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SPECIALISTS' REMUNERATION ANALYSIS

*Prepared for the Polish Information
and Foreign Investment Agency*



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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.



Evaluation of the Labour Market in 2016

According to the CSO researches, upward trends prevailed in the basic areas of economy in the last year. More and more workplaces appears on the market. According to results of a research on a work demand in the third quarter of 2015 there were developed more workplaces and less of them was reduced than a year before. A total number of free workplaces was greater by 21.7% than in the previous year, and almost 1/5 of them constituted offers for specialists.

An unemployment rate at the end of November 2015 was of 9.6% and it was lower by 1.8 percentage point than a year before, and it was the lowest within the last 7 years. Now there statistically nearly 21 candidates – up to circa 9 less than a year before - are per one free workplace.

Such a quick decline of unemployment means that less and less candidates will exert themselves for employment, and more and more frequently companies will have to convince potential employees to take a job in them.

As results from the Salary Report Autumn 2015 survey, a positive climate on the labour market is also reflected in the salaries.

Pay Raises in the Second Half of 2015

The following analysis has been performed on the basis of data from the Salary Report, Autumn 2015 edition survey – a remuneration survey conducted by Advisory Group TEST Human Resources with a research sample of 509 companies.

An average increase in the salaries of specialists in 2015 was of 2.83% and it was slightly lower than in the previous year when it had been amounted to 3.13%. Plans of pay raises for 2016 present more optimistically. The salaries are to increase on average by circa 3.41%. Both Polish companies, and those with a prevalence of foreign capital plan raises at the same level.

The highest raises are planned in the electro-technical industry (4.38%) and IT (4.21%), and the lowest in FMCG (2.53%).



Table 1. Pay raises among specialists in the second half of 2015 – exemplary industries.

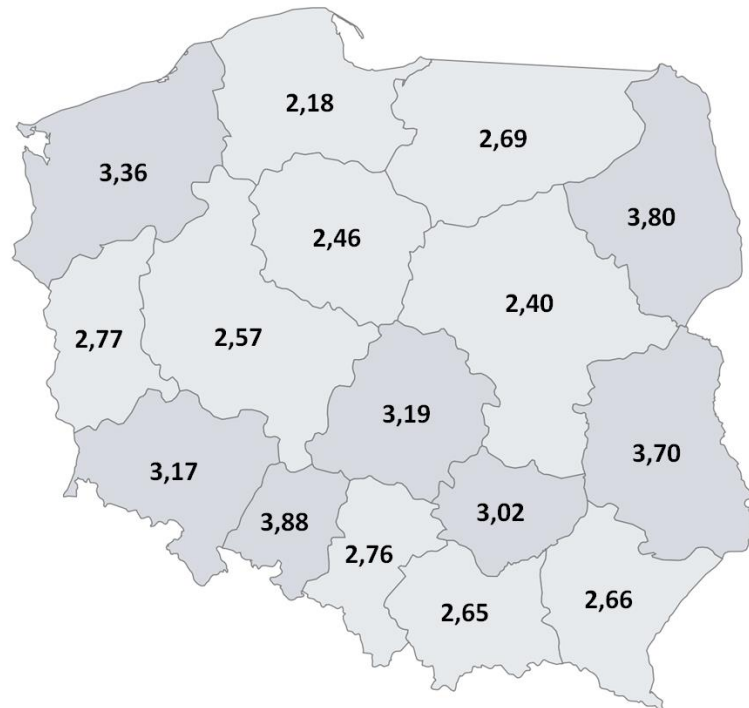
<i>Industry</i>	<i>2015 (%)</i>	<i>Planned 2016 (%)</i>
Construction	3.22	3.55
Electro-technology	2.15	4.38
FMCG	2.22	2.53
IT	2.92	4.21
Heavy and mechanical	2.74	3.98

Source: A Pay Rise Analysis by Advisory Group TEST Human Resources, Autumn 2015 edition.

In the regional breakdown, pay rises distribute rather evenly. A difference between the highest and the lowest was of 1.7 percentage point. The highest pay rise was noted in Opole Voivodship (3.88%), the lowest in Pomeranian Voivodship (2.18%). As in the last year, faster than the remaining ones, increased salaries of specialists who worked in the Eastern Voivodship - Podlaskie Voivodship (3.80%) and Lublin Voivodship (3.70%). The pay rises, among others, in Masovian, Silesian or Lesser Poland Voivodships were below the national average.



Figure 1. An average value of pay rises among specialists in 2015 (%).



Source: A Pay Rise Analysis by Advisory Group TEST Human Resources, Autumn 2015 edition.

