

challenging projects for market leaders



ANALYSIS OF SPECIALISTS' SALARIES

*Prepared for the Polish Investment
and Trade Agency*



Table of Contents

<i>Overview of the job market situation at the end of 2016</i>	<i>4</i>
<i>Raise analysis.....</i>	<i>5</i>
<i>Salaries by province.....</i>	<i>6</i>
<i>Salaries by industry</i>	<i>9</i>
<i>Salaries at primarily Polish-owned and foreign-owned companies</i>	<i>10</i>
<i>Salaries at companies with different staff number.....</i>	<i>11</i>
<i>Non-financial benefits</i>	<i>13</i>
<i>Salary report</i>	<i>15</i>
<i>Contact.....</i>	<i>16</i>



The Mission of Advisory Group TEST Human Resources

We support our Clients with expert knowledge and experience by implementing innovative, professional HR management solutions.

The key to success are our exceptional Employees, passionate and engaged, who actively utilize their skills to complete projects according to the highest standards.



Overview of the job market situation at the end of 2016

The year 2016 was highly interesting when looking at the situation on the Polish job market. One of the most important changes was the record drop in unemployment which reached an average level of 9.1%. Even so, there are still not enough qualified specialists in Poland with an appropriate level of knowledge and experience, causing companies much difficulty in finding an appropriate candidate for work. Therefore, the low level of unemployment is probably caused by the fact that employers are forced to hire workers with lower qualifications and to then train them on their own. The difficulty in acquiring an appropriate employee is also solved by hiring foreigners, most often those coming from across the eastern border. In 2016, the lowest level of unemployment was present in the Silesian Province (4.8%) and in the Greater Poland Province (5.6%), whereas the highest - in the Warmian-Masurian Province (15%) and the Kuyavian-Pomeranian Province (12.6%).

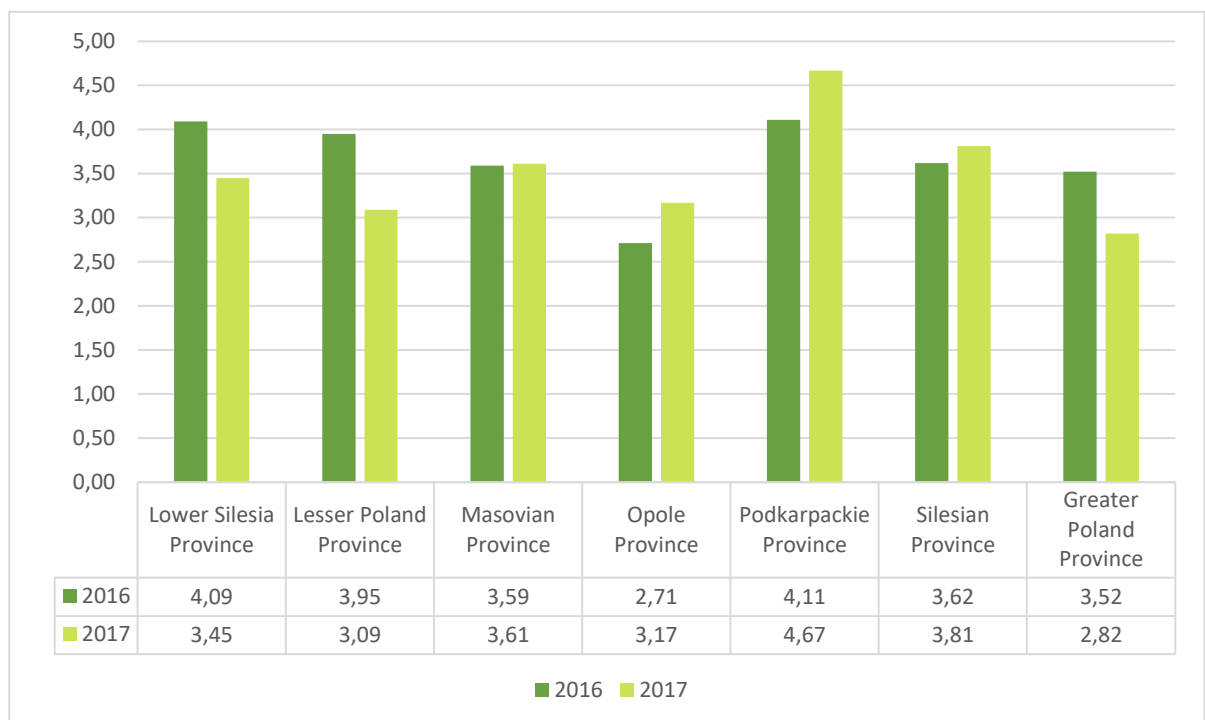
In terms of investment attractiveness, Poland is still a country in which foreign companies eagerly establish their offices. Similarly to the beginning of 2016, there is a high demand in the SSC/BPO industry for finance and IT specialists. The highest earning employees in all areas of the SSC/BPO/IT industry include specialists responsible for continued improvement and for transferring of operations.

