

SALARY TRENDS IN MOSCOW

DECEMBER 2016



KORN FERRY™
| HayGroup

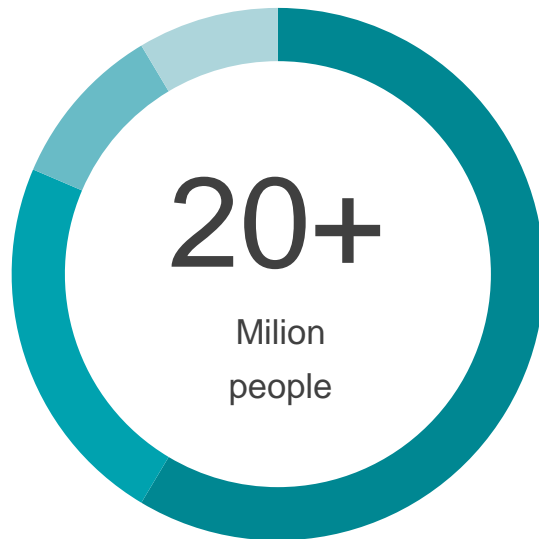




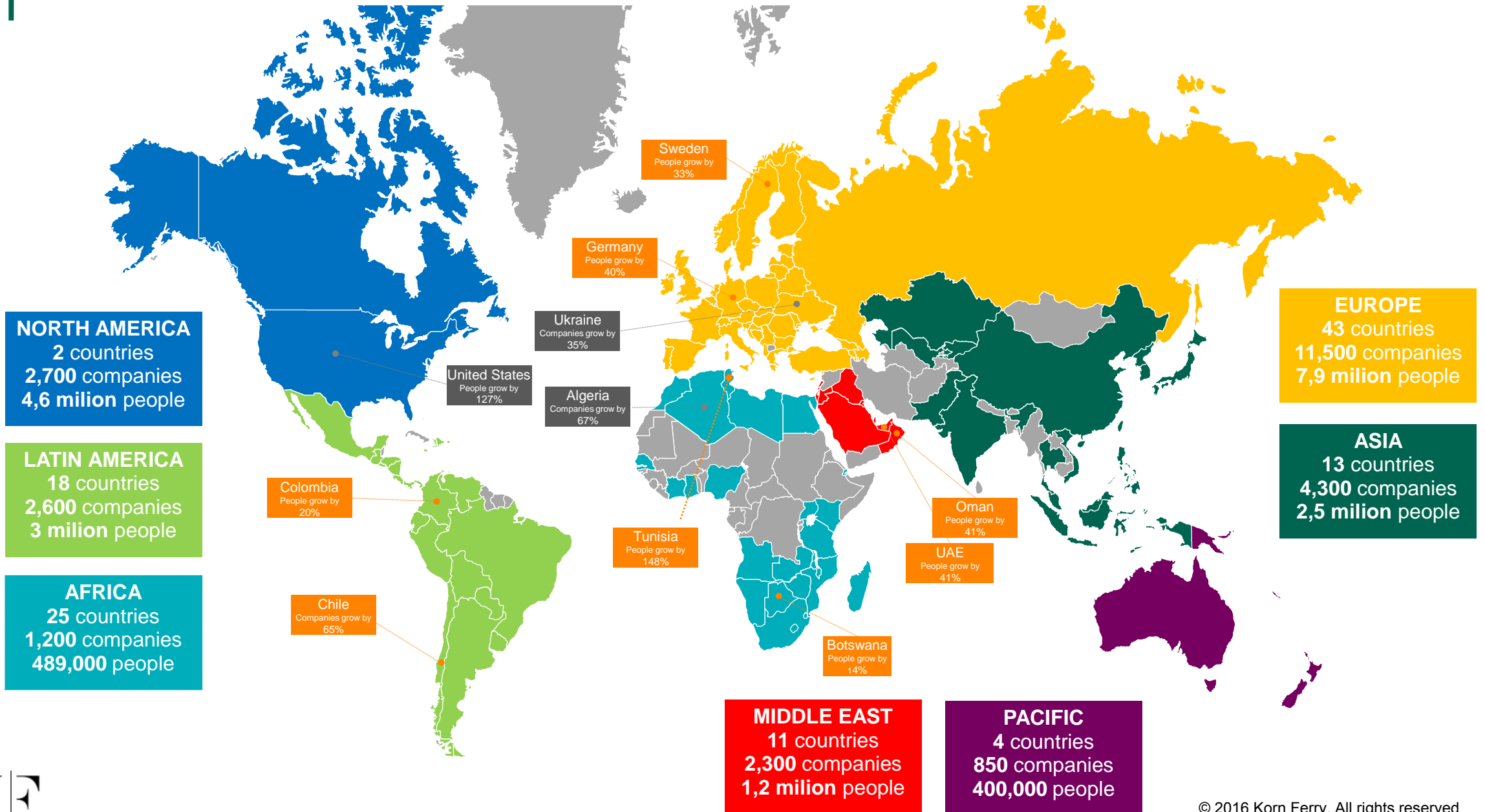
HAY GROUP REWARD DATA IN 2016

KORN FERRY HAY GROUP REWARD DATA IN 2016

- The world's biggest pay and benefits database now has even better information to help you make pay decisions in 2016
- This year we improved the way we deliver insights to nearly 30,000 HR specialists from around the world using Hay Group PayNet.
- Take a look at how we've grown in 2016:



HAY GROUP REWARD DATA IN 2016



HAY GROUP REWARD DATA IN RUSSIA IN 2016



622 companies



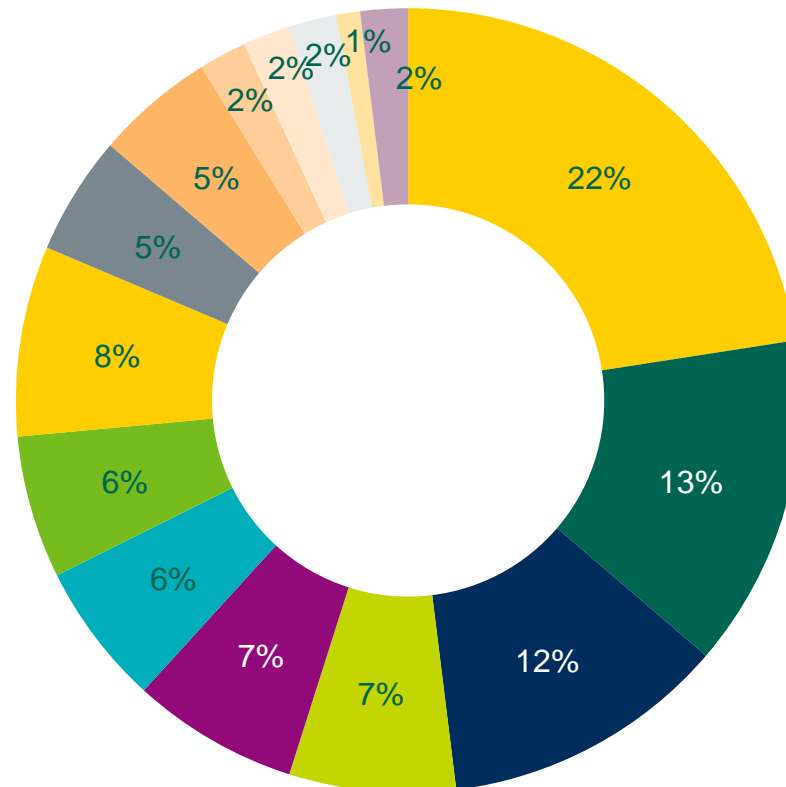
26 industries



58 cities and regions



1 197 480 incumbents



- Retail and HORECA
- FMCG
- Automobiles
- Oil & Gas
- Logistics
- Hi-Tech
- Chemicals
- Industrials
- Banking and Finance
- E-Commerce
- Agriculture
- Life Science
- Natural resources
- Energy / Utilities
- Other