Remuneration in the Regional Breakdown

In the breakdowns showed below there have been presented remuneration medians of four levels of specialists: junior, typical, senior and leading ones. They have been divided according to a required level of experience, knowledge and self-reliance.

A monthly average remuneration of specialists was of 5 264 PLN in the second half of 2015. The highest – 5 808 PLN per month was paid to employees employed in Mazovia, the lowest in Podlasie (4 041 PLN). This difference amounts to more than 1 800 PLN.

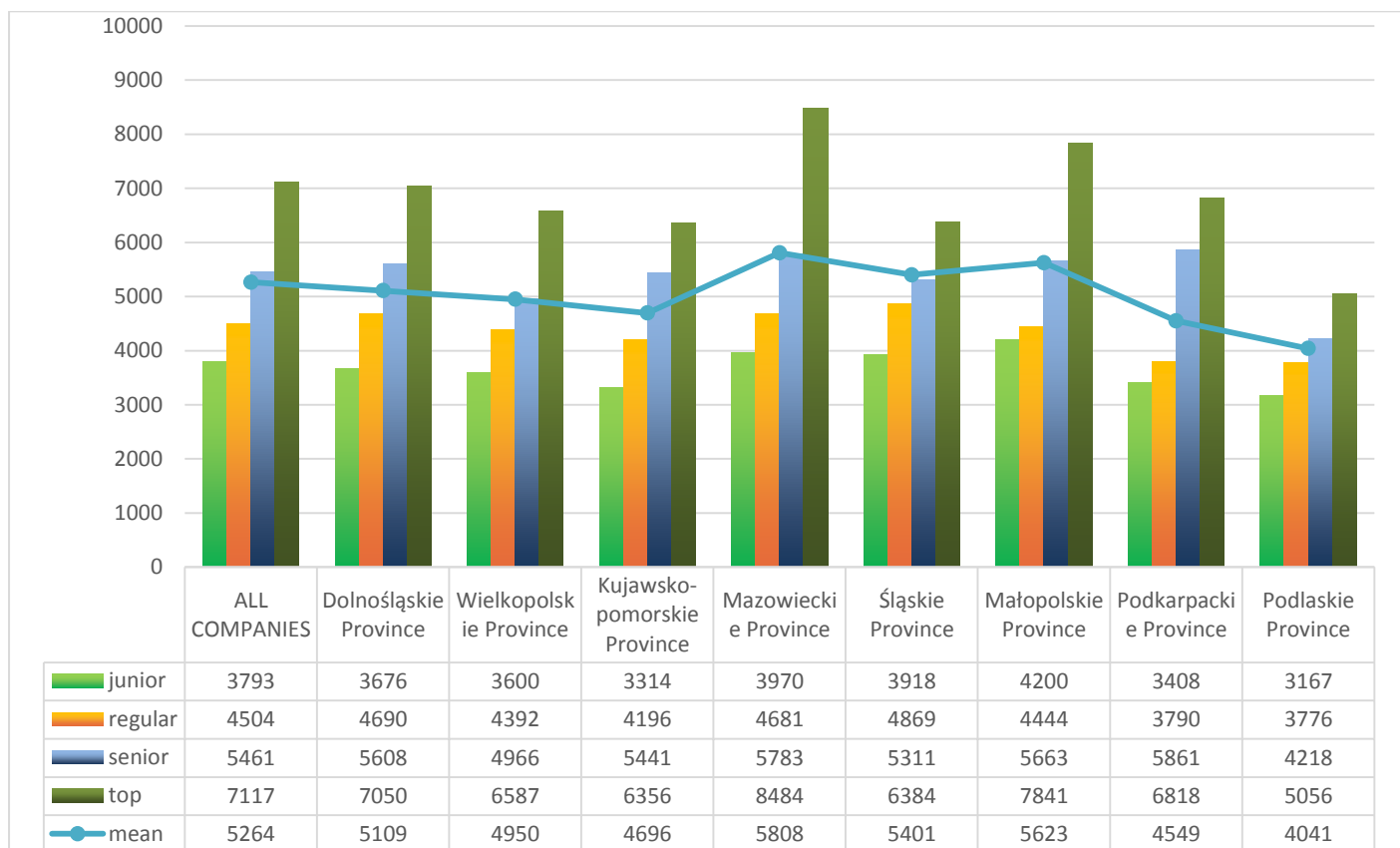
The persons who have just started their jobs as specialists could count for the highest salary in Lesser Poland Voivodship – there a salary of a junior specialist was of 4 200 PLN – a few hundred zloty more than in the other voivodships. Probably it is linked to a dynamical development of the SSC/BBO/ITO sector in the capital of this region which offers a relatively highly remunerated jobs for beginning employees. The typical



specialists were the best remunerated in Mazovia, Lower Silesia and Silesia. The leading ones received the highest remunerations in Mazovian and Lesser Poland Voivodships.

