

Note: This is a sample
Salary figures quoted are not actual figures

HR Director PAYSCALE ANALYSIS REPORT

KSA
Confidential
AUGUST 2017



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*Salary information is subject to availability.

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Executive Summary

Thank you for choosing Bayt.com as your compensation data provider. Founded in 2000, Bayt.com is home to the largest database of compensation profiles in the Middle East – over 5 million and counting.

In addition to your Compensation Report, you will find attached the 2016 Bayt.com Annual Salary Survey, conducted jointly with YouGov based on interviewing over 8,000 professionals in the MENA region. The report measures the current levels of satisfaction with pay, bonuses and over-time pay. It also analyzes the composition of salary packages and benefits across the MENA, as well as the propensity of MENA professionals to save and repatriate money. Key findings in this year's survey include:



Across the region, the largest proportion of respondents (56%) claimed their current salary package consists of basic salary plus benefits. 30% claimed to receive 'basic salary only'.



When asked about their preferred paid structure, two-thirds (63%) of those surveyed across the region said they prefer a 100% fixed pay.



Almost half (48%) of those surveyed across the region said loyalty to their company is linked to the salary they receive

The largest proportion (29%) claimed their company reviews its salary structure every year, while 1 in every 4 claimed their company 'never' does so.

Oil/gas/petrochemicals, banking/finance and airline/aviation topped the list of the highest paying industries across the MENA region.

In addition to reports that help you price an open position, you can use reports from Bayt.com to benchmark the compensation of your existing employees or to prepare for annual or one-time salary adjustments. All of your reports will be saved to your Bayt.com employer account, where you can access, view and download them at your convenience.

Thank you again for choosing Bayt.com as your compensation data provider. We value your patronage and hope that you find this report to be helpful and informative. Bayt.com is dedicated to providing you with the most accurate, relevant and real-time compensation data available in MENA and emerging markets.

Sincerely,

Rama Dawod

Salaries Product Manager

Report Criteria for Sample Payscale Analysis Report (All salary figures quoted are not actual HR Director compensation figures, replacement numbers were used in order to showcase the structure of the report. Your report will be customized based on your requested criteria and job titles provided).

Below are the report criteria for the compensation report:

Job Title:	HR Director
Country:	Kingdom of Saudi Arabia
Years of Experience:	All
Degree:	All
Nationality:	Kingdom of Saudi Arabia

Understanding Your Report

To help you better read and interpret the results in this report, below is a glossary of key terms:

- **25th Percentile:** Also known as the first quartile, this refers to the salary value below which 25% of the sample fall. For example, if the 25th percentile salary figure is SAR 30000, this means that 25% of the sample reported salaries of SAR 30000 or lower.
- **Median:** Also known as the 50th percentile, the median is the value that lies exactly at the midpoint of the sample. For example, if the median salary figure is SAR 35000, this means that 50% of the sample reported salaries of SAR 35000 or lower.
- **75th Percentile:** Also known as the third quartile, this refers to the salary value below which 75% of the sample fall. For example, if the 75th percentile salary figure is SAR 45000, this means that 75% of the sample reported salaries of SAR 45000 or lower.
- **Market Range:** For purposes of this report, market range is defined as the range of values between the 25th and 75th percentiles.