INTERNATIONAL OVERVIEW

BASE SALARY INEQUITY RATE IS GROWING GLOBALLY

2008

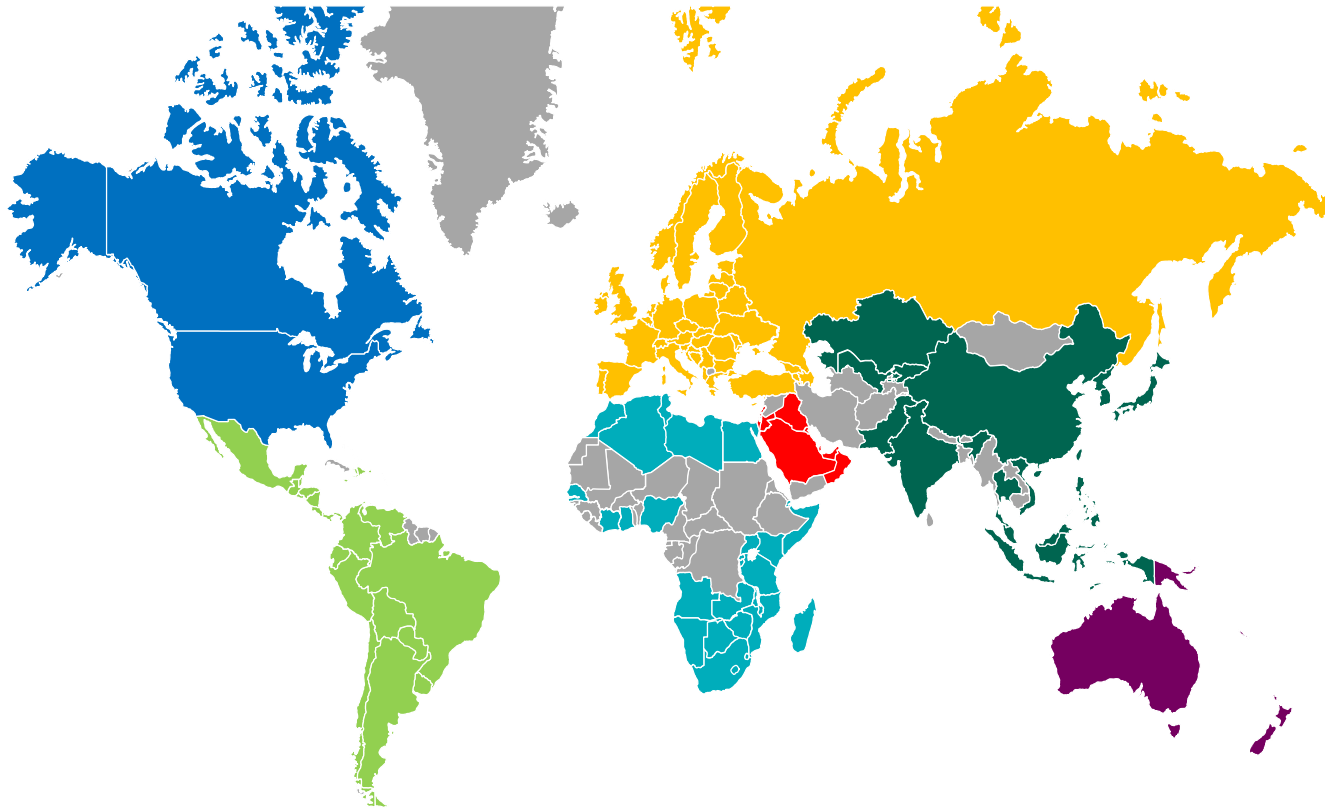
5.8

2012

5.9

2016

6.4



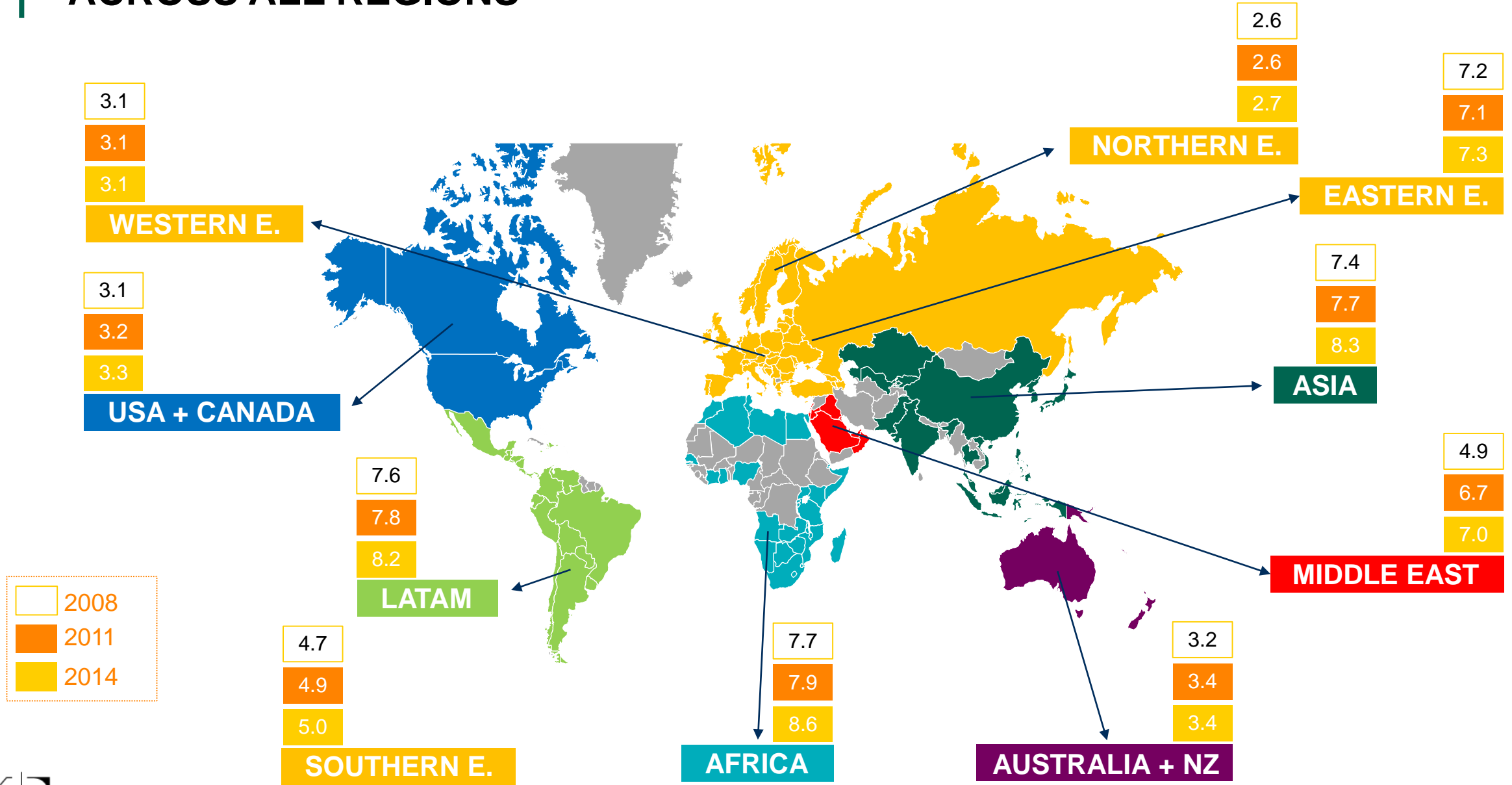
INEQUITY RATE IS A DIFFERENCE BETWEEN:

BASE SALARY LEVEL 20 (managerial)

BASE SALARY LEVEL 12 (entry level specialist)