In the case of junior and typical specialists a career advancement was connected with a circa 20% increase of their remuneration, and in the event of the senior ones with a pay rise by circa 30%. The differences in salaries at the relevant levels were not the same in all voivodships. When it comes to Lesser Poland Voivodship a difference in remuneration among a junior and senior specialist was about 6% while in Lower Silesia Lesser Poland Voivodship – 28%. Exceptionally high remunerations, in comparison to others, were received by leading specialists in Lesser Poland and Masovian Lesser Poland Voivodships. Their remunerations were higher relatively by 39% and 47% while comparing with senior specialists in the analogous region.

Chart 1. A median of a monthly total gross salary of specialists in the second half of 2015 depending on a voivodship.



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



Remuneration in the Industry Breakdown

In the chart below is presented a breakdown of specialist's remunerations depending on the industry to which belongs a company in which they work. It is worthwhile to add that this breakdown excludes only specialists who are typical for the companies of the concerned industry, and all who work in the companies from this sector are included.

The highest remuneration in the second half of 2015 was offered in the IT industry. Here also occurred the

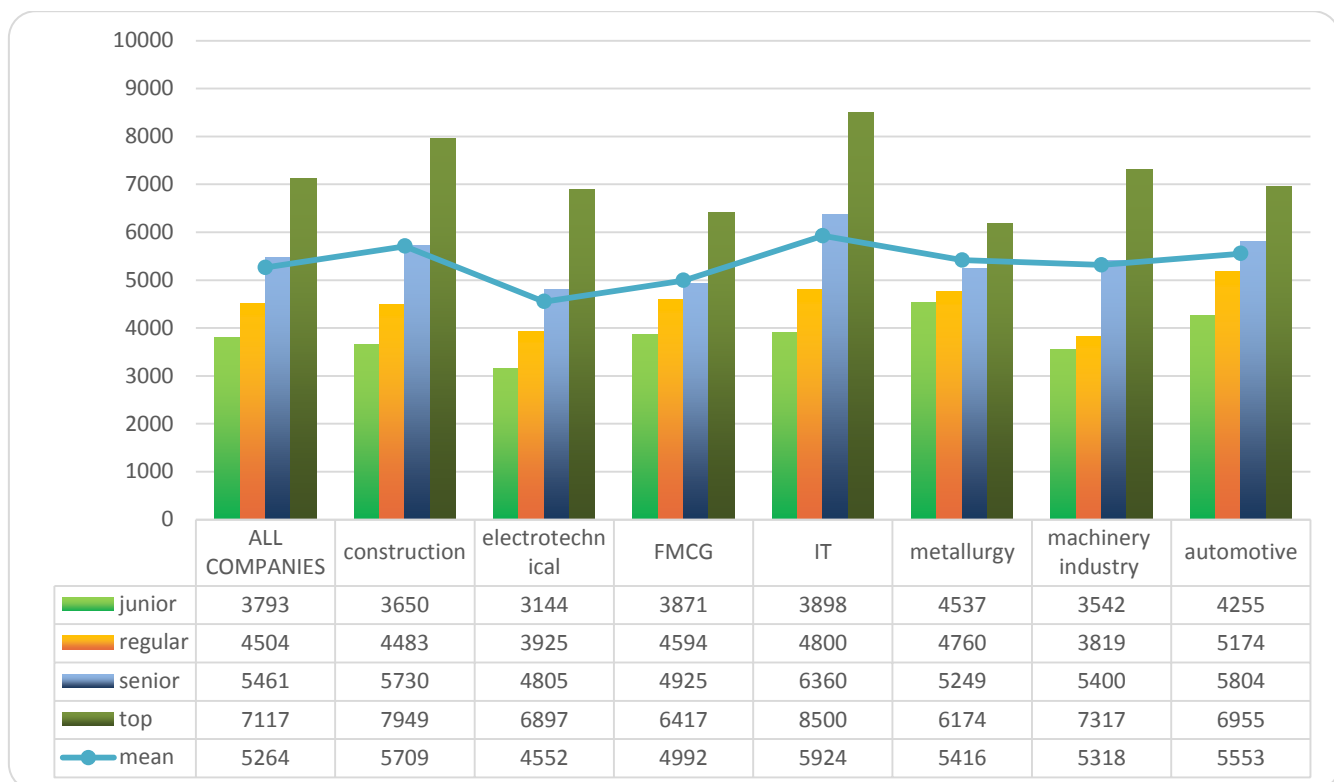
highest mean increase of remunerations while comparing with a beginning of the year (690 PLN). The IT companies, in comparison with other industries, also remunerated the best their senior and leading specialists. A dynamics of a pay rise was here rather high – a promotion for those job positions was connected with an increase in remuneration by circa 33%.

