
universum
Cost of
Talent 2017

About the Survey

Based on the feedback from 533,351 Business and STEM (Science, technology, engineering and mathematics) students from 29 countries who participated in Universum's 2017 Talent Survey.

BUSINESS STUDENTS

STEM STUDENTS

In order to assess the cost of talent in each country we asked Business and STEM students what they expect to earn in their first job after graduating university, the exact question being:

Q) What salary do you expect to earn in your first job after graduation? (Please provide a before-tax salary, excluding commissions and bonuses.)

Introduction - Why Cost of Talent Matters

Talent are more empowered than ever before to choose where they start their professional careers and remuneration will always be a key factor in their employment considerations. Achieving optimum talent attraction requires that you provide competitive wages, however it should not require that you overpay to accomplish this. You have to match your Employer Branding and wages with the salary expectations of your country, market and industry.

Universum's annual Global Talent survey can help you better understand the career expectations of your business and STEM workforce no matter where you operate. Understanding this data should provide you with invaluable insights on how to attract, recruit and retain talent. However, more important than the raw numbers are the trends derived from them. If you can understand these broad global patterns in terms of what talent in your country or region wants, you can take advantage of opportunities that your competitors cannot and therefore build a stronger workforce.

How does employer size/industry affect salary?

Business and STEM talent who want to work for macro employers expect to earn more money

In all the countries that were included in this year's Cost of Talent report, we have found that talent from both fields of study who want to work for macro employers expect to earn more money.

- ☑ Micro employer (Less than 10 employees)
- ☑ Small employer (10-99 employees)
- ☑ Medium-sized employer (100-499 employees)
- ☑ Large employer (500-1000 employees)
- ☑ Macro employer (More than 1000 employees)

Notable business findings:

Business students in Spain who prefer macro employers are the group within business that expect to earn the most. This group expects to earn 31% more than their business peers in the same country who would prefer to work for small employers. Although Swedish business students who prefer macro employers want to earn more they do not have quite such big differences in expectations, expecting only 4% more. These countries are also all in the top 8 of overall salary expectations. These countries have a reputation for higher levels of pay across sectors and if we look at the salary expectations of people who want to work for small employers, we see them ranking highly in the table on the next page.

Increase in expected salary when also choosing a Macro employer over smaller sized employers:

Norway	7 %
Switzerland	6 %
Canada	5 %
Sweden	4 %

Countries with the highest salary expectations for business students

1. Switzerland
2. Denmark
3. United States
4. Norway
5. Germany
6. Australia
7. Sweden
8. Finland
9. France
10. Canada

Therefore, there is a correlation between overall salary expectations and having similar expectations no matter what size of employer they choose. However, the data still shows overall that you will as a macro employer be expected to pay out more for the top talent than smaller employers.

These are the countries where business students who want to work for macro employers expect the most:

Spain	31 %
Kazakhstan	24 %
Portugal	23 %
China	23 %

Country	Diff
1. Sweden	0 %
2. Canada	2 %
3. Norway	3 %
4. Switzerland	4 %
5. Malasyia	4 %
6. Denmark	4 %
7. Singapore	4 %
8. Czechia	5 %
9. Finland	5 %
10. Indonesia	5 %

Salary expectations by market

On the whole, our data shows that STEM talent expect higher earnings than their business counterparts. The largest difference between these two main fields of study can be found in Brazil, where STEM talent expects a salary that is on average 1.3 times higher than what business students expect, a difference of $5,145. This gap is about the same size for both female and male talent.

The country with the second biggest differences in terms of salary expectations between both fields of study is Canada, where this difference is mostly caused by male STEM talent expecting 1.2 times the salary of male business talent, where female STEM talent contributes less to this difference by expecting 1.1 times of what female business talent wants to earn.