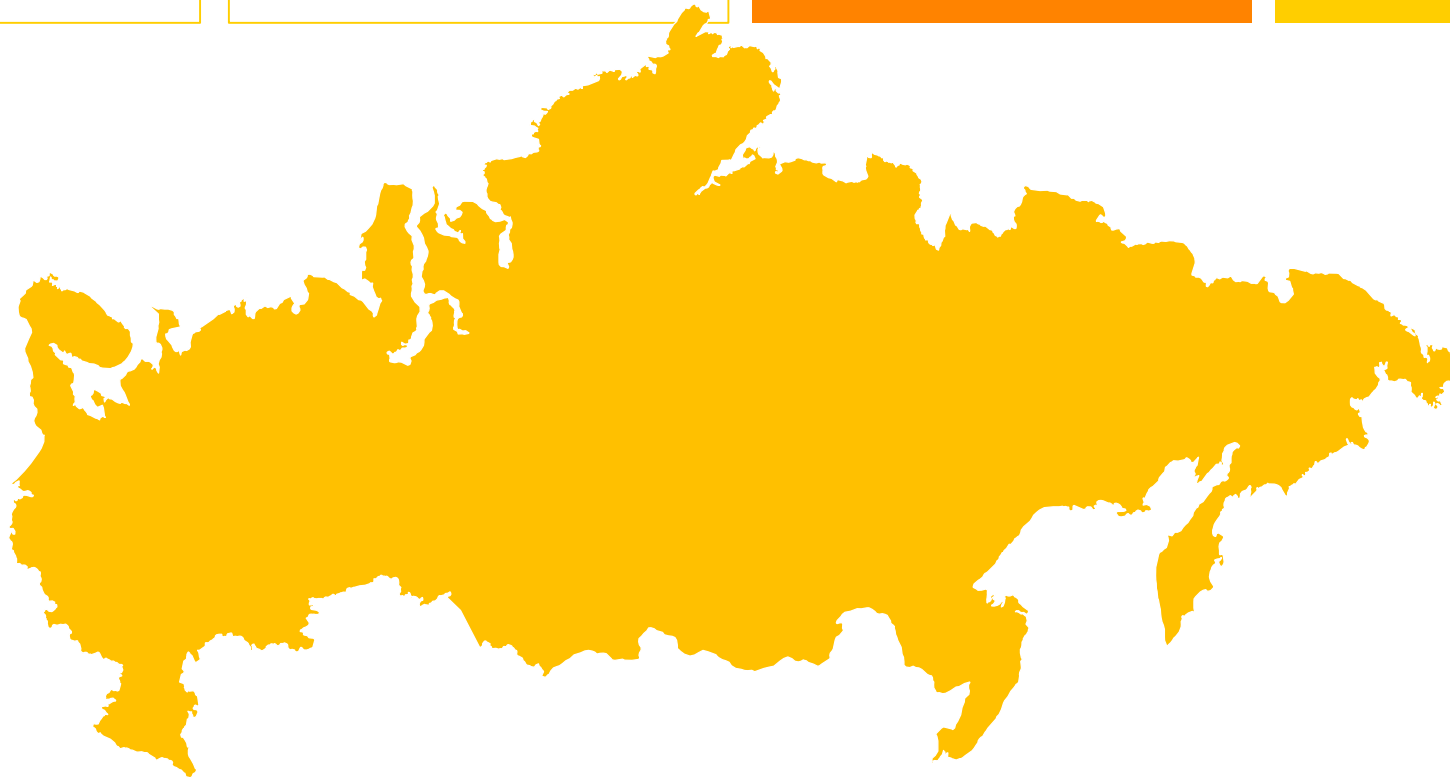


ACROSS ALL REGIONS



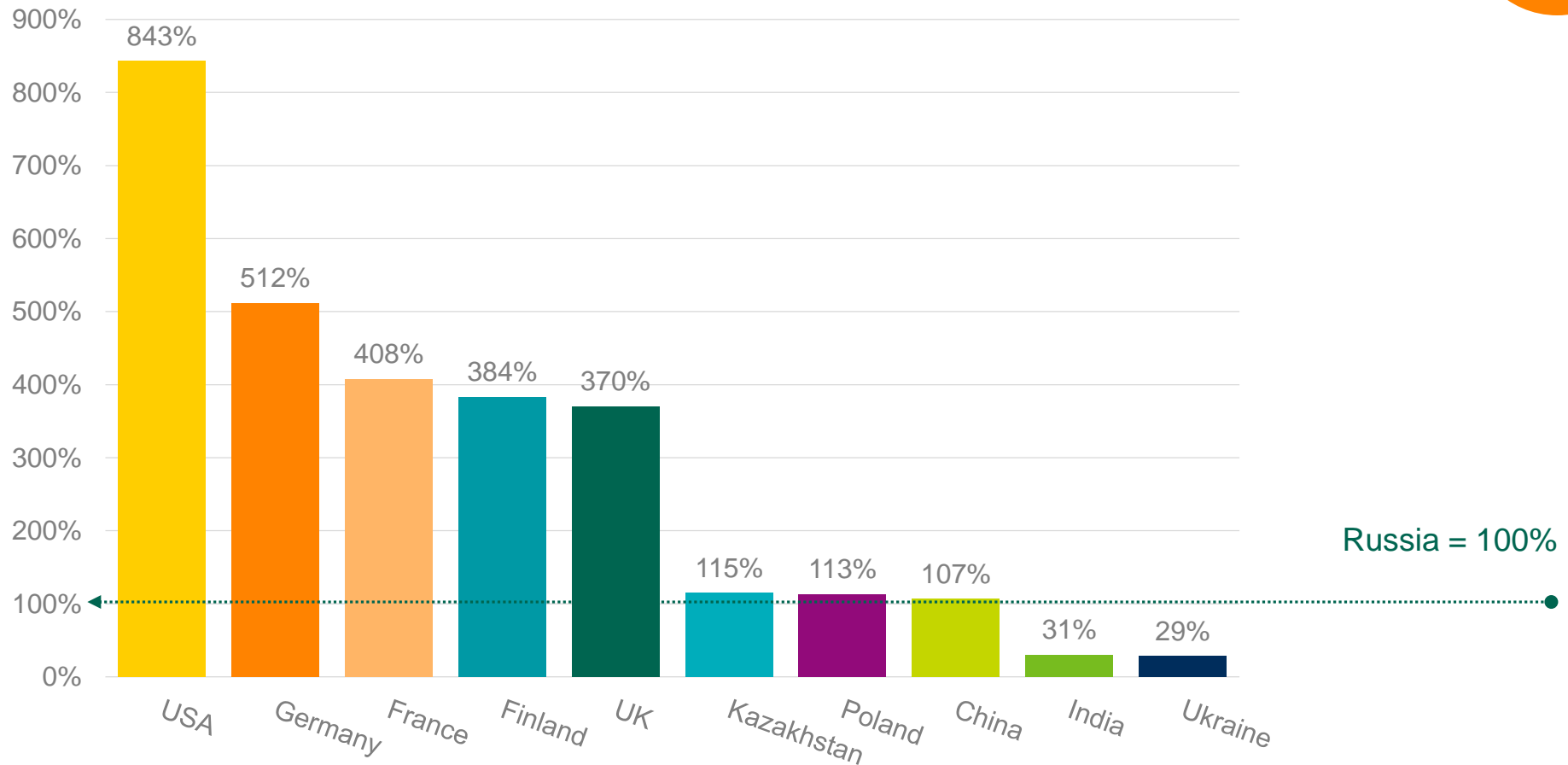
AND IN RUSSIA

	2008	2012	2016
Moscow	6.5	7.2	7.4
Russia	8.7	8.3	8.4



RUSSIAN SALARIES HAVE DEVALUATED COMPARED TO OTHER COUNTRIES

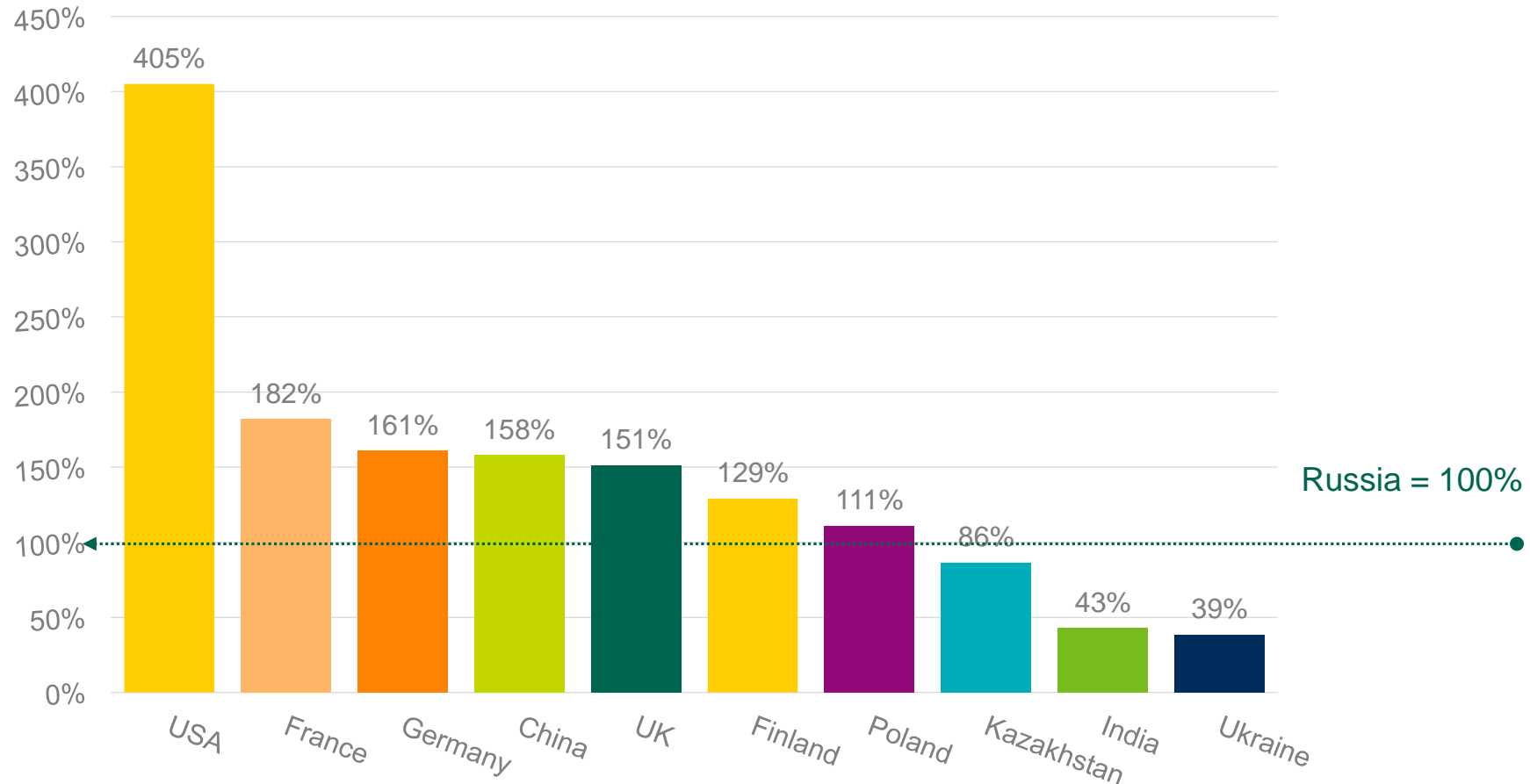
12. REFERENCE LEVEL
(ENTRY LEVEL SPECIALIST)



