

Salary Survey

A report by:



Acre

acona

ethical performance





Foreword and introduction



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Education, qualifications and career history



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For more information about the CR Salary Survey 2012, please go to www.crsalariesurvey.com or email us at: Vic.Moutrey@flag.co.uk, paul.burke@acona.co.uk, annabel.buchan@acona.co.uk, Andy@acre-resources.com or editor@ethicalperformance.com



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This fourth CR and Sustainability Salary Survey is an example of the kind of collaborative behaviour that we're going to see a lot more of in the years to come.

Organised by four SMEs, it has been completed by professionals in all sectors of the economy, companies, NGOs, charities and start-ups. These people believe that sharing information on key environmental and social issues is a win-win.

The report contains some illuminating findings. An extraordinary 80% of respondents consider themselves satisfied with their jobs, which goes to show that people who are working with social purpose get satisfaction beyond their salary. Companies with strong sustainability programmes are more likely to have happy, productive workforces, which should in turn translate into satisfied customers.

That has certainly been our experience at Telefónica UK – better known to you through its commercial brand O2. We measure the benefits of our Think Big programme and, for example, around 8 in 10 of our people state that they feel more positive about Telefónica UK as a result of this comprehensive sustainability initiative. We've also found that linked initiatives like flexible working drive better work-life balance and effectiveness – a recent pilot showed a 20% uplift in productivity.

One of the groups most affected by recession is the new generation of school leavers and graduates – individuals who our economy will be reliant upon over the coming years. It's the responsibility of business today to encourage and draw out the seeds of innovation and industry within this generation. This is a core focus of O2's youth programme: our objective to help 1 million young people to develop skills for life and lead community projects across the UK by 2015.

Within our own collaborative sustainability community we have a blend of passion for issues of ethics, mixed with a commercial understanding and innovative instinct that allows us to translate 'doing the right thing' into business success.

The road ahead calls for leaders with these qualities; capable of stripping apart deeply ingrained business conventions and reconstructing them in a form that's fit for a world with huge resource and social challenges.



Ronan Dunne
Chief Executive Officer
Telefónica UK



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The CR enterprise has never been an easy one to define, but its growth over the last 10 years has been striking, both in terms of the ambition of its aims and the number of personnel. Judging by this, the fourth CR Salary Survey, the sector is evolving and growing at a faster pace than ever in spite of the uncertain economic climate.

As was the case with the previous survey, in 2010, the results are taken from the responses of individual professionals in consultancies and in-house departments across the world.

This year's sample size of 847 is an increase of 42% on the 2010 survey, and has already enabled us to increase the clarity of the snapshot that we can provide. We hope this increasing trend will continue in future years so we can obtain a clearer picture of the sector beyond Europe and North America, and extend the topics that we can analyse.

As usual, the report's narrative is supplemented by commentaries from significant industry figures, and we thank them for their time in giving us their perspective. Most of all, however, we would like to thank the ranks of CR practitioners who completed the survey.

For further information on Acre, Acona, Ethical Performance and Flag, please turn to page 34.

Result highlights

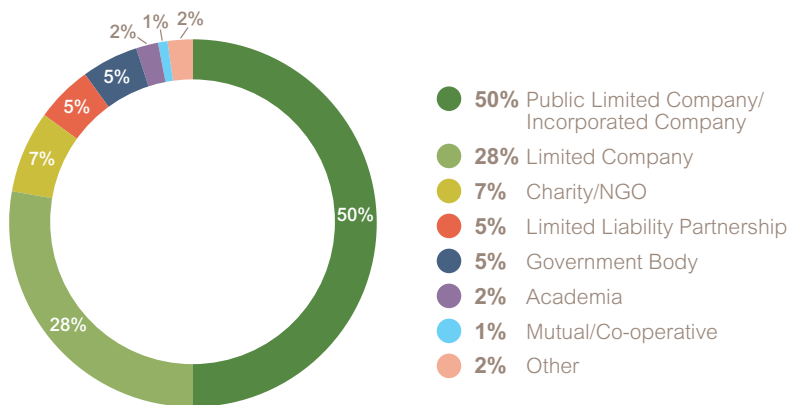
- In-house employees make up three-quarters of this survey's sample, with consultants making up the remaining quarter.
- This year saw more respondents from NGOs and government bodies.
- The number of CR professionals continues to rise, showing the buoyancy of the sector.
- Women, though still in the majority, are losing their dominant position within the CSR workforce.
- Average salaries are continuing their rising trend.
- Consultants are, on average, paid less than in-house staff members, both in terms of core salaries and bonuses.
- CR professionals are generally well educated, and are increasingly holding postgraduate degrees and professional qualifications.
- Sustainability has become an increasingly leading role in the CSR agenda.
- CSR professionals overwhelmingly remain happy with their work and would recommend a career in the sector.

The sample

A total of 847 people completed this year's survey, up from 595 in 2010, and they can be divided into two main groups: in-house employees, who make up 74% of respondents, and consultants, who make up the remaining 26%. This split is broadly similar to what we have seen over the last two surveys.

This year, we have seen a marked increase in the number of respondents from charities, non-governmental organisations and government bodies, and so respondents from companies make up a smaller proportion of the sample.

Participants by organisation type



847

respondents (595 in 2010)

74%

described themselves as working in-house, 26% as consultants – very similar split to the previous survey

The highest percentage of in-house respondents work in the Banking and Finance (14%) and Consumer Goods (11%) sectors, followed by Retailing (10%) and, for the first time, Natural Resources (10%) in equal third place. The Natural Resources sector has continued its rising trend since the first survey in 2007. Retailing also showed a small increase, by one percentage point since 2010, while Consumer Goods fell four points.

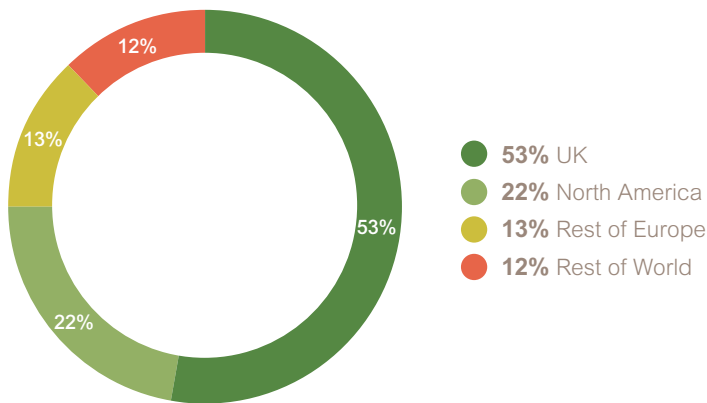
Permanent full-time employees make up 95% of this year's respondents, with 5% employed as a contractor or on an interim basis, and 4% as permanent part-time staff. The vast majority of part-time staff (87%) were female, an increase on 2010 levels, while consultancies continue to operate with higher levels of contractor/interim staff (11%) compared with those working in-house (3%).

The sample

The first two surveys were exclusively UK affairs, but this changed in 2010. However, though the overall distribution of respondents is similar to 2010, this year's results reflect subtle changes from the previous survey. On a much larger sample, the proportion of respondents from the UK increased to 53% (from 46% in 2010), with a decline in the proportion from North America and the Rest of Europe (both down three percentage points to 22% and 13% respectively).

As in 2010, the Rest of the World category takes in Africa, South America, Asia and Australasia – a very diverse range of regions. When the number of respondents from these regions has grown sufficiently, we intend to divide the Rest of the World category into more useful categories. However, this year the proportion of completed questionnaires from this category actually declined very slightly to 12%, a trend we wish to reverse in future years, perhaps by working with partner organisations outside the UK.

Respondents by location



Globally, the dominance of women as a proportion of the total CR/sustainability (CR/S) workforce appears to be on the decline, with a 52% to 48% split in their favour against men this year, against a 56/44 split in 2010. This decline is particularly marked in consultancies, where women now make up just 47% of staff, down five points from 2010. Women still form the majority (54%) of in-house employees, but even this figure represents a decline of three points on 2010.

However, though this appears to be a trend, past survey results would suggest caution. The first two surveys, in 2007 and 2008/09 respectively, showed a fairly even split (51/49) followed by a significant shift in favour of women (62/38).



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Salary trends are a critical indicator of where the sector is headed and, to add some clarity, we have converted all non-UK salary ranges into pounds sterling, using the prevailing exchange rates as listed by xe.com on 18 May 2012.

The rates used are as follows:

Currency	GBP
1.00 CHF	0.67
1.00 AUD	0.63
1.00 EUR	0.80
1.00 USD	0.63

Before we delve into this section's findings, it is important to be aware of the data's limitations when attempting to compare remuneration levels by region.

