

Achieve success through people





Dear business partners,

PricewaterhouseCoopers provides advisory services in the human resources area in more than 100 countries and employs over 6,000 specialists, thereby ranking as one of the largest global companies in the HR consultancy business. In Slovakia, the HR Services Department was established in 1992; our objective is to enhance the human capital management level of our clients and help them “achieve success through people”.

This year, we enter the market with a new product portfolio, which also reflects the needs of HR management in the current global economic conditions. We offer two basic types of services for improving the management of human resources:

Advisory services

For our clients, we propose preventive measures and develop the HR management strategy in the crisis period, develop HR systems and processes, and increase the effectiveness of the HR function in companies.

Benchmarking services

Every year, we map the development in the HR area in Slovakia in two studies: PayWell – a remuneration survey, and HR Benchmarking – an HR management indicators survey. Our clients use these studies to compare for themselves best practices on the market and subsequent process optimization.

In the last 17 years, we have worked for multinational and local companies in both the public and private sectors. Our experts collaborated on projects in Slovakia and other countries as well. Based on the knowledge of the local market and global trends, we succeeded in developing know-how and gaining experience which allows us to create professional individual solutions and increase added value and return on investment into human capital.

We believe that our experience will help you fully utilize the potential of your employees.

„Achieve success through people.“

Branislav Hunčík
Director

Developing and optimizing remuneration schemes

Objective

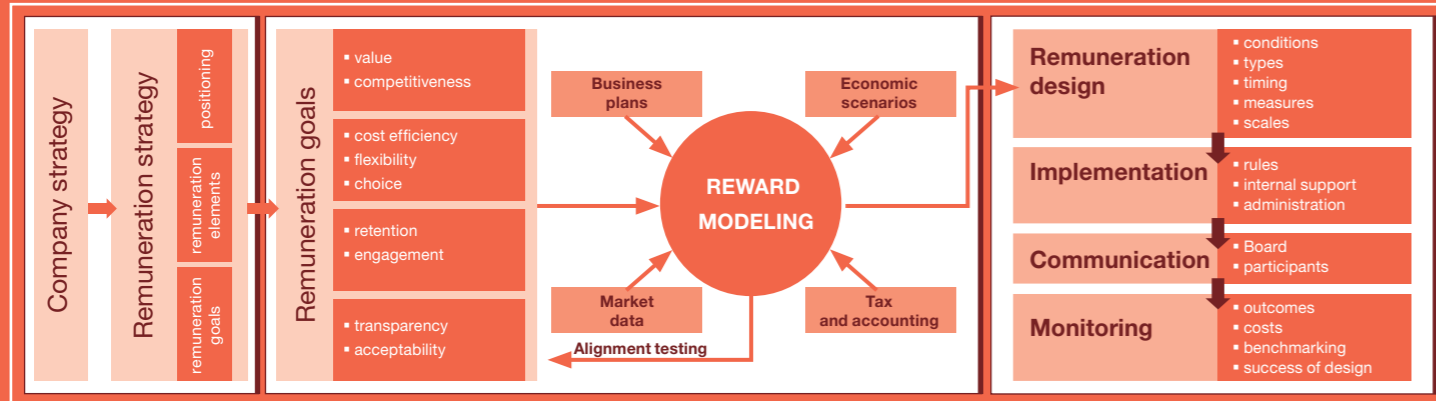
The project's main objective is to ensure the internal fairness and external competitiveness of remuneration in the company. We help clients develop a remuneration strategy and solve the issue of setting remuneration properly through systems which are transparent, administratively easy to maintain, and linked to other HR management areas (such as recruitment and selection, learning and development, or employee performance management).

Methodology

The introductory part of each project is an analysis of the current remuneration system in the company and its connection with HR management processes. An optimized remuneration system will be set up in the context of existing processes, which will make its implementation into practice easier.

We develop remuneration systems based on a remuneration strategy which is linked to the company's overall strategy. When developing them, we use the internationally accepted IFA/JOSS methodology to assess the complexity of work in individual positions based on four main factors: expertise, independence, responsibility, and working conditions.

We develop the base pay system based on the remuneration strategy, job complexity of individual positions, career paths, and outputs of the annual remuneration survey PayWell. We base the system for managing variable pay component on linking individual performance with managing the company's performance. Performance may be managed using the Balanced Scorecard (BSC), Management by Objectives (MBO), Management by Competencies (MBC), or other methodologies. Methodologies that will define the technical and soft competencies designated for managing expertise, the development and behaviour of employees in the workplace, are also part of the project.



Added value

By implementing the remuneration strategy and a transparent remuneration system, the company obtains a tool for supporting the achievement of the firm's goals, increasing company's attractiveness on the labour market, and employee stabilization.

Project phases:

1. Assessing the complexity of job positions

In the first phase of the project, we develop a system of positions in the company based on their complexity. We use the internationally accepted IFA/JOSS methodology for the job analysis.

2. Managing the base pay

Our approach used to manage the base pay offers both systematic and flexible solutions for managing the guaranteed wage components. It also includes the remuneration of key employees and positions.

3. Managing the variable pay

In the last phase of the project, we develop a motivation system of variable pay components linked to performance management and setting goals based on the company's strategy. Performance management also includes the system for managing soft competencies.

Reasons for implementing the project

Companies are currently focusing on optimizing their costs. As remuneration is part of the employee value proposition, it is important to focus on retaining key employees when optimizing wage costs, as well as costs of employee benefits. A properly tuned remuneration system will allow a company to support the effectiveness of the recruitment process, to remunerate transparently, to stimulate career growth, and, at the same time, to focus available funds on those job positions and employee groups that are vital for the company and its activities.

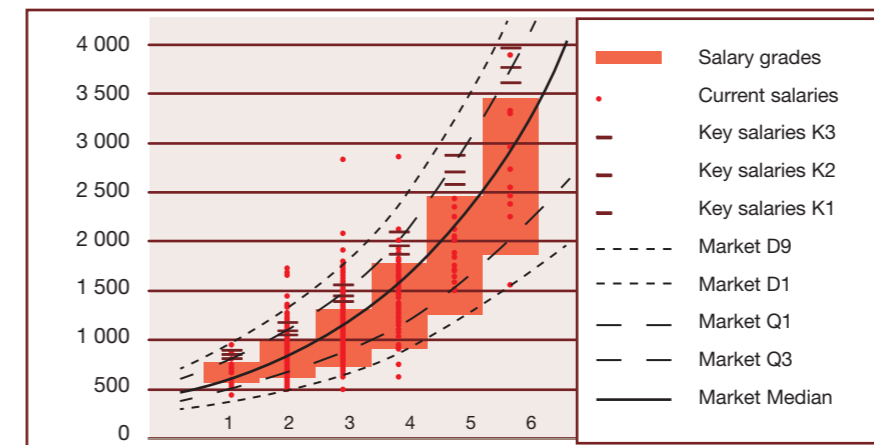
Based on our extensive experience with developing remuneration systems and the annual PayWell salary survey, which gives us actual detailed information about remuneration trends on the market, we are able to create a system customized to conditions and features specific to your company.

We will help you set an effective remuneration system and answer the following questions:

- How is remuneration strategy to be set?
- How is the base pay to be set effectively and competitively?
- How is the system of variable pay to be set, to support meeting the company's strategic goals?
- How is the remuneration system to be linked with other HR management areas?

