

PwC Barometer: 75 pct of Romanian companies have adjusted or will adjust salaries to account for inflation

Most companies in Romania (75%) point to the fact that they have adjusted or will adjust wages to account for inflation or by a percentage between the rate of inflation and the initially planned growth, the average being 9.4%, while the rest have decided to maintain the payroll increase budget established in 2021, reveal the results of the HR Barometer conducted by PwC Romania.

According to the survey, 41% of companies have revised upwards their salary increase budget, but not enough to compensate for the loss of income caused by inflation, a quarter have adjusted or will adjust wages with the level of inflation for all employees, and 9% have adjusted wages with inflation only for certain categories of employees.

The average inflation rate to which the responding companies refer when adjusting the budget is on average 8.2%, although data from the National Institute of Statistics (INS) show that the inflation rate reached 14.5% in May, the highest in the last 19 years in Romania. In the same context, the most recent inflation forecast of the National Bank of Romania (BNR) for the end of this year is 12.5%.

The PwC report shows that the largest increases in the total salary budget in 2022 vs 2021 are in the consumer goods/distribution sector (+ 13.6%), in financial services (banks, leasing, IFN - 12.8%), and in the energy sector (+ 10.3%). The insurance sector (+ 5.6%) and the pharma sector (+ 6.4%) are at the opposite end, with the lowest salary budget increases.

In terms of personnel turnover, most companies do not report significant changes in the first half of the year, and 36% plan new hires in the third quarter.

According to the survey, half of the companies intend to apply a hybrid work model, according to certain imposed rules (minimum number of days at the office, clearly established schedule), the collaboration between employees being the main reason mentioned for the importance of returning to the office. Thus, of the companies that apply hybrid work, 66% say that in the long run their employees will work exclusively or mostly from the office.

Also, 37% of the total respondents will leave the choice to each team/employee, and 9% will apply the permanent activity in the office, mandatory for all employees. Only 11% of companies allow teleworking from abroad, based on a defined policy.

The HR Barometer survey was conducted by PwC from June 27 to 29, 2022, based on information provided by over one hundred participating companies in IT&C, BPO, Industrial Products, Energy (Utilities/Petroleum Products), Pharmaceutical/Medical, Financial Services and FMCG/Retail. Over a quarter (27%) of the responding companies have between 1,001 and 3,000 employees, a similar share between 101 - 500 employees, 19% under 100 employees, 16% between 501 - 1,000 employees, and 12% over 3,000 employees.

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