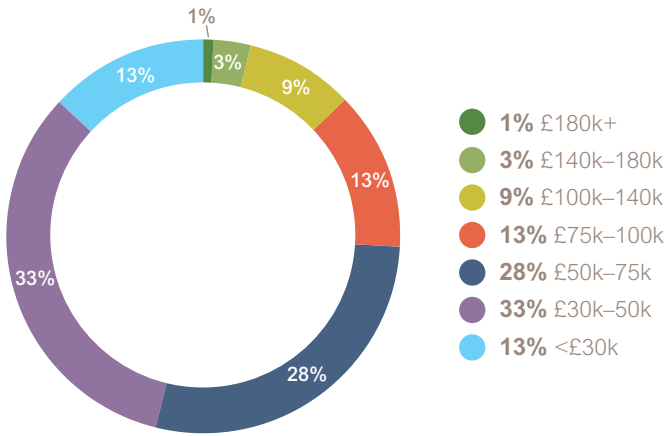
To start with, data of this nature can easily be affected when a relatively small number of outliers – very high or very low salaries or bonuses – distorts the averages.

More importantly, exchange rates vary over time, which obviously makes comparisons difficult. Looking back at the rates that prevailed at the time of the last survey, while the pound/US dollar values have remained broadly the same, the pound has risen in value by 8% against the euro but fallen by 12% against the Australian dollar and Swiss franc. In addition to these exchange rate fluctuations, it must also be remembered that the headline figures for each region do not reflect cost of living variations across national economies. In other words, the purchasing power of sterling in one country or region cannot be reliably compared with its purchasing power in another, further compounding the difficulties of cross-region comparisons. Additional payment arrangements, such as bonus rates, which are specific to particular countries, further complicate the issue.

Thirdly, due to the relatively small number of responses from outside North America and Europe, it has not been possible to provide averages for the other regions. We did consider including a Rest of the World category but felt, on balance, that the widely varying salary levels in the various regions making up this grouping would make the results misleading. Again, we hope that higher levels of participation from these areas in future surveys will allow us to include regional average salaries and bonuses for South America, Africa, Australasia and Asia. Where possible, we have also looked at the percentage of respondents working in each sector and how this varied across regions.

Remuneration

Overall salary distribution



Overall, average salaries are defying economic uncertainties and continuing the rising trend of previous surveys. For instance, the average (mean) salary in the UK, for which we have three surveys' worth of figures, was £56,360 – against £54,560 in 2010 and £49,600 in 2008/09. In the survey as a whole, the proportion earning more than £80,000 has also risen to 24% – against 17% in 2010. In the UK, while the number of those earning more than £80,000 has remained constant at 17%, the average salary for respondents in this group rose by £5,000 to £110,500, which was slightly higher than the overall average percentage salary increase.

However, if we are taking the headline averages as our measure, the UK is actually at the bottom of the CR regions' pay league. The Rest of Europe has overtaken North America as the highest-paid region with average earnings of £69,000, with North America on £68,010, followed by the Rest of the World (£66,900) and then, finally, the UK.

As in previous surveys, a small number of people fall into the highest salary range, with 4% of respondents being paid £140,000 or more. These individuals are overwhelmingly based in Europe and North America and work in-house for major companies (i.e. with more than 1,000 employees).



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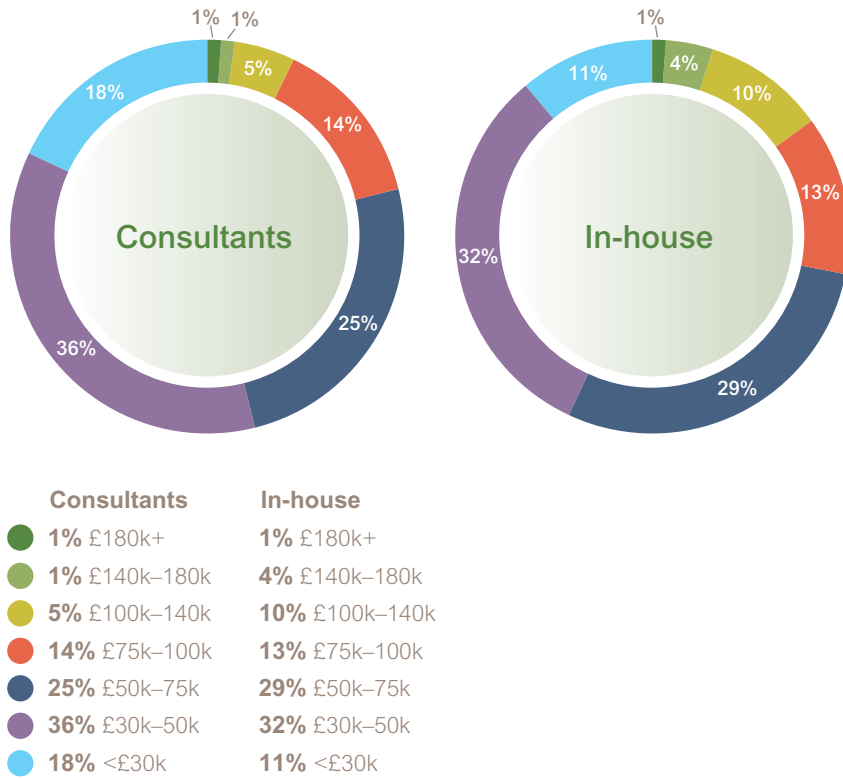
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Salary distribution by organisation type



Median (middle) salaries lower end of

£50k–70k range

Mode (most common) salary value

£30k–50k

Consultants, meanwhile, are paid less than their in-house counterparts by, on average, £9,000 – a similar pay gap to that seen in 2010. Just under a fifth (18%) of consultants are paid less than £30,000 compared with a tenth (11%) of in-house staff. Just over half of consultants (54%) earn less than £50,000 compared with 43% of their in-house counterparts, while only 12% earn more than £80,000 compared with 17% in the UK overall.

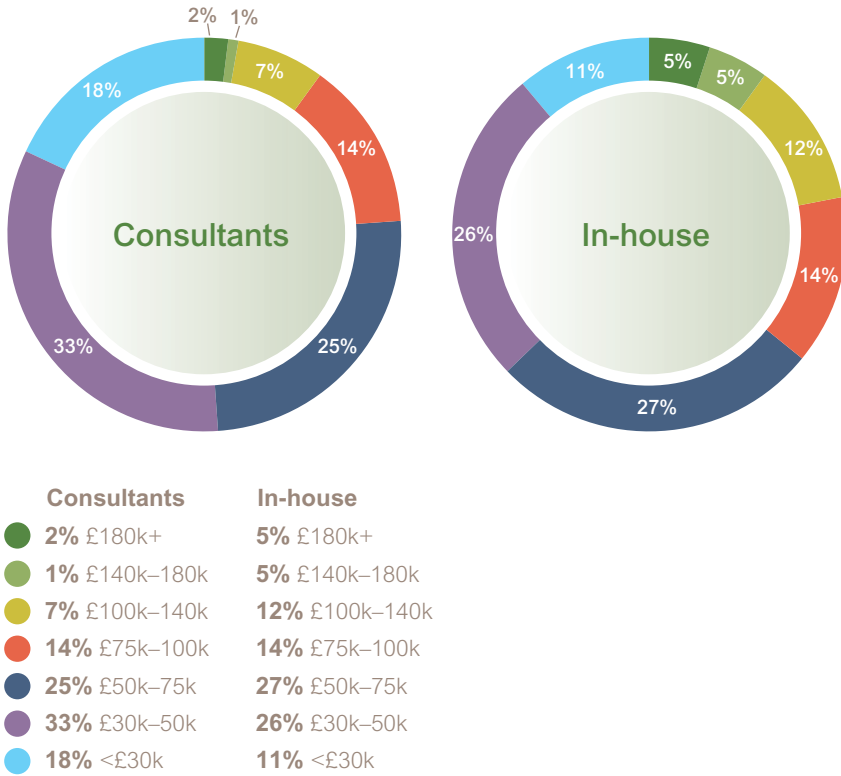
Indeed, consultants on average earn less than their in-house colleagues across all regions, with the most pronounced disparity found in the Rest of Europe. Consultants get closest to bridging the gap in North America.

As before, the highest in-house salaries are concentrated in the largest companies (by number of employees) and among those who have the most generous budgets. However, this year's survey suggests there is not a strong correlation between high salaries and the size of the CR team: respondents earning more than £75,000 were fairly evenly spread among teams of all sizes, ranging from one to three to 50-plus.

For consultants, there also continues to be no relationship between team size and pay, and we suspect the real determinant of consultants' salaries – particularly at the most senior levels – is profitability, as well as how much of an equity stake they have in the company and/or how much business they have generated.

