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SPECIALISTS' REMUNERATION ANALYSIS

*Prepared for the Polish Information
and Foreign Investment Agency*



Spis treści

<i>Early 2015 business tendency and labour market evaluation</i>	<i>4</i>
<i>Raises and remuneration by region.....</i>	<i>5</i>
<i>Remuneration by industry</i>	<i>7</i>
<i>Remuneration in companies with various structures of sources of finance.....</i>	<i>8</i>
<i>Remuneration in companies with various staff size</i>	<i>9</i>
<i>Benefits</i>	<i>10</i>
<i>Advisory Group TEST Human Resources</i>	<i>11</i>
<i>TEST initiatives</i>	<i>12</i>
<i>Salary Survey</i>	<i>13</i>
<i>Contact.....</i>	<i>14</i>



Mission of Advisory Group TEST Human Resources:

We provide our Clients with innovative HR solutions building on our professional expertise and experience.

The key to success are our outstanding and well-qualified employees, who implement every project with genuine commitment.



Early 2015 business tendency and labour market evaluation

As compared to the same period in 2014, the beginning of 2015 brought further increases in terms of both labour market and the perception of economy as a whole.

Entrepreneurs have a positive opinion on the business tendency, which is reflected in the data published by the Central Statistical Office of Poland in May. Representatives of almost all sectors stay optimistic, except for construction industry companies. They perceive the business tendency in a negative way, however since January, their negative perception has been decreasing rapidly.

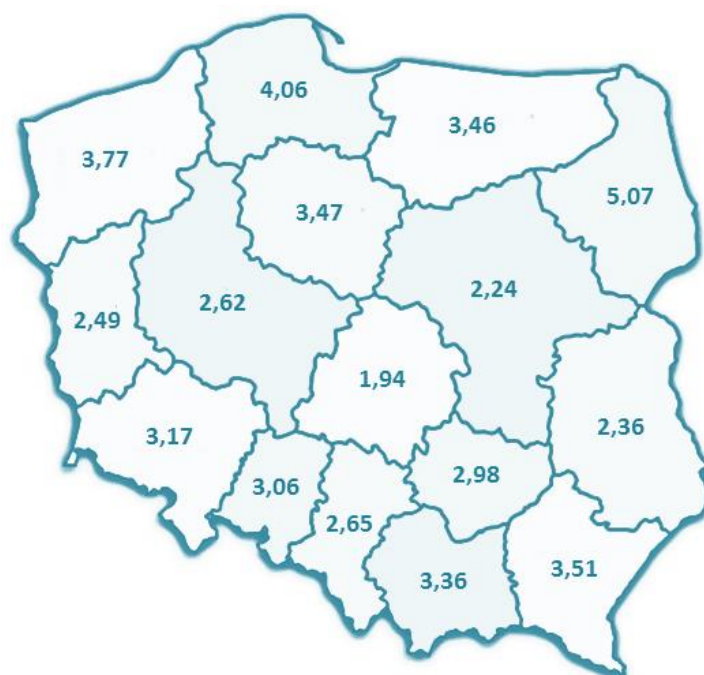
An analysis of labour market must not disregard the unemployment rate. In the first four months of 2015, the unemployment rate in Poland amounted to 7.98%. It was significantly lower than the unemployment rate in the same period in the whole European Union, which was 9.75%. Unemployment in Poland has remained lower than or equal to the EU level since 2010 (source: Eurostat).

The labour market conditions for specialists have also improved as compared to the same period in the previous year. There has been an increase in both the percentage of employers looking for new staff and the percentage of specialists declaring the intention to change their job. The ratio of companies planning or running recruitment and companies reducing workforce is 5.38, which indicates a good condition of the Polish labour market. The role of aspects having a direct influence on staff motivation (to change or to stay in the company) has also changed. Financial aspects are giving in to the possibility of improving competences or taking part in new projects. In terms of employment, the most dynamic is the SSC/BPO sector still developing rapidly in Poland. It is reflected in new foreign investments located mainly in large cities – Cracow, Warsaw, Wrocław, Poznań. There are more and more outsourcing associations, e.g. the Polish Forum of Managers and Key HR Specialists in Business and IT Service Centres.

