

Corporate security pay in 2009



The SSR Executive Profiles corporate salary survey accesses over 3,000 senior managers across Europe who have responsibility for the function of security in financial services, transport, manufacturing, pharmaceuticals, oil and gas. In general terms 2009 salaries will remain static. Peter French reports

Security is that misunderstood word which holistically means 'health' rather than the traditional non-pragmatic 'response function'. In the current economic conditions there will be opportunities for you to deliver greater benefits than in the past.

In 2009 security executives are an organisation's health advisors, measuring many risks, identifying the potential outcomes, mitigation and defending the reputation of the organisation's brand.

The value of security concepts in recession will be demonstrated in many differing ways during the coming year. In the financial sector there will be an increased demand for due-diligence services, with growth for in-company provision and third party providers, as organisations seek to defend themselves from the past, and position their business for the future. In a recent study of corporate investigations (George Campbell 2008), 73% of incidents resulting in a corporate loss would not have arisen if due diligence had been undertaken before the event. He also advocates a robust past event surveillance, to ensure best practice governance for the future.

Recent benchmarking of 100 international corporations concluded that 'criminality will increase during recession', more than 92% of respondents were confident that existing fraud prevention measures would be adequate to meet any threat. But this might seriously change as zero budgeting is bought in to keep corporations alive.

Are there opportunities in a recession?

With the likelihood of four quarters of negative growth in Europe we will see smart technology sectors grow. Governments should use the prospect of 10% of the working population becoming unemployed, to re-train and re-skill where possible.

There will be increased EU investment to stimulate fiscal growth by establishing a diversified skills mix that will aid economic upturn.

But how will the corporate executive make use of the recession? Perhaps this is the time for skills appraisals and development, positioning specialists in the business so that their skills are not lost to the corporation.

0% pay increases

0% pay increases for the year and limited bonus payments, sounds pretty average across most functions, but in general the security practitioner with a wider range of skills will still be in short supply for the foreseeable future. Those being recruited or intending changing roles can expect increases of 10% - 20% on basic remuneration. The lack of mobility in the security function is still a primary reason for lower executive remuneration

on the whole against other competing service delivery functions. Central banks are being pressurised by their governments to reform regulation, so leading to great compliance and governance, not just in financial services. This will add to most corporations' security / loss prevention head count or at least spend. In addition, supply chain networks from pharmaceuticals; OME to oil and gas sectors will be attacked more readily. The recent news that 70,000 units of fake drugs had entered the UK's National Health Service dispensary network is a stark reminder of how vulnerable we can be. One thing learnt from the recession of the 90s was that removing your global talent and then re-building teams, leaves you at a distinct competitive disadvantage, in some cases this can be terminal.

On the agenda for the Board

Compliance, integrity and risk identification. Most corporations have less than 50% of their risks identified (George Campbell 2008) with less than 27% of risks responses documented.

Security professionals have developed excellent risk matrix, ensuring that security has a place in the annual report and executive strategies. This is also the best way to ensure that corporations recognise that pro-actively addressing security risk can be relatively inexpensive.

Against the key business functions of finance, property and people, security generally ranks lowly when providing metrics for performance. This is a disadvantage when bidding for investment against these core functions.

Top performing security professionals should have a consistent flow of data. They know they need to cost success, failure is easy, we know if it falls over, but success is harder to demonstrate.

In all areas of business, success is dependent on forecasting. Generally security has lacked such foresight partly due to the variables that influence risk performance. In the past this might be due to the risk adverse principles employed by those in the role. Today the successful security executive is risk aware and engaged.

Casual, random incidents will confound most risk models, but without metrics the professional is unable to influence policy making at the highest levels. Low cost incidents, multiplied, will be repeated until they are identified, costed, and the appropriate response, promulgated.

In the end

Applicants that demonstrate a return on investment will remain in high demand. Our recent recruitment in the finance sector has seen clients increase their remuneration budget by up to 35% when identifying an above expectation applicant.

In Quarter 4:2008 there was a 40% reduction in notified vacancies, but 2009 has already seen a noticeable rise in vacancies within the security risk environment.

Failure to address known vulnerabilities is 50% more likely to result in financial loss. Therefore the corporate security team is a vital ingredient in increasing profitability for all business in both private and public sectors.