

Bonus Season Comes to Western Europe

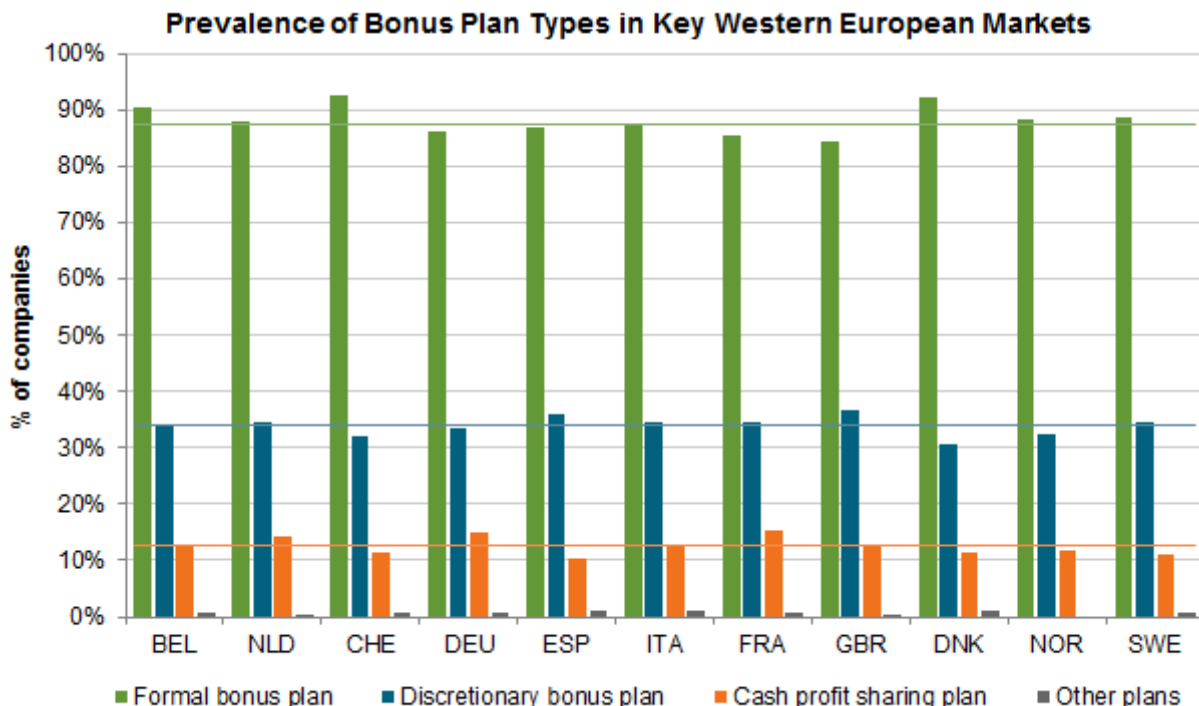
By Radford EMEA

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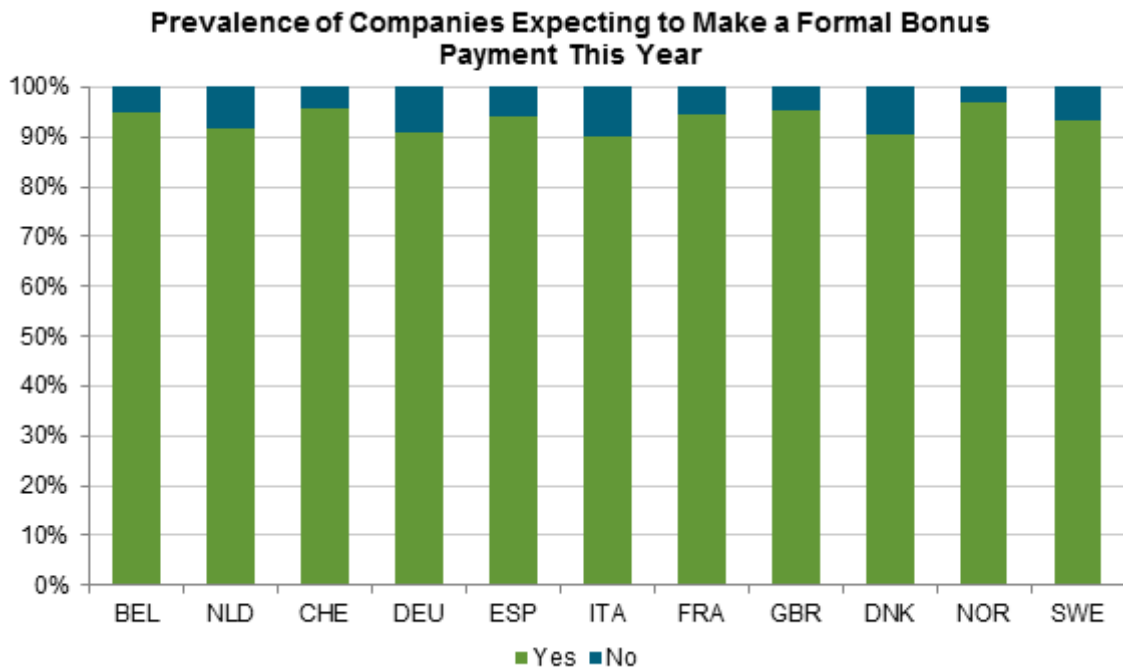
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With the first quarter of 2014 recently closed, and most fiscal year 2013 bonuses recently paid, our team decided to take a closer look at bonus practices across Western Europe. Specifically, the nature of bonus plans at technology sector companies operating in Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

