

## Salaries / Compensation / Wages Focus on Austria, Germany and Central Europe July 27<sup>th</sup>, 2010

1	Purpose of This Document	1
2	Salary depending on Position and Experience, including Spread for Austria (2005)	2
3	Salary of Austrian Top Executives in 2005	6
4	Austrian Salaries for Management by level (2006)	6
5	Austrian Salaries for Starters and People with 3-5 years experience (2006)	7
6	Austrian Salaries for 20 typical positions, categorized by age (2006)	7
7	European comparison of COO and related salaries in 2006.	10
8	Typical Salaries in Austria for High Level Positions (2006)	12
9	Top Salaries - Details for Austria and International Comparison (2005/2006)	13
10	Engineering Salaries in Germany (2006)	14
11	Entry Salaries for Engineers in Austria (2008)	15
12	European Salaries – a broader comparison	15
13	Austrian Salaries for Management by level and with a Special on Banking (2008)	16
14	Cars as Part of the Salary	17
15	Average Salary Growth by Country	17
16	Consequences of the economic crisis	18
17	Internet Resources	19
18	Salary Spread in Austria 2008	19
19	Starter's Salaries – A European Comparison for Sectors	20
20	Analysis	22
21	Conclusions	23
22	Index	24
23	References	24

### 1 Purpose of This Document

**IN A NUTSHELL - For the busy reader: Please have a look at the index in Table 12 at the end of this document and look for the keyword of interest to identify the Table or Figure with the data for you.**

With this document a **rough guideline** is provided for both employees and employers what the average market conditions are in the Central European Labor market with respect to salaries and where the high and lowlights lie.

This document is a living one and was first published in February 2008 – it has since been constantly updated.

When looking at the salaries in central Europe there are different “qualities of views” on the same data. Human Resource professionals or recruiting companies typically have the best overview and publish some of it – comprehensive databases or overviews are typically sold. For individuals who want to determine the appropriate salary levels for themselves, there are at multiple ways, e.g. read the respective sections of newspapers or use a professional (internet-)service that provides guidance for an individuals’ salary – some of these are also for free and quite excellent. As many different companies publish fractions of their knowledge to “keep the discussion going”, mq.s.at has done the job to compile, compare, condense and analyze these data for you, up to now as a free service. Furthermore we point toward easy-to-use or very comprehensive internet sites for the topic.

This document addresses the following topics:

- overview of salary distributions in Central Europe for
- different professions
- special focus on Austria and Germany for typical positions, professions, industry sections and age / experience of the person holding the job.

We analyze

- salary distribution parameters
- versus the absolute value of the salary and we also look at
- the salary versus the typical age of the people who provided the data.
- Typical entry salaries are discussed as well as
- the compensation development with time.

As a “dessert” we are also offering the typical compensation levels of chief executives of the top companies in the Austrian stock index ATX.

## **2 Salary depending on Position and Experience, including Spread for Austria (2005)**

The values in Section 2 of this document are based on data, published in Austrian media [1],[2]. A source of high degree of detail is provided by Neumann [3] – this source was also quoted by [1]. We will discuss the following topics:

1. Salary distributions for typical positions.
2. Salary distribution parameters vs. absolute value of the salary.
3. Salary vs. typical age.
4. Salary development with time.
5. Salaries of chief executives of top companies on the Austrian stock index ATX

Let us start by summarizing the salaries for chief executives, key account managers, financial analysts, Heads of human resources and Heads of marketing in Table 1. The values need to be seen as annual gross salaries before tax and including all benefits and bonuses. The data can be grasped much easier in the graphical representation shown in Figure 1. The curves have to be interpreted in the following sense. The amount at the 50% value represents the median - 50% of the sample make less / more than this value. The amounts at the 25% level show those values where 25% of the sample make either less or more than this value. So the curves represent distributions. Several questions can be asked now based on these data, e.g.:

1. What are the shapes of the salary distributions.
2. What do the salaries look like when plotted vs. the typical age of the position holders.
3. What is the salary development with time.

Figure 2 answers the first question. Asymmetry in % is measured by dividing the width of the 25% group above the median by the width of the 25% group below the median and quoting this value in percent. We conclude from this that for the samples the asymmetry was higher for the lower salaries. This might be an artifact of a smaller size for the high salaries. Why? Typically it is safe to assume that for certain positions there is a minimum salary level and an average salary level, representing the “typical figures” but there are always some companies which pay substantially above the average – usually due to their sheer size and hence the magnitude of responsibility. This is shown very well in Figure 5 in this paper where we report the level of compensation for the top companies in the Austrian stock market. Hence it is very usual that the asymmetry as we discuss it should be significantly above 100%. Surprisingly Figure 2 does not confirm this for the higher salaries. Hence the sample quality would need to be judged to make a definite statement.

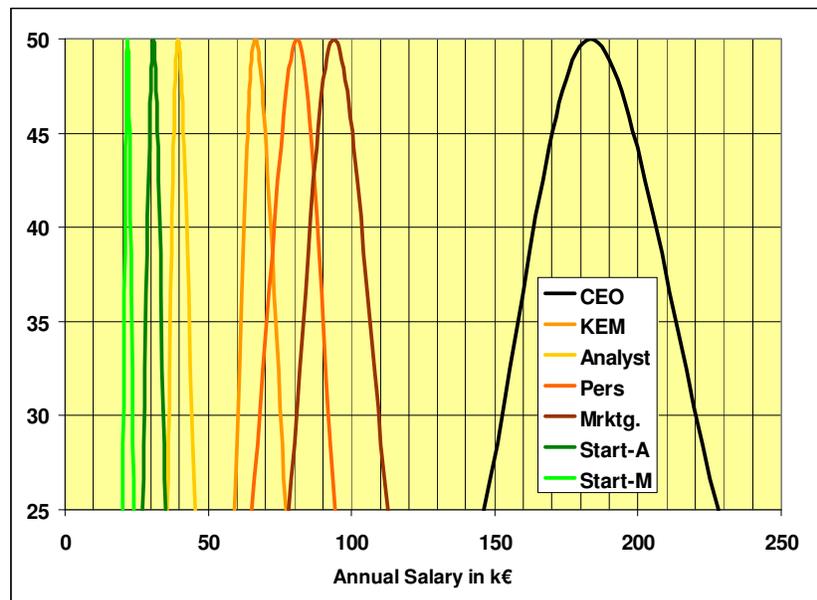
Concerning the width of the salary distribution it can be said that the lower salaries typically show widths of 20% of the salaries. Not surprisingly the width on the high end is up to about 60%.

Figure 3 shows the salary levels vs. the age of the people holding the position. There seems to be a quite good linear correlation between the values. It is of interest to compare this correlation with the typical development of a salary in Austria assuming the person did NOT change the job over the career. This is shown in Figure 4. What can be learnt?

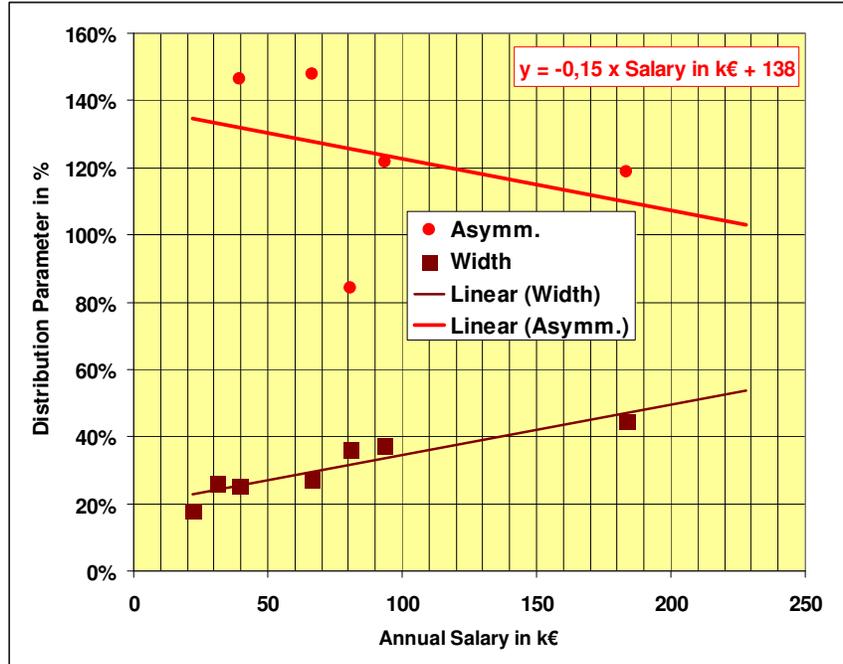
- The first few years are those with the steepest rise in salary
- Within the first 30 years of a typical career one is able to increase the salary by 150 % (Figure 4)
- The former value should be compared to a person who moves through the ranks and positions within 30 years. Figure 3 suggests that the typical salary change for such a path is 400 %.

