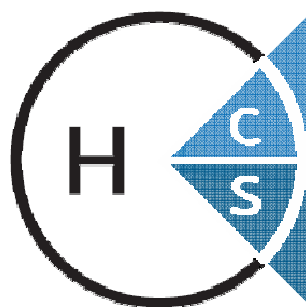


Exclusive Partnership with **MERCER**



November 9<sup>th</sup>, 2009

# Pay policies vs. pay practices



**HUMAN  
CAPITAL  
SOLUTIONS**

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Valeria Stolyarova

## Analysis objectives

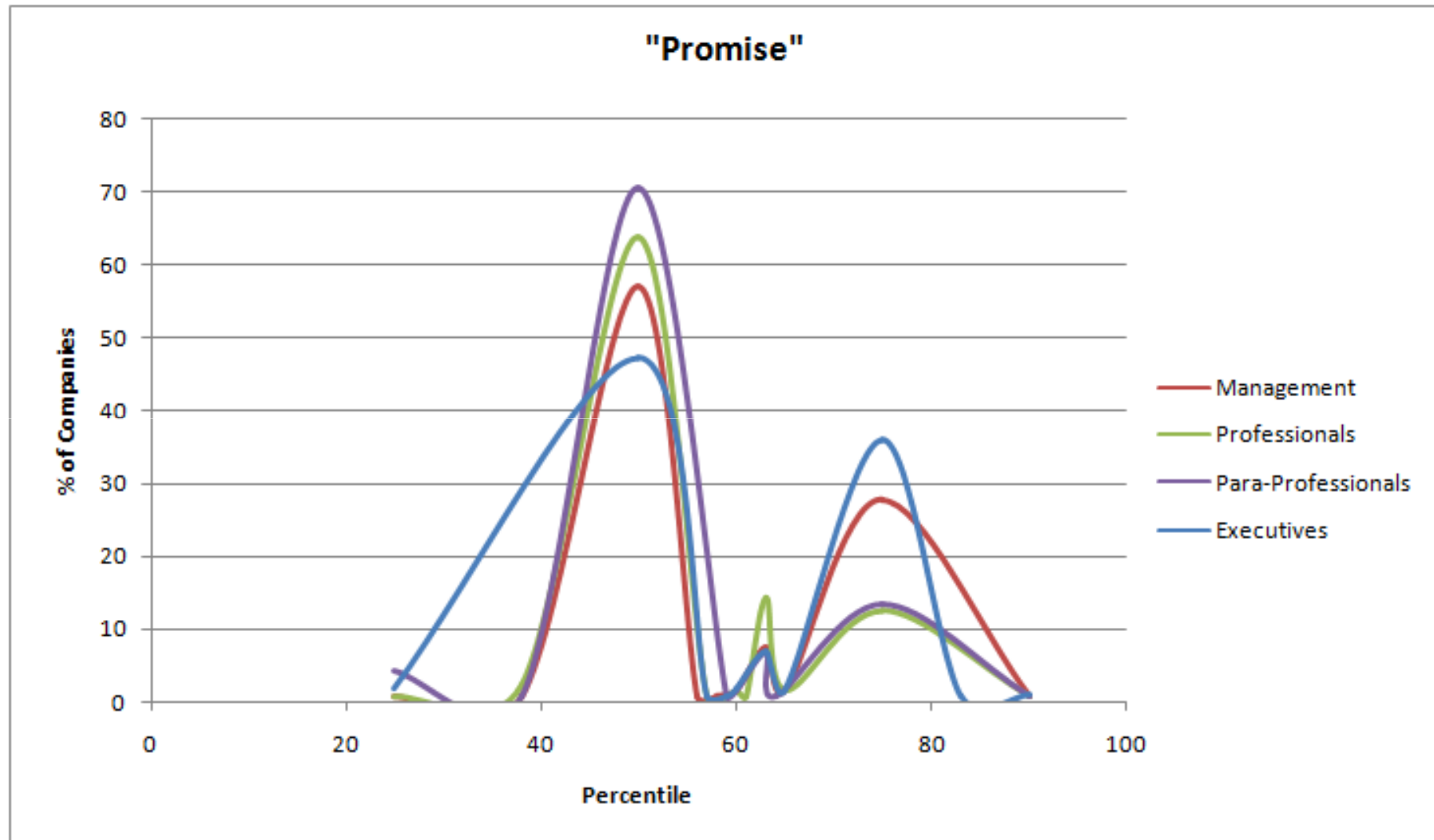
- Compare the actual remuneration level of companies with the “claimed” positioning
- Analyze pay differences by career levels
- Distinguish current trends in market positioning



