



JobsDB Compensation and Benefit Survey Report 2009

Research Consultant



JobsDB.com

Introduction

To assist HR professionals devise their human resources plans for next year, JobsDB conducted a Compensation & Benefit Survey by the end of 2008. The most updated information from 162 corporations of different business sectors in Hong Kong is obtained. A report is compiled, giving valuable prediction on salary trend and benefit adjustment for 2009.

Opinion Research Corporation is invited to be the Research Consultant in this survey.

Scope and Methodology

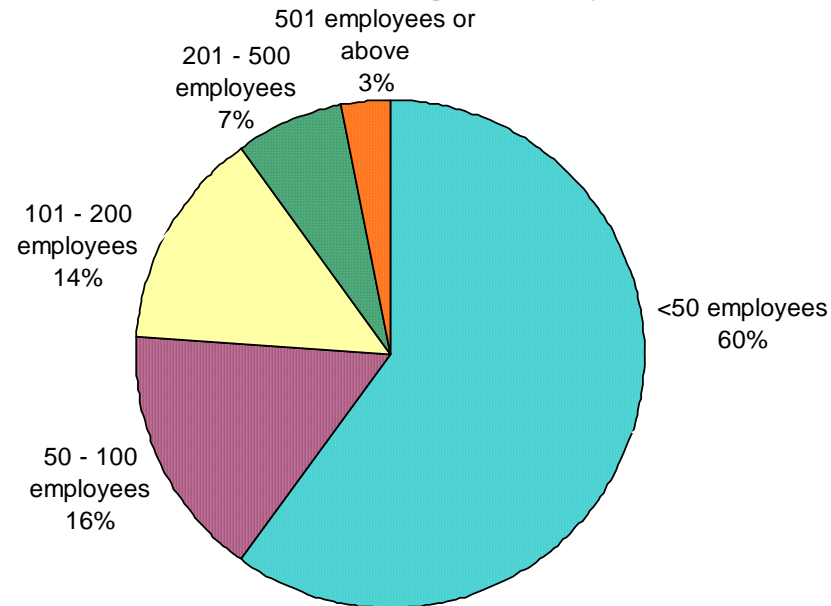
1. Objective

The aim of this survey is to collect information on the pay trend of full-time salaried employees working in different business sectors in Hong Kong between 2008 and 2009. Besides, information on various types of benefits was also collected for analysis. These findings will help companies make informed hiring decisions, and pay/benefit adjustment on the current staff.

2. Survey Coverage

The survey covered 162 companies from 36 business sectors. Only full-time salaried employees working in Hong Kong were surveyed. Expatriates, part-time and temporary employees were excluded. Among the surveyed companies, 60% of the companies employ less than 50 staff, 16% employ 50-100 staff, 14% employ 101-200 staff, 7% employ 201-500 staff, and 3% employ more than 500 staff. Regarding the expected company expansion in employees size in 2009, 39% claimed they will keep unchanged, while 26% will employ more employees, with an increase of 10% or more. However, 16% of the companies will cut down the number of staff.

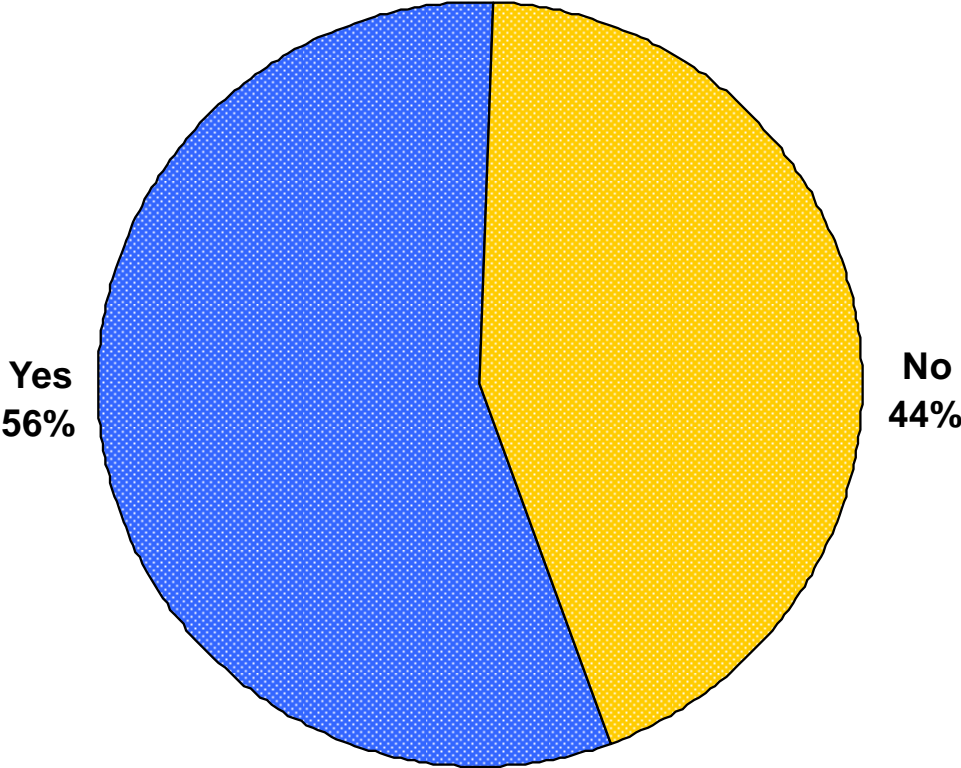
2008 - Size of Participating Companies (Number of participating company: 162)



Retaining Staff

The survey also investigated the difficulties in retaining staff. More than half of the surveyed companies claimed that it was difficult to retain staff over the past 12 months.

Experiencing Difficulty in Retaining Staff over Past 12 Months



Scope and Methodology (con't)

3. Datum Point

Basic monthly salary (excluding any bonuses, but including commission) of surveyed companies as at 1 September 2008 was recorded and predicted adjustment of basic monthly salary in 2009 was captured. The compensation and benefits in 2008 and 2009 were also surveyed.

4. Data Collection Method

The survey was conducted by an online questionnaire. Companies were invited to fill in the questionnaire through e-mail from 21 to 31 October 2008.

5. Data Analysis

Surveyed companies were requested to provide data of basic monthly salary of each job position in 2008, predicted salary adjustment of each job position in 2009 and the compensation and/or benefits provided in each company.

The data was analyzed to determine the “average”, “median”, “25th percentile”, “75th percentile”, or “percentage” for basic monthly salary, predicted salary adjustment, annual leave, performance bonus and year-end bonus. For other compensation or benefits, “percentage” was to be determined.

Separate analyses were carried out by grouping the surveyed companies according to their business sectors, or grouping the job positions according to their job functions.

Definitions

Basic monthly salary (HK\$): the present monthly salary excluding any bonuses (both guaranteed and non-guaranteed bonuses) but including commission in a particular job position. The present salary was recorded as at 1 September 2008.

Predicted adjustment (%): the predicted adjustment of a basic monthly salary in a particular job position in 2008

Employees: it refers to those full-time salaried employees working in Hong Kong only. Expatriates, part-time and temporary employees are excluded

Employee level: employees are grouped into four categories based on their field's experience:

1. Top / senior management
2. Middle management / non-managerial professionals
3. Supervisory / officers
4. Clerical / frontline

Average: a mathematical average of a set of data values (basic monthly salaries, percentage adjustments, number of annual leave, and performance bonus or year-end bonus). Arithmetic average will not be provided when number of the data values used in calculation is 5 or less.

Median: a middle number of a set of data values (basic monthly salaries, percentage adjustments, number of annual leave and performance bonus or year-end bonus) which divides the whole set into halves.
Median will not be provided when number of the data values used in calculation is 5 or less.

25th percentile (1st quartile): it is the number of a set data values (basic monthly salaries, percentage adjustments, number of annual leave and performance bonus or year-end bonus) which cuts off the lowest 25% of data.

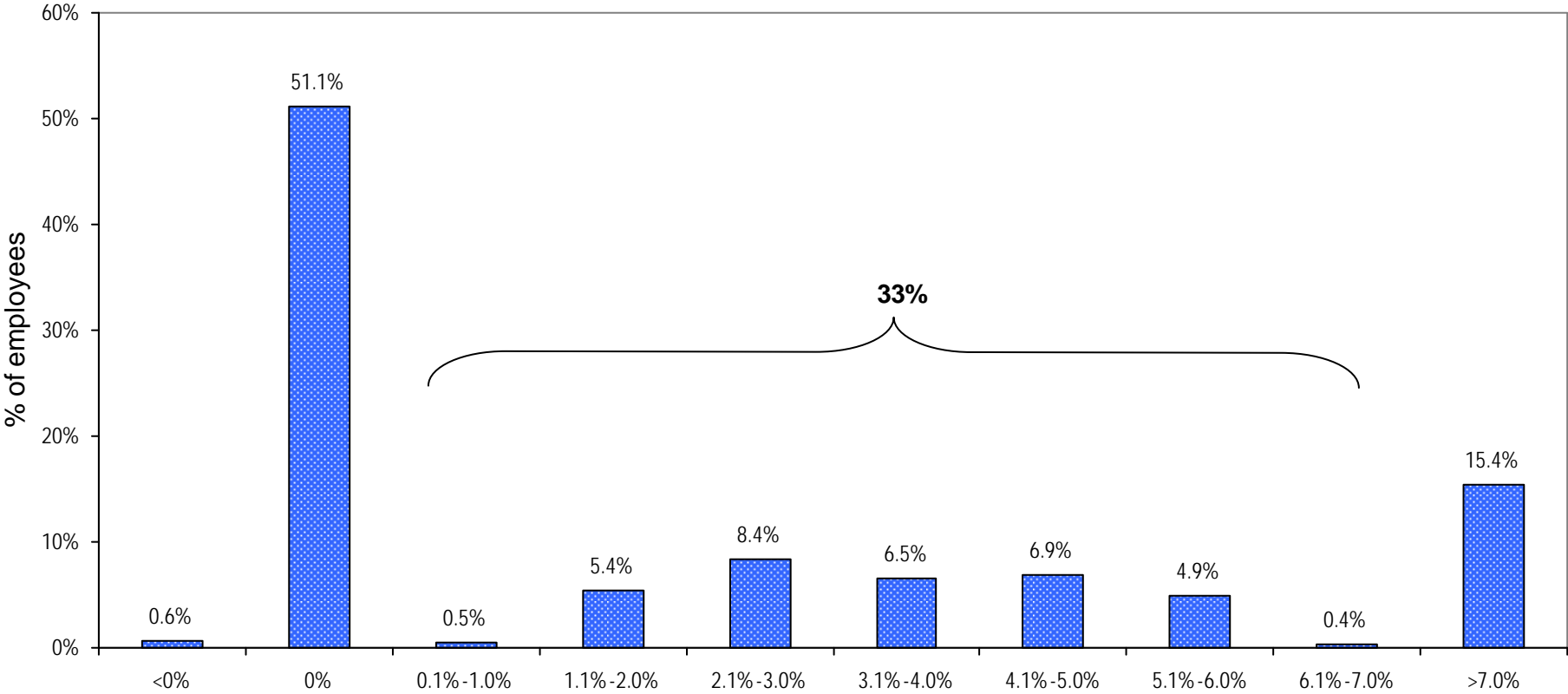
75th percentile (3rd quartile): it is the number of a set data values (basic monthly salaries, percentage adjustments, number of annual leave and performance bonus or year-end bonus) which cuts off the highest 25% of data.

Inter-quartile Range (Q-range): the difference between the data values at the 25th and 75th percentiles and is a measure of statistical dispersion

1. Pay Adjustment Prediction in 2009

51.1% of employees are expected to freeze the salary, whereas 15.4% of them will have an increase of more than 7.0% in 2009.