MANAGERIAL SALARIES WHICH USED TO BE ONE OF THE HIGHEST IN EUROPE HAVE ALSO DEVALUATED

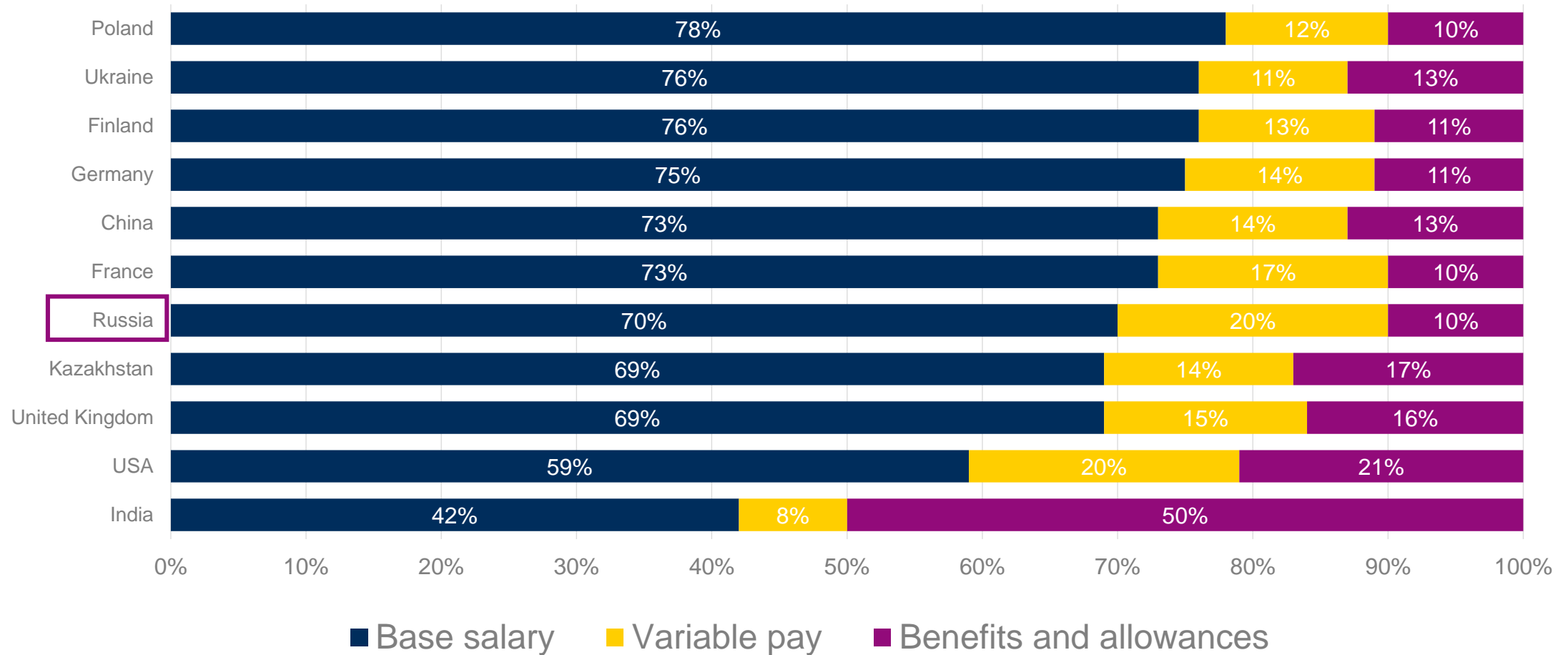
20. REFERENCE LEVEL
(MANAGERIAL)

