

Working Hours

A recently published report from the TUC which led with the headline that [UK workers are giving away £27 billion of unpaid overtime](#) a figure that has increased significantly since they last checked in 2008. The analysis suggests that this is partly due to the recessionary effects with workers accepting additional hours as part of the package that protects jobs. We asked our respondents to tell us their typical working hours to see if this was also a pattern with PPM practitioners.

Not surprisingly we found a significant spread across the four bands which we set for the survey. If we were to take the "typical" contracted working week to be between 35 to 40 hours we found that 38% of our respondents fitted into this grouping. With 41% working between 40 to 48 hours per week and 17% working over 48 hours per week.

When this data is compared with that collected 12 months ago we can see quite significant changes in working patterns amongst the group.

2008/09	All	Private	Public	Contractor	Employee
<35 Hrs	0.1%	-0.3%	1.2%	-1.6%	1.0%
35 to 40 Hrs	-4.5%	-6.3%	-2.5%	-1.7%	-5.9%
40 to 48 Hrs	1.2%	3.8%	-4.0%	-0.5%	2.2%
> 48 Hrs	3.3%	2.7%	5.3%	3.8%	2.7%

Working Hours Comparison 2008 to 2009

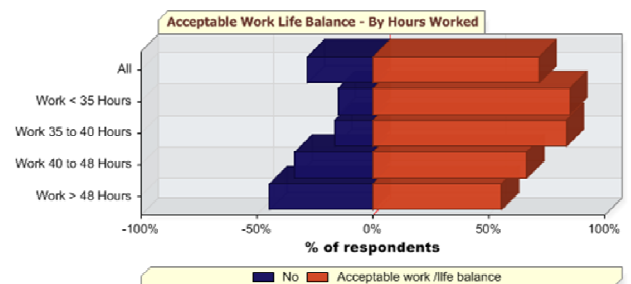
Over "All" the respondents the numbers of people working longer hours has increased by 4.5% with an equal decrease in the number working between 35 to 40 hours. When the data is viewed across the Public / Private sector divide there are quite significant changes with just 34% of those working in the Private sector working less than 40 hours (down 6.3%) compared to 52% in the Public Sector (down 1.3%). In the upper limits there has been a significant increase (5.3%) of the number of Public sector workers working more than 48 hours though this figure at 15% is still lower than the 20% in the Private sector.

Work Life Balance

So it would appear that we do have an increase in overall hours worked by the UK's PPM community; but what impact is this having on the perceived "**work life balance**"?

Looking back to the results of the 2007 survey the PPM community reported that 23.5% were unhappy with their work life balance with many stating long hours as the primary cause of this imbalance. Looking at the data collected in the 2009 survey this figure has increased by a further 5% to indicate that 28.5% are now unhappy about their work life balance.

When viewed against the hours worked a very clear picture is shown correlating longer hours with this dissatisfaction as can be seen in the picture. 45% of our respondents who are working >48 Hours per week say they have an unacceptable work life balance compared to 16% of their peers who work between 35 to 40 hours per week!



Work Life Balance by Hours Worked

This data begs the question "**Does Programme and Project Management have a long hour's culture, or is it just amplified by the current recessionary environment?**"

Remuneration & Rewards

Each survey shows a wide variation of earnings and outlook, reflecting the diverse mix of winners and losers amongst the PPM practitioners who take part in the survey. Once again this years results paint a picture that shows the pressures points and differences between the sector's and employment categories.

As can be seen in the table below the movement in remuneration for self-employed contractors was once again hit much harder than that of their colleagues who are employees. Against the norm contractors were negatively impacted in seven of the nine bands, only coming out positively for the top increases where we saw employers willing to pay for scarce or specialist skills. Employees on the other hand came out negatively against only one of the seven bands >10%.

2010	ALL	Contractors	C. Public	C. Private	Employees	E. Public	E. Private
>10% Inc	6%	10%	13%	8%	3%	6%	2%
+8 to 10%	2%	3%	4%	2%	2%	1%	3%
+5 to 8%	4%	2%	1%	1%	6%	6%	7%
+1 to 5%	18%	4%	4%	4%	28%	36%	24%
No Change	42%	40%	45%	38%	43%	38%	47%
-1 to 5%	4%	5%	3%	7%	3%	3%	3%
-5 to 8%	3%	5%	4%	6%	1%	2%	1%
-8 to 10%	5%	8%	4%	11%	2%	1%	3%
>10% Fall	16%	24%	23%	23%	10%	8%	11%

2009 Movement in Remuneration

In terms of increases if we exclude the top banding, just 9% of contractors saw an increase in remuneration against 37% of employees, rising to 42% if we just consider the Public sector. When we consider decreases, contractors were again hardest hit with 42% seeing remuneration falling compared with just 17% of employees or 14% of public sector employees. Last years survey reported 40% of employees and 12% of contractors expected remuneration to rise during 2009.