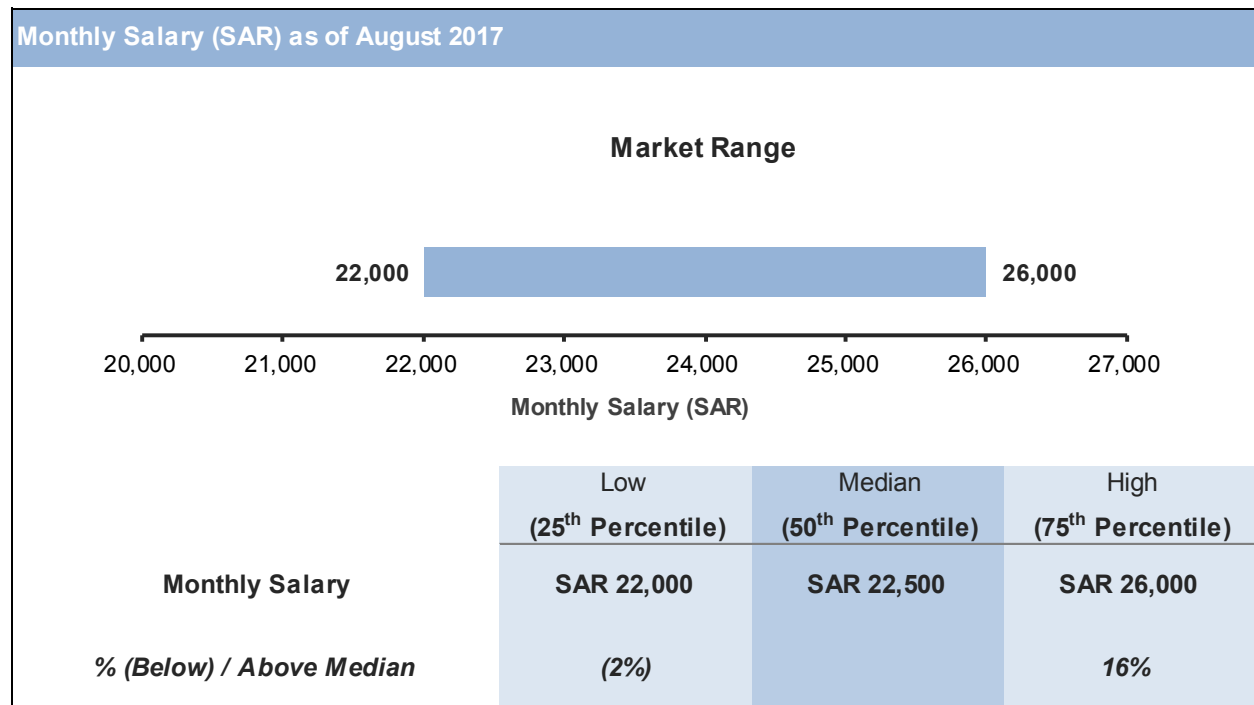
Job Description

- Act as the face of HR for the company; responsible for senior level decision making and both day to day management and strategic direction of the organization.
- Develop and implement an annual agenda for HR strategy in line with the business plan. Ensure HR plans support the needs of the business but are also flexible enough to cope with changes in the organization.
- Provide information and reports on data such as staff turnover, references, cost per hire, training hours per person, etc.
- Conduct training needs analysis and designs and implement a training plan with input from business heads.
- Manage costs to budget and ensure that payroll is completed accurately and to deadline.
- Ensure all staff receive appraisals in accordance with company policy and monitor probationary periods
- Co-ordinate recruitment throughout the company through management of a recruitment team/HR team. Build relationships with recruiters, draft briefs, interview senior hires when necessary.
- Deal with any performance or grievance issues in a legally compliant and professional way/
- Ensure all policies and procedures are up to date and legally compliant.
- Provide advice to line managers on all human resource issues: management of staff, remuneration, etc.
- Review all staff salaries and make recommendations for pay rises in consultation with department heads. Implement any increases and promotions.
- Maintain a succession plan for all departments.
- Conduct occupational health referrals and providing pastoral support and advice to employees.

Monthly Salary

Monthly salary is the monthly, fixed portion of cash compensation. Monthly salary is compensation for an employee’s fulfillment of a job’s essential functions. Monthly salary does not include any other forms of cash compensation such as bonuses, incentives, overtime, premiums, or differentials. The most prevalent competitive pay philosophy targets the market median for monthly salary. Where an employee may fall within this range depends on their specific skills and experience, and any small differences between the actual job and the standard job description.

For comparable professionals performing the exact or a similar job, the monthly salary range for an HR Director in KSA is SAR 22,000 to SAR 26,000.



* Salary includes housing and transportation allowance.