In the context of the job market situation in 2016, a term that often appears is "employee market". Against a record-low level of unemployment and combined with the opening of new office buildings and production facilities, candidates have increasingly higher freedom in choosing their employer. Considering the current situation, companies attract employees with, for example, the prospect of raises (in 2017 as many as 90% companies are to offer them) and non-financial benefits, such as professional work tools or various types of subsidies.

Raise analysis

The graph below shows a comparison of raise amounts (in percentages) in selected provinces – those conducted among specialists in 2016 and those planned for 2017. Last year, the average value of raises in specialist positions across Poland was 3.72%, whereas raises planned for 2017 are supposed to be 3.64%. However, the value of raises in the entire Polish job market will generally increase slightly compared to the previous year, and they will be granted by as many as 90% of companies. It is also worth taking into account the fact that actual raises may turn out to be higher than planned. The months during which companies most often raise the salaries of their employees are January and April.

Graph 1. Comparison of percentage values of raises conducted among specialists in 2016 and planned for 2017 in selected provinces.



Source:: Raise Analysis by Advisory Group TEST Human Resources, Fall 2016 edition.



Salaries by province

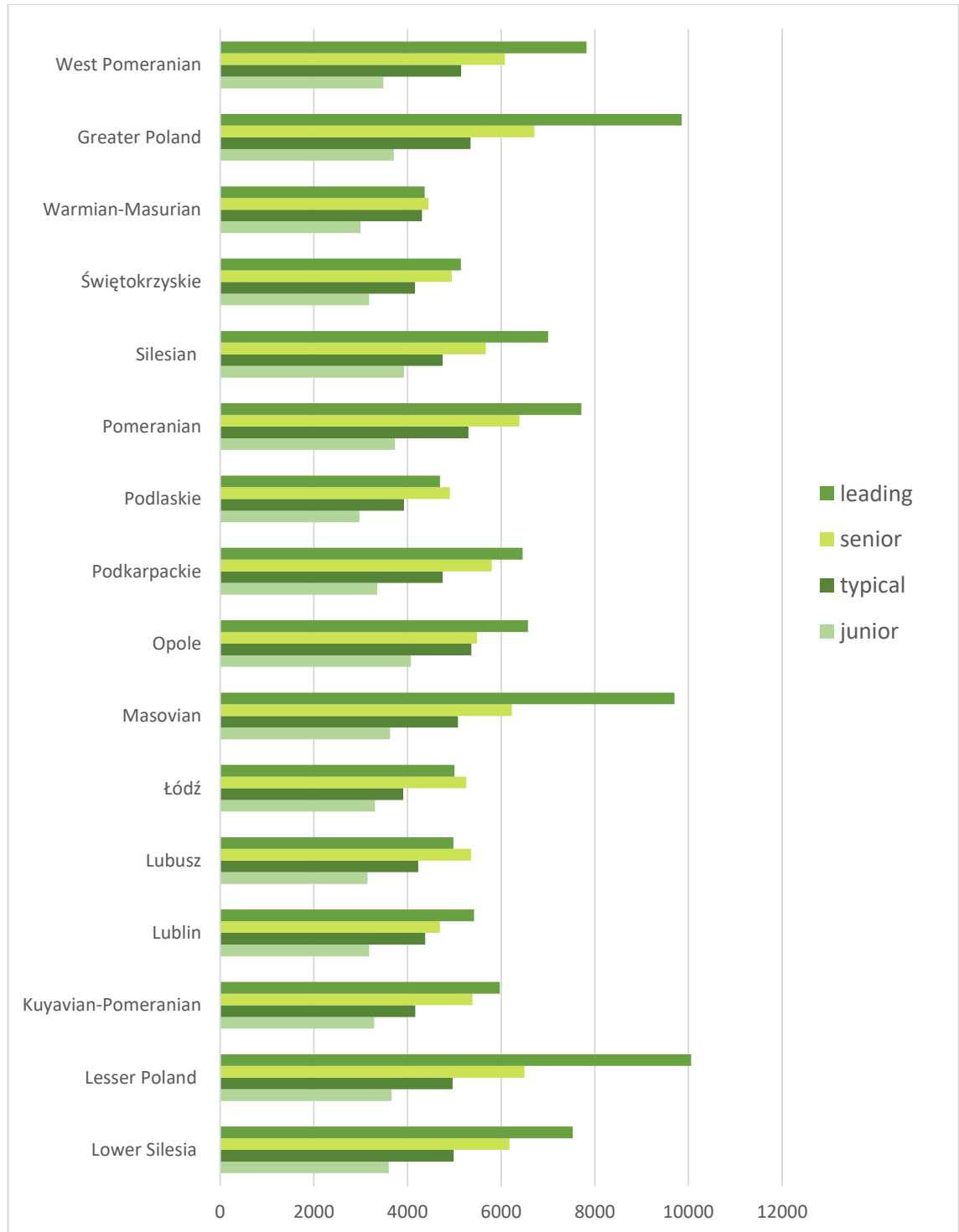
The following graph shows the salary medians of specialists of all four levels: leading, senior, typical and junior. The breakdown was made based on their level of knowledge, experience and independence.