The junior specialists received the highest remunerations in the metallurgic industry although in this industry a promotion to the subsequent levels was linked to the lowest, with comparison to others, increase in salaries (on average by 11%). On the lowest remunerations could count specialists employed in the electro-technical industry, in particular the junior and senior ones.

A construction industry still develops. The salaries in this industry were significantly above the national average and are just 200 PLN lower than in IT. According to the "Occupational Barometer" – a survey conducted at the assignment of Ministry of Labour and Social Policy, engineers connected with the construction industry will be one of the most wanted employees in the next year.



Chart 2. A median of a monthly total gross salary of specialists in the second half of 2015 depending on an industry.



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

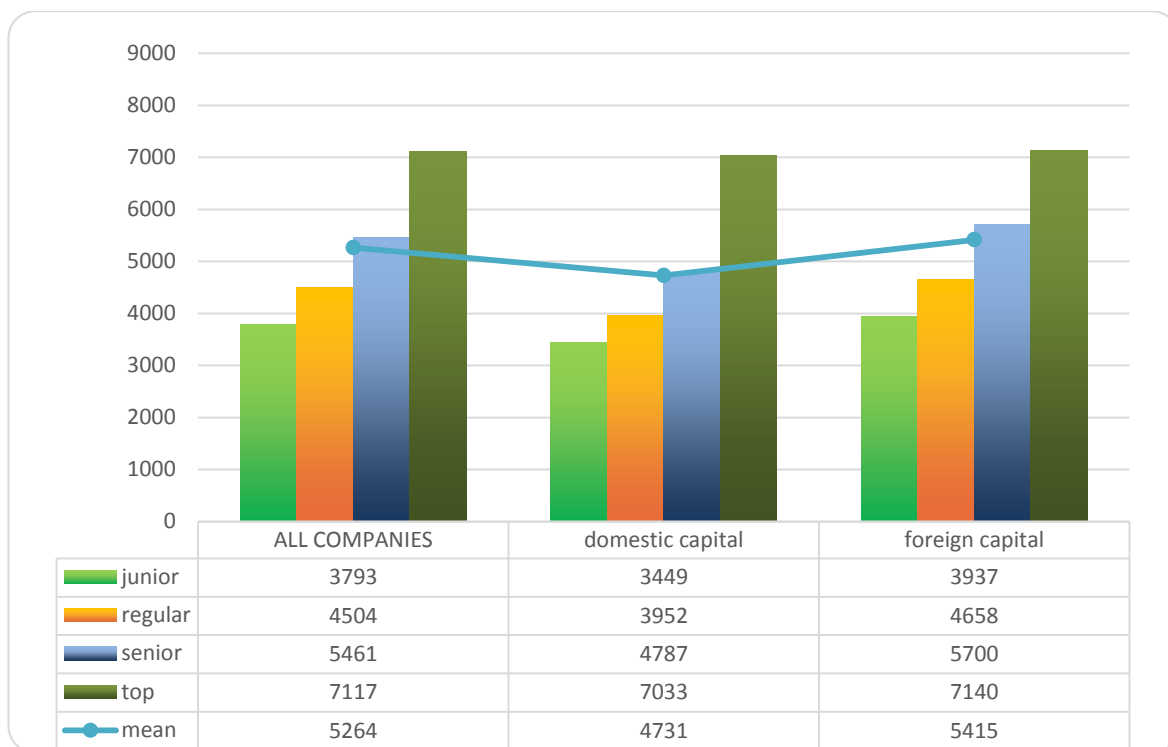
Remunerations in the Companies with a Different Structure of a Capital Origin

The specialists employed in the companies with a prevalence of a foreign capital in 2015 received on average higher remunerations than in the Polish companies, similarly as in the previous years. However, this difference decreases gradually – in the second half of 2015 it was of 648 PLN and it was nearly less than a half than even at the beginning of the year.

The highest differences in the remunerations occurred among typical and senior specialists, and they were amounted relatively to 706 PLN and 913 PLN. At the highest levels, remunerations of specialists were at a very approximate level.



Chart 3. A median of a monthly total gross salary of specialists in the second half of 2015 depending on a capital origin.



