

Workforce intelligence solutions

2012 Edition

PwC: Workforce intelligence solutions

Dear Madam / Dear Sir,

We are pleased to invite you to PwC's 2012 HR surveys!

Starting this year, a new range of benefits has been added to our classical approach to PayWell survey:

- The salary report will be accessible also online on our new platform;
- Salary data statistics will be reported also by salary grades, beside the standard PwC positions;
- New Customised Benchmarking tool, for market index calculation & reporting.

As well as last year, we propose an integrated approach, that includes simultaneous participation of your company in:

- **PayWell** - salary and benefits study;
- **Saratoga** - human capital performance metrics study.

Why an integrated PayWell & Saratoga approach?

1. You will benefit of an ***integrated package*** which includes ***two reports*** that address key aspects specific to human resources management in any organization:

- employees' remuneration, through access to updated information regarding salary levels and compensations and benefits policies applied by Romanian organizations (PayWell study);
- workforce (i.e. human capital) efficiency, through access to a comprehensive tool that enables measurement and benchmarking of specific human capital metrics, using a global methodology (Saratoga study);

2. The participation will require ***reduced effort*** from your side, by providing data for both studies in the same time (see slide 22 for details);

3. Up to 44% discount for the acquisition of both Saratoga and PayWell reports.

PwC : Workforce intelligence solutions

The following presentation provides detailed information regarding:

- Your involvement, as participant in PayWell and Saratoga studies
- Content of PayWell and Saratoga reports
- Fees
- Planning

We would also be happy to meet you and to provide you with additional details regarding the integrated workforce intelligence solutions provided by PwC.

PayWell & Saratoga Team

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PayWell *Salary & benefits study*

1

About PayWell salary and benefits study

PayWell report is a tool created to assist the HR professionals and companies' decision-makers to develop competitive HR policies that attract, motivate and retain talents that support the business strategy.

PayWell Romania 2012 survey report provides specific information covering three main areas:

- Salary ranges for general and specific jobs for the analysed sectors
- Compensation policies review
- Benefits policy review




Source: PayWell Romania 2011 salary and benefits survey report

PayWell report is available in both Romanian and English.


Your involvement, as participant in the study

Participation in PayWell study includes provision of information on salary levels and compensation and benefits policies within your organisation, by completing two questionnaires:

➤ **Salary data collection sheet**, which gathers information on: gross monthly salary, fixed and variable annual payouts, annual value of benefits per position;

 PayWell Romania 2011 salary and benefits survey Salary data collection sheet											
Id	Job title in your company	Code	Position title DD/MM/AAAA	Variation compared to job matching indicators	Location	No of employees per position	Gross monthly base pay	Gross annual fixed bonuses	Eligibility for variable pay	Gross annual performance bonuses PAID	Gross annual performance bonuses TARGET
			Please select Ctrl + Q		Please select Ctrl + Q						

➤ **Remuneration policies** questionnaire, which gathers information on company's compensation policies and on benefits granted to employees.

 PayWell Romania 2011 salary and benefits survey HR systems	
A. Compensation policies	
Guaranteed pay	
A.1. Salary review	
1. Indicate the salary review frequency:	
<input type="text"/>	
If "Once a year" or "Twice a year", indicate the salary review month(s):	
Once a year	Twice a year
<input type="text"/>	1st <input type="text"/> 2nd <input type="text"/>

Report content

1. Salary data

PayWell report presents statistics for more than 800 analysed jobs, in the following format:

- Mean, median, lower and upper quartiles, 10 and 90 percentiles for the following values: **monthly gross base pay**, **annual guaranteed cash** (i.e. monthly salary x 12 + fixed bonuses), **annual variable pay** (performance bonuses and/ or sales commissions), **total annual cash** (monthly salary x 12 + fixed bonuses + variable bonuses). The salary statistics are presented for the entire country and by region (Bucharest, Banat & Transylvania, Moldova, Muntenia).
- Information on the number of **job holders** and the number of **companies** that provided data for each job.
- **Benefits** value per year.
- **Car value** (total acquisition price).