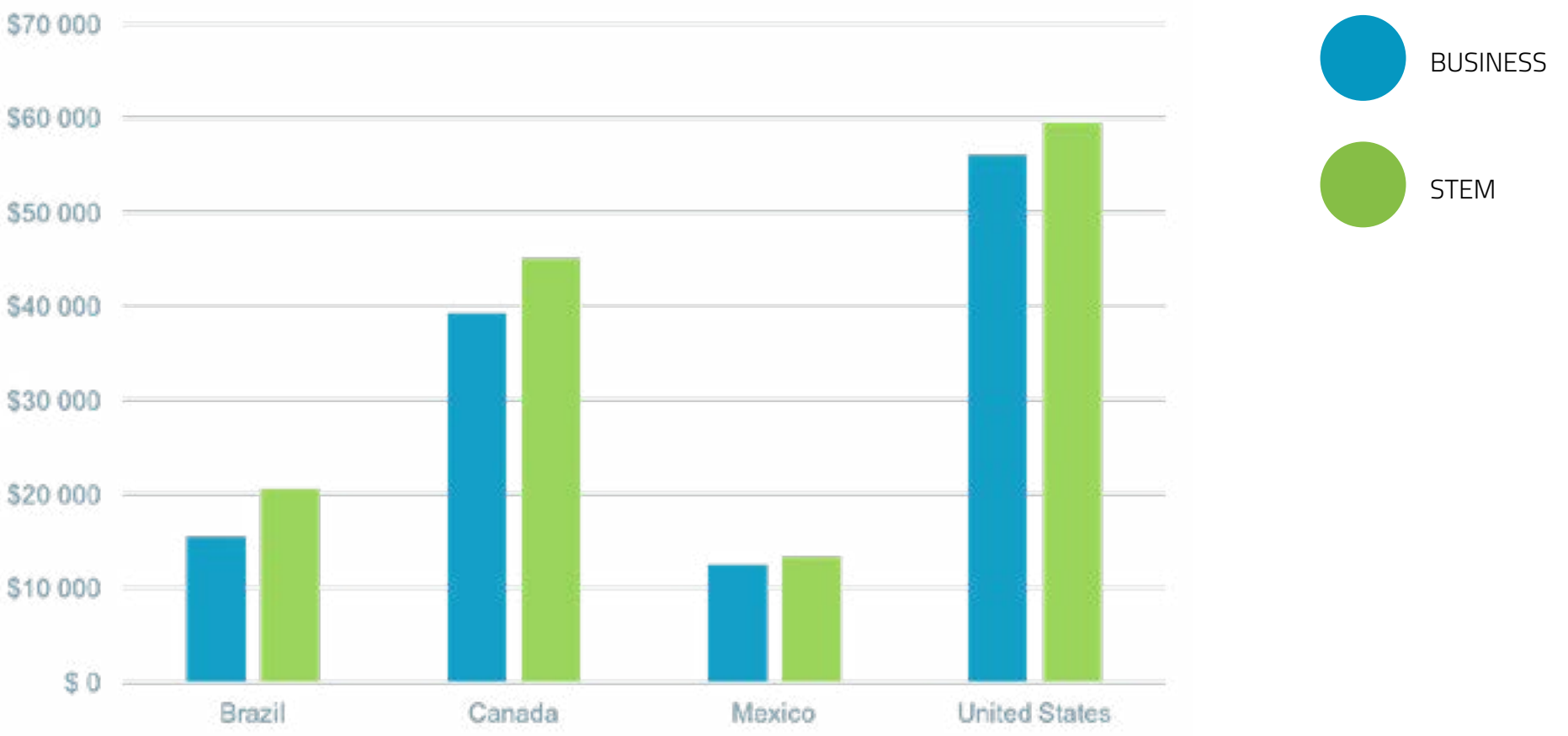
Female UK STEM talent

expect to make less than their female business counterparts

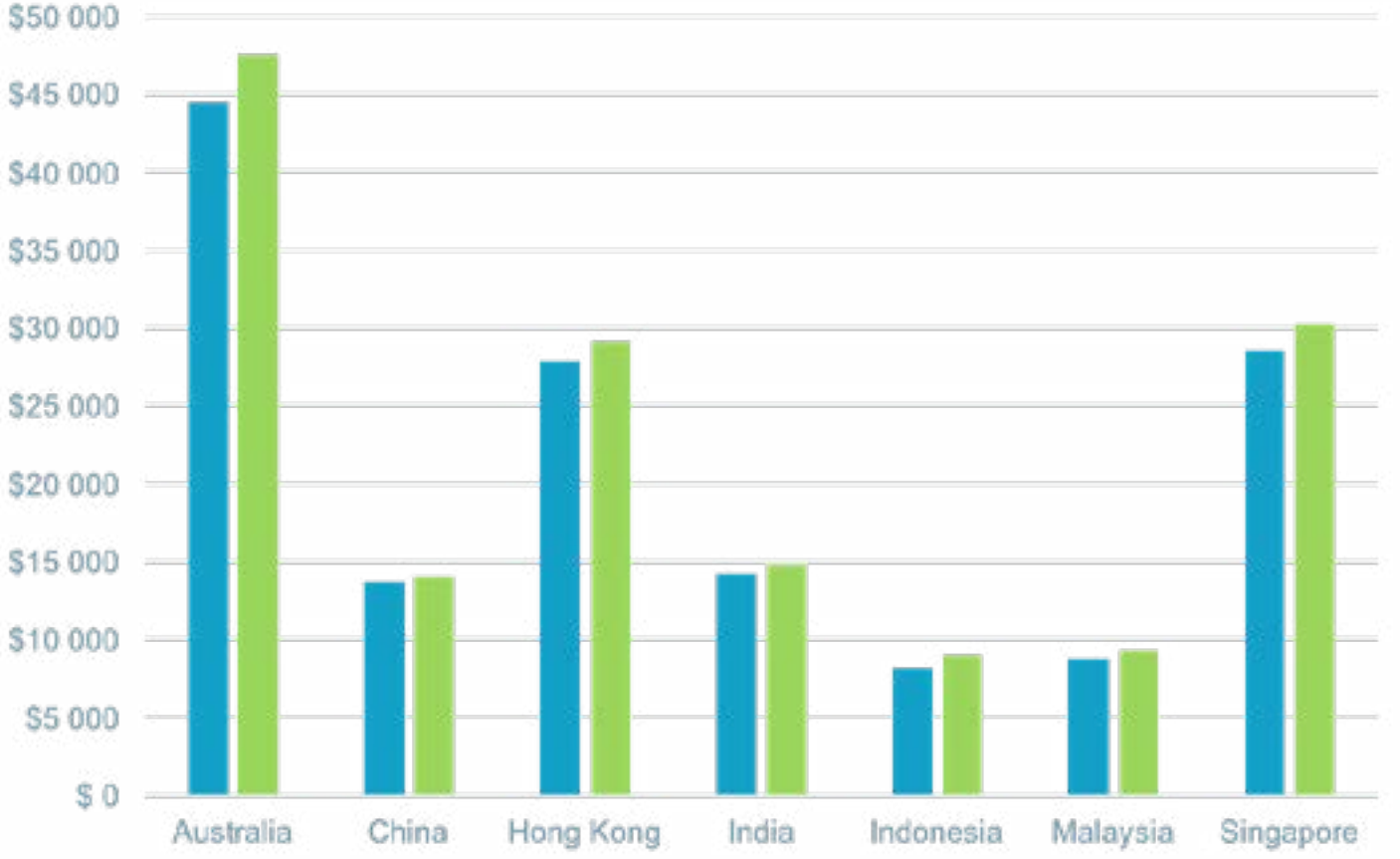
LESS THAN BUSINESS TALENTS

The two countries that are bucking the trend of STEM talent expecting to earn more than Business talent are Russia and the UK. In the UK, Female STEM students expect $1,349 less than their female business counterparts, whereas males in STEM expect $524 less. Russia's female STEM talent expect to make $648 less than females in business while men in STEM expect $1,967 to make less than men in business.