Example of outputs

Base pay model example including percentile strategy and effect on compensation costs



Percentile strategy	Minimum	Maximum
1	20	80
2	20	85
3	20	85
4	35	85
5	35	85
6	45	85

Effect on compensation costs	Average variable pay (% of base pay)		
	5%	7%	10%
Implementation 1	1,5%	2,5%	4,5%
Implementation 2	3,4%	5,5%	7,6%
Implementation 3	4,2%	6,9%	9,6%

IFA/JOSS	Grade	Standart base pay steps (€ monthly)							Key positions / employees		
		A	B	C	D	E	F	G	K1	K2	K3
4,5,6	1	420	445	480	520	575	655	755	800	880	1 005
7,8	2	545	605	665	735	815	900	990	1 110	1 230	1 360
9	3	705	800	905	1 020	1 140	1 295	1 395	1 495	1 660	1 830
10	4	1 020	1 150	1 285	1 415	1 545	1 680	1 810	1 925	2 125	2 340
11	5	1 335	1 515	1 715	1 920	2 135	2 350	2 575	2 720	2 905	3 120
12	6	2 205	2 485	2 755	3 025	3 305	3 575	3 850	4 315	4 645	4 980

Contact:
Mgr. Oldřich Vaňous
 Senior Consultant
 oldrich.vanous@sk.pwc.com
 +421 (0)903 329 055

References

“Our goal was to implement a transparent, competitive, and well-arranged remuneration system; and we can say that the experts from PricewaterhouseCoopers succeeded in accomplishing this task to the fullest extent. We certainly expect to co-operate with PricewaterhouseCoopers in the future and utilize the qualities and know-how of its experts.”

Nik Vincke
 Chairman of the Board of Directors
 ČSOB Poistovňa, a.s.

Analyzing the added value of human capital – Saratoga PricewaterhouseCoopers

Objective

The objective of analyzing human capital's added value is to assess the current human capital profile and to prepare scenarios for optimum management of the return on investment into human capital.

positive change can be observed, which will manifest itself in the increased added value of employees and their performance, and in strengthening the company's competitive advantage. If the project results are implemented effectively, the methodology will become a key benefit when transforming the HR function, and will contribute to reinforcing the company's market position. When planning investments in remuneration, education, or special investments in activities aimed at reducing absenteeism, employee turnover rate, improving loyalty and the involvement of employees, we define the "business

case" for the company – that means not only "what has to be done" but also the required return on these investments.

In making these analyses, we use data from the PricewaterhouseCoopers Saratoga institute. This institute possesses the largest global database of benchmarking indicators from over 20,000 companies operating in 28 countries across North America, Asia, and Europe (including Slovakia). A uniform definition of indicators used to measure human capital is the guarantee that all the data is comparable.

Methodology

The analysis of human capital's added value is a suitable tool for verifying and arranging a link between HR procedures and the firm's overall priorities. Thanks to this analysis, consolidations, and improvements in human capital management activities, a significant

Project phases:

Phase 1

In this phase, the client together with us collect data about the current status of human capital management using a questionnaire – its standard international form ensures that about 200 key performance indicators (KPI) for evaluating human capital are comparable. We also select comparable companies for benchmarking in this phase.

Phase 2

In the second phase, our specialists analyse the weaknesses and strengths of the current profile and the management of human capital, and model scenarios to increase the return on investments in human capital.

Phase 3

In the last phase, our project team presents and discusses the outcome of the analysis and modelling with the client, and prepares proposals for particular action plans designated to improve the problematic areas. The project's output is a final report containing realistic and executable action plans agreed on to optimize human capital management.

Added value

The project's benefit and added value is the fact that it is not carried out as an isolated project, but is prepared in the context of the firm's overall strategy, and current and planned financial management.



Reasons for project implementation

Lately, the value of human capital has been under pressure. Chief executive officers, financial directors, and HR managers have to find out and assure themselves whether their human capital is competitive. Company owners want to have clear and unambiguous information on what added value employees bring to the company. The motivation to implement this project is often the need to increase productivity or the effort to optimize the number of staff.

Practical example

"In our company, the annual cost of absenteeism amounts to €1,800, and the cost of employee turnover amounts to €1,300 an employee, which, in total, represents 6% and 4% of our profit after taxes. With our competitors, these costs are only 2.5% of profit after taxes. Our return on investments in employees shows a year-to-year increase from €1.2 to €1.3, which means that we are able to recover €1.3 out of each Euro invested in employees. However, our competitors succeed in recovering €1.9 out of each Euro invested in staff. Our productivity is about 20%, while their productivity is about 15%." The Saratoga methodology will give you guidance on how to approach the values desired.

Example of outputs

Human capital profile - strengths and weaknesses

FTE - Full time equivalent

Key Metric Profile	Lower Quartile	2nd Quartile	3rd Quartile	Upper Quartile	%ile Rank
Human Capital Impact					
Revenue per FTE (€)		208 101		436 869	37
Cost per FTE (€)	139 295	202 275			37
Profit per FTE (€)		5 826		23 300	43
Remuneration/Revenue (%)	✓ 6,9				23
Average Remuneration (€)		14 433			33
Human Capital ROI (€)			1,40	1,68	60
Human Capital Engagement					
Performance Related Pay (%)				✓ 27,2	85
Attendance Related Pay (%)	5,5				-
Absence Rate (%)	✓ 3,0		4,8		72
Resignation Rate (%)	✓ 0,1				Min
Organisation and Workforce Structure					
Acceptance Rate (%)		84,1		97,8	43
L&D Hours per FTE			31,9	45,9	58
L&D Coverage (%)				✓ 100,0	77
FTEs per HR Department FTE (X:1)	63			226	Min
HR Department Costs per FTE (€)	565				-

Contact:

Ing. Tatiana Sýkorová
Senior Consultant

tatiana.sykorova@sk.pwc.com
+421 (0)903 616 651

References

"Based on the benchmarking results and recommendations of the PricewaterhouseCoopers implementation team, we made changes in the organizational structure and made processes more effective. The knowledge we gained, the method of evaluating the performance of human resources in accordance with the Saratoga project, and changes made in the following years were extremely beneficial for the prompt and smooth incorporation of Matador a.s. Púchov into the international Continental Group in 2008."

PhDr. Jozef Kapec
HR Management Department
Continental Matador
Rubber s.r.o. Púchov

When making analyses within this project, we monitor indicators in three basic areas:

- 1. Impact of human capital**
– we investigate how human capital affects the company's financial results. We monitor productivity and the return on investment in human capital.
- 2. Human capital and involvement**
– we analyse the HR policy concerning remuneration, recruitment and selection, development and education of staff, and the impact of HR management on staff turnover.
- 3. Organization and structure of the HR department**
– we analyse in detail the effectiveness of the HR department. We analyze the size of the department by the number of staff and by its costs. We also look at the structure of the whole company by individual departments and at the extent of the company's management.