	"Geschäftsführer", CEO / COO	Key Account Manager	Financial Analyst	Head of Human Resources	Head of Marketing
	CEO	KEM	Analyst	Pers	Mrktg.
75 % make more than	146	59	36	65	78
50 % make more than	184	67	40	81	94
25 % make more than	228	77	46	94	113
Typical Age	51	43	32	41	42

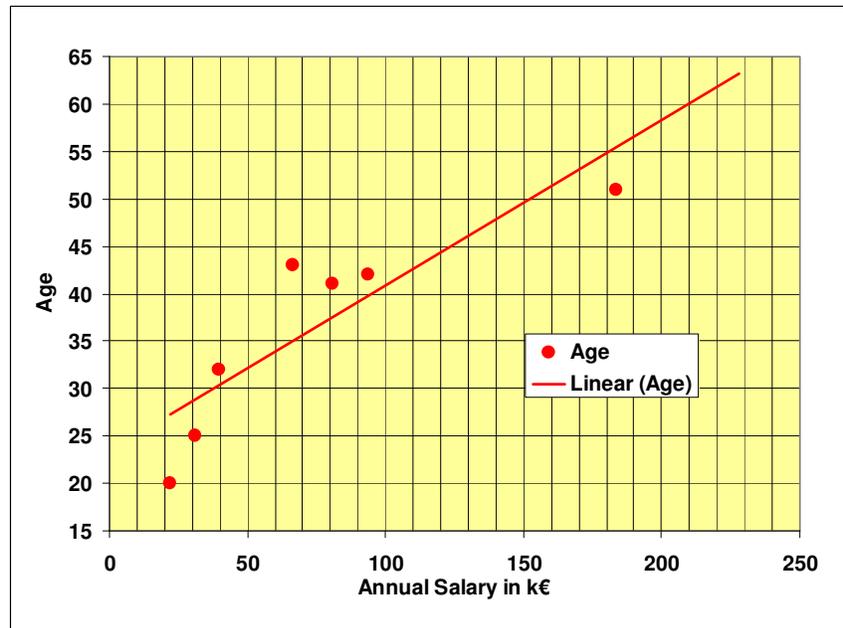
**Table 1:** Basic data used for the statistics, displayed below – source is [1]. For the five positions of CEO, KAM, Analyst, Human Resources and Marketing the salary-distribution is shown. The salary values are given in Kilo Euros. The typical ages for the positions are also mentioned.



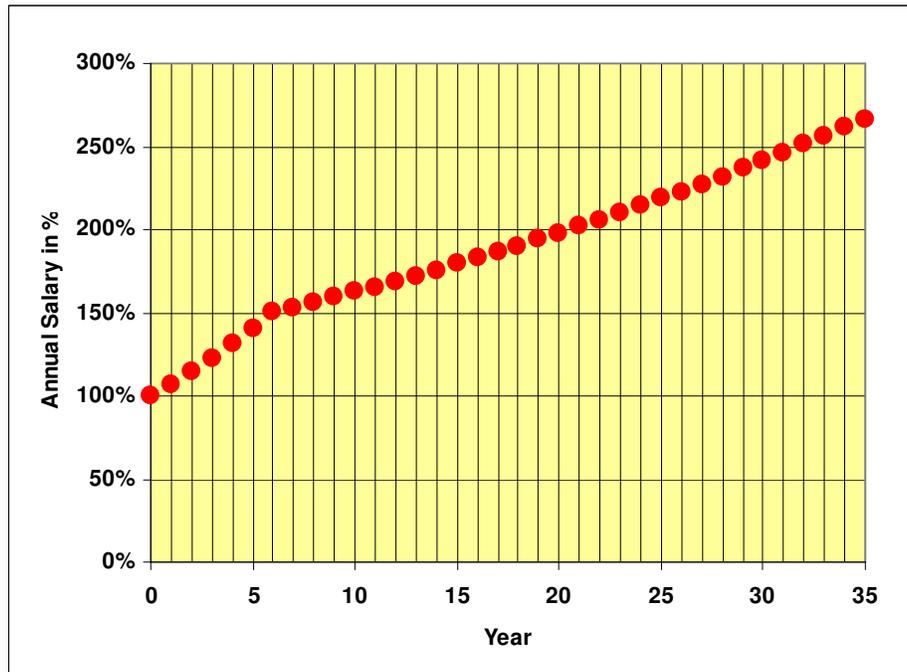
**Figure 1:** Distribution of salaries for the positions, described in Table 1. In addition the starting salaries for High School graduates („Maturanten“) and graduates from academia are shown as Start-M and Start-A curves. The distribution curves have to be interpreted in the following sense: The values in k€ at 25% are those where 25% of the respective people lie either below or above the respective salaries. The salary at the 50% value represents the amount where 50% of the people lie below and 50% lie above (median).



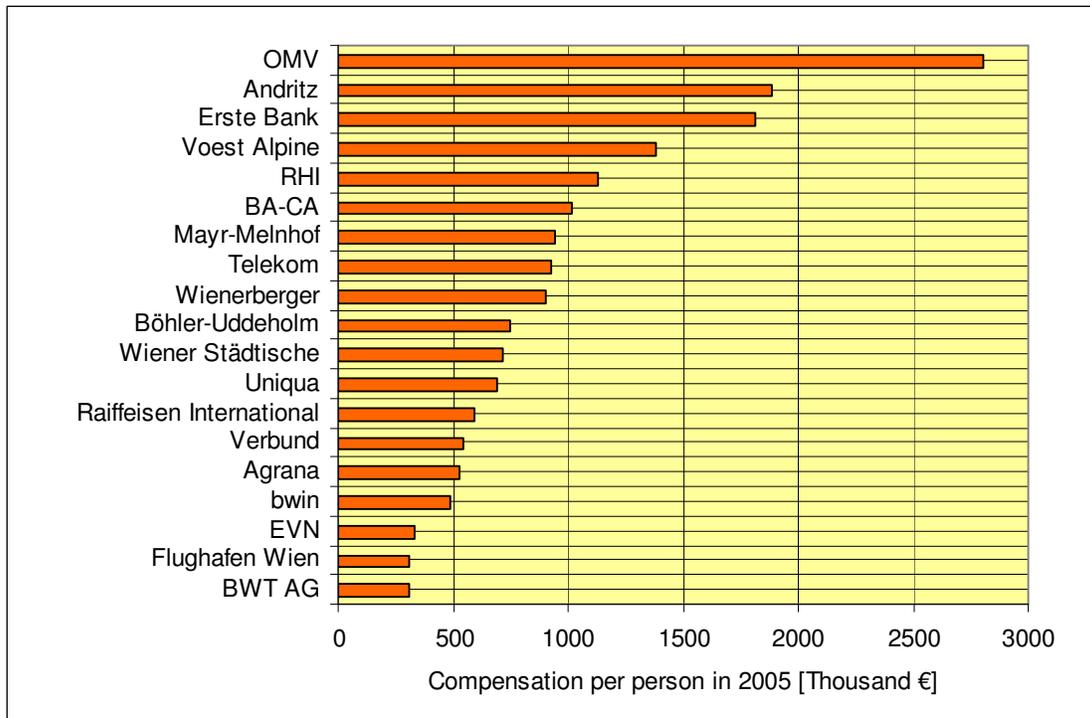
**Figure 2:** Distribution parameters of salaries shown in Figure 1. Asymmetry and Width are explained in the text.



**Figure 3:** Age of the position holder vs. annual salary.



**Figure 4:** Typical development of salaries in Austria with professional experience.



**Figure 5:** Salary of top executives in the largest companies traded on the Austrian stock exchange in Vienna.

### 3 Salary of Austrian Top Executives in 2005

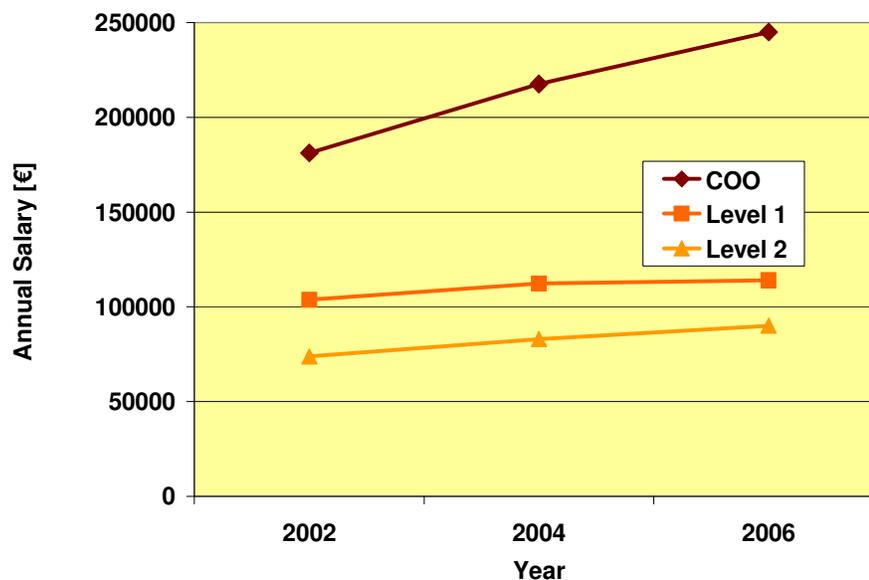
Now that we have arrived at the nice topic of salary increases we might as well check at the top – Figure 5 provides an overview of the top salaries in Austria.

### 4 Austrian Salaries for Management by level (2006)

We will start the discussion of 2006 and recent trends by providing an overview over the total annual salaries, paid in top management of companies in Austria in Table 2. The German word “Geschäftsführer” was translated as the position of the COO (chief operating office). In addition the salaries of the first two management levels below the COO are also shown. Between the years of 2002 and 2006 the observed salary increases correspond to 8,8% per year for the COO and 2,5% and 5,5% per year for the level 1 and level 2 below the COO. These trends can also be seen well in Figure 6. To assess these numbers one can e.g. compare them to the salaries of the top executives of the companies traded at the Austrian stock exchange (see Figure 5 above) to see that the latter are very far above what a COO makes on average in Austria. Furthermore the COO salary values in Table 2 and Table 4 below do not match exactly – this is due to the different data sources which most likely represent different samples ([5] and [6]). It needs to be stressed that the studies, mentioned in [5] are consistent ones over the years and hence represent the trends in an excellent way.

Annual Salaries in €			
	COO	Level 1	Level 2
2002	181200	103700	73800
2004	217600	112300	82900
2006	245000	114000	90000

**Table 2:** Basic data used for the statistics, displayed below – source is [5]. For 2002, 2004 and 2006 the annual salaries of a COO, the first and the second level below the COO are shown.



**Figure 6:** Basic for 2002, 2004 and 2006 the annual salaries of a COO, the first and the second level below the COO are shown [5].