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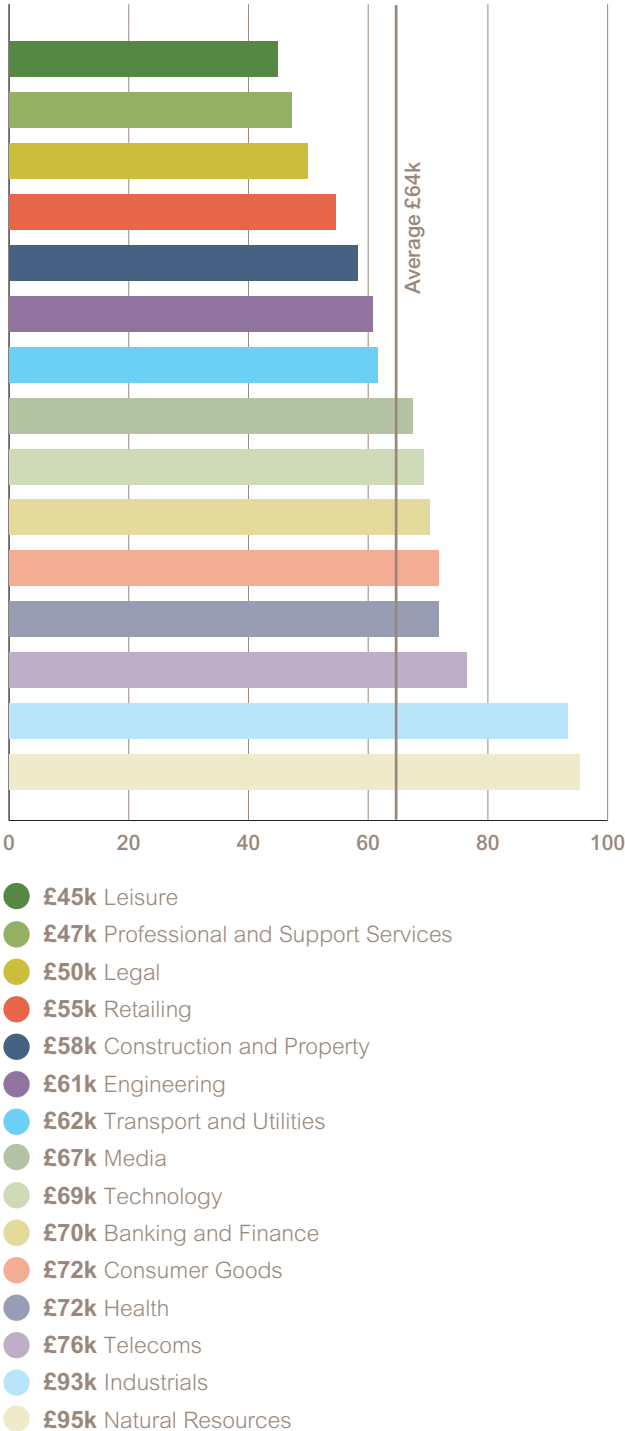
Total remuneration by organisation type



The earlier chart shows that the same percentage of consultants and in-house employees receive salaries above £180,000. But comparing total remuneration, taking bonuses into account, we find that more in-house employees are at the higher end of the earning spectrum, with 5% receiving £180,000 or more compared with 2% of consultants. Adding substantial bonuses to existing base salaries seems to be more common in-house.

Remuneration

Average in-house salaries by sector



Charlotte Wolff
General Manager
Corporate Responsibility
ArcelorMittal

“In the natural resources and industrial sectors, sustainability leadership is essential. These sectors deal with big issues and are expected to leave a strong legacy of economic growth and social change.

Roles touching on the social, environmental and ethical sphere intrinsically affect the company’s ability to operate and thus employers look for seasoned professionals with a strong track record of relevant field experience, international exposure and a good knowledge of how to implement international standards under challenging circumstances.

Some roles may include oversight of health and safety and environmental remediation – and may require hands-on work at the industrial site. Such technical roles require high levels of specialisation. These are undoubtedly some of the reasons why the salary figures are higher compared to some other sectors.”

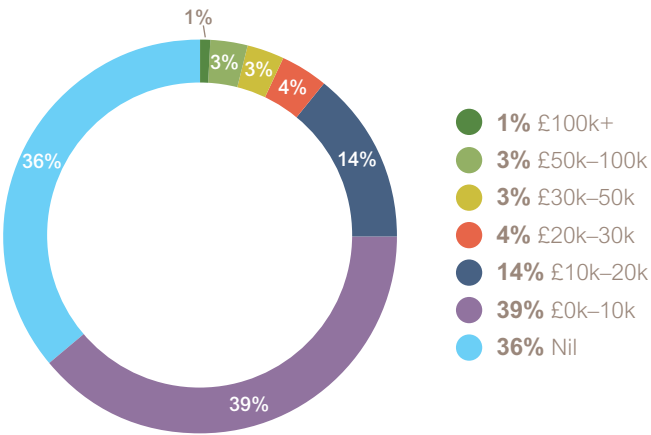
Given past results, it shouldn’t be a surprise that average salaries vary by sector. However, this year’s sectoral pay league has new leaders. CR professionals working in the Natural Resources and Industrials sectors have overtaken the 2010 leaders in the Construction and Property and Technology sectors in terms of the highest pay. This year’s definition of Technology no longer includes Telecoms, but despite the small sample size, we are still able to conclude that salaries in the

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Technology sector have fallen. Those working in Banking and Finance have also reported relatively low salaries again this year, and are placed sixth in the table. We suspect this is a reflection of the uncertain economic environment the sector has faced since the financial crash.

Bonuses

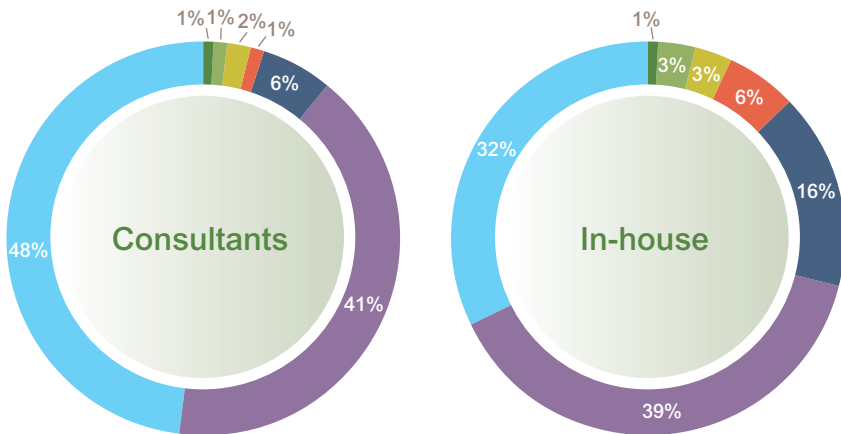
Overall bonus distribution



As in 2010, more than one third (36%) of respondents worldwide received no bonus in the last 12 months, and nearly 90% received a bonus of less than £20,000.

For those receiving bonuses of more than £50,000, just under a third (30%) work in the Banking and Finance sector, and again for large companies.

Bonus distribution by organisation type



Consultants		In-house	
1%	£100k+	1%	£100k+
1%	£50k-100k	3%	£50k-100k
2%	£30k-50k	3%	£30k-50k
1%	£20k-30k	6%	£20k-30k
6%	£10k-20k	16%	£10k-20k
41%	£0k-10k	39%	£0k-10k
48%	Nil	32%	Nil



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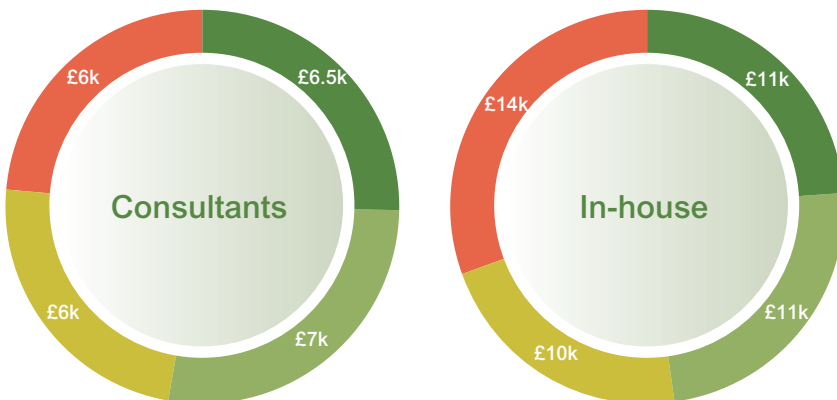
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A theme continued from previous surveys is the pay gap between consultants and their in-house counterparts. As in 2010 and before, this year's data shows that their comparatively low pay is not offset by bonuses and that just under half of all consultants receive no bonus at all. However, for both consultancies and in-house CR professionals, those on higher earnings are more likely to receive bonuses.