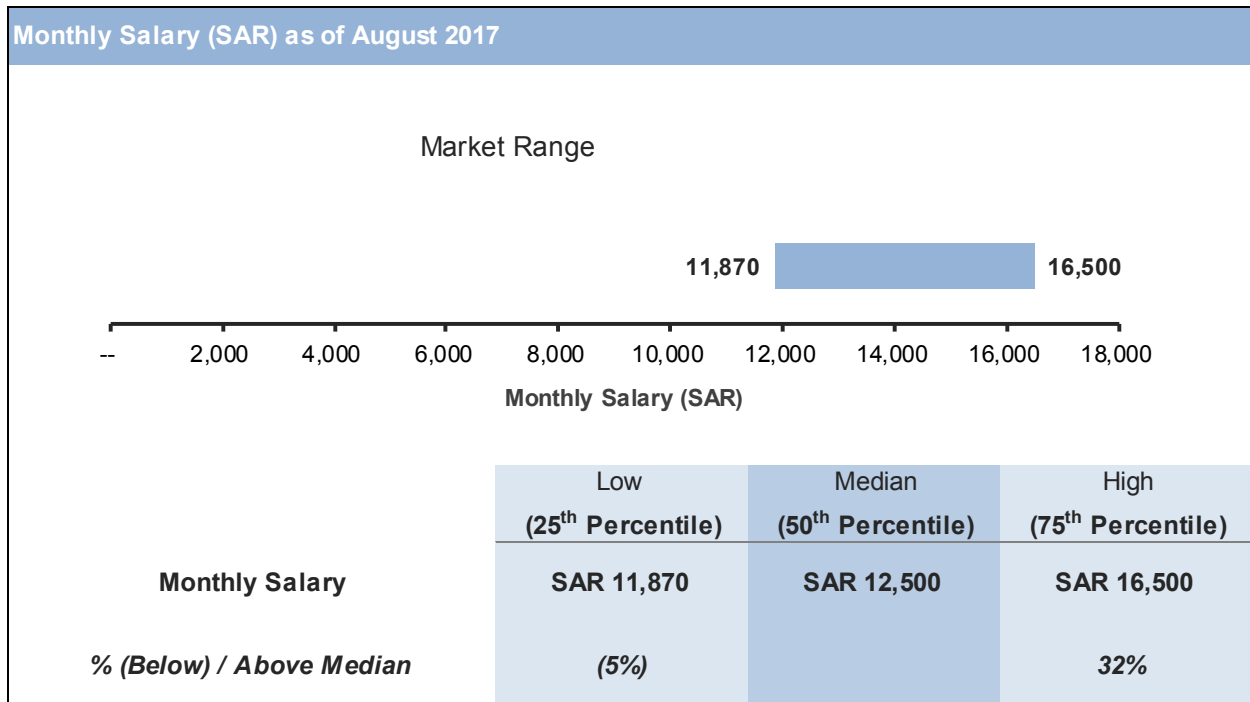
Additional Monthly Salary Percentiles

10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
19,000 SAR	22,000 SAR	22,500 SAR	26,000 SAR	30,000 SAR

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Monthly Cash Bonus

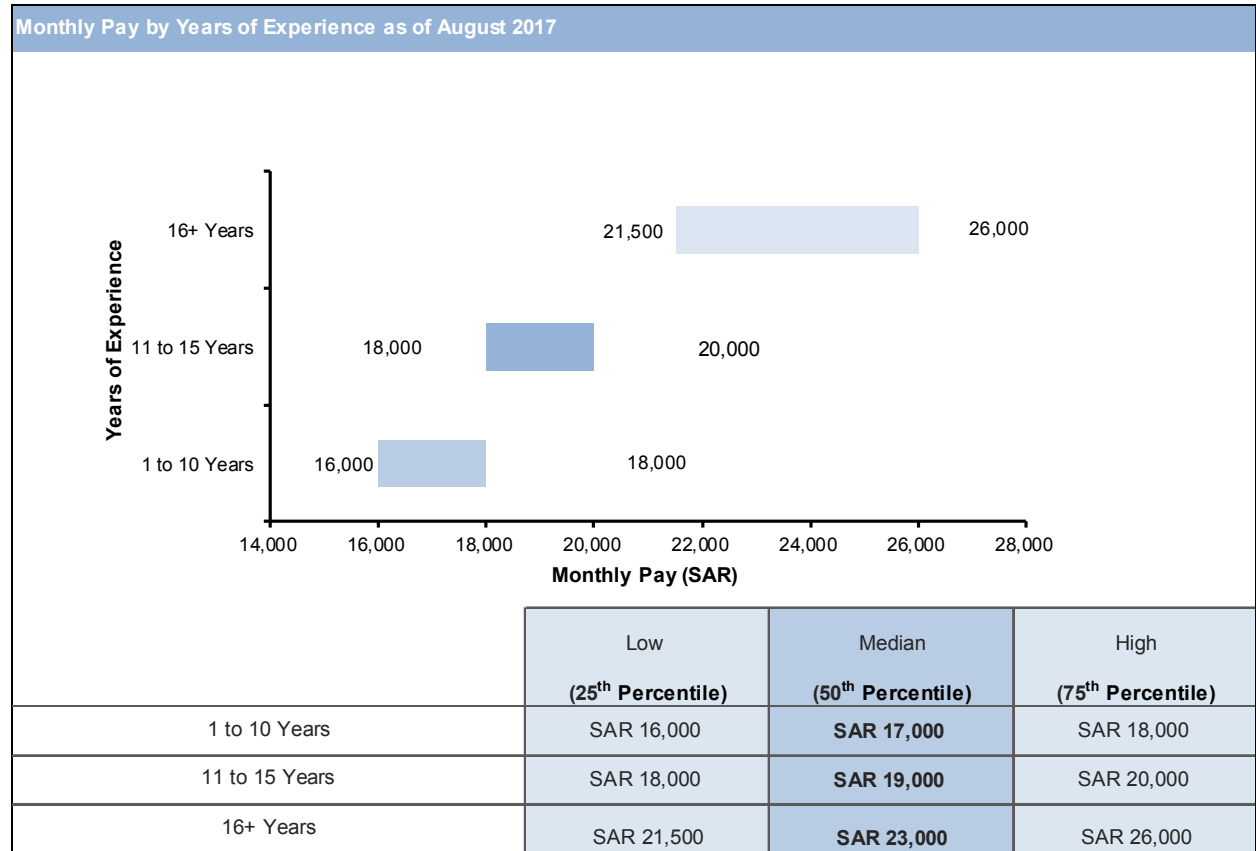
A bonus payment is usually made to HR Directors in addition to their base salary as part of salary. While the base salary usually is a fixed amount per month, bonus payments more often than not vary depending on known criteria, such as the annual turnover, or the net number of additional customers acquired, or the current value of the stock of a public company.



