Accountancy Salary Guide 2022

A monitor of average salaries paid to trainee and qualified accountants in East Anglia, which also looks at non-salary rewards and benefits, and experiences of recruitment and retention.

Data collected May 2022

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First Intuition

First Intuition is an award-winning professional education provider that has been training accountancy students for AAT, ACCA, CIMA and ICAEW exams for nearly fifteen years. With training centres across the UK, First Intuition offers first-class attention to student care, support and client service.

First Intuition delivers classroom courses, distance learning programmes, accountancy apprenticeships, as well as Post-Qualification Education programmes.

Accountancy Salary Guide

"Clients often approach us wondering whether their salary bands are in line with those offered by other organisations in their local area. In response to this, we conducted a confidential survey of salaries, retention and recruitment rates, as well as rewards and benefits offered by the many employers that we work with across East Anglia. We hope these results will provide useful benchmarking information to allow employers to ensure they remain competitive in their market."

Gareth John, Chief Executive

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INTRODUCTION

This report follows on from the Accountancy Salary Guide 2021-2022, which presented the findings from our first confidential survey on accountancy and finance professionals' salaries in East Anglia.

As the UK moves into the post-COVID era with inflation rates and living costs soaring, this report will not only offer guidance but also provide insight into whether there have been considerable changes to salaries in the accountancy and finance sector over the past 12 months.

This year's survey was extended to include additional questions relating to rewards and benefits, retention, and recruitment. This is as some employers struggle to retain and recruit talent following a period of low levels of labour movement during the pandemic.

We hope the report will offer a helpful guide and benchmark for salaries in the accountancy industry, plus offer insight into how employers reward their finance staff.

We would like to thank all employers who took the time to complete our survey.

Please note that the data that makes up the findings in this report was collected from First Intuition clients in May 2022 and is representative of this time and of these participants only.

The results are likely to have been affected by the number of participants contributing from each location. This may mean that locations with a smaller sample size are less representative than those with more respondents. Locations that are more likely to have been impacted by this include Colchester, Ipswich, Peterborough, Chelmsford and Cambridgeshire (excluding Cambridge/Peterborough). The results should therefore be used for guidance only.

RESULTS OVERVIEW

Peterborough
has the highest average salary in East Anglia

Essex (exc Chelmsford and Colchester)
has the lowest average salary in East Anglia

Newly qualified AAT are paid on average
8.1%
more than new graduates

Newly Qualified ACCA, CIMA or ICAEW
has seen the highest percentage increase in average salaries in East Anglia from 2021 at 6.8%

Increased responsibility
is the most popular technique used to retain staff

60%
of employers are finding it difficult to retain newly qualified staff

£16,942
is the average salary paid to school leavers across East Anglia

78%
of employers pay an apprentice the same as a non-apprentice at the same level

LinkedIn
is the most popular method used to advertise vacant roles

Tax
is the specialism that has seen the greatest increase in salary expectations

£21,503
is the average salary paid to graduates across East Anglia

49%
of employers say it has been more challenging to retain staff since COVID restrictions have eased

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RESULTS OVERVIEW

58%
of employers report increased proportions of school and college leavers in their intakes of trainees

Senior Managers and 2 Years Post-Qualified
are the groups employers are finding most difficult to recruit

School Leavers
have the greatest percentage difference in average pay between industry and practice

92%
of employers have increased salaries for school leavers since May 2021

81%
of employers offer flexible working to their staff

Recruitment
is the biggest resourcing issue facing employers in practice and industry

Newly Qualified ACCA, CIMA and ICAEW in Industry are paid
12.1%
more than those in practice

53%
of employers say 90%+ of their new staff intake are still employed 12 months after hiring, which is a 38% decrease from 2021

Peterborough
has seen the highest percentage increase in average salaries in East Anglia from 2021

74%
of employers actively pursue apprenticeship programmes for their new trainees

Newly Qualified
staff are the group employers are finding most difficult to retain

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AVERAGE SALARIES

East Anglian Regional Overview

Average salaries for different levels of accounting staff across East Anglia for 2022, including average percentage change compared to 2021

	School Leavers	Graduates	Newly Qualified AAT	Newly Qualified ACCA, CIMA or ICAEW	3 Years Post Qualification ACCA, CIMA or ICAEW	All Levels of Accounting	All Levels of Accounting % Change Compared to 2021
East Anglia Change Compared to 2021	**+4.7%**	**+3.3%**	**+2.7%**	**+6.8%**	**+5.8%**		
East Anglia	**£16,942**	**£21,503**	**£23,246**	**£35,762**	**£44,483**	**£28,283**	**+4.6%**
Cambridge	£18,556	£24,250	£24,100	£38,118	£48,750	**£29,819**	**+2.7%**
Peterborough	£19,000	£25,000	£23,500	£42,400	£49,500	**£31,880**	**+11.3%**
Cambridgeshire (exc Cambridge/ Peterborough)	£16,000	£19,250	£22,900	£34,667	£43,333	**£27,230**	**+0.2%**
Ipswich	£18,000	£21,250	£25,900	£36,800	£41,500	**£28,690**	**+10.4%**
Suffolk (exc Ipswich)	£16,143	£22,000	£21,786	£33,714	£42,500	**£27,229**	**+9.8%**
Norwich	£16,625	£20,875	£22,375	£32,571	£41,875	**£26,864**	**+1.3%**
Chelmsford	£15,400	£20,000	£22,750	£32,800	£41,500	**£26,490**	**N/A**
Colchester	£18,500	£22,500	£24,500	£37,333	£50,000	**£30,567**	**N/A**
Essex (exc Chelmsford/ Colchester)	£14,250	£18,400	£21,400	£33,455	£41,389	**£25,779**	**N/A**

The chart shows the average salaries for different levels of accounting staff in different areas of East Anglia, including the average across East Anglia as a whole. The chart also shows the percentage change in average salaries from 2021. These averages are representative of data collected in May 2022.

Of all the areas, **Peterborough has the highest combined average salary across all levels of accounting**, whilst Essex (excluding Chelmsford and Colchester) has the lowest. Peterborough has also experienced the highest percentage change in average salary with an 11.3% increase from 2021.

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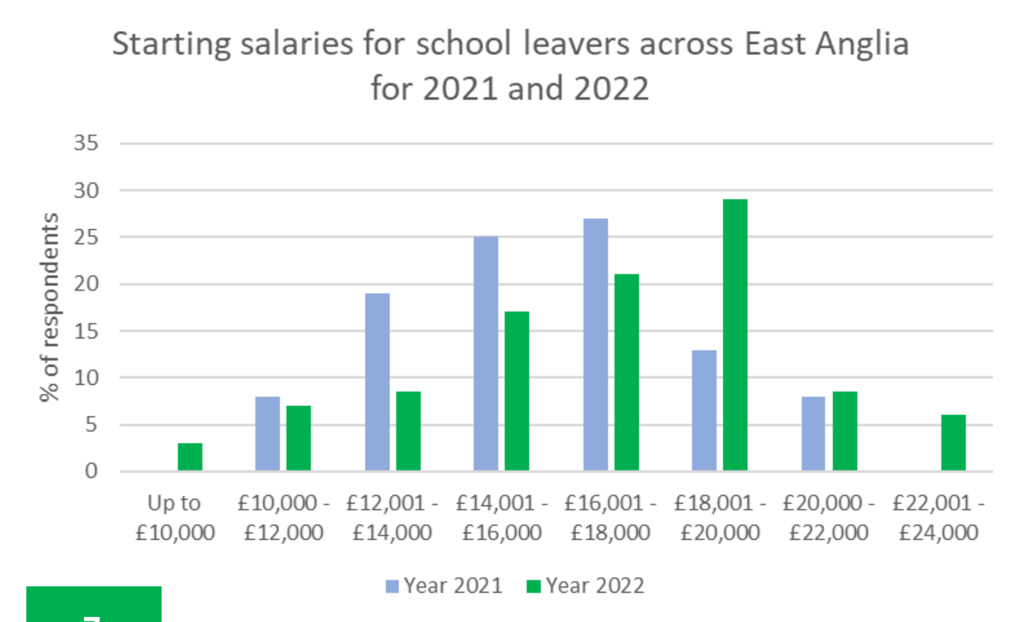
AVERAGE SALARIES
School Leavers

The chart below shows the percentage of respondents across East Anglia who pay their school leavers each salary bracket for 2021 and 2022. The chart shows that **employers are paying their school leavers an average of 4.7% more in 2022 compared to 2021**. In 2021 £16,001—£18,000 was the most common salary bracket with 27% of respondents falling into this category. Now, in 2022, £18,001—£20,000 is the most common bracket with 29% falling into this category. This is likely to be a result of more competitive salaries offered to help recruit new staff as businesses saw more staff leave once COVID restrictions eased, as well as the ever increasing cost of living.

