

Association of European Businesses

Current employment market situation

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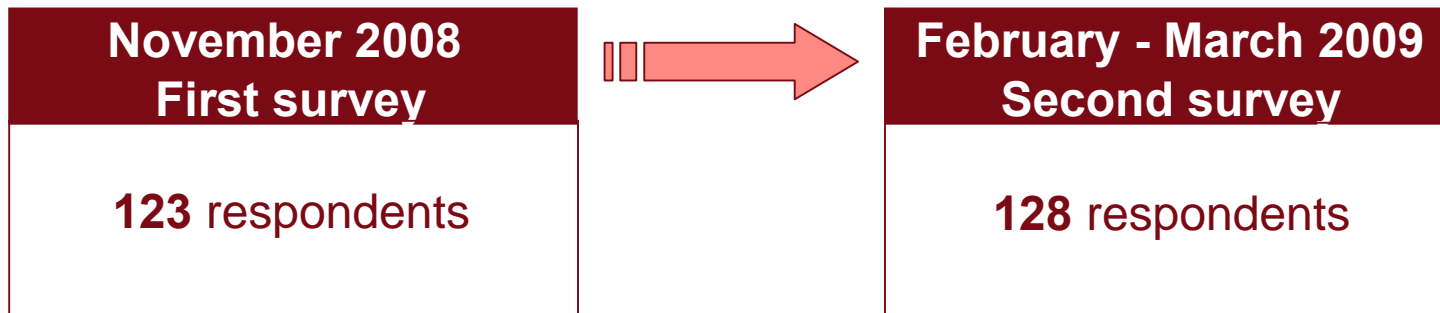


PwC survey "HR reactions to global financial instability"

Employment market trends



PwC survey



Headcount cost reduction measures

- Median percentage of staff laid off:
 - 10% (November 2008: 10%)
 - 16% (FS sector)
- Recruitment cuts
- Other measures:
 - Unpaid leave - 3 companies
 - Reduced working week – 12 companies



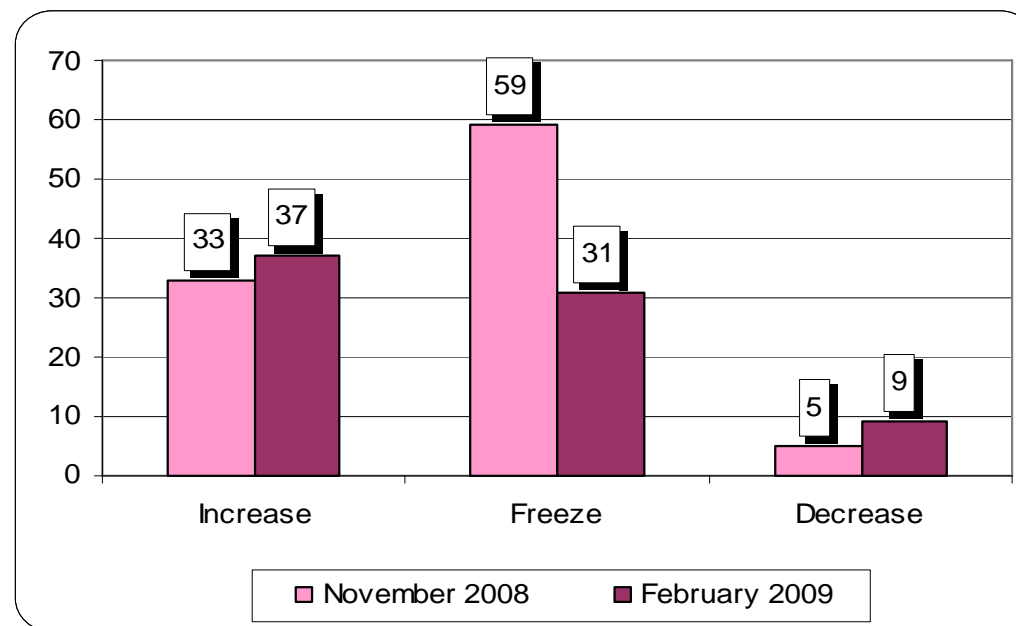
Headcount reductions carried out	
November 2008 (113 companies)	February 2009 (105 companies)
24% (+ 24% planned)	45% (+ 23% planned)

Recruitment measures	
November 2008 (113 companies)	February 2009 (105 companies)
65%	90%

Changes in cash compensation

Base pay

- Increase: 48% (average 10%)
- Freeze for 2009: 40%
- Reduce: 12% (average 20%)
- Consistent across grades



Denomination of salaries and expatriates

- Next 12 months – only 2 companies planning to move to dollar or euro
- Expatriates – 7% of companies plan repatriation, by a median of 20%

Changes in cash compensation

Variable pay

- 10% cancelled bonuses, regardless of whether targets met
- 16% put variable compensation on hold
- 53% made 2008 year-end payments in full, or at a decreased level
- Changes to scales, KPIs, eligibility for 2009
- Differences in FS sector



Saving benefits costs

Main actions:

- changing insurance and mobile phone providers
- reducing insurance cover
- reducing corporate phone allowance
- reducing sick leave allowances above statutory limits

	Companies providing benefits	Change of provider / shift to a corporate plan	Reducing limit / amount of benefits	Benefit cancelled	Reducing the number of eligible employees
Medical insurance	126	9	13	4	6
Life and disability insurance	78	4	6	3	1
Corporate mobile phone	116	4	41	3	19
Fitness club membership	26	1	3	7	2
Meal allowances	70	0	12	5	4
Sick leave compensation above statutory limits	80	0	9	2	0
Flexible benefits	17	0	1	1	1

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