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Monthly Pay by Experience Level

The chart below illustrates how the monthly pay varies by level of experience. Level of experience is defined as the total number of years of work experience. In most organizations, this factor is the biggest (but not only) determinant of an employed professional's pay grade. As employees accumulate more experience, their scope and weight of responsibilities increase, thereby warranting higher pay over time.

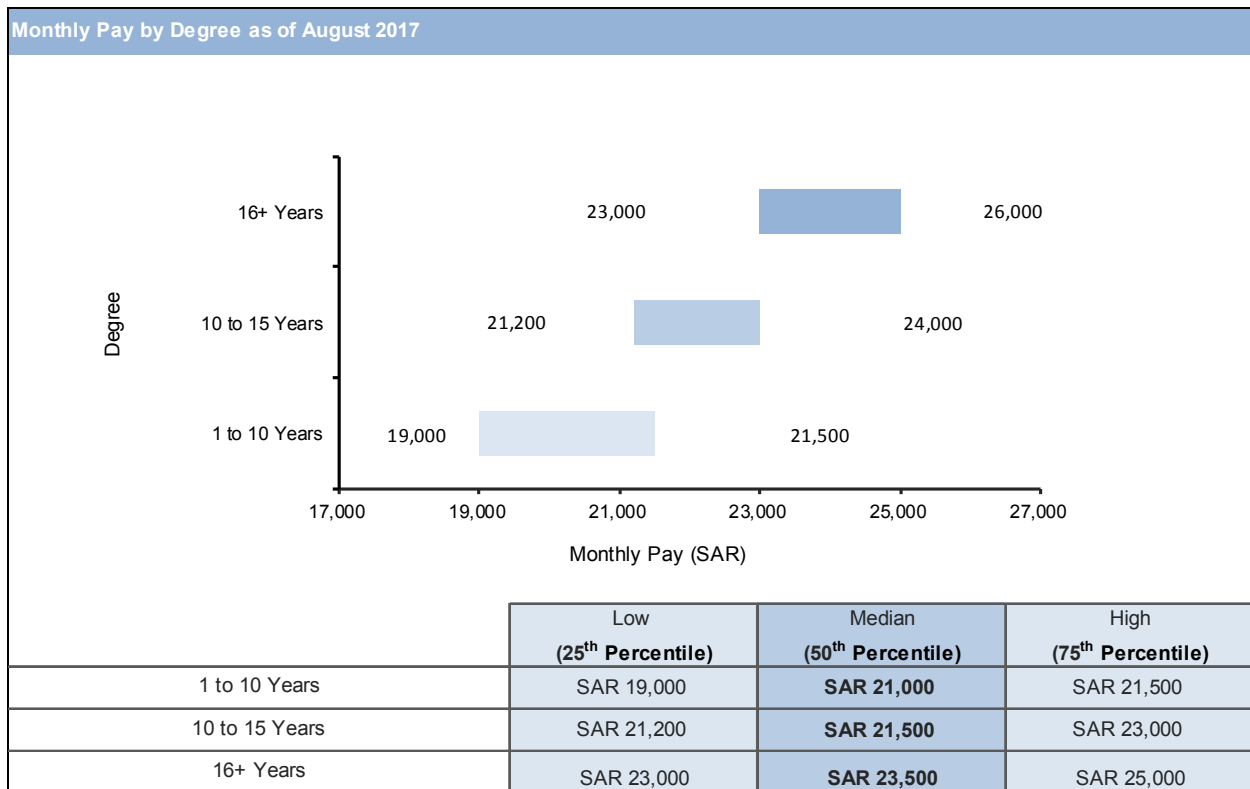


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Monthly Pay by Degree