In the period between spring and fall of 2016, a lot changed in terms of salaries within individual regions. At the beginning of the year, the highest average earnings overall for specialists from among all levels was offered in the West Pomeranian Province (average: 6505 PLN), while in fall – in the Greater Poland Province (6201 PLN). The region in which specialists earned the least in spring was the Podlaskie Province (4179 PLN), while at the end of the year it was the Warmian-Masurian Province.

The highest salaries among leading specialists are offered by companies from the Lesser Poland Province – the median of their salaries in this region is 10059 PLN. Leading specialists from the Greater Poland Province can expect slightly lower salaries (9860 PLN). The situation of the most experienced specialists changed considerably compared to the previous year when companies from the Masovian Province offered them the highest salaries. As for specialists only starting their career, they can earn the most in the Opole Province (4077 PLN). By the end of 2016, the Opole Province placed higher than the Lesser Poland Province which at the beginning of this year was the leader in terms of salaries offered to junior specialists.



Graph 2. Median of total monthly pay gross of specialists in specific provinces in the middle of 2016 broken down by province.





	<i>junior</i>	<i>typical</i>	<i>senior</i>	<i>leading</i>
Lower Silesia	3598	4986	6178	7532
Lesser Poland	3660	4961	6500	10059
Kuyavian-Pomeranian	3288	4164	5387	5973
Lublin	3178	4380	4694	5424
Lubusz	3145	4228	5358	4978
Łódź	3310	3911	5253	5003
Masovian	3629	5079	6233	9703
Opole	4077	5366	5486	6571
Podkarpackie	3355	4749	5803	6461
Podlaskie	2973	3927	4907	4691
Pomeranian	3730	5304	6388	7713
Silesian	3927	4750	5676	7002
Świętokrzyskie	3181	4161	4949	5142
Warmian-Masurian	3000	4311	4446	4369
Greater Poland	3710	5350	6709	9860
West Pomeranian	3487	5149	6082	7822

Source: Salary Report by Advisory Group TEST Human Resources, Fall 2016 edition.