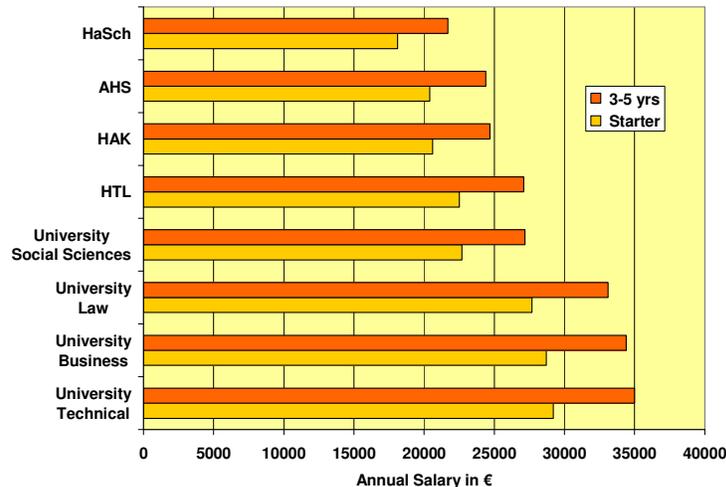
## 5 Austrian Salaries for Starters and People with 3-5 years experience (2006)

For 2006 we have widened our scope of discussion to a broader range of positions. The first result of this is Table 3 and Figure 7 which show the annual salaries for starters and people with some job experience. The spread between the values of graduates from technical, business and law schools is not very high – both at the beginning of their career as well as after a few years of experience. We do see a gap of about 20% between this group and the graduates from social sciences which face a significantly lower compensation. This situation is also preserved for employees with 3-5 years experience.

Education	Starter	3-5 yrs
University Technical	29200	35000
University Business	28700	34400
University Law	27700	33100
University Social Sciences	22700	27200
HTL	22500	27100
HAK	20600	24700
AHS	20400	24400
HaSch	18100	21700

**Table 3:** Annual salaries in € used for the statistics, displayed below – source is [6]. Salaries for starters and professionals with 3-5 years of job-experience are shown for different branches of education. HTL, HAK, AHS and HaSch are “Höhere Technische Lehranstalt, Handelsakademie, Allgemeinbildende Höhere Schule and Handelsschule”. These terms refer to education with a technical degree (HTL), commercial focus (HaSch, HAK) and the equivalent to a high school diploma (AHS) – all these diplomas are received with age 18 or 19 by students.

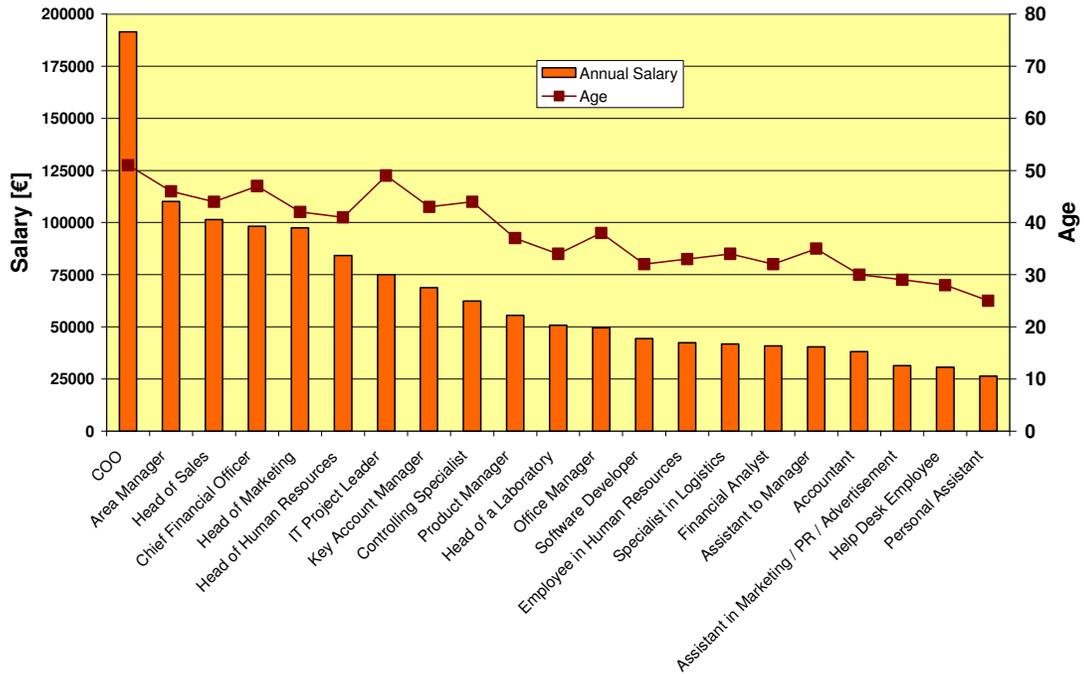
## 6 Austrian Salaries for 20 typical positions, categorized by age (2006)



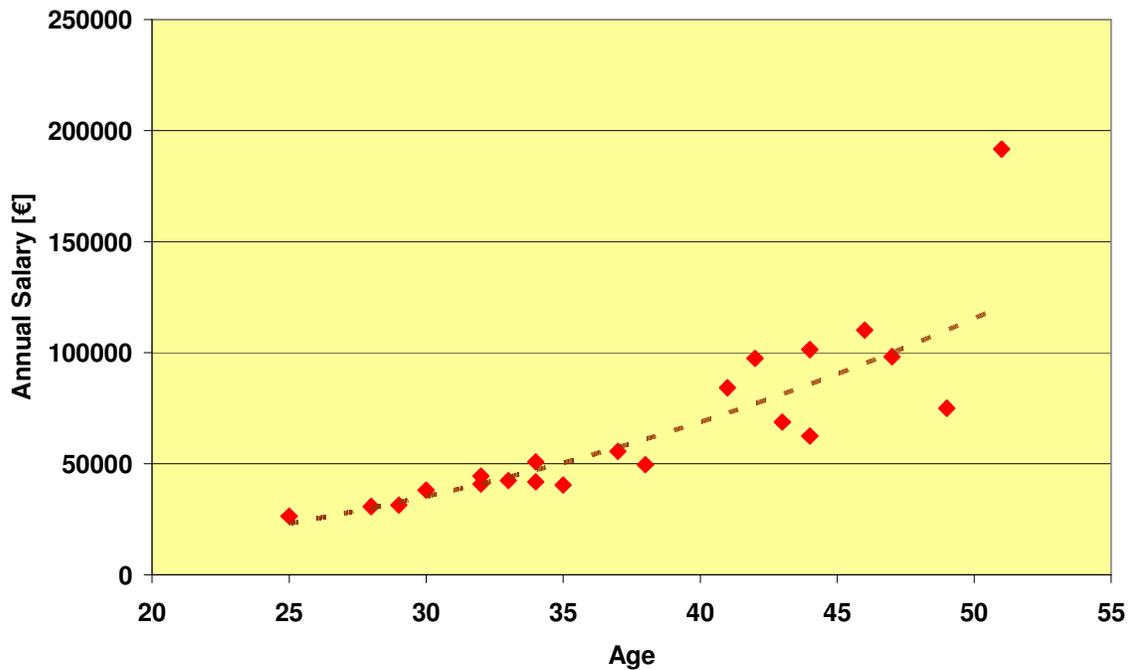
**Figure 7:** Salaries for starters and professionals with 3-5 years of job-experience are shown for different branches of education – source is [6]. For explanation of HTL, HAK, AHS and HaSch see Table 3.

Position	Austria	Germany
COO	191600	92600
Area Manager	110100	
Head of Sales	101400	
Chief Financial Officer	98200	
Head of Marketing	97400	
Head of Human Resources	84200	
Law Professional		82100
Pilots, Air Traffic Controller		77800
Business Consultant		76200
Physicians		75900
IT Project Leader	75000	
Leading Position in Public Administration		71500
Mechanical Engineer		71500
Electrical Engineer		70500
Key Account Manager	68800	
Controlling Specialist	62400	
Product Manager	55500	
Banking professional		53900
Head of a Laboratory	50800	
Office Manager	49500	
High School Teacher ("Gymnasium")		46600
Retail / Wholesale Professionals		45600
Software Developer	44400	
Employee in Human Resources	42400	
Specialist in Logistics	41800	
Craftsman, Mechanical		41200
Office Professional		41100
Financial Analyst	40800	
Assistant to Manager	40400	
Accountant	38100	
Craftsman, Electrical		36300
Health Care Professional, Nursing		34800
Train "driver"		33700
Assistant in Marketing / PR / Advertisement	31400	
Help Desk Employee	30700	
Carpenter		29500
Sales Staff, retail		29400
Postman		28900
Truck Driver		28600
Personal Assistant	26300	25800
Security Staff		22300
Janitor		21800
Barber		15800

**Table 4:** Average annual salaries in Euros and average ages for the respective positions. The "Austrian" data are displayed in Figure 8 below – sources are [6] and [17].



**Figure 8:** Average annual salaries and age for the positions described in Table 4. Source is [6].



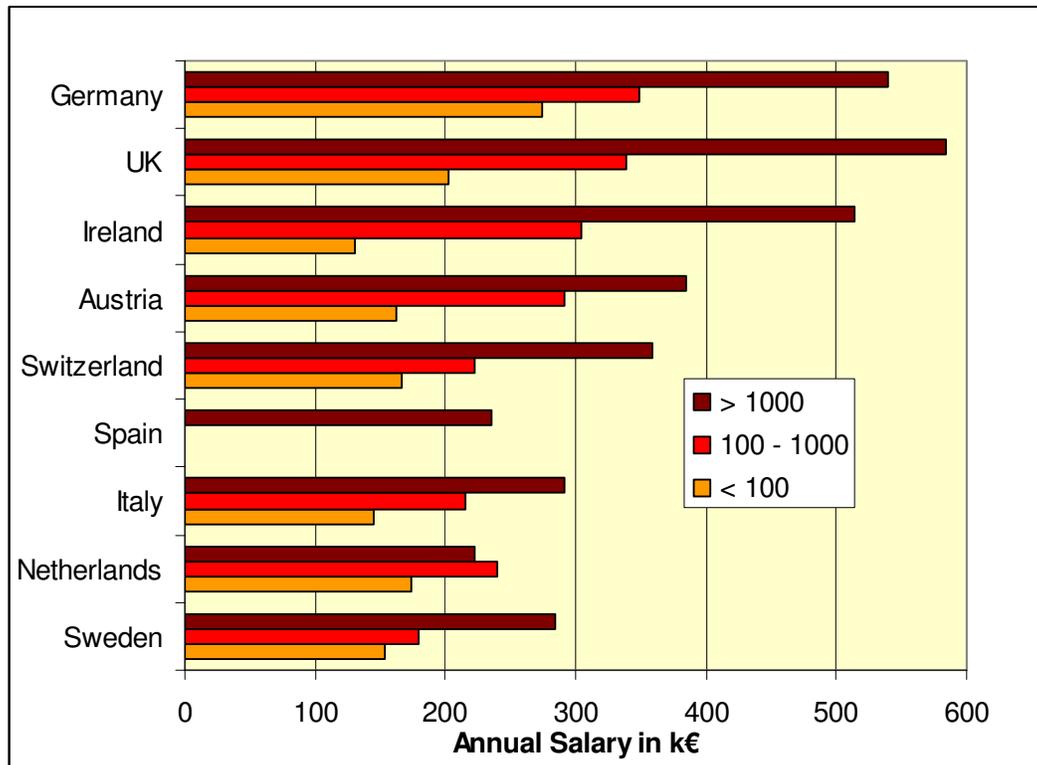
**Figure 9:** Correlation between age and annual salary for the positions described in Table 4. Source is [6].

