

Brightwater SALARY SURVEY 2020 Analysis



OVERVIEW

It's been an interesting year overall both economically and closer to home for Brightwater. The outlook is positive but the impact of Brexit and other geopolitical factors cannot be ignored. Brexit's multiple extensions have done much to disrupt the economic landscape. Organisations, particularly in the FMCG sector, have been cautious about hiring budgets and prefer to wait until the uncertainty of Brexit is resolved. Despite this, there have been very competitive global trading conditions and all indications are that this trend will continue well into 2020.

Notwithstanding the turbulence of Brexit, Ireland has experienced considerable movement on jobs, particularly within the banking, compliance, legal, supply chain and logistics sectors. While the potential impact of possible trade barriers and further tariffs is yet to

be seen, the government and professional bodies have done much in preparation and the impact may be reasonably limited. Post Brexit, all expectations are that we should see a positive uplift in optimism across the economy.

While Dublin may be the focus for companies creating jobs, the regions have also seen their fair share of jobs being created. The Munster area in general has seen jobs growth in cyber security, med-tech, pharmaceutical and fin-tech as well as manufacturing. Since the launch of the Regional Action Plan for Jobs in 2015, the Irish government has made it a priority to focus on regional areas to help facilitate the creation of jobs and so far, the Munster and Connaught regions have grown at a steady rate.

As in 2019, 2020 will see a rise in salaries which have risen on average between 3 and 5% but in certain sectors such as IT where there is a considerable shortage of talent, we have seen some salary increases up to 10%. However counteroffers are prevalent especially in niche areas like cyber security and audit and are

skewing perceptions of market rate salaries. The much welcome changes this year to visa regulations for the spouses /dependents of visa holders has gone some way towards alleviating the pressure on talent shortages as the decision to relocate to Ireland has been made easier.

The focus for employers is the remuneration package as a whole and benefits continue to play a key part in attracting and retaining staff. Employee healthcare and pensions continue to be at the top of candidates' wish lists when moving roles and are almost expected to be a very standard part of an offering. Flexible working or the option of working remotely is also becoming an expected norm rather than a USP and is something that smaller companies can position themselves to offer on a much more flexible scale than bigger organisations. However, in the manufacturing and supply chain sectors, flexible working isn't necessarily compatible with operational requirements and employers have to be cognisant of that fact and perhaps offer other options that suit both employee and employer. Other benefits that are becoming increasingly common include a raft of "wellness" options and clear support in charitable endeavours and educational requirements. At C-Suite level, impact on board decisions and autonomy as well as LTIPs and shares can be the deciding factor in any move.

There is no question that the employers winning "the war for talent" are companies that are very much mindful of their employee experience and cultural supportive environment. An inclusive and diverse culture, along with an agile working environment, transparency and clear progression paths are on every employee's wish list and if a company isn't perceived to be able to offer this, especially at interview stage, the candidate will move onto their next offer. In what is becoming a tight candidate market, employers need to put their best foot forward when making an offer.

I wish you a very successful 2020 and if you require more specific analysis of market trends by market sector please contact your Brightwater Consultant or email our marketing department on salarysurvey@brightwater.ie.

ECONOMIC OVERVIEW

Bank of Ireland (S)

Bank of Ireland Economic Research Unit November 2019

The Irish economy is growing and creating jobs and the expectation as we close out 2019 and look towards 2020 is that it will continue to do so.

Some 2.3 million people are now in work and the unemployment rate is down to 4.8%. Wages are increasing and as the economy is effectively at 'full employment', further gains are in store. Subdued inflation is also helping to boost households' purchasing power and consumer spending is advancing at a decent clip, although it is fair to say that heightened Brexit uncertainty has been tempering the mood lately.

The same goes for business sentiment, with a number of firms impacted by the UK's decision to leave the EU indicating that they have pressed the pause button on their investment plans and are adopting a 'wait and see' approach for the moment. Recent Bank of Ireland Economic Pulse research finds that three in five businesses have ambitions to expand in the next one to three years though which bodes well.

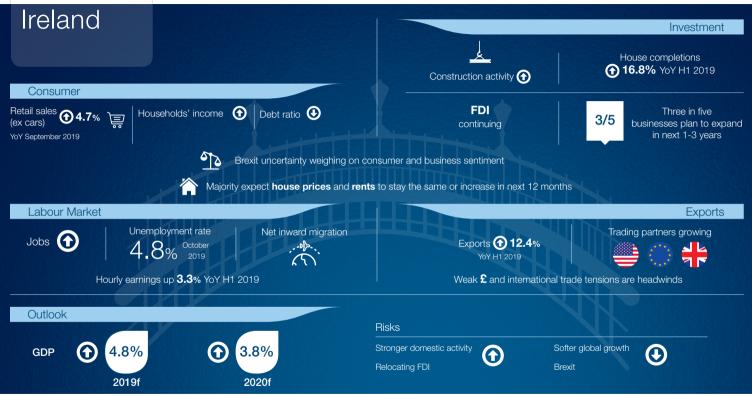
Tensions on the global trade front are also adding to the unsettled external backdrop but notwithstanding these, exports are more than holding their own. Relatively acyclical, multinationaldominated sectors like ICT and pharma-chemicals are doing especially well and Ireland's position as an FDI hub remains strong thanks to the access we have to EU markets, our well-educated English speaking workforce, common law system and business friendly regime.

Years of solid growth means that the country's infrastructure is coming under pressure however. And even as homebuilding - and construction activity more generally - is continuing apace, a mismatch remains between the amount of housing available to buy and rent and the amount that is required to accommodate our growing population. Other areas like the transport and telecommunications networks are in need of investment too and addressing infrastructure bottlenecks - while keeping overheating risks at bay - will be important in the period ahead, not just from a productivity and competitiveness perspective but from a quality of life one.

So as things stand, there are quite a few clouds on the horizon. At the same time, there is plenty of momentum in the Irish economy and assuming that current UK-EU trading arrangements apply for another while yet, further growth is on the cards. Indeed, the latest Bank of Ireland forecasts have GDP growth of 4.8% pencilled in for 2019 and 3.8% for 2020.