As in 2021**, Peterborough has the highest average starting salary for school leavers across East Anglia** now standing at £19,000.



£16,942

is the average salary for school leavers across East Anglia, compared to 2021 at

£16,174

+4.7%

average pay increase from 2021

£18,001–£20,000

is the most common pay bracket for school leavers

Rank	Area	Average Salary	% Change from 2021
1	Peterborough	**£19,000**	0%
2	Cambridge	**£18,556**	+11.5%
3	Colchester	**£18,500**	N/A
4	Ipswich	**£18,000**	+14.9%
5	Norwich	**£16,625**	+3.9%
6	Suffolk (exc Ipswich)	**£16,143**	+20.5%
7	Cambridgeshire (exc Cambridge/ Peterborough)	**£16,000**	-2%
8	Chelmsford	**£15,400**	N/A
9	Essex (exc Chelmsford and Colchester)	**£14,250**	N/A

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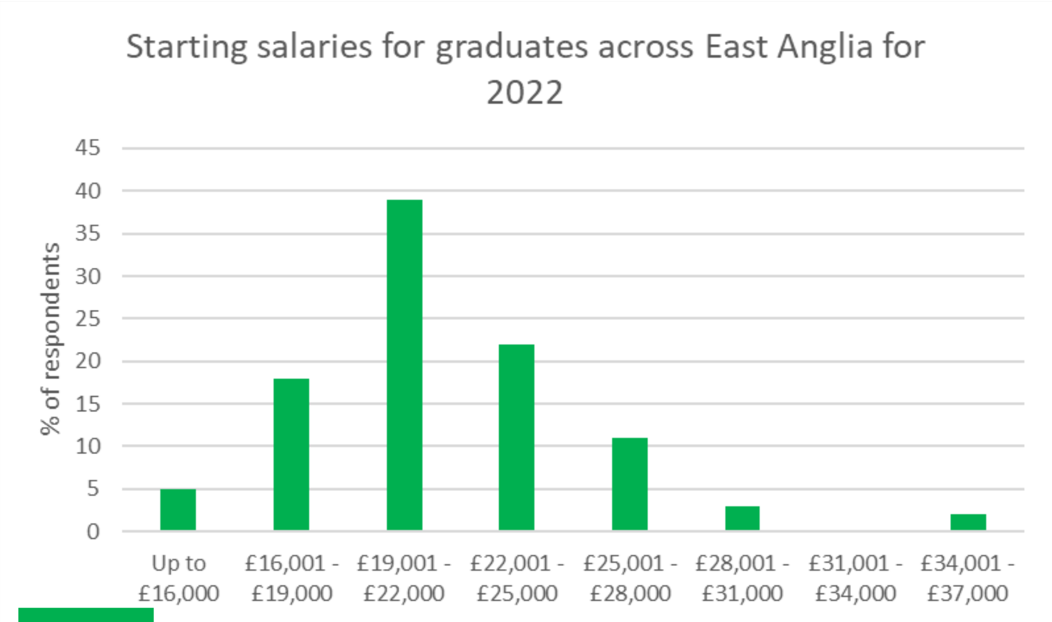
AVERAGE SALARIES

Graduates

The chart below shows the percentage of respondents across East Anglia who pay their graduates each salary bracket in 2022. The chart shows that the majority of employers are paying their graduates between £19,001—£22,000 with 39% falling into this bracket. In 2021 33% of respondents paid their graduates between £16,001—£19,000. This indicates that **graduates are being paid an average of 3.3% more in 2022 than they did in 2021**. This is likely to be a result of greater numbers of job vacancies creating a more competitive market for talent as well as the increase in living costs.

Peterborough has the highest average starting salary for graduates across East Anglia at £25,000. This is an increase on the average salary for Peterborough in 2021 which was £22,200.



£21,503

is the average salary for graduates across East Anglia, compared to 2021 at

£20,814

+3.3%

average pay increase from 2021

£19,001—£22,000

is the most common pay bracket for graduates

Rank	Area	Average Salary	% Change from
1	Peterborough	**£25,000**	+12.6%
2	Cambridge	**£24,250**	+14.3%
3	Colchester	**£22,500**	N/A
4	Suffolk (exc Ipswich)	**£22,000**	+10%
5	Ipswich	**£21,250**	+13.3%
6	Norwich	**£20,875**	+3.3%
7	Chelmsford	**£20,000**	N/A
8	Cambridgeshire (exc Cambridge/ Peterborough)	**£19,250**	-14.4%
9	Essex (exc Chelmsford and Colchester)	**£18,400**	N/A

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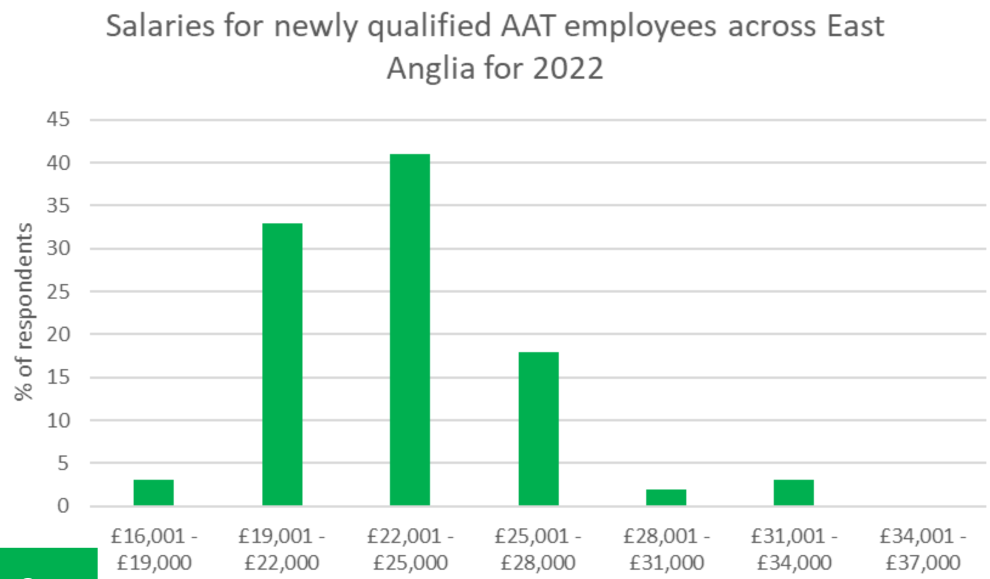
AVERAGE SALARIES

Newly Qualified AAT

The chart below shows the percentage of respondents across East Anglia who pay their newly qualified AAT staff each salary bracket in 2022. The chart shows that the largest proportion of employers are paying their newly qualified AAT staff between £22,001—£25,000 with 41% falling into this bracket. In 2021, 42% of respondents paid the most common bracket of £20,001—£23,000. **Newly qualified AAT staff are being paid an average of 2.7% more in 2022 than 2021**. The similar percentage of employers falling within each pay bracket in 2022 as 2021 indicates that most businesses have increased their salaries across the region.

Ipswich has the highest average starting salary for newly qualified AAT staff across East Anglia at £25,900, this is a 20.5% increase on the average salary for Ipswich in 2021 which was £21,500.

Rank	Area	Average Salary	% Change from 2021
1	Ipswich	**£25,900**	+20.5%
2	Colchester	**£24,500**	N/A
3	Cambridge	**£24,100**	+3%
4	Peterborough	**£23,500**	-2.1%
5	Cambridgeshire (exc Cambridge/ Peterborough)	**£22,900**	-3.6%
6	Chelmsford	**£22,750**	N/A
7	Norwich	**£22,375**	+1.7%
8	Suffolk (exc Ipswich)	**£21,786**	+3.3%
9	Essex (exc Chelmsford and Colchester)	**£21,400**	N/A



£23,246

is the average salary for newly qualified AAT staff across East Anglia, compared to 2021 at

