

Salary adjustment methodology

CSAIO - 23

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Contents

- Staff Rules and Regulations
- 5 yearly review
 - International survey
 - Local survey
- Annual salary review (CVI : cost variation index)
- CERN attractiveness & 5YR 2020
- Concluding remarks

Staff Rules & Regulations

- Annex A1
 - In accordance with Article S V 1.02, the periodic reviews of the financial and social conditions of members of the personnel consist of a five-yearly general review of **financial and social conditions** (hereinafter "the five-yearly review") and an **annual review of basic salaries**, stipends, subsistence allowances and family benefits (hereinafter "the annual review")
 - The purpose of the five-yearly review is to ensure that the financial and social conditions offered by the Organization allow it to recruit and retain the staff members required for the execution of its mission from all its Member States. In accordance with Article S II 1.03, these staff members must be of the highest competence and integrity.

Annex A1 : starting procedure

- The Director-General shall submit to the Council:
 - a) for information and discussion, a document identifying the Organization's main recruitment markets (e.g., industry, national laboratories, intergovernmental organizations, as the case may be) for staff members in grades 1 to 3 and for staff members in grades 4 to 10 respectively;
 - b) for information and discussion, a report analysing the recruitment and retention of staff members;
 - c) for decision, a proposal identifying the financial and social conditions to be reviewed

The process takes one and half year

Annex A1 : Data collection

- Data on salaries shall be collected
 - from employers that recruit from the markets identified in the document mentioned in paragraph 3 a) above.
 - a) For grades 1 to 3, these shall be the **employers established in the local region of the Organization that offer salaries that are among the most competitive.**
 - b) For grades 4 to 10, these shall be **the employers established in the Member States that offer the most competitive salaries** according to the data collected from the Organisation for Economic Cooperation and Development (OECD) or, where not available from the latter from any other official source.

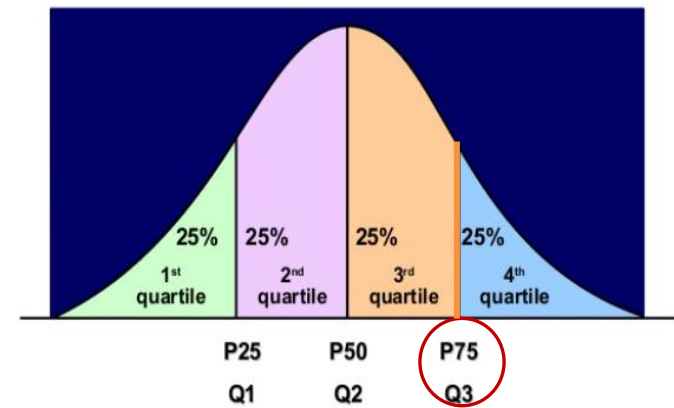
For the 2 last 5YR Swiss high technology market was retained as the most competitive employers

Annex A1 : data collection other financial conditions

- **For all grades**
 - Other financial conditions are collected from the intergovernmental organisations
 - ESA, UN, EU,...
 - That are among the most competitive

**Those comparators are only for staff members
The results of the comparison constitute a guide
for the DG making proposal to CERN Council**

