

## Expert article

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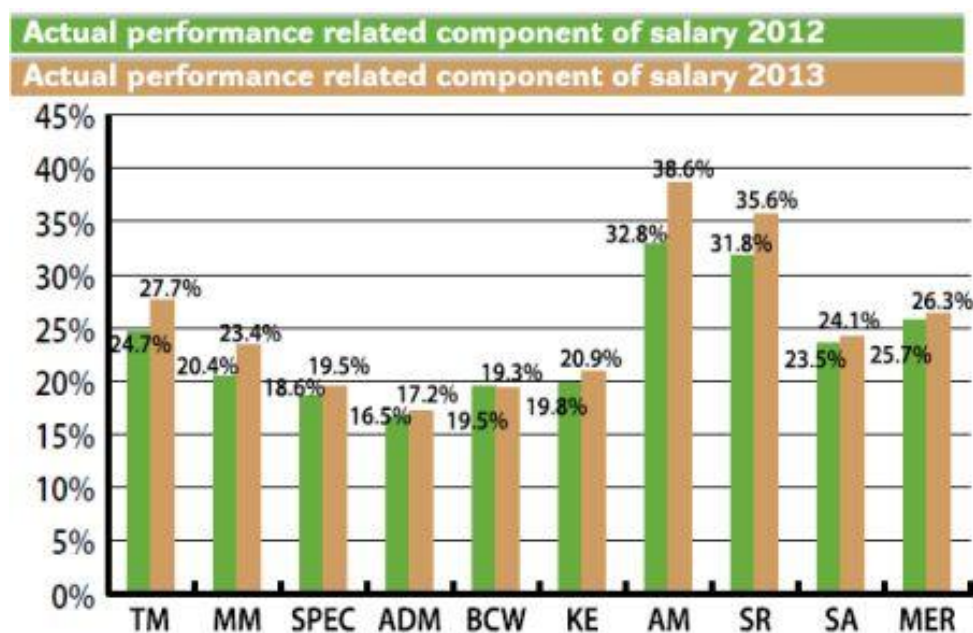
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## The regions and sectors in which people work matter

Pharmaceutical, IT and banking remain the highest paying sectors in Slovakia, while engineering, electrical engineering and automotive pay the lowest below the market average. but the city or region in which people work is a significant factor, as a job in Bratislava can pay as much as a third more than the same job elsewhere in Slovakia, according to a PayWell remuneration study for 2012. The PwC HR Consulting team conducted the study among 296 companies operating in Slovakia, dividing Slovakia into four regions: Bratislava, West, Central and East.



Actual performance related component of salary 2012/2013: (TM - Top management, MM - Middle management, SPEC - Specialists, ADM - Administratives, BCW - Blue-collar workers, AM – Account managers, SR – Sales representatives, SA – Sales analysts, MER –

In 2012 people working in Bratislava earned on average 9.7 percent more than people working in other regions. When the average base salary was compared with the East, the difference was as high as 27.4 percent. The reason behind this number had to do with there being more employment opportunities, a higher cost of living and better infrastructure in Bratislava. The capital city is the preferred destination for investors in the IT, telecommunications and automotive industries, while the majority of financial institutions, like banks, insurance companies and pharmaceutical firms, have their headquarters based in Bratislava.

In addition, the regional remuneration survey revealed other differences between the different sectors as well. Pharmaceutical was the top-paying sector in 2012, as much as 25 percent above the market average, when comparing the market level of the base pay in each sector to the total market level in Slovakia. Information and communication technologies followed, with 16 percent above the market, while banking was third, with a base pay at 10 percent above the market.

On the other end of the ranking was engineering, whose base pay came in at 20 percent below the market average. Electrical engineering and the automotive industry were the second and third lowest paying sectors, whose base pay was 19 percent and 10 percent below the market average, respectively.

The information and communication technologies sector reported the highest annual salary increase, with 4.6 percent on average. The lowest salary increase was in the trade and distribution sector, with an average of 2.4 percent.

With regards to completed education, the study showed that the starting monthly salary of university graduates was around €158 higher compared to those with only secondary school degrees. Starting salaries also varied considerably across sectors and regions, but for people with higher education and no university degree, the starting salary was €661 on average, compared to €819 for people with a university degree.

More than one half of the companies surveyed (53.8 percent) claimed to increase their starting salaries after three months, with an average increase of 11.2 percent.

The flexibility of pay systems within companies was also characterised by pay based on performance, which proved to be an important factor in variable pay, although its applications varied among employee categories.

The study showed the largest share of variable pay in the sales category (28.5 percent on average), top management (24.7 percent) as well as middle management (20.4 percent).

With regards to flexible employee benefits plans, 17.5 percent of companies offered a “cafeteria” system – a system of optional employee benefits – to their employees. In these companies, the system became available to employees who were with the firm for an average of three months. The annual limit for each employee was, on average, €314 for managers and €297 for other employees.

Among the most common items in the benefits list offered by the companies were sporting activities, cultural events, extended health care, supplemental retirement savings, extra training and more.