# Methodology

- Market: Moscow data
- Remuneration: Total Cash
- Data points: more than 22'000
- Companies: ~120
- Comparative analysis was conducted by career levels: (Executives, Management, Professionals, Para-Professional)
- Every incumbent was compared with the market in the corresponding job level - Mercer Position Class; as a result we received the incumbent's unique percentile
- The unique percentiles were grouped into categories and averaged by companies
- Current company remuneration practice was compared to the company pay policy

# "Promise" – target pay policies

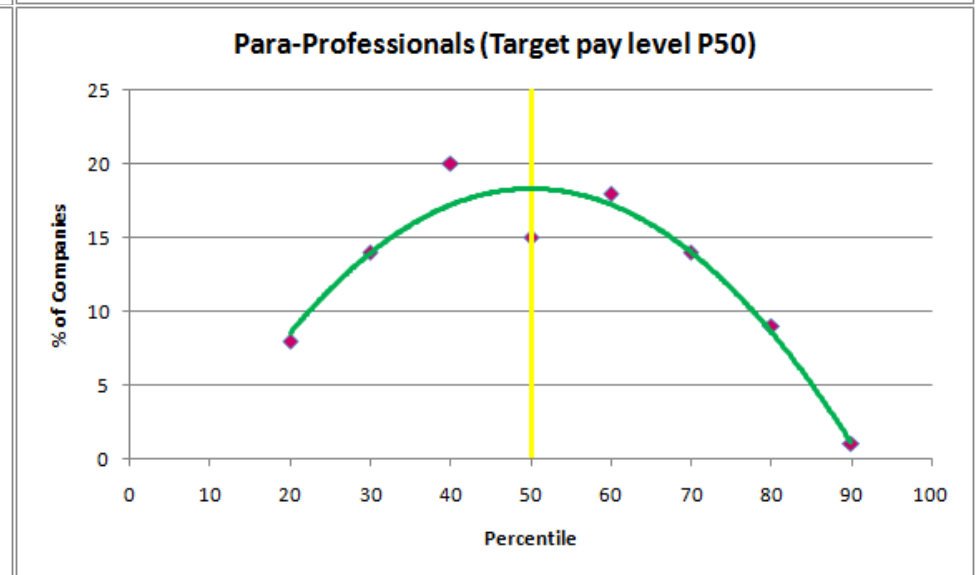
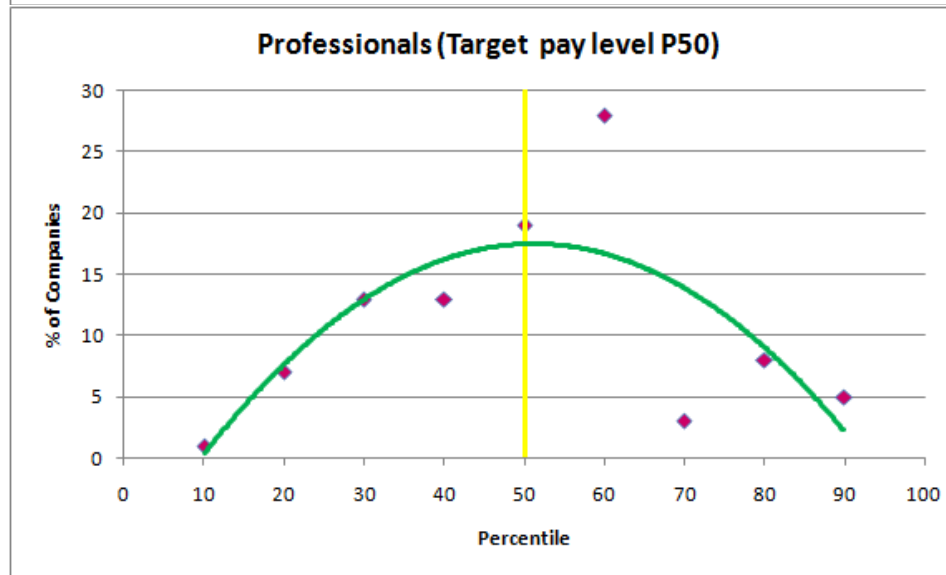
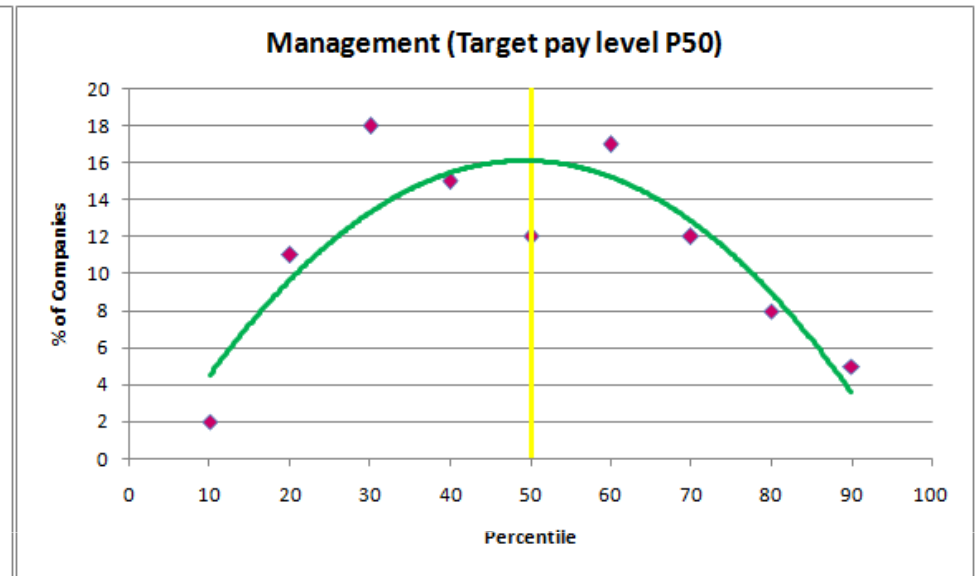
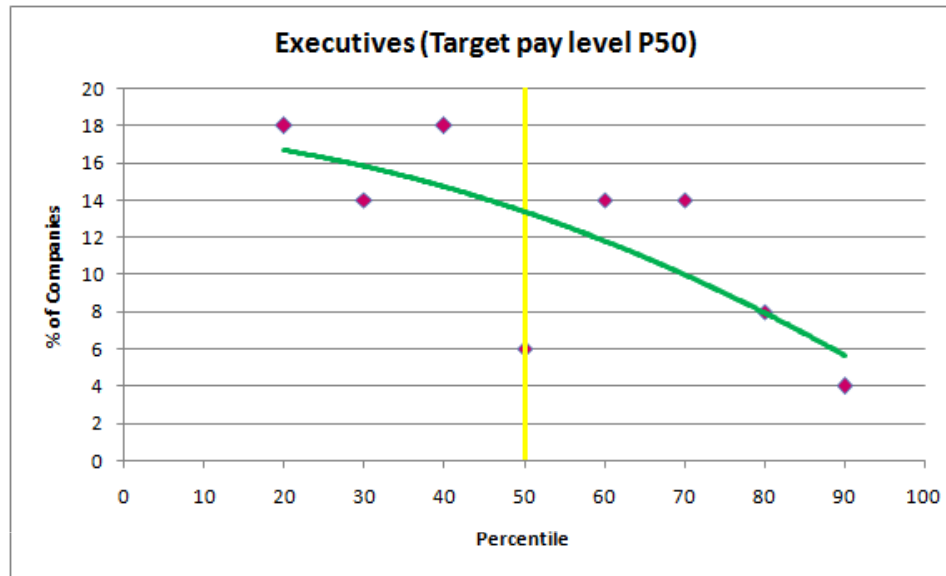