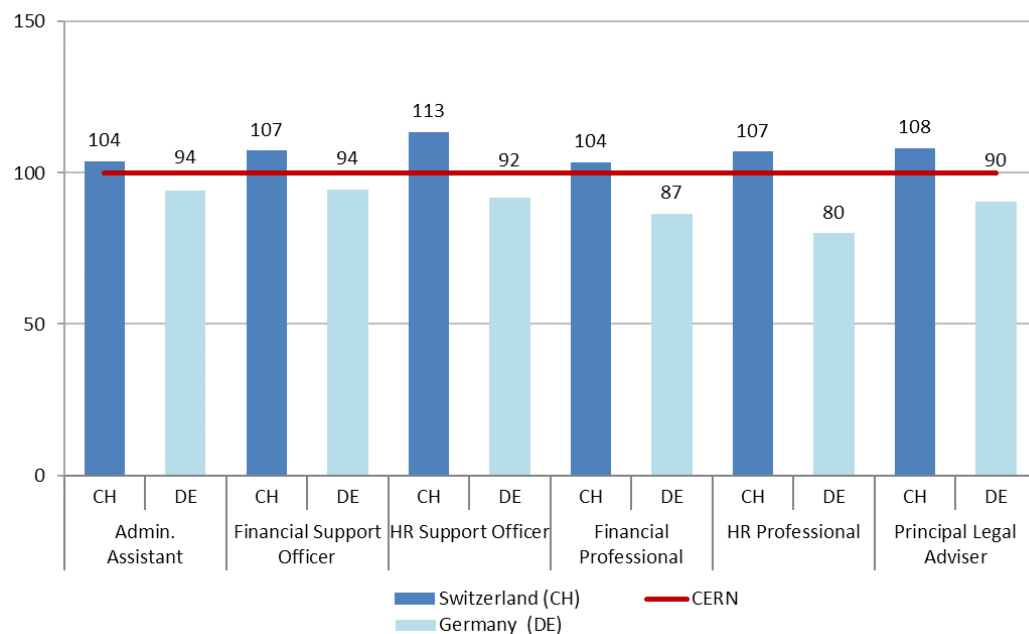
5YR : International survey



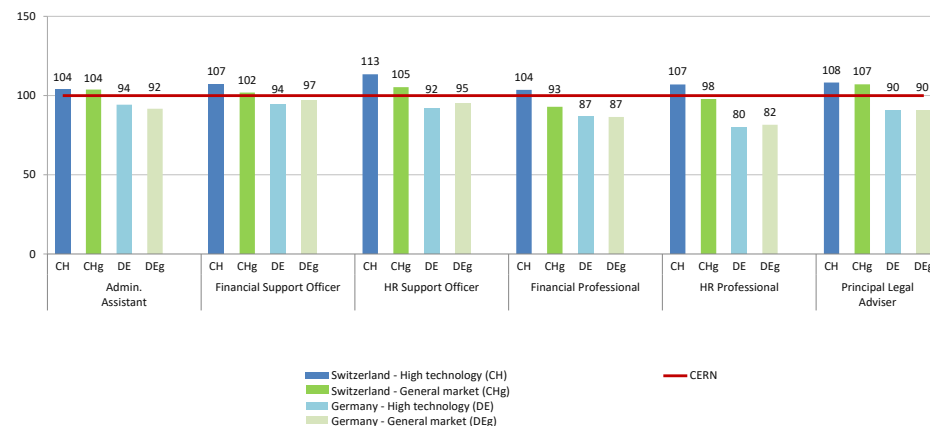
- OECD – SIRP as sub-contractor
 - Dedicate the collection and data analysis to a private company (WTW)
 - Swiss high technology market as primary comparison and Germany to have an idea in another member state
 - Percentile 75
 - Net income salary including social contributions
 - Private market : base salary + short-term variable cash – income tax
 - CERN'reference : midpoints of grades net of tax salary before deduction of social contributions
 - Comparison made for civil status as single only
 - Job evaluations taking into account CERN specificity, through WTW methodology