HR function effectiveness

Objective

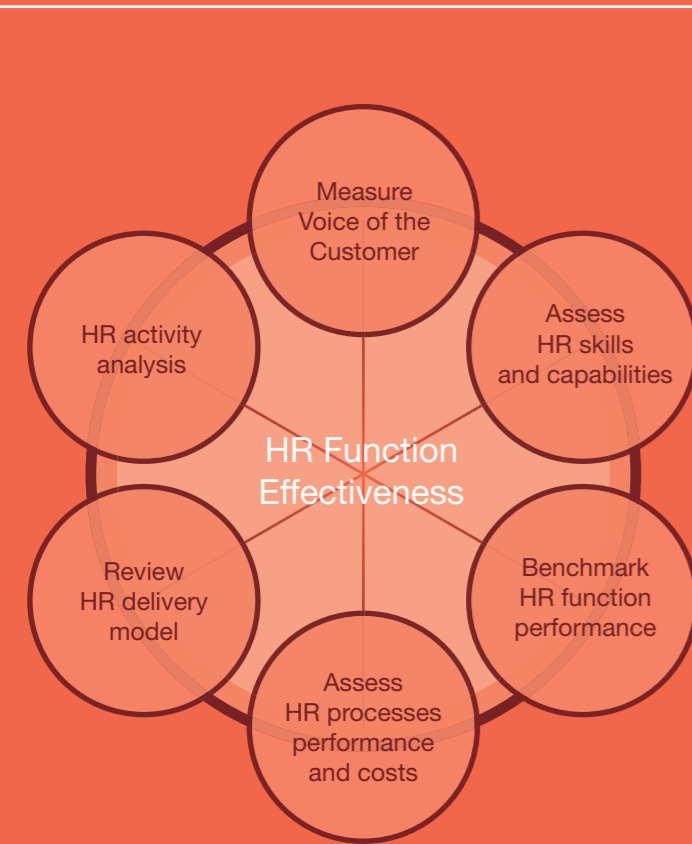
The objective of the project is to identify short-term and long-term priorities for HR management, assess the current performance of the HR function, and set its efficient operation to ensure and support the achievement of the company's objectives.

Methodology

The PricewaterhouseCoopers' methodology has been developed to ensure that HR management in the company is comprehensively assessed and optimized to work effectively. It is comprised of six modules.

Modules

- 1. Measure Voice of the Customer**
Serves to understand how managers and employees perceive effectiveness and the importance of the HR area.
- 2. Assessing HR skills and capabilities**
Uses the PwC methodology to monitor 13 HR competencies of the HR department's staff.
- 3. Benchmarking HR function performance**
Compares certain effectiveness indicators of the HR department.
- 4. Assessing HR processes performance and costs**
Analyses and compares process-related key performance indicators with the international database of PricewaterhouseCoopers Saratoga.
- 5. Reviewing HR delivery model**
Serves to understand the current HR structure and its appropriateness to achieve the goals set.
- 6. Analysing HR activities**
Used for assessing the character of HR activities: strategy, advisory services, consultancy, and administration of HR procedures and processes.



Added value

The project's added value is the fact that the HR department and its goals are set in accordance with the company's needs. The HR model (business partner, the generalist model, or outsourcing options) is always selected based on assessing the goals set for HR management, and in line with the company's potential.

Reasons for project implementation

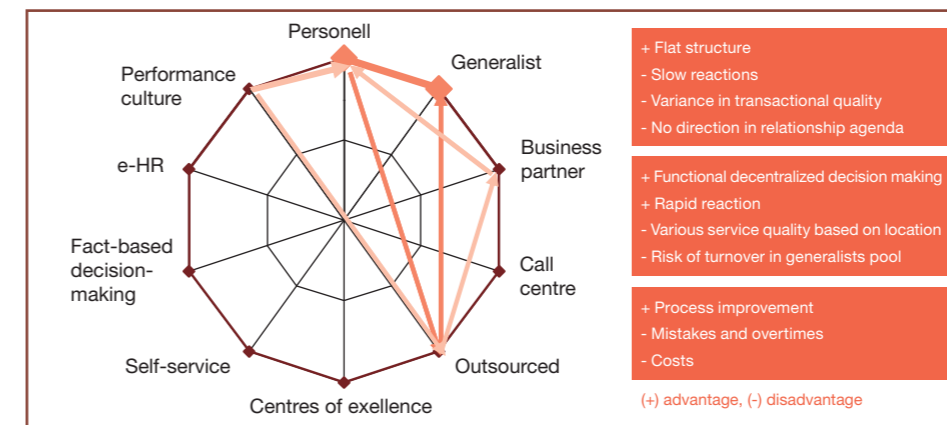
A frequent impulse for assessing the effectiveness of human resources and the structure of an HR department is an organizational change, when the company changes its managing structure (creating a holding, or splitting the company) or needs to adapt to changing conditions in the economic environment (coping with the impacts of the economic crisis).

We will help you assess the effectiveness of the HR function and answer the following questions:

- How is the potential for cutting costs, increasing productivity, improving the level of services and HR processes, and benchmarking them with the competition to be identified?
- How is the impact of human resources on the company's results to be measured, and how is it possible to ensure that HR initiatives are directed properly?
- How are current weaknesses in managing human resources to be quantified, and how is the underlying documentation for a potential optimization to be provided?
- How are short-term and long-term priorities for HR management to be clearly identified, and how can meeting these priorities be planned?

Example of outputs

Current HR delivery model description



Evaluation of process importance and effectiveness

Process	1D	1E	2D	2E	3D	3E	4D	4E	5D	5E	6D	6E	7D	7E	8D	8E	Process importance	Process effectiveness
Number of filled questionnaires	1	5	15	11	6	1	19	3	61	61								
1. Choice of a professional according to request	5,0	4,0	5,2	3,4	5,3	3,5	5,4	3,5	5,2	4,2	4,0	1,0	5,2	2,4	4,7	3,0	5,2	3,2
Respondents:	1	1	5	5	15	14	11	11	6	6	1	1	18	18	3	3	60	59
2. Organisational Culture	5,0	3,0	4,0	3,2	4,7	3,6	4,9	3,5	4,8	3,8	3,0	3,0	4,2	3,1	4,3	2,7	4,5	3,3
Respondents:	1	1	5	5	14	13	11	11	6	6	1	1	19	19	3	3	60	59
3. Learning and development	4,0	4,0	4,6	3,2	4,7	3,9	5,0	4,7	4,3	3,8	4,0	3,0	4,3	2,9	3,7	3,3	4,5	3,6
Respondents:	1	1	5	5	15	15	11	11	6	6	1	1	19	19	3	3	61	61
4. Employee competence evaluation	5,0	4,0	4,2	3,2	4,6	3,8	4,6	4,0	4,5	3,0	2,0	4,0	4,0	2,8	3,3	3,0	4,3	3,4
Respondents:	1	1	5	5	15	15	11	11	6	6	1	1	18	18	3	3	60	60
5. Performance management	4,0	3,0	4,0	2,8	4,5	3,5	4,8	2,9	4,7	3,2	2,0	3,0	4,4	2,8	3,3	3,0	4,4	3,0
Respondents:	1	1	5	5	15	15	11	10	6	6	1	1	18	18	3	3	60	59

Contact:
Ing. Roman Tóth
 Senior Consultant
 roman.toth@sk.pwc.com
 +421 (0)911 357 105

References

“We collaborated with PricewaterhouseCoopers on the project aimed at setting HR processes. After using the Recruitment Process Design and setting up a cost centre for the Recruitment department, the whole process of recruiting staff became more effective. Recommendations from the best-practice area for recruiting activities have made the whole process much more effective and saved us a lot of money. I consider co-operation with PricewaterhouseCoopers in the HR field to be very beneficial, effective, and, in the end, economical.”