AVERAGE EXPECTED SALARY AMERICAS



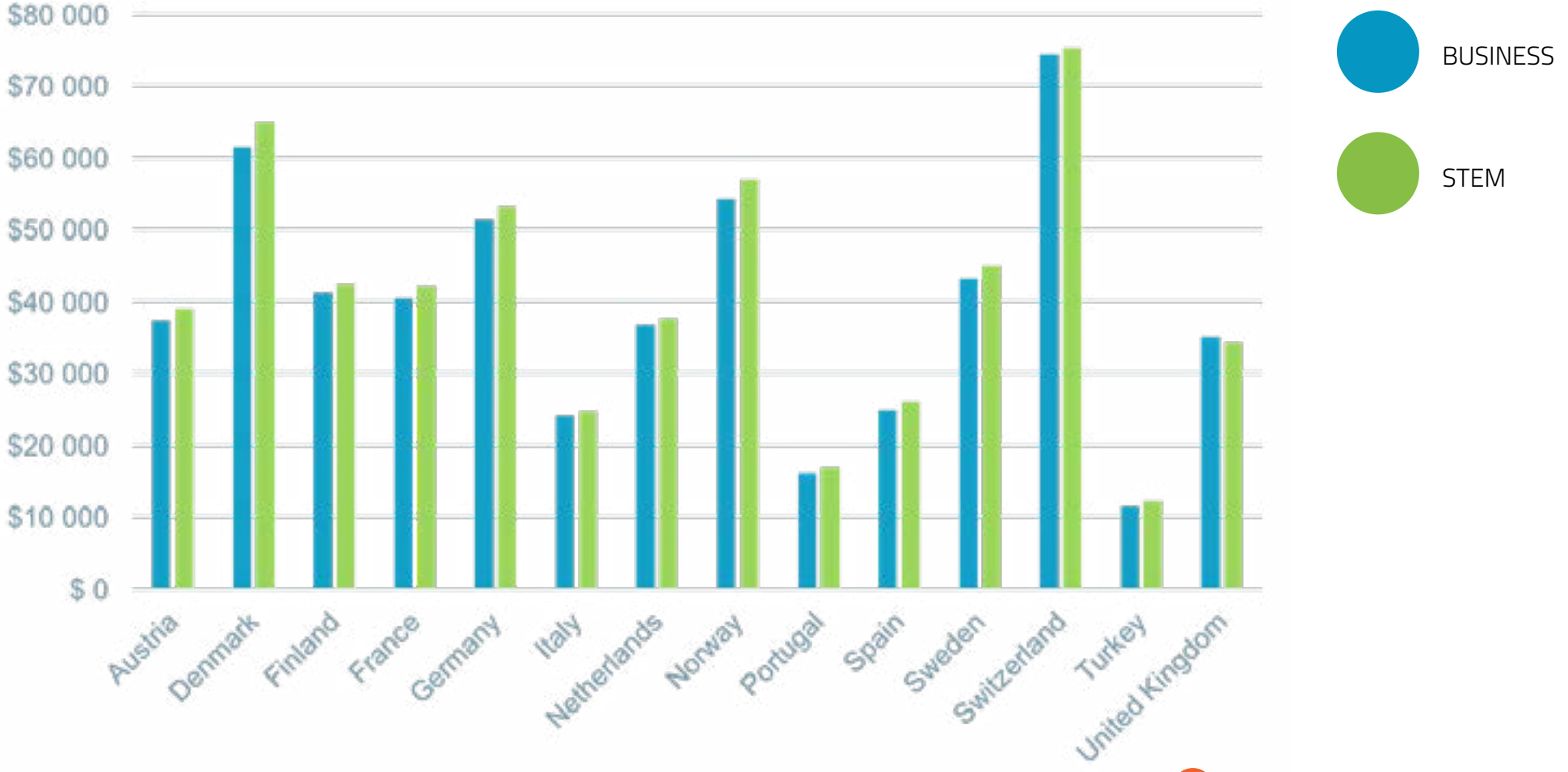
AVERAGE EXPECTED SALARY APAC



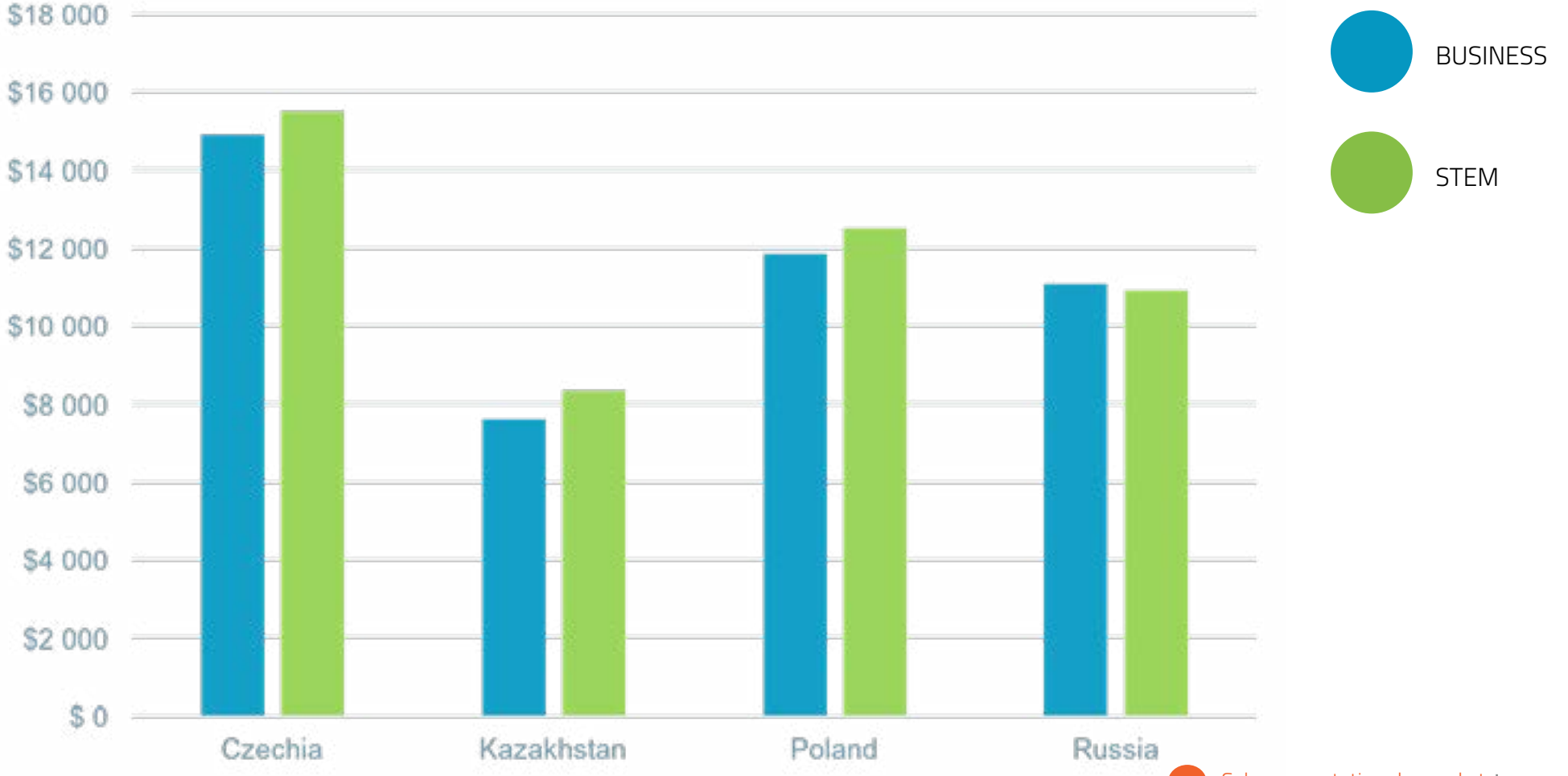
BUSINESS

STEM

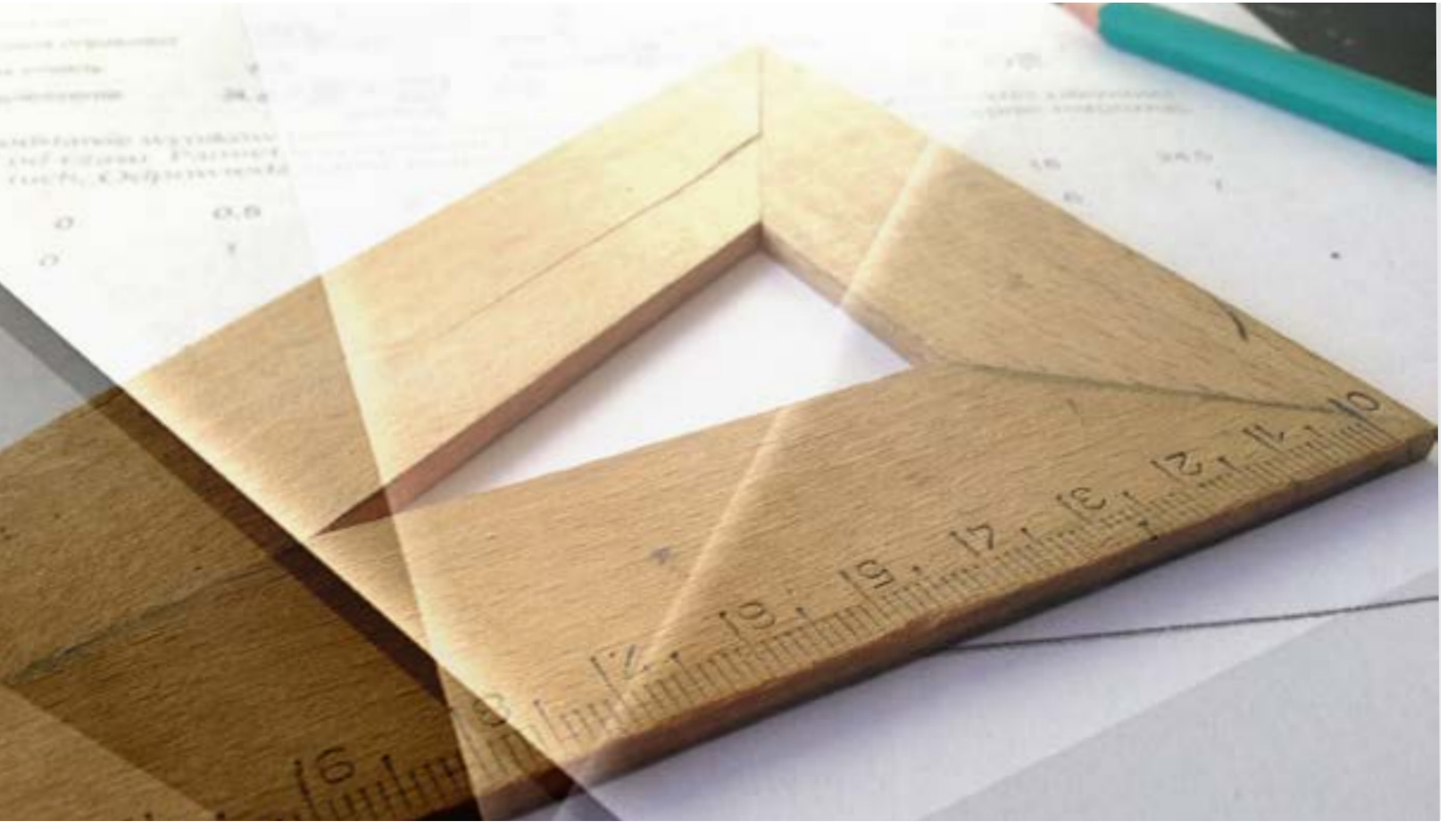
AVERAGE EXPECTED SALARY WESTERN EUROPE



AVERAGE EXPECTED SALARY EASTERN EUROPE



INDUSTRY vs. SALARY EXPECTATIONS?



For business students with the highest salary expectations, the top three most chosen industries were, Aerospace & Defence, Real Estate and Financial Services. Interestingly, STEM students with the highest salary expectations had very similar industry preferences and chose Financial Services, Aerospace & Defence and Management & Strategy Consulting.

In both STEM and Business, a student's choice in industry can play a huge role on their future salary outlook. If we compare the highest and lowest expectations in salary in STEM, India has the most dramatic gap. Those who had the lowest salary expectations chose Health Care Services, while those with the highest salary expectations anticipated earning 1.7 times more by joining the Financial Services industry.

The countries with the lowest gap within the STEM field of study are Norway and Sweden.
In Norway, those who have the lowest salary expectations chose Arts, Entertainment and Recreation as a preferred industry, whereas those with the highest salary expecations chose Construction and Civil Engineering, yet they only expect to earn 1.2 times more. The gap was even lower in Sweden where students with the lowest salary expectations chose Tourism, Hospitality and Leisure Activities and those with the highest salary expectations