Source: PayWell Romania 2011 salary and benefits survey report

Report content

1. Salary data (cont'd) – Output sample

J17	Accountant		Overall market				
Statistics	Count	Percentile 10	Percentile 25	Average	Median	Percentile 75	Percentile 90
Monthly base pay	649 / 102	2,300	2,702	3,503	3,346	4,194	4,854
Annual guaranteed cash	34 / 6	28,416	33,900	43,387	41,084	51,936	60,359
Annual variable pay	349 / 55	0	0	3,349	2,488	4,453	7,124
Variable pay (payout) %	349 / 55	0.00%	0.00%	7.05%	6.20%	9.01%	15.23%
Variable pay (target) %	158 / 34	6.19%	8.00%	12.39%	10.42%	12.75%	18.87%
Total annual cash	349 / 55	29,283	34,800	45,101	42,276	53,595	64,659
Statistics	Count		Percentile 25	Average	Median	Percentile 75	
Benefits value per year	564 / 86		2,110	2,970	2,640	3,456	
Car value	15 / 4		-	-	-	-	
Regional data	Bucharest	Statistics	Count	Percentile 25	Average	Median	Percentile 75
		Monthly base pay	339 / 68	3,155	3,893	3,800	4,450
		Annual guaranteed cash	9 / 3	38,774	47,968	46,942	55,299
		Total annual cash	233 / 44	39,741	50,179	48,000	59,022
	Banat-Transylvania	Monthly base pay	181 / 34	2,378	3,066	2,900	3,577
		Annual guaranteed cash	17 / 3	30,612	38,561	36,250	46,191
		Total annual cash	80 / 13	30,624	39,698	37,020	46,331
		Moldova	Monthly base pay	35 / 4	2,332	2,905	2,598
	Annual guaranteed cash		-	27,984	35,697	31,897	41,750
	Total annual cash		10 / 3	27,984	36,990	32,441	43,550
	Muntenia		Monthly base pay	94 / 15	2,271	2,658	2,681
		Annual guaranteed cash	8 / 1	27,877	32,938	32,874	37,116
		Total annual cash	26 / 5	28,908	33,388	33,399	37,116
Variation from standard job	=	Statistics	Count	Percentile 25	Average	Median	Percentile 75
		Monthly base pay	637 / 100	2,709	3,492	3,333	4,188
		Annual guaranteed cash	34 / 6	33,966	43,266	41,058	51,756
		Total annual cash	342 / 55	34,717	44,988	42,292	53,466
	+	Monthly base pay	7 / 5	3,083	4,127	3,350	4,876
		Annual guaranteed cash	-	36,996	49,530	40,200	58,512
		Total annual cash	4 / 2	36,996	49,530	40,200	58,512
		-	Monthly base pay	5 / 4	-	2,116	2,112
	Annual guaranteed cash		-	-	25,865	25,656	-
	Total annual cash		3 / 3	-	27,442	28,080	-

Report content

2. Analysis of compensation policies

PayWell report presents an analysis of compensation policies applied by Romanian companies:

- **Salary policies:** salary review , salary negotiation, salary increase
- **Pay for time worked & not worked:** overtime policy, holiday policy, sick leave, maternity leave, child care leave policy
- **Bonuses:** fixed bonuses, pay for performance (sales commission, performance bonus)
- **Employment relations:** trade unions, redundancy pay, retention programmes, probation period, entry level salaries.

Fixed bonuses (% of participants)	Offer to all staff	Offer to certain staff categories	Do not offer
Automotive Manufacturing	63%	25%	13%
Banking	65%	6%	29%
Food, Beverage & Distribution	100%	0%	0%
Industry	70%	10%	20%
IT	50%	0%	50%
Leasing	25%	0%	75%
Outsourcing and Shared Service C	0%	0%	100%
Pharmaceuticals	48%	0%	52%
Retail	80%	0%	20%
Overall Market	61%	5%	34%

Source: PayWell Romania 2011 salary and benefits survey report

Report content

3. Analysis of benefits

PayWell report analyses more than 20 benefits offered on the market.

Analysis criteria:

- staff categories entitled to the benefit
- cost / value
- utilisation policy

Types of benefits:

- **protection benefits:**
pensions, insurance, medical
- **social benefits:**
transportation, vouchers
- **perks:** company car, mobile phone
- **well-being:** sports, kindergarten

Types of meal benefits offered (% of participants)	Meal tickets	Cafeteria/ Canteen	Delivered meals
Automotive Manufacturing	100%	38%	0%
Banking	65%	6%	0%
Food, Beverage & Distribution	43%	14%	0%
Industry	75%	15%	0%
IT	67%	0%	17%
Leasing	50%	0%	0%
Outsourcing and Shared Service C	50%	50%	0%
Pharmaceuticals	57%	4%	4%
Retail	70%	0%	0%
Overall Market	66%	11%	2%