Raises and remuneration by region

The data used in the present analysis was collected as of 31 January 2015 during the Salary Survey run by the Advisory Group TEST Human Resources. The figure below presents the distribution of raises offered or planned in 2015. The most prominent value is 5.07% in the Podlaskie province and the rate in the Łódzkie province, which is the lowest as compared to other provinces (1.94%). The difference between the lowest and the highest raise is 3.13 pp. By multiplying this value by the average salary of a specialist in Poland, we get PLN 155, which indicates the average disparity between raises in the province with the highest raise rate and the province with the lowest rate.

Figure 1. Average raise rate for specialists by province.



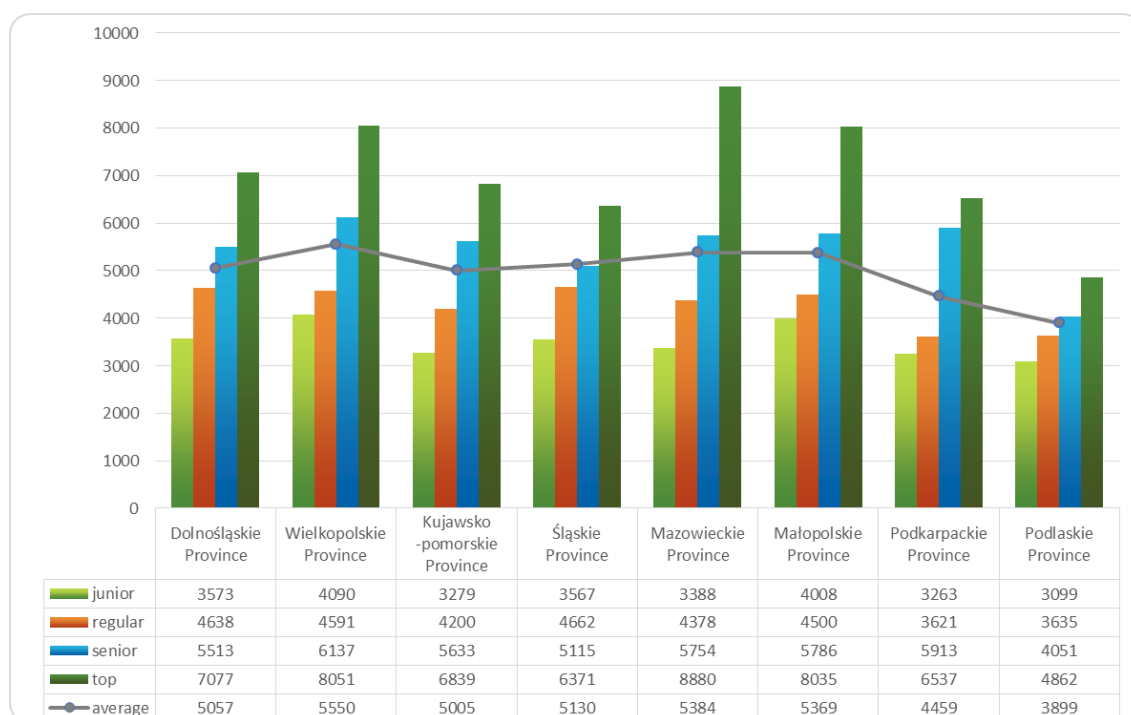
Source: Advisory Group TEST Human Resources Raise Analysis, 2015 Spring edition.

The diagram below presents the median of salaries of four specialist levels. Depending on the level of experience, knowledge and independence, we distinguish: junior, regular, senior and top specialists.



None of the provinces can boast the highest salaries on all levels. The leading province is Wielkopolskie, with an average specialist pay of PLN 5,550, followed closely by the Mazowieckie and Małopolskie provinces, with an average specialist pay of PLN 5,384 and PLN 5,369, respectively. Obviously, the values are very similar. If we compare medians only, junior specialists can expect the highest pay in the Wielkopolskie province, and more experienced specialists – in the Śląskie province. Senior and top specialists earn most in the Mazowieckie and Wielkopolskie provinces. The lowest salaries are earned in the Podkarpackie and Podlaskie provinces. The average salaries of a specialist in both provinces are PLN 4,459 (Podkarpackie) and PLN 3,899 (Podlaskie). The difference between the lowest and the highest salary in those regions amounts to PLN 1,651. The greatest salary differences between specialist levels can be observed in the Mazowieckie province and the lowest – in the Podlaskie province. Thus, the highest raise will be offered to promoted specialists in the Mazowieckie province, and the lowest – in the Podlaskie province.