	Salary 1	Salary 2	Age 1	Age 2
<b>COO</b>	<b>184</b>	<b>192</b>	<b>51</b>	<b>51</b>
<b>Key Account Manager</b>	<b>67</b>	<b>69</b>	<b>43</b>	<b>43</b>
<b>Financial Analyst</b>	<b>40</b>	<b>40</b>	<b>32</b>	<b>32</b>
<b>Head of Human Resources</b>	<b>81</b>	<b>84</b>	<b>41</b>	<b>41</b>
<b>Head of Marketing</b>	<b>94</b>	<b>97</b>	<b>42</b>	<b>42</b>

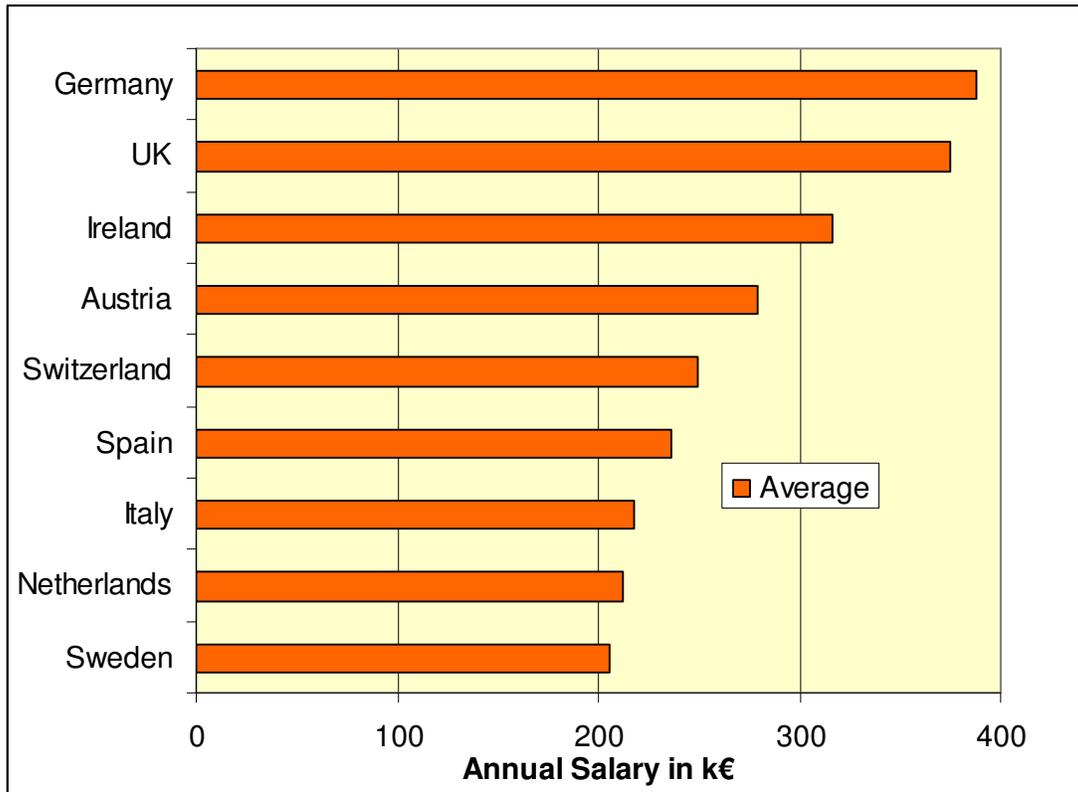
**Table 5:** Comparison between published values in sources [1] and [6]. Average annual salaries in Euros and average ages for the respective positions. These data are also displayed in Tables 1 - 4 and Figures 1-3, 8, 9.

## 7 European comparison of COO and related salaries in 2006.

As announced we will enlarge the scope of our publication to Europe. As a first step we are now showing a comparison of the COO-salary levels on a European scope in Figures 10 and 11 as well as Table 6 below.



**Figure 10:** Comparison between published values of COO salaries in Europe. As these numbers depend on the size of the company they are split into three categories: companies below 100 employees, between 100 and 1000 and companies with more than 1000 employees. The data source is [7]. In Table 6 we are displaying the numbers.



**Figure 11:** Comparison between published values of COO salaries in Europe. These numbers depend on the size of the company and are hence split into three categories (Fig. 10, Table 6). Here we show the average values. The data source is [7]. In Table 6 we are displaying the numbers.

	Number of Employees			Average
	< 100	100 - 1000	> 1000	
Sweden	153	180	284	206
Netherlands	173	240	222	212
Italy	145	216	291	217
Spain			236	236
Switzerland	166	223	359	249
Austria	162	291	385	279
Ireland	131	304	514	316
UK	202	339	584	375
Germany	274	349	540	388

**Table 6:** Comparison between published values of COO salaries in Europe – values are in k€. As these numbers depend on the size of the company they are split into three categories: companies below 100 employees, between 100 and 1000 and companies with more than 1000 employees. The data source is [7]. In Figures 10 and 11 we are displaying the numbers.

## 8 Typical Salaries in Austria for High Level Positions (2006)

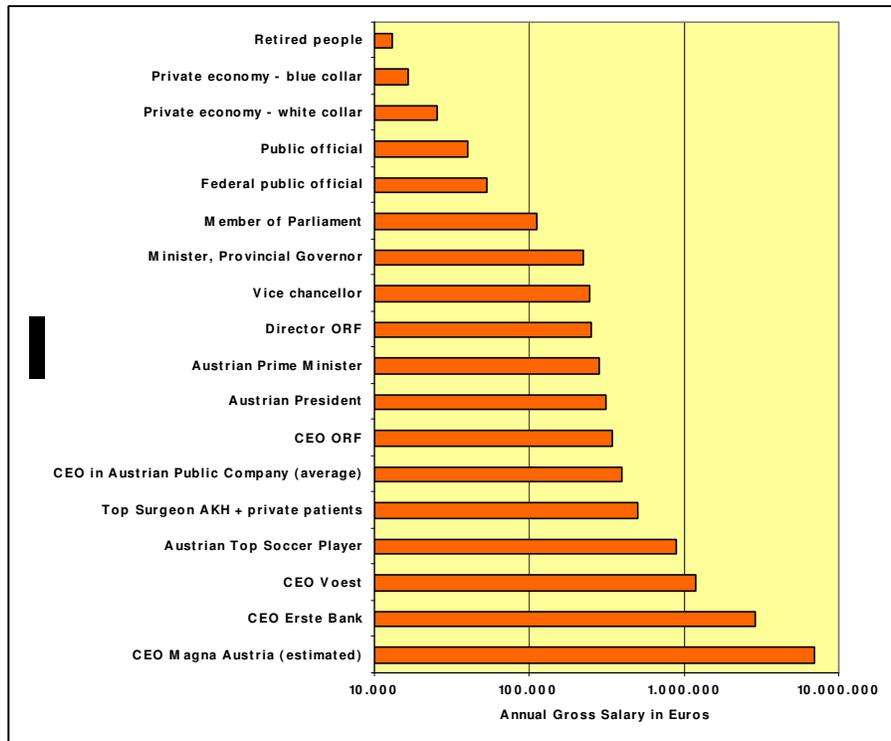


Figure 12: A listing of typical salaries in Austria as published in Profil, on November 19, 2007 [8].

Position	Annual Salary
CEO Magna Austria (estimated)	7.000.000
CEO Erste Bank	2.900.000
CEO Voest	1.200.000
Austrian Top Soccer Player	900.000
Top Surgeon AKH + private patients	500.000
CEO in Austrian Public Company (average)	400.000
CEO ORF	340.000
Austrian President	314.500
Austrian Prime Minister	280.800
Director ORF	250.000
Vice chancellor	247.000
Minister, Provincial Governor	224.000
Member of Parliament	112.300
Federal public official	52.800
Public official	40.390
Private economy - white collar	25.270
Private economy - blue collar	16.700
Retired people	13.120

Table 7: Numbers, shown in Figure 12, based on data from [8].