PhDr. Mgr. Jaromír Radkovský, MBA,
 General Manager Human Resources
 Hyundai Motors
 Manufacturing Czech s.r.o.

Performance management

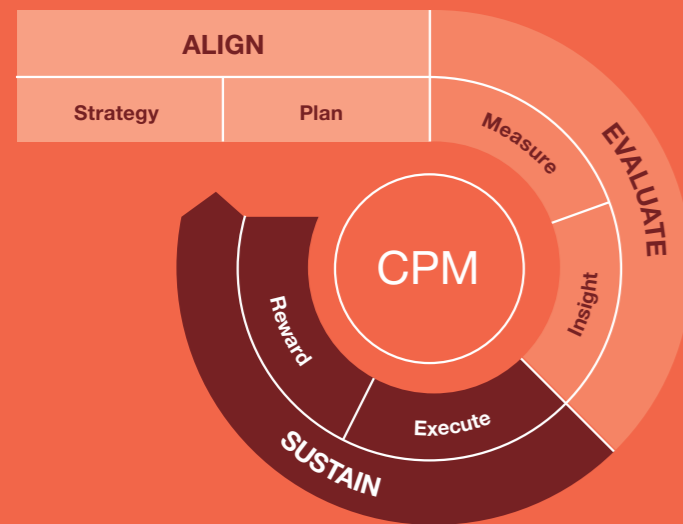
Objective

The objective of the project is to set the performance management system so as to link a company's objectives with the goals of individual departments and with individual objectives as well. Properly linked objectives, motivating and, if met, properly rewarded, will help meet the company's strategy.

Methodology

Our Corporate Performance Management (CPM) methodology has been developed to ensure effective support of the company's strategy by managing objectives up to the individual level. Within employee performance management projects, we use several current procedures, such as Balanced Scorecard (BSC), Management by Objectives (MBO), Management by Competencies (MBC), or simpler Key Performance Indicators (KPI) systems.

The project's phases:



1. Align

- Strategy** – to set and link objectives properly, it is necessary to understand the company's current strategic intentions and priorities
- Planning** – understanding the ability of the current planning, budgeting, and reporting process to influence the scope and quality of the new performance management system

2. Evaluate

- Measurement** – proposing areas to be measured and their indicators by main factors characterizing how successful the strategy is
- Understanding** – understanding and setting criteria and behaviours that will be motivating for employees and will, at the same time, support the firm's objectives

3. Sustain

- Performance** – analysing the achievement of goals and their calibration
- Remuneration** – setting an effective remuneration in return for performance

Added value

By using our methodology, specific features of individual companies can be taken into account, so that the performance management set respects the current situation within the given company. For example, it is unrealistic for some companies to implement the BSC system, but the MBO system may be the optimum solution for them in current conditions. In contrast, for other companies, it is optimal to create a combined performance management model that is based both on BSC and MBO. By setting performance management effectively, the company obtains a direct and controllable tool to achieve the goals set.



Reasons for project implementation

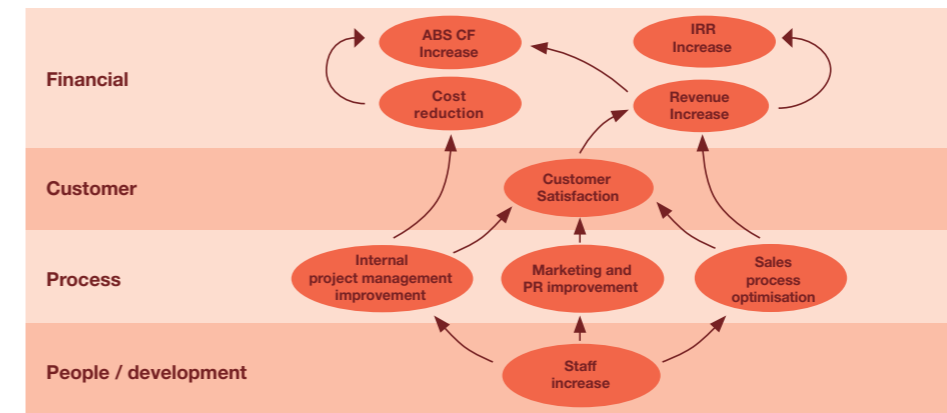
Companies decide to set the performance management system due to the need of achieving corporate goals more effectively, creating an effective performance reward model, improving management continuously, and achieving the goals set.

We will help you set an effective performance management system and answer the following questions:

- Although understanding our business correctly and having proper goals, why are we not able to achieve them effectively?
- How is a system, continually oriented on improving performance and achieving the goals approved, to be set?
- Does management understand how their own goals influence the goals of other departments?
- How can we improve our process for setting and evaluating goals and employee performance?
- How can we better link remuneration to achieving the goals set?
- Do our goals and remuneration for achieving them motivate employees to high performance?

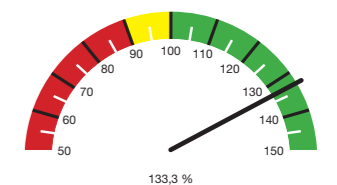
Example of outputs

Strategic map



KPI fulfillment evaluation

Indicator	Weight	YTD	Value													
			I	II	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Earning before tax [Controlling]	mil. €		Plan	113,6	9,1	14,9	19,3	10,9	15,6	14,6	11,5	4,3	13,5	13,5	18,8	3,3
	P 376	20,00	Real..	109,0	2,0	21,2	21,3	8,0	19,0	17,3	13,3	7,0	0,0			
Liquidity (Netto) [Controlling]	mil. €		Plan	75,5	85,6	75,6	67,4	69,6	65,9	69,5	74,4	82,9	75,0	33,3	58,7	72,9
	P 7	20,00	Real..	0,0	110,9	115,1	65,2	65,5	103,0	150,8	243,9	262,4	0,0			
Investments [Controlling]	mil. €		Plan	44,8	1,10	3,30	4,20	4,40	5,30	6,80	4,00	7,60	8,10	6,30	7,60	7,30
	P 6	50	Real..	15,10	2,10	1,70	2,30	1,50	2,70	1,50	1,60	1,70	0,00			
Costs (inc. depreciation)	mil. €		Plan	13 247	1 466	1 545	1 582	1 418	1 518	1 473	1 444	1 327	1 474	1 484	1 578	1 380
	P 555	20,00	Real..	11 224	1 339	1 425	1 515	1 390	1 456	1 422	1 383	1 294	0			
Total costs (excl. depreciation)	mil. €		Plan	9 291,4	1 045,4	1 115,4	1 150,5	983,8	1 082,2	1 028,0	990,8	879,6	1 042,5	1 042,5	1 107,8	919,6
	P 404	20,00	Real..	9 299,0	955,6	1 048,6	1 167,2	1 024,0	1 081,0	1 058,7	996,3	915,9	1 051,4			



Contact:
PhDr. Branislav Hunčík, PhD.
Director

branislav.huncik@sk.pwc.com
+421 (0)903 252 880

References

“In 2008, a very important Strategy Revision Project was running in our company. We chose PricewaterhouseCoopers for their individual approach, which respected our demands and was clearly oriented towards measurable results. We could rely on consultants also during internal top management meetings because of their independent attitude and professional view resulting from experience gained in similar projects. We were also more than satisfied with their approach and services because of their flexibility and active communication, which helped us meet the deadlines of the entire project according to the timetable. Last, but not least, the possibility to use the benchmarking data thanks to their know-how shared at the international level was also of great benefit to us.”