Diagram 1. Median of average gross monthly pay of specialists in 2015 by province.



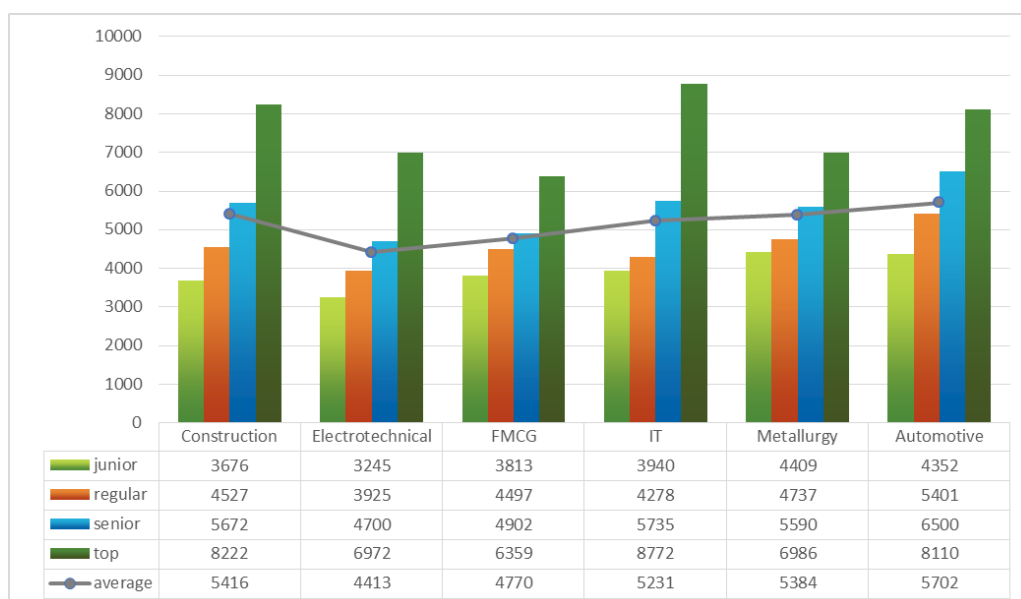
Source: Advisory Group TEST Human Resources Salary Survey, 2015 Spring edition.

Remuneration by industry

The distribution of specialist salary by industry of the company they work for is presented in the diagram below. Note that the comparison does not only include specialists typical for a given industry, but all specialists working in companies in a given sector.

The automotive industry offers the highest salaries. It is also a strong leader in terms of direct foreign investments in this sector in Poland in 2013 (source: PIFIA). The greatest salary increase accompanying promotion is observable in the IT industry, with an average raise of 29.7%. As compared to other industries, IT companies also pay more to their top experts. Specialists entering the market will earn more in the metallurgy industry, but at the same time they should expect the lowest promotion pay raise (16%). The construction industry is gradually reviving, which is reflected by the increasing number of recruitment processes and the capital market situation. The average pay of a specialist in this sector is only PLN 285 lower than in the automotive industry. The lowest value is noted in the electrotechnical industry, but the business tendency on the electrical equipment market is optimistic and may influence future salary increases in the sector.

Diagram 2. Median of average gross monthly pay of specialists in 2015 by industry.