Average bonus level by salary band (all respondents)

	Overall	Consultants	In-house
<£50k	£1.8k	£1.5k	£2k
£50–100k	£8k	£5k	£9k
£100–180k	£28k	£12k	£31k
£180k+	£56k	£39k	£63k

Average bonus level by region and organisation type (of those that do receive bonuses)



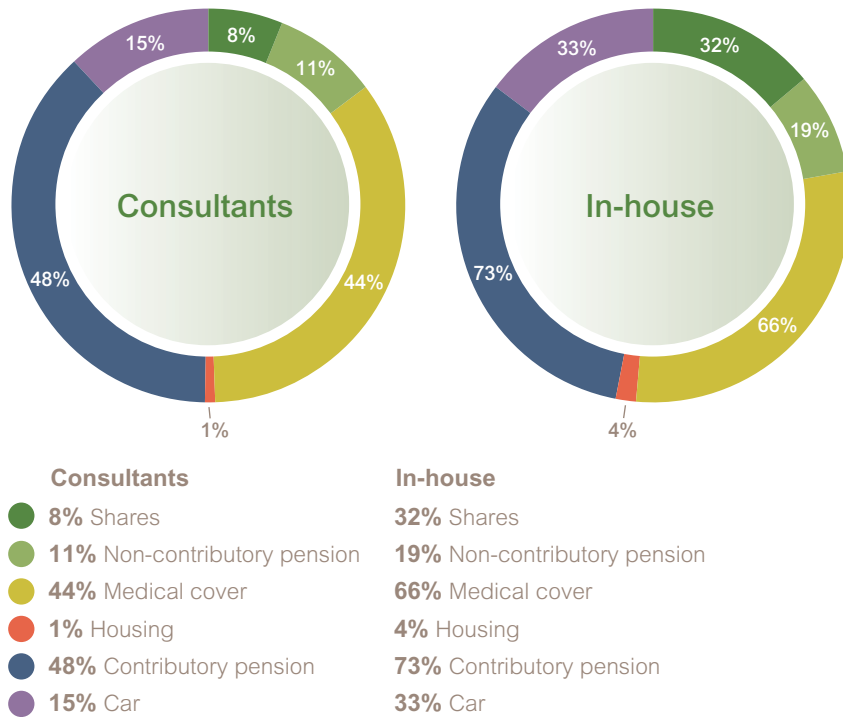
Consultants	In-house
● £6.5k Rest of World	● £11k Rest of World
● £7k North America	● £11k North America
● £6k UK	● £10k UK
● £6k Rest of Europe	● £14k Rest of Europe

Consultants receive a lower average bonus than in-house staff in every salary band and region. While consultants receive the highest average bonus in North America, the narrowest gap between them and their in-house colleagues was found in the UK.

The largest bonus gap was found in the Rest of Europe, the region with the smallest salary differential in 2010.

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Benefit distribution by organisation type



In addition to their higher pay levels, in-house CR professionals also receive more generous benefits than consultants in every category. However, companies generally place some responsibility for pension provision on their employees, with contributory pensions topping the benefits table, being available to nearly three-quarters (73%) of in-house employees and just under half (48%) of consultants. This position has remained broadly unchanged over the last two years.

Medical cover retained its position as the second most common benefit from 2010.

Generic role descriptions

One of the main motivations behind our first UK survey in 2007 was to try to establish benchmark salaries for different roles across the sector. Yet, at the same time, we were aware that the survey was not – nor could ever be – a medium for capturing detailed and objective job evaluation information for each participant’s role. The subtle differences in job titles makes it almost impossible to know if a ‘CR Manager’ performs the same role as a ‘Manager, CR’. Perhaps more importantly, the broad nature of CR and sustainability is such that even when people have the same job titles and appear to undertake the same tasks, there is still no certainty as to how far their responsibilities are actually comparable.

Aside from these obstacles, we identified a number of generic roles, based on our own understanding of corporate and consultant roles, both for in-house staff and consultants and analysed the data to suggest what each would receive by way of salary and bonus. This analysis has been repeated for the current survey. We have also provided composite descriptions of the educational qualifications, career histories and other personal characteristics that would most likely attach to these roles.



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In-house (large companies with more than 1,000 staff)

Director/Head

This is the most senior CR/S person in the organisation and earns on average £96,000 (though it is important to note that many receive salaries significantly in excess of this figure). The individual is more likely to be male than female. They will have been in full-time employment for 15–20 years and will control an annual budget of £500,000 to £1m. There is a 50% chance that this job is their first role in CR/S. They usually have a first degree, although only rarely in a CR-related discipline. Just under a third (30%) of the most senior CR/S professionals in the organisation report directly to the company CEO, Chairman and/or Board of Directors.

Manager

Managers earn on average £72,000 and control an annual budget of £200,000. People in this role will report to a more senior individual who has a specific and overarching responsibility for CR/S within the organisation. Managers are typically female graduates and may have a master's or other postgraduate degree. Their postgraduate degree is more likely to be in a CR/S subject than an unrelated one. Typically, they have been in employment for 10–15 years.

Advisor/Analyst

This person sits in a larger team and reports to the Manager or Director/Head described above. Advisors are more likely to be female graduates with on average 10 years in full-time employment. They are more likely than their Manager or Director to have a qualification in a CR-related discipline, which suggests a growing number of people within corporate roles are seeking to align their academic qualifications with their chosen career path, and also that it is becoming more and more necessary to hold a related qualification to work in the sector.

Assistant/Team member

This is a junior role that provides support to others within a team across a range of CR/S activity. Average pay is £22,000. The person is more likely to be female than male, and is equally likely to have a degree than not. This job is usually their first in CR/S, and although it is usually an entry-level job they may have been in full-time employment for some years.

Consultancies

Director/Partner

This could be a senior person in a CR/S team at a large consultancy of the owner/founder/director of a smaller consultancy. More likely to be male than female, this person earns on average a salary of £75,000 and controls a budget of between £200,000 to £500,000, although a fairly significant proportion (6%) control budgets of £1m and upwards. They are more likely than not to have a postgraduate qualification. The majority have previous experience in CR and have been working in the sector for at least five years.



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Senior consultant

Senior consultants typically have an in-depth knowledge of a particular CR/S subject. On average, they earn £46,000 and will have worked in the sector for five to 10 years. He or she is likely to have a postgraduate degree which will almost certainly be in a CR discipline.

Consultant/Analyst

This role is likely to be occupied by someone with less experience of CR/S and who works to support more senior colleagues. They are quite significantly more likely to be female than male, and will have either a first degree (usually in a non-CR/S discipline), a master's degree, or both.

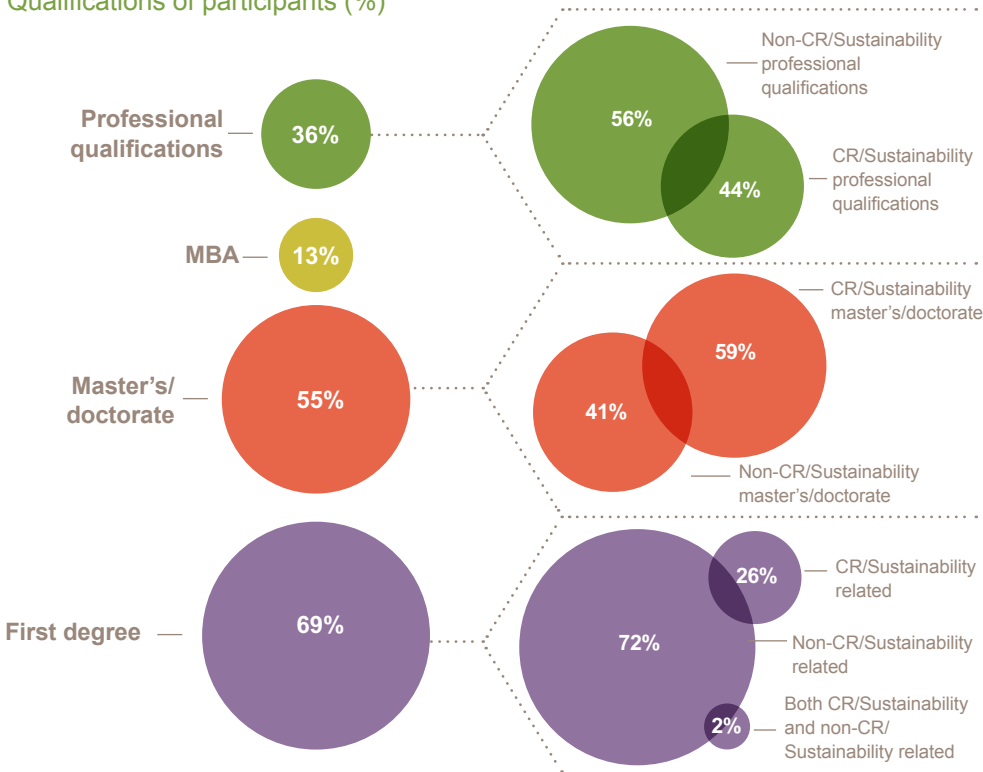
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The CR sector is characterised by well-educated professionals: nearly nine-tenths (88%) of respondents have a degree and/or postgraduate qualification. And, if anything, this is a slight increase on previous years.

More respondents (56%) hold professional qualifications in non-CR-related subjects than CR-related (44%), but the position is reversed for master's degrees and doctorates. In addition, 13% have a Master of Business Administration (MBA).

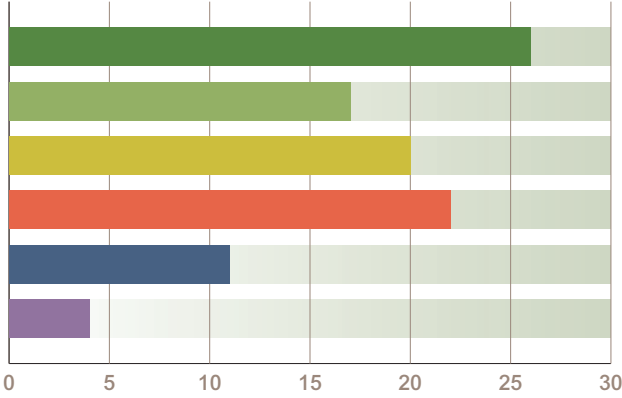
Respondents hold a wide range of professional qualifications, though the majority of these are related to environmental management.