(\*) # of Organizations ~120

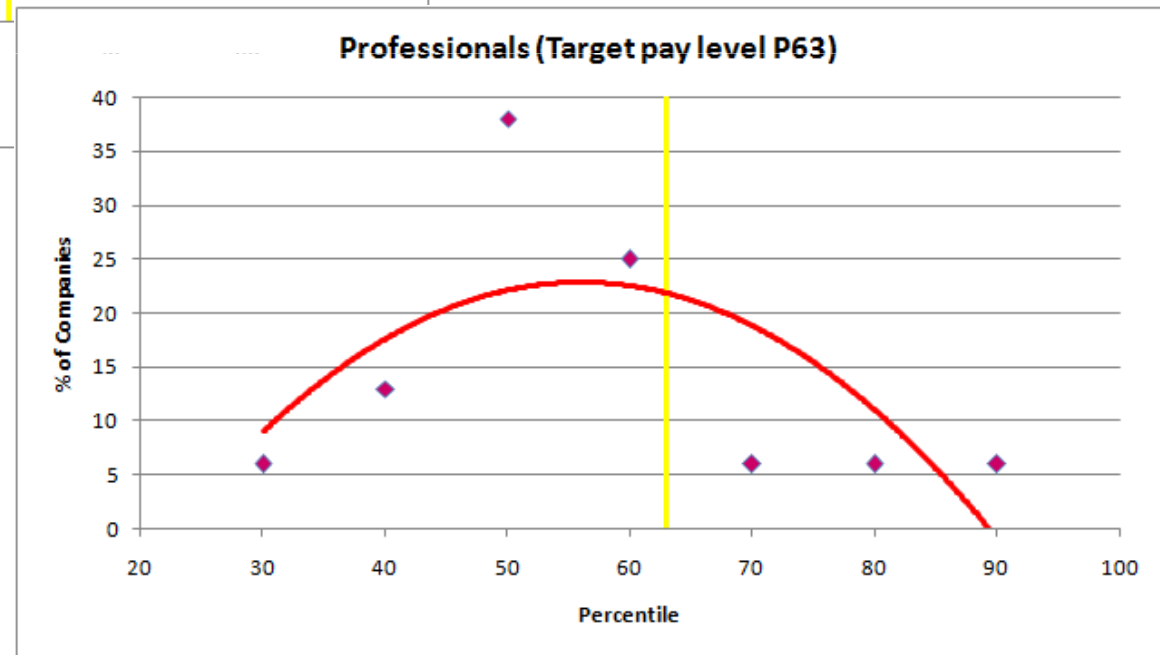
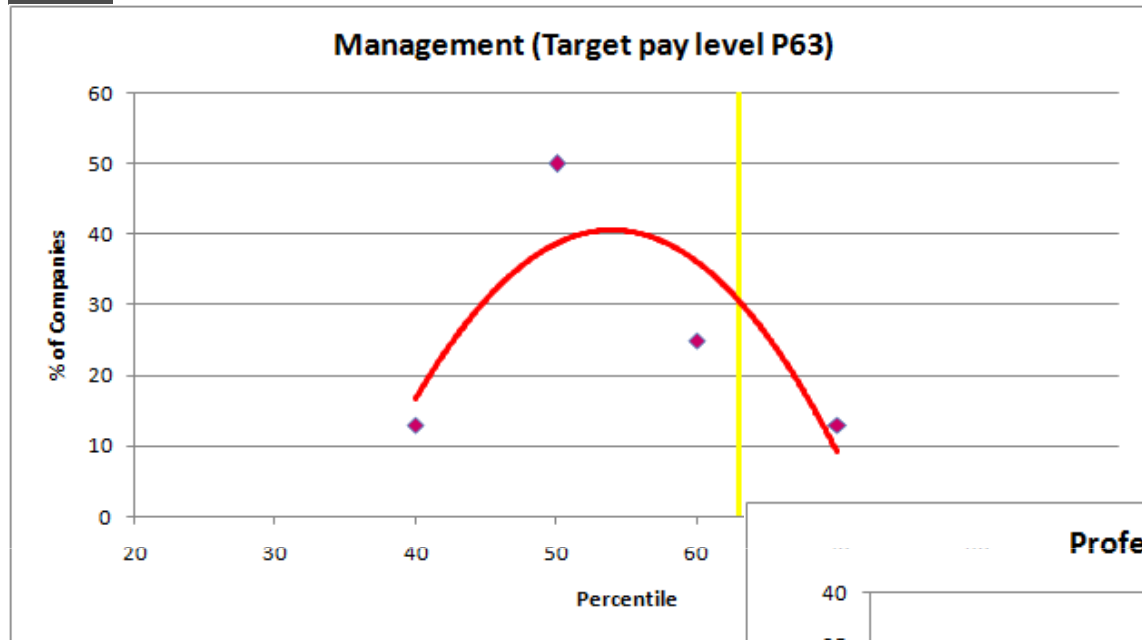