Source: PayWell Romania 2011 salary and benefits survey report

Report content

4. Data analysis tools

BENCHMARKING TOOL

General Market

J17 Accountant pwc

Please select the position:

J17 - Accountant

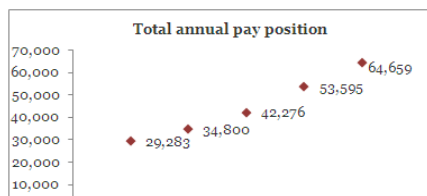
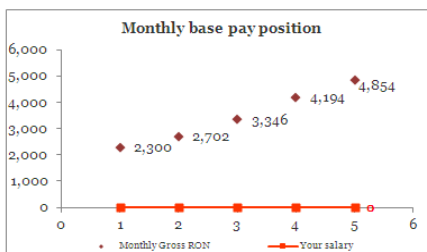
Please fill in the position salary information:

Monthly base pay: Gross RON

Fixed bonuses: Gross RON

Variable pay: Gross RON

General Market		
General statistics		
Gross RON	Monthly base pay	Total annual pay
MEAN	3,503	45,101
Percentile 10	2,300	29,283
Percentile 25	2,702	34,800
MEDIAN	3,346	42,276
Percentile 75	4,194	53,595
Percentile 90	4,854	64,659



1) The benchmarking tool enables to assess and report the position of own salaries against sample statistics (available in both Full and Sector reports).

2) The interactive tool allows the selection of a sample of companies based on number of employees and company's turnover (available only in Full PayWell report).

INTERACTIVE TOOL

Please select the position J17 - Accountant

Please select filter criterion Turnover less than 10 mln EUR

J17	Accountant									
Entire market			Your choice			Turnover less than 10 mln EUR		Turnover less than 10 mln EUR		
General statistics			Selected statistics			versus			Entire market	
Gross RON	Monthly salary	Total annual cash	Gross RON	Monthly salary	Total annual cash	%	Monthly salary	Total annual cash		
MEAN	3,503	45,101	MEAN	3,893	49,591	MEAN	11%	10%		
Percentile 10	2,300	29,283	Percentile 10	3,180	38,160	Percentile 10	38%	30%		
Percentile 25	2,702	34,800	Percentile 25	3,695	44,340	Percentile 25	37%	27%		
MEDIAN	3,346	42,276	MEDIAN	4,041	52,210	MEDIAN	21%	23%		
Percentile 75	4,194	53,595	Percentile 75	4,460	56,315	Percentile 75	6%	5%		
Percentile 90	4,854	64,659	Percentile 90	4,460	58,320	Percentile 90	-8%	-10%		

Source: PayWell Romania 2011 salary and benefits survey report

Report content

5. Customised Benchmarking tool



New !

- This tool enables you to calculate your market index based on your salary against the selected sector, headcount, turnover and target positioning (percentile 10, percentile 25/lower quartile, average, median, percentile 75/upper quartile, percentile 90);
- The resulted data will be presented by job position and also by salary grades.

Saratoga

Human capital performance metrics study

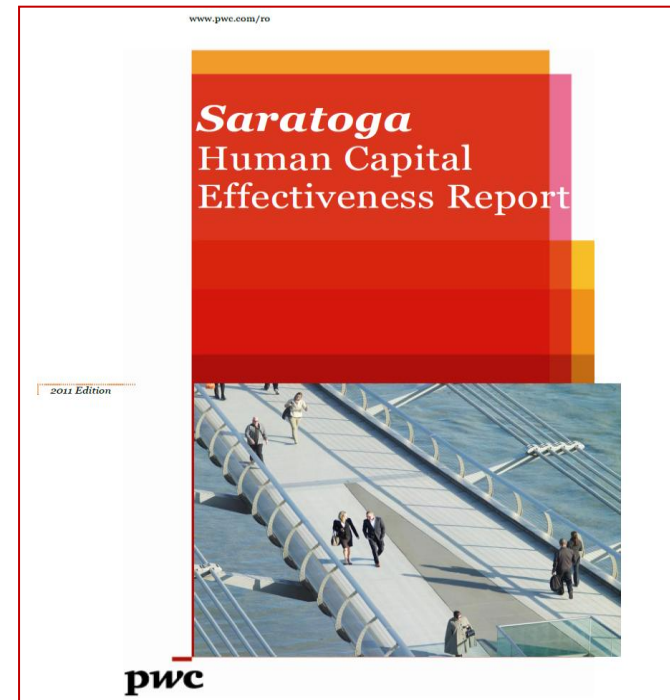
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About Saratoga human capital performance metrics study

Saratoga report provides valuable information that may be used for assessing the Human Capital within the organisation in terms of organisational impact, organisational behaviours, structure and HR processes. The survey is based on the global methodology developed by Saratoga Institute and used by almost 14,000 companies over the world.