5YR : International survey results - administrative functions

**Administrative Functions - Single
High Technology Market
CERN = 100**

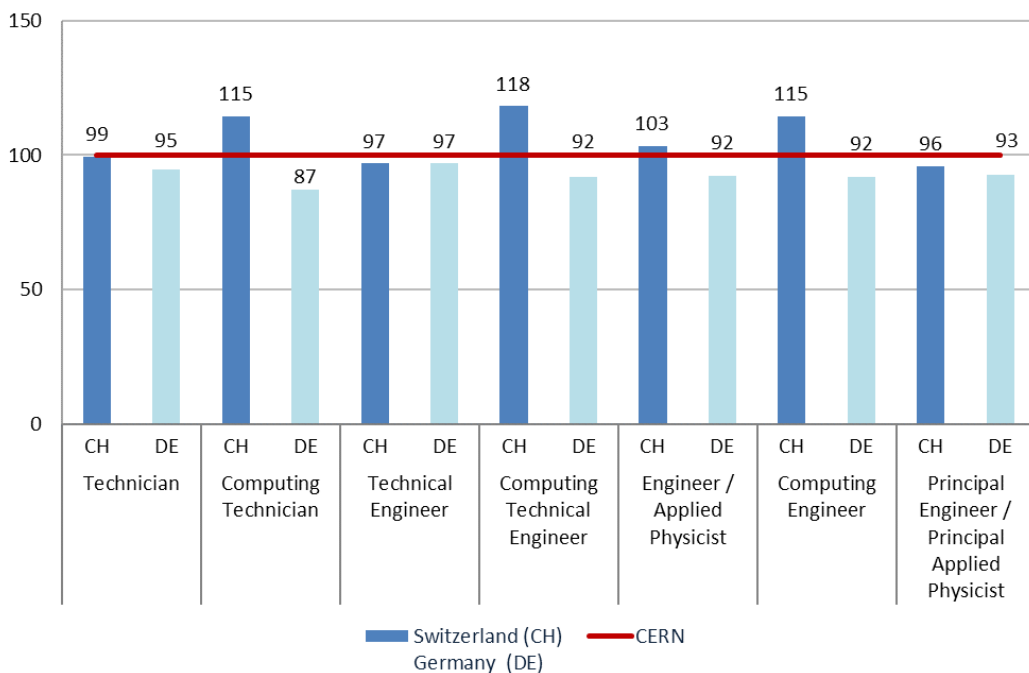


**Administrative Functions - Single
General and High Technology Markets
CERN = 100**

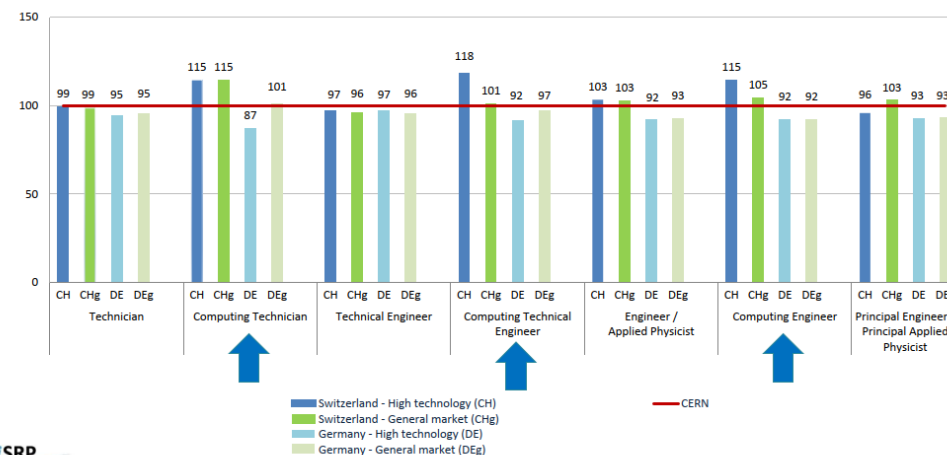


5YR : International survey results - technical functions

**Technical Functions - Single
 High Technology Market
 CERN = 100**



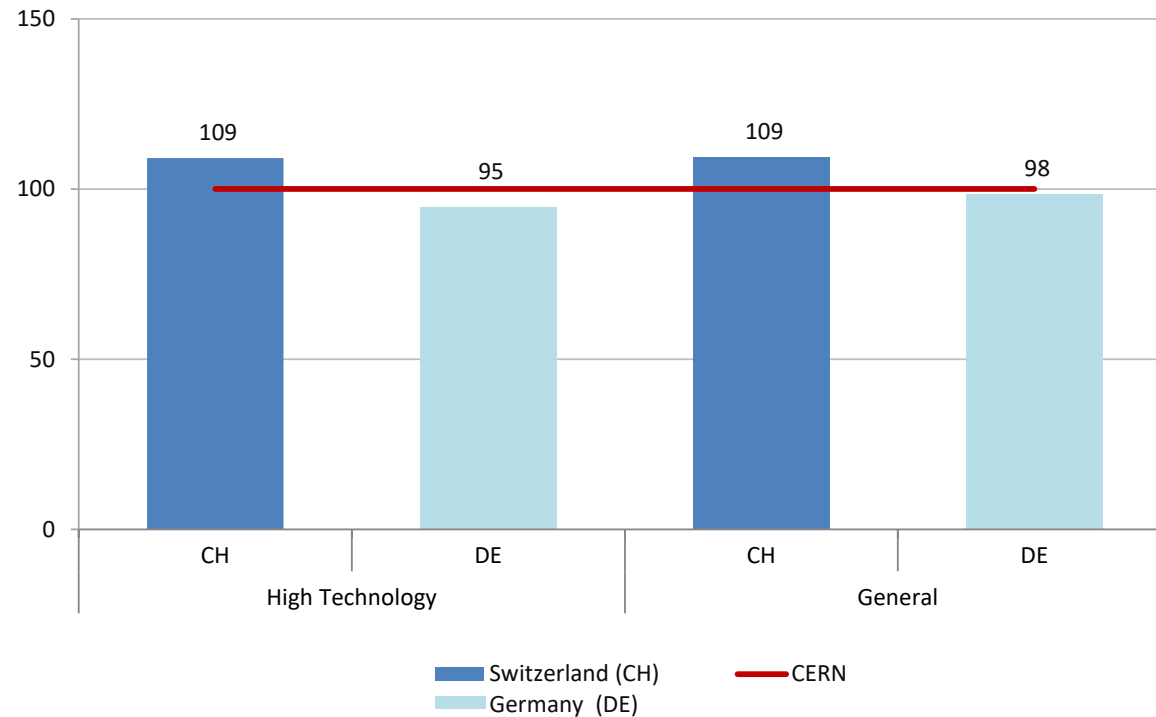
**Technical Functions - Single
 General and High Technology Markets
 CERN = 100**