MORE:
PAYNET
SALARY
DATABASE



BUT AT THE SAME TIME RUSSIAN COMPANIES' REMUNERATION STRUCTURE IS IN LINE WITH THE WORLD

ON AVERAGE IN THE POPULATION





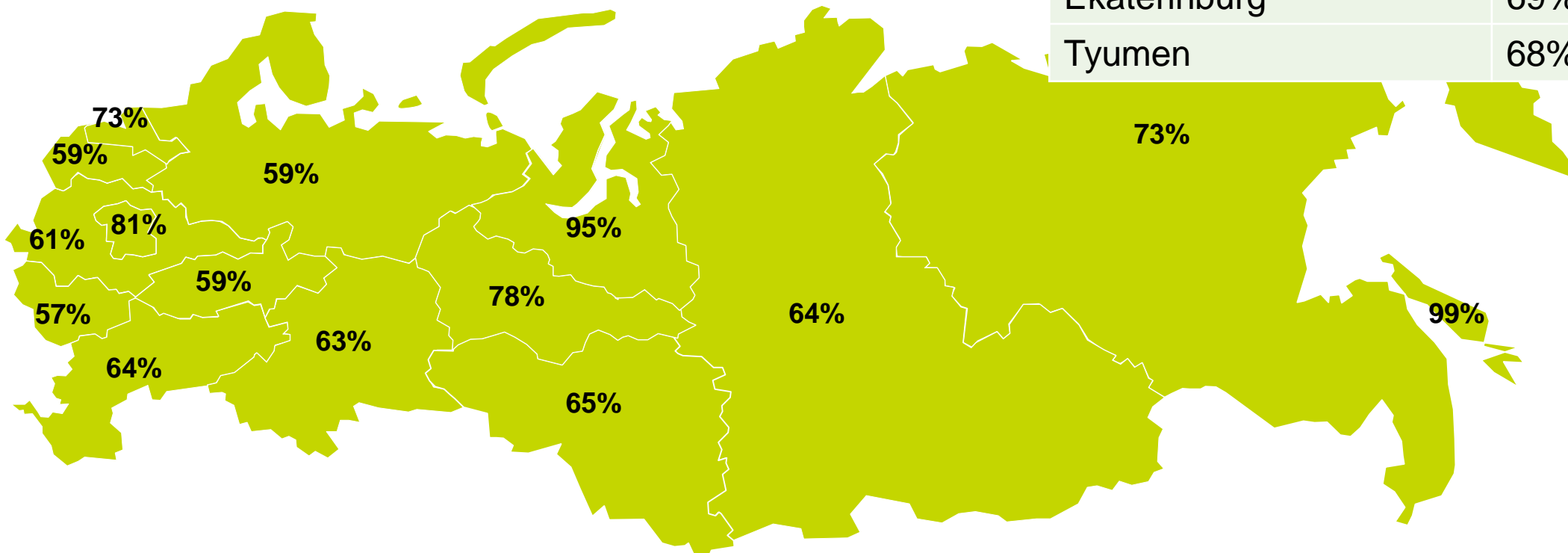
04 SALARY DIFFERENTIALS

MOSCOW REMAINS THE HIGHEST PAYING REGION IN RUSSIA

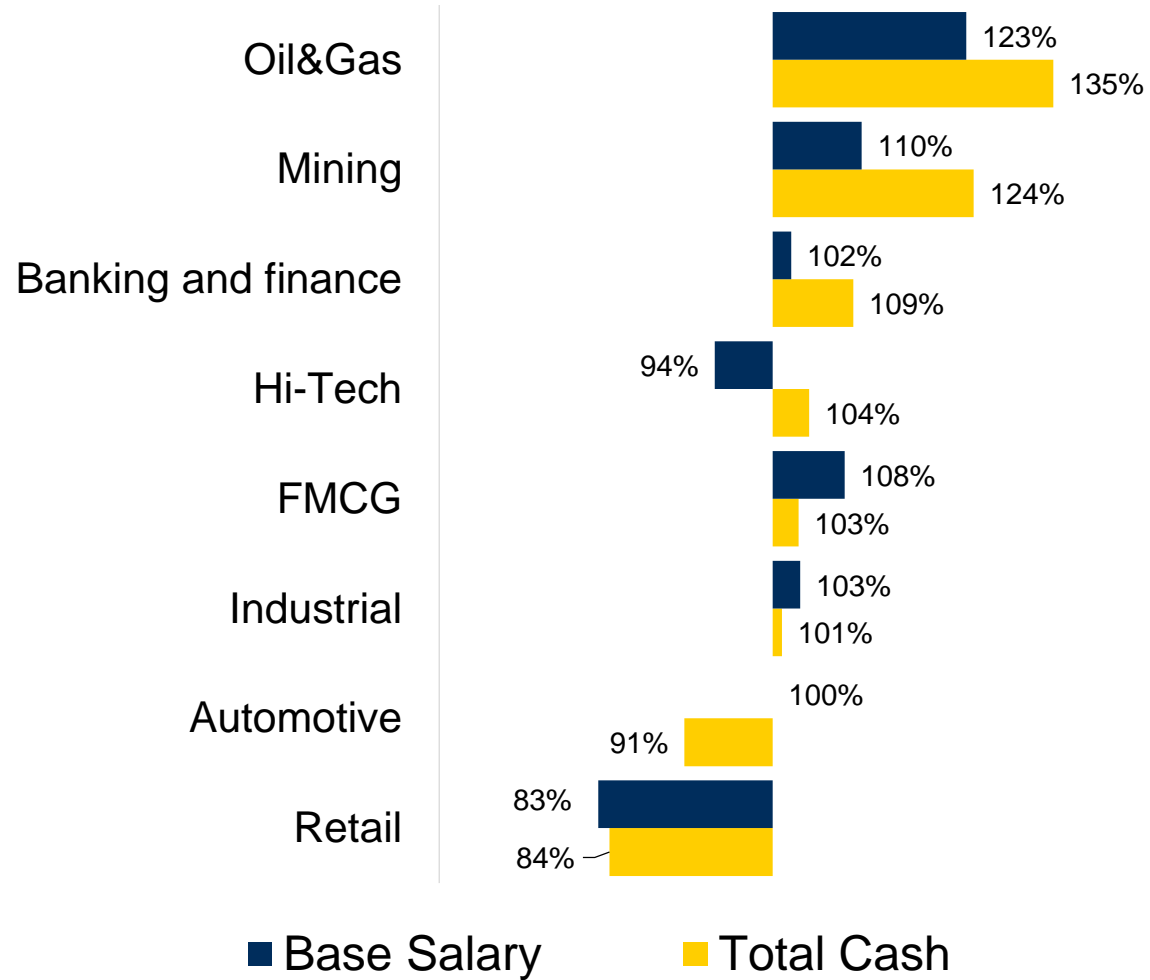
Moscow = 100%

Total Cash

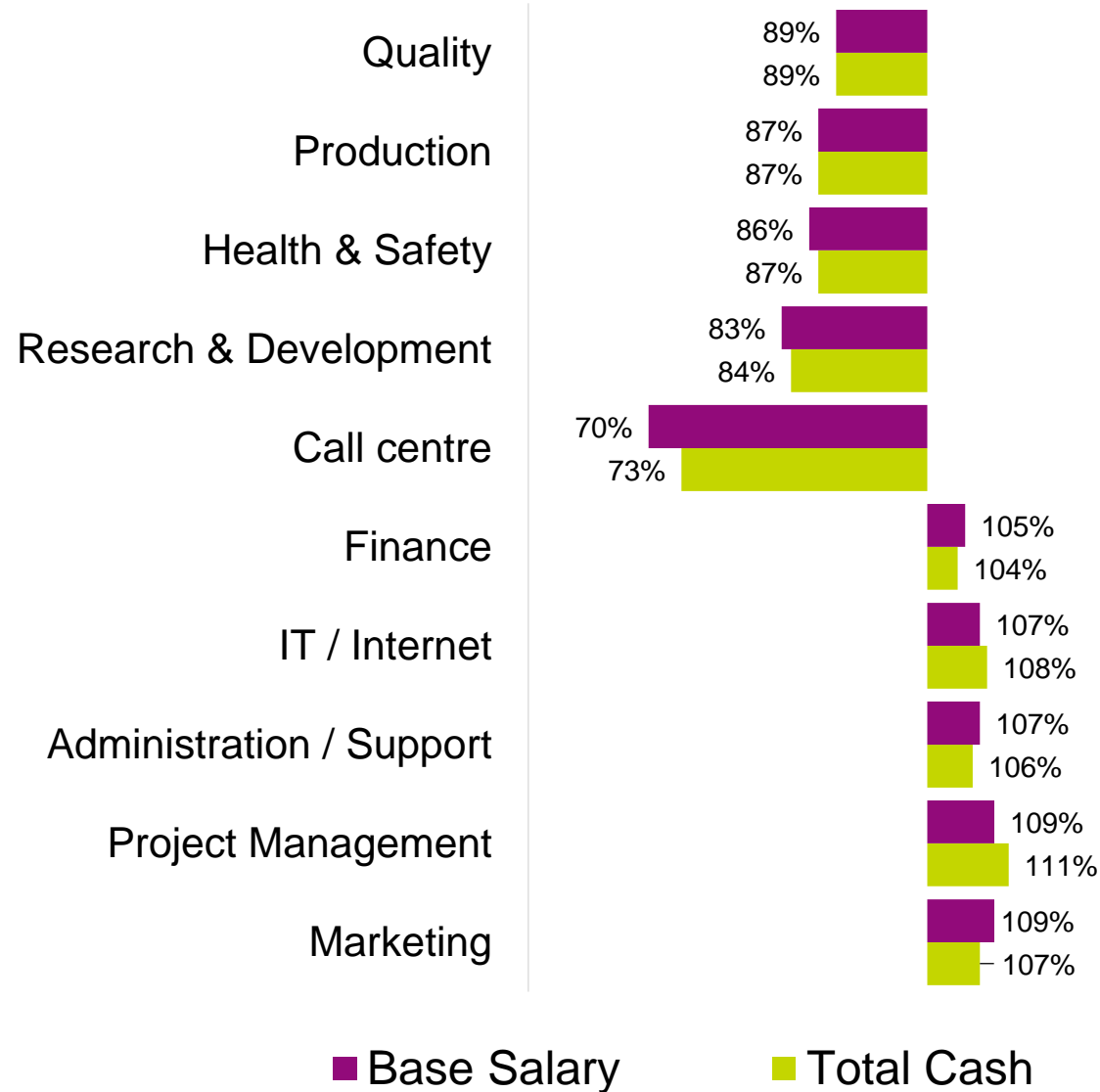
Moscow	100%
Yuzhno-Sakhalinsk	98%
Saint Petersburg	80%
Vladivostok	72%
Ekaterinburg	69%
Tyumen	68%



REMUNERATION DIFFERS ACCORDING TO SECTOR...