Qualifications of participants (%)



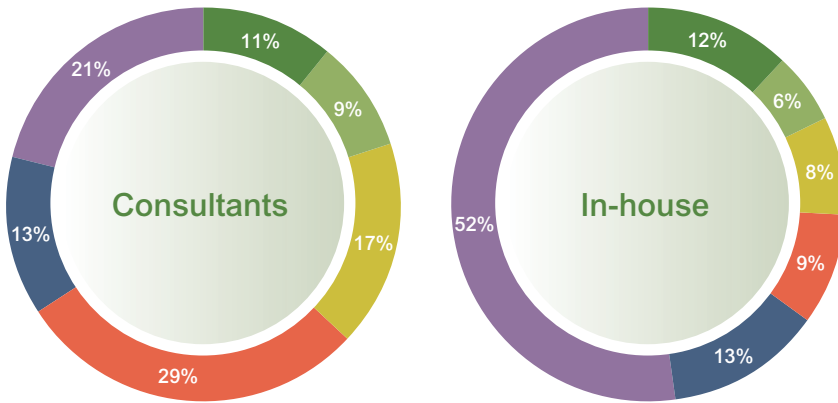
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Time in employment



- 26% 20 years +
- 17% 15–20 years
- 20% 10–15 years
- 22% 5–10 years
- 11% 2–5 years
- 4% Less than 2 years

Career switchers from previous jobs



- | | |
|-----------------------|----------------------|
| Consultants | In-house |
| ● 11% Other | ● 12% Other |
| ● 9% Academia | ● 6% Academia |
| ● 17% Government body | ● 8% Government body |
| ● 29% Consultancy | ● 9% Consultancy |
| ● 13% Charity/NGO | ● 13% Charity/NGO |
| ● 21% Corporate | ● 52% Corporate |



Jennie Galbraith
International
Sustainability Manager
British American Tobacco

“It’s of no surprise that ‘reporting’ as an activity has slipped down the agenda as we see compliance issues become less of a driver, and more businesses moving towards a holistic strategic approach.

This reflects our own experience at British American Tobacco, where we prefer to have a mix of sustainability specialists working alongside established staff who have a top-to-bottom knowledge of the business.

Sometimes these specialists are people with technical knowledge gained from working within the business, but without necessarily having an academic background in sustainability. Although both have their place, we take the view that the more generic sustainability knowledge can often be learnt on the job.

So it follows that the key aspect when looking at potential employees, is will they fit with this approach – do they have that commercial outlook and understanding of our operations – rather than someone who possesses an impressive knowledge of CR and sustainability, but perhaps doesn’t ‘get’ how a business operates.”



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For the vast majority of respondents (91%), their current role was not their first job. In fact, the average time in employment is 14 years, with more than half of this time (9.5 years) spent in CR/S. These figures are virtually unchanged from 2010.

This year's data does, however, confirm the growth of the CR/S sector. Around half of participants said they had worked in CR/S before their current job and, of those that moved into CR/S from outside the sector, just over half (56%) did so within the last four years.

As in 2010, the most frequent route for in-house employees into their current CR/S roles was via another corporate function and, for consultants, via another consultancy role.



Daniella Vega
Head of Corporate Responsibility
BSkyB

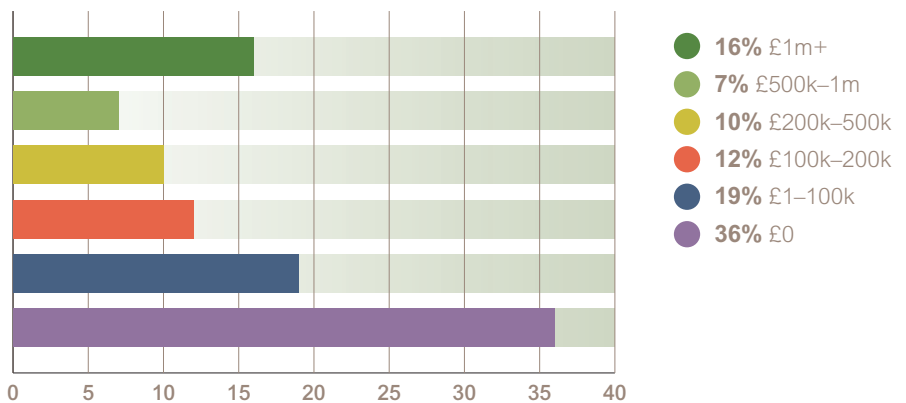
“The emerging generation of graduates has had a greater exposure to issues of environmental protection and social responsibility than ever before and are frequently aligning themselves to careers which allow them to participate in these activities or companies that reflect their values. In Sky's recent Future Leaders Study we discovered that 96% of such people planned on being involved with sustainability in their careers. This is a remarkable number and has great implications for how businesses will be run in the future. At Sky we look for graduates with the right attitude and recognise that doing the right thing in our day-to-day operations is core to how we do business and vital for building trust among our customers, employees, suppliers and the wider community.”

Companies

Respondents from in-house teams generally report high levels of executive management engagement with CR/S aims. Indeed, fewer than a tenth (7%) reported that their company’s executive management have a low or very low level of commitment to CR/S.

The levels of commitment are remarkably similar across regions, with the Rest of Europe slightly outperforming other regions, followed by the Rest of the World – though it’s important to remember that these figures are drawn from much smaller sample sizes compared with the UK. For all regions, more than 90% of respondents report at least a moderate level of commitment among executive management, with the majority – more than 60% – reporting high or very high levels.

Budgets



Dave Challis
 Director
 Global Sustainability,
 Environment, Health
 and Safety
 Reckitt Benckiser

“The momentum that the sustainability market is experiencing is driving the discipline both into the boardroom and into the key functions of most large businesses. Given the breadth of issues which lie under the banner of sustainability, this isn’t surprising.

In most large businesses the topic of carbon management has reached the office of the CFO because of the increased understanding of the commercial risk and opportunities from the topic. Furthermore, supply chain and procurement specialists are at an increasing advantage if they understand the environmental and social impacts that originate in their company’s supply chain. Marketing managers and product developers are also engaging with the sustainability function more than ever before.

When you consider that a number of internationally regarded CEOs are now actively aligning themselves and their businesses with sustainability, it’s easy to be excited about where our sector is heading over the coming years.”

Companies

More than a third of respondents have no budgetary responsibility, a slight increase on the 2010 survey. However, just under a fifth (16%) report that they manage budgets in excess of £1m. Of these, a third are paid salaries of £75,000 and over, a similar position to that seen in 2010.

Of those managing annual budgets of more than £1m, 15% spend most of their time working in Community Investment – and with an average budget of £870,000. This is well above the average for all sectors of £606,000.

If the comparatively high Community Investment budgets are removed from the equation – those who described their first or primary activity as Community Investment – the average budget falls to £577,700.



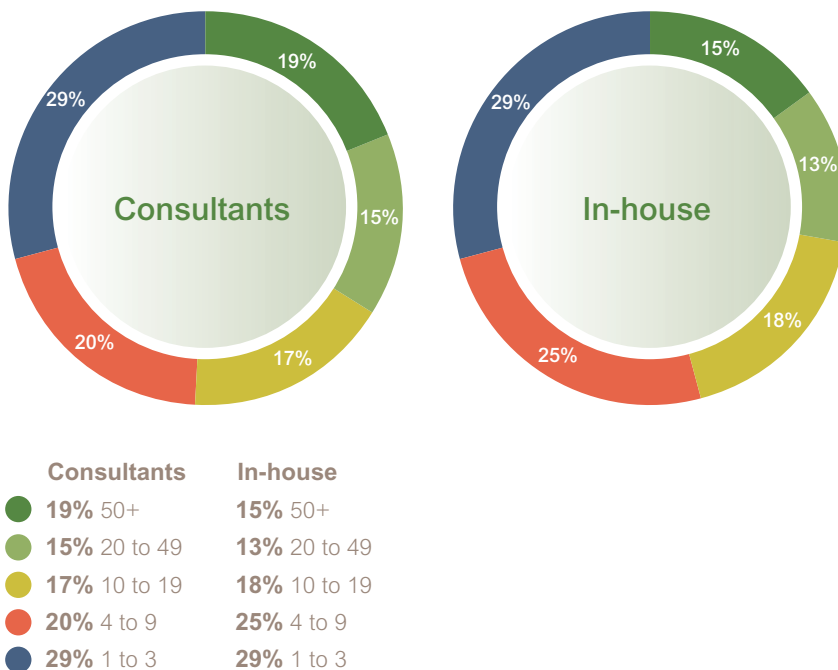
Ian Short
Chief Executive
Institute for Sustainability

“Recruiting for a small charity is definitely different from recruiting for private entities. Having had responsibility for large corporate recruitment functions in the past, it is clear that the criteria and approach were much simpler.

Charities need to look for people who are good at what they do, have a passion for the agenda, and really are team players. We ask our staff to do more for less. It isn't just the number of hours either; it includes the breadth of activity. Senior people are expected to juggle working with global sustainability leaders one minute, and help set up the new finance system the next.