5YR : International survey overall results



Private Market Comparison Overall Results CERN = 100



5YR : Local survey

- **Willis Towers Watson as sub-contractor**
 - CERN dedicate the collection and data analysis to a private company
 - Swiss and French local market (canton Geneva / Vaud and French local)
 - Median (P50)
 - Net income salary including social contributions
 - Private market : base salary + short-term variable cash – income tax
 - CERN'reference : midpoints of grades net of tax salary before deduction of social contributions
 - Comparison made for civil status as single only
 - Job evaluations taking into account CERN specificity, through WTW methodology
 - Purchasing power parity (PPP) between Swiss and France

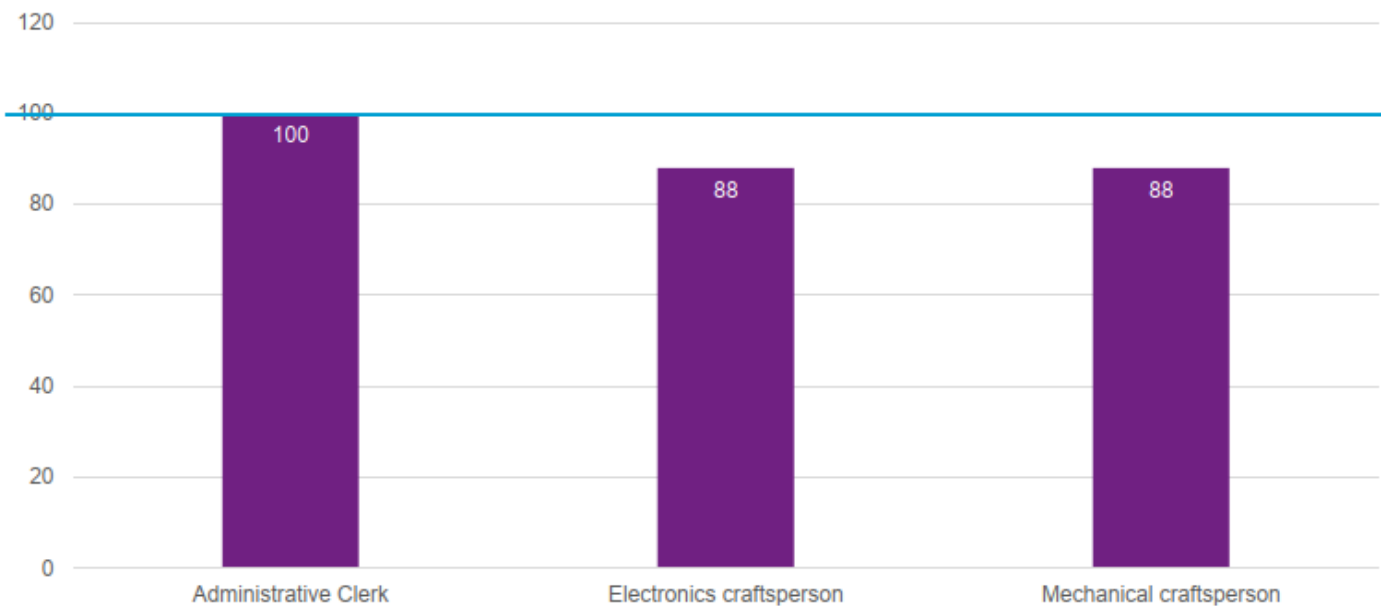
5YR : Local survey Swiss market (Ge / Vd)



CERN deviation from Market: all job profiles

Switzerland

Deviation from Market (High Tech sector 2020)



