

ASIS SECURITY ONLINE

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# SALARY SURVEY 2018

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Europe



**RESULTS**

SSR Personnel annually surveys as many as 12,000 security professionals in Asia, Europe, and the Middle East to uncover trends in the field. This year, with support from ASIS Europe, SSR organized direct online mailing to more than 5,000 security professionals in Europe, with a higher-than-expected 10 percent return rate. In this year's European sector, 70 percent of respondents held a regional security role, and respondents represented a broad slice of the private sector such as financial services, manufacturing, pharmaceuticals, retail, leisure, and logistics.

Taking into account the diversity of countries in Europe, SSR analysts then undertook a review of all client-submitted salary grades and total compensation (TC) schemes. For a number of companies, these provide a variable cash alternative that employees can opt to take.

This is especially important because up to 4 percent of TC can be in the form of car/travel allowances in some countries, while in others this is not a recognized component of TC. In Northern Europe employer pension contributions are considered a key TC factor, as are share options and company performance bonuses. At the senior grades the individual wealth generation will be contained within an executive long term incentive plan (LTIP). Reflecting the growing importance of the security profession, leadership grades have increasingly over the past five years obtained a level of management seniority so as to be included; this can increase TC by an average of 50 percent.

## Background

In the 28 countries of the European Union, the average hourly labour rates are \$29.80 in U.S. dollars, yet this average masks the great disparity in pay from country to country. Pay rates can be \$3.80 in Romania, Hungary, and Bulgaria, while in Macedonia; average hourly pay falls to less than \$2.50.

A 2016 report from the Organization for Economic Co-operation and Development stated that real wages—income from work adjusted for inflation—in the past 10 years had grown by 23 percent in Poland, 13.9 percent in Germany, and 6.4 percent in the United States. Earnings in the United Kingdom had fallen 10 percent in real terms, a larger decline than any other advanced country apart from Greece.

Over the past six years, near-shoring of back-of-house roles to countries such as Hungary, Romania, and Bulgaria has overtaken the previous thrust of corporate off-shoring to India. Turkey is forecast to experience pay increases of up to 9.0 percent. However, workers will still feel a squeeze on income because local inflation is predicted to be 8.9 percent due in part to the failed coup.

The outlook for 2017–18 remains positive for workers in France and Germany with a real wage increase of 1.7 percent and 2.7 percent, respectively. The picture is similar in Greece, where despite economic issues; salaries are set to increase 2 percent, with deflation leading to real wage rises. In the United Kingdom, the Retail Price Index inflation since Brexit nearly doubled to 3.4 percent, causing a reduction in workers' take-home pay.

## Results

Wages increased across European security management roles by 3.4 percent in the past year in most of the larger economies (Germany, Nordics, France, and the United Kingdom). In general terms, salary increases in the private security sector across Europe are above the average increases for workers, with noticeable increases for cyber professionals, linguistic analysts, and forensic data roles. Based on five bespoke security salary reviews undertaken by the SSR Consultancy for major corporations in 2016–17, the company has seen an outcome that recommended on average a 20-percent salary increase as result of existing workers' skills evaluations.

More than 16 percent of respondents reported they had achieved pay increases of more than 20 percent by changing their jobs in the past year. Of the respondents, the 24 percent with double-digit salary increases had been repositioned due to the increased risks that they were now managing.

Since 2011, companies have in general invested in their in-house security management teams. Recruitment freezes have meant fewer people are undertaking more complex tasks. So although costs were being trimmed, talent development budgets were maintained, allowing for the ongoing training of employees. An example of savings generated by this approach was one corporation's reduction in external legal support—it cross-trained its security executives as legal executives, so they could manage prosecution case reviews before handing them over to lawyers for court.

Within the European Union, average annual earnings can be as low as \$5,000 per year; yet 300 miles away, an average middle management annual salary can be more than \$95,000. In 2011, a security manager's pay in Poland would have been about 45 percent of one based in London or Berlin, but through consistent year-on-year pay inflation, the Polish professional's cost would now be 75 percent of the comparable British or German worker's.