Economic Overview

Bank of Ireland 🛞



Forecasts were prepared by the Bank of Ireland Economic Research Unit in July 2019 and assume current UK-EU trading arrangements continue to apply consistent with an extension of Article 50 or a transition period.

Sources: Bank of Ireland, CSO, IDA, IMF, Bloomberg, Central Bank of Ireland

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2019 in many respects has been quite a roller coaster in terms of recruitment market activities. The ability for many senior leaders to determine long term strategic business plans and recruitment needs, with so much ambiguity around Brexit has been increasingly challenging for many. Certain sectors have experienced almost a tale of two halves in terms

of the pro and cons of the Brexit dividend. The engineering & construction sector is seeing a lot of hiring activity which we can see continuing into 2020, in particular across project and site directors, versus the FMCG sectors feeling more tightening impacts across their commercial, supply chain and distribution related hires into 2020.

We saw late Q1 into Q2 of 2019 healthy recruitment activity across leadership roles. Going into Q3, many interview processes for new senior roles were on momentary pause due to Brexit deal extensions, in Q4 of 2019, this has alleviated considerably. Predictions going into 2020, we sense the market will be cautious for the first half of the year, but many firms seem resilient and determined to move forward with their hiring and diversification plans.

For 2020, within Technology & Analytics we see a continued demand at VP and Director levels hiring for Software Developers, Enterprise Systems Architects and IT Change, combined with CISO (IT security) and CTOs. Candidate supply will continue to be tight so companies will need to consider more international relocations and supporting visa processes for niche skills. There is an evolving need for technical skills combined with cultural leadership proficiency in equal ratios and this is becoming more evident with candidates who are expected to manage direct, virtual and third-party vendor teams under changing target operating models of firms. AI, machine learning, Big Data, Python, Scala and Cloud are all skill sets in growing demand. Across industry sectors, B2B, retail, logistics, healthcare, semi state, not for profit and tech firms have been steady in 2019 and we see expect similar volumes of senior hires for 2020. The need for candidates to work through ambiguity, continuous change and often acquisitive company environments is key.

Changing cultures on the ground for an increasing number of organisations is often described more akin to private equity / VC cultures, replacing at times a more traditional and conservative cultural style within companies. Candidates at CEO, COO, CPO (chief people officer), CTO, Strategic Operations Director, Commercial Director, and CFO levels who have a demonstrable ability to prove how they can lead and empower positive cultures, effect positively commercial strategy and most importantly are adept in successfully leading generation X,Y, Z workforces will continue to do well.

Within financial services, candidates moving across to new firm builds outs are increasingly seeking to understand more about the substance of teams here in Ireland, future scale and their local versus group HQ culture along with the evolving matrix reporting and structures. With the continuing pipeline of Brexit related newly created firms where skills set are scarcer (e.g investment bank, ManCos, fintech payments,) there are limited talent pools. This combined with firms adjusting to new target operating models is impacting more prolonged recruitment processes.

Certain directives such as CP86, PSD2 have driven increased hiring and heightened competition amongst the funds, banking and fintech payments sectors. IFRS 17 will also create more demand over the next 1-3 years as firm build out their lead technical finance and actuarial professionals in insurance and fund management firms. Group consolidation reporting skills will also be key hires in 2020. With European HQ establishments, combined with portfolio transfers into Ireland, which is changing firm's risk impact ratings under the supervision of CBI, PFC and CF hires across Risk, Compliance, Capital & Investment Risk, along with Designated Oversight roles in Investment, Distribution and Operational and Regulatory Risk will continue in momentum. In accountancy practice sectors, hiring needs at director or partner levels within advisory, tax and audit remain strong. We see strong demand in indirect tax, transfer pricing, international corporation tax, M&A, regulatory advisory and human capital advisory. Across the legal sector, inhouse senior corporate lawyers in investments, M&A, banking and tech and property are also in steady demand. Candidate that can attract new clients and new advisory specialisms for those trending Brexit related new firm authorisations will do well.

Overall, salary increases felt across different sectors and role disciplines vary hugely across the SME and multinationals. Average increases for those candidates moving roles, tend to range from 9-15%. Salary is important but equally company culture is becoming "a top of the agenda consideration" for many candidates considering a move. With reference to total compensation the variable remuneration across discretionary bonus and if LTIPS (shares or cash) are applicable, can equate to an average range of an additional 23-60% against a candidate's annualised base salary, depending on the scale of the organisation, T/O, role definition and jurisdictional cover.

Sign-on or guaranteed bonus elements for appointments made in Q4 or Q1 of the fiscal year are making more of a consistent come back also, in order to attract and mitigate against bonuses left on the table to move to a firm before bonus pay outs and the dissuade the lure of aggressive counter offers. Pension, employee wellness benefits, flexi bens in terms of sabbatical leave, buying of additional holidays and, agile remote working and flexi working hour arrangements are all very strong trends that we can see will be here to stay.

With changing operating models for firms, the demands of niche or certain

hard to find skills new to the Irish market in 2019, we've seen interview processes move from an average for 3 months to 5-6 months with circa 40% of our appointments completed in 2019. The majority of clients and candidates see this process needing to be much more efficient going into 2020, as the pace of competition is increasing.

Diversity and inclusion has been a key focus for many organisations and their boards, this is still slow in terms of changes at the top level executive management team, however, Independent Non-Executive Director appointments seem to be seeing encouraging inroads on this key area with more diversity coming through.

From myself and all our partner team here at Brightwater Executive, we wish you continued success into 2020, in navigating, managing and capitalising on the year ahead of us. If you require further detailed analysis or views against any particular discipline or sector, or would like to discuss an upcoming appointment you require our assistance on, please don't hesitate to contact me.

Estelle Davis

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Accountancy

Accountancy General

Overall we've seen a 3-5% pay increase in most areas for accountants, particularly those outside of practice. However, for candidates, the overall package carries far more weight than the basic salary. Employers are having to become more innovative with their offerings across their remuneration packages to both attract and retain staff. Work life balance is featuring higher on wish lists of potential new hires as are flexible working hours, ability to work remotely, pension, bonus, healthcare and length of annual leave.