Ing. Martin Repa,
Head of the Strategy Department
Západoslovenská energetika, a. s.

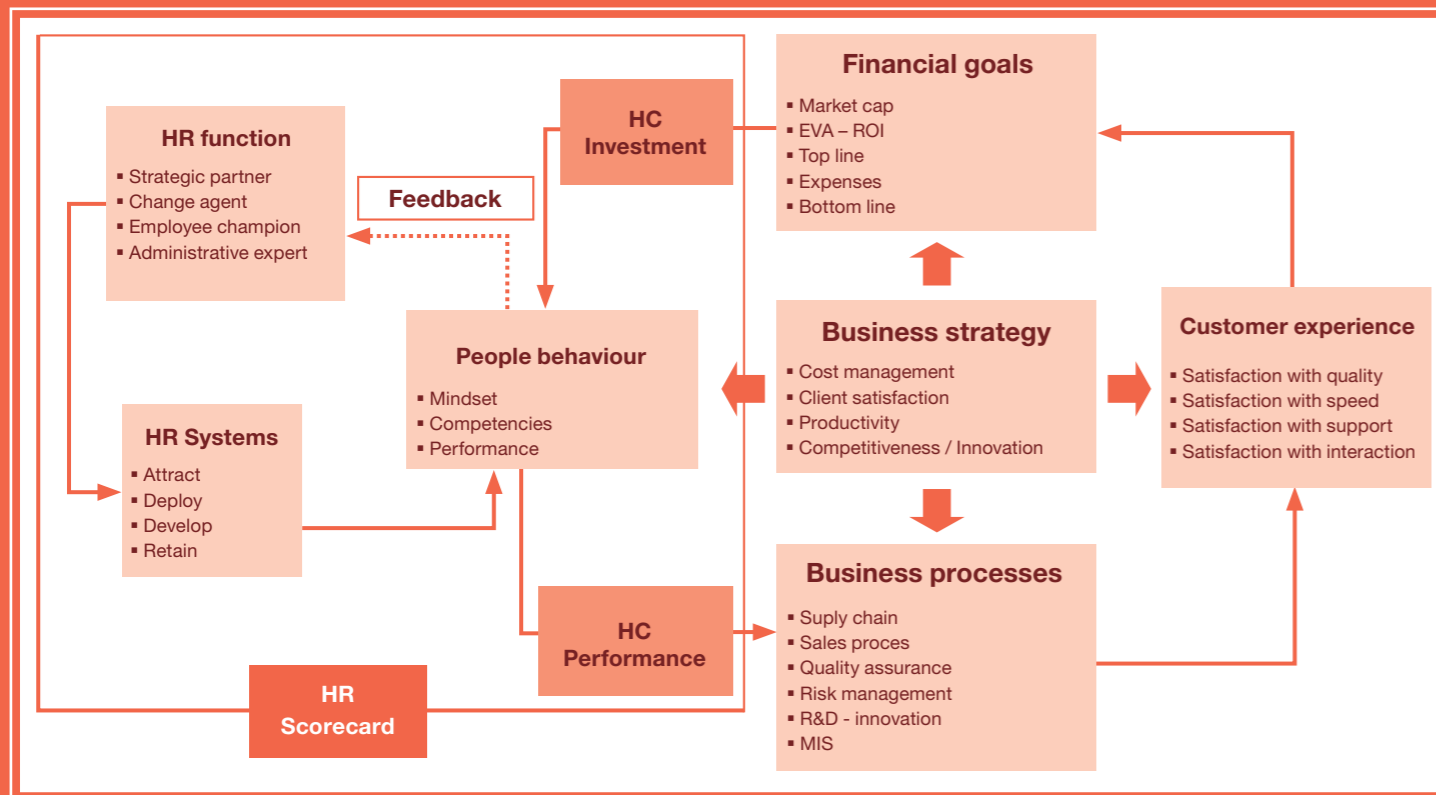
Developing an emergency HR management programme

Objective

To respond to changes caused by the current market conditions and develop an action plan of individual steps in the HR management area, which will ensure that the goals set in the company's revised business plan are achieved.

Methodology

We use the methodology of return on investment into human capital (HC ROI) which allows supporting the current corporate objectives through managing the return on actual investments into human resources. The intended investment into human resources is optimized and managed in three basic categories: HR function, HR systems, and employee behaviour. By setting these three components properly, the performance of the company's human capital is increased, and the value creation cycle in the crisis period is optimized.



Project phases:

1. Evaluating the current status and implications for HR
2. Determining the model for optimizing and managing current investments into human capital
3. Presenting the model and the implementation plan

Added value

Developing a specific emergency programme to manage human resources in the given company.



Employee satisfaction survey

Objective

The objective of the project is to find out the extent and factors of employee satisfaction and loyalty, identify problematic areas, and propose steps for removing imperfections. An increase in satisfaction will result in higher productivity, higher quality of products or services, and more innovations. Satisfied employees give positive references about their employer, increasing its attractiveness for potential applicants, and strengthening its competitive position on the market.

Methodology

The basic tool for collecting data is a standardized questionnaire. At the initial meeting, the current situation in the company is analysed – based on this analysis, the expected survey benefits are set.

A database of 200 internationally used questions divided into ten basic groups is available:

- employee motivation and their attitude towards the company;
- corporate culture, working atmosphere and environment, working tools and security;
- processes, policies, and administration in the company;
- employee benefits and remuneration;
- management and relations within the company;
- development and career pathing, work attractiveness;
- brand perception and pride of the company's brand, customer focus;
- reasons for employee turnover;
- factors hindering employee initiative; and
- balance between the private and professional lives of employees.

The company's management selects relevant questions. The recommended number of questions varies between 65 and 120. For a better analysis of results, the sample of respondents may be divided by organizational arrangement, management level, age, duration of employment, or sex. Respondents fill out questionnaires anonymously. Thanks to broad experience conducting surveys, PricewaterhouseCoopers has developed tools supporting the percentage of questionnaires returned.

When ascertaining the respondents' views and opinions, we use both closed questions with scaled or pre-defined answers, as well as open questions. The final version of the questionnaire is tested on a sample of employees. Before and after conducting the survey, focus group meetings are organized to identify problematic areas that will be subject to the survey and the extent of their representation in the survey. To analyse responses, statistical methods are used (such as the adjusted residual method, correlation, the Cronbach's alpha test, and other methods).

Behaviour Type	Dimensions of Commitment & Engagement				Change Index
	Time	Work	Product/Service	Identity	
Commitment & Engagement	Limitless	High productivity	Innovations & Improvement	Goal identity	Change incentive
Cooperation	Controlled extensions	Normal productivity	Evolutionary learning	Goal acceptance	Change Accepting
Compliance	Clock watching	Effort bargaining	Skill static	Goal acquiescence	Questioning Change
Discordance	Time wasting	Pay creation	Fiddling / Pilferage	Critical joking	Change resistant
Withdrawal	Absence	More-for-same	Theft	Negative contention	Change resistant
Hostility	Resignations	More Money	Sabotage	Oppositional solidarity	Change Negative

Added value

PwC's methodology for conducting satisfaction surveys ensures that findings from the survey are linked with the results from analysing the effectiveness of individual HR processes, which should lead to managing employee satisfaction and involvement.