The world of sustainability is an interesting place for the third sector at the moment. There's lots of pain in terms of budget cuts, but an increasing realisation from governments and corporates that delivering a sustainable planet and sustainable communities requires a level of collaboration well beyond anything they are able to deliver by themselves.”

Team sizes

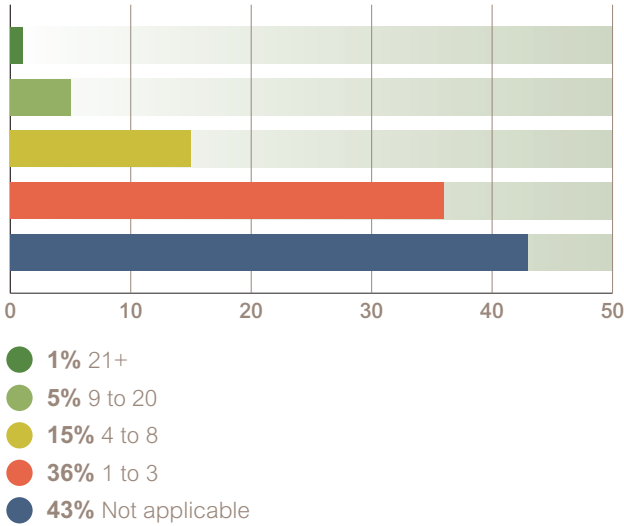


The data in this survey makes it difficult to reach conclusions on current team sizes by organisation. This year's figures suggest team sizes do not vary significantly by organisation type. Results from previous years have suggested that, on average, consultants work in larger teams, a surprising finding given the pressures of profitability and lower pay outlined elsewhere.

Just over a third of those respondents (35%) working in-house described their team as a stand-alone department within their company, while 28% said it fell within Corporate Affairs and a fifth (20%) under Marketing/Communications. Both of these figures represent an increase on the 2010 results.

Companies

Number of direct reports in-house



Just under half of in-house respondents said they have no staff directly reporting to them and only 6% had nine or more.



Daniel Botterill
CEO
Revise

“The first challenge in any start-up business is building a solid foundation comprising three core elements: a powerful idea, a source of funding and a strong execution plan.

We are developing a range of innovative sustainability software solutions and the development process can be both time consuming and expensive. In order to achieve our goals in a desirable timeframe, external funding was essential and the key to success was having a backable team. We therefore sought venture capital to get the idea off the ground and have successfully completed repeat funding rounds to make our idea a commercial reality.

As a start-up, recruitment can be challenging and it’s really important to get the balance right between hiring innovators and starter-finishers. To attract the best people, and engage them with the company’s medium- and long-term plans, we use creative forms of incentivisation such as share options. I believe that the biggest incentive is actually loving your job and where you work, feeling part of the plan, and being passionate about what you do. This is the culture we aimed to promote from day one.”



Rob Cameron
Executive Director
SustainAbility

“The recession has created tough business conditions, but despite ongoing economic uncertainties our own performance has been strong. Existing client relationships have endured, as corporates seek to partner with service providers where there is a strong basis of trust and value. We’re seeing existing clients looking to stretch themselves further in terms of their engagement with sustainability, and new ones are stepping forward. We recognise the economic challenges as symptomatic of wider sustainability challenges and it seems that many of our clients see it the same way.

In particular we’ve experienced a strong uptake in assignments from the Financial Services sector over the past 12 months and the Energy, Food and Agricultural, Automotive, and Pharmaceutical sectors have remained strong.

We anticipate a growing number of opportunities for our business, both in the USA, Europe, and further afield. Whilst Rio+20 failed to deliver substantive outcomes, it did prompt a surge in business action and cross-sector collaboration. This presents exciting needs and opportunities for companies such as ours.”



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Job function – what do people do?

In addition to our aim of developing benchmark salaries for particular jobs, one of the purposes of this and previous surveys has been to develop a clear understanding of how people in the sector spend their time. This means analysing the main activities they focus on to identify whether there are significant differences between in-house and consultancy roles, as well as between the functions performed by men and women.

To identify how people spend the bulk of their working day, we asked participants to rank the activities, listed below, that take most of their time:

- Auditing and assurance
- Carbon/energy management
- Community investment
- CR/sustainability strategy development and implementation
- Diversity and inclusion
- Environment
- Ethical trading and supply chain
- Ethics and governance
- External marketing and communications
- Health and safety
- Internal marketing and communications
- Measurement
- Philanthropy
- Reporting and performance
- SRI
- Stakeholder engagement
- Other



“I’m encouraged to see the top activities of both in-house and consultants have shifted from reporting to strategy and implementation, as this is where our profession needs to make the greatest strides if we are to successfully meet the sustainability challenge.

However, CR and sustainability budgets appear to remain very limited, which raises questions about the ambition level, executive commitment and scale of impact our colleagues can achieve.

While team budgets alone are not a perfect indicator, I hope to see greater financial commitment being reported by the time of the next survey. I would also like to see more CR and sustainability teams being anchored in corporate strategy.”

**Dorje Mundle, Group Head,
Corporate Citizenship, Novartis**

Job function – what do people do?

As in previous years, we have weighted each respondent's selections by rank. This is designed to reflect the likelihood that the first two or three choices will form the primary focus of a respondent's job.

From analysing the results in this way, we have ranked the top areas of focus for in-house and consultancy staff.

Top five activities – In-house

1	CR/sustainability strategy development and implementation
2	Environment
3	Community investment
4	Reporting/performance measurement
5	Carbon/energy management

Top five activities – Consultants

1	CR/sustainability strategy development and implementation
2	Auditing/assurance
3	Carbon/energy management
4	Reporting/performance measurement
5	Environment

Across the sample, CR/sustainability strategy development and implementation was revealed as the top activity for both in-house staff and consultants. Indeed, in the UK and North America, this category of strategy work was the top activity by a wide margin. Reporting, which topped both tables in 2010, now occupies fourth place on both. Whether this is because of more effective reporting processes or a declining interest compared with previous years, is debatable. It could also reflect changes in the sample, with an increasing percentage of in-house respondents working for organisations at a relatively early stage of their CR/S journey, which are yet to fully embrace the benefits – and costs – of comprehensive reporting on their social, environmental and economic impacts.

Environment has retained second spot on the in-house table and has risen to fifth place for consultants. Across both organisation types, climate change has dropped from the top activity list. Again, it is impossible to explain why this is so. It may be the result, for example, of responsibility for this area passing from CR teams to other business functions. Alternatively, it could be due to waning interest in the subject matter itself. On balance, and based on our knowledge of how organisations are addressing these issues, we believe that it is more to do with the former.

Auditing/assurance has remained a top activity for consultants, retaining second spot, but stakeholder engagement has lost its top-five position on both in-house and consultancy tables, when in 2010 it was fifth and third respectively. We found this surprising given that stakeholder engagement has often been highlighted by business and commentators/advisers as an area of work that was 'integral' to the CR enterprise.

Meanwhile, community investment is less of a focus area in the Rest of Europe but has returned to feature in the top five in North America.



Nikki Walker
Senior Director Inclusion,
Diversity & Sustainability
Cisco Systems

“This report points to a quickly evolving sector and prompts me to speculate what competencies will be required by CR and sustainability professionals in the future.

I suspect that senior sustainability professionals will be individuals who can drive strategic business change with the ability to identify and maximise commercial opportunities across their respective businesses. As sustainability moves up the corporate agenda, senior professionals will need the gravitas to operate and influence at the top end of organisations – right up to the CEO and at board level.

The professionals of the future will likely have experience gained in many areas of the business: perhaps marketing, finance and other frontline operational areas such as procurement and general management. Of course these individuals will also need both knowledge and a passion for sustainability.

The trend above has already been set in motion, and I believe is set to continue, as sustainability becomes more central to business strategy.”

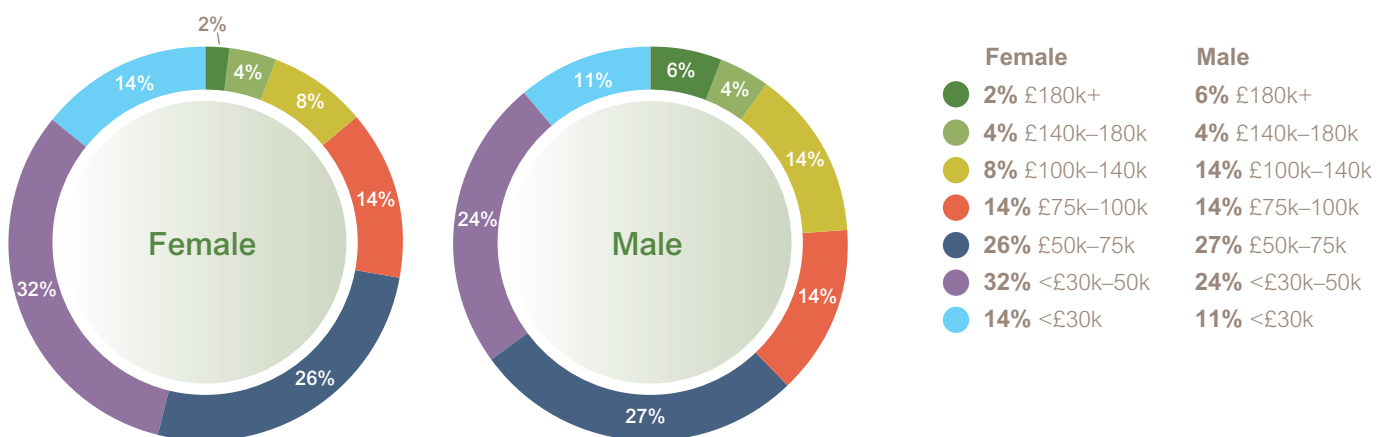
Gender

The 2010 report highlighted how the aim of achieving gender equality was frequently cited as a major component of a serious CR strategy, yet employers were not ‘practising what they preach’ in terms of those working in the sector. The results of this survey would suggest the position of women in the CR workplace has been further eroded over the last two years.