Salaries for some accounts administrative functions have remained the same. This is due to the level they are at and the value they add to the business. One other reason is the automation of some roles. Technology is advancing resulting in systems becoming more efficient and we will ultimately see this replacing some roles.

Growth areas include commercial accounting / finance business partner type roles across SMEs to Plcs. Organisations need their accountants to be more than number crunchers, they need to add a commercial element to the business working with other departments. Experienced payroll specialists are also in demand, especially in Cork where there is a high proliferation of shared service centres. While many people are completing the IPASS course and interest in payroll is growing, companies are looking for candidates with several years' experience in a similar environment as themselves.

Other than in financial services, Brexit has not had a huge effect on the accountancy sector so far. However in the Munster region, it's having a mixed impact. Smaller manufacturing companies are reluctant to recruit until the impact of Brexit regarding export charges and tariffs are know. On the flip side, it is having a positive impact on US multinational shared service centres across the region. With the UK leaving the EU, Ireland will be the only native English speaking country in the EU. This shared service centres continue to grow and expand in the Cork region. Multilingual accounts professional in particular are in high demand.

It's still proving quite difficult to get really good candidates with niche skills such as IFRS, Solvency II and Finance Business Partner experience. Employers need to target those returning from abroad, (b) offer a wider variety of benefits in their remuneration package and (c) have clear career paths for these hires when interviewing. Employers need to be aware that these candidates will get multiple offers as well as counter-offers from their existing employer and need to act accordingly, letting the potential hire know what's on offer with them.

The role of the accountant is ever changing and becoming more people facing. Employers need to develop their staff and either upskill or redeploy them. US multinationals are no longer keeping staff within specific verticals and are enabling them to move between positions within the company. High on the list of upskilling are stakeholder, influencing and commercial skills as well as the usual technical qualifications.

Practice & Taxation

Within practice, typical pay increases are ranging from 4-8%. These increases often come from moving to a bigger firm to another level. Industry tax roles will pay a premium for a qualified candidate. As always, practice firms are seeing a skills shortage for the likes of audit seniors, particularly in Cork as once accountants are qualified, the attraction of industry roles tends to be too much to ignore. One area that is seeing a slow-down is restructuring; Big 4 firms are offering contracts instead of perm roles in this area. Trainee salaries remain relatively stagnant at between €20,000 - €25,000. Again, companies and firms are becoming more savvy in terms of their remuneration packages and are being forced to widen their range of benefits to include pension contributions and health-cover. While much more common in the Big 4, these benefits are now being introduced across the board.

Tax is seeing a resurgence. More companies are setting up in Ireland (some as a result of Brexit and others due to global expansion) and FDI work is a huge growth area in a number of tax firms. We expect to see an increase in demand for fintech in 2020, more tech transformation roles as well as continued growth in the area of tax.

Accountancy practices are continually looking to upskill their staff with training courses, eg tax qualifications. However in order to retain the interest of staff, many of the Top 10 are offering secondments globally.

Financial Services

Financial Services is one area where Brexit already has had a visible impact. Over 250 financial services companies have either moved to Ireland or expanded in the wake of Brexit. While some were only holding companies, it still has had an effect on candidate supply and put pressure on an already pressurised market. We have seen approximately 5% (sometimes higher) increases in pay across certain areas including Solvency II, M&A and FP&A. These are all niche skills within the sector therefore creating a higher demand.

The sector is growing particularly in financial reporting / regulatory reporting due to changes in regulations and reporting standards such as IFRS 17. These changing regulations and reporting standards continue to drive demand therefore employers are seeking finance professionals skilled in financial reporting, Solvency II, M&A and audit.

Newly qualified accountants with 3–5 years' PQE continue to be highly sought after with the last year having been very much a candidate driven market. Big 4 practice trained professionals with strong audit and financial reporting experience are in high demand along with those with strong technical skills and knowledge. Sectors such as insurance, aircraft leasing and corporate services have significantly grown in the past 12 months so their demand for highly skilled qualified accountants has increased as a result.

Companies across the financial services sector are very cognisant of the competition for staff so remuneration packages and benefits on offer are quite generous and reflective of candidates' requirements. While base salaries have increased, the demand for "standard" benefits such as pension, healthcare, bonus and flexi-time has also increased. Employers are also very mindful of the cultural fit for their organisation as well as the need to up-skill staff in order to retain key individuals. Training courses, options for moving internally and clear progression paths are consistently mentioned as reasons for staying or leaving an organisation so employers are stepping up and providing all of these to their staff.

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Banking

The areas of investments, private banking and treasury have all seen salary increases over the last year by approximately 5-8%. Recruitment is steadily growing across all these areas. Retail banking operations and back / middle office roles have all somewhat stagnated. Due to hiring and salary freezes, retail banking in particular, has seen only marginal increases in salaries if at all.

Brexit has had an impact on the speed of recruitment processes for the international banks. However many of the smaller / private banks have continued to hire. Investments and wealth management will all continue on their upward trajectory of growth in 2020. Business for all the major players has been really strong over recent years, especially in real estate.

Due to the arrival and development of several treasury centres in Ireland over the last two years, there is a skills shortage of corporate treasury candidates, especially those with a front office skillset (FX) and experience in cash management. Competition is high for candidates in this area and we're seeing a resurgence of counter-offers as employers seek to retain their staff. We're also seeing companies compete for candidates with a larger range of benefits / innovative offerings in their remuneration packages. They are also offering "work from home" or "remote working" options as a way of providing a better work / life balance. Employers are also keen to upskill and/or redeploy staff in a bid to retain them with education assistance, sponsorship of industry membership and the provision of formal / informal training as standard. We expect this demand for candidates to increase throughout 2020.

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Fund Services

Salary levels have very marginally increased (1-3%) across fund accounting and investor services. Larger increases (3-5%) were seen in the area of asset management with the arrival of new players into Ireland over the last 12 months. There has been very little change in salaries at a junior level in fund administration and investor / shareholder services. However newly created roles from asset managers entering the Irish market have resulted in an increase (3-6%) in salaries for senior fund accountants / account managers.