9 Top Salaries - Details for Austria and International Comparison (2005/2006)

Position	2006	2005	Position	2006	2005
A-Tec Industries	1.800	1.300	KTM Power Sports	305	347
Agrana	580	629	Mayr-Melnhof	1.200	1.100
Andritz	2.200	1.800	Oösterr. Post AG	635	-
Austrian Airlines	334	726	OMV	1.987	1.079
AvW Invest	220	-	Palfinger	598	530
Bene	490	460	Pankl Racing	840	-
Böhler Uddeholm	1.038	897	Polytec	540	530
Brain Force	430	365	Raiffeisen Int.	1.400	-
Bwin	548	-	RHI	1.600	1.100
BWT	260	-	Rosenbauer	830	810
CA Immo	366	309	S&T System Int.	430	-
Christ Water Tech	254	170	Schoeller Bleckmann	1.500	1.300
Constantia Packaging	1.040	490	Strabag SE	1.030	-
Do & Co	241	-	SW Umwelttechnik	736	338
Eco Business Immo	689	627	Telekom Austria	2.200	730
Erste Bank	2.968	2.557	Uniqua	840	840
EVN	420	390	Verbund	706	578
Eybl Int.	380	380	Voestalpine	1.300	-
Flughafen Wien	433	335	Warimpex	560	-
Fraunthal Holding	340	-	Wiener Städtische	990	896
Hirsch Servo	340	330	Wienerberger	1.385	1.294
Intercell	689	470	Wolford	630	-
JoWood	140	-	Zumtobel	1.000	560
Kapsch TrafficCom	450	-			

Table 8: Top Salaries in Austria, based on data from [9].

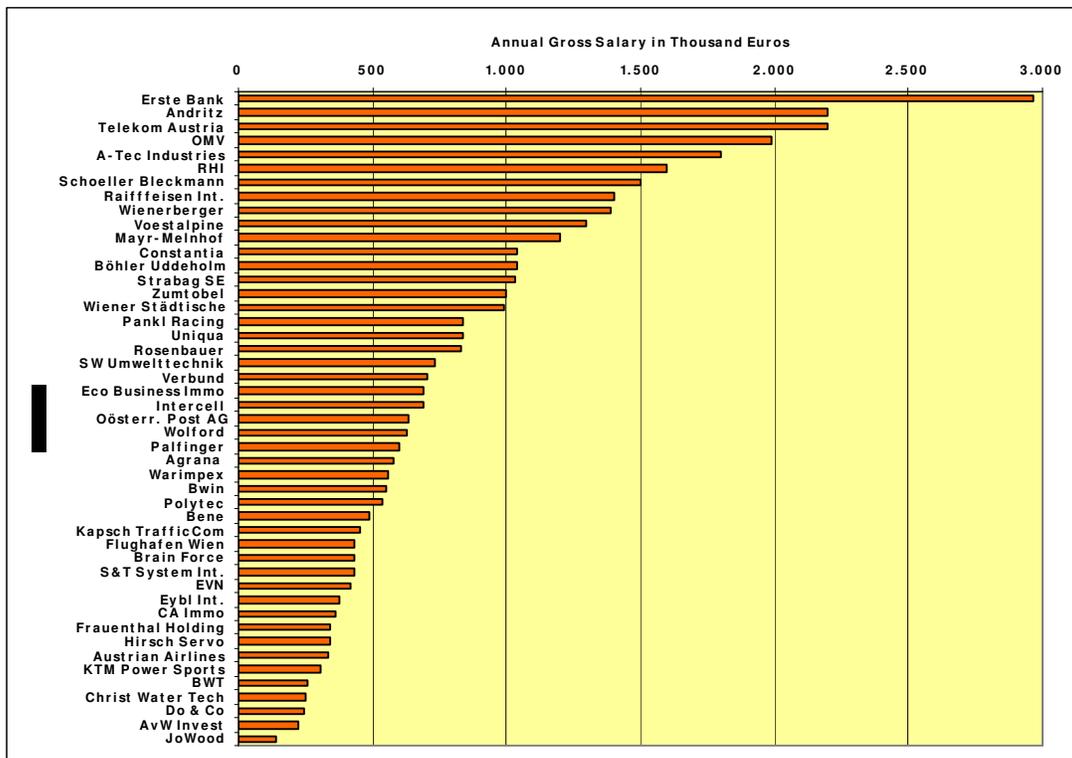


Figure 13: Top Salaries in Austria, based on data from [9].

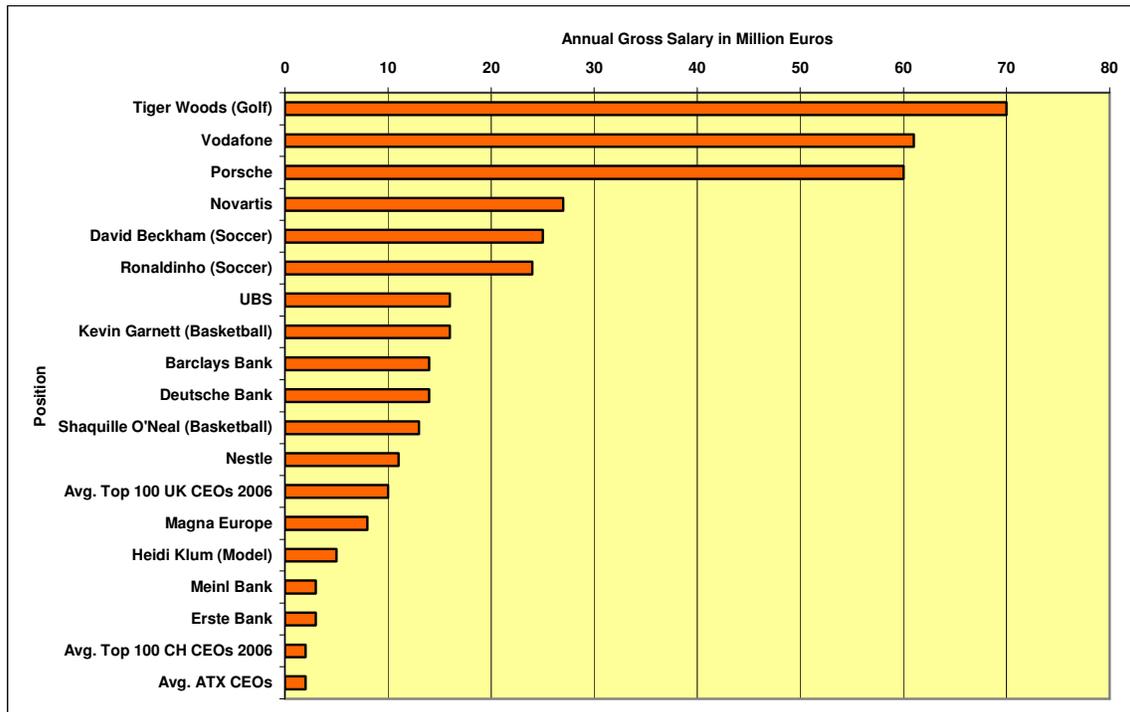


Figure 14: International Top Salaries, based on data from [9].

## 10 Engineering Salaries in Germany (2006)

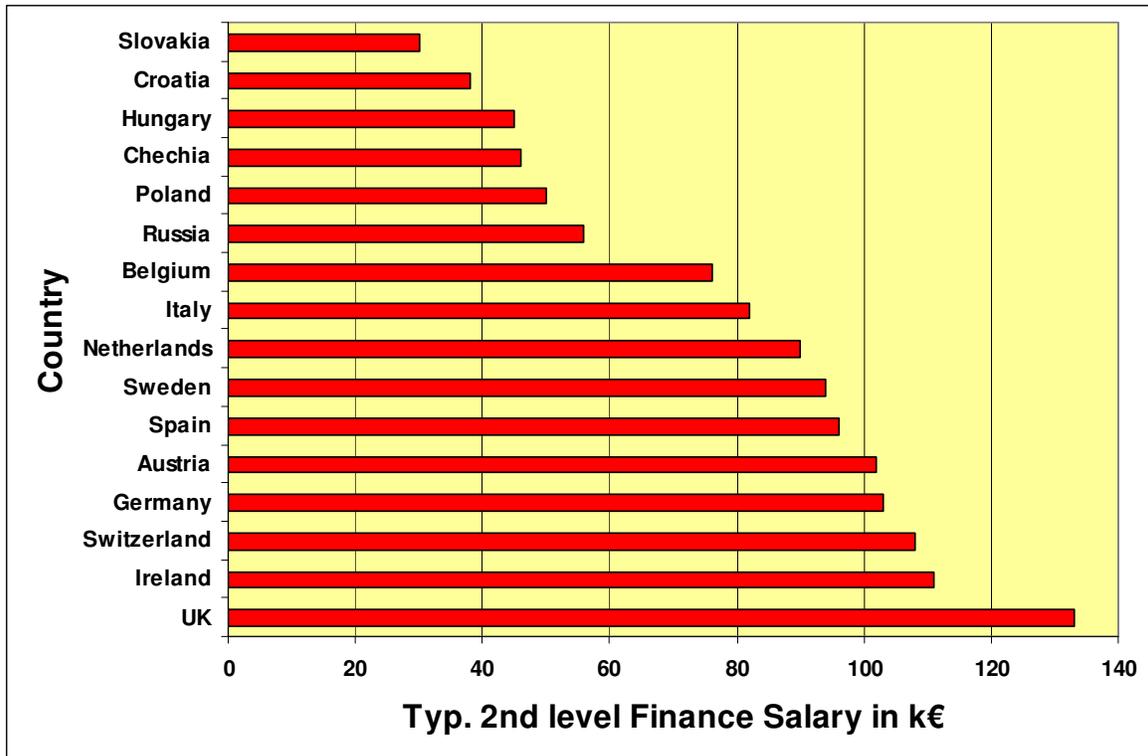
	Clerk	Engineer	Projectmanager	Teamleader	Manager
Plant Construction	44.300	47.700	60.000	68.300	74.100
Car Manufacturers	49.700	47.800	64.800	75.000	81.600
Automotive Supplier	47.200	50.100	64.400	69.500	75.600
Construction Industry	36.000	41.500	52.500	n. a.	n. a.
Chem. / Pharm. Industry	50.300	49.000	68.000	70.300	72.600
Electronics / Electrical Industry	44.600	47.300	61.600	67.200	77.400
Energy Provider	44.500	43.900	64.400	n. a.	n. a.
IT	46.700	47.600	61.300	66.800	n. a.
Engineering	37.100	39.600	50.000	n. a.	n. a.
Mechanical Engineering	45.000	47.800	58.500	66.000	70.000
Average	43.600	45.700	59.500	65.700	70.600

Table 9: Engineering salaries in Germany shown for different industries and positions, based on data from [11].