Salaries by industry

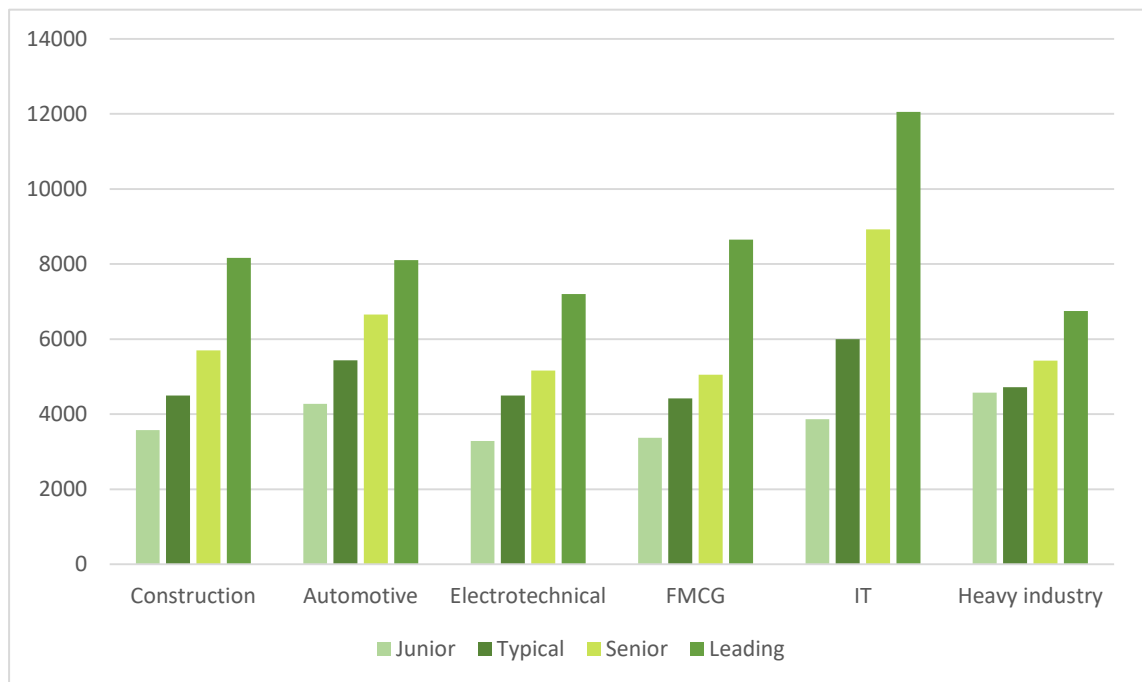
The following graph shows specialists' salaries broken down by industries in which they operate. The following industries were taken into consideration: construction, automotive, electrotechnical, FMCG, IT and heavy industry.

Junior specialists employed in the heavy industry can count on the highest salaries – their earnings median can be as high as 4569 PLN. On the other hand, their salaries are the lowest in the electrotechnical industry (3288 PLN). As for specialists with higher qualifications and experience, they can earn the most in the IT industry (this is true for every level “above” junior specialist), with the salary median of leading specialists in this industry being as high as 12056 PLN.

The lowest salary of a typical specialist is offered by the FMCG industry with a median of 4419 PLN, of a senior specialist – by the electrotechnical industry (5164 PLN), while of a leading specialist – by the heavy industry (6749 PLN). When comparing the average earnings of specialists at all levels between the beginning and the end of 2016, it appears that salaries in the IT industry – although still the highest – experienced a drop from 7525 PLN to 7472 PLN. As for industries offering the lowest salaries to specialists, the electrotechnical industry (4951 PLN) was second only to the FMCG industry (4844 PLN) at the end of the year.



Graph 3. Median of total monthly salary gross of specialists by industry.



Source: Salary Report by Advisory Group TEST Human Resources, Fall 2016 edition.

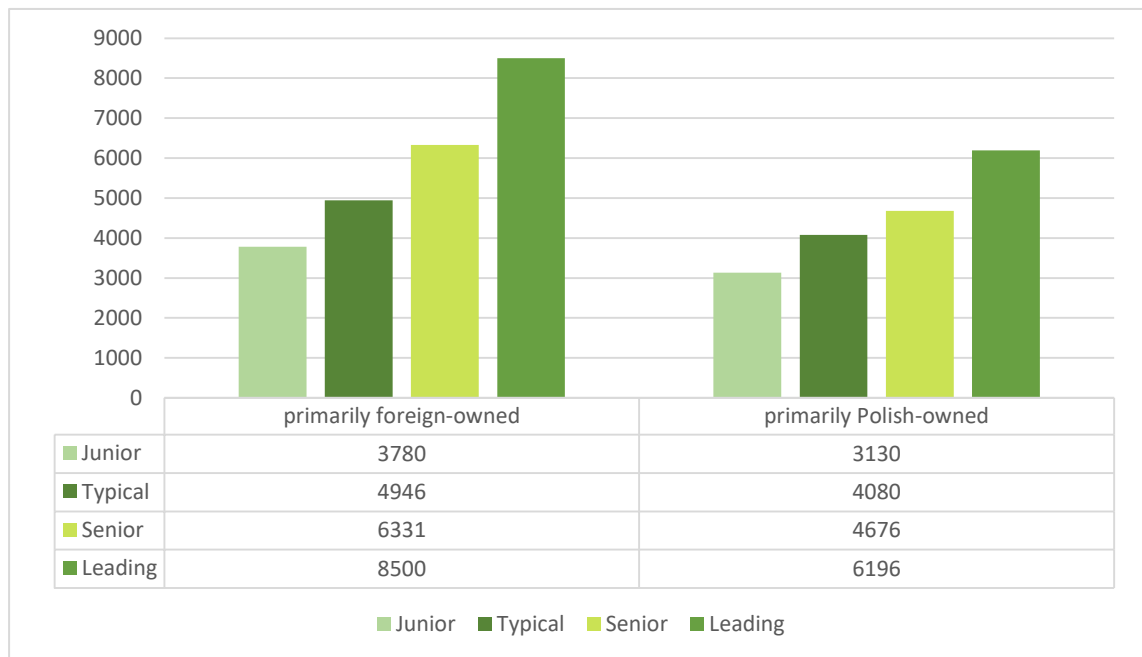
Salaries at primarily Polish-owned and foreign-owned companies