The downward trend in remuneration for contractors has now been seen for three consecutive years; looking back over 2009,2008 and 2007 we have seen contractors reporting increased remuneration fall from 40%, to 29% to 18%, a fall of 11% per year. At the opposite extreme we have seen those reporting a decrease in remuneration over the same period increase from 12% to 22% to 42% this year.

Increases in 2010?

We once again asked our respondents to indicate how they felt their remuneration would fare during 2010. As can be seen in the table only a third of the workforce are expecting any increases during 2010 with 53% expecting no change.

2010	ALL	Contractors	Employees
Increase	31%	15%	41%
Unchanged	53%	59%	49%
Fall	16%	26%	9%

2010 Anticipated Movement in Remuneration

Comparing the data back over the last three years it would appear that the contractors have bottomed out in terms of anticipating further falls, though they are not yet expressing confidence regarding remuneration rising. Employees are still expressing higher confidence that their remuneration will increase though there is no increase in confidence from last year. When the data is cut by sector there is little difference for both contractors and employees working in the Private and Public sectors.

Contractor Review

The following section reviews the Contractor responses to questions about their operation during 2009 and looking ahead into 2010.

Contractor Demographics

The contractor group's most prevalent operating mode was through a Limited company with 78% of the respondents operating in this manner, whilst 13% operate through umbrella companies and the remainder are sole traders. 90% of the respondents have been contracting for more than one year, with 45% having been contracting for between one and 5 years and 45% for more than 5 years; 13% had left permanent employment to take up contracting during 2009.

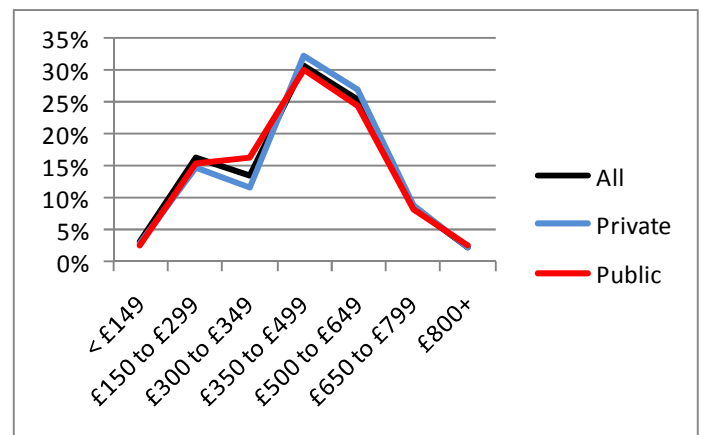
Contractor Rates

The tables and chart below shows the distribution of responses by rate achieved during 2009 from our contractors by sector and gender

Day Rate Achieved	All	Private	Public	Charity/NFP	Male	Female
< £149	3%	3%	3%	9%	3%	5%
£150 to £299	16%	15%	15%	55%	14%	26%
£300 to £349	13%	12%	16%	9%	15%	7%
£350 to £499	31%	32%	30%	9%	32%	26%
£500 to £649	25%	27%	25%	9%	24%	30%
£650 to £799	9%	9%	8%	9%	10%	5%
£800+	2%	2%	3%	0%	3%	2%

Contractor's Cross Section — % Respondents v Rate Achieved

When the contractor rates are compared to those of a year ago the most striking observation is the narrowing of differentials between the Private and Public sectors. This year we have seen at all levels the differential in distribution across the rate bands close; at the <£300 / day level a 5% differential has now closed to give equal distribution; in the £300 to £500 / day level the Private sector has dropped 3% whilst the Public Sector has risen 8%, and at the £500+ level the Private sector has only a 2% higher respondent rate.



Contractor Rates 2009 — % Respondents v Rate Achieved

Day Rate Achieved	All	Prog. Mgr	Change Mgr	Project Mgr	Support
< £149	3%	4%	0%	4%	3%
£150 to £299	16%	4%	4%	21%	30%
£300 to £349	13%	11%	3%	18%	13%
£350 to £499	31%	18%	24%	34%	37%
£500 to £649	25%	32%	42%	18%	17%
£650 to £799	9%	21%	24%	1%	0%
£800+	2%	11%	4%	2%	0%