## 11 Entry Salaries for Engineers in Austria (2008)

Entry salaries for engineers “fresh from universities” are typically 2500 to 2800 € per month - values of up to 3300 € have been seen [15]. To quantify this statement for international comparison one needs to remember that in Austria gross salaries per month have to be multiplied by 14 to get the annual values. So those annual values are 35000 – 39200 € per year with the highfliers at 46200 €.

## 12 European Salaries – a broader comparison



**Figure 15:** A comparison of annual salaries of Financial Positions 1 level below the CEO, based on data published in [15].

Annual Salary in k€			
UK	133	Italy	82
Ireland	111	Belgium	76
Switzerland	108	Russia	56
Germany	103	Poland	50
Austria	102	Chechia	46
Spain	96	Hungary	45
Sweden	94	Croatia	38
Netherlands	90	Slovakia	30

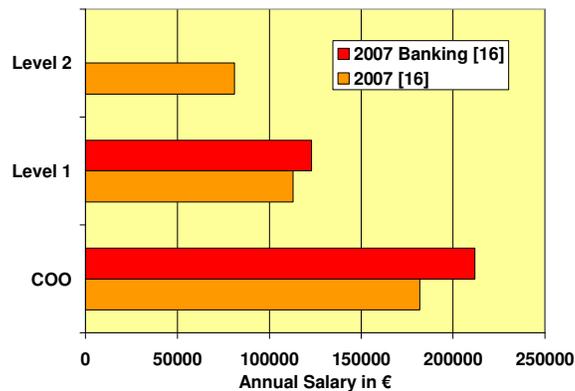
**Table 10:** A comparison of annual salaries of Financial Positions 1 level below the CEO, based on data published in [15].

### 13 Austrian Salaries for Management by level and with a Special on Banking (2008)

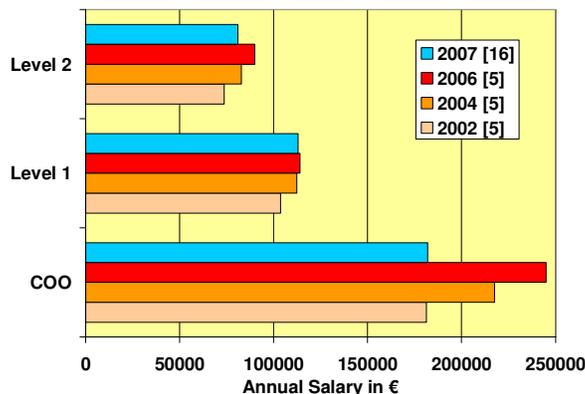
The Austrian “Wirtschaftsforum der Führungskräfte” (WdF) periodically evaluates the compensation situation of its members – see link in [16]. The status as of Spring 2008 for top level management is shown in Table 11 and Figures 16 and 17. For a comparison we also included the data as published in [5]. The difference is due to the different sample and shows the uncertainty of such studies in a clear way. In this respect, our comparison of different publications also contributes to transparency and the right understanding of ambiguity in these numbers.

	Annual Salaries in €		
	COO	Level 1	Level 2
2002 [5]	181200	103700	73800
2004 [5]	217600	112300	82900
2006 [5]	245000	114000	90000
2007 [16]	182000	113000	81000
2007 Banking [16]	212000	123000	n.a.

**Table 11:** A comparison of annual salaries of Financial Positions 1 level below the CEO, based on data published in [15].



**Figure 16:** Annual Salaries for the top three management levels for 2007 as published in [16]. The values for the banking sector are shown separately and indicate that total salaries there are about 30k and 10k Euros above the total average for COO and the first level below.



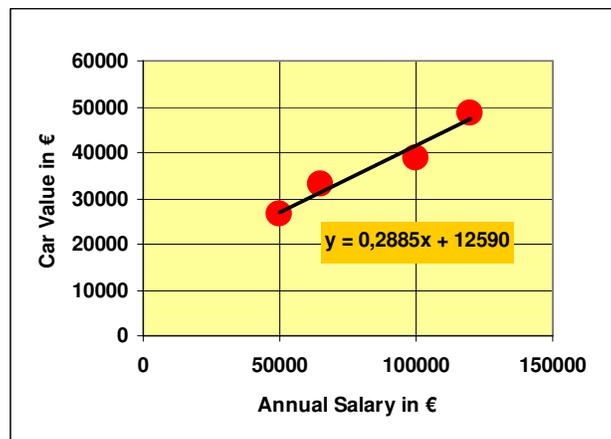
**Figure 17:** Annual Salaries for the top three management levels for 2002 to 2007 as published in [5] and [16]. The values from two different sources show the potential error bars for such datasets.

#### 14 Cars as Part of the Salary

One question often addressed, is the availability of a car within the compensation package. In Table 12 and Figure 18 we show the typical value of a car in correlation with the annual salary level of the employee for Germany [18]. Usage of the car is financially evaluated and part of the salary.

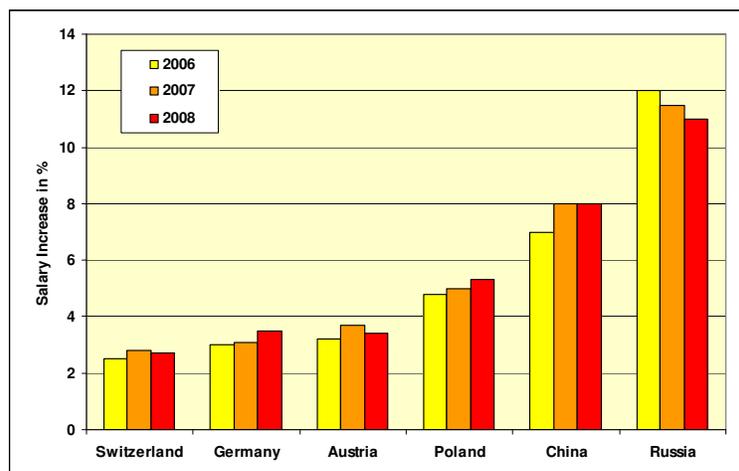
Salary in €	Car Value in €	Car Value / Salary in %
< 50.000	26445	53%
50.000 - 80.000	33002	51%
80.000 - 120.000	38856	39%
> 120.000	48693	41%

**Table 12:** Comparison of car value and range of annual salary for Germany, based on data from [18].

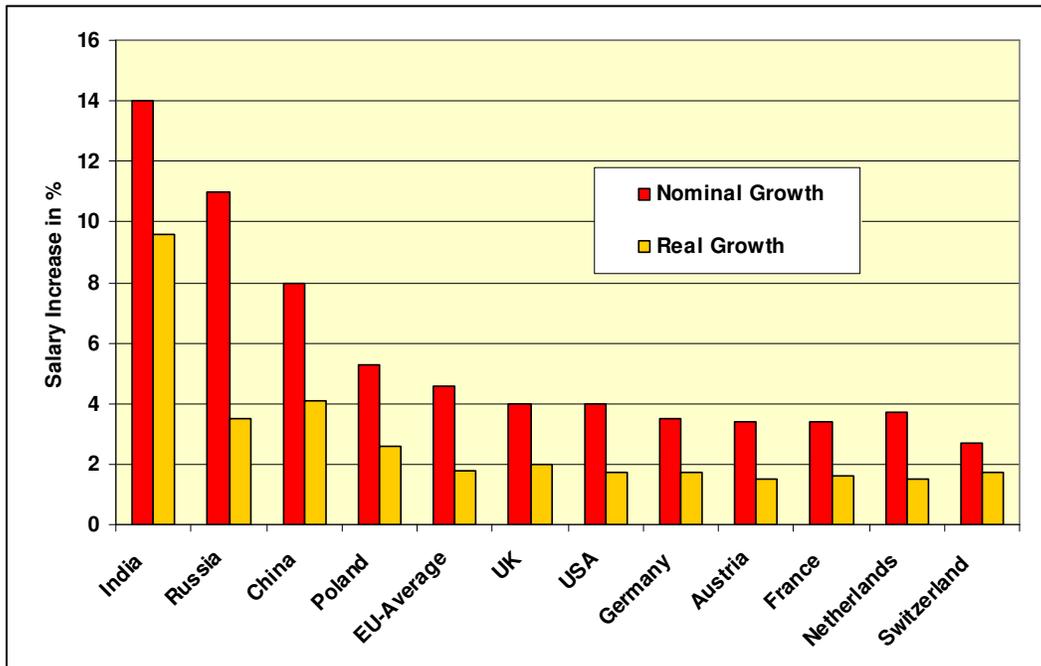


**Figure 18:** Car value in relation to annual salaries for Germany - as published in [18] and shown in Table 12. We also show the equation for the trendline in the chart.

#### 15 Average Salary Growth by Country



**Figure 19:** Average salary growth for selected countries worldwide in 2006, 2007 and 2008 - as published in [23] and [24].



**Figure 20:** Expected average salary growth for selected countries worldwide for 2008 as published in [23].

## 16 Consequences of the economic crisis

In this paper we do not want to ignore the consequences of the economic crisis – however, it is difficult to predict permanent changes in the salary structure of employees. On the immediate effects in Germany there is an excellent internet-resource in reference [27]. One of the results is quoted in Table 13 below and probably needs explanation for readers outside Germany and Austria. The Table displays the % of men and women affected by salary reductions of different nature. Lower boni are certainly an international phenomenon. Lower add-ons and “summer-bonus” as well as “x-mas bonus” are typical for the German and Austrian system where the equivalent of a 13<sup>th</sup> and a 14<sup>th</sup> monthly salary is paid in summer and before christmas. Add-ons are typically addressing compensation for hours beyond what is expected and covered in the contract.

	Men	Women
Lower Boni	17	9
Lower Income	13	7
Lower Add-ons (overtime etc.)	11	6
Lower summer bonus	8	7
Lower X-mas bonus	11	10

**Table 13:** Percentage of men and women affected by salary reductions of different nature. For the explanation see text above, based on data from [27] – timeframe August – December 2009.