In general workforce surveys, the number of people looking for or considering looking for another job has tripled over the past 10 years. Much of this is driven by workers from the millennial generation, who are comfortable with a matrix management hierarchy. They are working in roles that manage security within complex knowledge-based economies. This population generally has fluency in English or German.

## Convergence

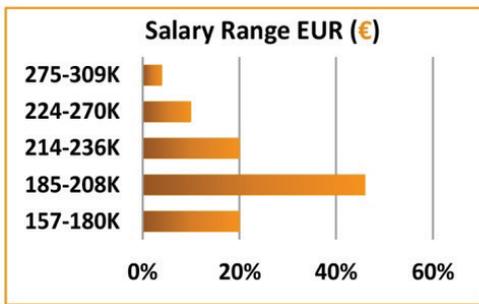
Corporate boards of directors believe that convergence will save their companies many dollars. This is a great disservice to those employees who are opening, closing, and barricading doors against an army of risks from outside the corporation and by the insider. In the security profession there is competition, in some organizations, between the information and physical aspects of the function. According to the majority of survey respondents, the physical security executives, speaking the language of the business, could articulate threats to the C-suite. Organizations that lacked that continuity, or perhaps did not have a significant security leader, have filled the gap with a third-party vendor.

While digital transformation fuels the focus for investment, security of information is evolving faster than ever before. The Alpha workforce—the children of today—will be tech savvy. New and disruptive technologies will reach a maturity not seen to date, and the rapid growth in the use of outsourced services may also add to corporate vulnerabilities.

Contracts for third-party information security vendors in 2016 were approximately \$10 billion, and governments were major purchasers. Predicted growth for this market segment is expected to reach \$33 billion by 2025. Another area of burgeoning growth is the compliance sector, which costs corporations \$20 billion per year.

The Hiscox Cyber Readiness Report 2017 estimated that “cybercrime costs the global economy over \$450 billion... and yet 53 percent of businesses in the U.S., U.K., and Germany are not prepared.” Hence in the past five years, cybersecurity jobs have greatly increased, and entry-level talent starts at salaries from \$35,000.

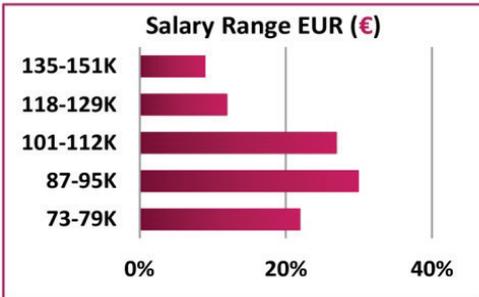
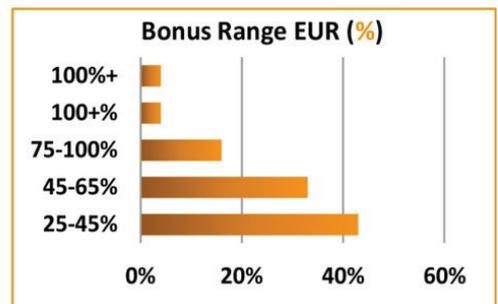
In enlightened corporations, security is seen as an important lead in business operations, a profit protector, a resilience leader, an enabler, and a partner to the enterprise. In Europe the CSO role can attract total packages (including an LTIP) of more than \$650,000, an increase of 27 percent in the last five years.



**Chief Security Officer / International CSO**

Responsible for policy, executive board briefings. Dotted line or direct responsibility for subsidiary CSO / Head of Security position. Oversight budget responsibility of £30m+. Revenues of £2bn+.