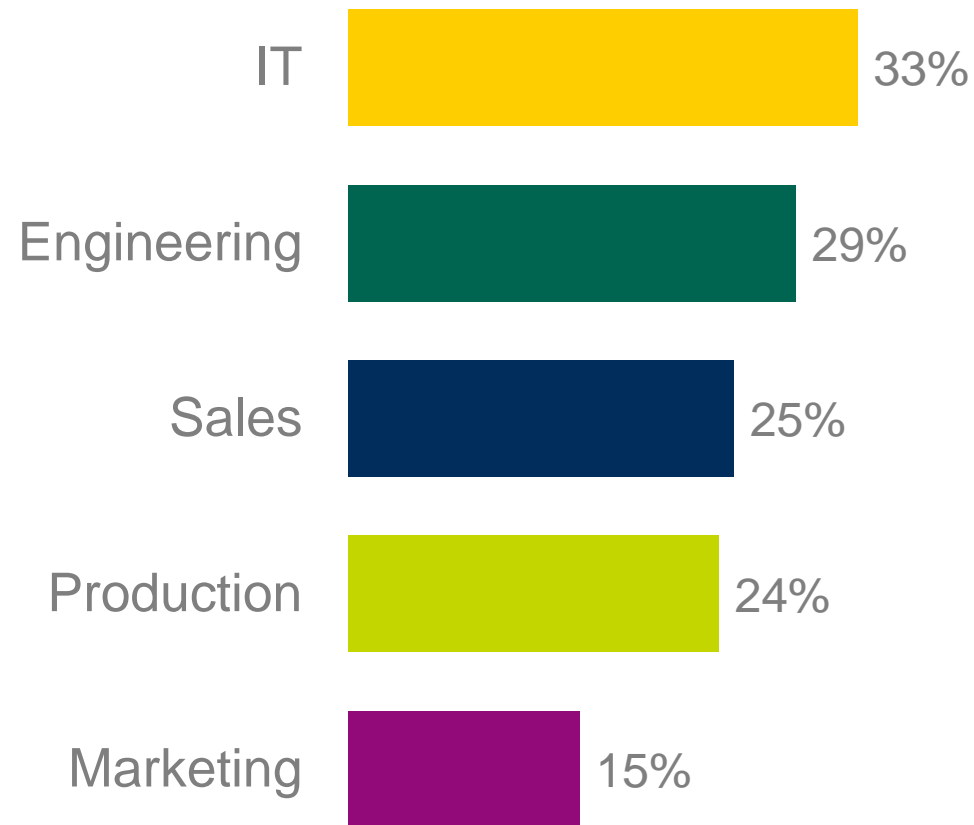


...AND ALSO JOB FUNCTION

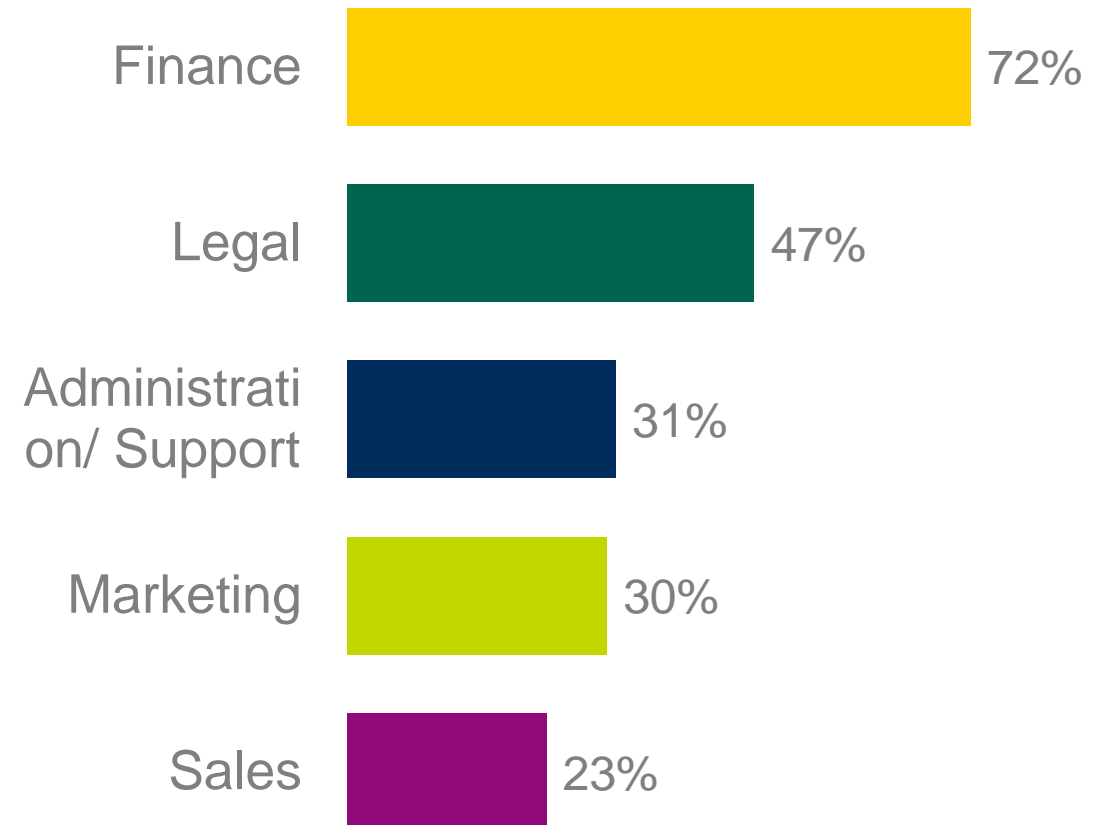


CORE JOBS ARE STILL MORE DIFFICULT TO HIRE THAN SUPPORT ONES...

TOP FIVE JOB GROUPS DIFFICULT TO HIRE







TOP FIVE JOB GROUPS EASY TO HIRE





05 SALARY MOVEMENTS AND FORECASTS

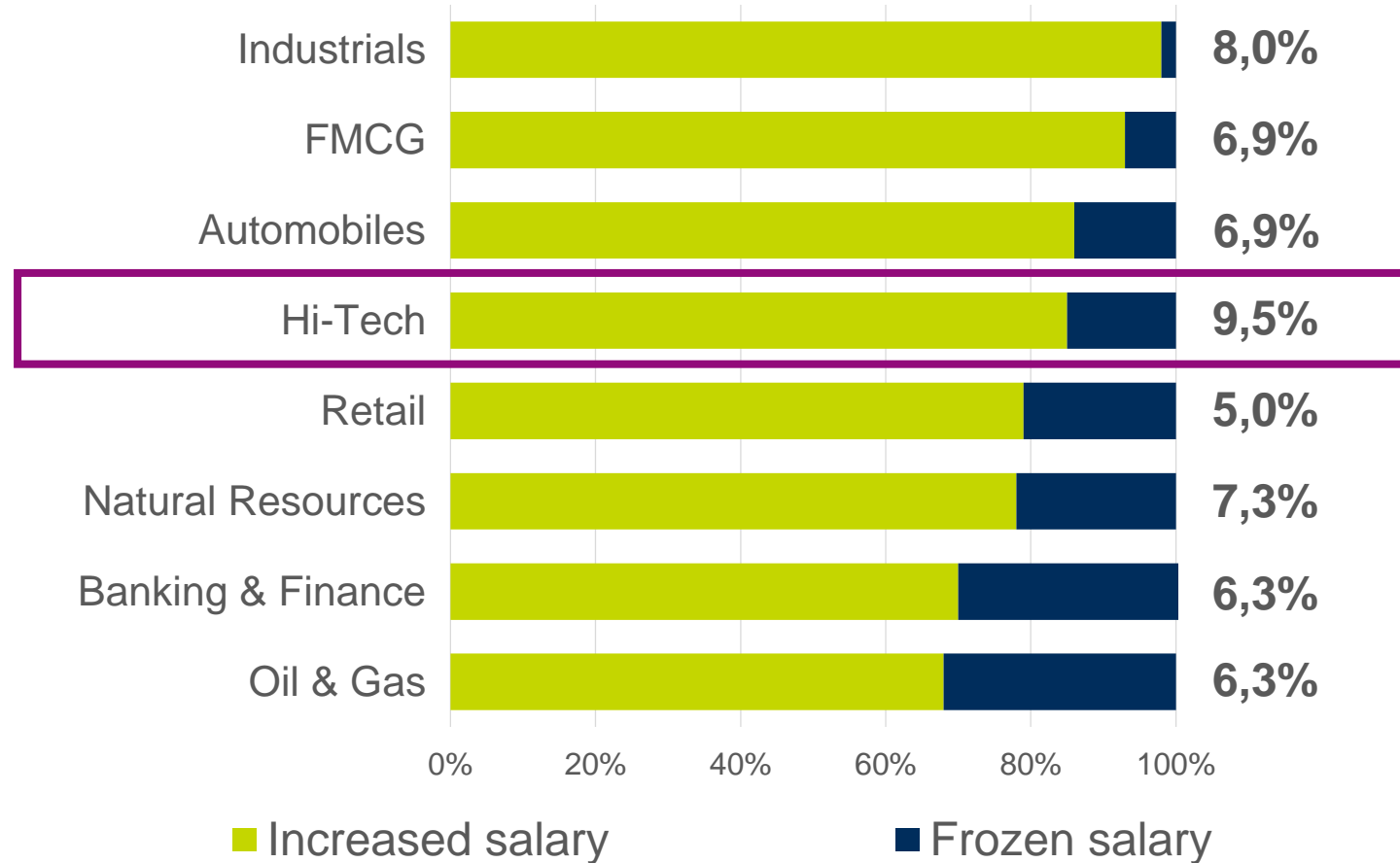
SALARY MOVEMENTS IN 2016 ARE LOWER THAN INFLATION

	How many companies increased salaries in 2015/2016?		Increase on median
Executives/ Senior Management	77%		6,8%
Middle Management/ Seasoned Professionals	83%		7,0%
Supervisory/ Junior Professionals	85%		7,0%
Clerical/ Operational	83%		6,5%
Total	87%		6,8%