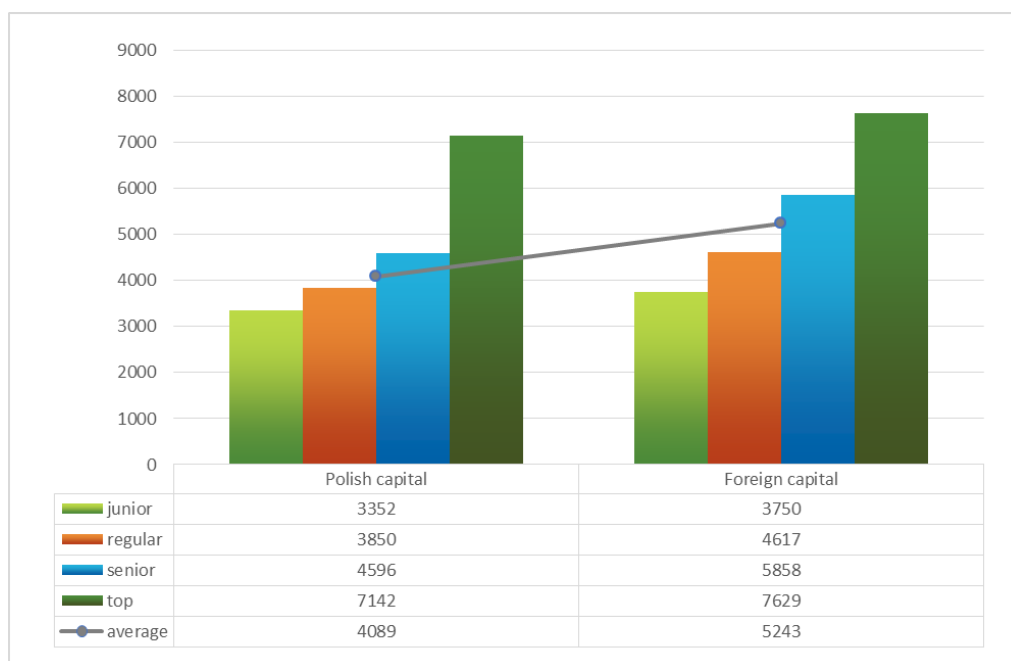
Source: Advisory Group TEST Human Resources Salary Survey, 2015 Spring edition.

Remuneration in companies with various structures of sources of finance

On average, specialists' salaries in foreign investment companies are higher by PLN 1,154 than in national companies. Top specialists experience the relatively smallest difference between salaries depending on company origin. Senior specialists earn much more in foreign companies and they see the greatest difference in salaries.

The disparity between an average pay of specialists in foreign and Polish companies is increasing. As compared to the previous year, it amounts to 1.3 pp. It is also reflected in the amount of raises. On average, Polish companies have raised salaries by 0.93%, whereas in foreign organisations the increase amounts to 2.66%. It is a result of a significantly faster response of foreign companies to labour market changes, including the increase of an average salary of specialists by 2.23% as compared to the previous year.

Diagram 3. Median of average gross monthly pay of specialists in 2015 by source of finance.

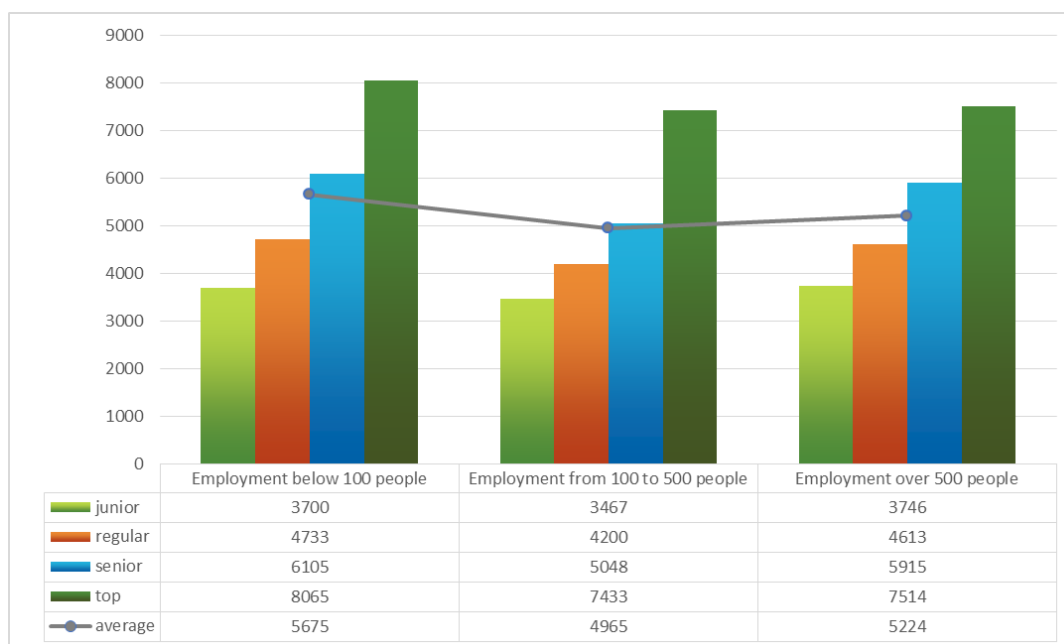


Source: Advisory Group TEST Human Resources Salary Survey, 2015 Spring edition.