chose Financial Services. However, those who chose financial services only expected to make 1.1 times more. THIS is interesting as it correlates to the employer size finding and we could use this as further evidence of pay equality in these countries.

Indeed, Business students in Norway and Sweden also had the lowest expected salary difference between industries. In Norway, those with the lowest expectations also chose Tourism, Hospitality and Leisure Activities as a preferred industry, whereas those with the highest chose Real Estate yet they only expect to earn 1.2 times more. In Sweden, business students with the lowest salary expectations chose Auditing and Accounting, while those with the highest expectations choosing Software, Computer Services, Multimedia Development and Digital Entertainment, however they only expected to make 1.1 times more than their counterparts who chose Auditing and Accounting as their preferred industry. Just like we saw when looking at employer size and salary expectations Norway & Sweden are the two stand out countries here in terms of the relative equality in expected salaries.

Gender gap

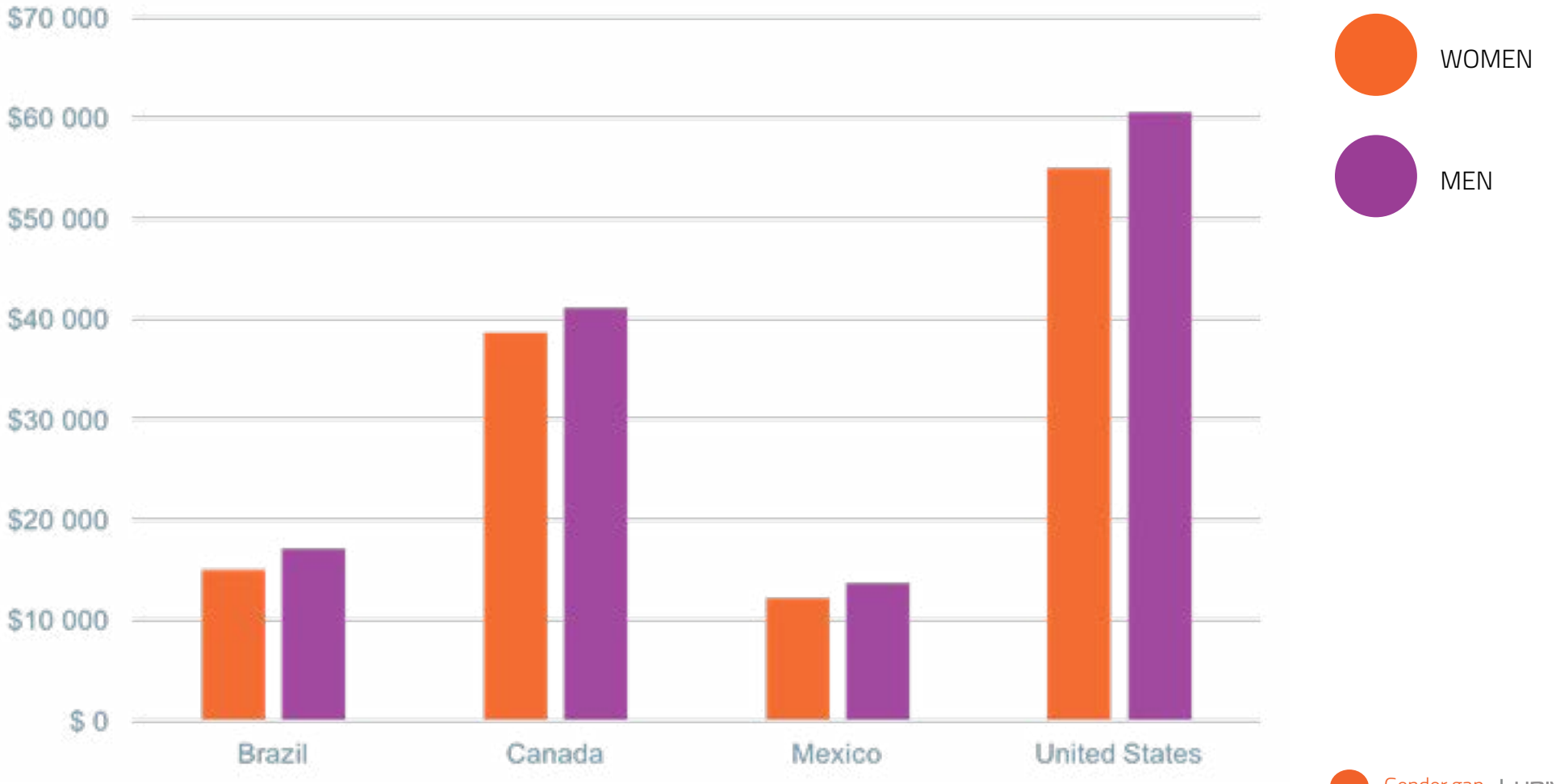
In all of the 29 countries that took part in this report, male talent in both fields of study expect to make more than their female peers. A comparison of salary expectations between genders from this year's survey shows that business talent from Malaysia, Sweden and Canada have the smallest gap in salary expectations, whereas business talent from Russia, India and Spain displayed the biggest disparity in terms of expected income.