By the end of 2016, primarily foreign-owned companies paid 5972 PLN on average to specialists – which is more than in the case of primarily Polish-owned companies (4521 PLN). The fact that foreign companies offer higher salaries can be seen in the case of every level of specialist position. What is interesting is that the situation looked slightly different at the beginning of the previous year. Among specialists employed at primarily Polish-owned companies, senior and leading specialists received particularly noteworthy salaries – their earnings were higher than the salaries of the same specialists employed at foreign companies (5429 PLN and 8072 PLN respectively).



These two values significantly affected the salary average which turned out to be higher at primarily Polish-owned companies.

Graph 4. Median of total monthly salary gross of specialists at primarily Polish-owned and foreign-owned companies.



Source: Salary Report by Advisory Group TEST Human Resources, Fall 2016 edition.

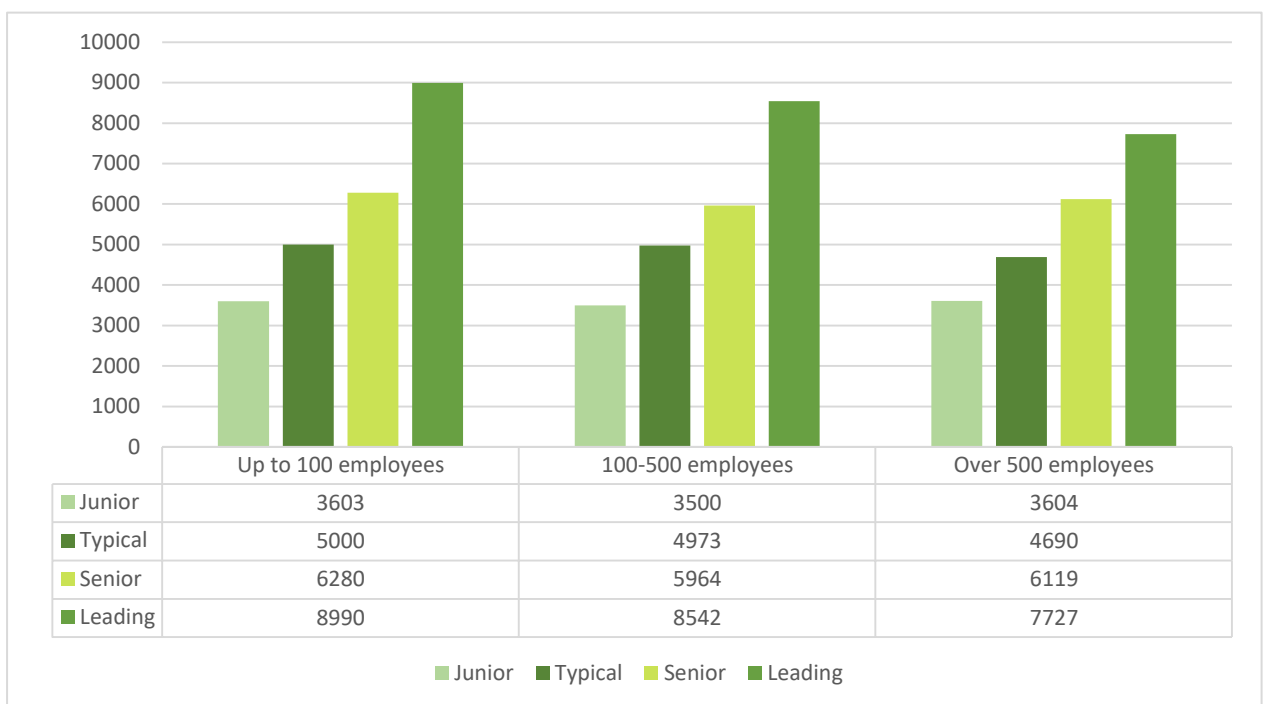
Salaries at companies with different staff number

