

THE ANALYSIS OF SPECIALIST'S SALARIES

Prepared for

Polish Information
and Foreign Investment Agency

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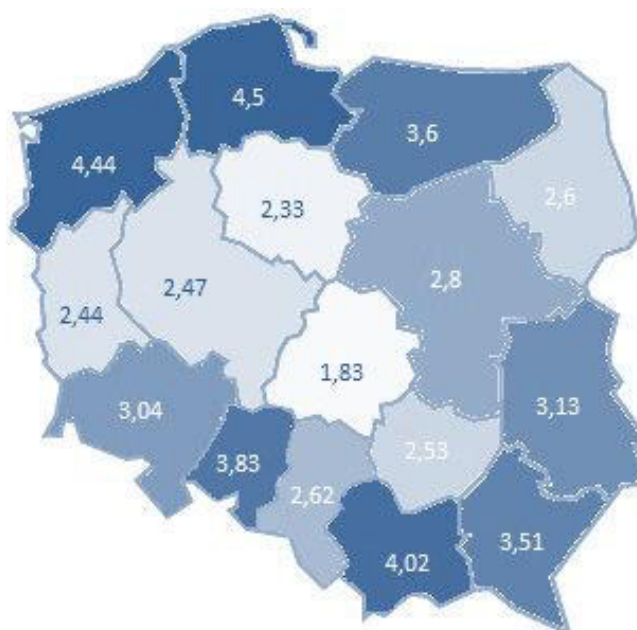
The situation of specialists in the labour market in 2014

In 2014 the trend of increased employment of specialists has continued. The Pracuj.pl portal informs that 70 thousand out of more than 97 thousand job offers that have been published concerned specialists. Workers with 2 years of experience were the most desirable group, and the majority of offers came from large enterprises employing more than 250 employees. However, when compared to the second quarter of 2013, the employment in small companies (up to 10 people) has increased. Specialist workers were most frequently searched in trade and sales sector, and then in banking, finance, insurance, telecommunications and advanced technologies industries. How has the situation of pay rises changed when compared to the last year? There is a visible progress, because in comparison to the end of 2013, this year the average pay rise is 0.5% higher and amounts to 2.95%, and the number of companies that grant them increased by almost 25%. Looking at these numbers, one can spot the improvement of economic situation.

Pay rises and salaries by regions

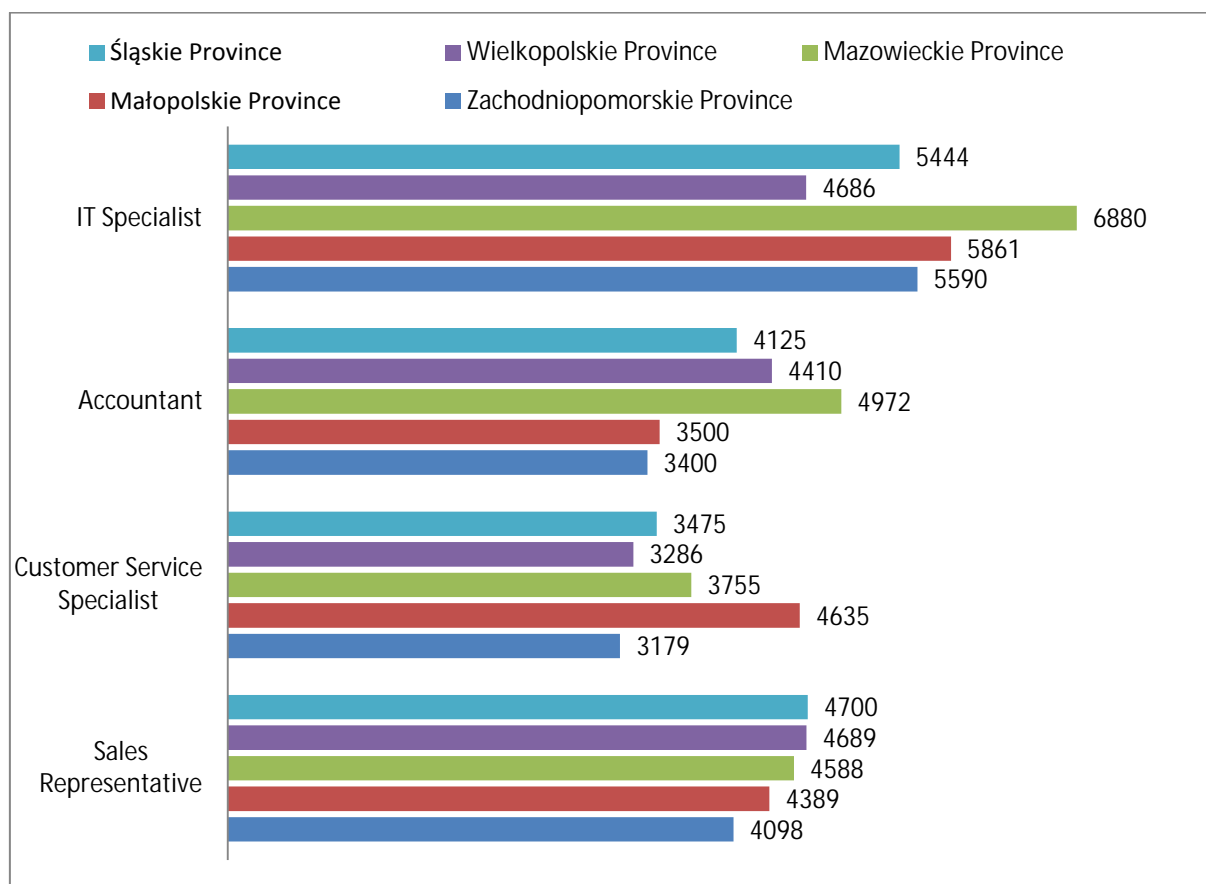
The map below shows the distribution of pay rises that were granted in the first half of 2014. 7 voivodeships is ranked above the average, which is 2.95%, and the highest figure can be observed in Pomeranian Voivodeship – 4.5%.