The sample’s overall gender split was 52:48 in favour of women, a more even division compared with 2010, when it was 56:44. Women constitute 54% of the in-house workforce, but only 47% of consultancy staff – five points down on 2010.

But the data also shows women are concentrated in less senior roles and are, consequently, paid less than the average, despite forming the majority of CR professionals overall.

Total remuneration by gender

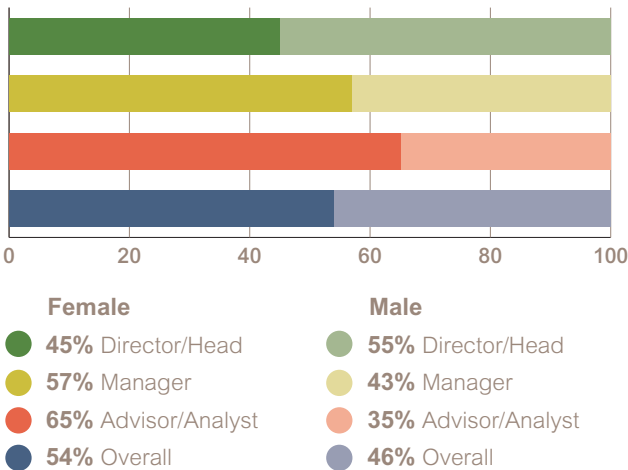


Gender

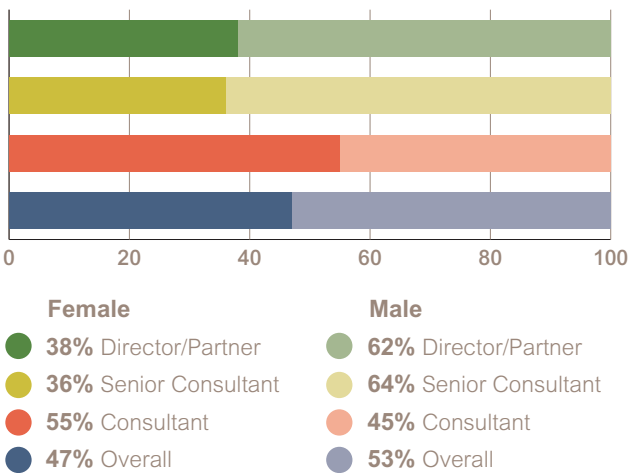
According to the data, the average salaries for men and women were £67,300 and £56,800 respectively, which is a clear indication that, globally, women in the CR sector receive a lower base salary than men. Only in the Rest of the World does the female average salary exceed that of males.

Segmenting respondents into salary bands, the majority (46%) of women receive a total remuneration (salary + bonus) of £50,000 or less, while just 14% earn £100,000 or more. The proportion of men that fall into those earnings categories are 35% and 24% respectively. As was pointed out in the 2010 report, the pay discrepancy is even more acute than the figures might appear on first viewing because women are over-represented in in-house teams which, as we have seen, are better paid than their consultancy counterparts.

Gender distribution by job title (In-house)



Gender distribution by job title (Consultants)



Nicky Chambers
CEO
Best Foot Forward

“It is disappointing to see that the gap between men’s and women’s salaries is growing in the Sustainability sector. But as the sector is evolving, we have a great opportunity to tackle this inequality.

Traditionally, the ‘green jobs’ agenda focused narrowly on energy efficiency and renewables, while some businesses dabbled in ill-defined Corporate Social Responsibility measures.

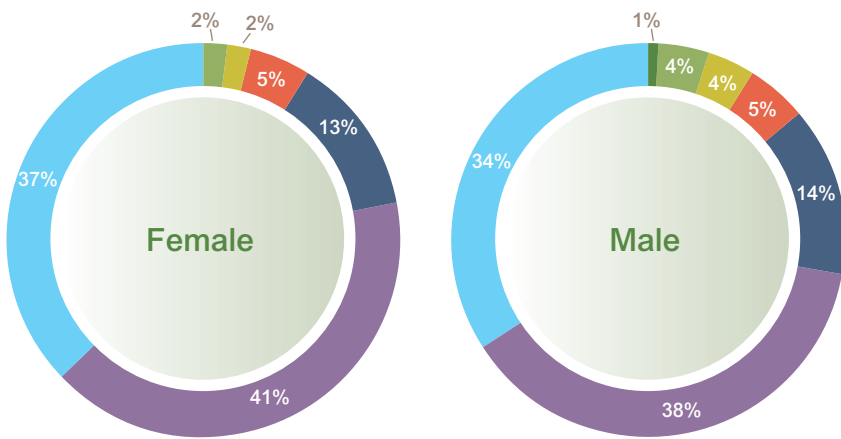
Increasingly, businesses realise that not just their success, but their ability to survive, depends on how well they can create shared value in a world of limited resources. This means rethinking core products and offering innovative, sustainable alternatives. And it will require new ideas, new skills... and new job titles.

Businesses need to have visionary leaders to harness the best talent from all their staff. So, as jobs are reconfigured for a future where sustainable is normal, everyone – whatever their gender – must be properly rewarded for what they bring to the table.”

Gender

As in previous years, we have segmented the sample using the generic job descriptions to gauge if any particular roles are more or less likely to be filled by women. This year's results are similar to what we've seen before: women continue to be under-represented as senior consultants and consultancy directors/senior partners, as well as in senior in-house positions. Indeed, the results show this to be even more pronounced than in previous surveys. Women are the dominant sex at the Manager, Consultant and Advisor/Analyst level.

Bonus comparison by gender



Female	Male
0% £100k+	1% £100k+
2% £50k-100k	4% £50k-100k
2% £30k-50k	4% £30k-50k
5% £20k-30k	5% £20k-30k
13% £10k-20k	14% £10k-20k
41% £0k-10k	38% £0k-10k
37% Nil	34% Nil

Unsurprisingly, given that higher salaries tend to be associated with higher bonuses, the data shows there are more men than women at the higher end of the bonus spectrum.



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CR/S professionals have generally shown themselves to be happy in their work. Previous reports have consistently shown high levels of satisfaction and this year is no different: 80% of respondents indicated that they are satisfied with their jobs, and a third went on to say they were very satisfied. These figures are almost identical to the 2012 survey results. However, those who are the most senior CR/S professionals within their organisation are slightly more satisfied than those who are not: 85% versus 80% respectively.

This high level of satisfaction remains true regardless of gender or type of employing organisation. Only in the Rest of the World region did satisfaction levels fall below 80%.

The vocational nature of the work, in which CR professionals are apparently able to put personal values into action, is also reflected in the fact that 94% of respondents would recommend a career in the sector.

Job security

	Less secure	The same	More secure
Overall	16%	55%	29%
UK	17%	56%	27%
Rest of Europe	20%	50%	30%
North America	13%	52%	35%
Rest of World	13%	59%	28%



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Despite the economic backdrop, the CR sector has enjoyed a sustained period of growth, and this is reflected in the high levels of job security reported by respondents over previous surveys. In another finding that mirrors the 2010 survey, four fifths (80%) of respondents felt that their job security has improved or remained the same over the past 12 months.

However, there are regional differences: 13% of those working outside Europe and North America felt their job security has declined, compared with 6% in 2010, and just 28% felt their job is more secure now compared with 56% two years ago.



Anita Longley
Director of CR
RWE npower

“Two years ago we were concerned that the recession could have a negative impact on CR activity – particularly in terms of budget and focus. However, the survey results indicate that this has not been the case. The banking crisis – along with increased media, customer and shareholder attention on company practices – appears to have reinforced the importance of responsible business.

The survey highlights a high commitment to CR along with growth of the CR sector driven by an increased emphasis on CR strategy and implementation. It is important to ensure that responsible business is delivered in a focused and effective manner; that it adds value; and is fully integrated into broader strategic objectives.

With an improvement in job security and high job satisfaction, the future bodes well for the CR profession. Encouragingly, the survey indicates that the flow of new talent has increased slightly compared to 2010. The key now is to ensure there is an effective pipeline and robust support network for the development of new talent in the sector.”