*Including salary freezes



LOOKING BACK INTO INDUSTRIES UNEQUITY, WE SEE THAT SALARY INCREASES ALSO DIFFERS FROM SECTOR TO SECTOR



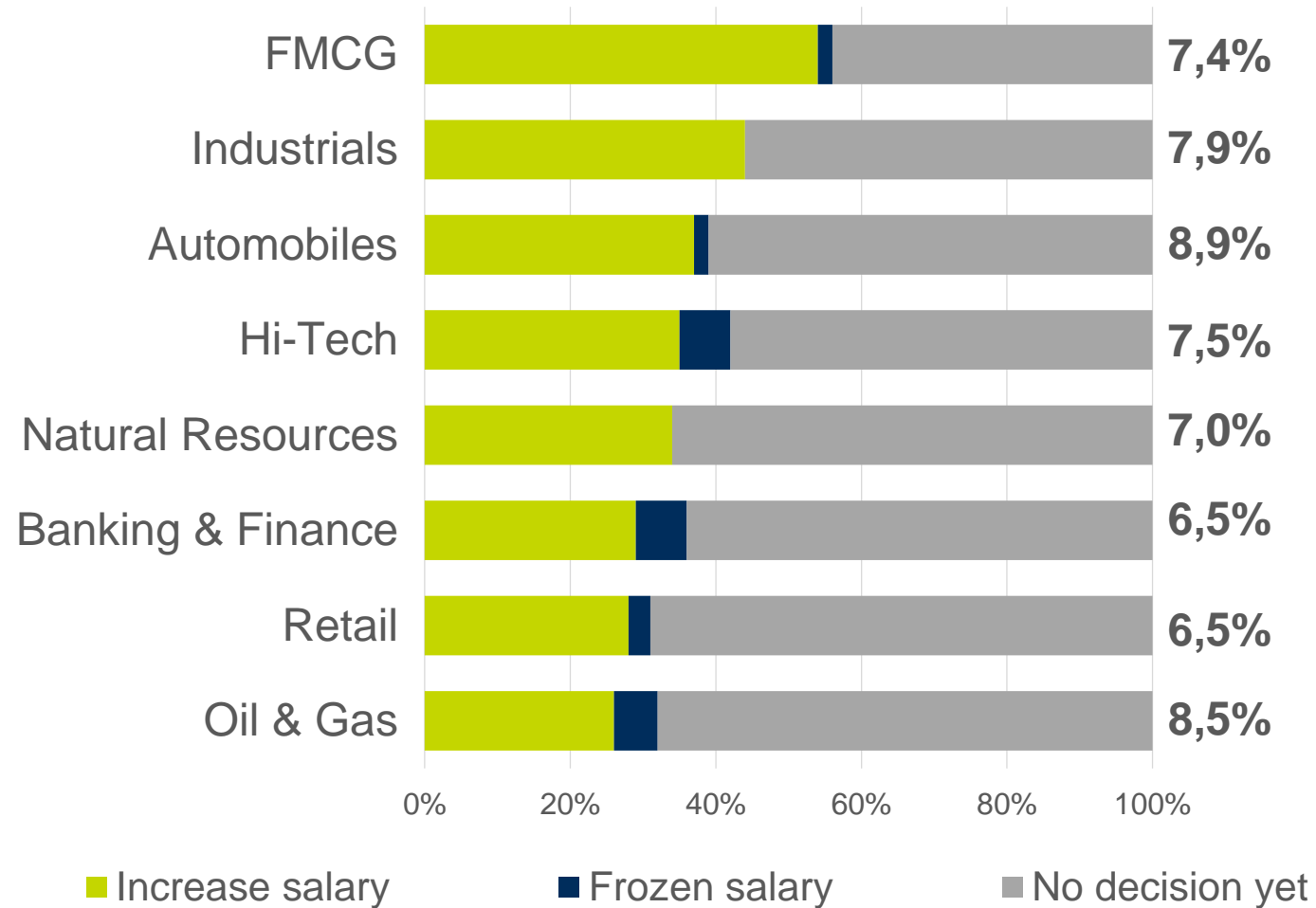
A LARGE NUMBER OF COMPANIES HAVE NOT YET DECIDED ON SALARY INCREASES...

	Plan salary increases	Have not decided		Increase on median
Executives/ Senior Management	36%	59%		6%
Middle Management/ Seasoned Professionals	38%	60%		7%
Supervisory/ Junior Professionals	39%	59%		7%
Clerical/ Operational	37%	60%		7%
Total	40%	56%		7%

*Including salary freezes



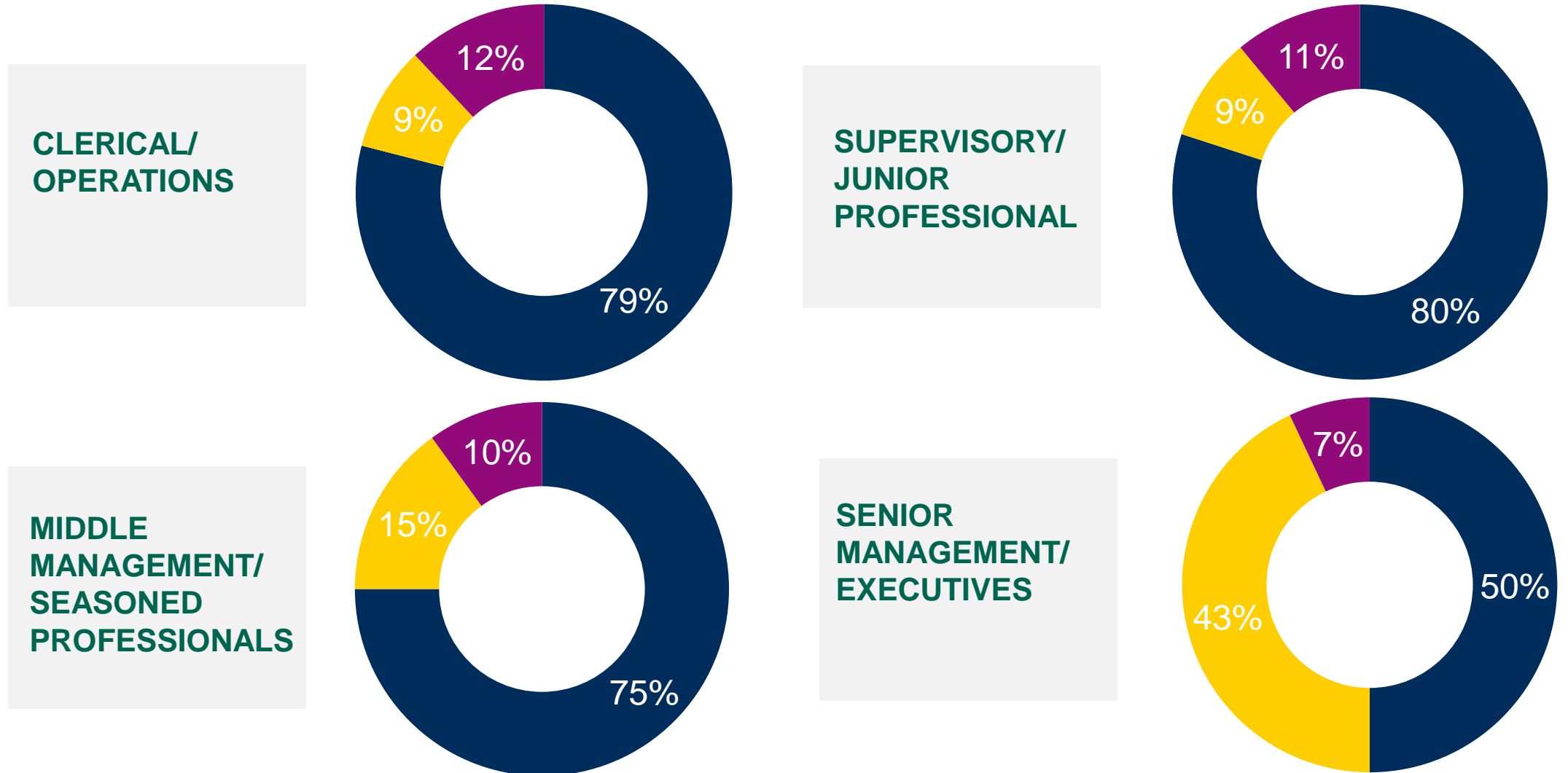
... WHICH IS ALSO DIFFERENT FROM SECTOR TO SECTOR