Percentage of adjustment of monthly salary in 2009

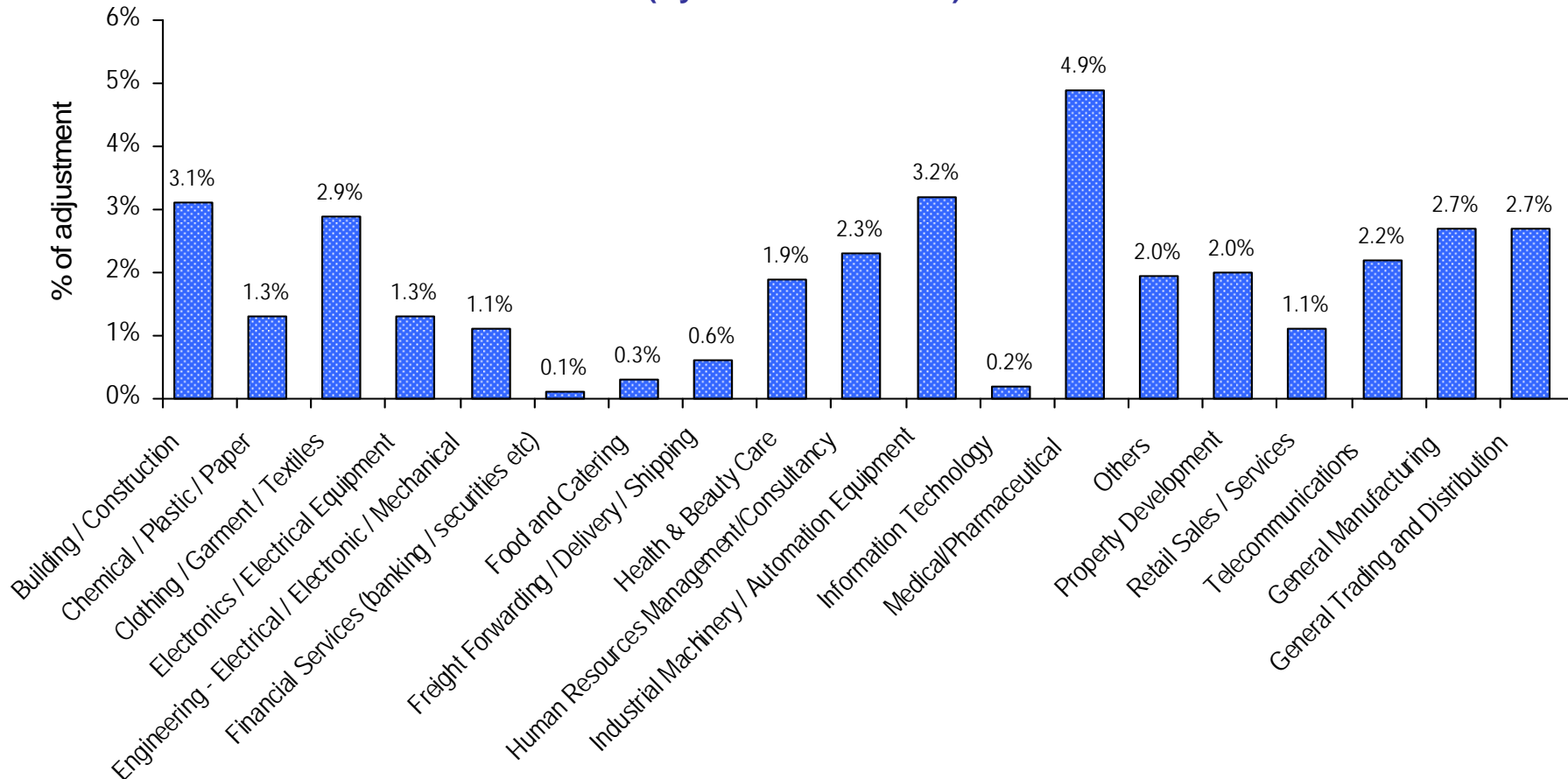


Remarks: 162 companies hiring a total of more than 19,000 employees from 36 business sectors participated in the survey

1.1. Pay Adjustment – by Business Sectors

In terms of business sectors, Medical / Pharmaceutical reports to have the highest average increase of monthly salary in 2009 (4.9%), followed by Industrial Machinery / Automation Equipment (3.2%).

Percentage of adjustment of monthly salary in 2009
(By business sectors)

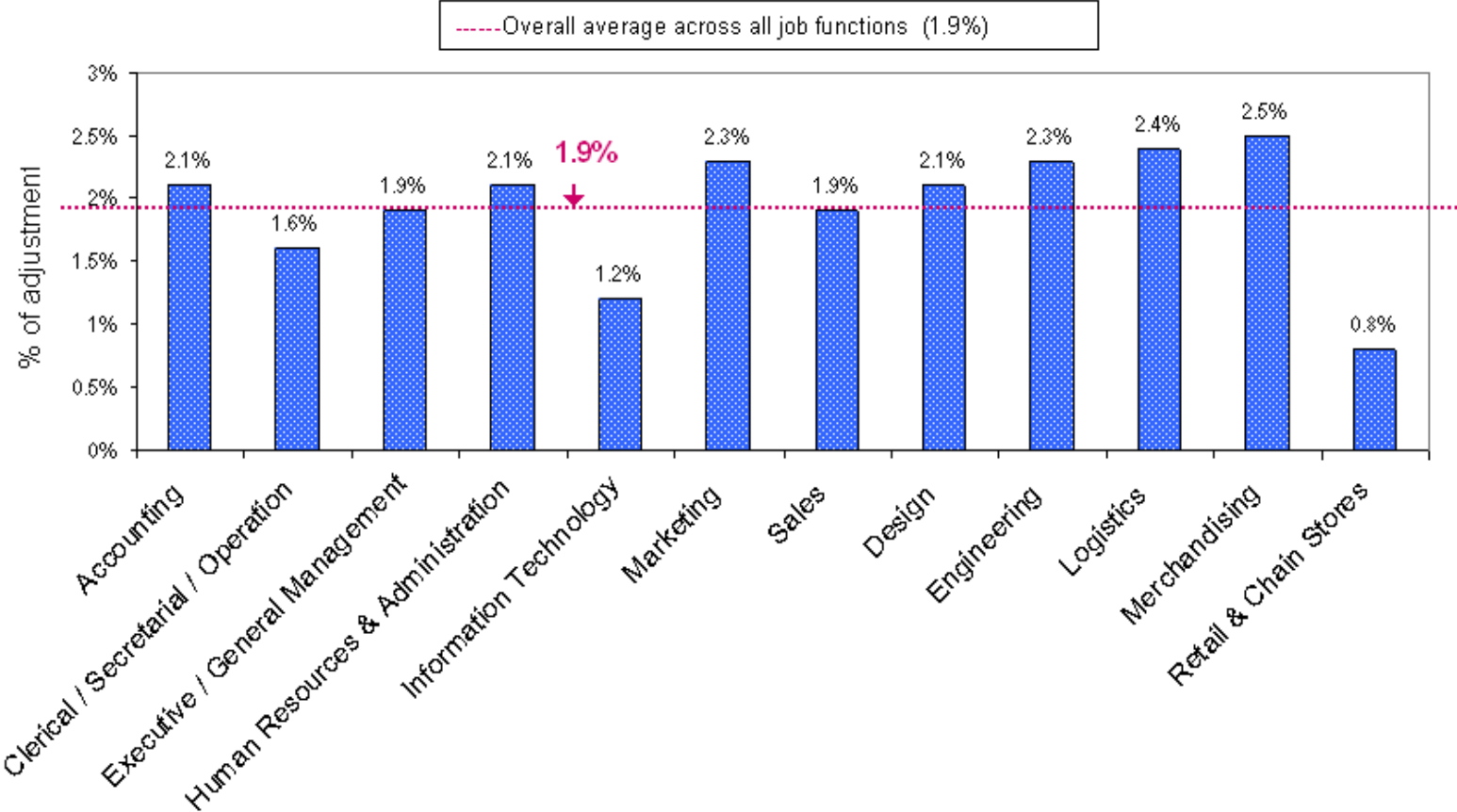


Remarks: Industries with less than 2 companies or 10 employees were not included.

1.2. Pay Adjustment – by Job Functions

In terms of job functions, Merchandising is expected to have the highest pay increase with 2.5%, followed by Logistic (2.4%). The overall average across all job functions is 1.9%.

**Percentage of adjustment of monthly salary in 2009
(By job functions)**

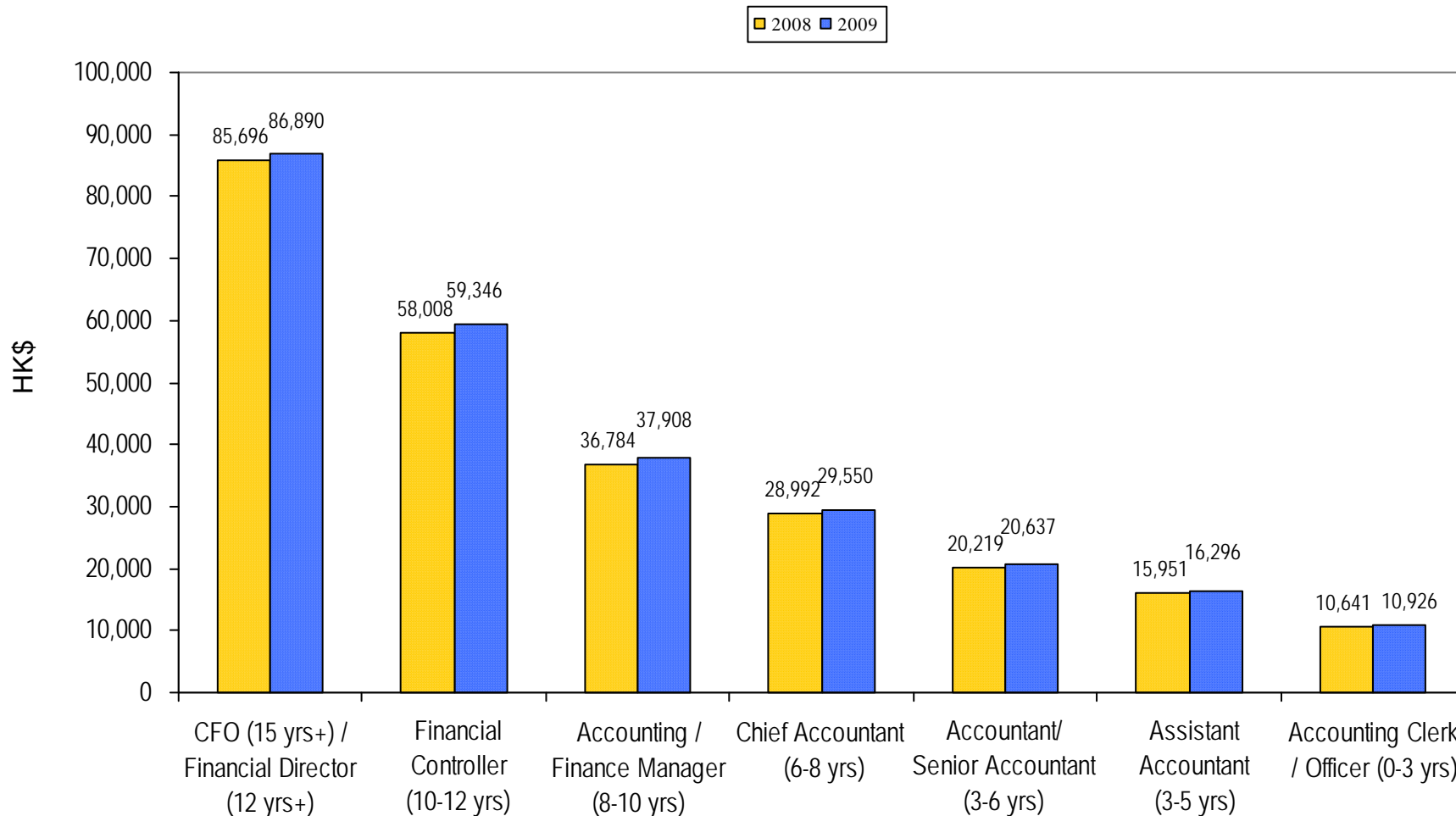


1.3. Pay Adjustment – by Job Positions

In terms of job positions, the highest average increase is observed in Assistant Administration Manager and Senior Marketing Manager (both are 3.3%). This is followed by Design Manager (3.2%) and Assistant Merchandiser (3%). On the other hand, analyst programmer is expected to have a decrease in 0.2% on average. In general, middle management has a larger increase on average than top/senior management and officer/frontline.

- Accounting
- Clerical / Secretarial / Operation
- Design
- Engineering
- Executive / General Management
- Human Resources & Administration
- Information Technology
- Logistics
- Marketing
- Merchandising
- Retail & Chain Stores
- Sales

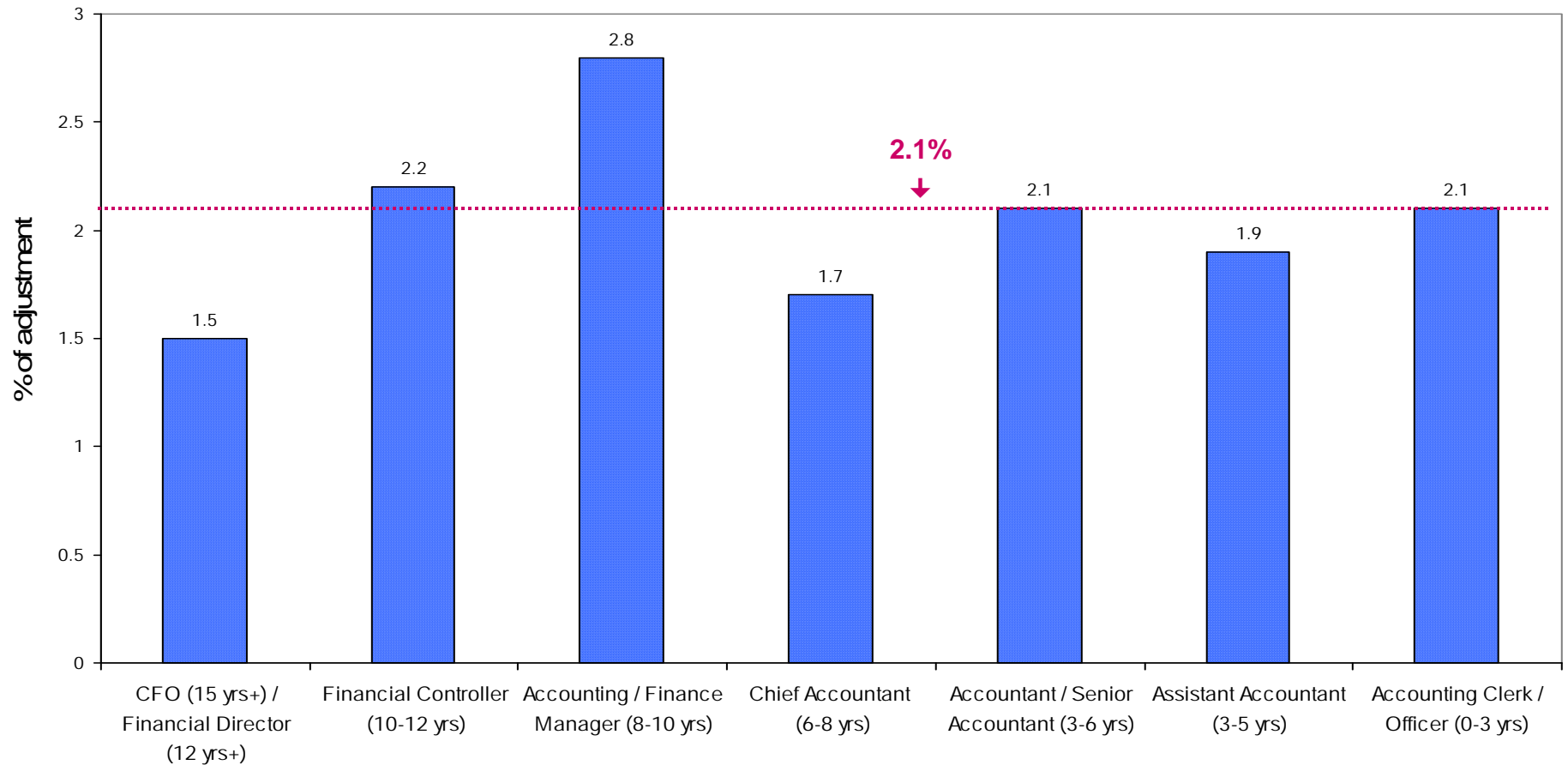
Present (2008) & predicted (2009) average monthly salary
(Accounting – by job positions)