Brexit has already impacted the Irish market in a positive way with more funds being domiciled here well in advance of the initial Brexit deadline. There has been further growth in both asset management and front office-based roles due to the number of funds being moved from the UK and the US. Dublin is not the only region benefiting from asset managers expanding their fund management operations. Limerick, Waterford and Kilkenny are also seeing expansion in operations, creating new opportunities regionally. There are no huge variations in salaries for regional locations as there is still competition for candidates with experience and niche skills.

We are seeing skills shortages already for account managers / senior fund accountants with experience in real assets funds (private equity, real estate etc) and we predict that this will continue well into 2020. This is driving salaries up and funds companies are becoming more creative with their remuneration packages to retain and attract key funds professionals. Work life balance is a big driver as long hours are common in the funds services / asset management areas. Some employers are now offering work from home options for 2-3 days a week.

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Compliance & Risk

The compliance sector is growing at a rapid pace. The reasons seem to be twofold. There is increased pressure from the Central Bank of Ireland (CBI) to meet their and the European Central Bank's high regulatory standards, and the impact of Brexit. Insurance, funds, and investment companies setting up in Dublin rely on local talent and support in order to apply for licenses under Central Bank of Ireland (CBI) regulations, and to meet their regulatory commitments. CBI are strongly monitoring and supervising the market, so employees that will meet their high fitness and probity standards are in demand. This is a very strongly regulated market. As a result, many companies are choosing to hire locally, and opt for employees who have strong exposure to CBI regulations.

However this has meant a sharp increase in the demand for more skilled professionals with compliance and company secretarial skills in the funds and investments space, with an increase in hiring from ManCos, investment companies, and private equity firms. Those with exposure to MiFID regulations on the compliance side, and fund boards on the company secretarial side are in high demand.

Salary increases in 2018/19 in compliance and risk were generally in the 10-15% range, which is a strong increase. This trend is continuing, possibly even looking at more of a 12-15% increase depending on current corporate level and sector. The fastest growing salary band is for those currently working in the \in 35-60,000 salary range. Salary % increases are somewhat lower when employees move into companies with stronger benefits and bonus options.

Salaries have generally been increasing due to demand in specialist areas and increased demand from the fund and investment management space, partly due to Brexit moves. The compliance industry is generally becoming more specialised, so people with niche skills are in high demand. Salaries are stagnating somewhat for Data Protection Specialists, there is a somewhat decreased demand and fewer new roles as we move further away from the instatement of GDPR, and project work is winding down, while in-house data protection roles are stabilising.

Compliance, risk and AML are facing increasingly tight and varied regulations that are requiring more people to become specialists. We've noted a trend of subdividing of the workforce into more niche and specialised roles, with fewer "generalists" who straddle all aspects of compliance and risk. There is a tendency for large corporate banking and financial services institutions to depend more on the services of outsourcing firms, particularly in the areas of AML and KYC remediation. We expect this trend will continue as CBI continue their inspection and review process.

There are skills shortages across the board but most notably for Quantitative Risk Analysis, MiFID Specialist Compliance Officers, Company Secretaries (particularly in funds), and there is an increasing demand for AML Specialists with EU language skills. Employers are pushing their staff to gain ICSA / CoSec qualifications and are offering other training courses.

In order to both retain and attract compliance professionals, companies are more encouraging and supportive of further learning, both in technical skills and offering language classes, personal development etc. including management training.

Flexibility on start/finish times, working from home, and bonus potential seems to be increasingly important. Flexible working options tend to be highly sought after. There are many individuals seeking part-time contracts. Company culture and work-life balance are high on everyone's agenda so companies are increasingly coming up with new and innovative ways.

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Legal

By and large, salaries in the Irish legal sector have increased approximately by 5% in the last year. Salaries for in-house roles tend to be similar to those in private practice but only when you add in total package of healthcare, pension etc. The sector has grown consistently across all areas and we expect this to continue throughout 2020. This growth has meant staff shortages will continue to be an issue. Brexit has had an impact on the legal sectors with new entrants to the market driving up the competition for legal professionals in an already tight market. A number of large global and UK firms have set up in Dublin in the last two years. A number of other Magic Circle and international law firms have entered their solicitors onto the Roll of Solicitors in Ireland but are non-practicing. This is more than likely Brexit related but it could mean even more entrants into the Irish market driving the competition for staff up even further. There have also been entries into the Irish market through mergers.

The in-house legal sector too has seen considerable change, a number of companies have grown their inhouse legal teams or created new ones. We have noticed a big increase in the number of in-house positions being created across all industry sectors in the past 2 years. Brexit has been a factor for this but it's also indicative of the increase in FDI in Ireland and these organisations preferring to have their own in-house legal counsel to keep costs down.

This competition for staff has meant the reappearance of counter-offers. Firms are desperate to hold onto employees and sometimes that has resulted in artificially high salaries which would not be the standard offered in the market. The big issue for employees at the moment is around "agile working" and flexible working arrangements. It's becoming increasingly common for candidates looking for either or both when starting a new job. Firms are listening and are offering these arrangements where possible. In-house roles are seen as being more work-life balance friendly to a lot of solicitors but this is not always the case.

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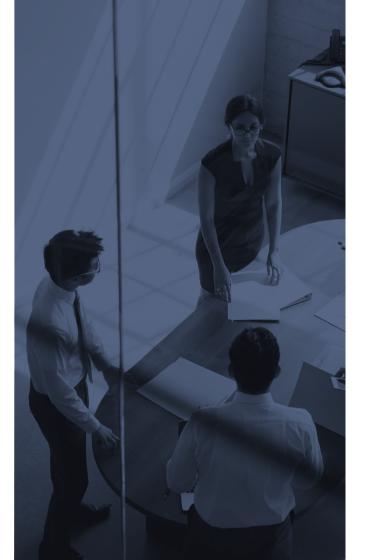


Insurance

There has been no significant increases in salaries across the insurance sector in the last 12 months and we do not expect any change for 2020. However we are seeing some skills shortages particularly in the following areas that will have an impact on salaries when it comes to recruiting key insurance professionals: at the 3-5 year experience level for technical claims, personal injury with cradle to grave experience, and those with language skills. 2019 saw growth in language based roles in Dublin, most notably for Italian / French and German roles and there are definite gaps in the candidate supply in this area. We are also seeing shortages for those with middle management and/or people management experience.