Illustration 1: The average figure of pay rises for specialists in various voivodeships [%].



In order to demonstrate the average salaries of specialists for various voivodeships, we will use such positions as sales representative, customer service specialist, accountant and IT specialist because these were ones of the most frequently searched in the labour market. All data used in the studies below come from the Comprehensive Salary Report by Advisory Group TEST Human Resources, Spring 2014 edition.

Figure 1: The average monthly total gross salary of specialists in 2014 by voivodeship.



The highest average salary of specialists can be observed in Masovian Voivodeship, while the southern and northern regions are characterised by slightly lower average earnings. IT specialists are best paid, while the lowest salaries are paid to customer service specialists. The ratio of the lowest salary to the highest salary is quite similar because for the first 3 positions it amounts to about 68%, and only for the sales representative it is 87%. This is due to the fact that sales representative is the position characterised by the lowest level of salary diversification by region.

Pay rises and salaries in terms of industry

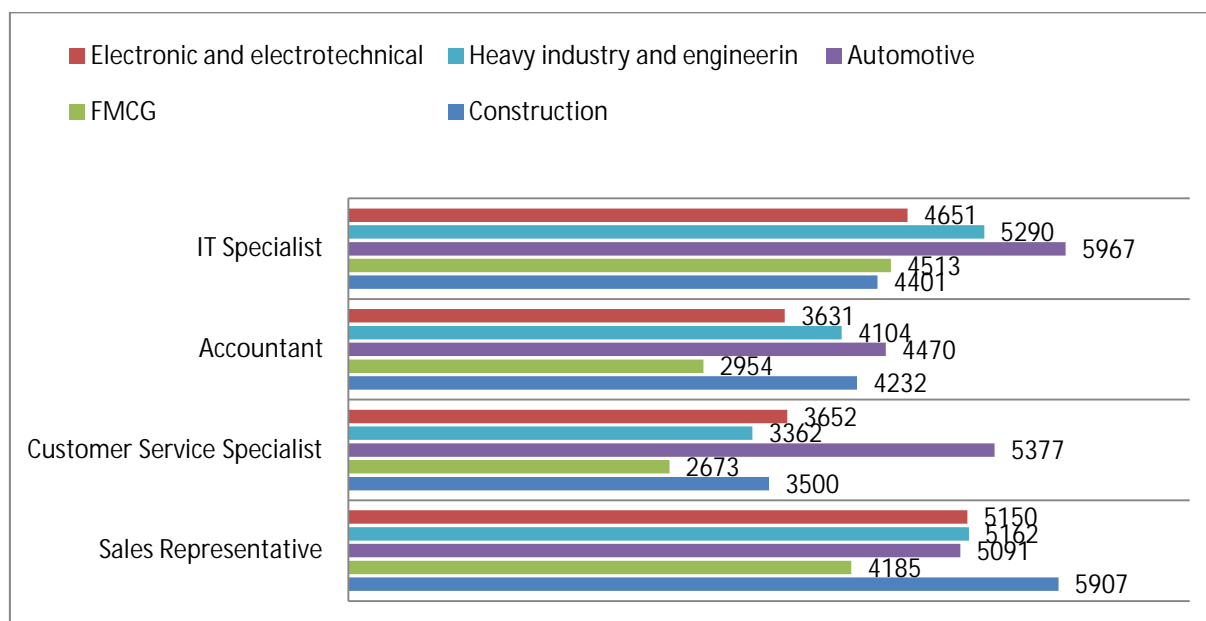
In 2015, the figure of pay rises in most industries will be slightly higher than the current year one with the exception of electrotechnical industry, heavy industry and engineering. The highest pay rises, as well as their highest growth, is expected in the FMCG industry.