# Practice vs. Target – median

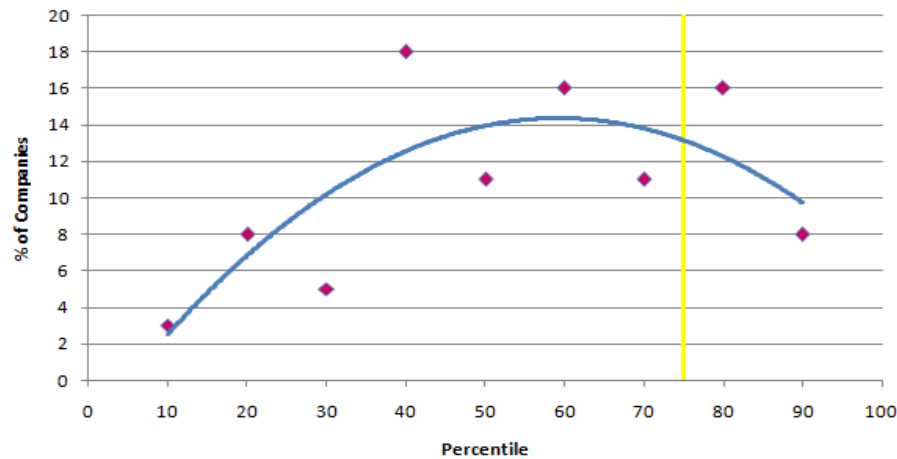


# Practice vs. Target – P63

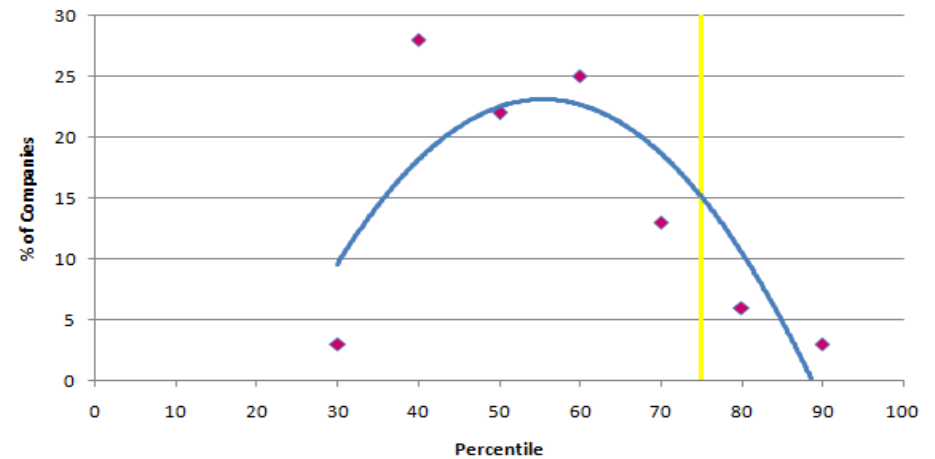