Reminder:

$$\frac{\text{Market Median}}{\text{CERN Reference}} \times 100$$

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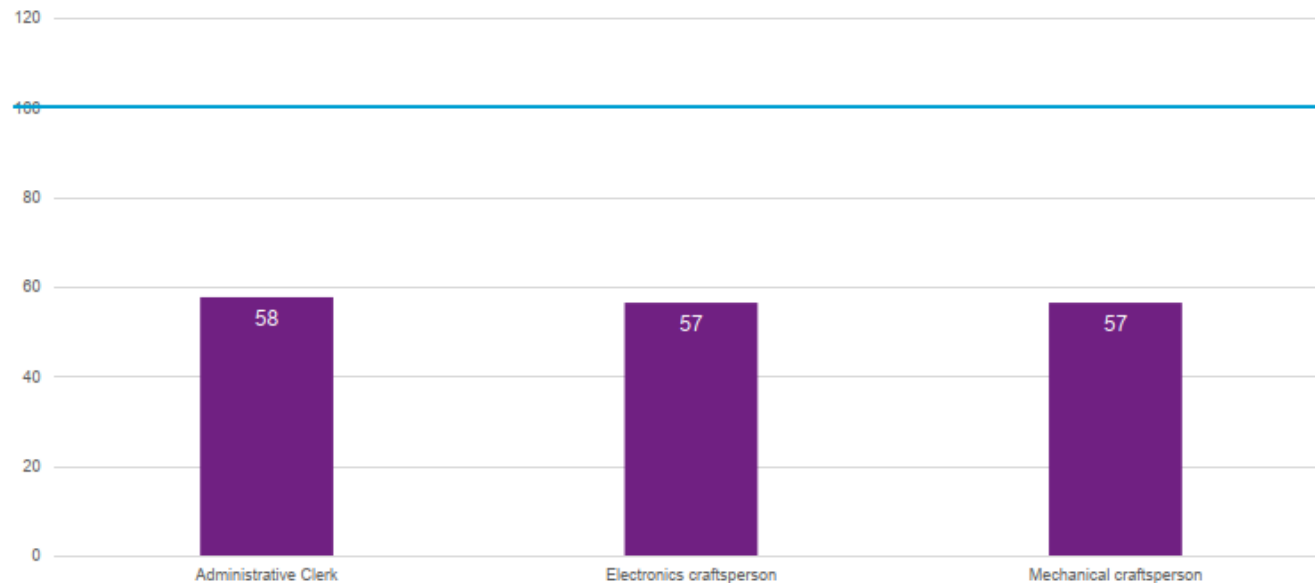
5YR : Local survey French local market (01 / 74)



CERN deviation from Market: all job profiles

France

Deviation from Market (High Tech sector 2020)



Reminder:

$$\frac{\text{Market Median}}{\text{CERN Reference}} \times 100$$

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Annual salary review : Cost Variation Index (CVI)

- The basic salary and stipend index shall be calculated on the basis of the data collected for the two components specified above using the following formula:

$$I = \frac{Gva * [CH + \sum_{n=1}^p a_n * s_n] / 2}{100}$$

I	Basic salary and stipend index
Gva	Geneva cost-of-living movement (August-August)
CH	Average movement of real net salaries of the civil servants of the Swiss Federal Public Service (June-June)
a_n	Weighting for Member State n
s_n	Average movement of real net salaries of civil servants in the Civil Service of Member State n (June-June)
p	Number of Member States determined using the criterion set out in paragraph 18b)

Sn : data supplied by Eurostat for the previous year from June to June as base 100

Half of the second component is weighted according to the distribution of personnel statistics at 31 December of the year preceding the current year

For 2022 : 2,38%

CERN attractiveness and 5YR 2020

- SA presented its views at SCC and TREF on Recruitment and Retention in March 2020.

	Success rate (%)	Return rate (%)	Trends	RNM (%)
NL	19	55	-1,19	-5,9
IL	22	6	-	40
DE	24	33	-0,23	-0,6
SE	32	36	-1,57	-11,6
CZ	37	27	0,07	-14,7
DK	39	40	-1,91	0,0
NO	57	21	-1,45	39,2
GB	60	53	-0,51	5,6
BE	64	148	-2,12	-4,7
SK	71	102	-3,55	-7,7
AT	104	95	0,37	13,0
ES	122	85	2,12	14,8
CH	125	194	-4,17	-1,5
IT	142	110	2,25	13,4
RO	159	64	-	24,2
FI	168	81	0,06	21,1
PL	185	98	3,28	23,4
FR	202	266	0,13	-2,1
PT	219	197	6,95	5,2
HU	229	93	3,4	27,0
GR	426	133	2,28	57,5
BG	534	199	9,54	26,1