Table 1: The average figures of pay rises for specialists in 2014 and planned for 2015 by industry [%].

Industry	2014	2015
Construction industry companies	1,63	2,52
Electrotechnical industry companies	3,37	3,1
FMCG industry companies	2,49	4,59
Automotive industry companies	3,97	4,2
Heavy industry and engineering companies	1,99	1,43

Among the above mentioned positions, the highest average salary is offered to specialists working in the automotive industry, and the lowest in the FMCG industry. It can also be noted that these are industries in which the pay rises planned for the next year will be highest. This may prove that the remuneration offered within a given industry does not condition pay rises. The position of sales representative is again characterized by the smallest differences in salaries. The lowest salary in almost every industry is received by customer service specialists. The differences between industries oscillate between PLN 1.500 and even 2.700 gross.

Figure 2: The average monthly total gross salary of specialists in 2014 by industry.

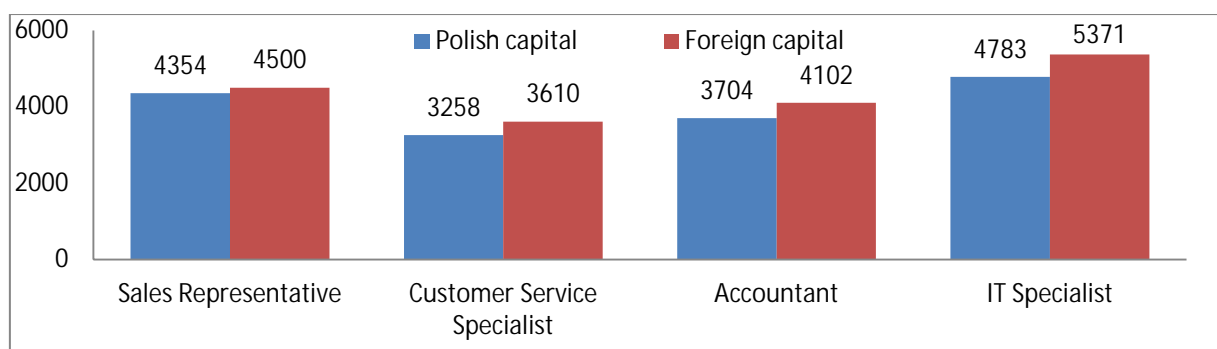


Pay rises and salaries in companies of different capital source structure

This year, the pay rise rate has amounted to 2.17% for companies with Polish capital and to 3.14% for foreign companies. Next year, this discrepancy will be significantly reduced as the planned average increase in earnings will amount to 3.34% for Polish companies and 3.83% for companies with foreign capital.

Generally, higher salaries can be expected by specialists employed in foreign companies. The most significant difference can be seen in the case of IT specialists, as it is almost PLN 600, while the least significant one can be observed in the case of sales representatives, who may earn only just under PLN 150 more in foreign companies.

Figure 3: The average monthly total gross salary of specialists in 2014 by the origin of the capital of the company.