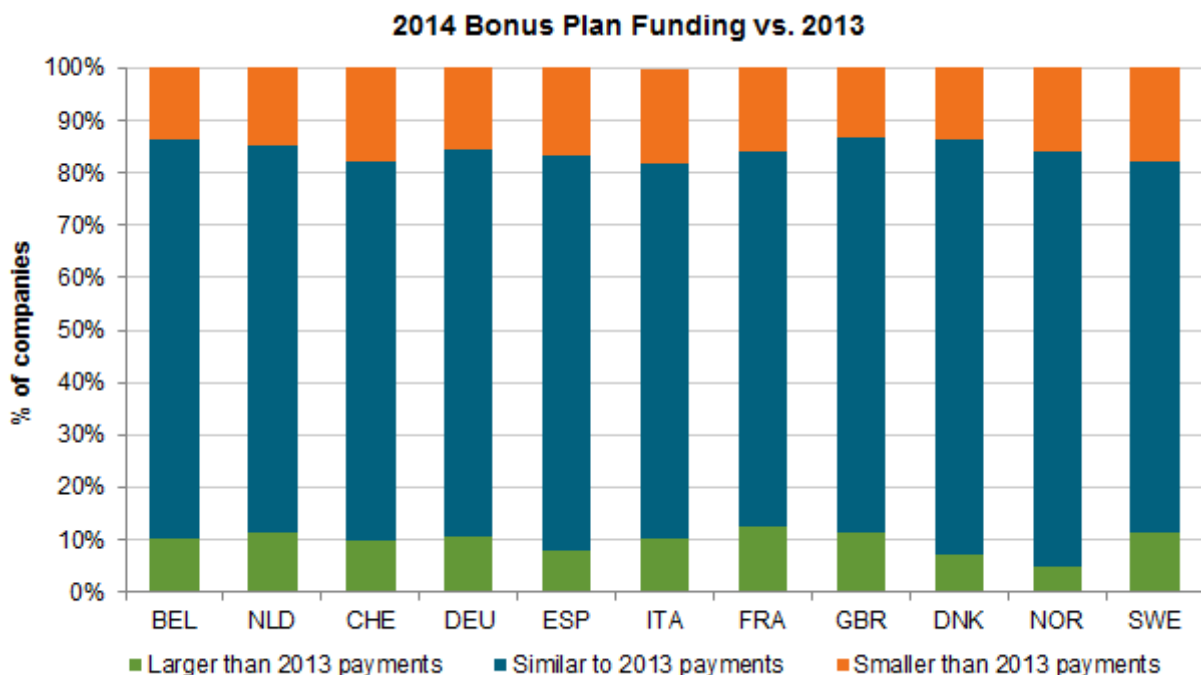
To kick off the analysis, Radford's Global Technology Survey reveals that an average of 88% of companies operating in the above mentioned markets currently have a formal cash bonus plan in place, followed by an average of 34% of companies that deploy a discretionary bonus plan. Somewhat surprisingly, only 13% of companies have cash profit sharing plans in place. Overall, practices across each of the 11 countries reviewed by Radford are quite similar.



Looking ahead to 2014 results, nearly every company with a formal bonus plan expects to make a payout this year. Across the 11 countries covered in our analysis, no fewer than 90% of firms expect to award bonuses this year.

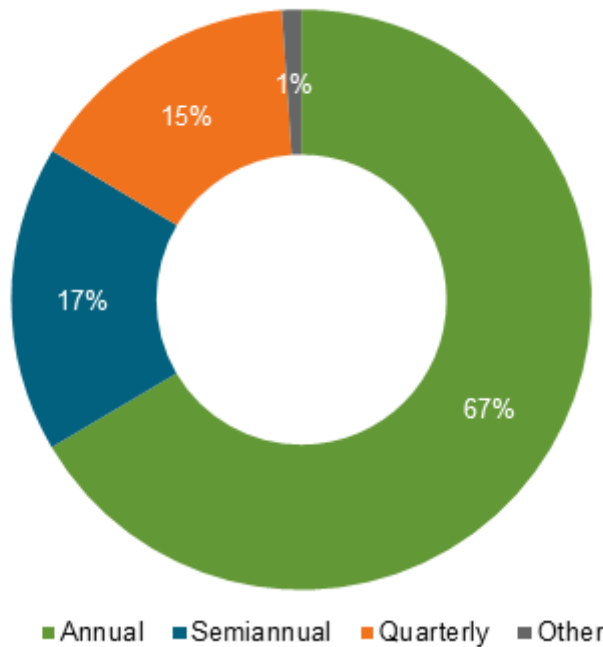


With regard to expected payout levels, roughly three in four companies anticipate a similar budget for formal bonus payments in 2014 vs. 2013. On average, 10% of companies expect an increase in bonus budgets, while 15% of companies anticipate lower plan funding levels. Once again, we observe no significant differences in practices across the 11 countries covered in our analysis.



We close our analysis with a look at payment frequency across all 11 countries. On average, 67% of companies make annual formal bonus plan payments, while 17% and 15% of companies make semiannual and quarterly payments, respectively.

Typical Formal Bonus Plan Payment Frequency



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