Success rate

$$Sr = (\% \text{ hires} / \% \text{ contributions})_{\text{country}}$$

Return ratio

$$Rr = (\% \text{ staff} / \% \text{ contributions})_{\text{country}}$$

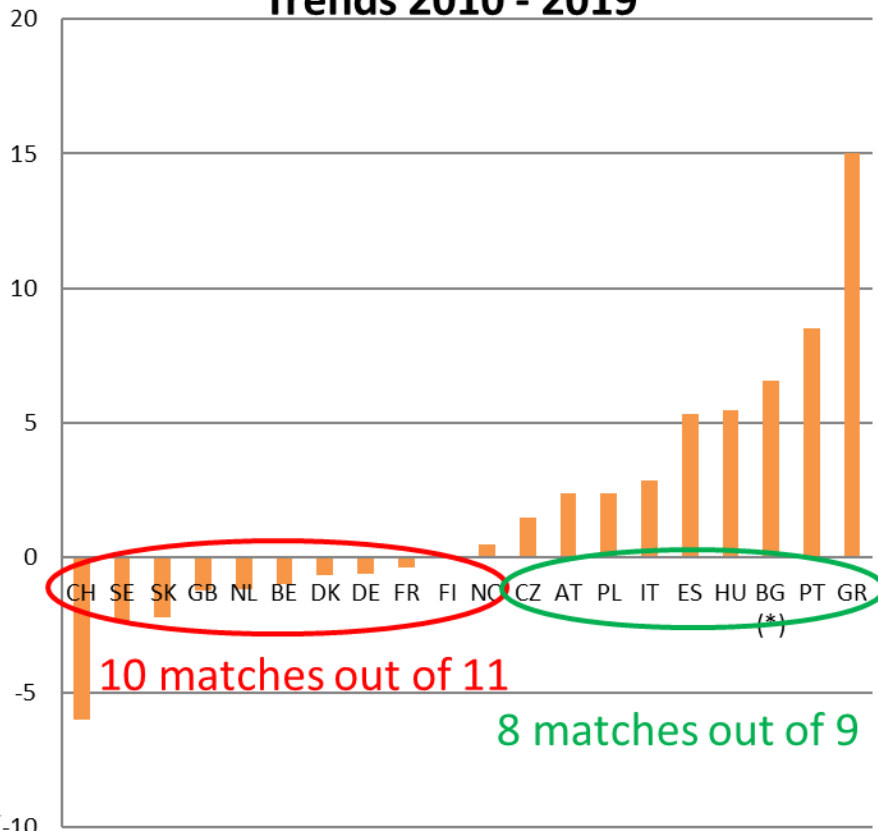
Trends coefficient can be defined for each country by the derivatives of the return ratio evolution over time

Real Net Movement weighted by country
CERN population

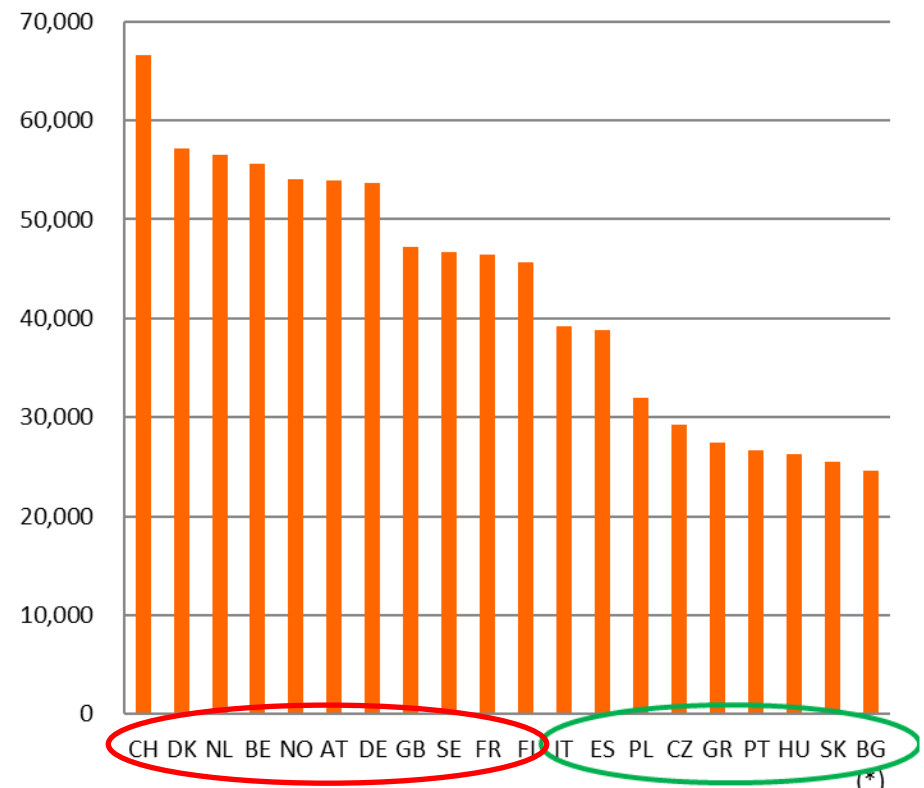
R&R report: Conversely, recruiting candidates from Germany, the Czech Republic, Denmark, the Netherlands and Sweden remains challenging