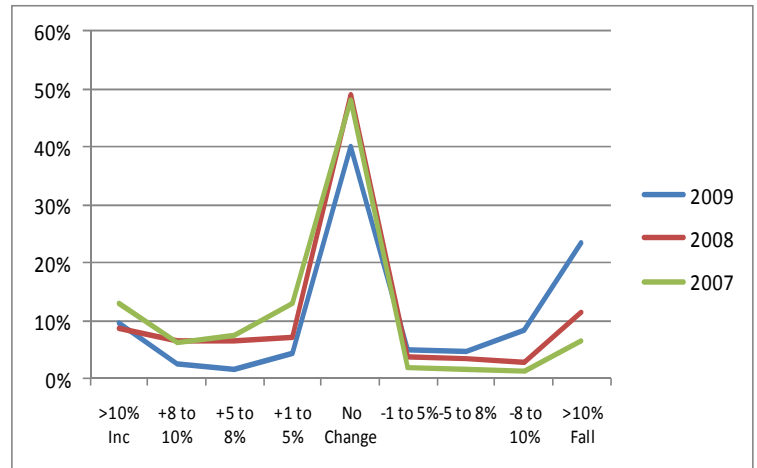
Contractor Rates by Role — % Respondents v Rate Achieved

Contractor Review

Challenging Times

The message from a high proportion of the contractors who responded to the survey is that 2009 was a very tough year, following on from a challenging year in 2008. One respondent went so far as to say it was the “worst for 35 years”.

As can be seen in the graph there has been pressure on contractor earnings during 2008 and 2009 against the baseline of 2007. Year on year we can see a drop in real terms. The numbers being able to maintain their day rate has steadily fallen whilst those taking a drop in rate has steadily increased. As for those that have been able to increase their rates we can also see that as a percentage they have fallen away over the same period.



Contractor—Remuneration Changes by Year

Availability of Contracts

One of the biggest challenges that contractors have been expressing for some time is the availability of opportunities. As can be seen in the table we have seen this reduction in real terms over the last three years. During 2009 78% of Private sector contractors reported decreased opportunity, with 15% indicating the market as stable compared with 66% and 23% respectively in the Public sector.

Viewing contract duration by sector the Public sector contractors reported 28% at 9 to 12 months and 30% at 3 to 6 months compared to 18% and 40% for Private sector contractors.

In terms of a starting position for 2010 Private sector contractors reported 50% with no contract 18% with less than three months and 22% with three to six months, compared to 34%, 24% and 34% for Public sector contractors.

During the year contract availability			
	2009	2008	2007
Decreased	63%	46%	24%
Stable	18%	35%	43%
Increased	8%	8%	21%
During the year typical contract length was:			
	2009	2008	2007
1 to 3 Months	23%	19%	17%
3 to 6 Months	35%	34%	35%
6 to 9 Months	19%	22%	23%
9 to 12 Months	22%	25%	24%
I am starting the year with:			
	2010	2009	2008
No Contract	44%	41%	31%
< 3 Months	20%	22%	24%
3 to 6 Months	26%	25%	30%
> 6 Months	10%	11%	15%

Contract Availability By Year

Challenges

Unsurprisingly the contractor community suggested 2010's primary challenges as:

- Lack of opportunity
- Falling rates and standard of living
- Increased competition for the available opportunities
- Threat of cuts in Government spending during 2010

Employee Review

The following section reviews the Employee responses to questions about their roles during 2009 and looking ahead into 2010.

Employee Demographics

Permanent employees have seen a slight drop in this year's response moving down 3% from a consistent 87% over the last three years. During 2009 we also saw a drop in the number of workers engaged as Temps, also down 3% from 5%. Making up the gap we see an increase of workers who are being engaged on Fixed Term Contracts to 13%. This change will be one to monitor over the coming years to see if this trend continues once recessionary times are over. We have seen a number of organisations both Public and Private taking fixed term employees where traditionally they may have taken a Temp or a Contractor. Over the year we have also seen a slight increase in the number of contractors moving back to be employees, up 1.5% to 7%.

Employee Base Salary

The tables and chart below shows the distribution of responses by rate achieved during 2009 from our contractors by sector and gender

Salary Achieved	All	Private	Public	Charity/NFP	Prog. Mgr	Change Mgr	Project Mgr	Support
Under £20K	3%	3%	2%	9%	0%	0%	3%	9%
£20 to £30K	11%	10%	10%	17%	1%	9%	13%	19%
£30 to £35K	11%	8%	16%	17%	1%	18%	13%	16%
£35 to £50K	37%	34%	42%	48%	25%	30%	44%	33%
£50 to £65K	21%	26%	15%	4%	32%	21%	18%	17%
£65 to £80K	12%	13%	10%	0%	27%	18%	7%	2%
£80 to £100K	4%	5%	4%	0%	12%	3%	2%	2%
> £100K	1%	1%	1%	4%	2%	0%	0%	3%