## 17 Internet Resources

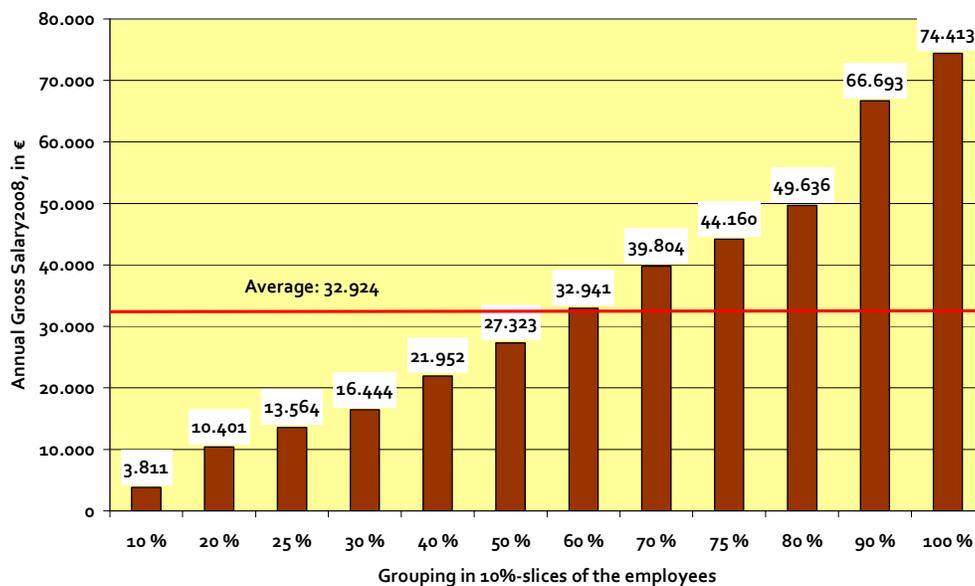
This chapter is a fairly young one in this publication and deals with results which cannot be replicated here in reasonable manner – so we mention the links to those webpages and encourage you to try them out.

<a href="http://www.glassdoor.com">http://www.glassdoor.com</a>	This site offers you amazing insights into US companies and salary levels of a large amount of positions once you agree to reveal ONE dataset of your employment history
<a href="http://www.gehaltsvergleich.com">http://www.gehaltsvergleich.com</a>	This site offers you salary levels for many professions in Germany - as an example try:  <a href="http://www.gehaltsvergleich.com/gehalt/Bankkaufmann-Bankkauffrau.html">http://www.gehaltsvergleich.com/gehalt/Bankkaufmann-Bankkauffrau.html</a>
<a href="http://www.boeckler.de/32207.html">http://www.boeckler.de/32207.html</a>	This site offers you salary levels for many professions in Germany as regulated by the "Tarifvertrag" - this means a guaranteed level of pay.

**Table 14:** Selected internet resources for comprehensive salary data.

## 18 Salary Spread in Austria 2008

In this chapter we are showing the typical annual gross salary for white collar employees in Austria grouped in %-slices of all employees (Figure 21). The conclusion is that the average annual salary of 32.924 is about half of the average income of the top 10%. The equivalent numbers are 70% to 100% higher for the Austrian public sector [36].

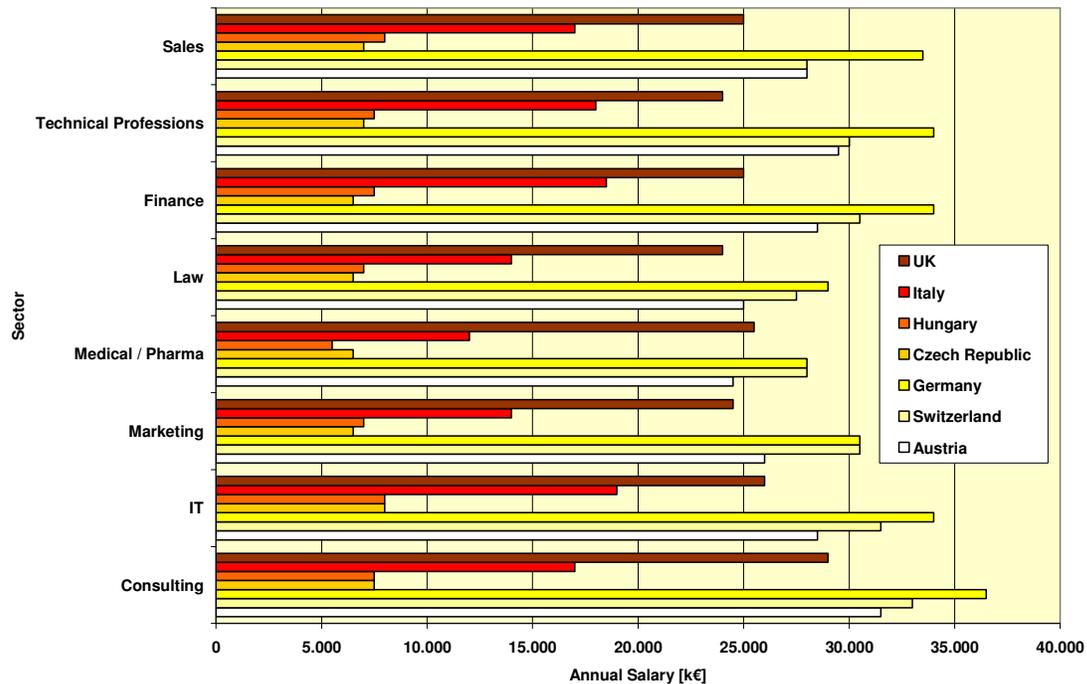


**Figure 21:** Typical annuals gross salary for white collar employees in Austria grouped in %-slices of all employees [36] (decils and quartils).

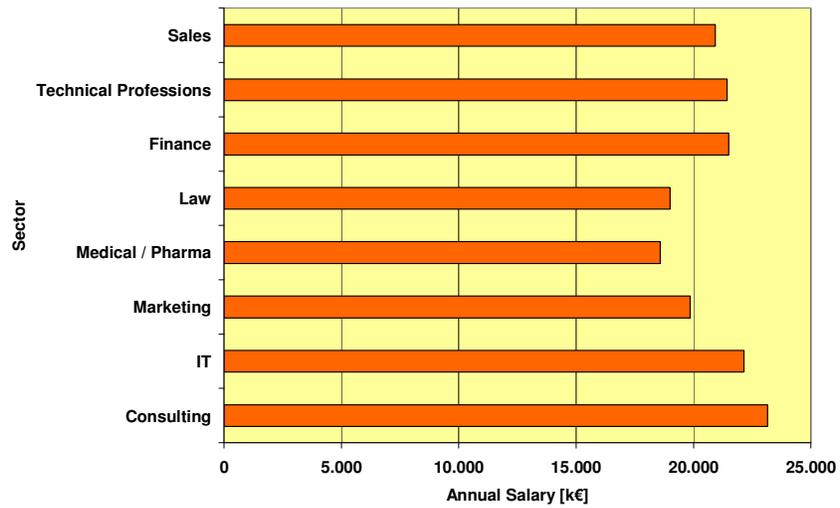
### 19 Starter's Salaries – A European Comparison for Sectors

Sector \ Country	Austria	Switzerland	Germany	Czech Republic	Hungary	Italy	UK	Averages	in %
Consulting	31.500	33.000	36.500	7.500	7.500	17.000	29.000	23.143	100%
IT	28.500	31.500	34.000	8.000	8.000	19.000	26.000	22.143	96%
Marketing	26.000	30.500	30.500	6.500	7.000	14.000	24.500	19.857	86%
Medical / Pharma	24.500	28.000	28.000	6.500	5.500	12.000	25.500	18.571	80%
Law	25.000	27.500	29.000	6.500	7.000	14.000	24.000	19.000	82%
Finance	28.500	30.500	34.000	6.500	7.500	18.500	25.000	21.500	93%
Technical Professions	29.500	30.000	34.000	7.000	7.500	18.000	24.000	21.429	93%
Sales	28.000	28.000	33.500	7.000	8.000	17.000	25.000	20.929	90%
Averages	27.688	29.875	32.438	6.938	7.250	16.188	25.375		
in %	85%	92%	100%	21%	22%	50%	78%		

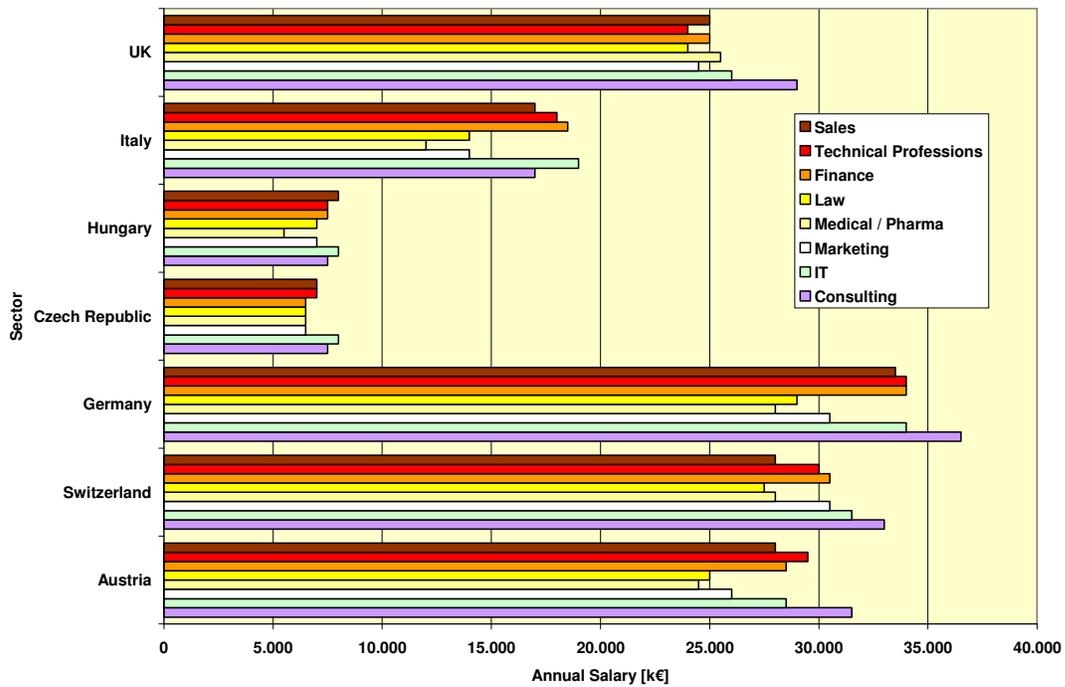
**Table 15:** Starter's salaries in thousand € for annual gross salary in Europe 2006 as published in [37] for 8 sectors and 7 countries.



