
Expert article

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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, manufacturing pay the lowest below the market average. The city or region in which people work is a significant factor for salary level, as a job in Bratislava can pay as much as 20 percent more than the same job elsewhere in Slovakia, according to a PayWell remuneration study for 2013. The PwC HR Consulting team conducted the study among 272 companies operating in Slovakia, dividing Slovakia into four regions: capital, west, central and east.

In 2013 people working in Bratislava earned on average 19.7 percent more than people working in other regions. When the average base salary was compared with the east, the difference was as high as 19.6 percent, moving the historically lowest paying east from the bottom of the salary scale up to second place and leaving central Slovakia behind. The reason for 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, also have their headquarters based in Bratislava.

In addition, the annual remuneration survey revealed differences between the different sectors. The sector comparison was based on an analysis of a selected group of job position that typically exist across all industries. When comparing the market level of guaranteed pay in each sector, pharmaceutical was the top paying sector in 2013, as much as 24 percent above the overall market average in Slovakia. Information and communication technologies followed, with 17 percent above the market average, while banking was third, with a base pay of 5 percent above the market average.

At the other end of the ranking was engineering, whose base pay came in at 18 percent below the market average. Manufacturing and insurance were the second and third lowest paying sectors, with a base pay of 12 percent and 11 percent below the market average, respectively.

The information and communication technologies sector and logistics and distribution sector reported the highest annual salary increase in 2013, with 4.0 percent on average. The lowest salary increase was in the fast-moving consumer goods sector, with average of 2.6 percent.

With regards to completed education, the study showed that the starting monthly salary of university graduates was around €188 higher than 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 €658 on average, compared to €846 for people with a university degree.

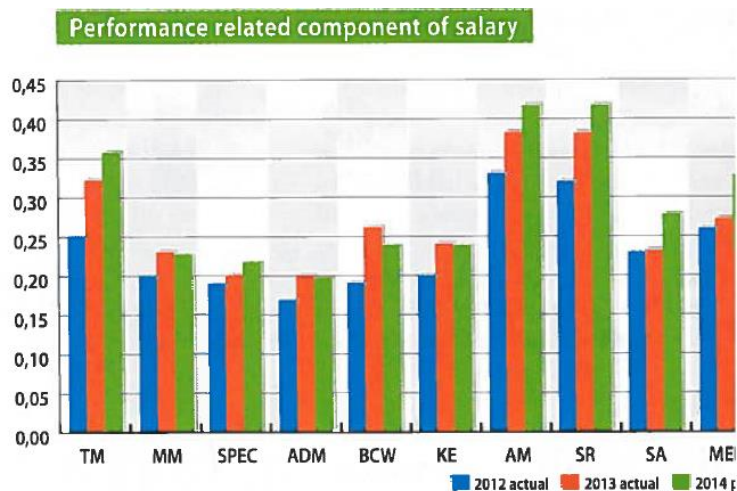
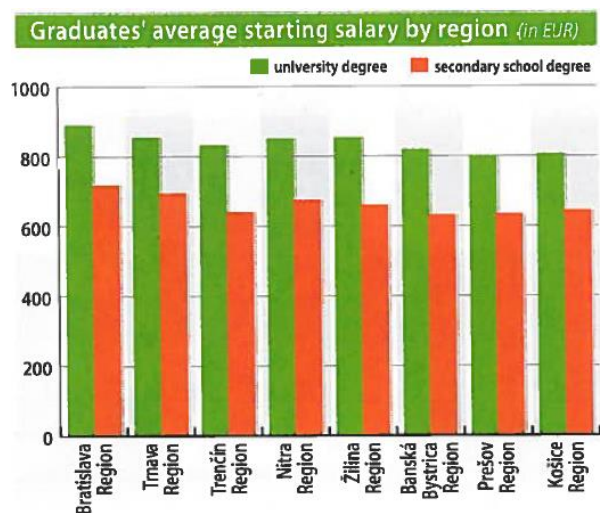
Half of the companies surveyed (49.3 percent) claimed to increase their employees' starting salaries after three months, with an average increase of 10.2 percent.

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 38.1 percent on average for sales representatives, 38.3 percent for account managers, and finally top management 32.5 percent.

With regards to flexible employee benefits plans, 15.1 percent of companies offered a “cafeteria” system of optional employee benefits their employees. In these companies, the system became available to employees after they were employed with the firm for an average of 2.9 months. The annual limit for each employee was, on average, €391,9 for managers and €377,4 for other employees.

Among the most common items in the benefits list offered by the companies were meal vouchers, day off, insurance contributions, mobile phones and private call reimbursements, extra training and more.



(TM - Top management, MM - Middle management, SPEC - Specialists, ADM - Administrators, BCW - Blue-collar workers, AM - Account managers, SR - Sales representatives, SA - Sales analysts, MER - Merchandisers)