£22,626

+2.7%

average pay increase from 2021

£22,001—£25,000

is the most common pay bracket for newly qualified AAT staff

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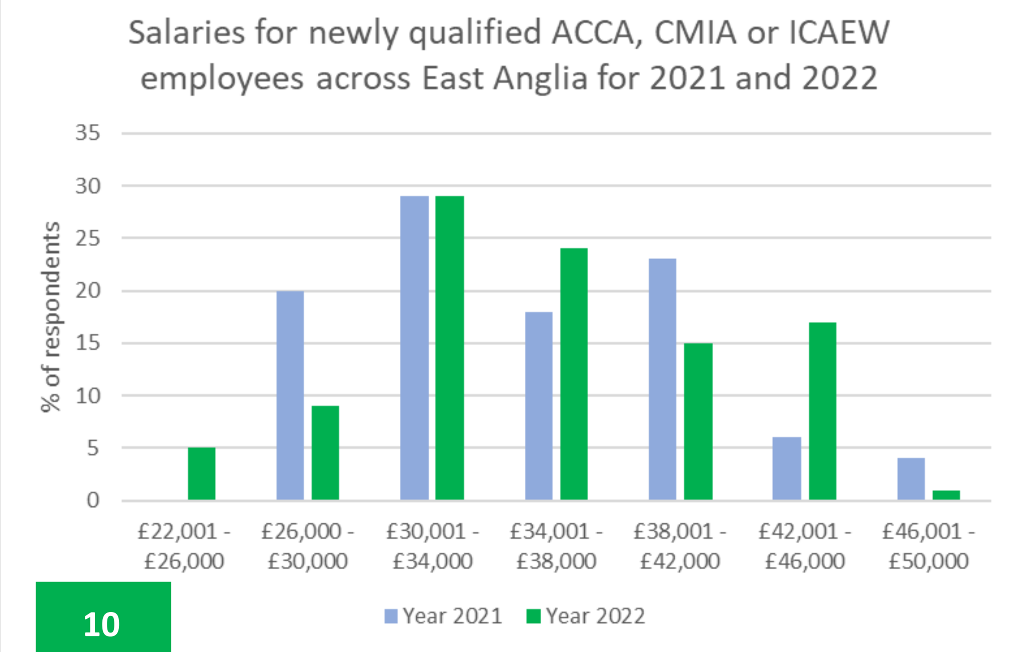
AVERAGE SALARIES

Newly Qualified ACCA, CIMA or ICAEW

The chart below shows the percentage of respondents across East Anglia who pay their newly qualified ACCA, CIMA or ICAEW staff each salary bracket for 2021 and 2022. Although in both 2021 and 2022 the largest proportion of employers (29%) paid their newly qualified staff between £30,001— £34,000, a greater proportion of employers are now paying above £34,000 with a smaller proportion paying £26,001— £30,000. The results show that **newly qualified staff have seen an increase in average salary of 6.8% since 2021.**

Peterborough has the highest average salary for newly qualified ACCA, CIMA or ICAEW across East Anglia at £42,400, this is a considerable increase on the average salary reported for Peterborough in 2021 which was £34,666.



£35,762

is the average salary for newly qualified ACCA, CIMA or ICAEW across East Anglia, compared to 2021 at

£33,498

+6.8%

average pay increase from 2021

£30,001–£34,000

is the most common pay bracket for newly qualified ACCA, CIMA or ICAEW

Rank	Area	Average Salary	% Change from 2021
1	Peterborough	**£42,400**	+22.3%
2	Cambridge	**£38,118**	+2.5%
3	Colchester	**£37,333**	N/A
4	Ipswich	**£36,800**	+8.2%
5	Cambridgeshire (exc Cambridge/ Peterborough)	**£34,667**	+8.3%
6	Suffolk (exc Ipswich)	**£33,714**	+12.4%
7	Essex (exc Chelmsford and Colchester)	**£33,455**	N/A
8	Chelmsford	**£32,800**	N/A
9	Norwich	**£32,571**	-1.7%

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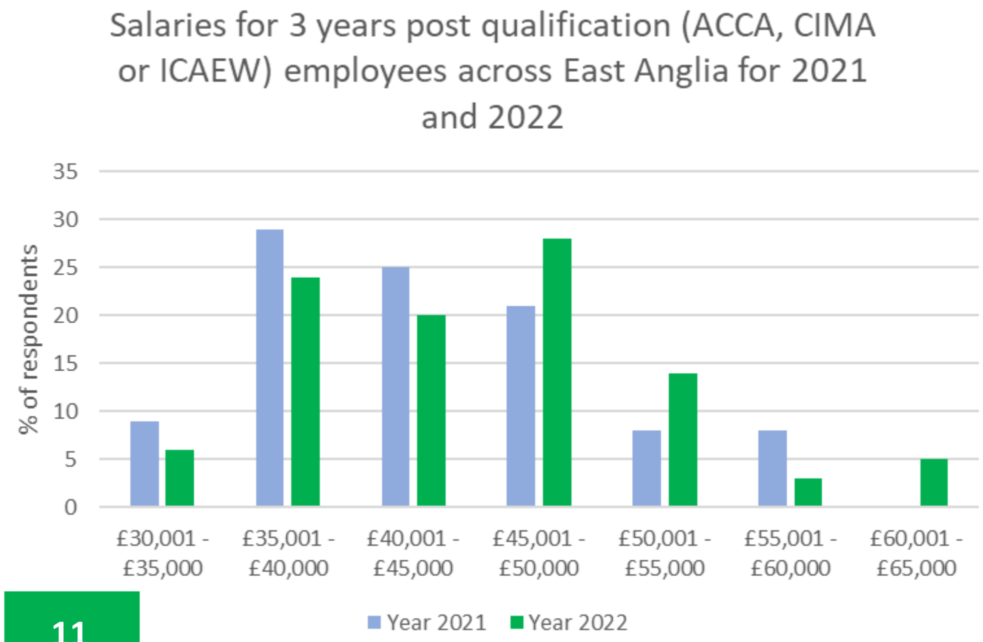
AVERAGE SALARIES

3 Years Post-Qualification (ACCA, CIMA or ICAEW)

The chart below shows the percentage of respondents across East Anglia who pay their staff that are 3 years post-qualified in each salary bracket for 2021 and 2022. The chart shows that **employers are paying this category of staff 5.8% more in 2022 compared to 2021**. In 2021 £35,001—£40,000 was the most common salary bracket with 29% of respondents falling into this category, whilst in 2022 the most common bracket is now £45,001—£50,000 with 28% falling into this category. Some employers are now paying their 3 years post-qualified staff in excess of £60,000 which was not seen in 2021.

Colchester has the highest average salary for 3 years post-qualification across East Anglia at £50,000.



£44,483

is the average salary for 3 years post qualification across East Anglia, compared to 2021 at

£42,026

+5.8%

average pay increase from 2021

£45,001–£50,000

is the most common pay bracket for 3 years post qualification

Rank	Area	Average Salary	% Change from 2021
1	Colchester	**£50,000**	N/A
2	Peterborough	**£49,500**	+14.2%
3	Cambridge	**£48,750**	+4.2%
4	Cambridgeshire (exc Cambridge/ Peterborough)	**£43,333**	+5%
5	Suffolk (exc Ipswich)	**£42,500**	+7.6%
6	Norwich	**£41,875**	+1.4%
7.5	Ipswich	**£41,500**	+3.8%
7.5	Chelmsford	**£41,500**	N/A
9	Essex (exc Chelmsford and	**£41,389**	N/A

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AVERAGE SALARIES
Comparing Employment Sector

Industry

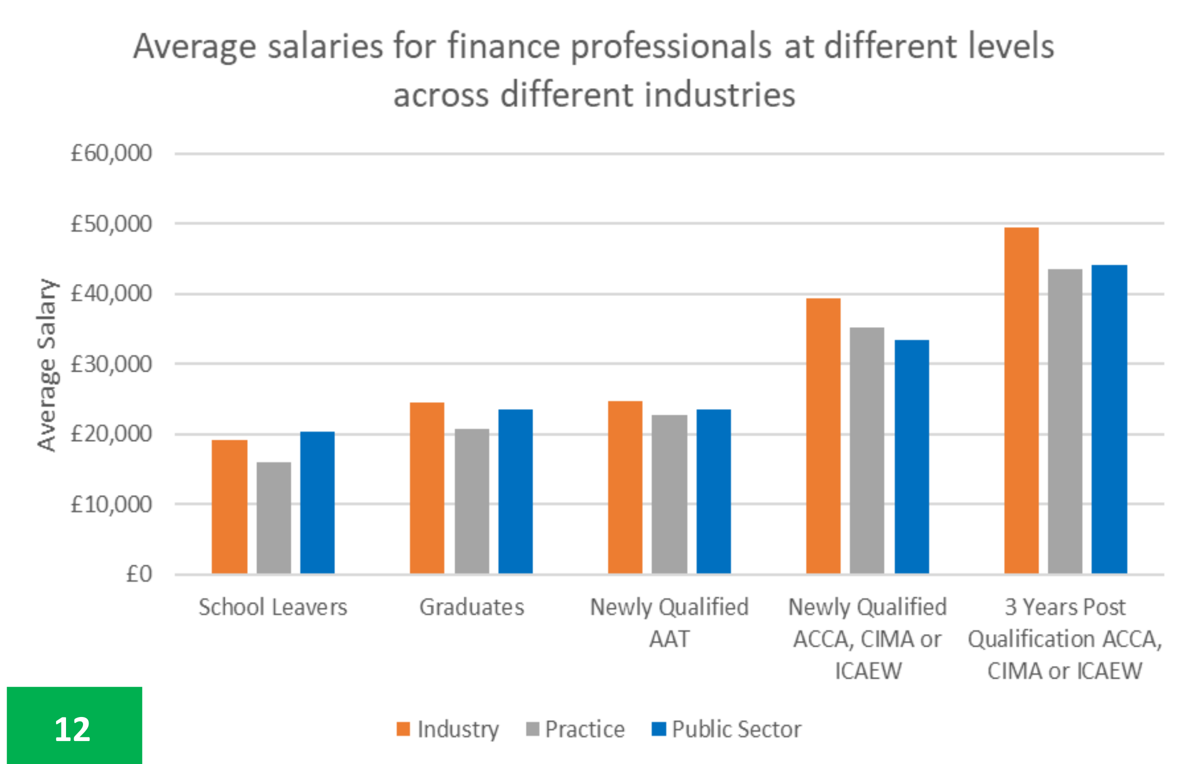
is the highest paid sector

Practice

is the lowest paid sector

School Leavers

have the greatest percentage difference in average pay between industry and practice



The chart shows that **industry consistently pays higher salaries than accountancy practice or the public sector at all career levels**, other than for school leavers where the public sector is slightly higher.