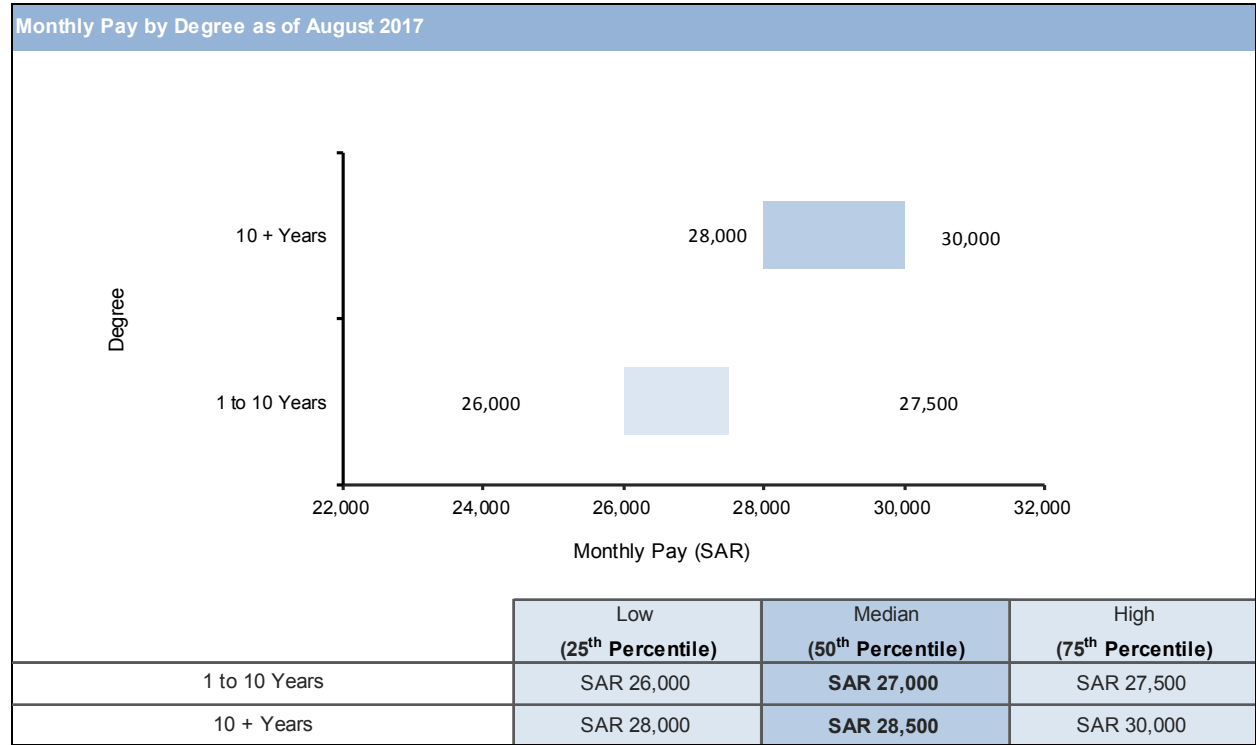
The charts below illustrate how the monthly pay varies depending on the professional’s highest educational degree. For most roles, a Bachelor’s degree is the most common form of highest education attained. Master’s degrees are especially desirable by employers for positions that have managerial responsibility. In certain industries, highly specialized or highly technical roles require a PhD degree. Generally, however, the influence of educational degree level on an employee’s pay grade diminishes over time in favor of the level of experience and domain expertise.

