

» Compensation Consulting 2011

Analysis of Programmes for Graduates in various Industries



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1. Introduction

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Kienbaum conducted a survey on Graduate Programmes within the following peer group:

- » General Industry (including Chemical & Pharmaceutical Industry, Engineering Industry etc.)
- » Financial Services (including Banks, Financial Institutes, Insurance Companies, Audit Firms etc.)
- » Service Industry (including Telecommunication, Transportation etc.)

The analysis has shown that outline and parameters of a Graduate Programmes are in main aspects similar across the peer groups. Where there is no specific differentiation within the documented market practice, there was no significant variations between the peer groups.

The analysis includes information on the following topics:

- » Outline of Graduate Programmes
- » Requirements on Applicants
- » Application process
- » Analysis of Cash Compensation during Programme
- » Analysis of Entry Salaries after Programme

2. Analysis of Programmes

2.1 Outline of Programmes

Objectives

- » Common definition: modular development programme, designed to cover all key skills to set young talents up for a career in their industry/business.¹

Development Concept

Combination of ...

- » Initial training session
- » On-the-job target-function specific assignment / job-rotation
- » Off-the-job graduate training session with a focus on company specifics, technical knowledge and personality training
- » Continuous Mentoring

General Information

- » Most companies currently have no established graduate programme running. However, within most firms such programmes are not yet defined and established in a structured way and documented in a specific regulation. But there is a clear and strong indication of firms being on their way to professionalize their graduate programmes process.

Lengths of Programmes²

- » ranges between 12 to 24 months
- » 18 months is most common

Training Sessions

- » 3 - 6 training sessions are common
- » usually 1 session abroad (period of 3 - 6 months)

Scope of Programmes

- » Programmes usually focus on models that can be clustered experience (training on the job, project work, special assignments), education (in-house academy, skill courses) and exposure (coach / networking / shadowing / feedback)
- » Less common: Programmes focusing on modules that can be clustered into core, optional und specialization area

Mentoring

- » Mentoring by Senior Manager / Coach is integral part of the programme
- » Trainee HR contact point
- » Integration: trainee get together
- » After work events

¹ Big 4 audit firms usually have specific education programmes for young employees to obtain a higher diploma in their field of expertise (e.g. dipl. Steuerexperte / dipl. Wirtschaftsprüfer). Thereby the companies pay up to approximately CHF 30'000 pro candidate for the education of 3 to 4 years. Even though they are attracting graduates, these education programmes are not regarded as graduate programmes in the sense of this analysis and are therefore not scope of this report.

² This does not apply to MBA programmes. That usually last between 24 and 36 months.

2.2 Requirements on Applicants

Requirements on Applicants are...

- » Excellent university-level degree within the respective area (engineering, business, finance, economics, ...)
- » Extracurricular activities is beneficial
- » Industrial internships expected
- » International experience preferred
- » Solid command of English is essential, a second foreign language is advantageous
- » Highly flexible, mobile and willing to work abroad
- » Ambition, motivation, openness for challenges, team-spirit

2.3 Application Process

The Application Process is...

Combination of various...

- » Online tests
- » Telephone interviews
- » Personal interviews by HR Graduate Recruitment, Line Manager and future Coach
- » Assessment centres / Recruitment days

3. Analysis of Cash Compensation during Programme

General Industry	Financial Services	Service Industry
Base Salary		
<ul style="list-style-type: none"> » Lower Quartile: CHF 74'000 p.a. » Median: CHF 85'000 p.a. » Upper Quartile: CHF 91'000 p.a. 	<ul style="list-style-type: none"> » Lower Quartile: CHF 68'000 p.a. » Median: CHF 87'000 p.a. » Upper Quartile: CHF 96'000 p.a. 	<ul style="list-style-type: none"> » Lower Quartile: CHF 70'000 p.a. » Median: CHF 79'000 p.a. » Upper Quartile: CHF 85'000 p.a.
Short Term Incentive		
<ul style="list-style-type: none"> » Based upon common firm practice » Not common 	<ul style="list-style-type: none"> » Based upon common firm practice » Incentive usually ranges between CHF 3'500 to CHF 9'000 p.a. (4 to 10 % of base salary) 	<ul style="list-style-type: none"> » Based upon common firm practice » Not common
Salary Increase		
<ul style="list-style-type: none"> » ca. 1,0 - 3,5 % p.a. 	<ul style="list-style-type: none"> » ca. 1,0 - 5,0 % p.a. 	<ul style="list-style-type: none"> » ca. 0,5 - 3,0 % p.a.
Key Criteria for Base Salary Determination		
<ul style="list-style-type: none"> » The base salary is depending on the area within the firm and kind of graduation. It distinguishes between BA, MA and PhD 	<ul style="list-style-type: none"> » Key criteria for determination of base salary is an excellent university degree, extracurricular activities are beneficial and/or international work experience as well as validated passed assessment centre » Beside this: to differentiation between BA, MA and PhD is common 	

4. Analysis of Entry Salaries after Programme

General Industry	Financial Services	Service Industry
Base Salary		
» Lower Quartile: CHF 88'000 p.a. » Median: CHF 97'000 p.a. » Upper Quartile: CHF 120'000 p.a.	» Lower Quartile: CHF 91'000 p.a. » Median: CHF 112'000 p.a. » Upper Quartile: CHF 129'000 p.a.	» Lower Quartile: CHF 84'000 p.a. » Median: CHF 92'000 p.a. » Upper Quartile: CHF 117'000 p.a.
Short Term Incentive		
» Based upon common firm practice » Incentive usually ranges between CHF 3'500 to CHF 12'000 p.a. (4 to 14 % of base salary)	» Based upon common firm practice » Incentive usually ranges between CHF 7'000 to CHF 20'000 p.a. (6 to 17 % of base salary)	» Based upon common firm practice » Incentive usually ranges between CHF 2'500 to CHF 10'000 p.a. (3 to 10 % of base salary)
Salary Increase		
ca. 0,5 - 3,0 % p.a.	ca. 1,0 - 4,5 % p.a.	ca. 0,5 - 2,5 % p.a.
Key Criteria for Base Salary Determination		
» The entry salaries after the graduate programme are depending on the job selected by the trainee and are thereby defended by the internal salary band, incumbent comparison as well as the individual performance during the programme		

Impress

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