On average, those working in industry across all career levels on the chart were paid 13.8% (£3,807) more than those working in practice.

School leavers have the greatest percentage difference in average pay between industry and practice at 20.2% (£3,208), followed by graduates with 18.1% (£3,761), 3 years post-qualified at 13.3% (£5,812), newly qualified ACCA, CIMA or ICAEW with 12.1% (£4,236), whilst newly qualified AAT has the smallest difference with 8.9% (£2,017).

These results are in line with what we would expect to see in UK accounting, that those working in industry tend to get paid more than those in accountancy practice. However, it is also interesting to see that those working in practice are on average paid 4.8% (£1,337) less than those working in the public sector. This may indicate a lower volume of accountants being attracted to working in the public sector which is driving salaries up.

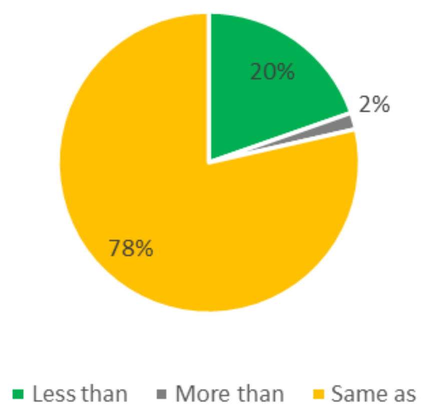
AVERAGE SALARIES

Apprentice vs Non-apprentice Salaries

A table showing how respondent's salaries for apprentices compare to non-apprentices at the same level for 2021 and 2022

	2021	2022
Apprentices are paid **less than** non-apprentices	7%	20%
Apprentices are paid the **same as** non-apprentices	91%	78%
Apprentices are paid **more than** non-apprentices	2%	2%

How respondents' salaries for apprentices compare to non-apprentices at the same level



The data from the 2022 survey indicates that **the majority of businesses, 78%, pay their apprentices the same salary as non-apprentices at the same level**. 20% of respondents reported paying their apprentices less than their non-apprentices at the same level, and 2% pay apprentices more. This breakdown is shown in the pie chart.

The data suggests that most employers value apprentices' work equally to the work of non-apprentices working in similar positions, despite the off-the-job training requirement and other differences in their employment. The results also hint that employers recruiting apprentices may need to offer a competitive salary equal to the pay of non-apprentices working at the same level.

However, comparing the results for 2022 with 2021, it is apparent that **a larger proportion of employers are paying their apprentices less than non-apprentices rather than paying them the same**. This may be result of employers looking for savings to try to off-set the cost of higher pay at other levels.

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AVERAGE SALARIES

Recent and Planned Salary Increases

The results below show that **over the last 12 months a clear majority of employers have increased their salaries for both school leavers and graduates.**

A minority have not changed salaries over the past 12 months but no employers reported reducing salaries for these entry-level positions.

For employers who recruit school leavers, 40% state they have increased salaries for those recruits by 0-5% and 46% have seen an increase of 5-10%. For graduate positions 43% of employers have increased salaries by 0-5% and 37% by 5-10%.

How employers state starting salaries for school leavers and graduates have changed in 12 months (since May 2021) compared to employers' planned salary increase for the next 12 months (from May 2022)

Overall a slightly greater proportion of employers have increased salaries for school leavers (92%) than for graduates (89%). This suggests that whilst graduates salaries may have increased at a higher rate since last year, more employers are paying school leavers higher salaries. This may be due to a larger increase in salary expectations from graduates than school leavers.

The chart and graph also show that **92% of employers plan to increase their salaries again over the next 12 months**, although typically by only 0-5% with only around a third of employers feeling that increases will be greater than 5%.

A table showing the percentage change in starting salaries for school leavers and graduates over the past 12 months (since May 2021) and employer's forecast salary increases for the next 12 months (from May 2022)

	School Leaver Salaries	Graduate Salaries	Salary Forecasts
Increased	92%	89%	92%
No Change	8%	11%	8%
Decreased	0%	0%	0%

AVERAGE SALARIES

Salary Increases by Specialism

The table to the left shows the specialisms in accountancy and finance where employers are finding the greatest increase in salary expectations.

Tax was most frequently selected by employers as having seen the greatest rise in salary expectations, closely followed by audit and then accounts preparation.

Payroll, bookkeeping, VAT, corporate finance, management accounting, and finance business partner were also roles commonly felt to have experienced an increase in salary expectations.

The least affected specialisms were forensic accounting, insolvency, treasury, credit control, purchase/sales ledger, and mergers & acquisitions.

It is possible that tax, audit and accounts preparation have experienced the greatest increase in salary expectations due to a shortage of workers relative to demand for services in these areas, driving competitive salaries up. It could also be that staff in these areas are more likely to be moving roles so employers have had to increase salaries to be able to attract and retain candidates in a competitive labour market.

REWARDS & BENEFITS

Rewarding and Motivating Staff

The chart to the right shows how employers reward and motivate three different categories of staff; trainee staff for passing exams/levels, trainee staff for qualifying, and qualified staff.

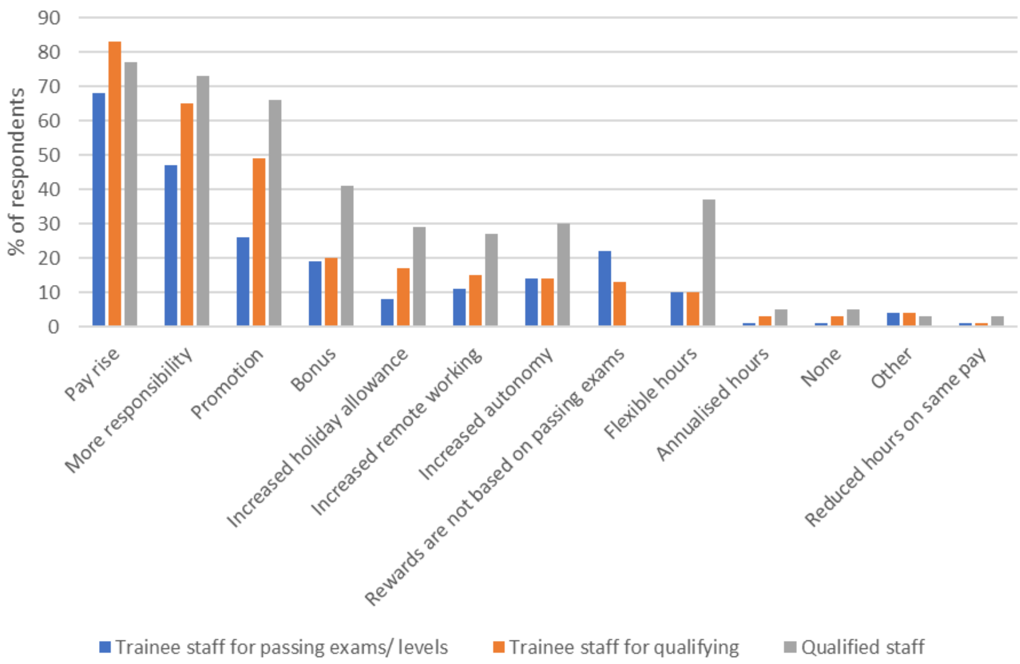
Pay rises, more responsibility, promotion, and bonuses were generally the most common ways in which employers reward and motivate staff in all three groups.

Increased remote working, flexible hours, increased holiday allowance, and increased autonomy are also common ways to reward and motivate staff.

The chart indicates that a pay rise is the single most common way to reward and motivate staff in all three groups. 83% of trainee staff receive a pay rise for qualifying, 68% receive one for passing exams/levels, whilst 77% of qualified staff are rewarded with pay rises. On the other hand the data shows that a very low percentage of trainees receive bonuses, **qualified staff are twice as likely to receive a bonus than trainees**. Qualified staff also tend to see a broader range of non-financial rewards than trainees, such as increased holiday allowance and particularly flexible hours and remote working.