Bachelor’s Degree:



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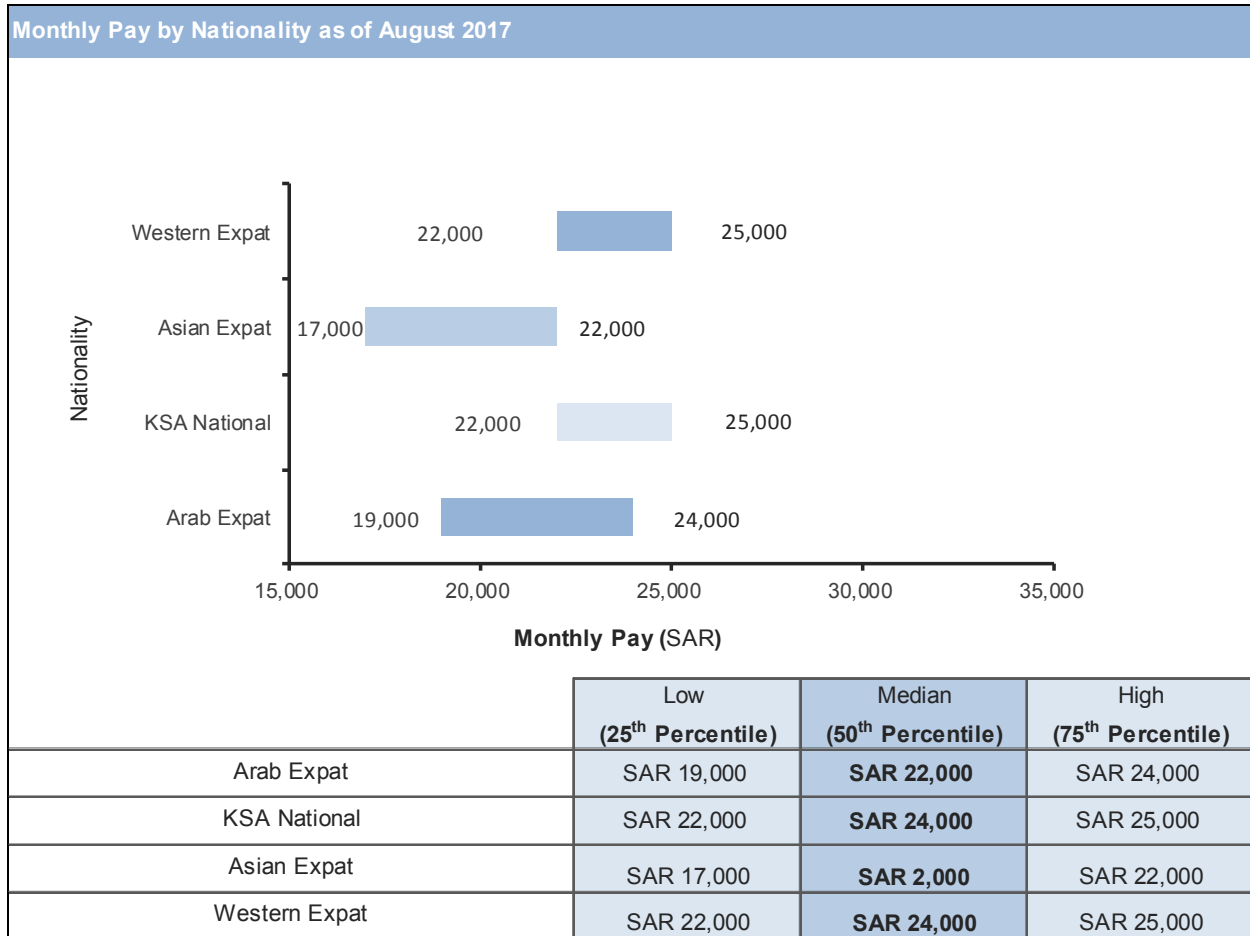
Master's Degree



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Monthly Pay by Nationality






The chart below illustrates how the monthly pay varies by nationality. Nationality is a critical factor in setting compensation in many countries in the Middle East region.