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Paul Burke

It's now nearly five years since we launched the first CR Salary Survey. Our aim then was to get a better understanding of how CR professionals spent their time and were organised (both in-house and in consultancies), what their backgrounds were, and to establish how much they were paid. By sharing this information with the respondents and other interested parties we hoped to provoke debate and, crucially, demonstrate that CR was a discrete area of activity within corporates and that consultancies were responding to clients' needs with appropriate advice and hands-on support.

Since then the survey has increased both in terms of numbers of respondents (281 in 2007; nearly 850 this year) and geographic scope (moving beyond the UK to encompass practitioners throughout the world). These last five years have also witnessed enormous economic and political upheavals. If anything, recent events have increased interest in how businesses operate, what impacts they have on society and the environment, and how to reconcile the pursuit of economic growth with a sustainable future. So, against this background, what do the results of the survey tell us about the current state of the CR and Sustainability sector?

The first point to make is, notwithstanding the challenging economic situation and the pressure on company budgets (something I alluded to in the 2008–09 survey), there is little hard evidence that the sector is contracting and/or that business has 'ticked the box' on CR and consigned it to a peripheral activity. In fact, the survey suggests the opposite is true, with rising salaries – a 15% increase in the UK average over the last five years, for example – and four times as many respondents (44% versus 11%) saying that the number of people working on CR in their organisation has increased over the last 12 months. It's also the case that the percentage of respondents new to the sector (i.e. with less than five years' experience) has remained pretty much unchanged since the 2008 survey at around 15%, suggesting that the sector has continued to recruit over the period and, more importantly, people remain keen to move into it.

Secondly, I think it noteworthy that the survey reveals – in line with my own experience – there is no standard model of where CR and sustainability teams sit within the organisational structure of corporates. Some are stand-alone departments, others are part of other functions/directorates (although an increasing number are now part of the Corporate Affairs function, especially in large – 5,000 people plus – companies). This suggests two possibilities: that



Paul Burke
Senior Partner
Acona



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companies position the CR team where they believe it will have the most impact or (and more disturbingly) that this diversity reflects uncertainty about how best to align CR with the mainstream of corporate activity. I hope for the former but I suspect the latter may apply in many cases.

Thirdly, the results show that individuals within the sector can command high levels of cash remuneration (salary and bonus). The average payment for the top 10% in-house was £176,000 while the top 10% of consultants received an average of £150,000. However, the variable – bonus – element accounted for only 21% and 12% respectively of total cash rewards. On the in-house side, this strikes me as being somewhat on the low side, especially when many of these individuals are the most senior CR/sustainability people in the organisation and report directly to members of executive management. One possible explanation is that – compared to other areas – corporate remuneration systems are still struggling to identify hard measures that can link the individual CR practitioners' performance to reward.

Finally, the survey confirms that CR and sustainability practitioners are extremely well educated with first degrees the norm and postgraduate qualifications commonplace. Yet, only one in five of respondents claimed to have a professional qualification in CR or sustainability. In part, this reflects the difficulty of developing a qualification – akin to those in areas such as Human Resources, Management and Marketing – that encompasses the diversity of roles found in the sector. However, in the absence of such a 'gold standard' practitioners will continue to have to rely on their personal qualities and the contribution they make to establish their credibility.

Andrew Cartland

Keeping up with the fast-changing sustainability job market is a challenge for all of us. At Acre, the role types that we are recruiting for today are different from those of three years ago, and almost unrecognisable from what we were working on when we set up the company in 2003. But that's what makes it a fascinating market to work in – and why this report is an important snapshot of change.

A major development over the past 12 months is the increasing number of CEOs that are becoming outspoken on sustainability. I've attended three events in the past six months where FTSE100 CEOs have not just read from a script, but have fielded business model questions from sustainability experts. The fact that they feel comfortable in that environment speaks volumes for their understanding of the agenda.

Momentum appears to have been built in this regard and much of the credit must go to those working in the market. Whilst many senior executives are no doubt naturally enlightened, those populating CR jobs have become better at not only defining the business case for sustainability, but also communicating it to the top echelons of large companies.

Naturally there have been market forces that have made engaging with sustainability in the boardroom difficult to resist. Among the most notable is the increase of wholesale energy prices, which has put the topic of energy efficiency firmly on the agenda of many boards. As a result we've seen energy management and efficiency make up an increasing portion of job roles.



Andrew Cartland
Founder & Director
Acre Resources



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Another notable trend in recent months is an increasing tendency for large consultancies to start hiring again. We've seen indications of this recently and I predict that the pace of recruiting within such businesses will increase. Many of the environmental and engineering consultancies seem to be regaining confidence after the collapse of the real estate market, and are re-focused on strategy development, assurance and energy management services.

Given the title of this report, I should say a few words on salary. At the top end of the salary scale, we've seen a step change in terms of what's achievable. In the UK and Europe a handful of Chief Sustainability Officers (CSOs) have been put in place over the past two years (I'm aware of five specific examples). In most cases, these individuals were already seasoned sustainability professionals and in all cases, they are rewarded well in excess of what was achievable three years ago.

Whilst such individuals are still outliers from the point of view of seniority, there are several individuals working at a similar level, on strong compensation packages carrying different job titles. What's more, additional research at Acre suggests that the portion of FTSE100 companies employing senior executives at board level or one step below sits at 20%, a four-fold increase from 2005.

Vic Moutrey

It is reassuring to know that companies are committed to sustainability and are investing in sustainability strategy development and implementation. We hope that this indicates a more integrated approach to corporate responsibility, reflecting the broader global discussions around how a company generates value in financial, environmental and social terms, and bringing it closer to core business strategy. I find it interesting that reporting has fallen in this year's survey. At Flag we are seeing the focus spreading from reporting to informative and engaging communications for all stakeholders (particularly employees), and also to the use of new media. For example, some corporates have started to produce tablet-based CR communications and are increasingly using social media and video.

On a separate note, there are some interesting results with regard to gender. The results of this survey point to a narrower gender split this year of 52:48 in favour of women, a more even division compared with 2010, when it was 56:44. However, the data shows that women are concentrated in less senior roles and are consequently paid less than men. This certainly tallies with our experience at Flag where many of the CR professionals that we deal with day to day tend to be women, but they often report to men in senior positions. As CR becomes more of a priority for businesses, it would seem that men are creating a glass ceiling above which most female CR professionals are not rising.



Vic Moutrey
Managing Director
Flag



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Peter Batt

It's five years since our first CR Salary Survey and, taking the four sets of data together, we can see a fairly strong set of trends within the CR and sustainability sector.

This latest snapshot is a pretty positive one: the demand for new CR and sustainability recruits, rising pay and improved job security, and stratospheric levels of job satisfaction. All these point to a group of people who are engaged in what they do and valued by their employers. Given that the ethical and sustainable business agendas are unlikely to melt away any time soon, it can only mean that the sector has a bright future. Two things struck me, however.

Firstly, the continuing erosion of women's position in the sector and the gender pay differential. There is a sense that the CR and sustainability sector is now entering a more mature phase, with men now getting in on the act. The average salaries for men and women were £67,300 and £56,800 respectively, with 46% of women earning a total remuneration of £50,000 or less (against 35% for men), while just 14% earn £100,000 or more (compared with 24% for men). The gulf is wider when you consider that women dominate the comparatively well-paid in-house sample.

However, though very highly paid (and generally male) outliers among senior in-house staff may add to the differential, the relatively weak position of men in in-house positions overall, at just 55:45, and the rather more dominant position of women in in-house Manager (57:43) and Advisor/Analyst (65:35) roles raises my suspicion that men might also be better paid when performing the same roles. After all, though men have a more dominant position within consultancies, the combination of lower pay and the comparatively small number of consultants, at around a quarter of the overall sample, suggests to me that even the higher representation of men in senior consultancy roles is insufficient to fully explain the gender pay differential. A question for the future, methinks.

Secondly, the inexorable rise of work around sustainability as a business planning activity probably now means we need to give this area further focus in future years, so we can more clearly identify what the jobs consist of, particularly in relation to business 'strategy', and so we can more clearly assess the level of corporate engagement on the sustainability/climate change agenda.



Peter Batt
Editor
Ethical Performance



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About the authors



Acre is a specialist recruitment consultancy focused on the Environment, Corporate Responsibility, Sustainability Energy and Health & Safety sectors. Since its formation in 2003, the company has recruited many global climate change leaders, and is the first choice for a range of worldwide clients, from large corporations, through to market-leading consultancies and NGOs.

www.acre-resources.com

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Acona Partners LLP is an independent management consultancy specialising in CR and sustainability. We have broad expertise and advise large, mainly corporate clients on the full range of social, environmental and ethical matters, from tentative first steps through to day-to-day management, strategic planning, measuring performance and corporate reporting.

www.acona.co.uk



Flag is a creative communications agency specialising in corporate reporting and communications. We work collaboratively with national and international brands from a wide range of industry sectors, as well as public sector and not-for-profit organisations, to provide: corporate reporting, sustainability and communications consultancy, sustainability copywriting and editing, creative information design, online and in print technical and accessibility expertise, and implementation project management and production. Our 34 employees are based in Cambridge and London and we have held the ISO 9001 quality standard for 16 years.

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