Reasons for conducting the survey

Satisfied, motivated, and loyal employees are fundamental to the company's competitiveness. Management often does not know the opinions of employees and underestimates the dependency between satisfaction and overall success on the market. The satisfaction survey will give an unbiased view of the company's current problems and propose possible solutions. We provide the results of analyses on an ongoing basis and discuss mutual connections between individual results and priorities for further HR solutions. For each recommended improvement step, we submit a timetable for implementing individual steps and the respective responsibilities of the company's management. Based on the survey results, PricewaterhouseCoopers can provide comprehensive HR consulting services.

We will help you find priorities in managing human capital and answer the following questions:

- What is the level of employee satisfaction and involvement?
- What are the factors that make up employee satisfaction and involvement?
- What do employees think about the working atmosphere?
- How do employees perceive the company as an employer?
- What are the factors that cause discouragement and dissatisfaction?

Example of outputs

Graphical presentation of survey responses

		Overall agreement					Overall agreement	Variance	Agreement		Disagreement		Total
		0%	20%	40%	60%	80%			100%	++	+	-	
ABC							43%		140	978	1063	432	2613
Comparison	Best practice (9th percentile) Market						62%						
							48%						
Division	Distribution						51%	+8%	9	53	35	25	122
	Logistics						54%	+11%	2	19	14	4	39
	Finance						53%	+10%	3	22	15	7	47
	Key customers						39%	-4%	7	48	60	25	140
	HR						49%	+49%	7	31	30	9	77
	IT						46%	+3%	10	82	79	30	201
How long have you been working for the company?	Communication						39%	-4%	4	54	59	31	148
	Marketing						45%	+2%	10	51	55	20	137
	Less than 1 year						52%	+9%	7	34	30	8	79
	1-2 years						43%	0%	4	47	44	25	120
	2-5 years						46%	+3%	17	112	104	49	281
	5-10 years						40%	-3%	7	25	35	14	81
What is your position?	10-15 years						45%	+2%	8	91	88	32	219
	More than 15 years						46%	+3%	9	51	47	23	130
	Manager X a Y						70%	+27%	10	63	24	7	104
	Manager Z						60%	+17%	15	74	46	14	149
	Non - managerial						38%	-5%	27	223	278	130	658

Project phases:

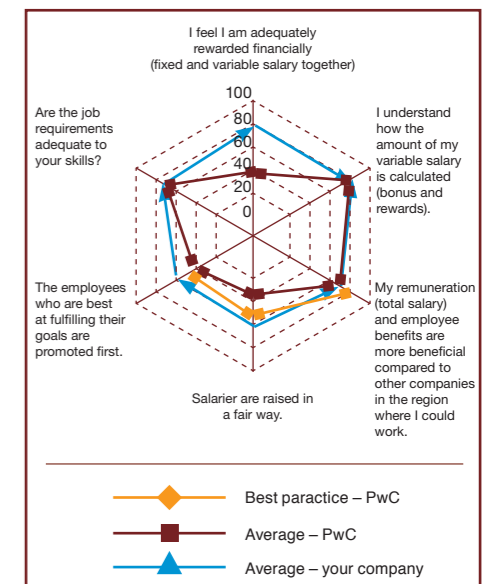
1. Preparing a draft for internal communication and its implementation
2. Preparing questionnaires and conducting the survey
3. Processing questionnaires and analysing the responses
4. Presentation of survey results to HR department and management

Contact:
Ing. Roman Tóth
 Senior Consultant
 roman.toth@sk.pwc.com
 +421 (0)911 357 105

References

"Thanks to the professional experience of the consultants, we succeeded in achieving a high rate of return of completed questionnaires and getting valuable feedback from our employees. After accomplishing the survey, the PwC project team prepared a well-arranged final report for us, in which the results achieved were interpreted and communicated to the HR Department and the top management as well. The advantage of our mutual co-operation was the comparability of results with the market and within the given sector."

Ing. Júlia Ivanovičová
 Director of the Education and Development Department
 VÚB, a.s.



HR Benchmarking

Objective

HR Benchmarking is a regular survey conducted by PricewaterhouseCoopers that analyses key HR management indicators. It allows the link between the effectiveness of the HR management system, the company's financial results, and its overall productivity to be monitored.

Methodology

The survey is based on the international methodology of the PricewaterhouseCoopers Saratoga Institute. The methodology provides an empirically proven model for measuring performance in HR management, which is based on data from over 20,000 companies.

For data collection, participants in the survey receive an electronic questionnaire in the Microsoft Excel format, containing hints, the methodology, and explanations of individual terms. Each participant is registered under a special multi-character code, and questionnaires are protected by a user password. All data in the database is processed on an anonymous basis.

In the survey, we measure almost 100 indicators related to HR management, divided into several groups: organisation results, remuneration and employee benefits, behaviour in the organization, recruitment and selection, education and development, and organizational structure. In each group, companies may compare themselves within the given sector, the entire Slovak sample, and the TOP 20 participating firms, by company size, turnover growth, or individual job categories.

Outputs from the HR Benchmarking survey are available on a CD ROM in both Slovak and English. The complete output contains the following::

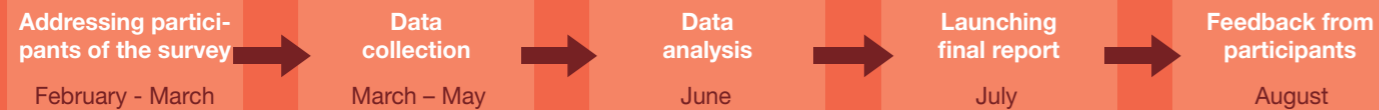
Final report

- a full analysis of almost 100 key performance indicators
- a comparison with the market and the available sectors
- well-arranged diagrams and tables presenting quantitative and qualitative data
- an overview of all indicators, including the method for how they were calculated
- a specific analysis of TOP 20 companies, describing their differences in managing human capital from other companies

HR Scorecard

- may serve as a statement on managing human capital for the company's top management; and
- allows the company to compare the setting of its HR management system with market results

Timetable and the collection of data



Added value

The area of human resources and individual processes in it are often considered difficult to measure. The HR Benchmarking study gives companies a tool for monitoring key HR indicators that affect their financial results.

Reasons for participating in the survey

HR managers may use the HR Benchmarking study for monitoring the results of their work over time, by comparing themselves with a selected sample of companies on the market, or comparing individual organizational units in the company with one another. The survey results may serve as a basis for implementing new HR policies and for improving the position of the HR department in the company.

We will answer the following questions:

- What are the methods, costs, and "best practice" in all areas of HR management: recruitment and selection, performance evaluation, remuneration, education and development, HR strategy, stabilization of staff, motivation and satisfaction, and absence management?
- What priorities have companies set in HR management?
- How is the effectiveness of individual HR processes to be measured?
- How is the effectiveness of HR departments to be measured?
- How is the company's productivity to be measured?