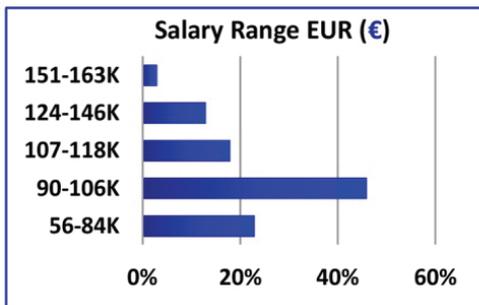
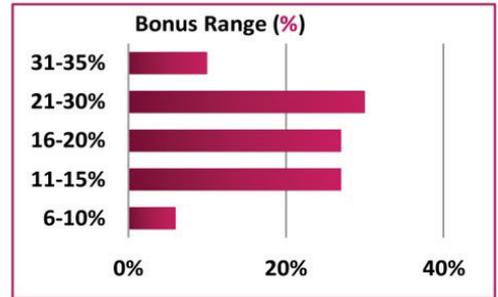
Included in the Executive Long Term Incentive Plan. Executive Bonus; Share Options; Health Care; Car or Allowance £12K; Executive Share Purchase.



**Cyber Resilience Manager / Head of Cyber Security**

A new role that is developing across a range of sectors as organisations elevate their response to cyber-attacks. The rapid controls on insider users that organisations need to have required a robust cyber policy against perennial and growing risk.

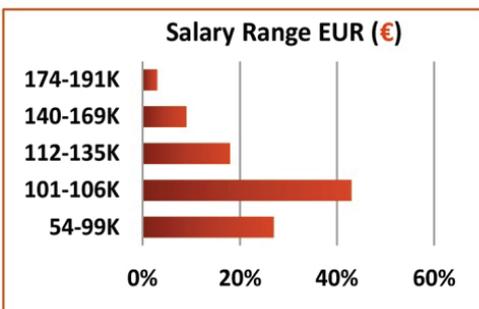
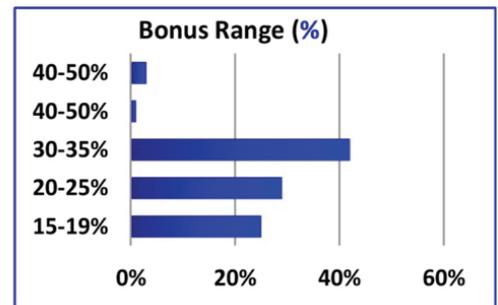
Contributory pension. Bonus range 15-35%. Standard benefits.



**European Security Head**

Regional reporting, policy implementation, promulgates corporate policy. Responsible for physical and information security. Budget responsibility £5m - £10m.

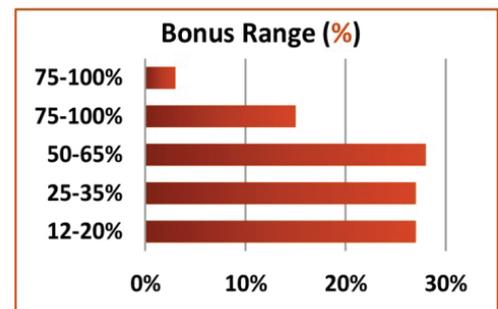
Pension & Health Plan; Car or Allowance up to £9K; Share Purchase Scheme