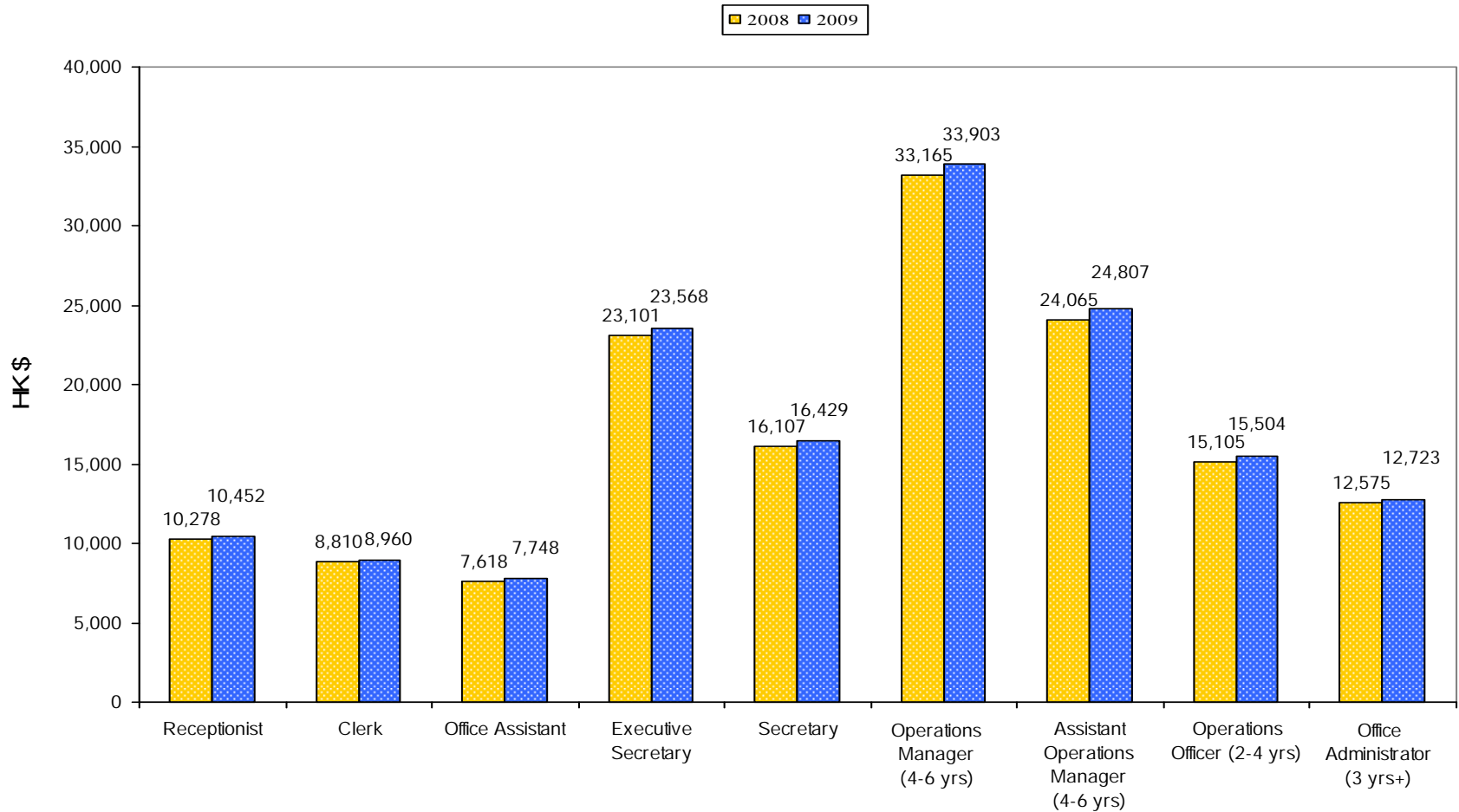
2008	Average	85,696	58,008	36,784	28,992	20,219	15,951	10,641
	Median	80,000	57,500	35,000	30,000	20,000	15,125	10,500
	Q-range	63,000 - 100,000	45,000 - 71,250	29,850 - 40,000	25,500 - 32,000	17,000 - 22,625	14,000 - 17,846	9,000 - 12,000
2009	Average	86,890	59,346	37,908	29,550	20,637	16,296	10,926

Percentage of adjustment of monthly salary in 2009
(Accounting – by job positions)

----- Overall average of all job positions in accounting (2.1%)



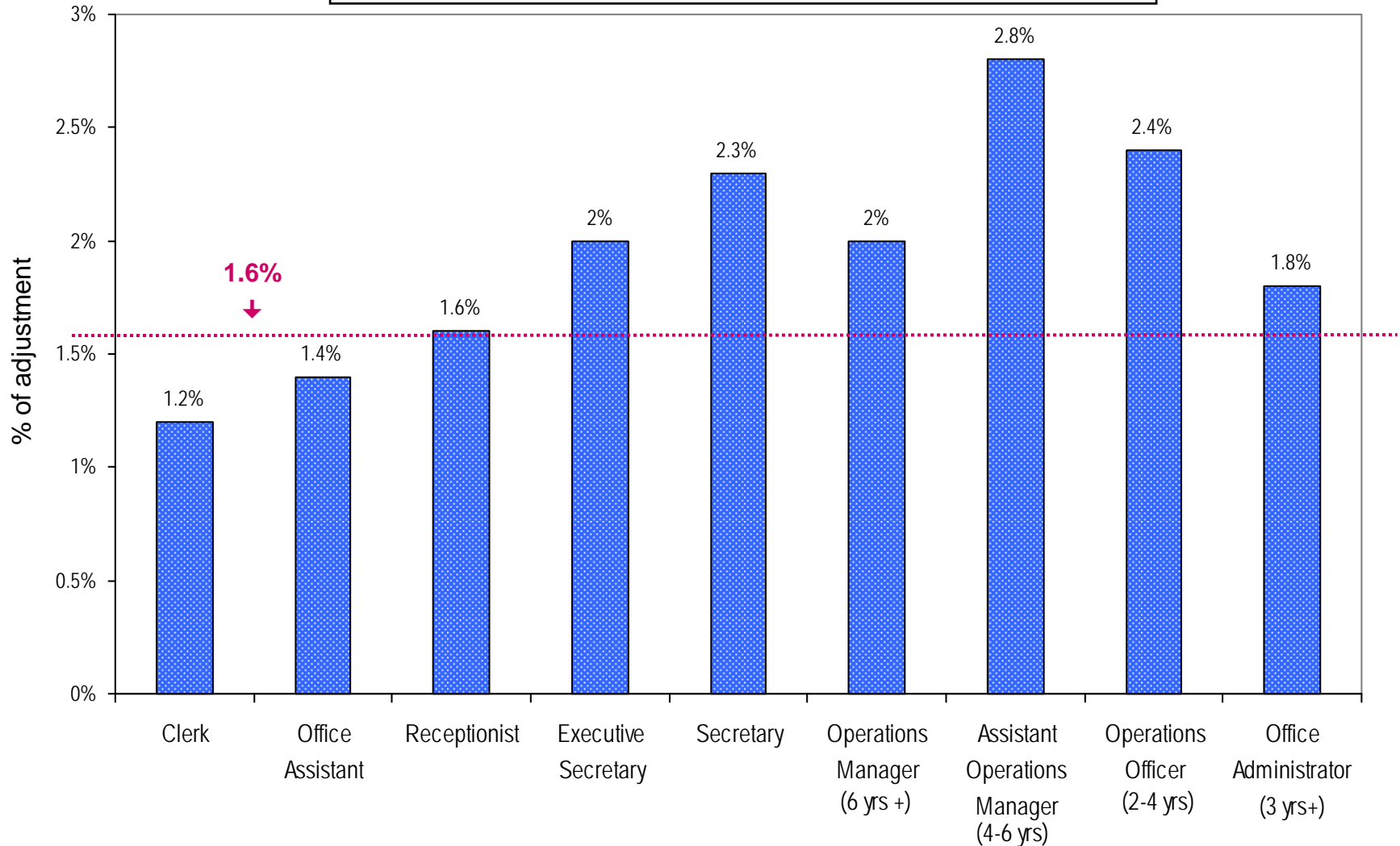
Present (2008) & predicted (2009) average monthly salary (Clerical / Secretarial / Operation – by job positions)



2008	Average	10,278	8,810	7,618	23,101	16,107	33,165	24,065	15,105	12,575
	Median	10,000	8,500	7,500	22,750	15,000	30,000	22,000	13,000	12,500
	Q-range	8,900 - 12,000	7,500 - 10,000	6,850 - 8,625	19,000 - 25,000	12,000 - 18,000	25,500 - 37,125	19,000 - 28,400	12,000 - 14,625	10,500 - 15,250
2009	Average	10,452	8,960	7,748	23,568	16,429	33,903	24,807	15,504	12,723

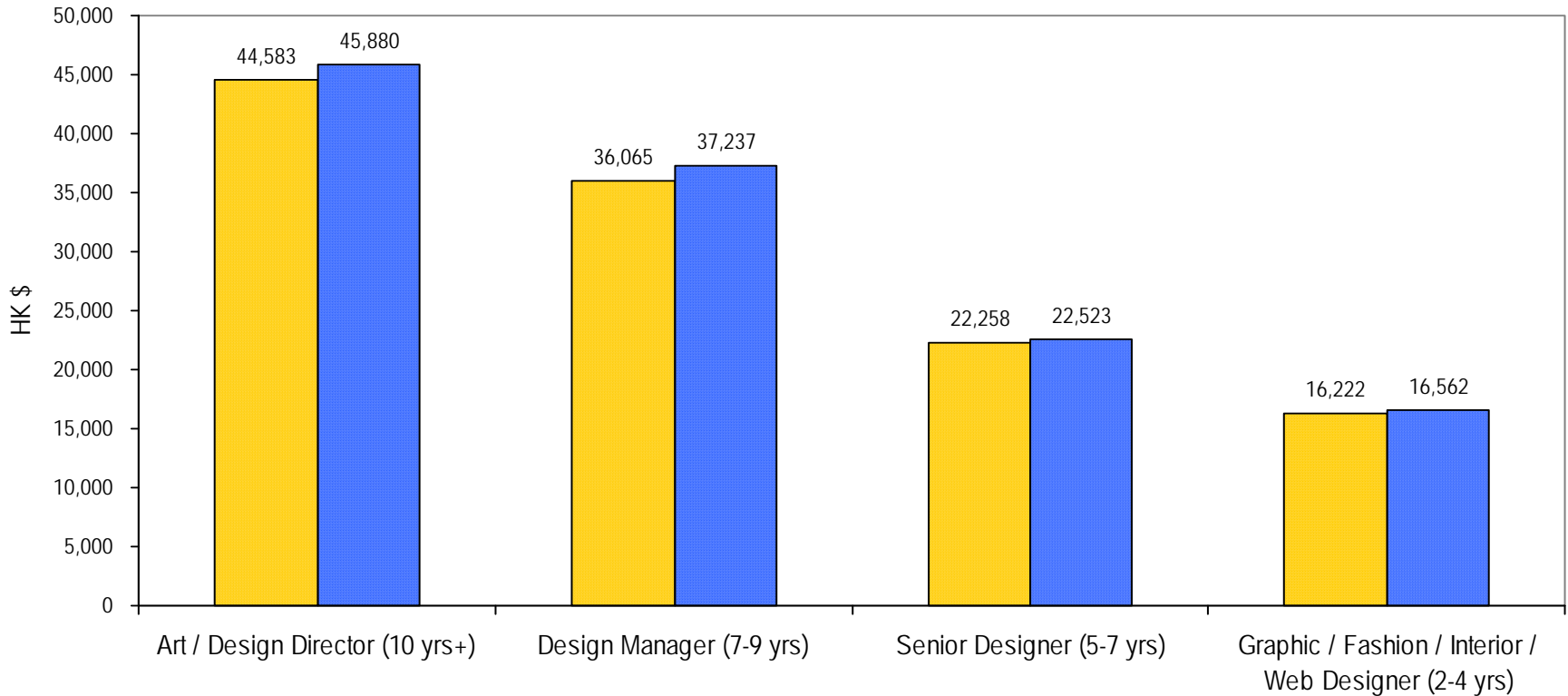
**Percentage of adjustment of monthly salary in 2009
(Clerical / Secretarial / Operation – by job positions)**

----- Overall average of all job positions in Clerical / Secretarial / Operation (1.6%)