Contact:

Ing. Tatiana Sýkorová
Senior Consultant

tatiana.sykorova@sk.pwc.com
+421 (0)903 616 651

References

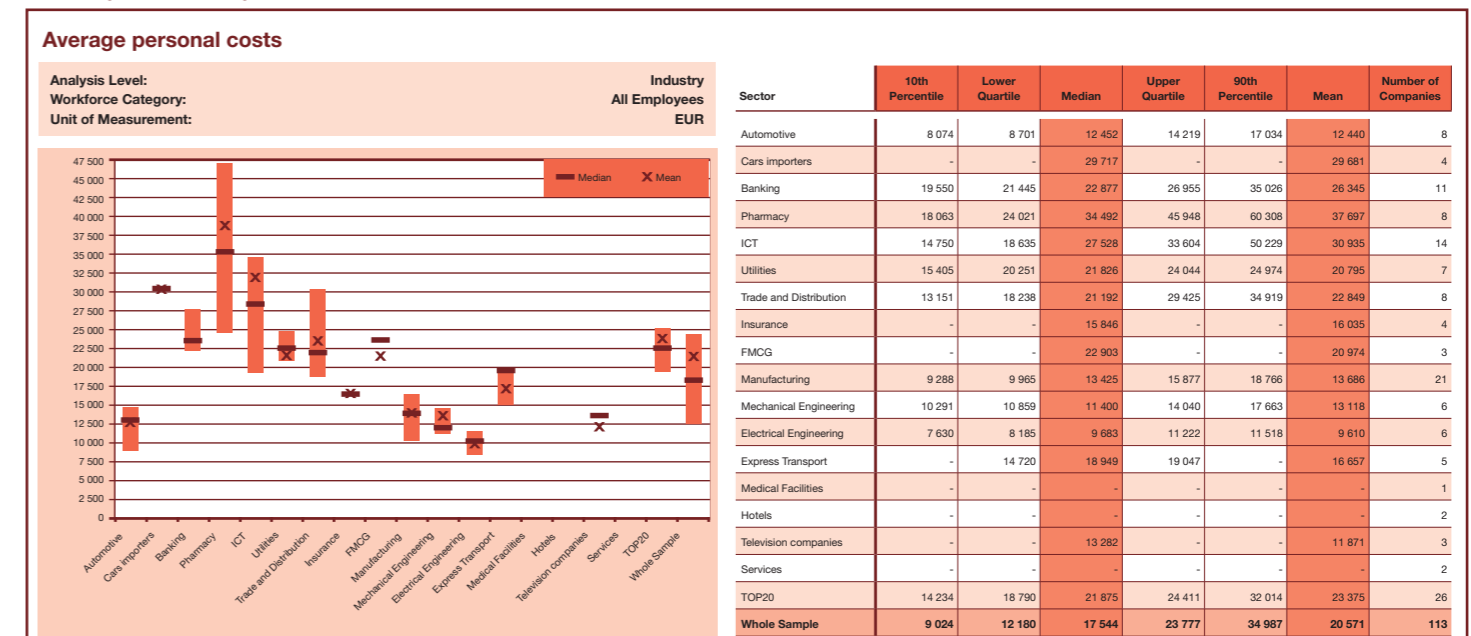
In 2008, 152 companies from the following sectors participated in the survey:

The automotive industry, the banking industry, car importers, the electronics industry, the energy sector, express transport, the pharmaceutical industry, hotels, information and telecommunication technology, trade and distribution, the insurance industry, fast-moving consumer goods, production, services, mechanical engineering, TV companies, and health-care facilities.

"I appreciate the HR Benchmarking study mainly because it factors in local conditions, needs, and the situation on the Slovak market in its outputs. Every year, I look forward to the results, and then search for improvement opportunities."

Luboslava Fábryová
Head of the HR
Development and Advisory Section
Slovak Telekom, a.s.

Example of outputs



Objective

PayWell is a regular remuneration study prepared by PricewaterhouseCoopers. In 2008, 332 companies participated in the survey, so that it became the most extensive commercial salary survey on the Slovak market. PayWell maps trends in the development of basic and total salaries and employee benefits provided in almost 500 job positions.

Methodology

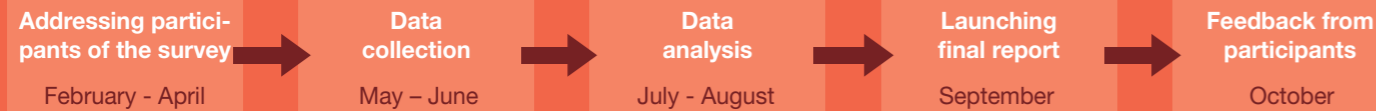
To ensure the quality of the survey, we use the long-time experience of our HR consultants and a sophisticated methodology, which has been developed in Slovakia since 1992.

Data is collected via electronic questionnaire in the Microsoft Excel format, which contains hints, the methodology, and explanations of individual terms.

Due to data protection requirements, each participant is registered under a special multi-character code, questionnaires are protected by a user password, and the salary information in the database is processed on an anonymous basis. Only representative and statistically significant data, weighted using the percentile filter method, is included in the analysis.

Participants in the survey classify job positions in their company according to a job position catalogue, which contains descriptions of standard and sector-specific job positions. We prepare the catalogue together with participants in the survey, and update it every year. The comparability of job positions is ensured by using the Integrating Factor Analysis (IFA) method, which allows individual positions to be objectively assessed and subsequently classified (JOSS levels), depending on a point evaluation, based on factors such as expertise, responsibility, self-activity, and working conditions.

Timetable and the collection of data



PayWell outputs are available on line as well as on a CD ROM in both Slovak and English. The complete output contains::

- JobPage – a well-arranged analysis of wages and salaries for the given position laid out on a single A4 sheet. It allows one to gain a comprehensive overview of how individual job positions are remunerated.
- Individual comparison – a tool allowing interactive comparison of salary information with market data and its modification, if needed.
- Report on employee benefits – clearly arranged (as to the contents and graphics) analyses provide an overview of employee benefits provided on the Slovak market, by sector and job categories.
- Materials dealing with the current labour law.
- Job position catalogues, together with job descriptions.
- Appendices – current trends in managing human capital

Added value

Information from the PayWell remuneration survey allows you to understand and plan the position of your company on the labour market by individual positions and level of complexity.

Reasons for participating in the survey

A remuneration system that is properly set is an essential element for motivating employees and making the company attractive for potential job applicants. The interactive PayWell study – a tool for remuneration planning – gives an actual overview of the situation in remuneration on the market, including information and trends relating to HR policy and strategy.

The survey outputs are an important tool for effective remuneration planning in companies striving to succeed in the competition for recruiting, retaining, and motivating high-quality staff. They are also helpful in reviewing the remuneration strategy (including the classification of job positions), the preparation of the budget for staff costs, the set-up of the salary structure and salary levels, the identification of in-kind incentives, the

proposed solutions for tax optimization, or the link between remuneration and evaluation of employee performance. The PayWell study allows salaries in all standard and sector-related positions analysed to be compared. It is an excellent aid for modelling the remuneration strategy in the firm.