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

Remunerations in the Companies with a Different Rate of Employment

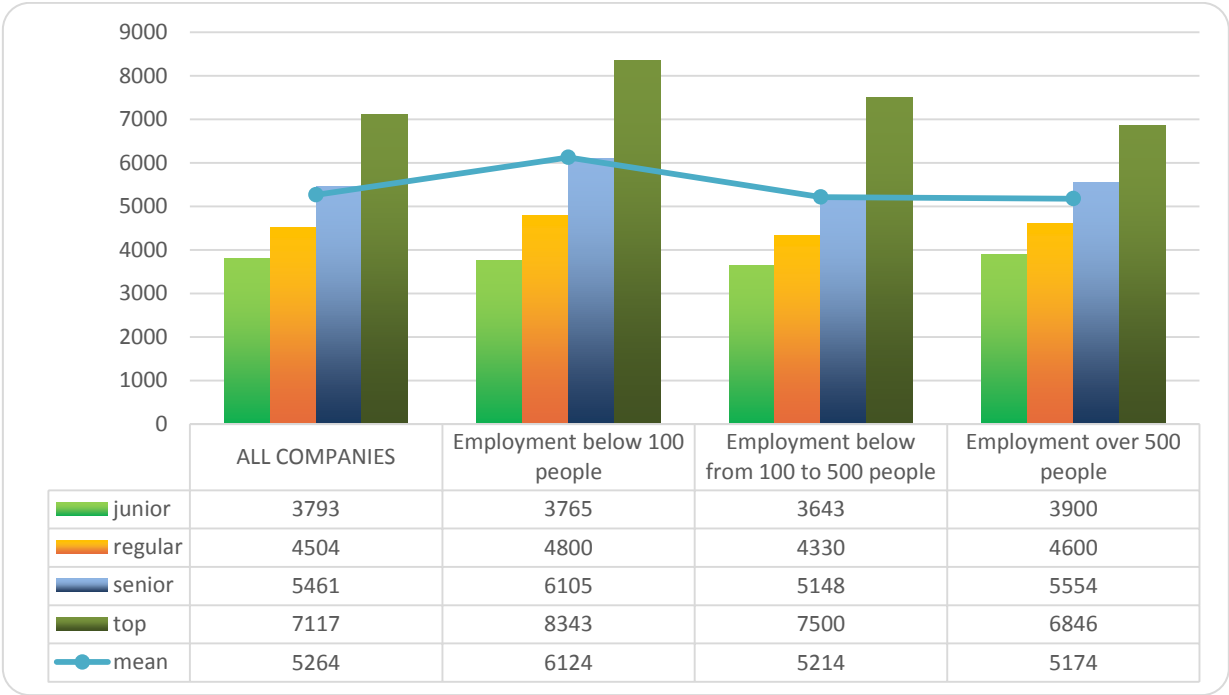
Similarly as in the previous year, the highest remunerations were paid to specialists by the small companies – with an employment level of 100 persons. It was on average 6 124 PLN. They were also distinguished by the fastest pay rise – a promotion was linked to a rise at the average level of 31%.

Even though specialists who begin on the labour market have the highest salaries in the largest companies that employ more than 500 persons, an increase in salaries together with a promotions by circa 21% caused that leading specialists employed in those companies were remunerated less than those employed in the remaining companies.



In the case of middle enterprises, together with a promotion, remunerations grew initially by 19%, and in the case of the top-level positions almost by a half.

Chart 4. A median of a monthly total gross salary of specialists in the second half of 2015 depending on a rate of employment.



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



Employee Benefits

Nowadays benefits already constitute a standard element of the specialist's remuneration. In the last year no greater changes were noted in the area of employee benefits. External trainings, as well as subsidies for sport activities and health care benefits still occur the most frequently. It seems that they became a regular feature of a benefit canon. The additional insurances enjoy a growing interest while comparing to the previous years.

Table 2. Employee benefits awarded to specialists in 2015.

<i>Work tools</i>	<i>Occurrence</i>
Company car or car benefit	10%
Mobile phone	33%
Laptop	27%
Eligible subsidies	
Subsidised commuting	5%
Subsidies for cultural and entertainment goals	25%
Educational subsidies - studies, MBA, language courses, etc.	37%
Additional health care benefits for employees	41%
Subsidised meals	28%
Sport activities subsidies	42%
Vouchers	27%
Other benefits	
Additional insurances	42%
Long-term benefits (share options, shares)	3%
External trainings	63%

Source: Advisory Group TEST Human Resources Salary Survey, 2015 Autumn 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 10,000 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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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



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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.

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Contact

Advisory Group TEST Human Resources

Remuneration Department

info@raportplacowy.pl

www.RaportPlacowy.pl

+48 12 350 56 00