Remuneration in companies with various staff size

Companies with fewer than 100 employees still pay the most to specialists. Depending on company staff size, the difference between the highest and the lowest average amounts to PLN 710. Pay raises in 2015 in companies with under 100 employees should amount to 3.11%, between 100 and 500 – 2.88% and over 500 – 3.08%. Obviously, companies paying the most are also willing to offer the highest raises, whereas the ones paying the least will offer the lowest raises, which will result in even more salary disparities this year.

Diagram 4. Median of average gross monthly pay of specialists in 2015 by staff size.



Source: Advisory Group TEST Human Resources Salary Survey, 2015 Spring edition.



Benefits

The benefit market has not changed much as compared to the previous year. Some benefits, such as in-house training or sports benefits, are more often perceived as basic and the applicants take them for granted. HR specialists look for new and more creative ways of attracting the best specialists. The table below presents information on the most popular benefits.

Table 1. Benefits for specialists in 2015.

<i>Working tools</i>	<i>Popularity (%)</i>
Company car or car allowance	8%
Mobile phone	29%
Laptop	25%
<i>Allowances</i>	
Conveyance allowance	5%
Cultural and entertainment allowance	27%
Education allowance – studies, MBA, language courses, etc.	39%
Health care allowance	42%
Meal allowance	26%
Sports benefit	39%
Gift certificates	26%
<i>Other benefits</i>	
Extra insurance	36%
Long-term benefits (stock options, shares)	7%
In-house training	66%

Source: Advisory Group TEST Human Resources Salary Survey, 2015 Spring edition.



Advisory Group TEST Human Resources

We are HR consultantes - partners of international corporations in Poland and major, Polish businesses. We commenced our operations in 1991 and since that time have implemented **over 9,000 HR-related projects**, as a result of what we became the most experienced company in the trade.

Fields of our operation:

TEST EXECUTIVE	TEST RECRUITMENT	TEST HR CONSULTING	TEST TRAINING & DEVELOPMENT	TEST SALARY SURVEY
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1 600	executive search projects successfully completed
laureate of	CEE Shared Services & Outsourcing Awards in Executive Search Firm of the Year (2015) category and 3 nominations in the recruitment agency category (2015, 2014, 2013)
over 10 000	employed staff
over 50	tailored recruitment campaigns for business service centres SSC/BPO and production plants
over 6 000	assessed managers and specialists under management audits and assessment centre
numerous systems implemented	for the assessment, salaries, satisfaction surveys, training and outplacement programs
original IT tools	to support HR processes
over 30 editions	of comprehensive, industry-specific and regional Salary Reports for over 650 companies

TEST initiatives



*first in Poland
professional web
service on salaries
based exclusively on
verified data provided
directly by businesses*



*first in Poland HR
conference for the
business service centre
and IT sectors - HR
Centres*



*we are the initiator and
coordinator of
Małopolska HR Club,
bringing together
managers and HR
specialists
with everyday
activity in business*



*since 2007,
we have been a
knowledge partner of
Business Service and IT
Centres supplement to
Gazeta Wyborcza daily*



*since 2005 original
postgraduate program
Human Resource
Management at WSE
in Krakow, with over
600 trained
participants*



*publications of reports
on the HR business,
including those from
Colliers International,
Polish Information and
Foreign Investment
Agency*

We are flexible. The solutions applied by us are client-specific, assuming a reasonable calculation of costs. As opposed to many companies rendering HR services, we undertake non-standard challenges.

That is why perhaps 80% of our clients come back to us!

We will be awaiting your call!



Salary Survey

RaportPlacowy.pl – the only publicly available salary data directly from companies

The largest Polish Salary Survey – data from **508 companies** from all over Poland

Accurate **regional and industry** data (manufacturing, automotive, IT, etc.)

Over **360 positions** divided into levels (junior/senior specialist, etc.)

Organisation **positions accurately matching** Survey positions to enable precise salary comparison

Fast and intuitive data transfer software for easy participation in the survey

Free General Industry Report for Survey participants



Data are obtained directly from HR departments. With our in-house survey methodology, accurate position matching in the mapping process and data verification by TEST consultants, the information contained in the Salary Survey is reliable.

www.RaportPlacowy.pl



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