Sweden, Malaysia and Singapore have the closest matched salary expectations among male and female STEM talent. Our survey found that the countries with the biggest contrast in expected earnings amongst male and female STEM talent were the Netherlands, Canada and Indonesia.

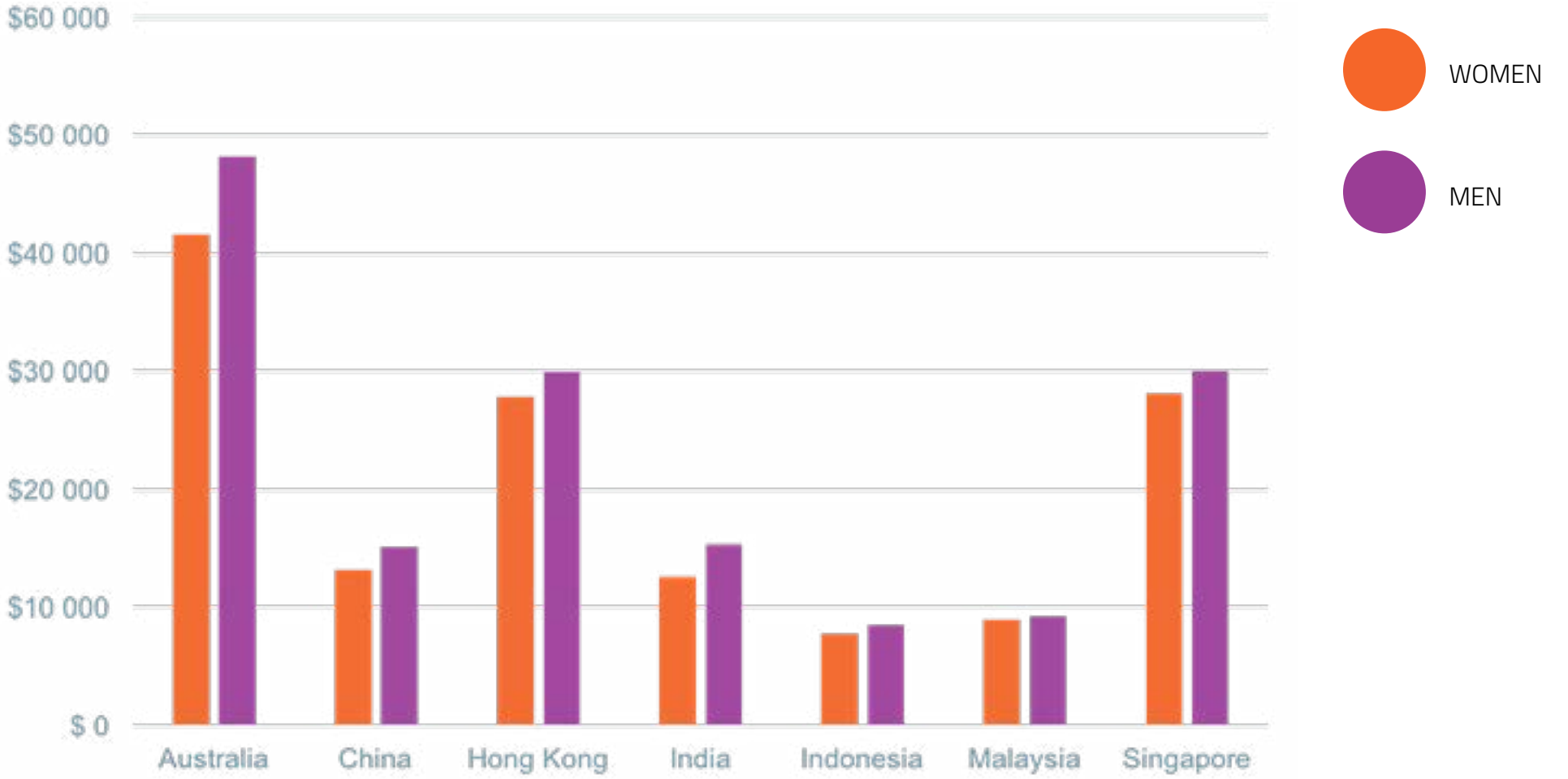
There is no clear-cut explanation as to why male talent have continued to demand and negotiate higher salaries. If female talent do not demand higher wages during negotiations, the gap will not be narrowed unless employers are proactive and voluntarily provide higher wages to women without being asked for them.

From an Employer Branding perspective, taking the initiative to address this pay gap issue head-on could provide a unique advantage for your employer brand. Employers who are willing to take this approach will more than likely not only attract more top female candidates but increase in attractiveness among their female demographic since they are taking initiative to address the gender pay gap issue.