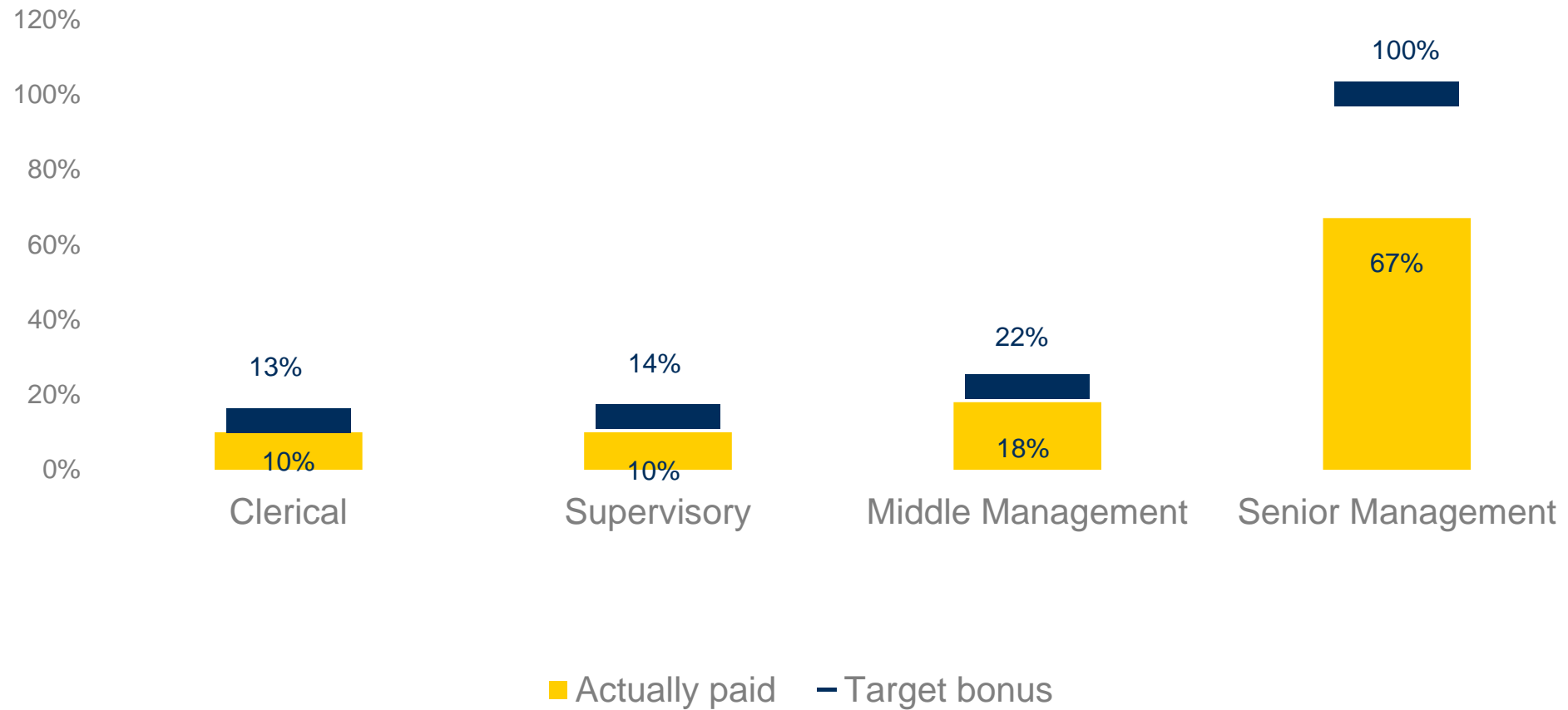
06 OVERVIEW ON INCENTIVES

THE HIGHER THE JOB IS, THE BIGGER ROLE INCENTIVES PLAY

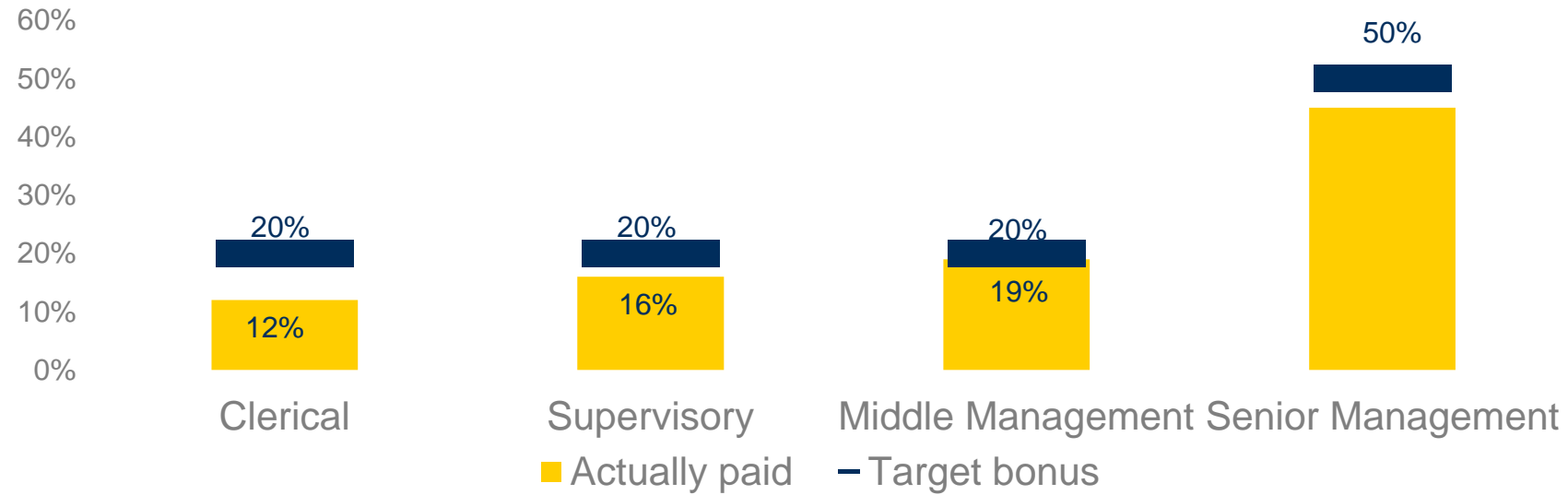


■ Base salary ■ Variable pay ■ Benefits and allowances

NON-SALES EMPLOYEE BONUSES DIDN'T REACH TARGET AMOUNTS



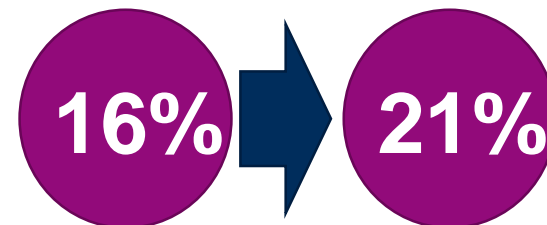
AS WELL AS SALES JOBS WHOSE BONUSES MORE AND MORE ARE BEING LINKED WITH PROFIT GROWTH AND MARKET SHARE



Profit growth

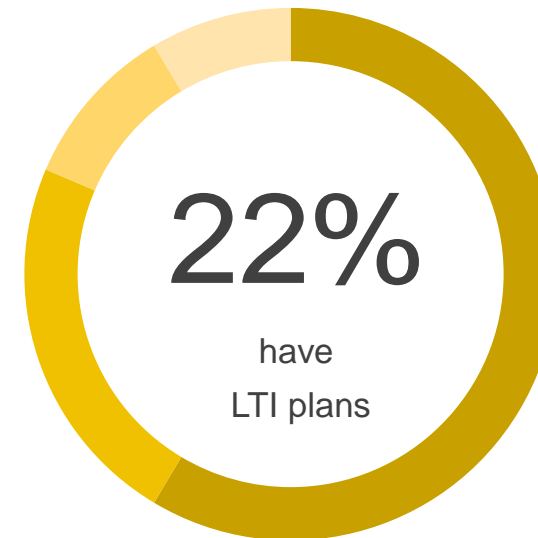
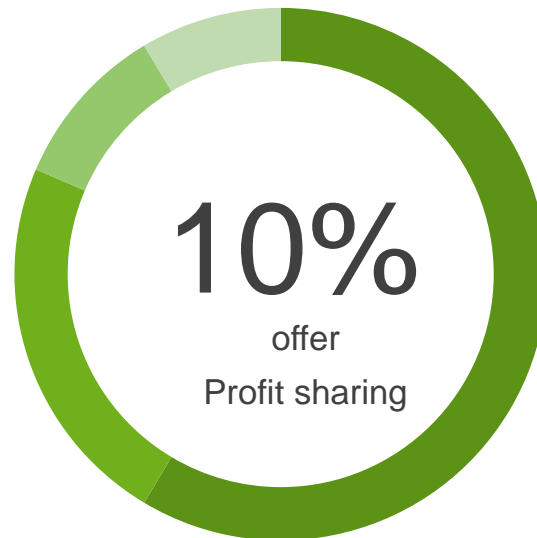
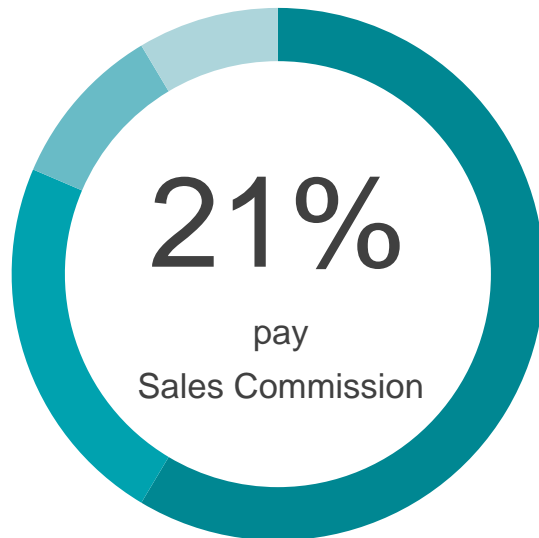


Market Share



OTHER INCENTIVE PLANS IN MOSCOW IN 2016

- Companies increased the weight of corporate metrics in individual employee scorecard
- This year some companies went for regressive commissions schemes
- LTI remains a hot topic which raises big discussions but still not so many companies introduce such plans



Thank you for your attention

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