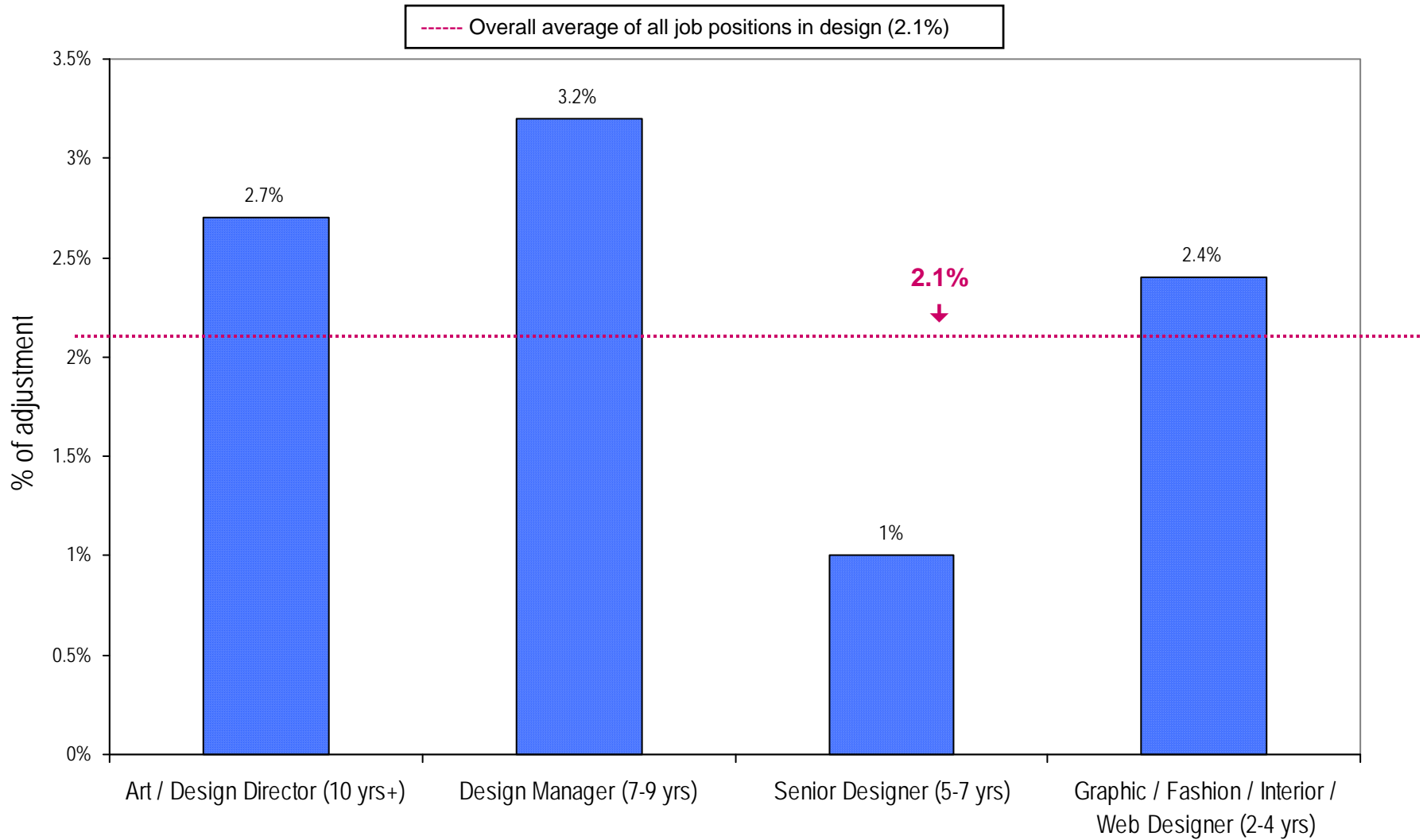
Present (2008) & predicted (2009) average monthly salary
(Design – by job positions)

■ 2008 ■ 2009

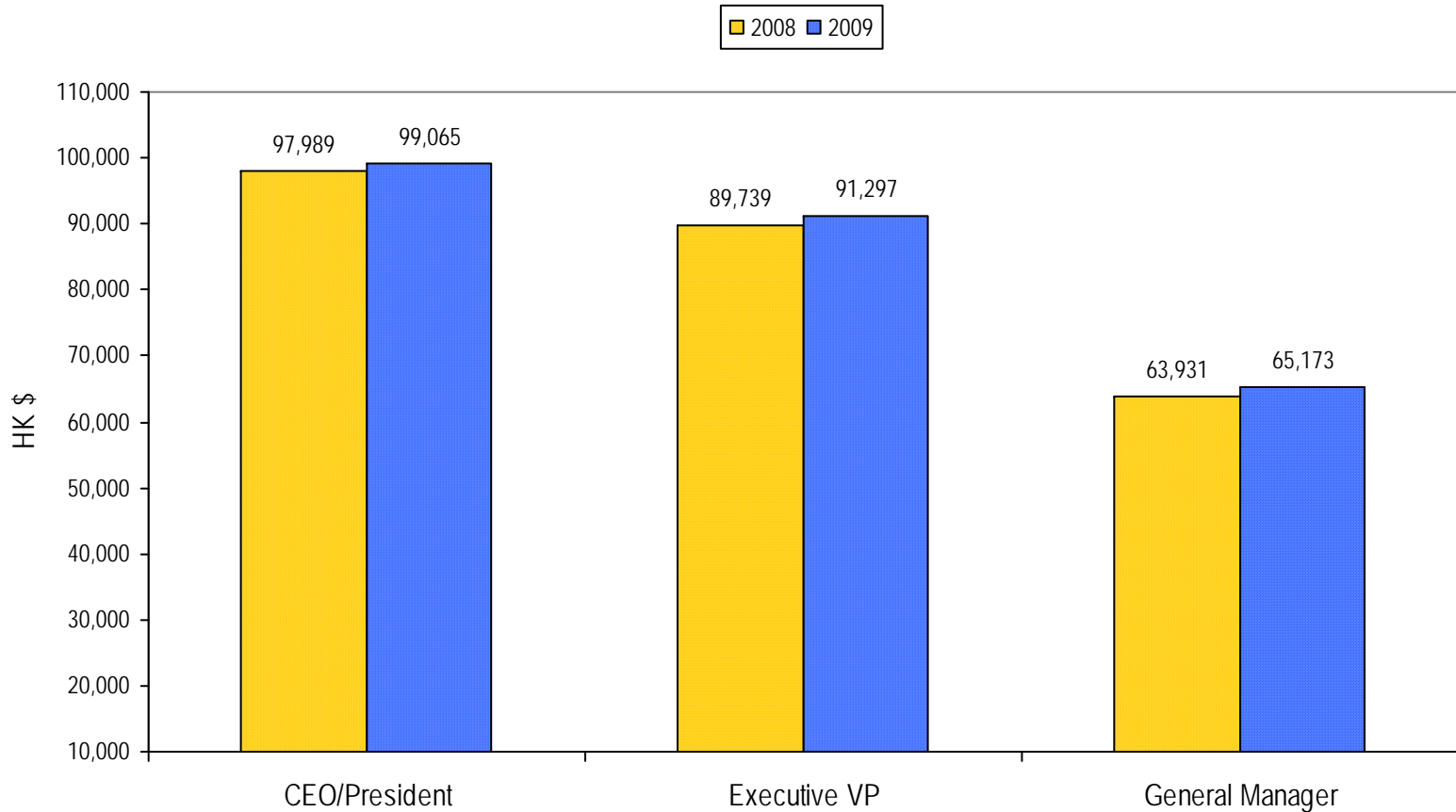


2008	Average	44,583	36,065	22,258	16,222
	median	42,000	36,000	22,032	14,500
	Q-range	37,500 - 51,000	33,750 - 40,000	18,750 - 27,077	11,656 - 19,125
2009	Average	45,880	37,237	22,258	16,562

Percentage of adjustment of monthly salary in 2009
(Design – by job positions)



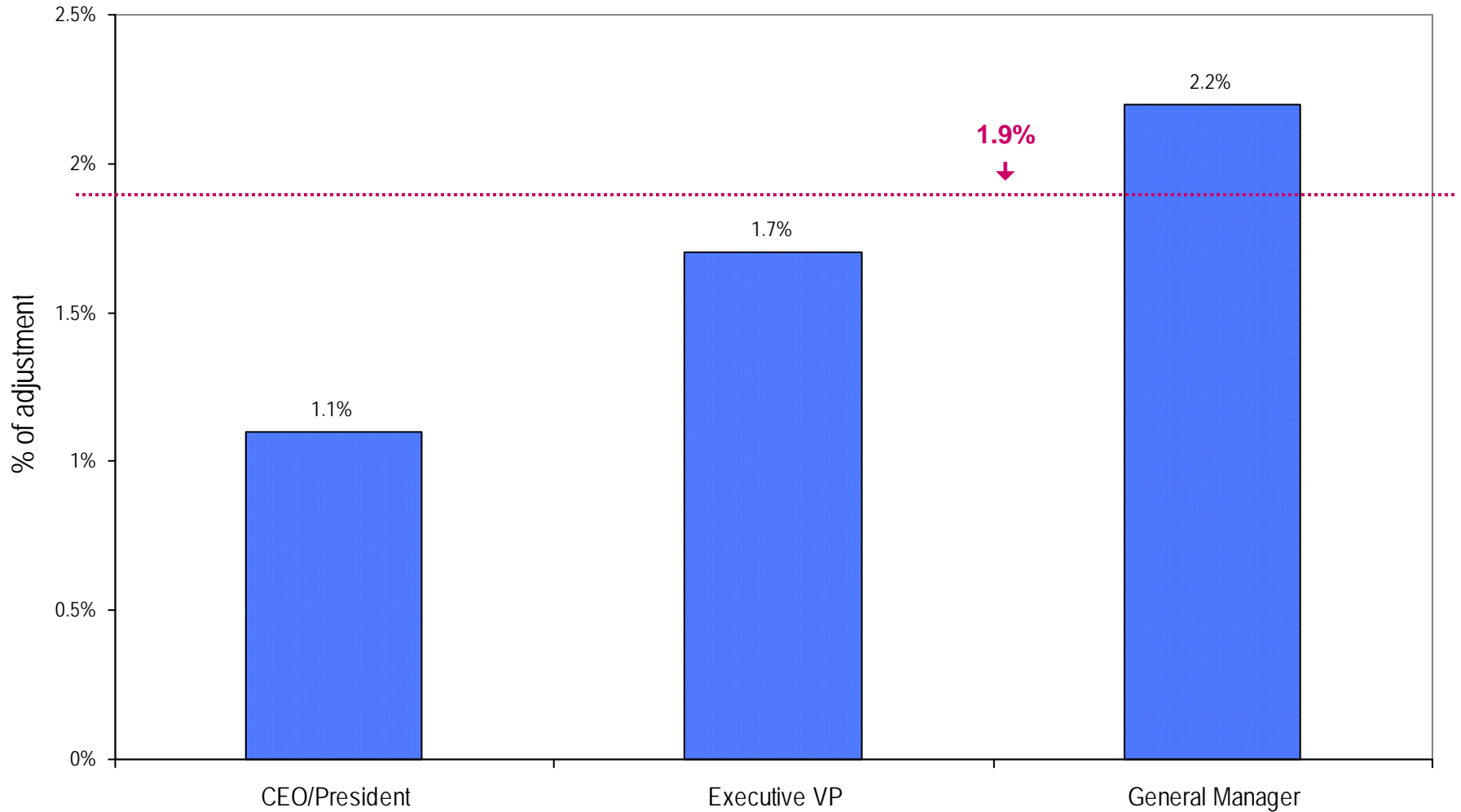
Present (2008) & predicted (2009) average monthly salary
(Executive/General Management – by job positions)



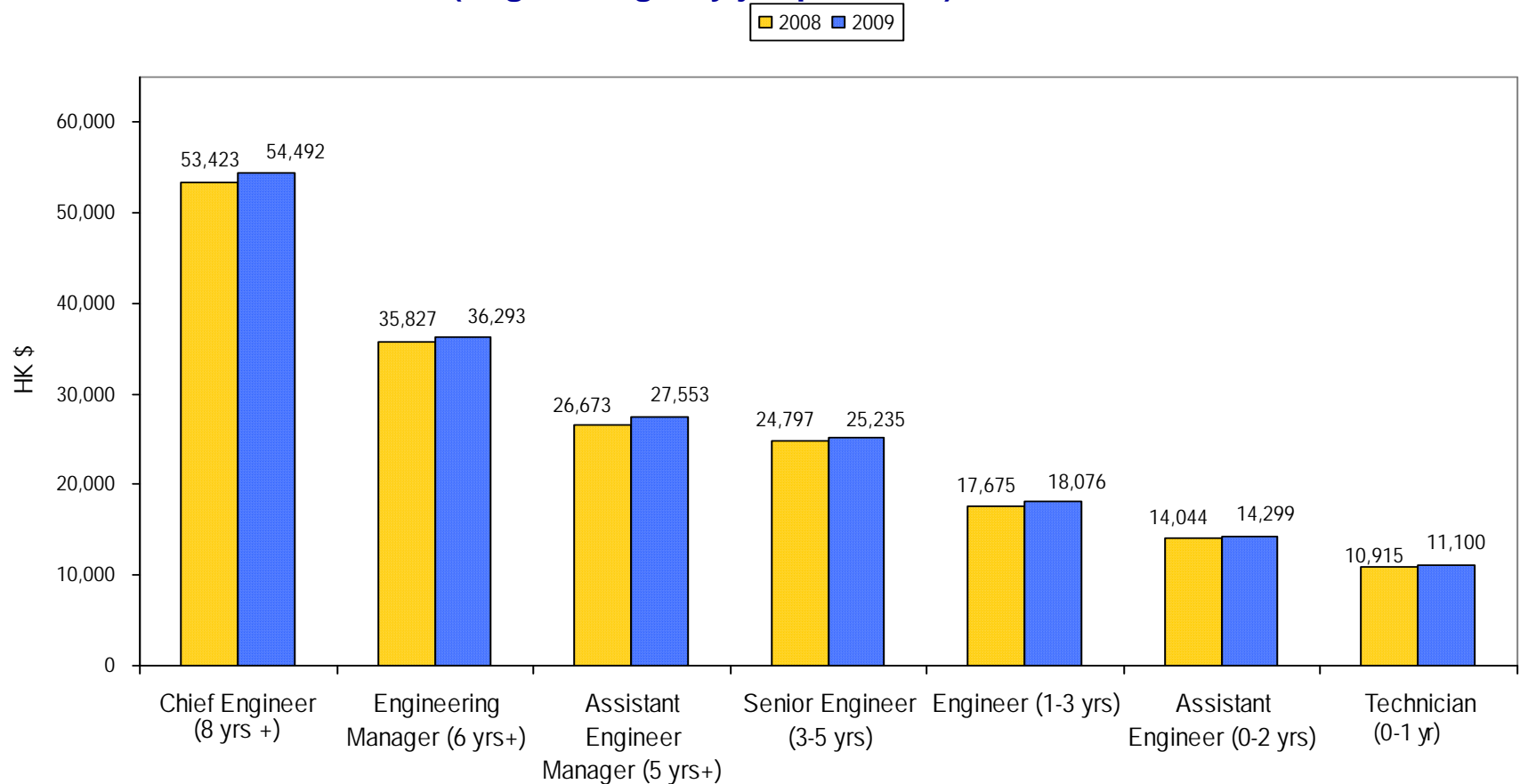
2008	Average	97,989	89,739	63,931
	Median	100,000	77,300	60,000
	Q-range	70,000 - 122,500	61,250 - 107,500	39,000 - 89,000
2009	Average	99,065	91,297	65,173