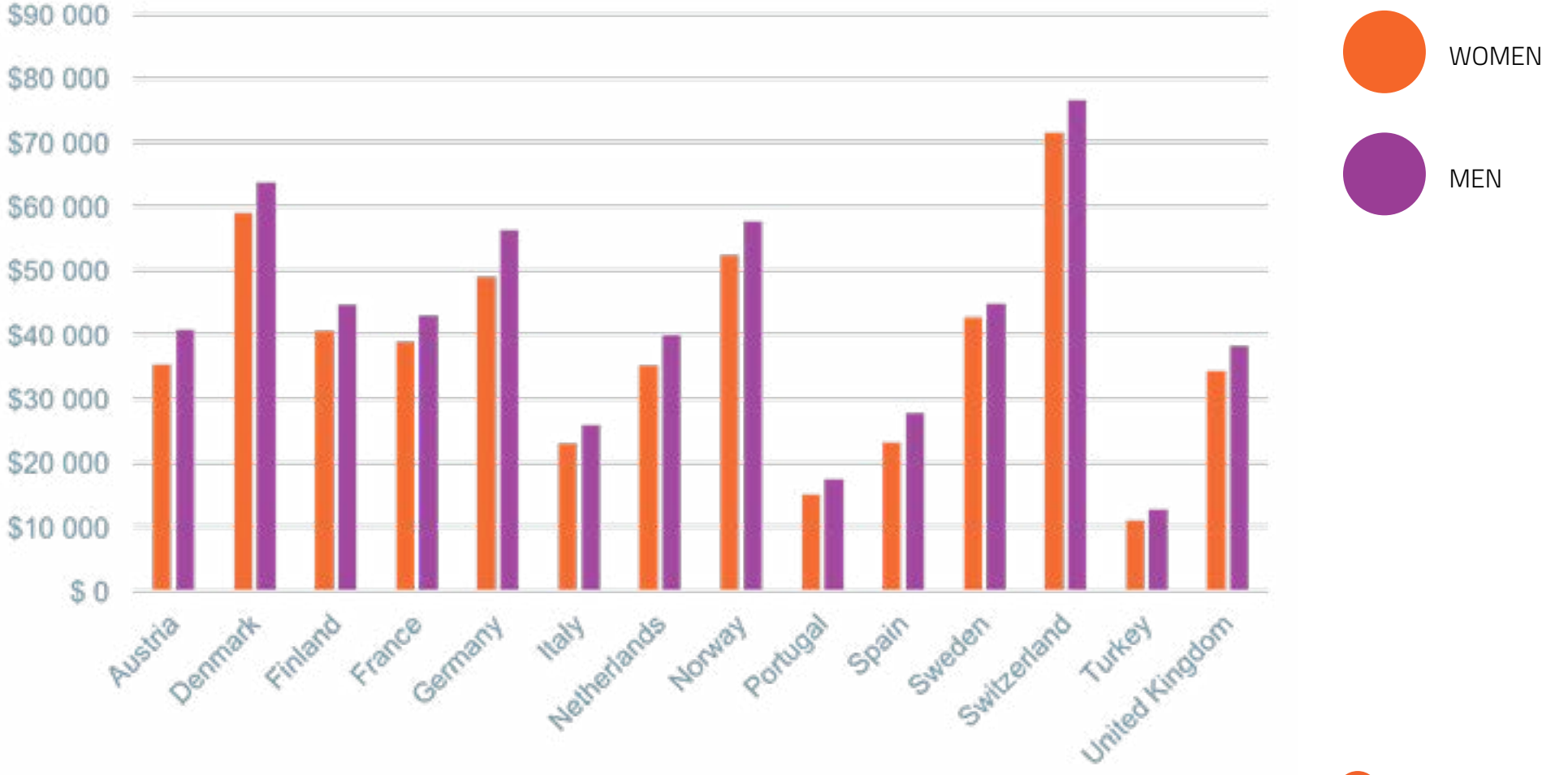
GENDER GAP BUSINESS AMERICAS



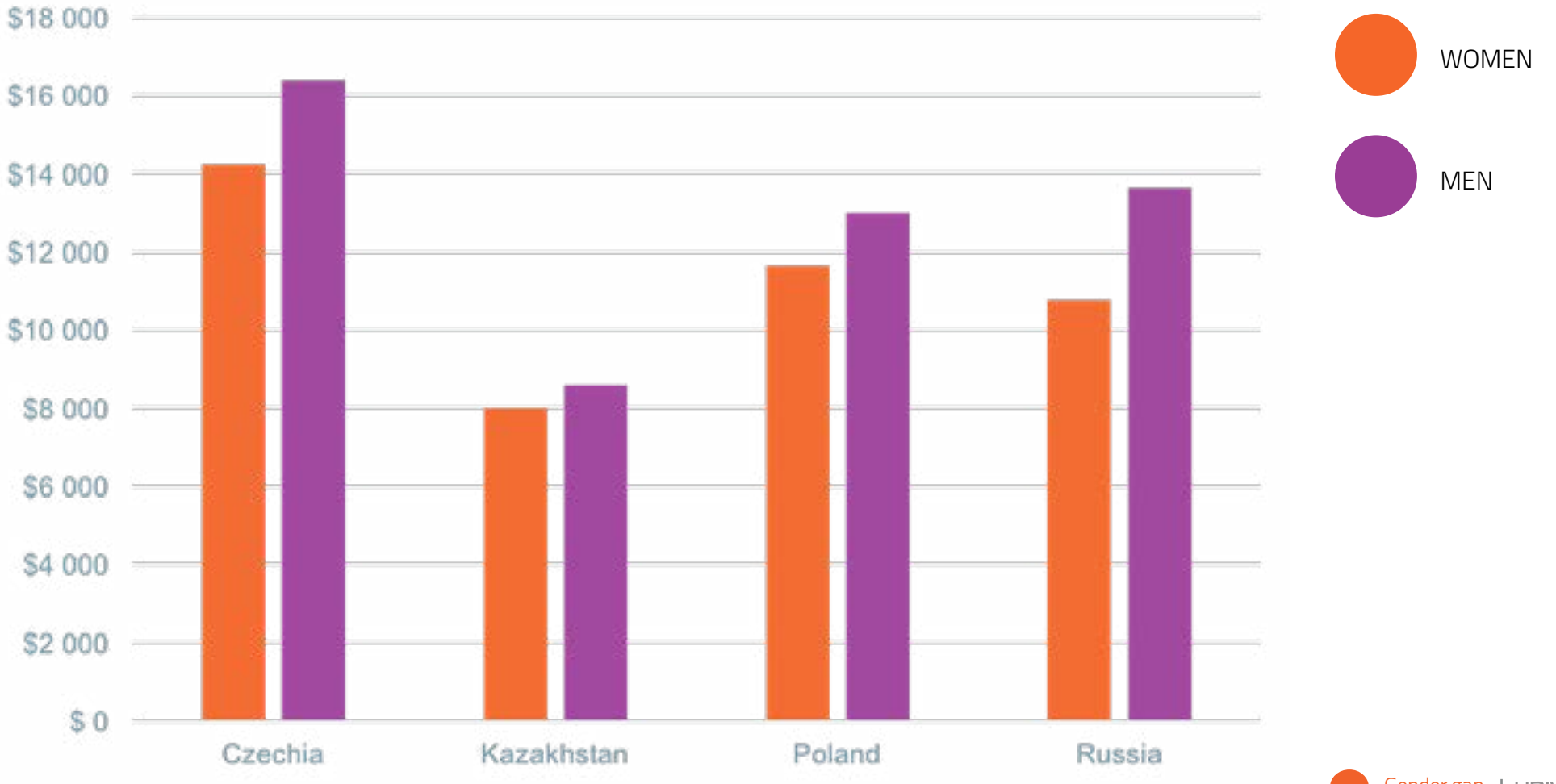
GENDER GAP BUSINESS APAC



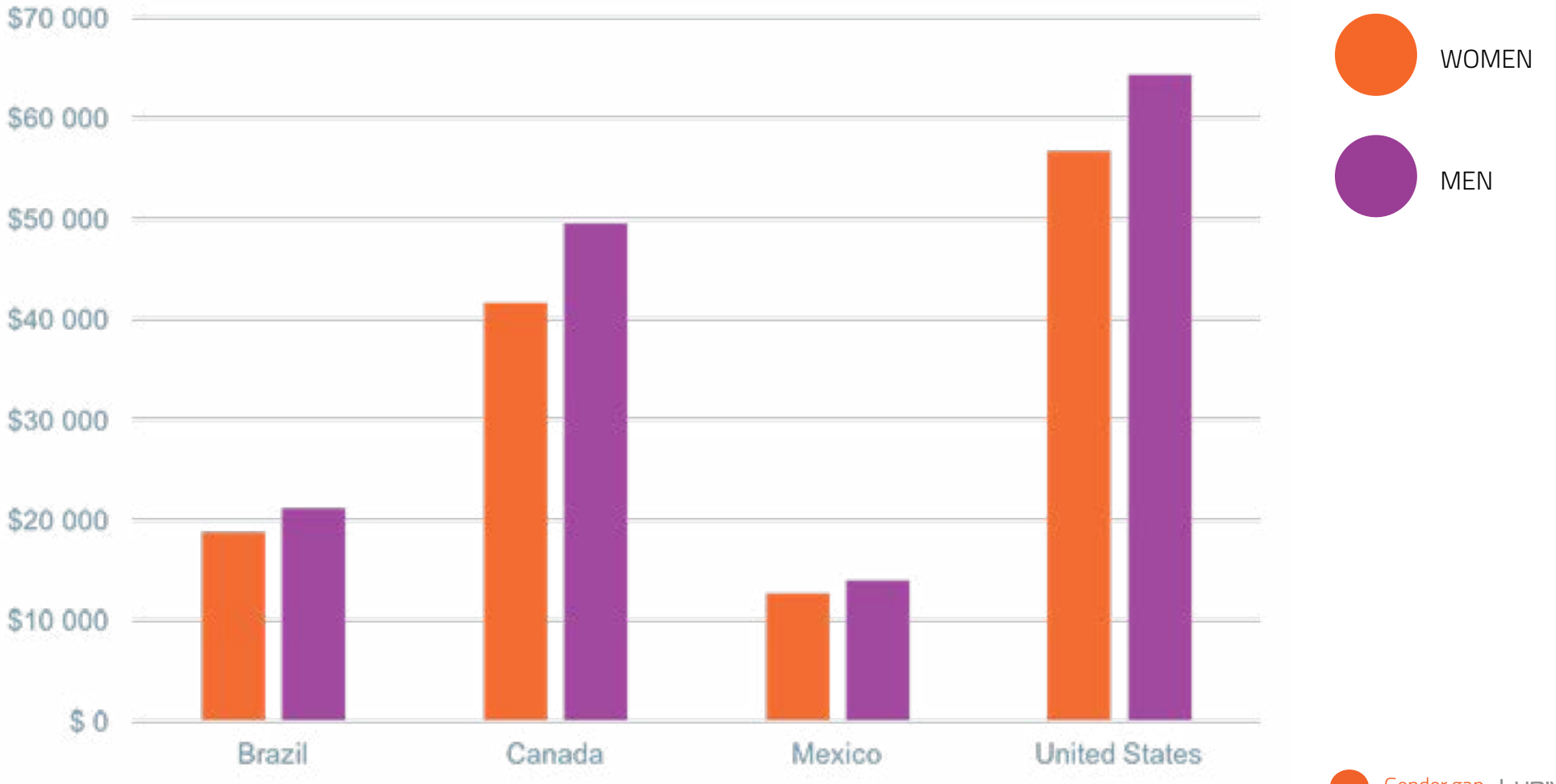