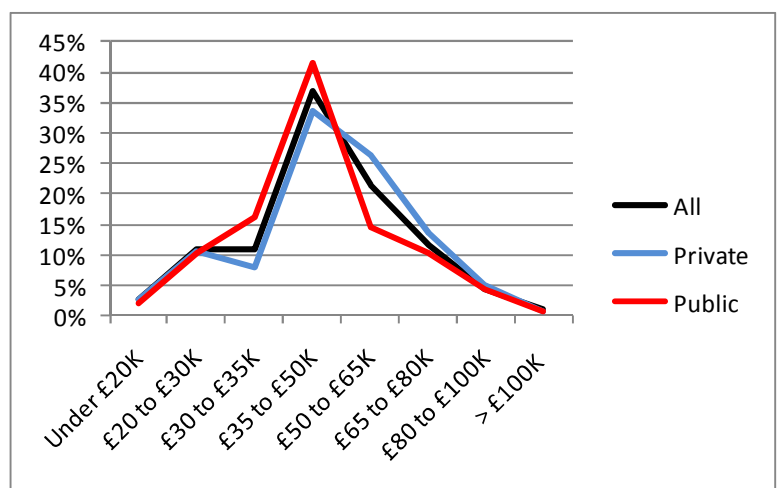
Employee Base Salary 2009 — % Respondents v Salary Achieved

When the employee salaries are compared to those of a year ago the most striking observation is the acceleration of the Public sector compared to a neutral position for the Private sector.

At the £35K to £65K the Public sector respondents have risen to 57% from 46% last year where the Private sector has remained constant at 60%.

At the over £65K levels we have seen both Private and Public sector rise by 4% to 19% and 15% respectively.

It is noticeable that there are fewer respondents at the lower salary levels overall though we have been unable to ascertain if this is because there has been fewer entry level roles available, or they have been cut back during 2009.



Employee Base Salary 2009 — % Respondents v Salary Achieved

Employee Review

Benefits and Bonus.

As can be seen in the two graphics the employees who responded to the survey had a wide spread of Benefits and Bonus when viewed as a percentage of base salary.

The trend for both Benefits and Bonus show a slightly negative move by a couple of percentage points when viewed against the 2008 data.

In terms of benefits the Private sector respondents reported higher levels of receipt than their peers in the Public sector. 66% of respondents indicated some level of benefit against 34% in the Public sector (Note! Pensions and additional holidays are not included in the benefit calculation)

It would appear that performance based bonuses for PPM practitioners are still more prevalent in the Private sector than the Public sector with 52% versus 27% respectively reporting their receipt.

Job Changes

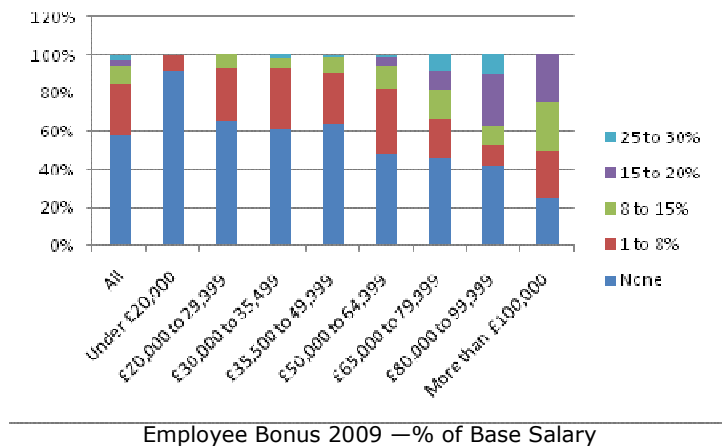
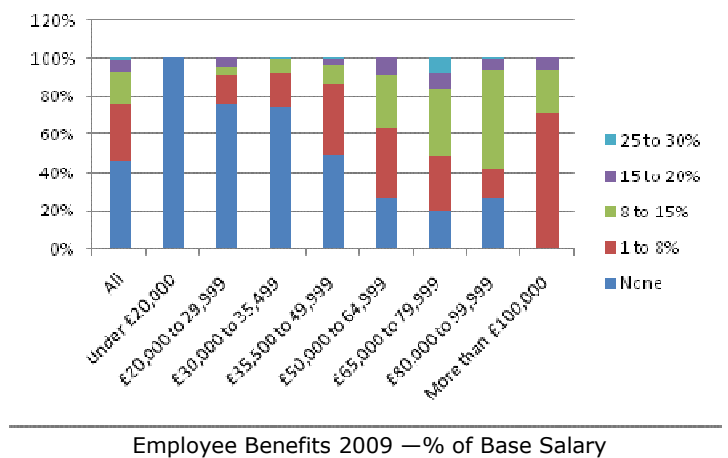
From the data provided, the number of employees changing jobs during 2009 fell by 10% based on the 2008 returns. Of the 29% that did change employer 36% reported that this was due to being made redundant, 40% moved for better packages or prospects with the remainder making lifestyle choices. Like the contractor population the employees also reported that there was a significant decrease in available opportunities during 2009, 56% saw this decrease, a figure that is up from 27% in 2008.