Salaries of specialists can also be broken down in terms of staff number at their place of employment. Salaries of specialists with the lowest level of independence are shaping most interestingly – their median is the same both in the case of companies employing up to 100 peoples, as well as those with more than 500 employees – 3603



and 3604 PLN respectively. Therefore, the situation of junior specialists at the smallest companies has changed for the better compared to spring 2016 when only big companies offered them the highest salaries. On the other hand, the salaries of specialists at other levels are higher only at companies employing up to 100 people. The median salaries of a typical specialist at such companies is 5000 PLN, of a senior specialist – 6280 PLN, whereas of a leading specialist – 8990 PLN. Whereas the lowest average salaries are offered by companies employing more than 500 people.

Graph 5. Median of total monthly salary gross at companies by staff number.



Source: Advisory Group TEST Human Resources, Fall 2016 edition.



Non-financial benefits

Non-financial benefits offered to specialists can be divided into three groups. The first includes benefits in the form of work tools, such as company phone, car, laptop. The second, most numerous, group consists of subsidies the employees are entitled to, such as education, medical package or gym membership. The last group includes the so-called other benefits which include additional insurance, stock and external training. Among the non-financial benefits that function as tools improving everyday work, the most often offered are: laptop (26.29%) and mobile phone (24.65%). Much more rarely, employees have a company car (less than 4%) at their disposal. However, this is probably related with the fact that this benefit is a symbol of career prestige and is usually offered to employees holding a high position at a company.

Regarding subsidies for various kinds of benefits, co-financing of sporting activities (54.22%) is offered the most often, followed by additional health benefits for employees (50.03%). Definitely the least popular in this group are commuting subsidies (5.31%). As for other benefits which do not fall into any of the previous groups, external trainings are offered the most often (69.57%) and they are the most popular benefit of all in general. Right after that there are additional insurance – they are offered to 55.71% of the surveyed specialists. In this group, the most often offered benefits are long-term ones, namely stocks and share options (5.51%). Just like in the case of company cars, the fact that this type of benefit is rarely offered may be an expression of prestige related with holding a higher position.



Table 1. Non-financial benefits granted to specialists in the second half of 2016.

<i>Work tools</i>	<i>Occurrence</i>
Company car or car subsidy	6%
Mobile phone	25%
Laptop	26%
Applicable subsidies	
Commute subsidy	5%
Subsidies for cultural and entertainment purposes	38%
Education subsidies – college/university, MBA, language courses, etc.	48%
Additional health subsidies for employees	50%
Luncheon subsidies	21%
Subsidies for sporting activities	54%
Gift vouchers	31%
Other benefits	
Additional insurance	56%
Long-term benefits (share options, shares)	6%
External training	70%

Source: Salary Report by Advisory Group TEST Human Resources, Fall 2016 edition.



Salary report

ReportPlacowy.pl – the only publicly available salary data on the market, directly from companies

The biggest Polish Salary Report – data from **533 companies** from across Poland.

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

Over **360 positions** broken down by levels (junior/senior specialist, etc.).

Positions within an organization are precisely **adapted to positions** in the Report, enabling accurate salary comparisons.

Fast and intuitive **software for transferring data**, ensuring that Participants can easily take part in the survey.

Free National Report for survey Participants.



Methodology

The Salary Report created by the Advisory Group TEST Human Resources is updated regularly – twice a year. Information about employee remuneration is obtained directly from HR departments of companies participating in the survey. “Raw” salary data is analyzed and then presented in the form of the following statistical measures: 1st and 10th decile, lower and upper quartile, arithmetical mean and median. In each breakdown, the most important element is the median, i.e. the middle value which makes it possible to exclude outliers that could distort the end results.



Job positions present in companies participating in the survey are subjected to the so-called mapping process. It is a proprietary way for determining the name and level (junior, senior, etc.) of each position, even if originally these positions have different names. Said mapping consists of providing answers to a few brief questions regarding the requirements necessary to commence work and the tasks performed in a given position. Thanks to this method, Participants can be certain that the data in the Salary Report is presented in an objective manner.

The Salary Reports are created for the needs of specific industries and regions. All companies participating in the 2016 Fall edition can be seen on the following map: <http://bit.ly/2naq2Yf>.

Contact

Advisory Group TEST Human Resources

Analysis and Salary Report Department

info@raportplacowy.pl

www.RaportPlacowy.pl

+48 12 350 56 00