GENDER GAP BUSINESS WESTERN EUROPE



GENDER GAP BUSINESS EASTERN EUROPE



GENDER GAP STEM AMERICAS



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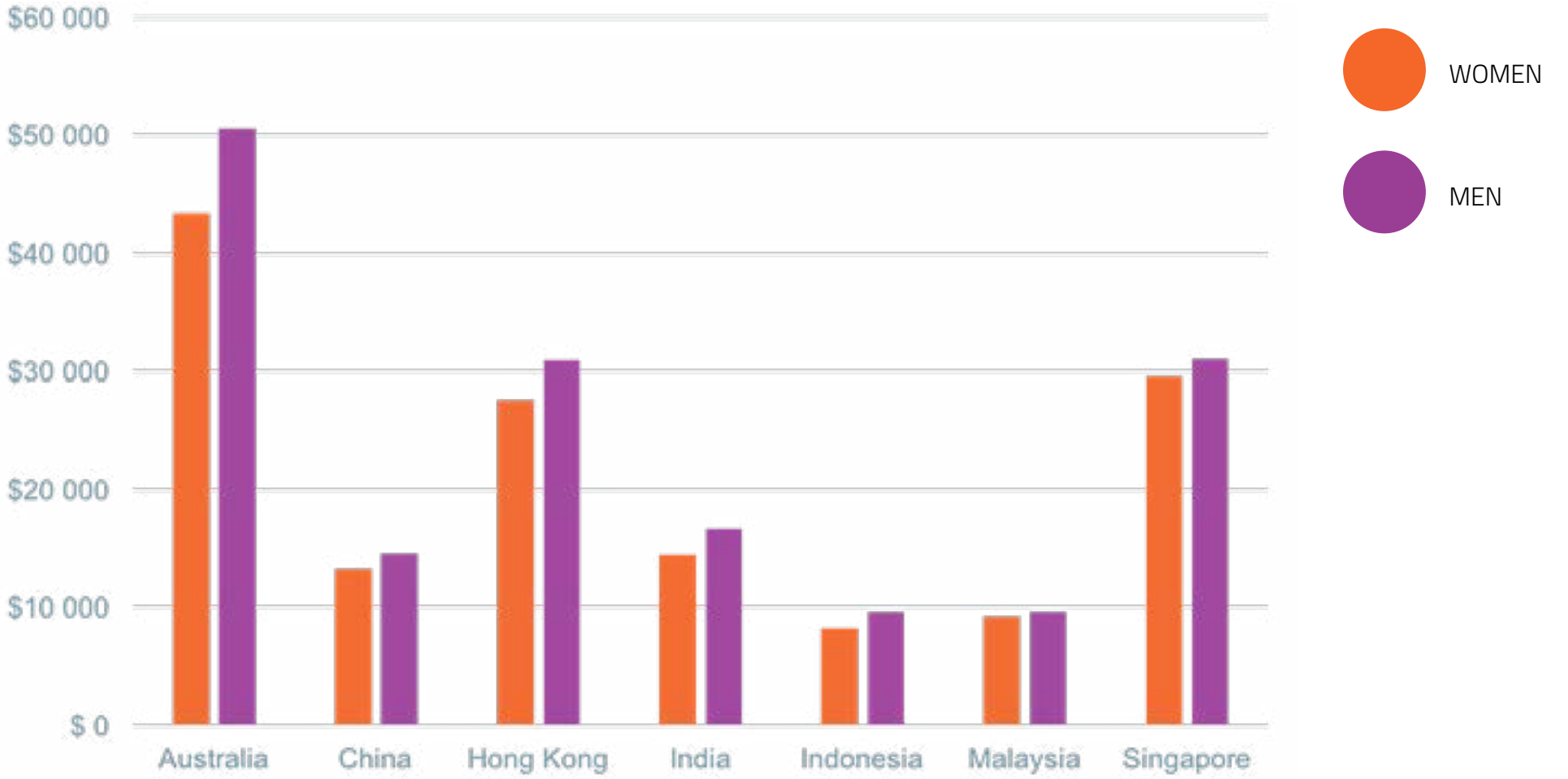