Employee Outlook

Employees who responded to the survey suggest that 72% are open to a new challenge in 2010 which is slightly up on the 2008 response. Of this 25% are open to a change but not pushing, 36% are looking to change employer and surprisingly 11% are looking to move in to the contracting market!

The primary challenges for 2010 identified by the employees were unsurprisingly:

- Keeping my job / finding a new one
- Maintaining morale and motivation
- Fiscally related



Remuneration Trends

The following pages take remuneration data collected from the last three Arras People surveys. From this we have been able to plot the trends in remuneration for the Programme Management community for the years 2007,2008 and 2009.

Roles covered on these pages are:

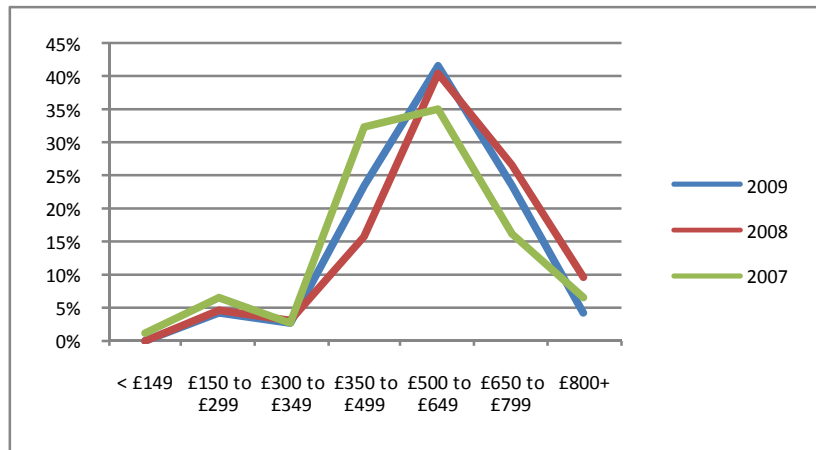
- Programme Manager
- Change Manager
- Project Manager
- PMO & Support

For each role we are able to plot the trends for;

- Contractor Rates
- Employee Base Salaries
- Employee Bonus Payments

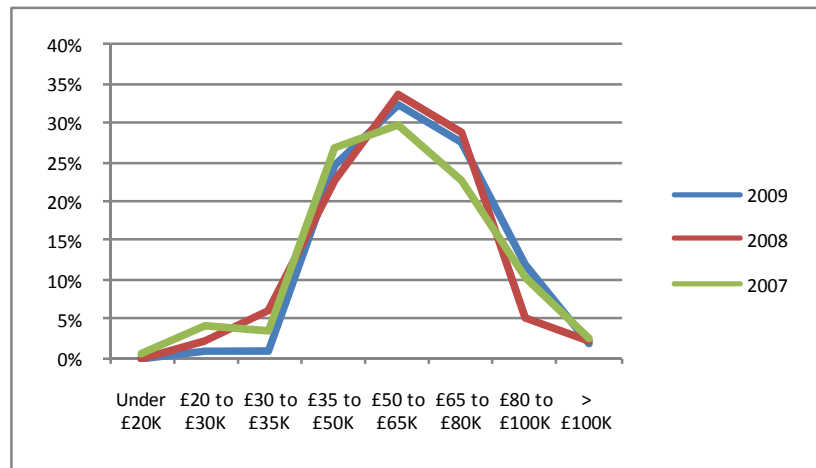
Taking data from the last three Arras People Project Management surveys the trends in remuneration for the Programme Management community for the years 2007, 2008 and 2009 are shown below. The figures show movements in distribution for Contractor rates, Employee base salary and Employee Bonus payment over the period.