# Practice vs. Target – P75

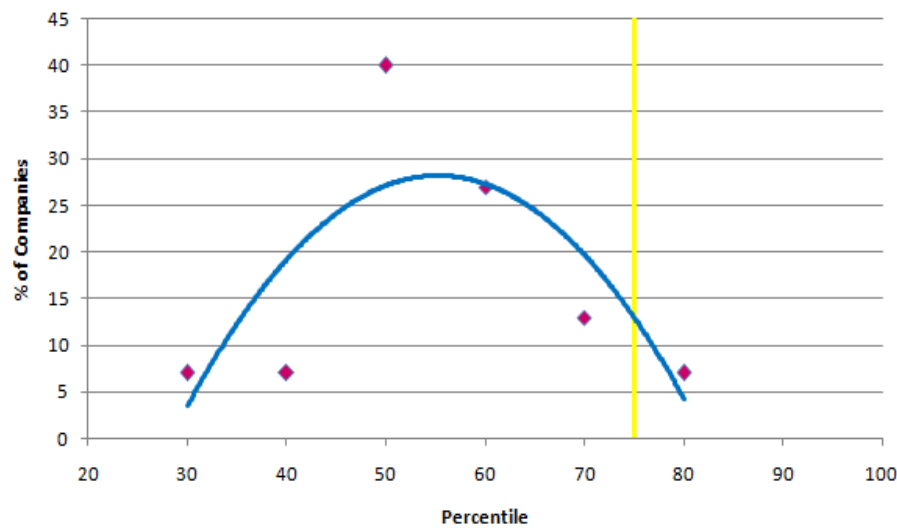
Executives (Target pay level P75)



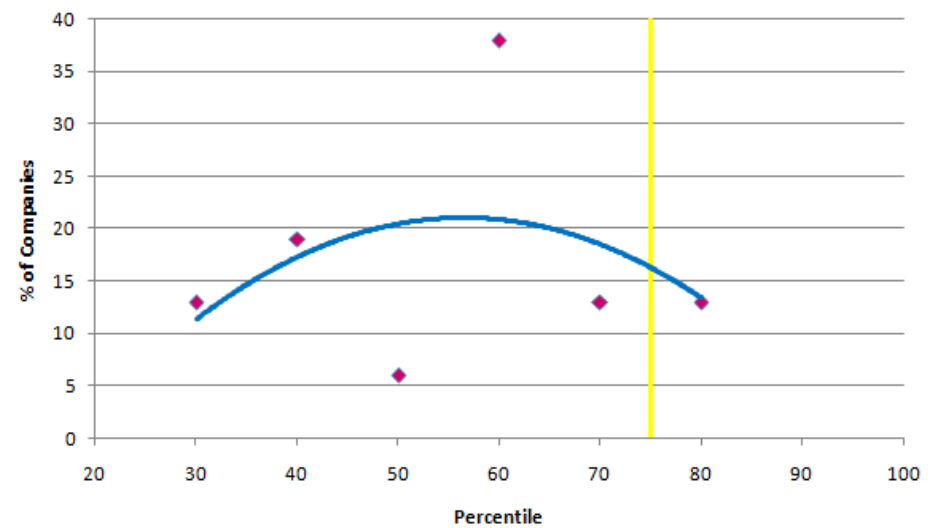
Management (Target Pay level P75)