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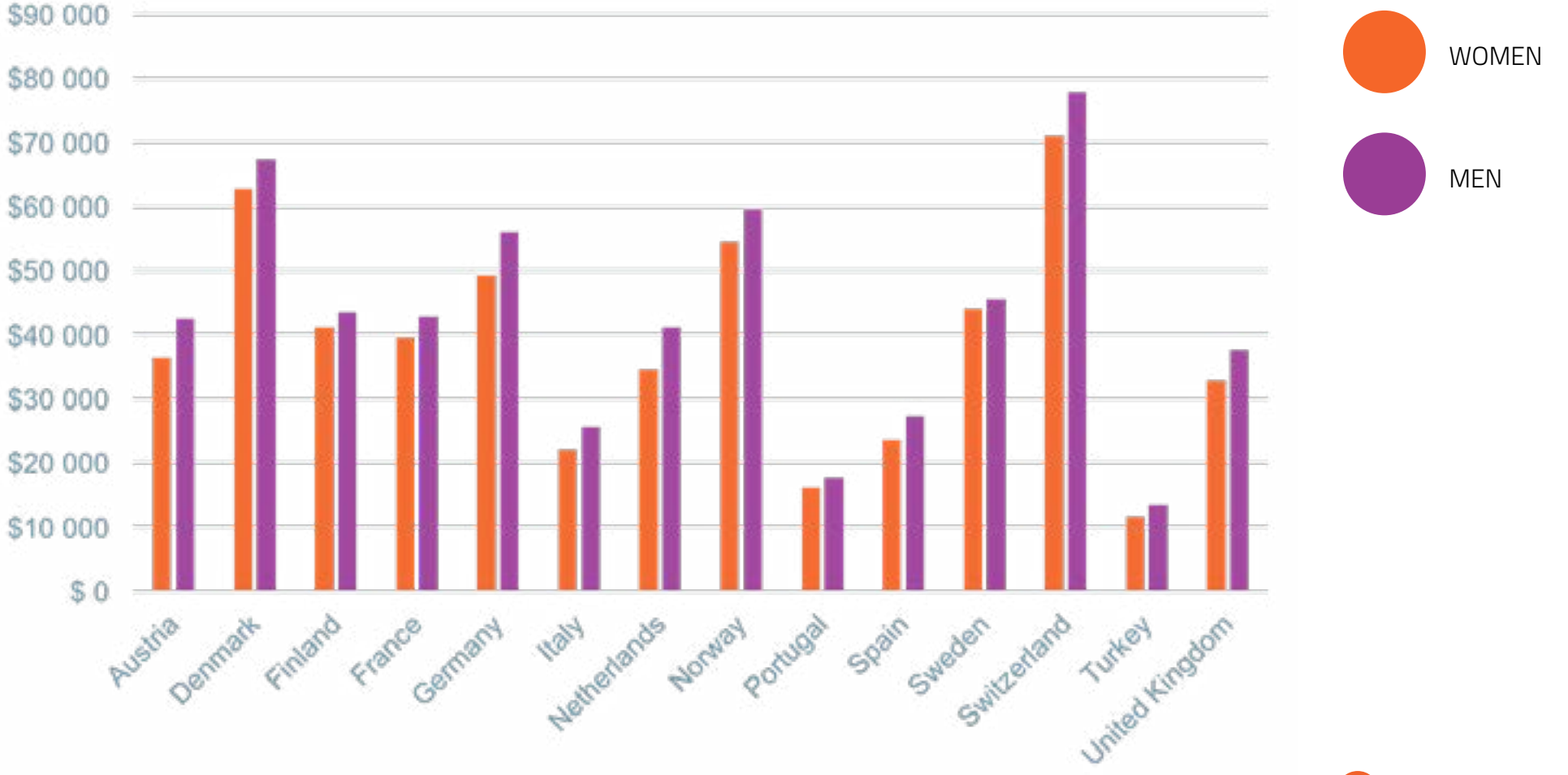
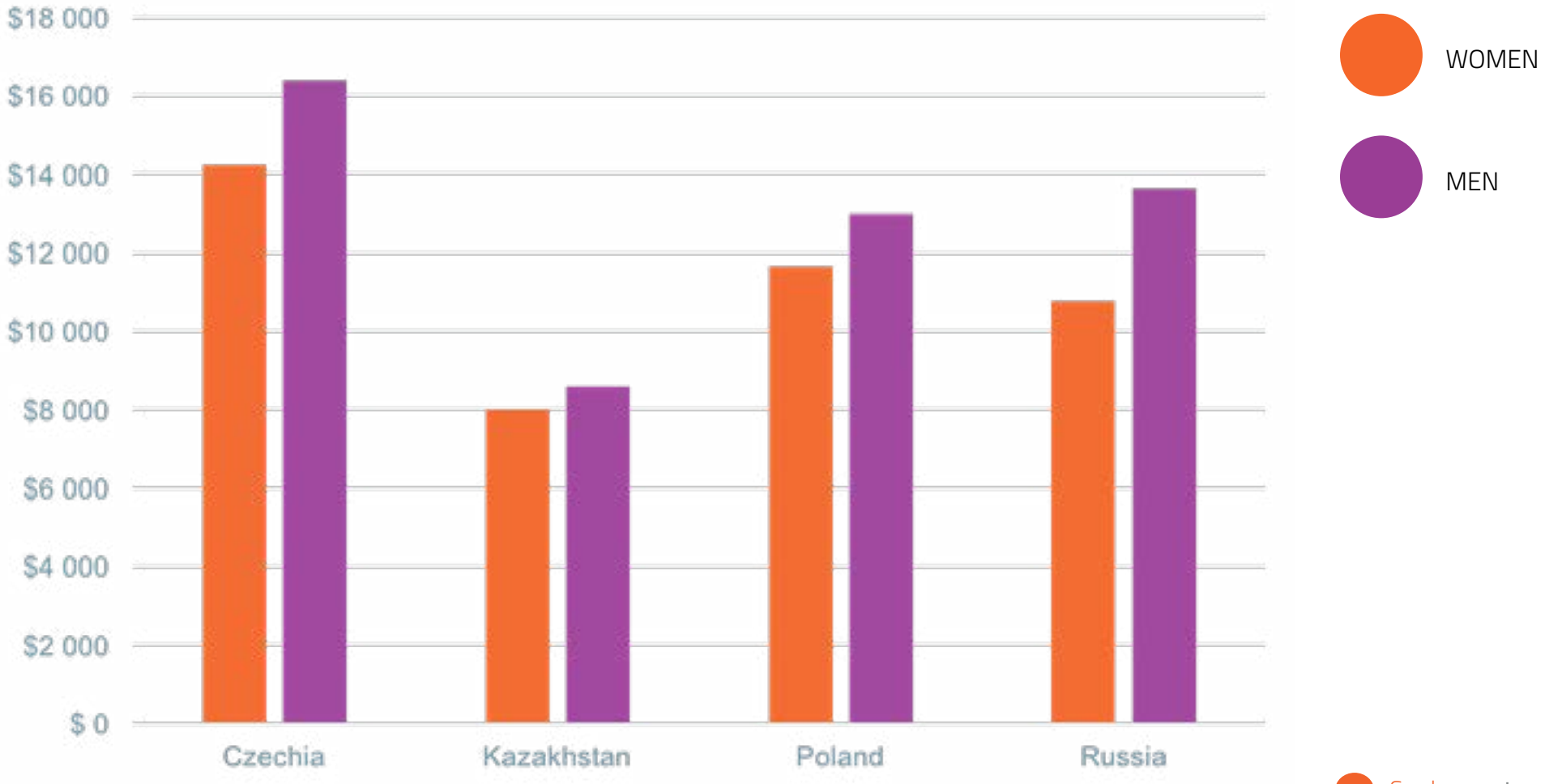


GENDER GAP STEM EASTERN EUROPE



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