Contractor Day Rate



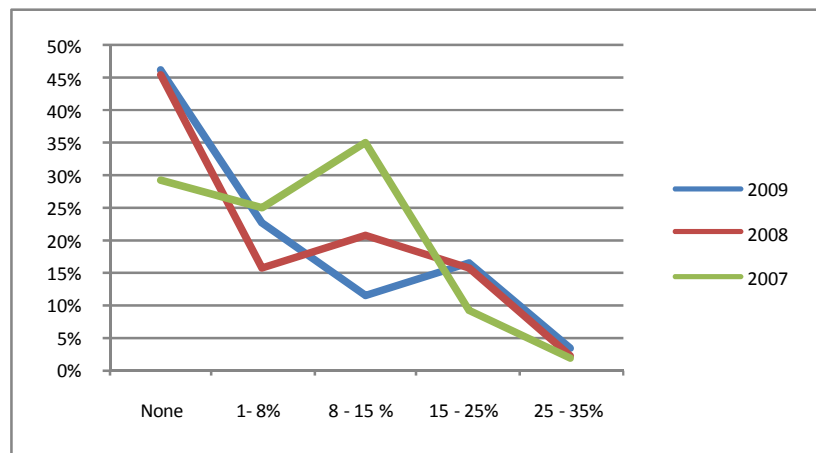
Contract Programme Manager — Day Rate Achieved 2007—2009

Employee Salaries



Employed Programme Manager — Base Salary Achieved 2007—2009

Employee Bonus (as a % of Base Salary)

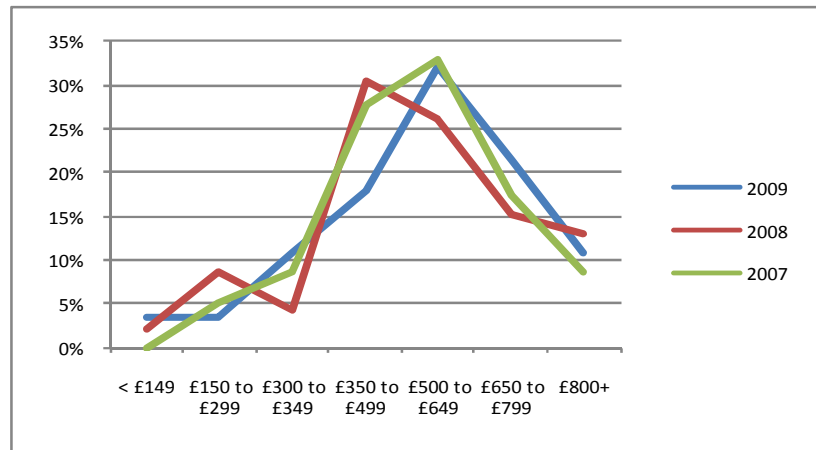


Employed Programme Manager — Bonus Payments 2007—2009

Change Manager Trends

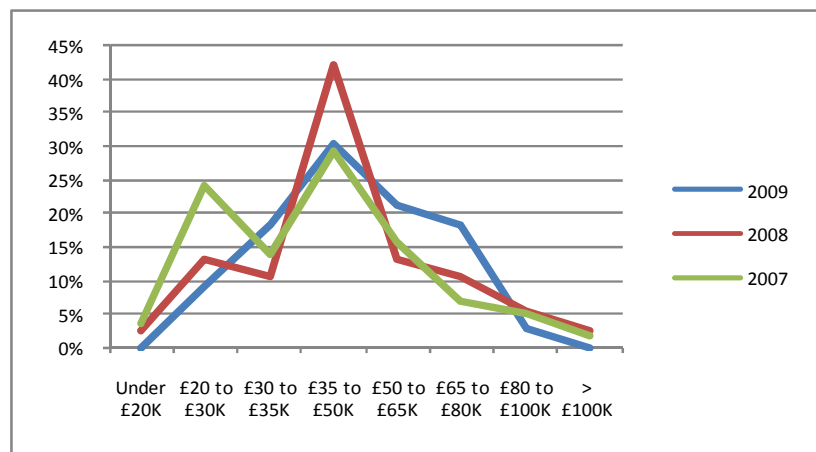
Taking data from the last three Arras People Project Management surveys the trends in remuneration for the Change Management community for the years 2007, 2008 and 2009 are shown below. The figures show movements in distribution for Contractor rates, Employee base salary and Employee Bonus payment over the period.

Contractor Day Rate



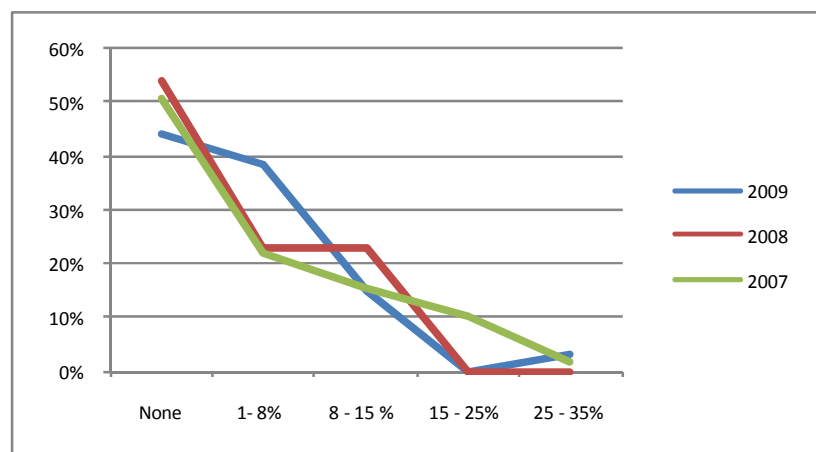
Contract Change Manager — Rate Achieved 2007—2009