CERN attractiveness and 5YR 2020

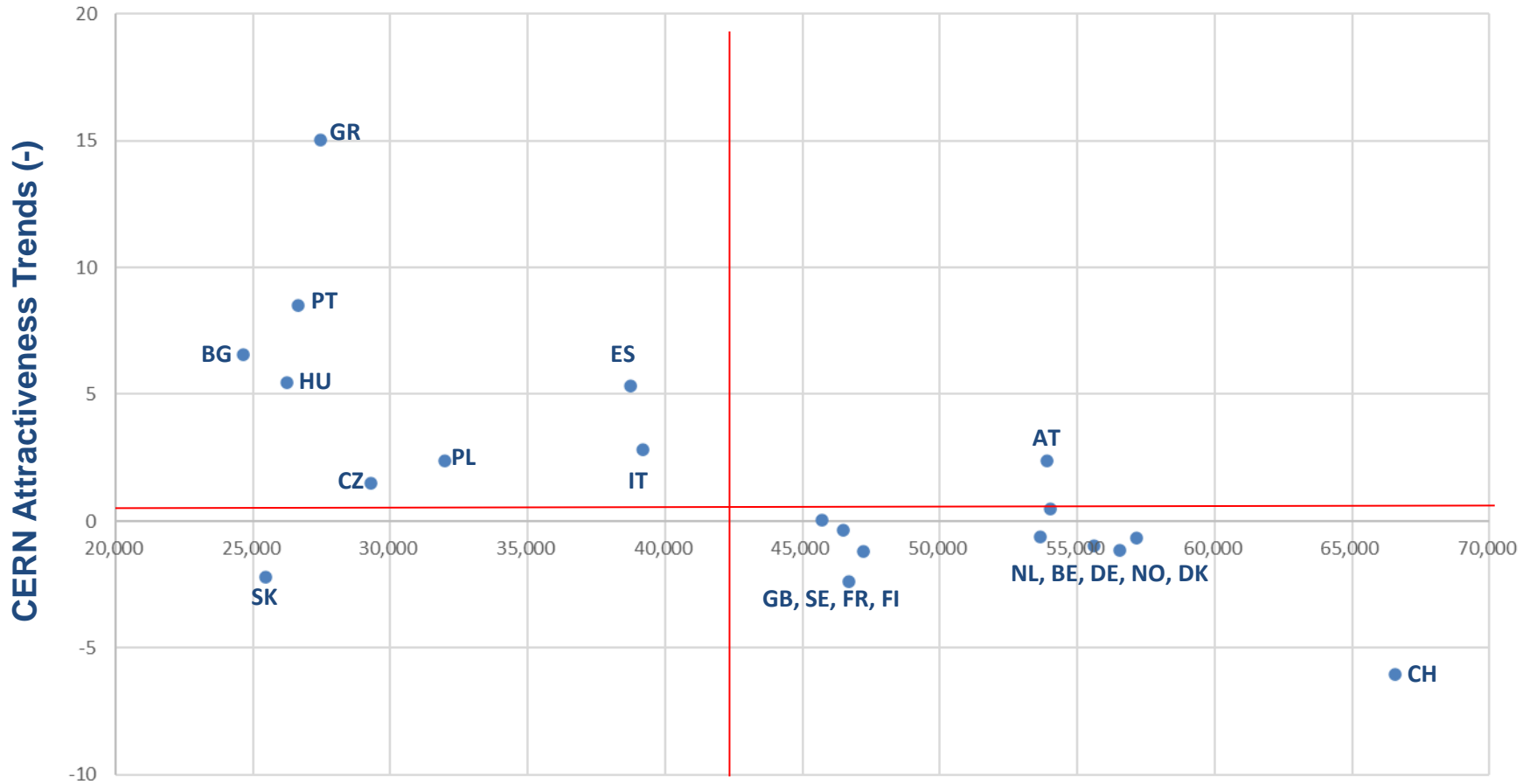
**CERN attractiveness & retention
Trends 2010 - 2019**