Employers are already working to create packages that will keep their staff and attract others. Internal workshops, more training (both internal and external) are provided as a way of upskilling their existing staff as companies understand the value of retaining key employees and want to develop their internal teams rather than go to market. They're now offering agile working options and flexible working arrangements. Healthcare, pension, and annual bonuses are among those benefits that are now considered as standard. Some companies do not offer these and as a result are seeing a higher turnover in staff.

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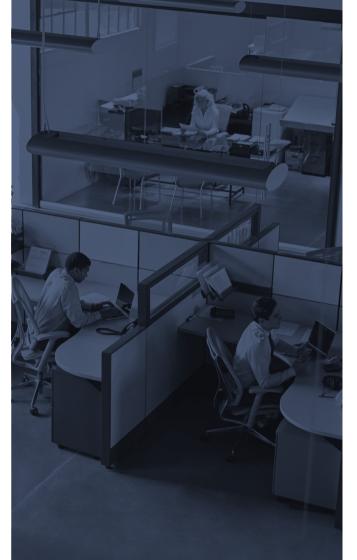
Human Resources

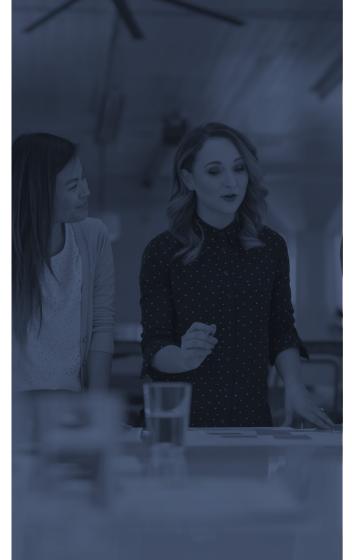
Changes in salaries across the HR market have been very much a mixed bag this year. There has been a slight increase in salaries (1-3%) particularly around the niche skills of organisational design development, MIS and talent development at the mid to senior levels. The majority of upward movement in salaries has occurred in growth sectors such as hi-tech, fintech, SaaS and engineering where recruitment needs have been greatest. Depending on the growth of employment over 2020, these skills may shift from growth to stabilising and downsizing. On the other end of the market, salaries for HR admin and junior recruitment roles have either stayed static or have been reduced slightly. This is down to fewer roles in the market and high competition at this level.

Brexit has caused some caution in the market due to uncertainty. The churn in movement has almost come to a halt and experienced HR professionals are staying put to see what happens thus affecting the flow of HR candidates and roles. At the moment, the majority of roles are centred around recruitment, training, staff retention, compensation & benefits and coaching/mentoring. Depending on the outcome and consequences of Brexit, this trend may continue or it may switch to the skillsets of internal communications and redundancies. Depending too on the perception of the economy, there may also be a shift from permanent recruitment within the HR sector to contract or temporary.

One area that's seeing some considerable growth for HR is in-house technical recruitment within IT and engineering. With a dramatic increase in roles within these sectors, candidates with good recruitment experience are at a premium. In an effort to keep existing staff with their valuable experience, employers are offering educational assistance and training opportunities to their HR employees as well as offering time off to complete studies. They are aware of the range of benefits that people are looking for in their job search, namely a full suite of benefits such as healthcare, pension, bonus, dental plans etc. Flexibility around working hours and remote working are also high on the agendas of those looking to move.

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Marketing

There have been slight increases in salaries (1-3%) across the digital marketing space within the legal, accounting, financial services, hi-tech and SaaS sectors, particularly in the content, social media and e-commerce areas. There has also been an uplift in lead generation roles with a digital marketing mix. The largest percentage of growth in salaries has been seen in the professional services, B2B, hi-tech, SaaS and financial services sectors especially where the roles are aligned closely to the increase in sales. This increase tends to range between 5 and 10%.

Marketing is generally one of the first budgets to be hit when companies are scaling back so caution due to Brexit is already having an impact on this profession. There has been a slight shift in fixed term contracts over permanent placements. Commercially focused roles such as lead generation, brand management, category planning, channel marketing and digital have been growing in demand and we expect this trend to continue throughout 2020.

Employers are responding to the needs of their staff by offering external training and mentoring. They also do understand the commercial need to reward creative and commercial ideas as well as the realities of being able to retain key staff who understand their product / service and who are able to adapt to new technologies. We expect to see far more fixed term contracts with a focus on a multi-faceted digital engagement experience and a solid knowledge of website analytical tools. Those with digital marketing, brand awareness, strong strategic thinking and commercial acumen are going to be in high demand.

Attracting new talent into the market may become more difficult as the uncertainty of the spend on marketing budgets may take hold. Companies that tend to have a strong marketing strategy in times of uncertainty and maintain their marketing budgets tend to grow in revenue and market share thereby immediately making themselves more attractive to candidates going through the interview and offer process. Marketing professionals are looking for autonomy on budget spend as well as incentive driven bonuses for creative and commercial strategy. Benefits such as healthcare, pension and gym (either onsite or membership) are all almost expected as standard now so smaller companies needing to attract staff in a candidate competitive market need to be more creative in their packages and tend to offer options such as flexi hours and working from home as part of their packages.

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Sales

The majority of new roles coming onto the market are in business development. Companies are eager to grow market share and are often forced to increase packages in order to entice candidates away from competitors. Therefore most areas have seen at least a 5% increase on basic salaries with commission structures increasing by up to 10%. FMCG is the only exception to this where salaries have somewhat stagnated. Where salaries have remained the same, then usually a portion of the OTE that is commission or bonus is guaranteed. Companies tend to choose this model as it keeps costs down and reward only occurs if income is realised. However, hi-tech, fintech, SaaS and the engineering / construction sectors have all gone through a period of strong growth and this is where we are primarily seeing salary increases for sales professionals. B2B sales roles have also increased in volume. Increasing salaries in the field and relatively "easy" commission for networked candidates have encouraged new candidates to the market.