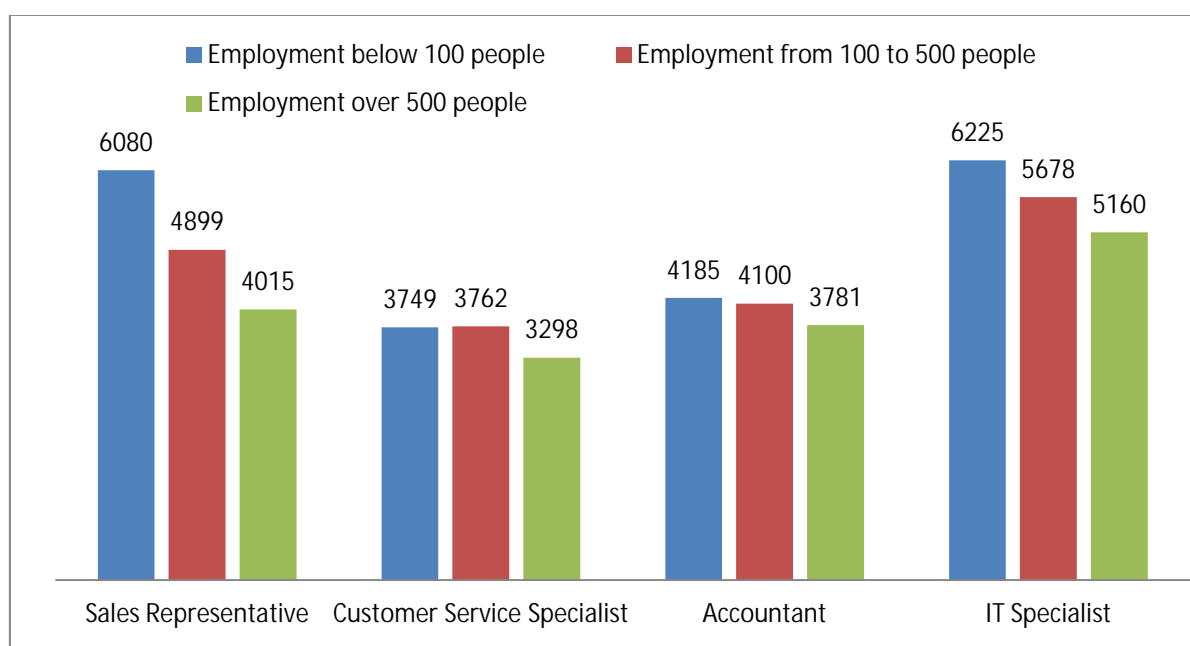
Salaries and pay rises in companies with different numbers of employees

In 2015, in all companies, regardless of number of employees, higher pay rises are planned than those in this year. This year, the highest salary increases have been granted in the companies employing up to 100 people, and the lowest ones in those employing more than 500 people. The same situation is to occur in 2015, as the highest pay rises are planned to take place in smaller companies, and the lowest ones in the largest companies.

Although in the case of majority of management levels the highest salary is offered to the employees of large companies, in the case of specialists the situation is reversed. The salaries of independent employees are higher in smaller companies (employing up to 100 people) than in medium and large enterprises. This was the case in the previous year too. In contrast to the previous conditions, the sales representative's salary varies depending on the number of employees

in the company. The disproportion between the highest and the lowest amount is PLN 2.065. The customer service specialist and the accountant receive a rather similar salary. The IT specialist has been ranked in the middle when it comes to discrepancies in salaries, but if we have a look at their height, this position is definitely best paid.

Figure 4: The average monthly total gross salary of specialists in 2014 by the number of employees in the company.



Company benefits

Company benefits are intended to increase the value of work and to motivate employees to work more efficiently, as well as to stay in business. This year, the most frequently offered kind of benefit was external training, as nearly 2/3 of specialists had access to this type of benefit. This demonstrates the employers' targeting at raising qualifications of their employees and helping to develop their skills. Another argument that can confirm this thesis is the fact that every third specialist could rely on a subsidy to education (including university, MBA, language courses). The case in which companies have covered the cost of sports activities of their employees is equally often. As for the working tools that have been made available to their specialists by the companies being the subject of this study, mobile phone has been the most common (27%), while company cars or car benefits have been offered to specialists least frequently.

Below you will find the table which shows more benefits offered to employees.

Table 2: Company benefits granted to specialists in 2014.

Working tools	%
Company car	4%
Mobile phone	27%
Laptop	19%
Extra payments due	%
Extra payments towards commuting	5%
Extra payments towards culture and entertainment	22%
Extra payments towards education	33%
Medical care	27%
Housing benefit	2%
Extra payments towards meals	20%
Extra payments towards sports	37%
Vouchers	31%
Other benefits	%
Additional insurance	29%
Long-term benefits	3%
External training courses	68%