Yearly Average Salary 2019 (USD)
(from OECD stat, except * 2020 salary explorer)



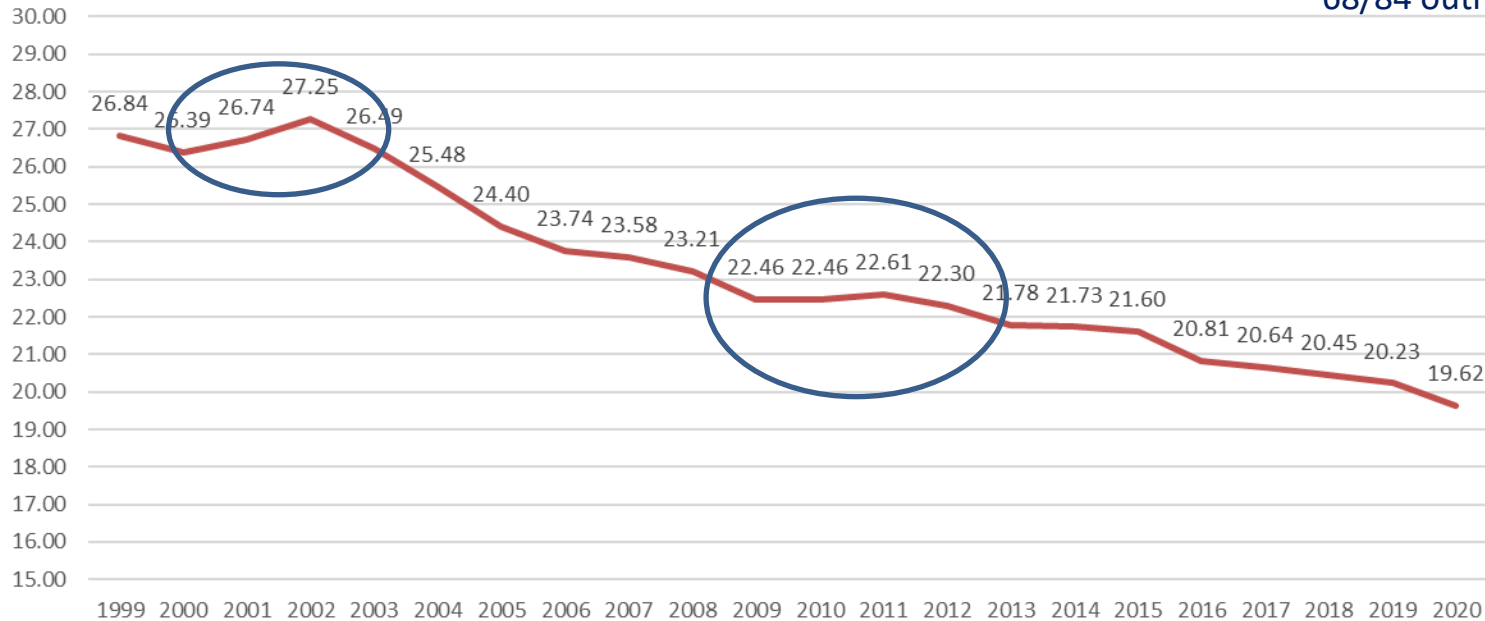
CERN attractiveness and 5YR 2020



CERN attractiveness and 5YR 2020

Causality: Evolution of under-represented countries

Evolution of Panel CZ,DE,DK,GB,NL,NO,SE,SK (% of CERN staff) → Same observation made by HR:
68/84 outreach events in these 7/8 countries



- The 8 most poorly balanced countries represent ca 50 % of the contributions and less than 20 % of the staff.
- The other 15 countries represent ca 50 % of the contributions and more than 80 % of the staff.
- This big gap has continuously increased in the last 20 years, except after 5YR2000 and 2010 exactly when salary levels have been slightly caught up
- It is reasonable to assume that there is indeed a causal link between the salary revaluation at CERN and its ability to attract/retain its staff

Concluding remarks

- 0% increase not in line with the result of 5YR in 2020 given in average a gap of 9%
- CVI for salary calculated 2,38% for 2022 not automatic but related to the best effort of the CERN Council (CVI has been given during the past 20 years)
- Attractiveness and retention : This big gap has continuously increased in the last 20 years, except after 5YR 2000 and 2010 exactly when salary levels have been slightly caught up
- It is reasonable to assume that there is indeed a causal link between the salary revaluation at CERN and its ability to attract/retain its staff