Employee Salaries



Employed Change Manager — Base Salary Achieved 2007—2009

Employee Bonus (as a % of Base Salary)

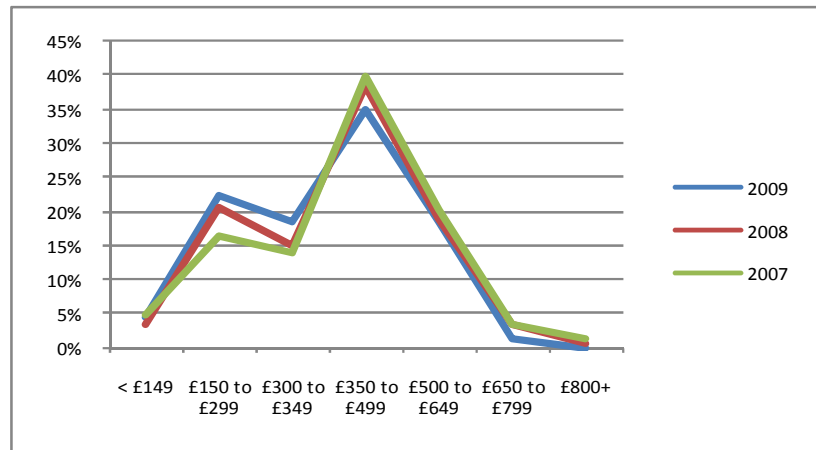


Employed Change Manager — Bonus Payments 2007—2009

Project Manager Trends

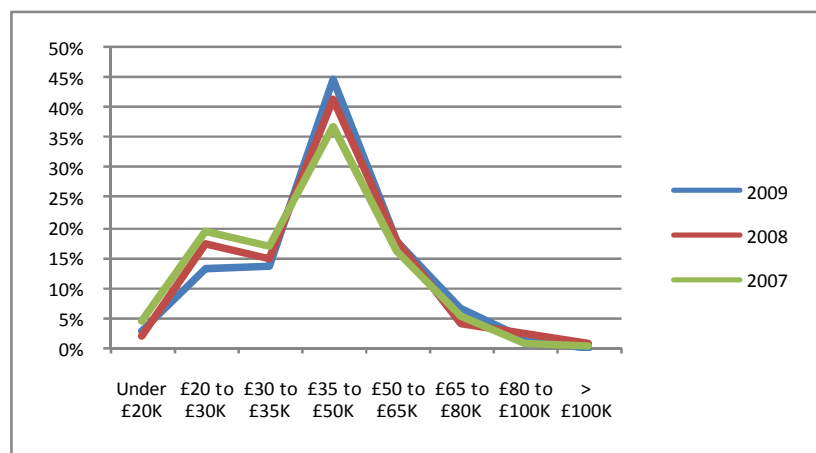
Taking data from the last three Arras People Project Management surveys the trends in remuneration for the Project Management community for the years 2007, 2008 and 2009 are shown below. The figures show movements in distribution for Contractor rates, Employee base salary and Employee Bonus payment over the period.

Contractor Day Rate



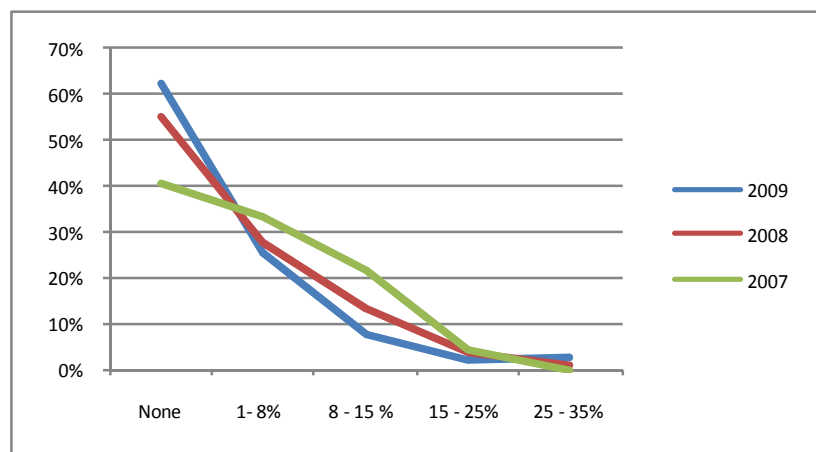
Contract Project Manager — Rate Achieved 2007—2009