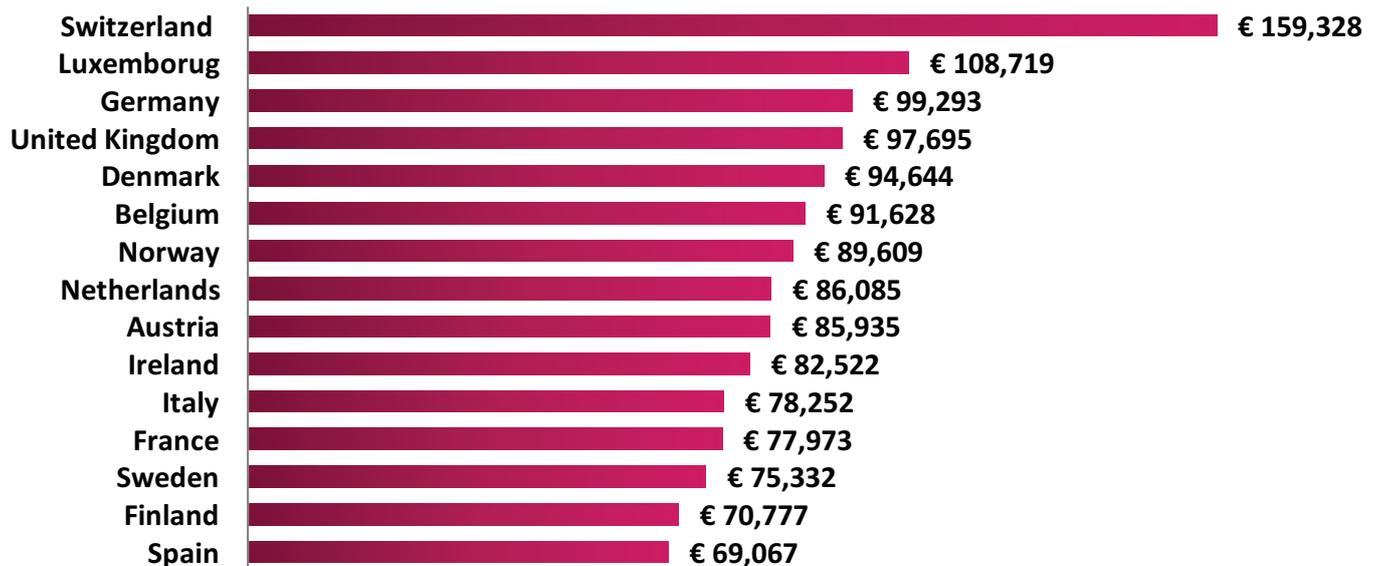
**EMEA Security Head**

Responsible for delivering localised policy, executive board briefings. They are a driver for change and service expansion. Budget responsibility of £10m - £30m. Revenues of £1bn+.

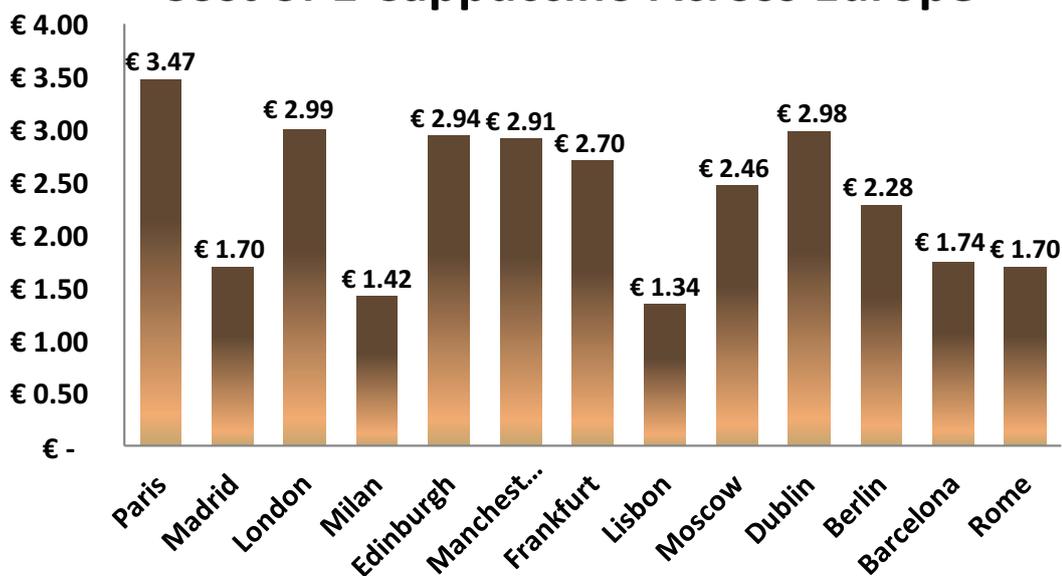
Included in the Executive Long Term Incentive Plan. Executive Bonus; Share Options; Health Care; Car or Allowance £12K; Executive Share Purchase.



## Middle Management Salary Comparisons in Europe



## Cost of 1 Cappuccino Across Europe



Anchoring the EU Salary Survey through comparing the cost of a cup of cappuccino provides more indicators as to the regional variances we find in salaries. In these indices we see the cost difference between Paris and Lisbon is €3.47 to €1.34, 88.56% higher. We thank CBRE for this information.