Percentage of adjustment of monthly salary in 2009
(Executive/General Management – by job positions)

-----Overall average of all job positions in Executive/General Management (1.9%)

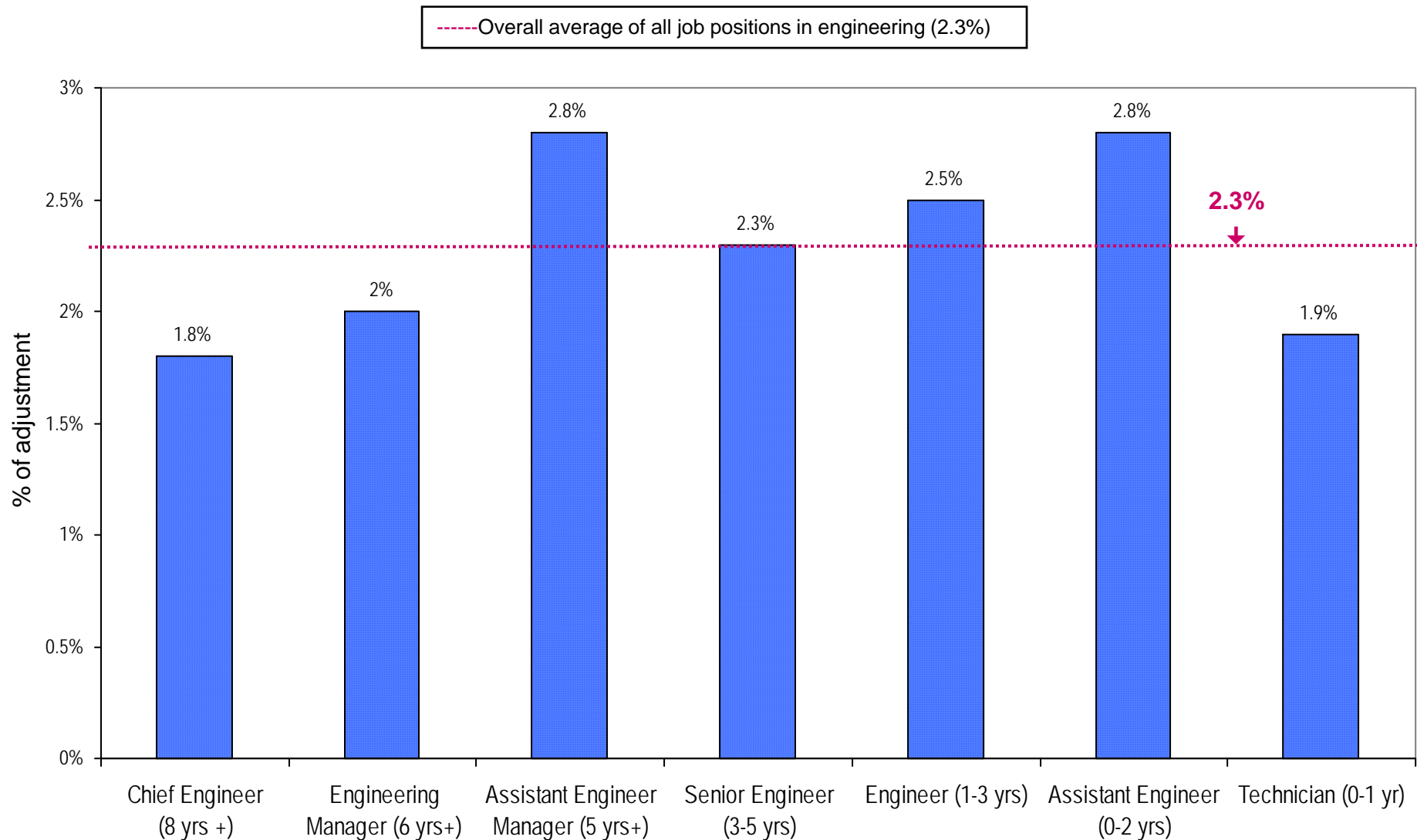


Present (2008) & predicted (2009) average monthly salary
(Engineering – by job positions)



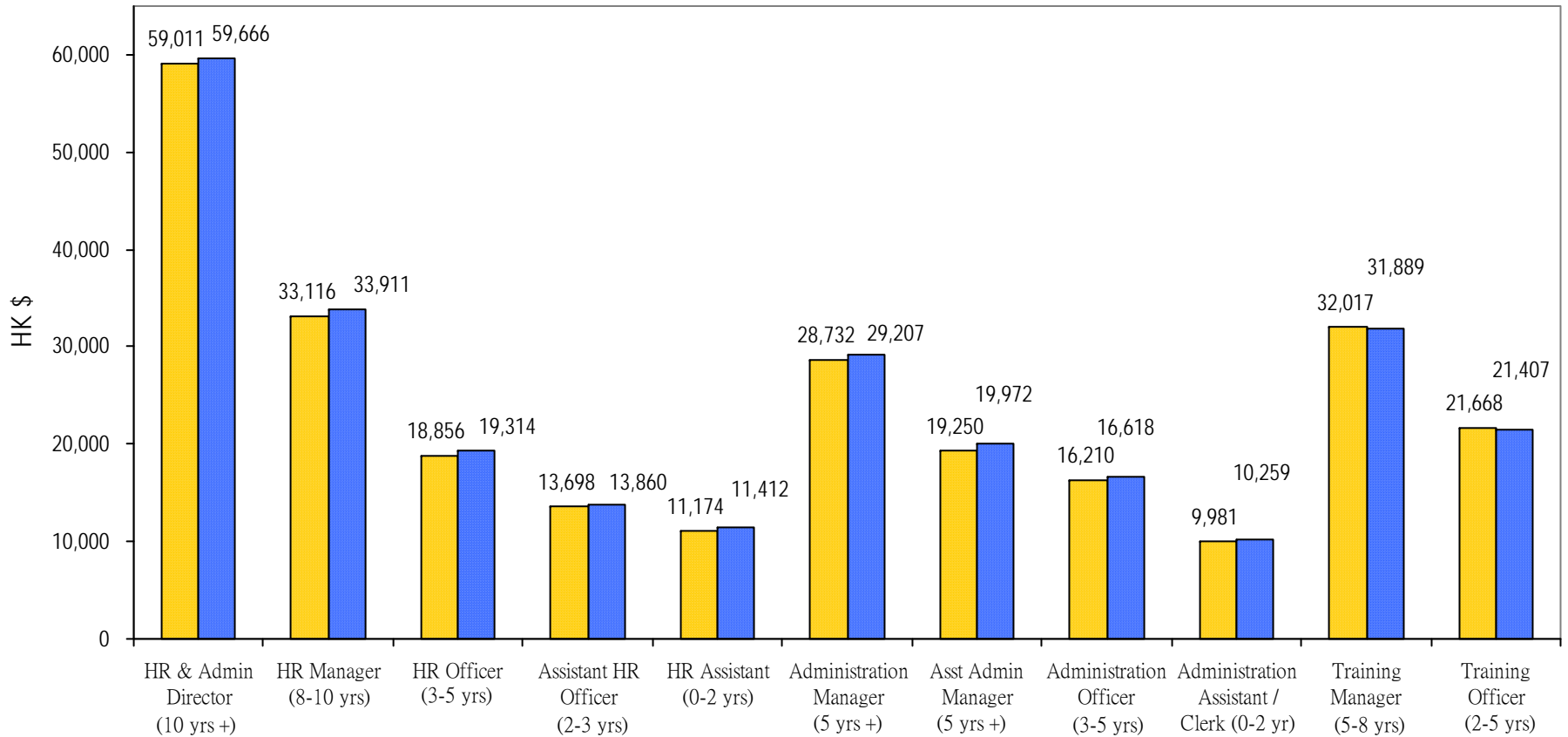
2008	Average	53,423	35,827	26,673	24,797	17,675	14,044	10,915
	median	43,500	35,250	25,750	22,000	16,000	13,000	10,000
	Q-range	39,000 - 54,500	29,500 - 40,920	22,000 - 30,000	18,000 - 28,000	14,775 - 20,000	11,000 - 15,000	9,000 - 12,000
2009	Average	54,492	36,293	27,553	25,235	18,076	14,299	11,100

Percentage of adjustment of monthly salary in 2009
(Engineering – by job positions)