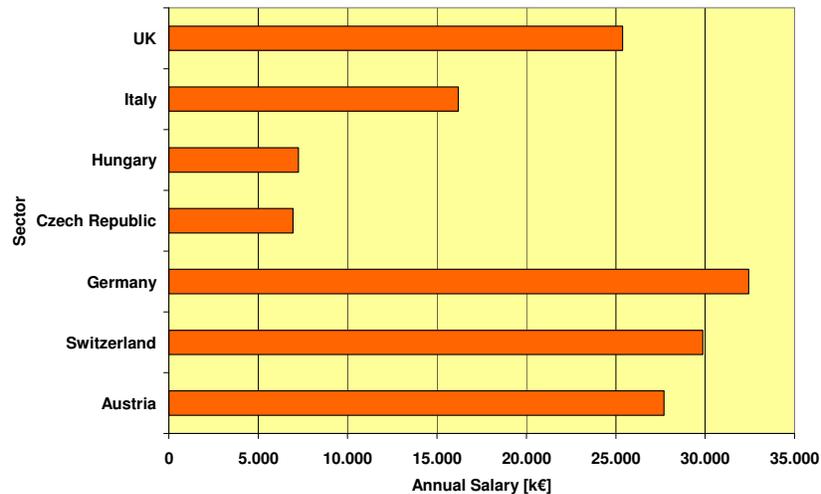
**Figure 22:** Typical annual gross salaries for starters in 7 different European countries, grouped by 8 different sectors [37].



**Figure 23:** Sector averages across 7 different European countries for annual gross salaries for starters as shown in Table 15, [37].



**Figure 24:** Typical annual gross salaries for starters in 8 different sectors, grouped by 7 different European countries [37].



**Figure 25:** Country averages across 8 different sectors for annual gross salaries for starters as shown in Table 15, [37].

When looking at the previous Table and 4 Figures the following conclusions come to mind:

1. While the data are from 2006, present salaries will not be much higher as there were about 2 years of economic crisis, recession and more tense labor markets in between.
2. The data can be taken as indication for a rough comparison of countries and sectors (professions).
3. The range between the lowest ranking law / medical salaries and the highest in consulting is certainly not huge – the significance of these changes diminishes further when considering that people can reach up to 50% salary increases within their first 5 professional years (see Figure 4). The variation between the different professions seems lower in the Eastern European countries, Switzerland and the UK than in Germany, Austria, and Italy (Figure 24).
4. Figure 23 shows that starters do best in Germany, then Switzerland and Austria (100). It seems surprising that the UK is only in 4<sup>th</sup> place. Italy is clearly in between the aforementioned countries and the two Eastern European countries.

## 20 Analysis

**mqs.at** prides itself in thorough analysis of published data. Hence we have compared the data available in source [1] and [6] – both can be traced back to [3]. This is interesting as those values were published with a time-gap of about 8 months. Our conclusion is that we look at nearly identical data samples which show no differences at all in the reported average ages for the listed positions. The salary values seemingly are slightly different but this probably just a question of the chosen representation. While [1] shows the values of those salaries where 25, 50 and 75 % of the affected people make “more than”, [6] quotes the average values. What we could not consolidate are the values for COOs in Tables 2 and 4 which can be traced back to different sources [3] and [5] but the same representation: average annual salary. The conclusion for us is that there is a systematic difference in the respective studies – the most obvious one: a different sample.

A consistent picture can be drawn for the salary development over time for a particular employee. Figure 4 and Table 4 show that 50 % salary increase over the first 10 years (or 25 over the first 3-5) can be observed throughout several educational backgrounds.



When comparing data between the different years and sources, we observe an increase of the salary of the Erste Bank CEO from 1.8M€ to 2.9M€ from 2005 to 2007. This corresponds roughly to a 50% increase of the stock value between spring 2005 and 2007.

From a social point of view it is clear that people with a gross annual salary of 112.000€ as members of parliament simply live in a different world when compared to white and blue collar workers as well as retired people who make an average of 25.000, 17.000 and 13.000€ respectively. While it is clear that excellent and hard work needs to be compensated well.

## 21 Conclusions

We have provided an overview of typical salaries in Central Europe with focus on Austria and Germany. Several conclusions can be drawn clearly.

- The width of the salary values and the typical age of the position holder show a clear correlation with the absolute salary. The width in the lower ranges is about 20% of the absolute salary while this value is 60% in the higher ranges.
- The salary increase throughout a normal career within 30 years is about 150 % while this value is 400 % if one succeeds in walking a path through the ranks.
- When looking at the development of salaries with experience our data tend to suggest that often a 50% salary increase is observed after 5 years of experience, while a doubling of the salary occurs within 20 years.

Updates of this salary document will appear whenever relevant data are being published in order to provide an overview of the development of compensations in Austria. **mqs.at** will also offer a second product line emerging from this document: comparison of compensation levels between different countries. If you should find Sections not clear enough or if information, you expected, was missing, please contact **office@mqs.at** with your feedback.

## 22 Index

<b>Keyword(s)</b>	<b>Table</b>	<b>Figure</b>
Position	1, 4, 5, 7, 12, 14, 15	1, 8, 12, 18
Austria	1, 2, 3, 4, 5, 7, 8, 11, 19, 20, 14, 15	1, 2, 3, 4, 5, 6, 7, 8, 12, 13, 14, 16, 17, 19, 20
Distribution	1, 14	1, 2, 9
Age	5	3, 4, 8, 9
Top Executive	7, 8	5, 12, 13, 14
Management Level	2, 11, 12	6, 16, 17, 18
Multi-Year	2, 11, 19	6, 16, 17, 19
Education	3	7
Starter	3, 15	7, 22, 23, 24, 25
Experience	3, 15	7
Germany	4, 9, 12, 19, 20, 13	18, 19, 20
COO	6	10, 11
European Comparison	6, 10, 19, 20, 15	10, 11, 15, 19, 20, 22, 23, 24, 25
Company Size	6	10
Global	19, 20	14, 19, 20
Engineering	9	
Different Industries	9, 15	
Finance, Banking	10, 11	15, 16
Cars	12	18
Economic Crisis Effects	13	
Internet Resources	14	
Salary spread in Austria	14	

**Table 13: In a nutshell - an overview of the keywords and respective Figures and Tables in this document.**

## 23 References

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- [3] [www.neumann-compensation.com](http://www.neumann-compensation.com).
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- [5] Kienbaum studies on compensation in Austria. Kienbaum Management Consultants Wien, Tuchlauben 8, A - 1010 Wien, Tel.: +43 (1) 533 51 88 – 22, Fax: +43 (1) 533 51 88 – 40, E-Mail: vienna@kienbaum.com, www.kienbaum.at
- [6] Woman, No. 9, April 27<sup>th</sup> 2007, page 74 and following: based on data from Neumann International.
- [7] manager-magazin.de, May 16 2007, MANAGERGEHÄLTER - Land der fetten Katzen; Source: Kienbaum Consultants: <http://www.manager-magazin.de/koepfe/karriere/0,2828,483151,00.html>
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[10] Ziel dieses Dokuments (deutsch): Dieses Dokument gibt einen Überblick über Gehaltswerte in Zentraleuropa mit speziellem Fokus auf Österreich und Deutschland für typische Positionen und Alter der betroffenen Personen. Wir analysieren die Gehaltsverteilungsparameter in Bezug zu den Absolutwerten und wir beleuchten Gehälter im Vergleich zum Alter der Teilnehmer an den Umfragen. Typische Einstiegsgehälter werden diskutiert sowie auch deren Abhängigkeit von der Ausbildung der betroffenen sowie deren Entwicklung mit der Zeit bzw. Erfahrung des Arbeitnehmers. Wir berichten über typische Neupreise von Dienstwagen in Relation zum Gesamtgehalt. Basierend auf Daten aus Deutschland werden Gehälter für typische Ingenieurpositionen evaluiert. Als "Nachtisch" bieten wir noch die typischen Vergütungen der Vorstände der österreichischen Spitzenfirmen, notiert im österreichischen Aktienindex ATX. Die österreichischen Topgehälter werden in einem globalen Kontext präsentiert. Weiters vergleichen wir Geschäftsführer- und Finanzchef-Gehälter im europäischen Umfeld. Wir vergleichen Gehälter von Managern auf unterschiedlichen Ebenen sowie für verschiedene Jahre ab 2002. Mit diesem Dokument erhält man eine grobe Gehalts-Richtlinie für Arbeitgeber und Arbeitnehmer zum bestehenden Arbeitsmarkt.

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[16] Die Presse, Saturday Sept. 6<sup>th</sup> 2008, page K5, source: "Wirtschaftsforum der Führungskräfte (WdF), Gehaltsstudie – about 90 participants from banking". For the short version of "Manager Salaries" as published by the WdF see <http://www.wdf.at/content/site/home/publikationen/studien/article/19.html>

[17] Statistisches Bundesamt Germany for 2006 - published in Süddeutsche Zeitung, Sept. 20<sup>th</sup> 2008.

[18] absatzwirtschaft – Sonderheft Vertrieb 2008, page 61. Original source: Personalmarkt consulting, see <http://www.personalmarkt.de>.

[19] Free salary calculator: <http://www.erieri.co.uk/index.cfm>

[20] Salaries by position in Austria:

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