It should also be noted that employers are adopting a combination of both monetary and non-monetary rewards to motivate staff.

Comparing the most common ways employers reward and motivate staff and how this differs for trainee staff passing exams/ levels, trainee staff qualifying, and qualified staff



Qualified staff are

x2

more likely to get a bonus than trainee staff

Pay rise

is the most common way employers reward and motivate their staff

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REWARDS & BENEFITS
Factors Leading to Increased Rewards

It can be helpful to know the factors that lead a majority of employers to reward their staff so that businesses can ensure their employees' work is appropriately recognised.

The table shows that **there are differences in the factors that lead to increased rewards for trainees compared to qualified staff.**

For trainees, good attitude is the most common factor that will influence increased rewards, whilst for qualified staff it is when they have taken on more responsibility or workload. These differences may be a result of trainees having more of a focus on learning than on personal performance and producing higher quality work.

Taking on more responsibility or workload, advancing in capability, and personal performance were also frequently chosen factors that lead to increased rewards for trainees. It is worth noting that more employers selected these factors for trainees than passing exams/levels. It is important that trainees are aware that their rewards are not just determined by passing exams.

A table showing the top 8 factors that lead to increased rewards for trainees and qualified staff

Rank	Factors that lead to increased rewards for trainees	Percentage of respondents (%)	Factors that lead to increased rewards for qualified staff	Percentage of respondents (%)
1	Good attitude	66	When they have taken on more responsibility or workload	78
2	When they have taken on more responsibility or workload	60	Personal performance	68
3	Advancing in competency and capability	58	Advancing in competency and capability	67
4	Once trainees have qualified	55	Good attitude	63
5	Personal performance	55	Higher quality work	57
6	Passing exams	52	Meeting targets	40
7	Higher quality work	52	Time at the company/ annual review	24
8	Passing levels	40	Bringing in new business	23

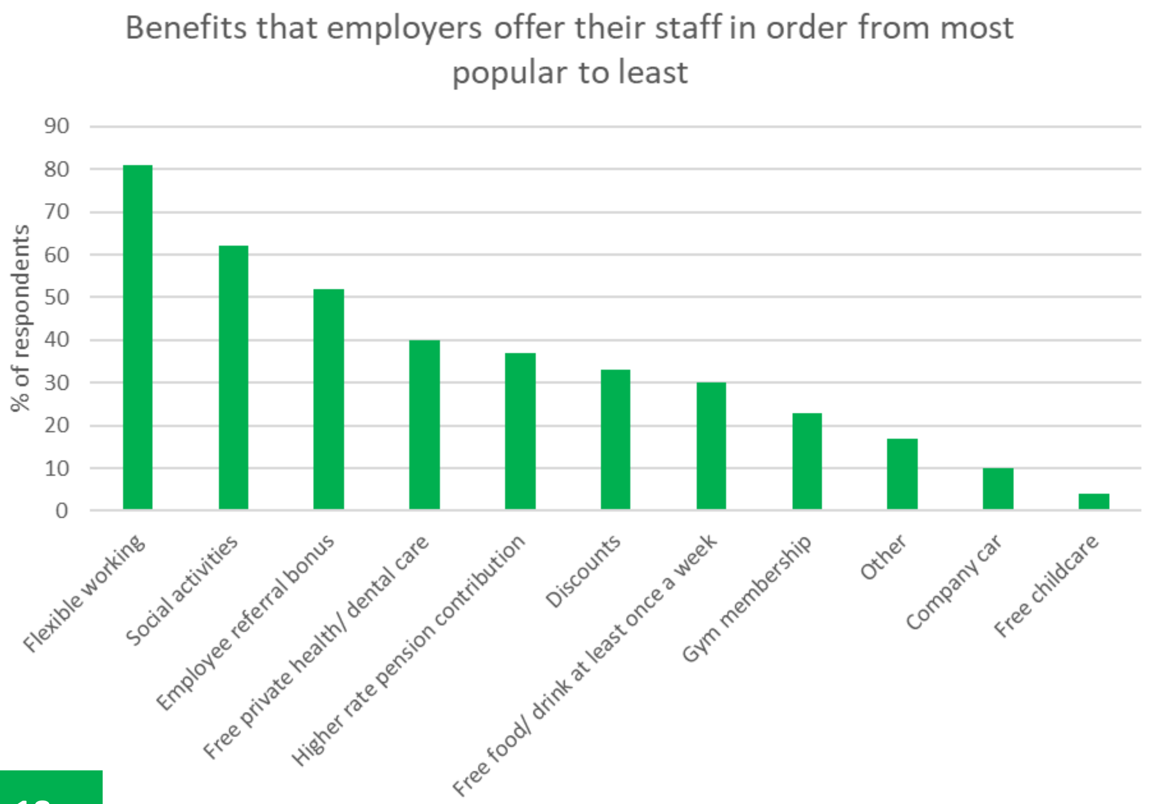
REWARDS & BENEFITS
Benefits for Staff

81%

of employers offer flexible working

4%

of employers offer free childcare



The chart to the left shows the range of benefits that employers offer to staff, from most to least popular. This information can be useful for employers to ensure the benefits they offer are in line with other organisations so that they can stay competitive in the recruitment market.

The data shows that **flexible working is by far the most common benefit offered to employees**, with 81% of employers offering this.

Social activities, referral bonuses, free private health/dental care, and higher rate pension contributions were also popular benefits offered by employers.

Employers that don't offer the most common benefits, particularly flexible working and social activities, might find they are less appealing to new recruits and existing staff.

Benefits that made up 'Other' included bonuses, birthday leave, the ability to buy or sell holiday, personal and professional development days, and life assurance.

RETENTION & RECRUITMENT

Difficulties Retaining and Recruiting Staff

Data from the survey revealed that 64% of respondents said they were finding it difficult to recruit new staff, whilst a lower but still significant 29% were finding it difficult to retain staff. This is in line with what we are hearing from employers at the moment, that it is incredibly difficult to recruit staff, and increasingly challenging to retain them.

Such a high percentage of employers finding it difficult to recruit helps to explain why average salaries have seen an increase since 2021. It is clear that in the current labour markets there are more vacancies than candidates and competition for talent is fierce. Candidates can afford to be more demanding which is driving salaries up for the accountancy sector as a whole.

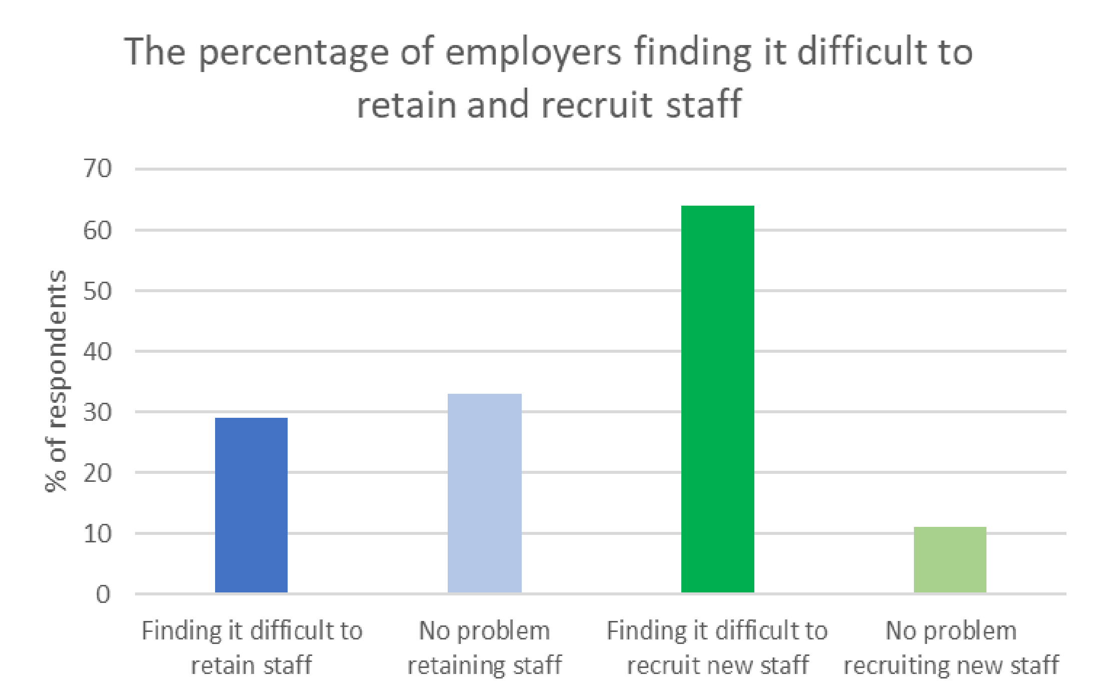
The high level of demand for new staff is something we predicted in last year's Accountancy Salary Guide as economic activity grows. It is also likely to be a delayed impact of the emergence from lockdowns where many employees who may have felt uncertain about moving roles now feel more confident to do so. Furthermore the pandemic gave a lot of people the time to reflect on their career plans and their life priorities which may be another reason why more people may have left their previous roles.