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Anonymous Matching Profiles

Below is a number of select anonymous profiles matching your search criteria. We share this information with you to illustrate the level of depth of data that we collect in our survey of professionals. Under no circumstances does (or will) Bayt.com reveal the identity of any of our surveyed professionals to employers, other professionals or third parties.

Anonymous Matching Profiles					
	 Profile No. 1	 Profile No. 2	 Profile No. 3	 Profile No. 4	 Profile No. 5
Job Title	HR Director	HR Director	HR Director	HR Director	HR Director
Total Years of Work Experience	6 Yrs	10 Yrs	4 Yrs	16 Yrs	7 Yrs
Company Industry	Retail/Wholesale	Telecommunications	Oil/Gas	Manufacturing	FMCG
Monthly Salary (SAR)	19,000	24,000	18,000	23,000	21,500
Degree	Master's	Master's	Master's	Bachelor's	Bachelor's
Nationality	India	Canada	India	Egypt	Lebanon

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Our Objective and Methodology

Our aim is to help you make smart, knowledgeable decisions about your compensation trends in the market. We use the following methodology in order to make sure that you get real time accurate information of salary trends in the market.

- **Data Collection:** Bayt.com administers the largest real-time salary survey in the Middle East with more than half a million existing profiles and over 25,000 new profiles collected every month. The data we collect from employed professionals is cross-checked with multiple alternative sources. Bayt.com does not pay individuals or companies to participate in its surveys. Every salary profile we collect consists of at least 15 compensable factors, including employer industry and size, experience level, education history, nationality and more. Since Bayt.com receives hundreds of new salary profiles on a daily basis, its database and reports reflect real-time changes in the job market.
- **Data Validation:** Each profile is rigorously reviewed using advanced algorithms to check for outliers or illogical data sequences before being utilized in the report. It is then further validated through a human moderation to further ensure the accuracy of the data. Any profile that is considered questionable, incomplete, or duplicate is filtered out of the database and is not used in calculating compensation statistics. Our research suggests that our reports are more accurate than other salary data providers because the reported data is more precisely matched to your customized job profile requirement.
- **Data Analysis:** Bayt.com maintains in its database each salary profile in its entirety, preserving the detailed data points that make each profile unique. Bayt.com does not modify profile data or apply inflation or cost-of-living adjustments. As such, Bayt.com avoids the shortcomings of surveys that use “averages of averages” or “surveys of surveys” approaches to market data reporting.
- **Data Reporting:** While other services only use job title when comparing compensation level, we delve deeper looking at additional factors to provide the most accurate, personalized compensation reports available. This report is 100% personalized and to generate it, we identify more than five employee profiles that match your own in job title, location and experience level requirements. In most cases, the sample size we use is significantly larger, thus providing you with more accurate statistics. We also report median values instead of averages because empirical and academic research have shown that median values are less susceptible to outlier or extreme values. The summary statistics we report also exclude outliers below the 10th or above the 90th percentiles.

General Pay Policy Recommendations

Since a new employee's performance is unknown, the starting salary should be somewhat conservative. Many jobs are subject to change over time, due to internal and external factors including technology advances, industry changes, employers' needs, and incumbents' capabilities. Reevaluate the job once a year and, when appropriate, select a new benchmark. The Job Valuation Report database contains job families that reflect career levels. When considering the promotion of an employee, generate a new report to obtain the appropriate benchmark base pay range. Pay for part-time employees is administered under the same guidelines that are used for full-time employees, with adjustments for the reduced work schedule. The job should be assigned to the appropriate pay range, based on the benchmark for the full-time job. The employee's annualized base pay should be determined as if the employee worked full-time, and then prorated for part-time status. Equity adjustments may from time to time be necessary to calibrate pay levels appropriately within a job, department, job family, etc. Considering equity before any pay decisions are made can reduce the need for and magnitude of periodic equity adjustments.

Points to Consider When Setting A New Employee's Compensation

Some compensation programs start all new employees at the minimum of the pay range. Starting at the minimum may be appropriate for inexperienced candidates, but it is inappropriate for experienced candidates. Paying at the minimum for all new employees is likely to create recruiting problems, since the minimum is generally below market value for experienced people. In addition, the practice of starting everyone at the minimum will cause pay compression over time.

