



Careers in Recruitment
Brannon
Recruitment

BRANNON RECRUITMENT

SALARY SURVEY – DECEMBER 2010



INTRODUCTION

Brannon Recruitment is South Africa's pioneer in the Recruitment-to-Recruitment market. Since its inception in early 2008, we've continued to partner with top employers and recruitment professionals throughout South Africa in an effort to better our network and reach.

In doing so, Brannon has developed unique intellectual property about the industry's trends, its habits and remuneration structures. This salary survey is designed to understand remuneration structures a little better within our industry, using the averages across the industry whilst taking into consideration crucial factors such as location, industry, job function, experience and success during employment.

This survey will focus on the fixed guaranteed earnings across three (3) major job functions – namely Recruiter, Manager and Executive – and will also provide insight into commission structures for Recruiters.

This survey is based on the qualified analysis of over 800 recruitment professionals, from over thirty-five (35) different recruitment businesses operating throughout South Africa.

We hope that you will find value in this information and allow you to benchmark your current remuneration structures against industry norms and standards.

MARKET OVERVIEW

Besides normal market forces, the Recruitment & Staffing Industry throughout the calendar year 2010 has been shaped and influenced substantially by a number of other factors, some expected and some not. Some of the factors that affected the industry the most during the past 12 months include:

1. The Global Financial Crisis (GFC) and Global Markets that are still recovering
2. The FIFA 2010 World Cup
 - a. Including Governments investing in infrastructure throughout major urban areas and host cities
3. The continued debate throughout 2010 surrounding "Labour Broking" and the future of the Temporary Employment Services industry
4. The emergence and popularity of Social Media platforms within Recruitment practices

The effects of these forces have been felt by all participants of the industry, from those in the large listed Recruitment Groups through to the SME business owner. The TES businesses have experienced a challenging year retaining existing business in the face of mounting social, political and economic forces. The perm contingent recruitment market has been faced by growing usage of social media for recruitment by all clients, as well as corporate clients also investing heavily in developing internal recruitment divisions and some job portals providing direct access to candidates thus bypassing agencies.

Going into the festive season Brannon has experienced a resurgence of demand for top recruitment professionals, with many businesses optimistic that the coming months and year ahead hold more promise than the past twelve months.

RESULTS OF THE SALARY SURVEY

The hub of recruitment in South Africa still occurs in major urban areas – with the greater Johannesburg/Pretoria area leading the charge.

According to our information, the top five (5) factors that contribute most significantly toward an individual's remuneration levels within this industry are as follows:

1. **Location** – people in Johannesburg/Pretoria earn on average more than those outside this area performing the same tasks/functions
2. **Industry Served** – people operating within the Financial Services and Engineering industries earn on average more than those operating outside of those industries
3. **Experience** – people with specific industry experience earn more on average than those moving into a new sector. Experience will also include duration of experience, with those individuals with a greater duration of experience earning more on average than those with less experience
4. **Past Success**, "track record" – "you're only as good as your last game" – people who are performing well and generating success for their employers earn more than those who don't (even in fixed earning, not commission)
5. **Tertiary Qualifications** – people with tertiary qualifications on average earn more than those without

INTERESTING FACT

The factor of "Demographic" including AA/EE/PDI candidates was taken into consideration and generally did not prove to be a major contributor towards remuneration levels during the study.



REMUNERATION LEVELS AS PER SURVEY

KEY:

- RECRUITER** People engaged primarily with recruitment functions, without people management responsibilities. Includes all recruitment consultants and talent acquisition specialists.
- MANAGER** People primarily involved with people and financial management responsibilities. Includes all branch manager, operations manager, general management professionals.
- EXECUTIVE** Directors/Executives operate at a MANCO/EXCO level – involved in strategy and accountability of a business function or the business entirely.

NATIONWIDE — ALL FIGURES ROUNDED OFF:

Job Function	Average	Lower 25%	Middle 50%	Upper 25%
Recruiter	R14 500	R10000-R13000	R13000-R16000	R16000-R19000
Manager	R33 600	R27600-R31600	R31600-R35600	R35600-R39600
Executives	R58 200	R43200-R53200	R53200-R63200	R63200-R73200

JOHANNESBURG/PRETORIA — ALL FIGURES ROUNDED OFF:

Job Function	Average	Lower 25%	Middle 50%	Upper 25%
Recruiter	R15 300	R10800-R13800	R13800-R16800	R16800-R19800
Manager	R37 300	R31300-R35300	R35300-R39300	R39300-R43300
Executives	R60 000	R45000-R55000	R55000-R65000	R65000-R75000

COMMISSION STRUCTURES

Just about every recruitment business, and then further teams and brands within businesses, has developed their own way of calculating and paying out commission (incentives/bonus). This information is a look at the average way in which commission is calculated throughout the Perm Contingent Recruitment space.

- Desk Fee** 87% of agencies surveyed require an employee to reach a level of billings (bookings/sales/transactions) that equal at least “x” times their fixed portion earnings (CTC/Salary). Commission will not be earned until this desk fee, or “threshold”, is reached. A small % (less than 10%) of agencies require as high as 5-8 times the desk fee, but the market average is at about 3 – 4 ½ times.
- Commission** Once a recruiter has surpassed his/her required desk fee, they will be entitled to earn commission – either from R1 or from the “threshold” value. The amount of commission ranges anything from 5% to 40%, with the market average being 18%-23% over desk-fee. In just about all agencies surveyed, a ‘stretch target’ or ‘higher banding’ exists that makes provision for exceptional performance rewarded at a higher commission %.
- Deficit** The concept of deficits appears to be on the decline, with only a minority (less than 20%) of employers still operating a deficit system. 94% of candidates interviewed regarded deficits as one of the most compelling reasons for not accepting a position with a company that operates a deficit.
- Periods** 81% of agencies surveyed calculate commission on a monthly basis (whether placed referred or invoice value), with the remaining 19% calculating commission either over a bimonthly, quarterly or even annual basis. Commission is almost always only paid once the funds have been received from the client and a significant portion (if not all) of the guarantee or rebate period has lapsed.





CONTACT DETAILS

Brannon Recruitment (Pty) Ltd
Website: www.brannon.co.za
Tel: 011 275 0243
Email: admin@brannon.co.za
LinkedIn: www.linkedin.com/in/erikbroberg