**Present (2008) & predicted (2009) average monthly salary
(Human Resources & Administration – by job positions)**

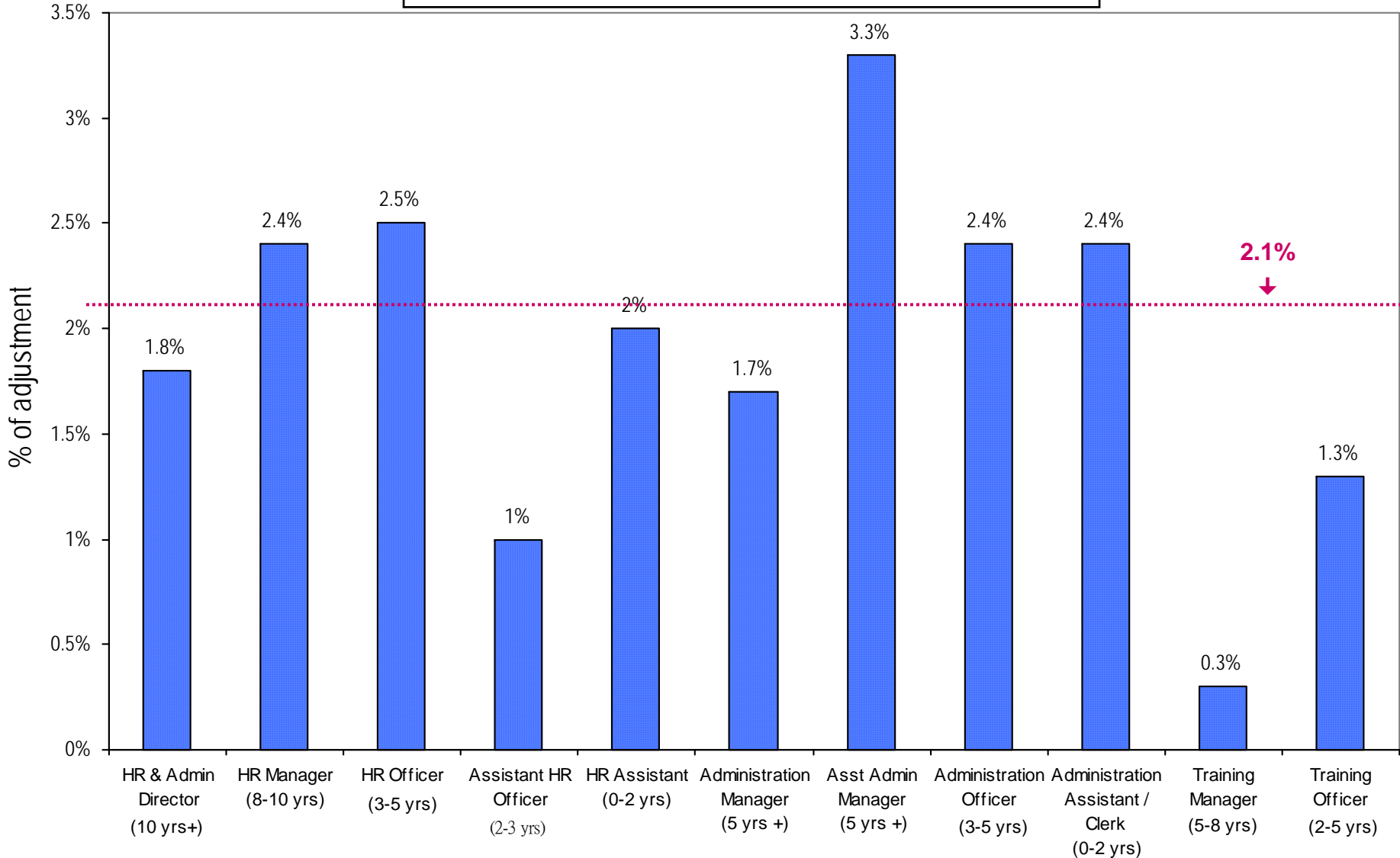
■ 2008 ■ 2009



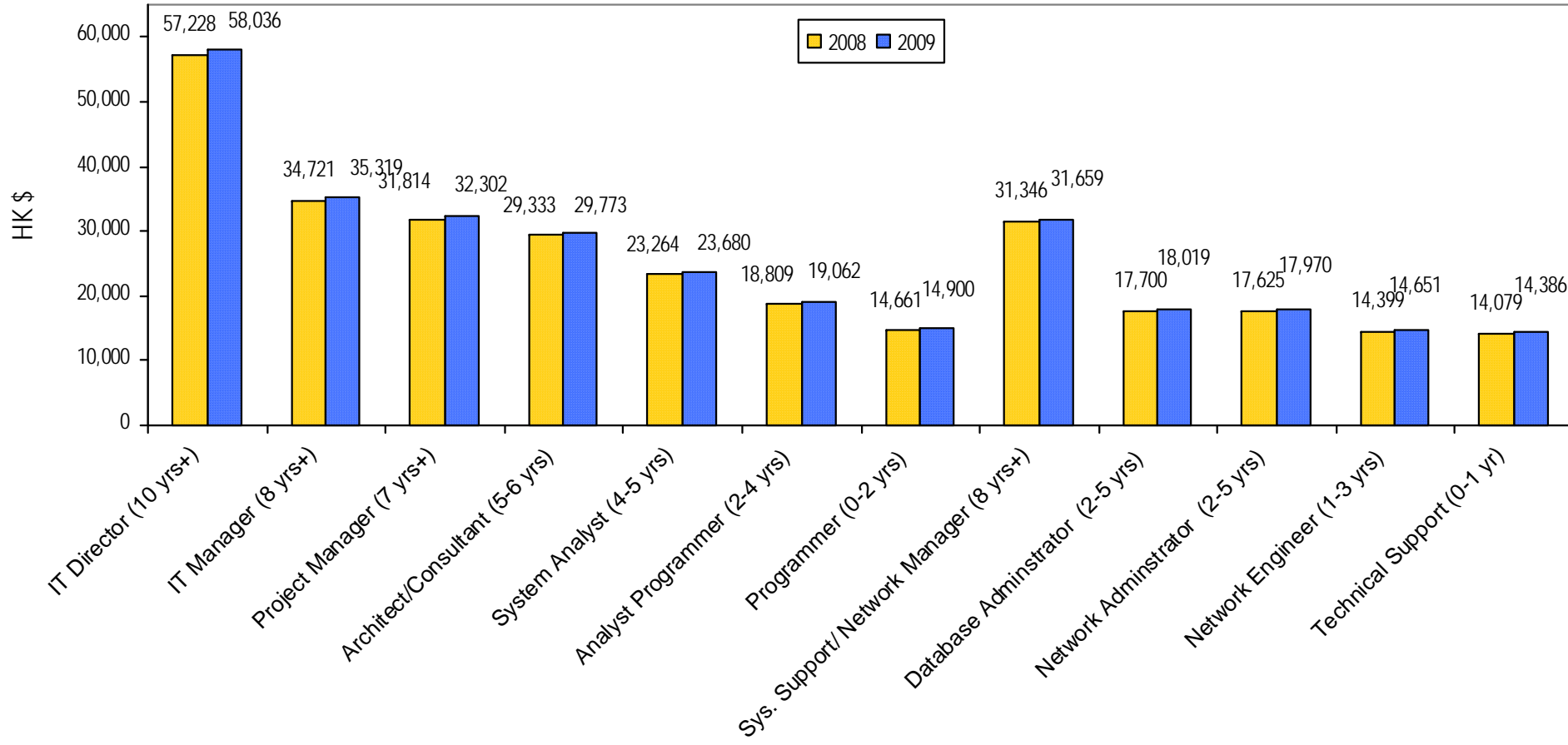
2008	Average	59,011	33,116	18,856	13,698	11,174	28,732	19,250	16,210	9,981	32,017	21,668
	Median	51,000	31,500	18,000	13,000	10,000	28,000	16,000	16,000	9,500	31,350	20,000
	Q-range	48,750 - 72,500	26,000 - 39,100	16,000 - 21,000	12,000 - 15,000	9,000 - 12,000	25,000 - 34,000	15,750 - 19,500	13,000 - 18,925	9,000 - 10,000	27,250 - 36,000	20,000 - 21,670
2009	Average	59,666	33,911	19,314	13,860	11,412	29,207	19,972	16,618	10,259	31,889	19,497

Percentage of adjustment of monthly salary in 2009
(Human Resources & Administration – by job positions)

Overall average of all job positions in HR & Administration (2.1%)

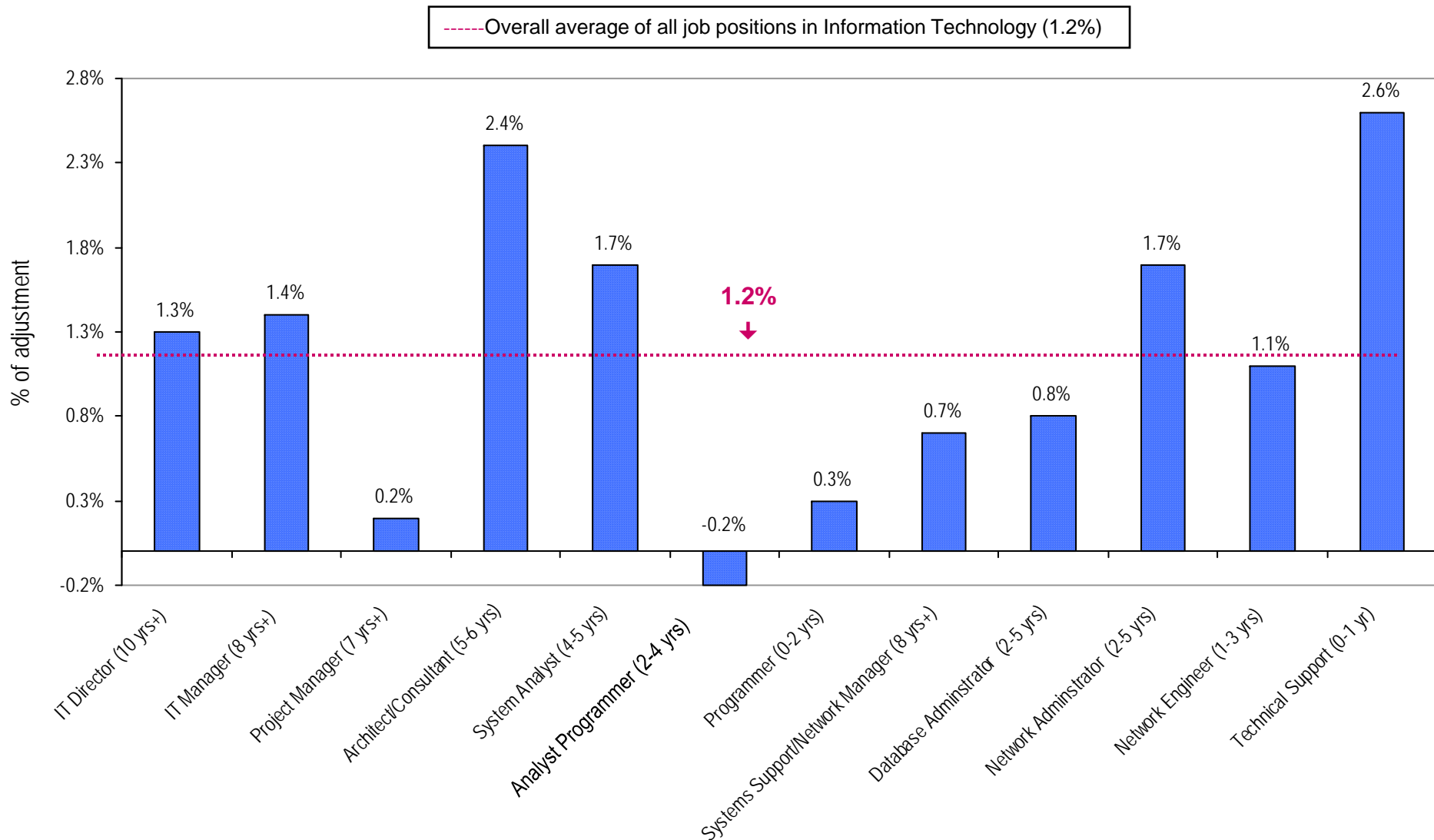


Present (2008) & predicted (2009) average monthly salary
(Information Technology – by job positions)



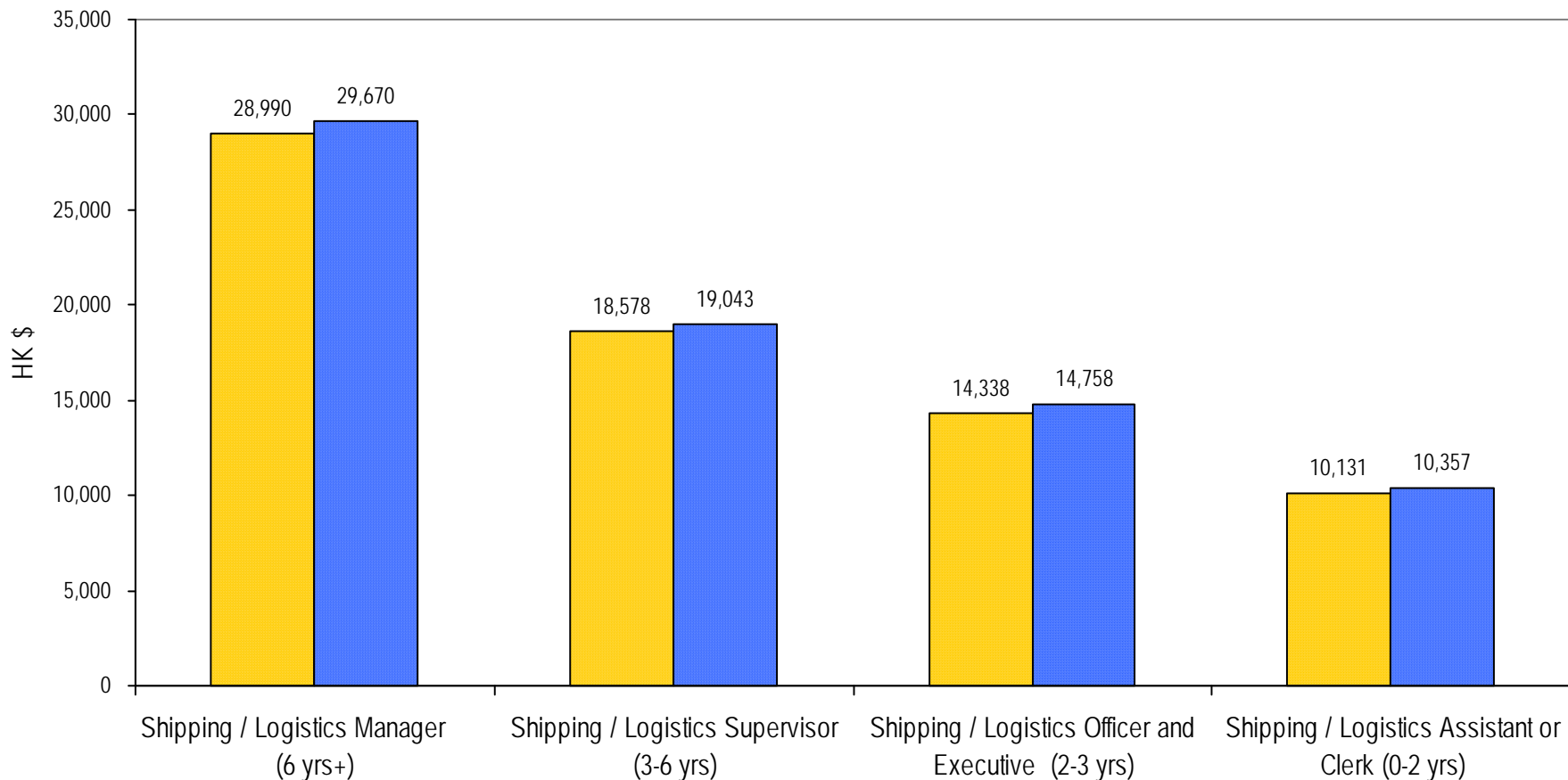
2008	Average	57,228	34,721	31,814	29,333	23,264	18,809	14,661	31,346	17,700	17,625	14,399	14,079
	Median	60,000	36,000	30,000	30,000	24,500	20,000	12,000	29,140	22,000	19,000	13,500	12,600
	Q-range	50,000 - 68,000	24,625 - 44,965	26,500 - 40,000	27,750 - 35,000	19,581 - 28,000	15,000 - 20,341	11,250 - 17,500	21,750 - 38,488	11,500 - 22,500	15,200 - 20,500	10,750 - 17,274	10,392 - 16,058
	Average	58,036	35,319	32,302	29,773	23,680	19,062	14,900	31,659	18,019	17,970	14,651	14,386

**Percentage of adjustment of monthly salary in 2009
(Information Technology – by job positions)**



Present (2008) & predicted (2009) average monthly salary
(Logistics – by job positions)