Pay compression occurs when the salaries of several employees, despite clear differences in capability, are clustered closely together. This means highly capable employees are paid similarly to employees with less skill and experience. This eventually creates morale problems, particularly for the more capable employees. A better approach is to establish pay for new employees that reflect their capabilities. Under this approach, a new employee's skills and competencies are evaluated through the interviewing process. The pay level is determined by using guidelines for placing pay within the range for benchmark base pay, and by considering internal budget constraints. This method establishes an appropriate starting pay that is consistent with the capabilities the new candidate brings to the job.

Points to Consider When Promoting an Employee to a Job with a Higher Pay Range

In traditional compensation programs, a promotion results in an automatic pay increase. This uniform approach can be problematic for several reasons:

- Not all promotions are of equal value
- Automatically increasing an existing pay level may simply perpetuate the trend of an employee's pay history, which may not reflect the value the employee currently brings to the employer. Also, there may have been circumstances in the past that resulted in either over- or underpaying the employee which the promotion is an opportunity to correct.
- An automatic increase policy prevents managers from tailoring the increase to the circumstances of the promotion. A better approach is to determine the appropriate pay for an employee based on performance demonstrated in the previous job (which indicates the capability to handle the new job), rather than focusing on current pay. The pay level within the new benchmark base pay range would be determined using guidelines on and considering internal budget constraints. The adjustment, therefore, would be the difference between the old and new pay guidelines.

Negotiation with Employees

Employers benefit from having a formal performance and compensation review cycle. Many companies have a semiannual performance review cycle. One of the two reviews often coincides with the normal annual salary review while the other is used sparingly for special or off-cycle salary adjustments. This formal process is helpful because it allows the employer to do the following:

- Establish a regular schedule the employer and employee can use to prepare for discussion and negotiation.
- Communicate the employer's commitment to engage in a negotiation.
- Minimize the number of off-cycle negotiations and adjustments.
- Set expectations about the employer's important business objectives and the rewards that correspond to meeting or exceeding those objectives

Preparing for a Salary Negotiation

Employers face negotiations with employees in all aspects of the relationship, but two types of negotiations are particularly important: the first occurs once, upon hire, and the second occurs at each subsequent salary review. Assess the candidates or employees with regard to the following considerations:

- **Competence.** How capable are the employees in performing the job? Assess their ability to perform the specific functions of the job effectively by reviewing past performance, if applicable. Also consider whether they have the experience, skills, and competencies you require.
- **Compatibility.** How well would they do the job here? Assess their ability to interact effectively with customers, suppliers, and other employees. Also, assess their abilities to develop a positive impact on the desired results.
- **Compensation.** Will they perform the jobs for the pay levels we deem to be appropriate? Assess your organization's ability to attract and retain the caliber of talent necessary for business success within the job's market range. Will they be difficult to replace? Candidates and employees who review favorably against these considerations may warrant higher placement within the pay range for the job.

Performance Management as an Effective Negotiation Process

Employers can negotiate effectively with employees when the process is based on performance management. Employers can collaborate with their employees by communicating important business goals and the rewards associated with achieving results. The benefits of this collaboration are as follows:

- Employees know their employer's performance expectations.
- Employees develop ownership for meeting or exceeding performance expectations. Both employer and employees can agree in advance what the rewards will be depending on actual performance outcomes.
- Communicate a clear understanding of how employee performance will be measured in the coming year.
- Establish three to five reasonable, measurable goals with each employee at the beginning of the performance year.
- Agree on what the salary increase and incentive award will be depending on actual performance outcomes.

Negotiation Pointers

- Do not withdraw from an employee who initiates a negotiation.
- Employees who approach employers to discuss compensation may be concerned about more than just pay. Be sure to look for sources of dissatisfaction other than compensation—but do not ignore compensation.
- Open communication generally helps build morale. Many employers find that bad news that is well communicated is much better for the environment than bad news that is not discussed at all.

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- When discussing salary issues with an employee, make sure it is a discussion with both parties talking. Solicit employee input.
 - Discuss your views. Talk about recent performance and expected future performance, as appropriate.
 - Although many aspects of the employment arrangement are negotiable, most employees focus first on cash compensation.
 - While cash compensation is an important element of the employment arrangement, other important considerations include scope of responsibility, degree of autonomy or authority, and noncash compensation. Do not ignore or underrate these means for satisfying the demands of an employee you seek to retain.
 - The section on benefits and perquisites can be helpful in framing a discussion of the benefits offered to an employee.
 - Employers should focus on benefits and perks that are valued more highly than it costs to provide them.
 - Thank the employee for talking with you about the issues.

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Contact Information

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