29%

of employers are finding it difficult to retain staff

64%

of employers are finding it difficult to recruit new staff



RETENTION & RECRUITMENT
Comparing Practice to Industry

The charts to the right show how employers in practice and industry are finding recruitment and retention. This gives an indication of the current labour market and which sector is having the worst shortages of staff.

The results show that **practice and industry are both experiencing significant difficulty recruiting new staff.** 87% of respondents who work in practice, and 83% in industry, reported they were finding it difficult to recruit new staff compared to the 13% in practice and 17% in industry who said they were having no problem recruiting new staff. This highlights and reinforces that recruiting new staff is a prominent issue affecting employers across sectors.

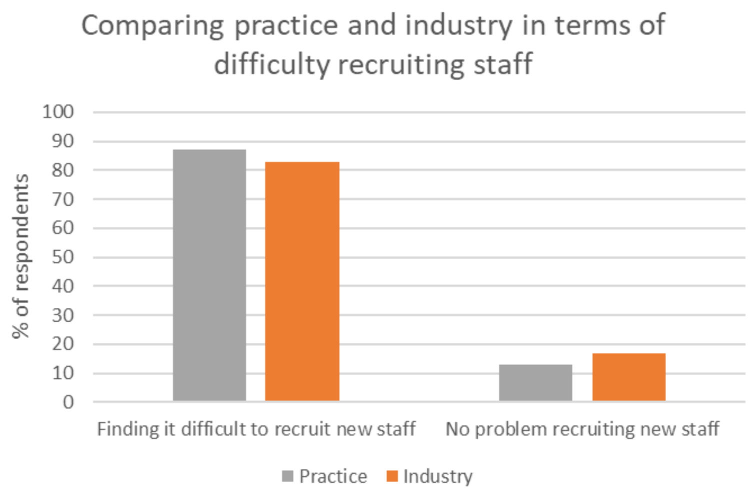
However, **employers in industry are having far less difficulty retaining staff than those in practice**. 78% in industry said they had no problem retaining staff whilst only 45% in practice said the same. Furthermore, the proportion of employers in practice who said they are finding it difficult to retain staff was well over double that in industry. This indicates that employees working in practice are more likely to move roles, possibly due to the lower salary prospects compared to industry (as seen on page 12).

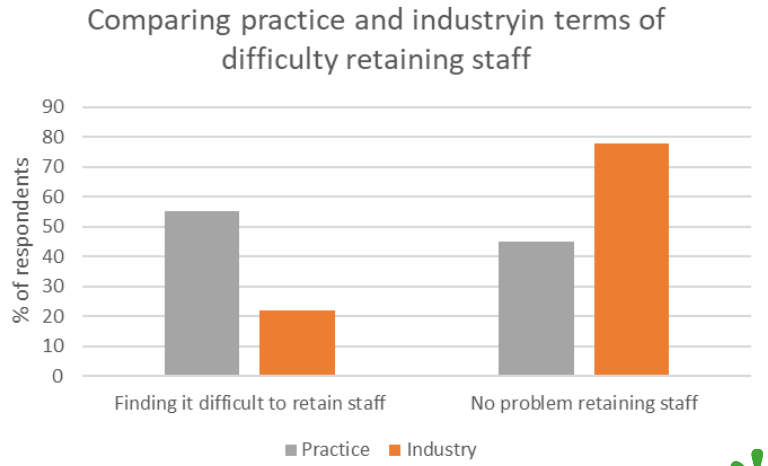
Recruitment

is the biggest resourcing issue facing employers in both practice and industry

Practice

is having more difficulty retaining staff than employers in industry





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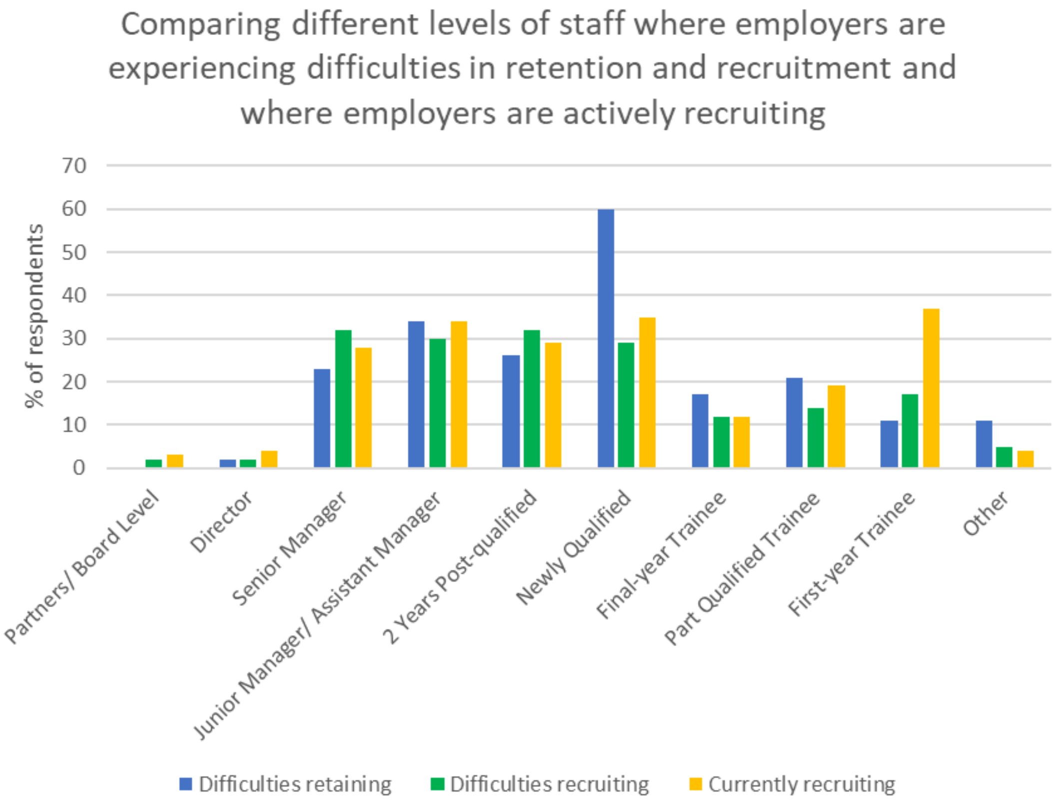
RETENTION & RECRUITMENT

Difficulties Retaining and Recruiting Staff by Level



60%

of employers are finding it difficult to retain newly qualified staff

The chart shows that **newly qualified staff are by far the most difficult group to retain** with 60% of employers finding it hard to hold onto this group. This category is followed by junior/assistant managers and then 2 years post-qualified staff.

This suggests that newly and other relatively recently qualified staff are more likely to want to move roles than employees at other career levels. Employers struggling to retain these staff need to focus their efforts at making the workplace more attractive to this group through some of the non-salary factors identified on pages 16 and 18.

For recruitment, the groups were more evenly distributed with no real standout level harder to recruit than others. On the whole recruitment of qualified staff at all levels below Director seems to be presenting some challenges for a large minority of employers.

The levels where most employers are currently recruiting are first-year trainees (37%) and newly qualified staff (35%) so these would be categories for organisations to most highlight their unique employer value proposition.

Partners/board level, directors, final-year trainees, and first-year trainees were consistently the levels that employers reported having the least difficulty recruiting and retaining.