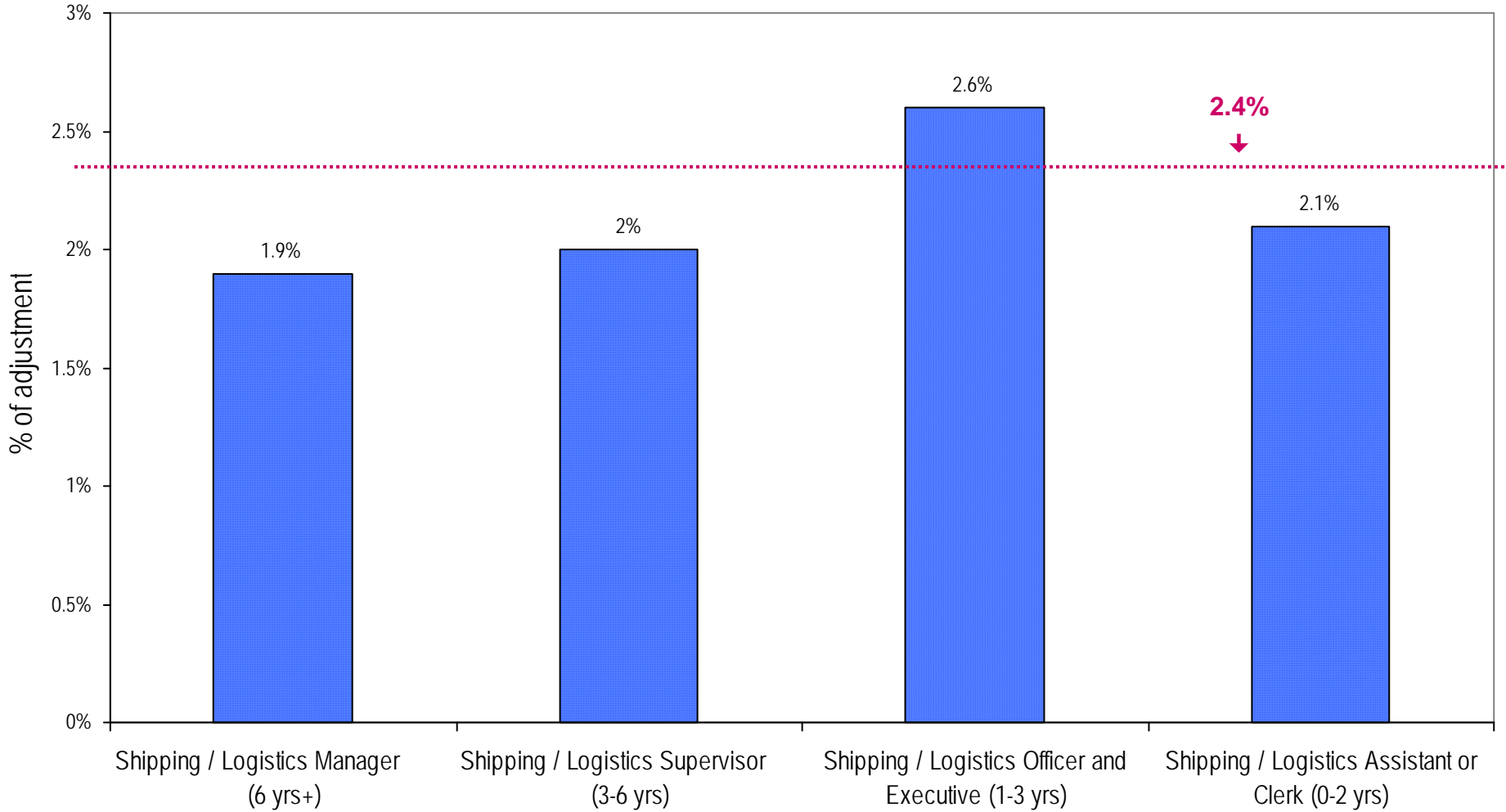
2008 2009



2008	Average	28,990	18,578	14,338	10,131
	median	30,000	18,800	14,000	10,000
	Q-range	23,750 - 35,000	15,808 - 21,042	12,000 - 15,000	8,750 - 10,638
2009	Average	29,670	19,043	14,758	10,357

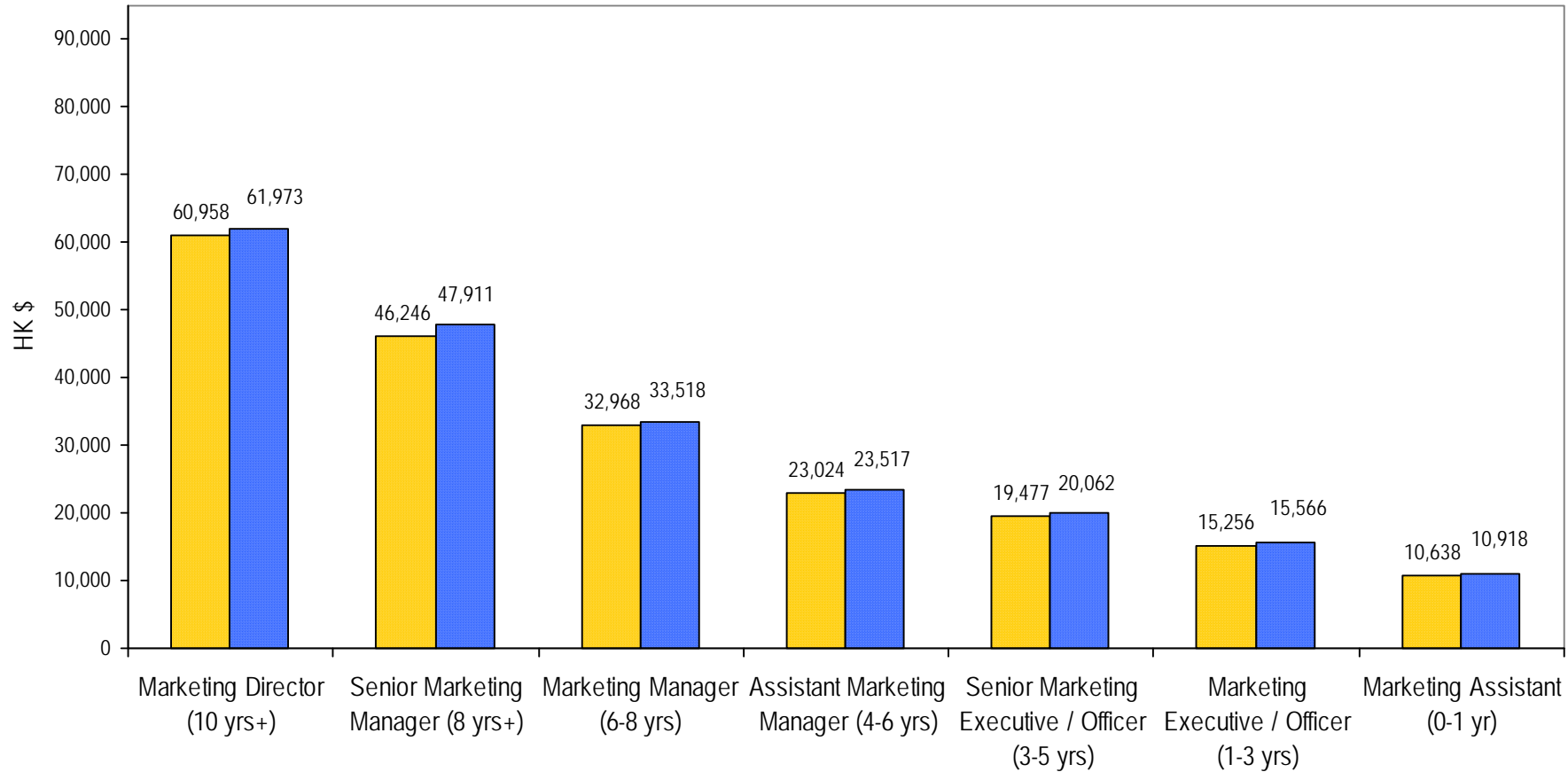
Percentage of adjustment of monthly salary in 2009
(Logistics – by job positions)

-----Overall average of all job positions in logistics (2.4%)



Present (2008) & predicted (2009) average monthly salary
(Marketing – by job positions)

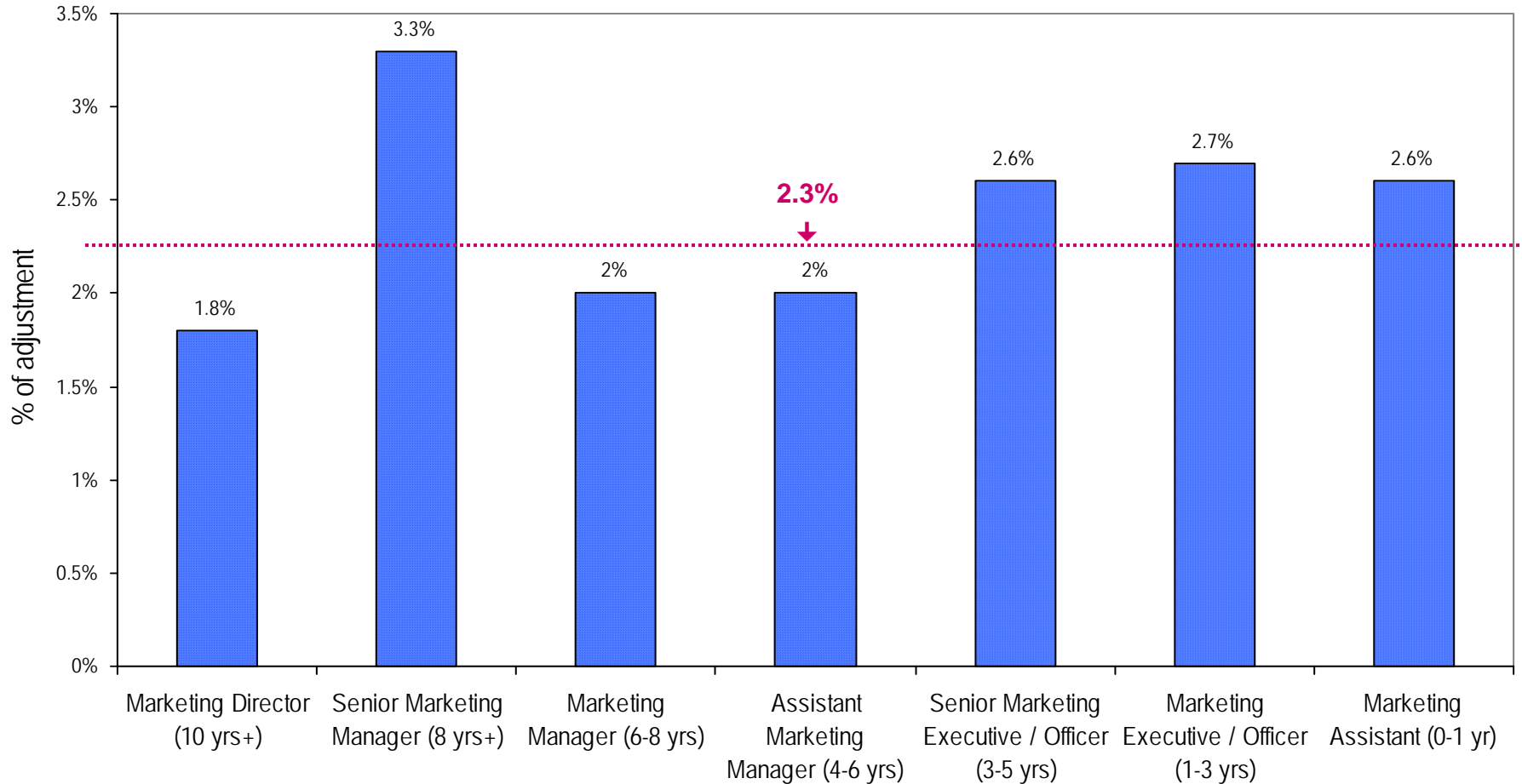
2008 2009



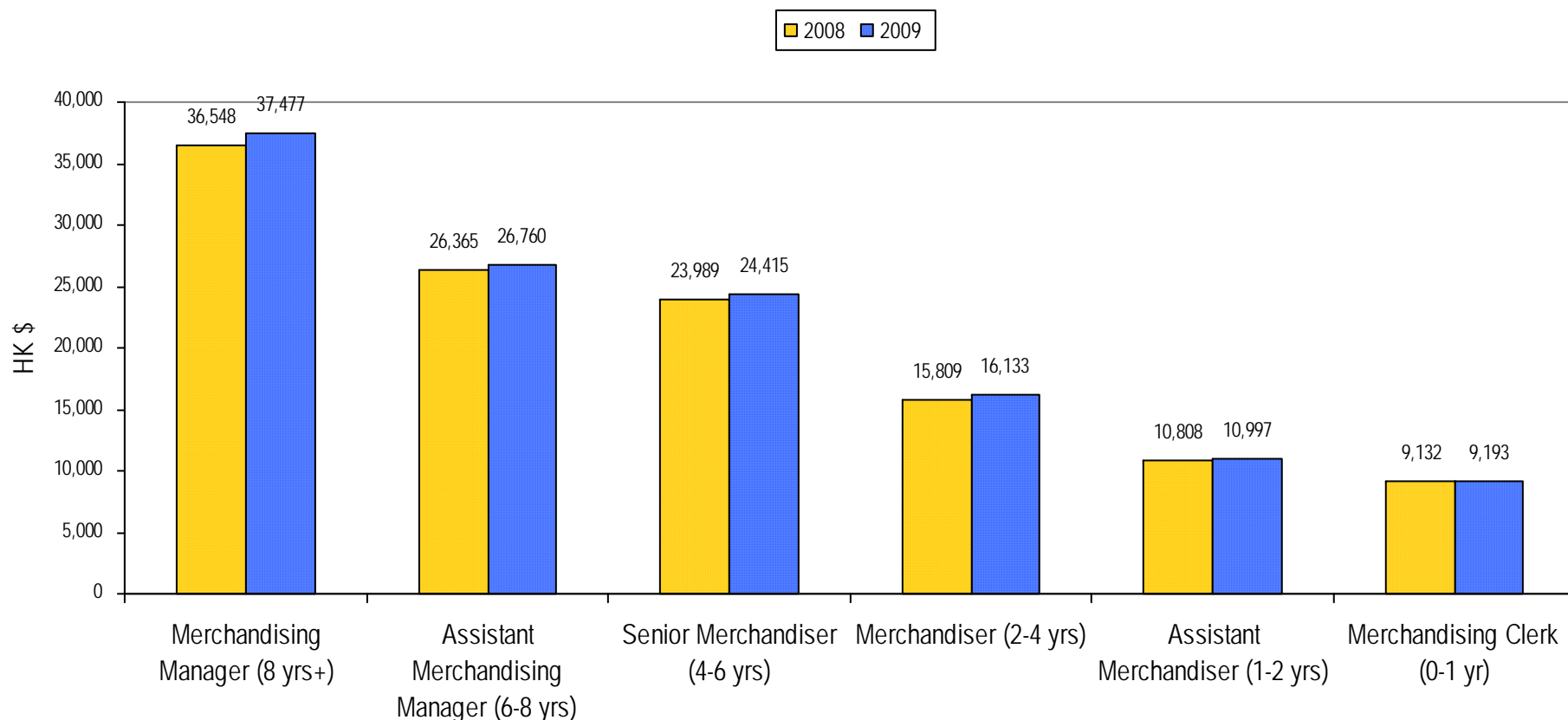
2008	Average	60,958	46,246	32,968	23,024	19,477	15,256	10,638
	Median	65,000	43,950	30,000	23,000	18,275	14,783	10,000
	Q-range	41,750 - 78,750	40,000 - 49,875	25,250 - 35,750	20,000 - 26,000	17,150 - 20,000	12,800 - 16,000	9,500 - 12,000
2009	Average	61,973	47,911	33,518	23,517	20,062	15,566	10,918