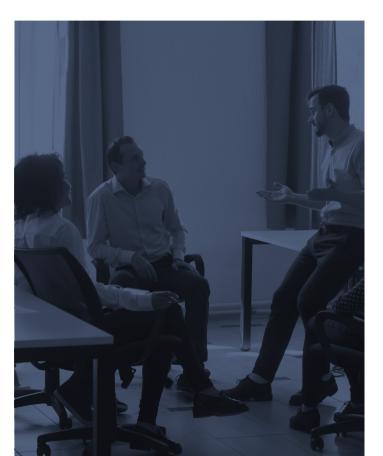
One area of new growth for sales has been the number of larger accounting and legal firms recruiting for business development professionals. There has been a notable increase in companies with head offices in Dublin recruiting for sales professionals for the Munster and Connaught regions.

Throughout 2018/2019, a number of Northern Irish companies have looked to recruit sales staff in the Republic of Ireland. With relatively cheaper manufacturing costs, NI companies have been able to take advantage of the larger ROI market. However, moving closer to the Brexit date, the market has grown tighter and created a shortage of candidates as sales professionals are hesitant to leave their existing companies. In sectors such as hi-tech, fintech and engineering, the specialist nature of the roles has confirmed the consistence of skills shortages especially at senior level. Entry level can be more flexible. With fewer candidates, hiring companies have limited choices. Due to this, employers are now far more open to transferable skills. They are looking at the similarities within the sales channels and allowing the new candidate time to learn the business. Where there is a need for "technical understanding", companies are bringing candidates in at a more junior level and training them up in the sales cycle.

Upskilling and training / retraining are firmly back on the agenda for employers in a bid to retain their key staff. It's also a key focus for those looking to make a move. While sales professionals are looking for a good base salary as well as being highly incentivised with uncapped commission, they are also looking for clear KPIs from the start. Pensions, healthcare and generous annual leave are almost expected in the race for talent. In field sales roles, there is significant interest in the serviced company car or car allowance. Potential future tax policies may well influence this. To attract new hires from their competitors, organisations also often offer a "sign-on bonus" or a guarantee of a certain percentage of the commission

particularly in the business development roles.

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Business Support

There have been minimal pay increases across most areas of Business Support. There have been some increases between 2-5% but these mainly apply to PA, executive assistant and receptionist roles across the financial services, aviation, property and IT industries. Organisations are starting to differentiate themselves from the competition with benefit packages which for business support staff mainly comprise of healthcare, pension (usually contributory of between 3-5%) and bonuses.

The legal industry is the exception. There have been increases of 5% plus across receptionist, administration, legal secretarial and legal PA roles. For experienced legal secretaries, top and mid-tier firms are now paying increased salaries, offering substantial benefit packages and some are paying a sign-on bonus or a bonus once probation periods have been completed as an incentive to move. Smaller firms that perhaps cannot compete in terms of salary or benefit packages, are looking at a shorter working week or more flexible working hours to attract candidates. The market for legal support staff has grown highly competitive due to the entrance of global firms setting up their satellite offices in Dublin and this has been a factor in the driving up of salaries. To address this issue, some firms are bringing in general administration staff and upskilling them internally rather than compete for the limited pool of legal secretaries. Upskilling and implementing training programmes are not just limited to the legal sector. They are key issues within the business support function of most sectors and are also ways to develop staff into new areas which is particularly important for multinational organisations.

Multilingual support staff are also commanding a premium salary (increase of between 3-5%) because of the limited supply of them. This is particularly prevalent in Munster where there is a number of shared service centres looking for business support professionals with fluency in more than one language and a proficient skillset to match.

There has been some stagnation in basic salaries for administration and sales administration staff in the FMCG, service and public sector arenas. However, many companies are now compensating with more robust remuneration packages which include performance-based bonuses.

Brexit has had an impact on recruitment across the supply chain and logistics industries for obvious reasons. One major effect has resulted in an increased volume of administration staff being taken on in this sector in preparation of Brexit's outcome. However, this has mainly been on a temporary rather than permanent basis which gives companies the flexibility of scaling up without the commitment.

Business support professionals, like others are now focusing on the overall remuneration package rather than just the basic salary. There has been a noticeable rise in the provision of pensions, healthcare plans and the offer of flexible working to accommodate candidates. Company culture, clear maternity policies and the potential to progress are also key focus points for candidates when making a decision about a career move so employers need to be cognisant of this. Transparency, succession planning and employee experience (supportive and inclusive working environment) will need to be a key topic for employers to both attract and retain their talent.

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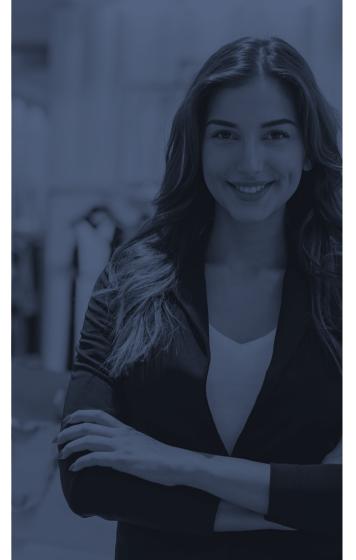
Retail

Salaries in the retail sector have varied wildly in the last two years depending on the level of the roles. At senior management, salaries have risen by at least 10% across all the major big box retailers. In niche areas such as pharmacy, we have seen an increase of 10-15% increase in salaries as demand has risen particularly in regional areas. However, at the lower end of the management scale, salaries have stalled and we haven't seen any significant changes. Companies are now making concerted efforts to train their existing staff and promote from within where possible rather than having to work at attracting retail professionals into roles that are hard to fill merely because of the salary level that can be offered. In a bid to upskill their existing staff and to keep their interest, employers in the retail sector have been providing training courses that include systems, legislation, stock control, food safety and HACCP as well as the softer skills such as people management and customer service.