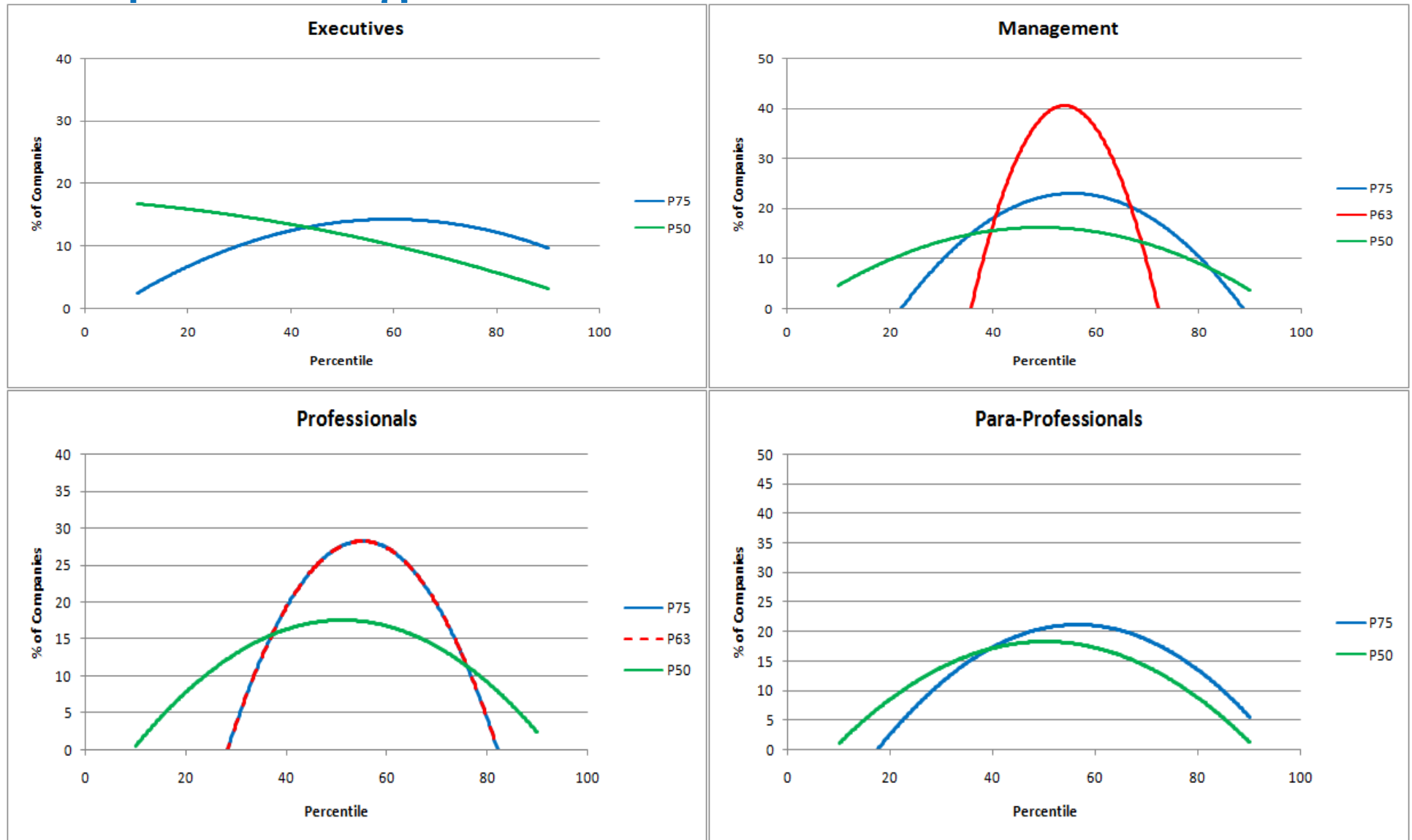
Professionals (Target pay level P75)



Para-Professionals (Target pay level P75)



# Pay practices – summary for different positioning





## Conclusions

- Very few companies announce very low (P25) or high (P90) target pay levels as a company policy
- In most cases the actual pay practice of a company does not meet the “promise”
- A gap between the pay policy and pay practice increases with the announced target pay level



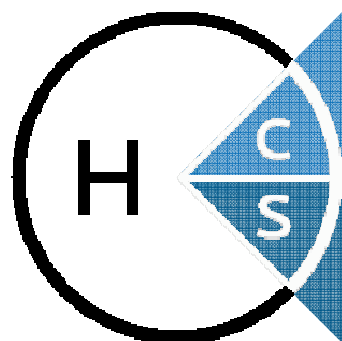
## Discussion themes

- What are the main reasons for the gap between a pay practice and pay policy?
- Does the presented picture demonstrate a downturn year or a regular practice?
- Will the picture change in 2010? What direction? How this will affect employers and employees?

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