The PayWell remuneration survey gives you answers to the following questions:

- Do we remunerate our employees above or below the market level?
- Is our remuneration strategy set properly?
- Are employee benefits that our company offers to its staff comparable to those provided by the competition?
- Does our company offer job applicants wages and salaries comparable to those in other companies operating in the same sector as we do?

Contact:
Ing. Tatiana Sýkorová
 Senior Consultant

 tatiana.sykorova@sk.pwc.com
 +421 (0)903 616 651

References

In 2008, 332 companies from the following sectors participated in the survey:

The automotive industry, the banking industry, car importers, the electronics industry, the energy sector, express transport, financial services, the pharmaceutical industry, hotels and catering facilities, information and telecommunication technology, leasing, media and advertising agencies, non-profit organizations, trade and distribution, the insurance industry, law offices, fast-moving consumer goods, services, the building industry, mechanical engineering, TV companies, publishing companies, production, and health-care facilities.

“Every year, we use the salary information from the PayWell project when comparing and setting wage and salary levels in our company. I appreciate mainly the analysis of earnings by individual job positions and a well-arranged report on employee benefits provided.”

Ing. Zlatko Uhlík
 Head of the Remuneration Department
 VOLKSWAGEN SLOVAKIA, a.s.

Example of outputs

PayWell 2008 – Interactive Individual Comparison														PRICEWATERHOUSECOOPERS			
Employee Data					Benchmark		Base Pay (Monthly)				Total Pay (Monthly)				Variable Pay		
ID	Your Positions Title	Count	Job Code	IFA	Job Family	Grade	Your Employee	Market Median	Market Ratio	Quartiles	Your Employee	Market Median	Market Ratio	Quartiles	Your Company	Market Average	Market Eligibility
e.g.	General Director	1	BA A1B	16	A	1	5 643	163 085	104%	↓	9 958	211 443	141%	↑	76%	39%	86%
	HR generalist	1	BA B2A	11	B	2	1 162	2 277	51%	↓	1 494	2 722	55%	↓	29%	22%	86%
	warehouse clerk	1	BA I4C	4	I	4	422	581	73%	↓	548	738	74%	↓	30%	28%	97%
	director	1	BA A1B	16	A	1	2 324	4 979	47%	↓	3 021	6 639	46%	↓	30%	39%	86%
	production manager	1	BA Z2A	11	Z	2	1 693	2 247	75%	↓	2 201	2 667	83%	↓	30%	30%	85%
	operator	1	BA Z5A	6	Z	5	597	588	102%	✓	777	721	108%	✓	30%	28%	94%
	assistant	1	BA C4B	7	C	4	680	830	82%	↓	885	930	95%	✓	30%	16%	93%
	engineer	3	BA Z2A	7	Z	2	664	2 247	30%	↓	863	2 667	32%	↓	30%	30%	85%
	engineer	1	BA Z3J	9	Z	3	800	706	113%	↑	1 040	834	125%	↑	30%	19%	97%
	expedient	1	BA I3E	8	I	3	583	771	76%	↓	757	916	83%	↓	30%	18%	96%
	driver	1	BA I5B	4	I	5	491	519	95%	✓	639	661	97%	✓	30%	45%	96%
	supervisor	6	BA Z3A	8	Z	3	858	963	89%	↓	1 115	1 138	98%	✓	30%	21%	93%

Other products

Personnel and legal assistance when restructuring organisation

Legislative assistance, identification of risks, drafted communication and the mass dismissal process.

Outplacement

This is a special programme for providing consultancy and effective support to employees who must leave their employer due to staff reduction, organizational changes, or similar reasons. It represents an individual approach to employees in all job positions, a thorough assessment of possibilities for their career, and training in skills necessary to find an appropriate new job.

Management and personnel audit

An independent evaluation of the company's existing personnel and management capacity by assessing the professional and managing abilities of its staff, aimed at setting its optimum growth and development.

Developing the HR management strategy

Harmonization of the HR strategy with the corporate strategy to meet and support the firm's goals planned.

360° method of appraising staff

This is a tool for getting feedback on performance and behaviour of staff from various sources – directly from fellow workers, from superiors, from subordinates, or from external staff – in order to identify possibilities for the personal and professional development of staff.

Career planning

Development of career plans and personal development plans based on assessing the potential of individual employees (including management and key employees) and the company's needs.

Assessing the complexity of job positions IFA/ JOSS

An analysis of job positions and subsequent software-based data processing, the output of which is an overall assessment of each job position. This method allows individual job positions to be placed in a matrix, depending on a point-based evaluation. When creating the final job position matrix, it is important to understand and consider different requirements for individual positions.

An example of assessing the complexity of job positions

Software solution for job complexity evaluation

Automatically generated electronic matrix

Range	Score	PositionName	PositionName	PositionName	Posic
5 (204 - 243)	211	1010 voač cestního motorového vozidla	2310 laborant		
	215	1130 referent			
	217	1230 prevádzkový elektrikár	2330 prevádzkový elektrikár	220x prevádzkový zámočník	
	218		2350 prevádzkový zámočník	220x prevádzkový elektrikár	
	225		2450 mechanik meracích a regulačných zariadení	220x prevádzkový elektrikár	
	236		2450 technik meracích a regulačných zariadení	220x elektrónik	
	237		2450 technik meracích a regulačných zariadení	220x prevádzkový elektrikár - 8. Maripuzet	
	242	1340 referent starostlivosti o zariadenia	2450 technik technicko-ekonomických informácií		
6 (244 - 283)	244	1130 správcu registratúry			
	247			220x prevádzkový elektrikár I. manipulant (§22,23)	
	250		2510 mechanik DFT	220x prevádzkový elektrikár Senior (§22,23)	
	252		2410 mechanik DFT	220x elektrónik (§22,23)	
	256			220x etalon prev. správy II	322x
	258				322x
	261		2001 operátorka vchádzajúceho radia		
	263		2131 elektronik		
	267				300x
	274	1110 referent kvality	2431 technik prípravy		
	277		2021 technik naturálneho merania		
	278				
	281		2110 technik dokumentácie		300x
	283				
7 (284 - 323)	286	2010 etalon		220x majster II	
	287	1130 referent zmluvných vzťahov	2210 technik diagnostiky	220x etalon prev. správy I	321x
	287	1010 vedúca generálneho radia	2330 technik diagnostiky	220x technik BTS	323x
			2340 technik diagnostiky	220x technik štvrtého protobla	





Human Resource Services

PhDr. Branislav Huncík, PhD.
Director

branislav.huncik@sk.pwc.com
mob.: +421 (0)903 252 880

Our services:

- Developing and optimizing remuneration schemes
- Analyzing the added value of human capital - Saratoga PricewaterhouseCoopers
- HR function effectiveness
- Performance management
- Developing an emergency HR management programme
- Employee satisfaction survey
- HR Benchmarking
- PayWell
- Personnel and legal assistance when restructuring organisation
- Outplacement
- Management and personnel audit
- Developing the HR management strategy
- 360° method of appraising staff
- Career planning
- Assessing the complexity of job positions IFA/JOSS

www.pwc.com/sk

PricewaterhouseCoopers

Námestie 1. mája 18, 815 32 Bratislava
Telephone: +421 (0)2 59350 111, Fax: +421 (0)2 59350 222

Hlavná 108, 040 01 Košice
Telephone: +421 (0)55 3215 311, Fax: +421 (0)55 3215 322

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