RETENTION

Retention 12 Months After Qualifying

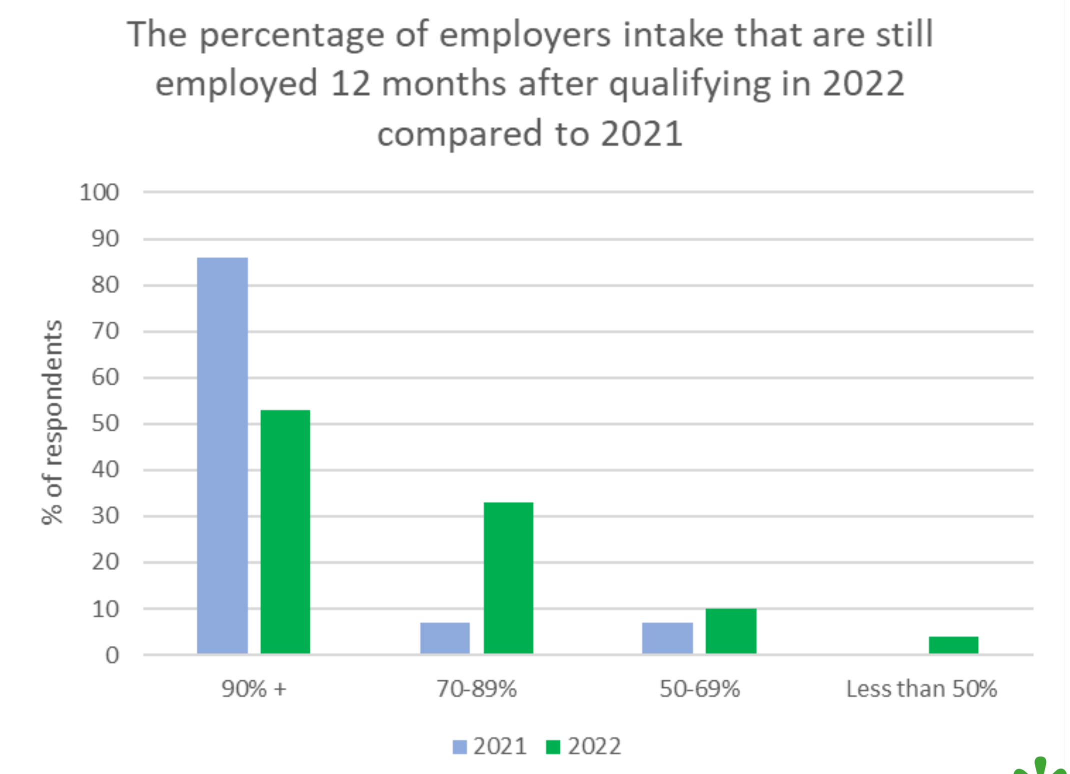
The chart compares the percentage of employer intakes that are still employed 12 months after qualifying for 2021 and 2022. It is clear that **retaining staff, particularly newly qualified staff, is becoming an increasing issue.**

In 2021 86% of respondents said that 90%+ of their staff were still in employment with them 12 months after qualifying. In 2022 this figure has fallen to 53% or respondents which is a significant 38% decrease indicating that a growing number of staff are leaving the employer that they trained with soon after qualifying. It may be that in 2021 during the pandemic people were more cautious about changing job and that the easing of restrictions, and the clear tightening of the labour market has given them more confidence to move.

It is reassuring to see that the majority of employers still do have 90%+ of their intake 12 months after qualifying (53%), and that over 30% of employers still have 70-89% of their intake after this timescale. It will be interesting to see if this worsens into 2023.

38% decrease

in employers that have 90%+ of their intake still employed 12 months after qualifying from 2021 to 2022



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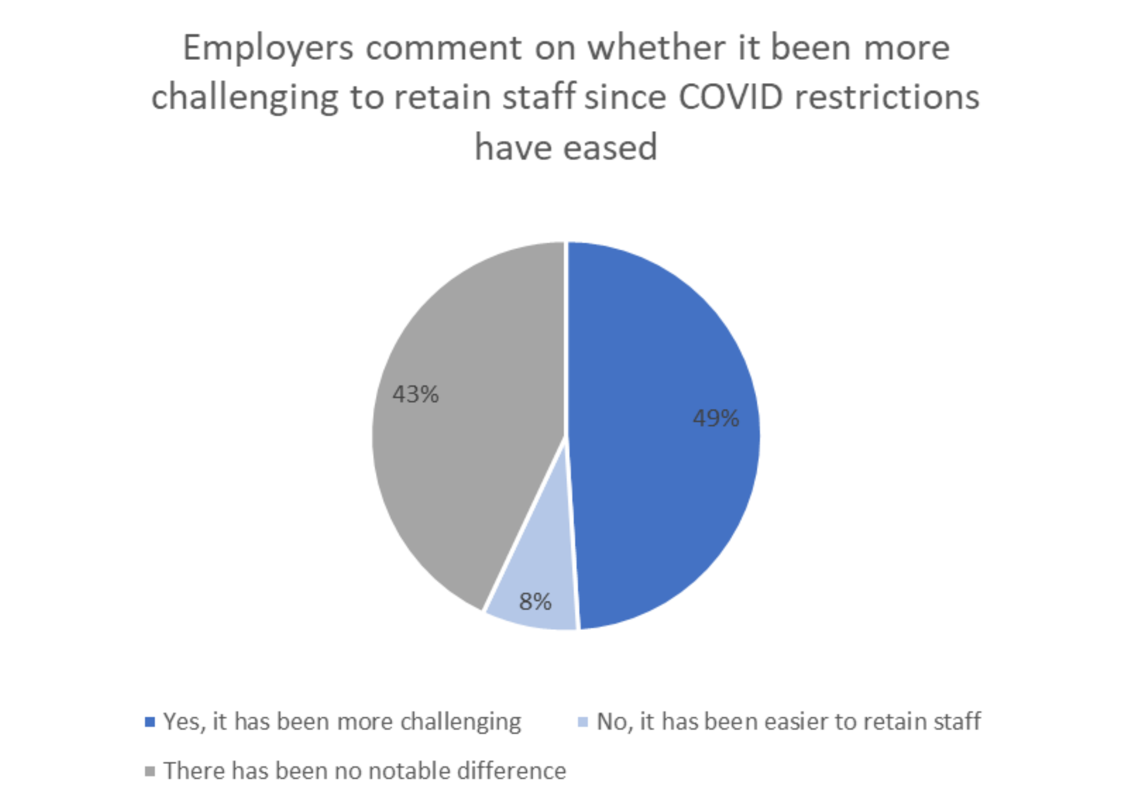
RETENTION

Retention Since COVID Restrictions Have Eased



51%

of employers are finding no notable difference or have found it easier to retain staff since COVID restrictions have eased

49%

of employers have found it more challenging to retain staff since COVID restrictions have eased

When asked whether it has been more challenging to retain staff since COVID restrictions have eased, around half of employers (49%) have found this to be the case. This aligns with our other findings that some employers are starting to find it increasingly difficult to retain staff.

We might expect to see some employers finding it more challenging to retain staff now that COVID restrictions have eased due to the backlog of people who held off from moving roles during the pandemic because of the high levels of uncertainty. It does however illustrate that the labour market has changed since the end of the full impact of the pandemic.

Despite this, **51% of employers are seeing no notable difference or have found it easier to retain staff**, suggesting that retention is not a problem for everybody and is not widespread across all employers. Being back with colleagues in the workplace may be acting to increase team spirit and organisational loyalty of staff who were working entirely virtually.

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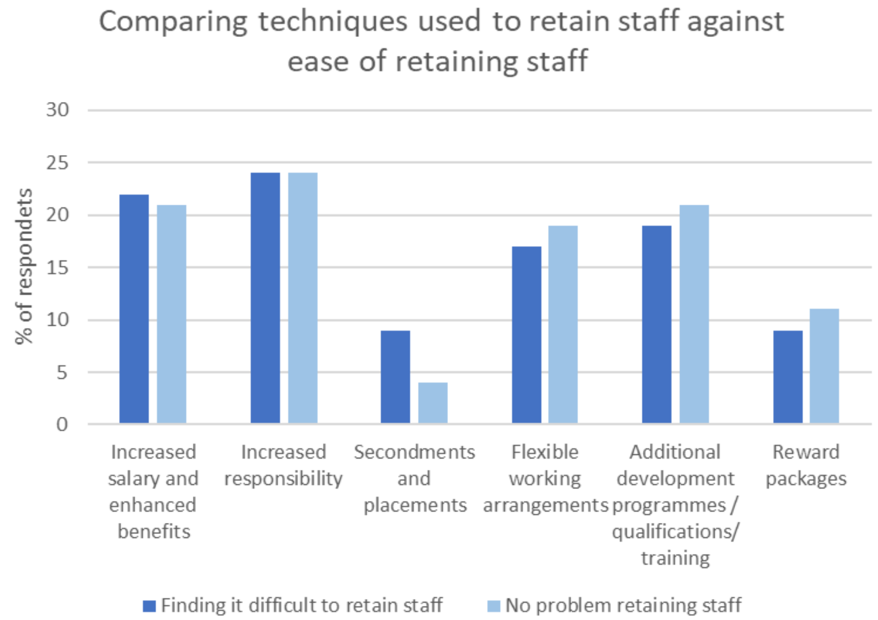
RETENTION

Techniques Used to Retain Staff

A table showing the top 5 techniques used to retain staff

Rank	Techniques used to retain staff	Percentage of respondents (%)
1	Increased responsibility	75
2	Increased salary and enhanced benefits	65
3	Additional development programmes/ qualifications/ training	60
4	Flexible working arrangements	57
5	Reward packages	31



Respondents to the survey were asked about the techniques they use to retain staff. The results found that **increased responsibility, and increased salary and enhanced benefits were the two most popular techniques used to encourage employees to stay in a role**. These were also the two most popular techniques used to retain staff in last year's survey.