Employee Salaries



Employed Project Manager — Base Salary Achieved 2007—2009

Employee Bonus (as a % of Base Salary)

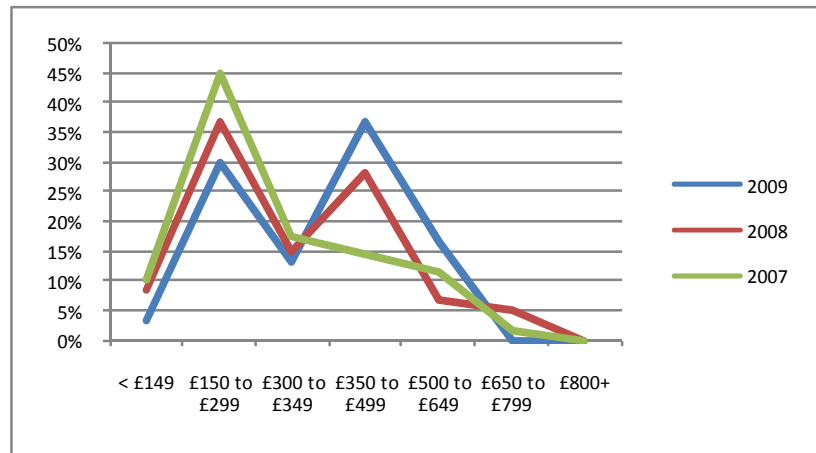


Employed Project Manager — Bonus Payments 2007—2009

PMO & Support Trends

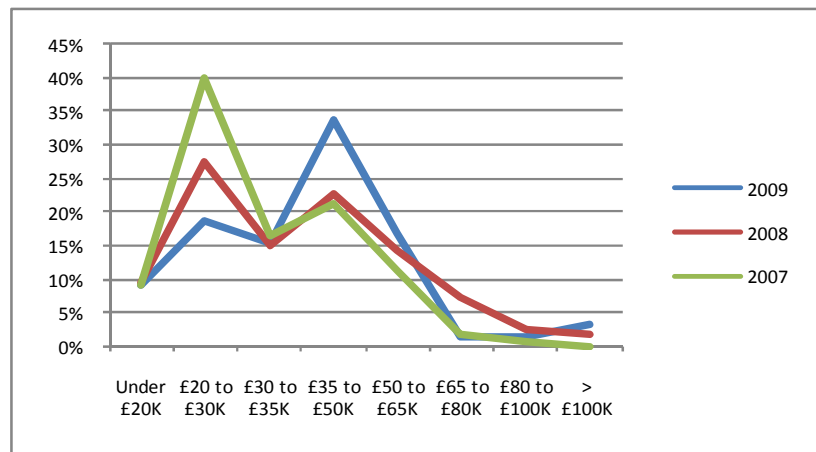
Taking data from the last three Arras People Project Management surveys the trends in remuneration for the PMO & Support community for the years 2007, 2008 and 2009 are shown below. The figures show movements in distribution for Contractor rates, Employee base salary and Employee Bonus payment over the period.

Contractor Day Rate



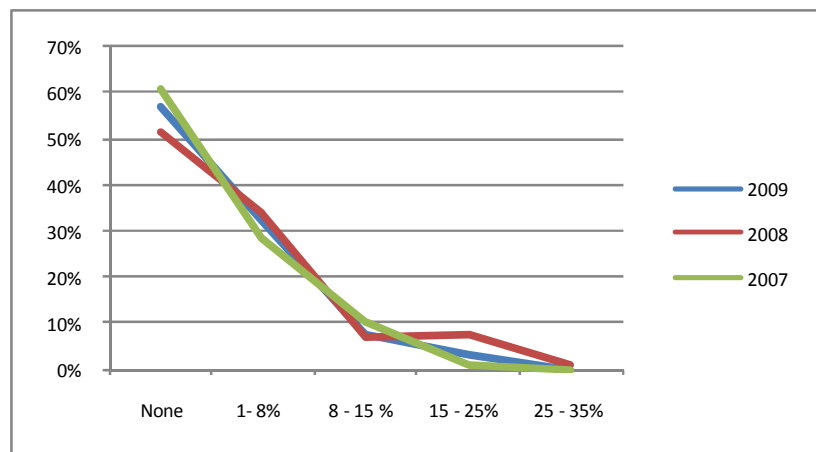
Contract PMO & Support — Rate Achieved 2007—2009

Employee Salaries



Employed PMO & Support — Base Salary Achieved 2007—2009

Employee Bonus (as a % of Base Salary)



Employed PMO & Support — Bonus Payments 2007—2009

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