The report analyses a large spectrum of human capital performance metrics covering the following areas:

- **Organisational Impact:**
 - Financial impact
 - Productivity and value added
- **Organisational Behaviours:**
 - Absenteeism
 - Staff turnover
- **HR Processes**
 - Resourcing
 - Compensation and benefits
 - Learning and development
- **Functions and structure**
 - Workforce structure
 - Operational and support functions



Saratoga report is available in both Romanian and English.

Your involvement, as a participant to the study

Participation in Saratoga study includes provision of specific human capital / workforce related information, through completion of a questionnaire. The information that needs to be provided by participants is described below:

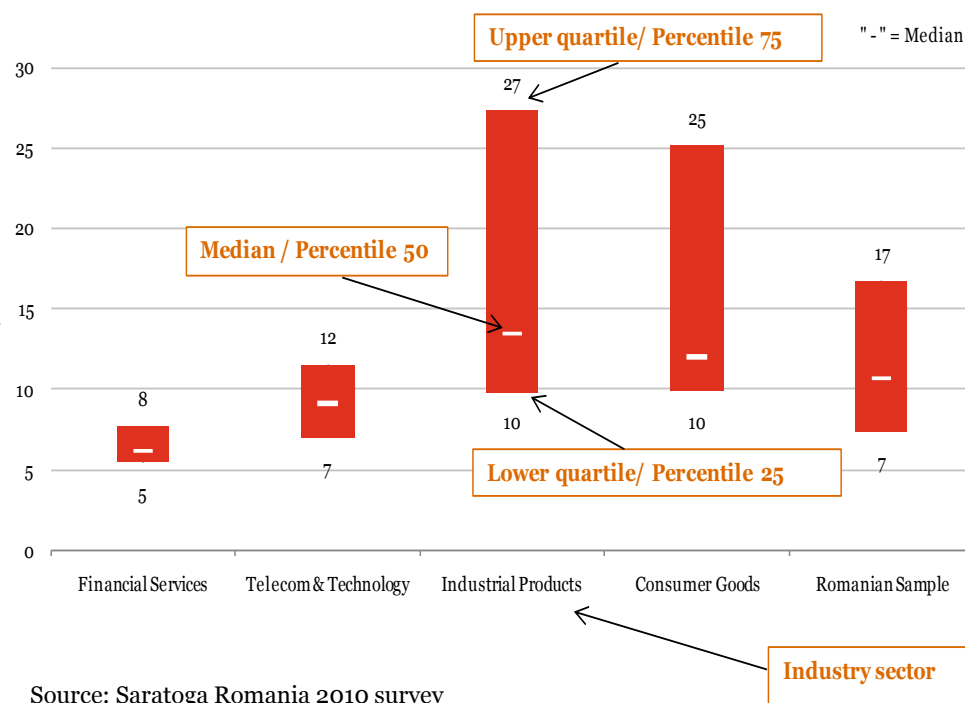
Category of Information	Detailed information to be filled in in Saratoga Data Collection Questionnaire
Headcount related information	Average number of employees (full-time & part-time)
	Average number of employees (Women)
	Average number of employees in executive positions (Women)
	Average number of employees, by length of service
Financial related information	Company revenue
	Company costs
	Company profit
Compensation & benefits related information	Total costs associated to employee remuneration for the reference period
	Total costs associated to employee compensation for the reference period
	Total costs associated to employee benefits for the reference period
Absenteeism related information	Total number of absences for the reference period
	Total number of medical absences for the reference period
	Average number of annual leave days per year
Turnover related information	Total number of voluntary and involuntary terminations
HR Function related information	HR Headcount, by function (e.g. Compensation & Benefits, Resourcing, etc.)
	Costs associated to HR staff remuneration
	HR outsource costs
Resourcing related information	Total number of external recruits for the reference period
	Costs associated to external recruitment process
Learning & development related information	Learning & development costs
	Learning & development hours
Operational and support functions related information (i.e. Sales, Marketing, Client Service, Operations, Finance, Admin, IT, Purchasing, Legal)	
	Headcount per function for the reference period
	Costs associated to employee remuneration, by function

Report content

1. Market statistics

The report presents statistics (i.e. percentile 10, percentile 25, median, percentile 75, percentile 90) for more than 60 human capital effectiveness metrics. Depending on the type of report (i.e. one sector report or all sectors report), statistics may be presented by sector or for all analysed sectors.