The chart on the right compares techniques used to retain staff against how challenging employers are finding it to retain staff to identify whether there is a link between the measures used and employers finding it difficult to retain. The results do not show a clear relationship between the type of measures taken and how challenging retention is proving to be, implying that reasons behind staff retention may lie in other factors that our survey did not measure, such as company culture, or factors that lie outside of the employers control.

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RECRUITMENT

How School and College Intakes have Changed

A major trend in the accountancy and finance industry over recent years has been the increase in the proportion of trainee intakes made up of school and college leavers.

The results here show that 21% of employers have considerably increased their reliance on school and college leavers in recent years, whilst 37% have slightly increased. This means that **58% of employers have seen an increase.** Furthermore, only 5% of employers have seen a decrease the proportion of school and college leavers in their trainee intake.

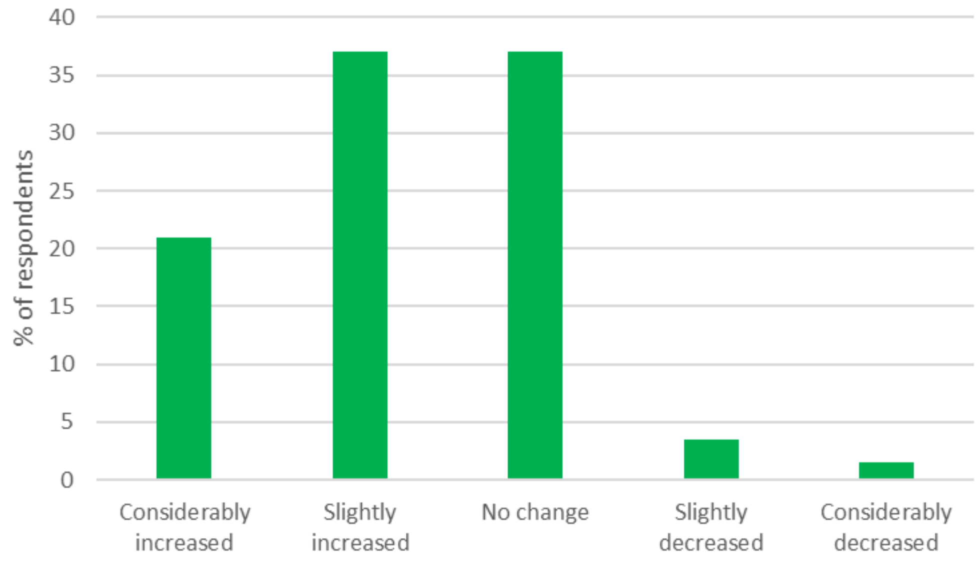
The increase in school and college leaver intake is likely to be due a number of factors that make them more appealing to employers than graduates, including:

- Relevant graduates lacking fundamental technical knowledge
- Graduates lacking practical workplace skills and experience
- Graduates expecting higher starting salaries
- More funding available to train school leavers than graduates
- More of a focus on developing home grown talent with higher levels of loyalty

58%

of employers say that the proportion of their trainee intake that is made up of school and college leavers has increased

How the proportion of employers trainee intake that is made up of school and college leavers has changed in recent years



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RECRUITMENT
Trainee Background and Pathways

Do you tend to prefer to use school leavers, graduates, or mature learners for your trainees?

- **54% No preference, will use a combination of all**
- **44% actively pursue school leavers**
- **21% actively pursue graduates**

It is interesting to see that nearly half of employers (44%) actively pursue school leavers in their recruitment of trainees. This is likely to be a result of the increased funding available to employers who hire school leavers under the apprenticeship scheme, the decreasing relevance of accounting degrees, and the increased desire to have 'home grown' talent.

Do you tend to prefer to use graduates with non-relevant degrees or graduates with relevant degrees in accounting for your trainees?

- **66% No preference, will use a combination of both**
- **21% Actively pursue graduates with relevant degrees**
- **12% Actively pursue graduates with non-relevant degrees**

These results suggest that the majority of employers have no preference on the type of degree a graduate has when they are recruiting trainees, although around 1 in 5 do pursue graduates with relevant degrees. The 12% that actively pursue non-relevant degrees may be a result of some employers finding the exemptions trainees get with their degree actually hinder their learning.

Do you prefer to use accountancy apprenticeship programmes or commercial training contracts for your trainees?

- **74% actively pursue apprenticeship programmes**
- **22% have no preference, will use both apprenticeship programmes and commercial contracts**

The large majority of employers surveyed (74%) said they actively pursue apprenticeship programmes over commercial training contracts for their trainees, which compares to just 9% who said they actively pursue commercial contracts. Only 1% said they would actively avoid apprenticeship programmes. This aligns with what we are seeing in our classrooms, that the vast majority of accountancy students are now supported as apprentices. We expect this shift to continue to increase in coming years.

RECRUITMENT

Change in Recruitment Numbers

57%

of employers have increased their recruitment to some degree between May 2021 and May 2022

45%

of employers expect to recruit more staff between May 2022 and May 2023

The chart shows the change in the number of accountants recruited from May 2021 to 2022 against the expected number of recruits for May 2022 to May 2023, to illustrate whether there is a significant difference in the number of staff being recruited over time.

The results show that **between May 2021 and May 2022 57% of employers reported to have increased their levels of recruitment to some degree.** Only very few, a total of 10% of employers, have decreased the number of staff they are recruiting each year.

Moreover, **45% of employers expect to continue to increase recruitment numbers between May 2022 and May 2023**.

This increased recruitment may be because businesses are expanding with increased levels of demand, and is likely to be exacerbated by increased movement of staff and lower levels of retention.

RECRUITMENT

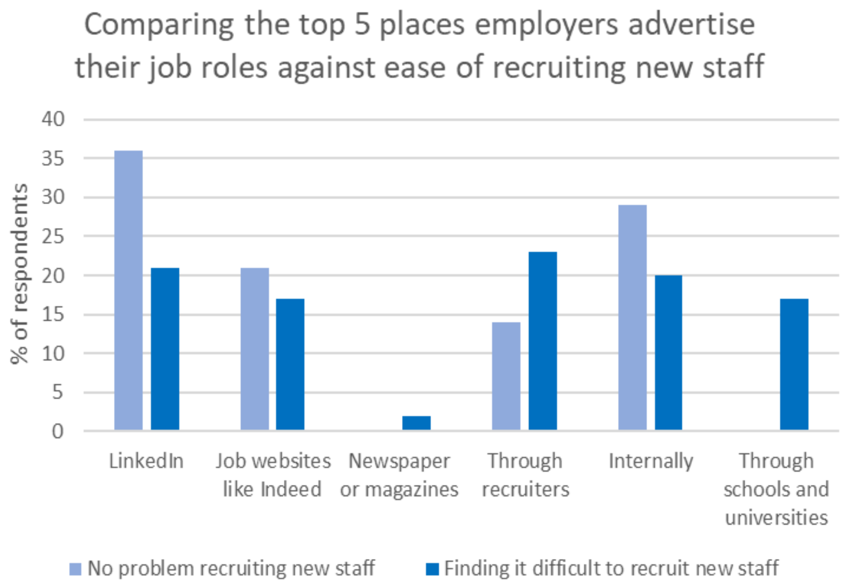
Advertising Vacant Roles

A table showing the top 5 ways employers advertise their vacant job roles

Rank	How employers advertise their vacant roles	Percentage of respondents (%)
1	LinkedIn	61
2	Through recruiters	56
3	Internally	54
4	Job websites like Indeed	49
5	Through schools and universities	39

The table to the right shows the top 5 ways employers advertise their vacant job roles. It can be useful for employers to know how and where their competitors advertise job roles so they can ensure they stay competitive and their vacancies are promoted in the right places. The findings were that **LinkedIn is the most popular way to advertise their job roles**, with 61% of employers using the platform for this purpose. Internal recruitment was the third most popular way employers advertise their vacant roles indicating the value in using talent already in a business.

The chart to the right is looking at whether there is a relationship between the employers who are finding it difficult to recruit new staff or those with no problem recruiting new staff, and where they are advertising their vacant roles. The results indicate that **more of those seeing no problem recruiting new staff tend to advertise on LinkedIn, and internally, as well as on job websites like Indeed** than those finding it difficult to recruit new staff do. This could suggest that employers are likely to be more successful when advertising through these methods. Ultimately, employers should use a combination of different techniques and platforms to advertise their vacant roles to generate the greatest range of candidates.



Thank you

Thank you for taking the time to read First Intuition's Accountancy Salary Guide 2022. We hope the findings have offered a helpful guide and benchmark for salaries in the accountancy industry, plus offer insight into rewarding, retaining, recruiting staff.

If you would like to take part in the survey for the 2023 Accountancy Salary Guide please email cambridge@fi.co.uk.

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