Retail will be one of the obvious victims of any impact Brexit may have in 2020. Import prices for Irish retailers will be affected by the exchange rate and tariffs which could potentially discourage investment and subsequent growth of the sector. Consumer spending will be affected by any negative consequences of Brexit and will have a direct impact on the sector. Retailers too have to ensure supplies are in place if there are long queues and delays at ports. All of these challenges will have far-reaching effects on the retail sector including pressures on hiring budgets.

With very little movement on most salaries other than senior management, retail employers are trying to offer as much as they can within their remuneration packages. Flexible hours (within reason), staff discounts and bonuses depending on KPIs are seen as standard. Some of the larger retailers may offer health insurance and shares to their senior management.

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Information Technology

The IT sector has remained buoyant and we expect this to continue throughout 2020. Dublin has become a real tech hub whilst Cork is quickly becoming a hub for cyber security with leading companies basing themselves there. There has been a sizable growth in salaries across IT, both on permanent and daily contract rates.

Across software development it very much depends on the development language and additional tech attached. 2019 saw massive increases in salaries with some developers demanding (and getting) between a \notin 5,000 and \notin 20,000 increase on their basic salaries.

- Those with Python / Scala / Machine Learning/Big Data with niche skillsets are seeing increases of between 4% and 8%
- Java skills with Big Data/Spark / Apache command between 5-10% increase
- Normal Java Spring / .NET and Front End developers receiving 5% increments
- DevOps / Kubernetes / Cloud / Cloud Engineers / Ruby commanding between 4-6% increases

Across security / audit roles, we're seeing increases of between 6-12% depending on the role. Security architects and engineers would be at the higher end of this range. There is a healthy supply of project management, business analysis and test IT professionals in the market so we're only looking at relatively smaller increases (between 2-8% depending on experience and level).

It is important to note that counter-offers are particularly prevalent in IT and are skewing perceptions of market rate salaries. Where % increases have been mentioned above, those can be even larger (up to 20%) when employers are conscious of losing key employees, especially in niche areas like security and IT audit.

So far Brexit has not negatively impacted the IT market here. IT professionals with EU citizenship are now looking to move to Ireland instead of the UK, Ireland being the only English speaking country in the EU so that has had a positive effect on the supply of candidates. A number of companies have moved technical teams and roles to Dublin that would have previously been based in the UK. These roles are often well paid, need a high level of skills and offer exposure to new technologies, thereby creating some exciting roles. However, companies may choose to fill roles and projects with contract staff instead of committing to permanent hires while there is uncertainty in the market.

React Native / Android roles. These are all new modern tech stacks that companies are adopting to stay relevant and attractive to candidates. Business intelligence and data analysis are steadily increasing in the larger organisations, companies can see the added value and opportunities for permanent jobs in this area are growing in all sectors. Cyber security will continue to grow. More shared service centres need IT professionals with languages and this sector is becoming even more competitive, particularly in the Munster region.

IT across the board is suffering from a skills shortage, especially at the mid to senior levels. Universities are trying to adapt to market requirements but the sector evolves so quickly. Organically there is not enough skillset to service the job requirements. While we're seeing more and more skilled IT workers moving to Ireland, we also still have a major problem with housing and visas. Companies are offering sponsorship and relocation allowances to attract new-comers and changes to visa regulations for spouses / dependents have helped ease some pressures in the market.

Upskilling and redeploying existing staff is high on the agenda of HR departments especially when it comes to IT professionals. Employers often pay for the relevant certs, provide ample study and exam leave. At the moment the most demand is for AWS certified or training in new modern tech stacks. Performance management is key. Most organisations will look to promote internally if they can before going to market. Counter-offers are huge and companies are pushing retention programmes internally as well.

Benefits, rather than merely the base salary are becoming more of a priority for employees especially in the tech sector. Types of benefits depend very much on where they are in life. A flat structure environment with team orientated work and the culture of the workplaces is key for millennials. In their 20's to 30's, bonuses, certifications, flexible working hours and remote work are all important. By their 30's to 40's the wish list has changed to reflect their changing circumstances such as healthcare packages, pensions, flexibility around family issues, maternity/paternity leave policies and part remote work. Exposure to modern tech stack and progression and growth opportunities are important at every stage. Companies are also becoming more flexible when it comes to hours of work and trying to come up with innovative benefits that are non-monetary.

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We have seen a huge amount of growth in machine learning, AI, Big Data, Python, Scala, Cloud and



Engineering & Construction

This sector was hit very hard in the downturn but in recent years, it has enjoyed a resurgence as investments and the release of capital give projects the green light again. As a result, we have seen an increase in salaries now that the construction sector is more stable. In some areas, such as QS and BIM, salary increases could be as high as 10-12%. Candidates are able to choose what projects they want to work on so that has helped to drive salaries up.

Much of the construction in Ireland is related to housing and as such, is not directly impacted by Brexit. We may see some slow down on the release of capital but the mood of the market is relatively positive. The housing shortage means that residential development is a huge growth sector particularly in the Dublin area but this may level off towards the end of 2020.

BIM and new design practices are going to be in demand as the engineering process becomes more streamlined. There will always be a need for QS professionals based on the level of supply in that area. RICS are doing a huge amount of work to create alignment between charterships so that may have a positive effect on supply.

Employers are heavily investing in their staff particularly in the area of design. The number of employees going for charterships has also increased. Employers are also doing their best to keep staff so counter-offers, always prevalent in this area, are increasing. Potential new hires are also looking for a range of benefits but what seems to be driving career moves is the freedom to work on iconic projects and creativity.

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Engineering & Operations / Manufacturing

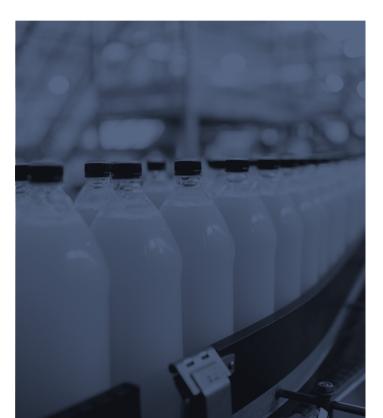
There has been a increase in salaries across the maintenance function within manufacturing of between 6% and 9%. Service engineer salaries have also seen increases in the same range. Payscales across the regional manufacturing sector remain fairly static. A move may offer a small increase in base salary (2-5%) but some companies particularly the international ones are waiting to see the outcome of Brexit before advising on changing salary scales. Within the operations sector, most salaries have increased with general inflation as opposed to major changes due to supply and demand. Anecdotal evidence points to very competitive global trading conditions with concerns around the impact of international political posturing (tariffs / Brexit / geopolitical disputes), regulatory restraints, raw material pricing and availability, cost of manufacturing and pricing pressures all leading manufacturers to minimise all operational overheads, pay not withstanding.