Span of control
(i.e. numbers of employees allocated to one manager)



Report content

1. Market statistics (cont'd)

For each analysed metric, the report presents additional information that may be used for understanding, interpreting and using the corresponding market data:

Metric definition - the formula used to calculate the metric and summary definitions of the data elements included in metric computation.

Purpose - description of how to use the metric and considerations to be taken into account for benchmarking

Target guide - Saratoga's suggested position target

Metric linkages - additional metrics to be considered in understanding and depth in the analysis.




Headcount Management Headcount	Span of Control Definition Management Headcount is defined as the number of employees who have some form of people responsibility e.g. managing the work output, performance and discipline of others. The headcount of the organisation comprises employees on the permanent or regular workforce, plus all employees on fixed-term contracts of six months or longer whether working on a part-time or full-time basis. Purpose This ratio provides an indication of the span of control in the organisation. It therefore provides some suggestion both of the controls which are applied and the style of management prevalent. It is stressed that although the trend over recent years has been towards wider spans of control, there are large differences between sectors, and it would be simplistic to suggest a target. Target guide – organisation specific Saratoga makes no specific target suggestion for this metric. Metric linkages We recommend analysis of the Rookie Ratio in conjunction with the following metrics: <ul style="list-style-type: none">• Average Remuneration• Resignation Rate
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Source: Saratoga Romania 2010 survey

Report content

2. Measurement and benchmarking tool

Saratoga report includes a section where the metrics computed for each participating company are benchmarked against sector and overall Romanian data:

LEGEND	
Suggested positioning target	The positioning target suggested by Saratoga for the analysed metric
Your value	The value of the metric, computed based on the data submitted by your company for Saratoga survey
Sector statistics	Statistics for your industry sector
Romanian sample statistics	Statistics for the Romanian sample
Your value against...	Comparison between metric value computed for your company and sample statistics (sector and Romanian market):  -> your value is below suggested target  -> your value is within suggested target  -> your value is above suggested target

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Metrics analysed in Saratoga study

Human Capital Impact

Financial impact

Revenue per FTE
Cost per FTE
Profit per FTE

Productivity and value added

Remuneration per Revenue
Remuneration per Total Costs
Human Capital Return on Investment

Human Capital Behaviours

Absenteeism

Absence Rate
Sickness Absence Rate
Absence Cost per FTE
Sickness Absence Days per FTE

Turnover

Termination Rate
Involuntary Termination Rate
Resignation Rate

HR Processes

Resourcing

External Recruitment Rate
External Replacement Rate
External Addition Rate
Internal Appointment Rate
Internal Promotion Rate

Compensation and benefits

Average annual remuneration
Average value of benefits per year

Learning and development

L&D Investment per FTE

Operational and support functions

HR Function

FTEs per HR Department FTE
HR Department Cost per FTE
HR Department Cost per Total Cost
Average HR Annual Remuneration

Operational and support functions

(Sales, Marketing, Client Service,
Operations, Finance, Administrative, IT,
Purchasing and Legal)
FTEs per Function FTEs
Function Costs per Total Costs
Function Average Remuneration

Workforce structure

Span of Control
Gender Diversity – Women
Managers %

FTE = Full time equivalent

Fees

PayWell & Saratoga, 2012

3

Fees

Package ->	Full package, comprising:	Sector package, comprising:
Content ->	PayWell full report <ul style="list-style-type: none"> ➤ Salary statistics by position and by grade for all sectors analysed in the study ➤ Compensation and benefits analysis report ➤ Data analysis tools (i.e. benchmarking and customised analysis tools) ➤ Report and study results presentation session New! <ul style="list-style-type: none"> ➤ Customised Benchmarking tool for market index calculation and reporting; ➤ On line data availability. 	PayWell sector report <ul style="list-style-type: none"> ➤ Salary statistics by position and by grade for one sector, of your choice ➤ Compensation and benefits analysis report ➤ Benchmarking tools ➤ Report and study results presentation session New! <ul style="list-style-type: none"> ➤ Customised Benchmarking tool for market index calculation and reporting; ➤ On line data availability.
	Saratoga full report <ul style="list-style-type: none"> ➤ Statistics for all metrics analysed, for all sectors ➤ Statistics computed for a selected sample of at least ten companies ➤ Dynamic benchmarking tool ➤ Report and study results presentation session 	Saratoga sector report <ul style="list-style-type: none"> ➤ Statistics for all metrics analysed, for one sector of your choice ➤ Dynamic benchmarking tool ➤ Report and study results presentation session
Fee - >	EUR 2,700 (VAT not included)*	EUR 1,850 (VAT not included)*

the fees includes the **50% discount provided to participating companies*

Additional discounts:

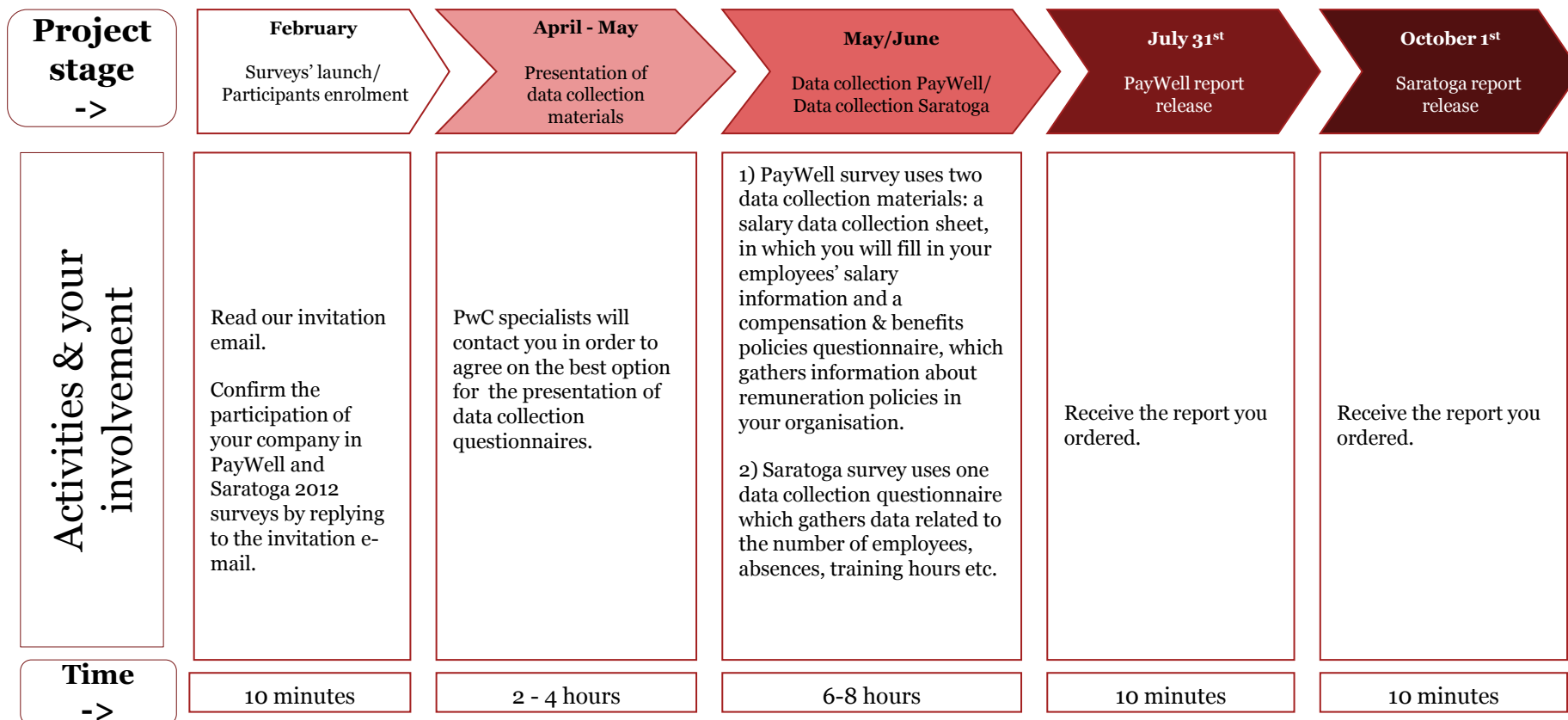
- companies that participated in previous editions of PayWell and/ or Saratoga studies benefit of a **10% discount**.

Planning

PayWell & Saratoga, 2012

4

Planning



For confirming your participation please reply to the invitation e-mail by 17 February 2012.

Thank you!