Growth sectors in manufacturing are food, pharmaceutical and technology. Exports are increasing all the time with the current economic climate. Companies are also focusing on the eco side of production and energy related projects are on the increase so innovation is vital in this sector. Engineers who can innovate and design new processes to increase productivity and reduce energy demands / carbon footprint are in huge demand as the issue of sustainability takes a leading role. The Irish agri-food sector has had time to realign its product portfolio with new markets in Europe, Asia, the Middle East and Africa. There is a near constant demand for skills across project engineering, maintenance, process and manufacturing engineering, quality and compliance, operation leadership and product development. Conversely, the supply of electronic and electromechanical components to the international automotive consumer electronics and consumer goods market has been negatively impacted as OEMs source products outside of Ireland / UK market to avoid impact on "just-in-time" supply chains.

There is a clear trend over the last few years of employers implementing cross-training programmes, seeking outsourced academic and professional training programmes (eg best practice) and fast-tracking high performing individuals through management development programmes. In addition, employers are increasingly turning to academic institutions to strengthen ties in an attempt to build future talent pools. Employers are also turning to overseas talent pools to align with future requirements.

Margin and pricing pressures across the manufacturing sector are the main constraints on companies spending on employee healthcare and pension benefits which continue to be at the top of employees' wishlists. Flexibility around working hours and an openness to remote working are gathering pace but in many cases are limited by operational requirements. Every engineer is also looking to work on a solid product with innovative engineering processes. Their dream employer would be someone who would embrace their engineering skills and allow them to be creative.

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Supply Chain & Logistics

There have been modest pay increases across supply chain & logistics (4-6%). Organisations are being cautious about pay increases and hiring of new staff due to Brexit. They have taken on temporary & contract staff to cope with the increased workload rather than commit to a permanent hire. However those with customs experience will be in demand as there is a limited pool of resources so they will be able to command a premium remuneration package.

Organisations in this sector have been more prepared than most for the impact of Brexit. They have had to try and implement processes and procedures to help them adapt. Customs & Excise will be extremely busy once "red lines" are re-established. Companies have to access new supply lines and buyers with global procurement experience will be in huge demand. Employers are trying to upskill their staff in relation to modern customs policies and procedures by both implementing internal training programmes and sending their employees on external training courses.

The larger companies are able to offer a more comprehensive benefits package including healthcare, pensions and bonuses. Again, those employees with customs experience and language skills are able to command higher salaries but as employers try and retain staff, counter-offers are on the rise here. Flexible working is a limited option due to hours required and time differences involved in the supply chain sector. Remote working can be an option and smaller companies are trying to offer this as a nod to a better work life balance. Culture too is a huge factor for potential new hires when making a move. Supply chain professionals are looking for sustainability, global products with expertise in global supply chain practices and companies who have solid future-proof plans against the chaos of Brexit.

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Life Sciences & Pharmaceutical

Ireland has developed a reputation of expertise in the science / pharmaceutical field. Ireland is currently host to 10 of the world's top pharmaceutical companies, 24 of the top 25 biopharma companies and 18 of the world's top medical device organisations. As a result, the demand for highly skilled candidates has increased and created competition. Salaries have gone up by 5-10% with some areas up to 14% across certain industries such as food. People are being paid well for specialised skill sets and the supply of these skill sets can be hard to find so employers are doing their best to retain their key staff with generous packages. Large international pharmaceutical companies are almost forced to pay a premium to ensure their production meets demand. This can be seen with high daily rate contractors who are essential to delivery KPIS in a fast- paced environment.

With a combined export value of over €80 billion, the life science sector in Ireland will face considerable challenges as a result of Brexit, not least in the management of what are very complex supply chains. Considerable efforts are being put in to managing where raw materials are coming from, whether they need to transit through the UK and whether alternatives are available or can be sourced through alternate channels if needed. Further to that, significant regulatory challenges are posed by both the compliance aspects of Brexit and the simultaneous introduction of new medical device regulations.

Despite the challenges that Brexit has presented, the life sciences sector has been growing strongly in 2019 and this effect has been seen all across the country with major announcements in Cork, Dublin, Galway and Limerick as well as outside the major hubs in locations such as Sligo, Mayo and Donegal. The food sector has gone through a period of growth in recent years particularly across nutraceuticals as the sector responds to market demands. This has created a whole new range of roles and as a result has had an effect on the limited supply of candidates thereby driving up the volume of counter-offers. Munster and Connaught in particular are booming in life sciences with a further 5,200 jobs predicted to be created by 2021. Much of this will be in the biologics and combination products area with companies moving to more complex and profitable products. Pharmaceutical organisations are now hiring those with medical device expertise as they expand into the combination product space. R&D is pushing companies into new territories. Medical device companies are moving into new technologies such as 3D printing and rapid prototyping so are looking for those with key skills in these areas.

Key skills that are in demand will include Quality Assurance professionals with experience of working with external and virtual manufacturers. We're also seeing an increase in the demand for regulatory affairs professionals in the medical device sector as the introduction of the new EU MDR regulations start to bite in conjunction with the tightening of EU authorised Notified Bodies as the UK providers drop out.

Employees are still looking for a competitive package with strong base salaries and a comprehensive list of benefits but we're now seeing "wellness" become a consideration for both employee and employer. Employees are seeking more flexible working arrangements and employers are now offering on and offsite gym facilities and fitness classes along with wellness initiatives. Candidates are also becoming far more particular about the environment they work in and as such, quality and health & safety are hugely important when candidates are deciding on their next move in a candidate poor market.

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