**Percentage of adjustment of monthly salary in 2009
(Marketing – by job positions)**

-----Overall average of all job positions in Marketing (2.3%)



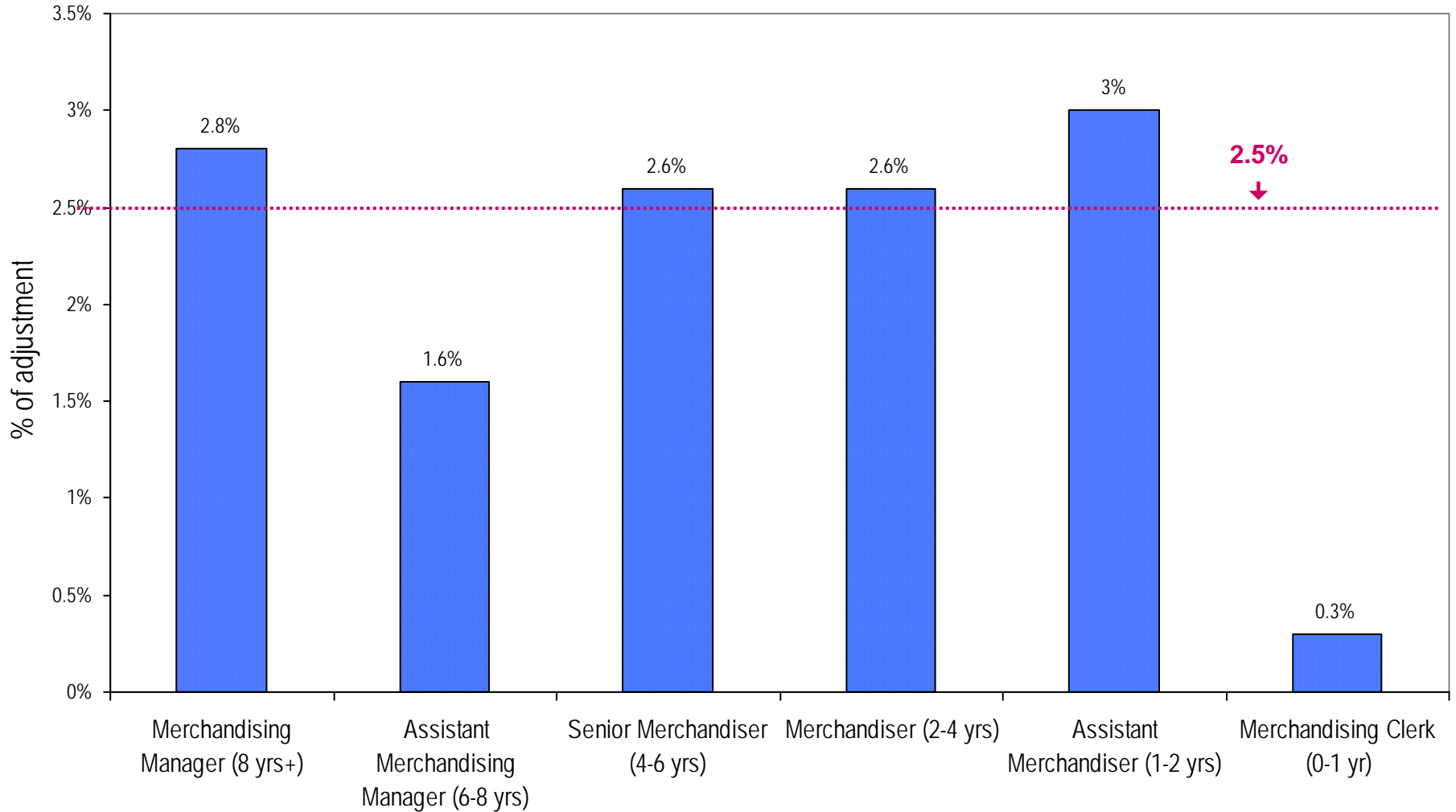
Present (2008) & predicted (2009) average monthly salary
(Merchandising – by job positions)



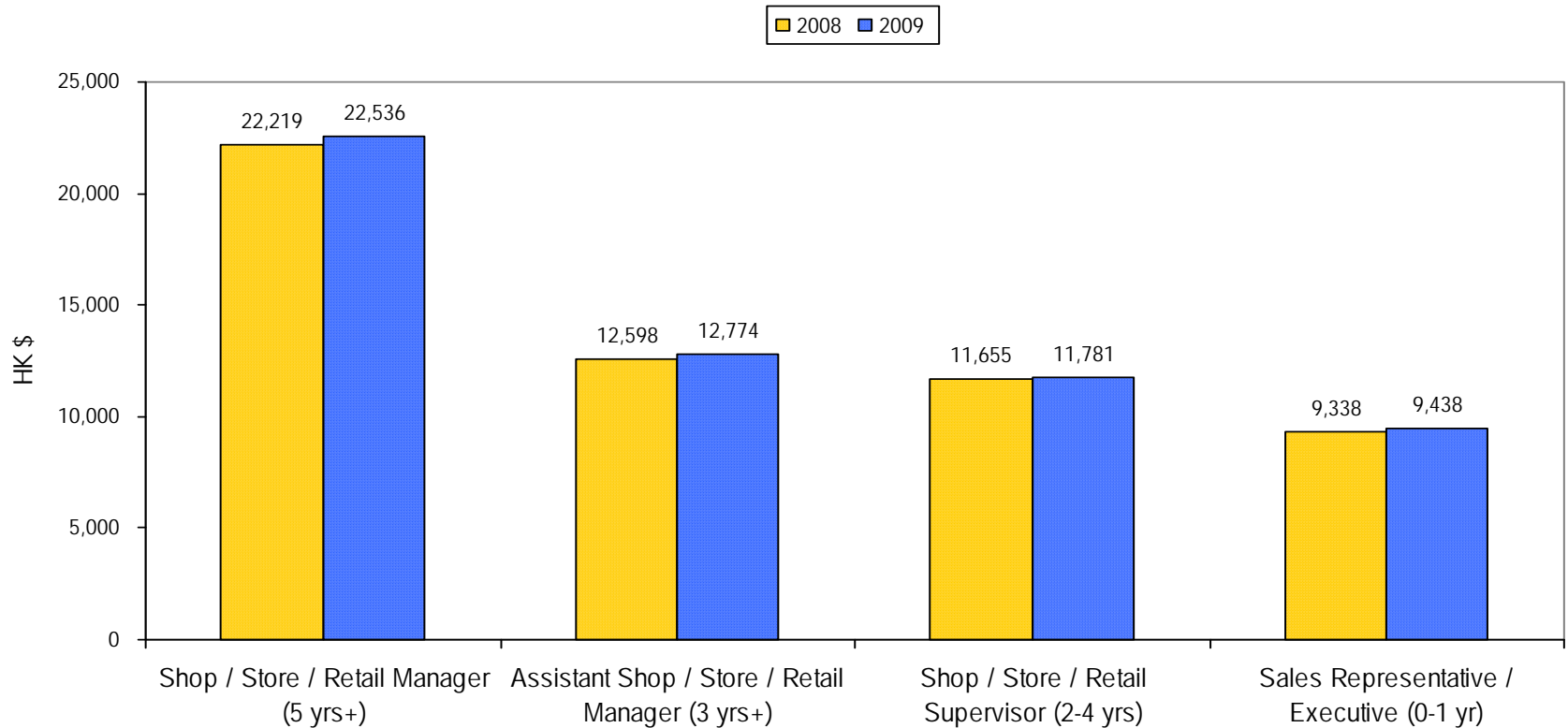
2008	Average	36,548	26,365	23,989	15,809	10,808	9,132
	median	37,500	27,650	22,000	16,000	10,500	8,263
	Q-range	29,750 - 42,750	23,933 - 30,000	20,350 - 24,500	14,565 - 17,188	10,000 - 11,750	7,850 - 9,931
2009	Average	37,477	26,760	24,415	16,133	10,997	9,193

Percentage of adjustment of monthly salary in 2009
(Merchandising – by job positions)

--- Overall average of all job positions in merchandising (2.5%)

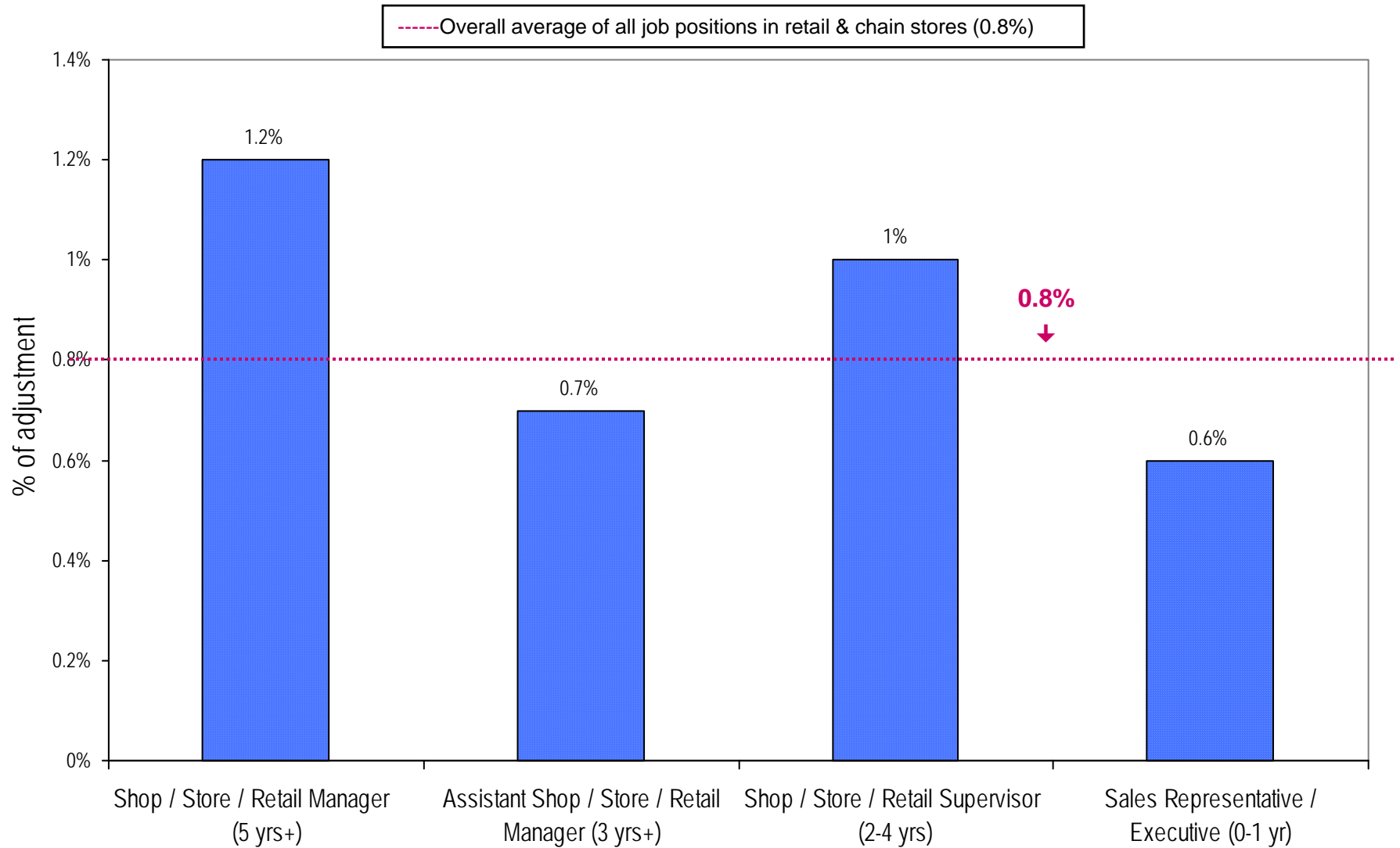


Present (2008) & predicted (2009) average monthly salary (Retail & Chain Stores – by job positions)

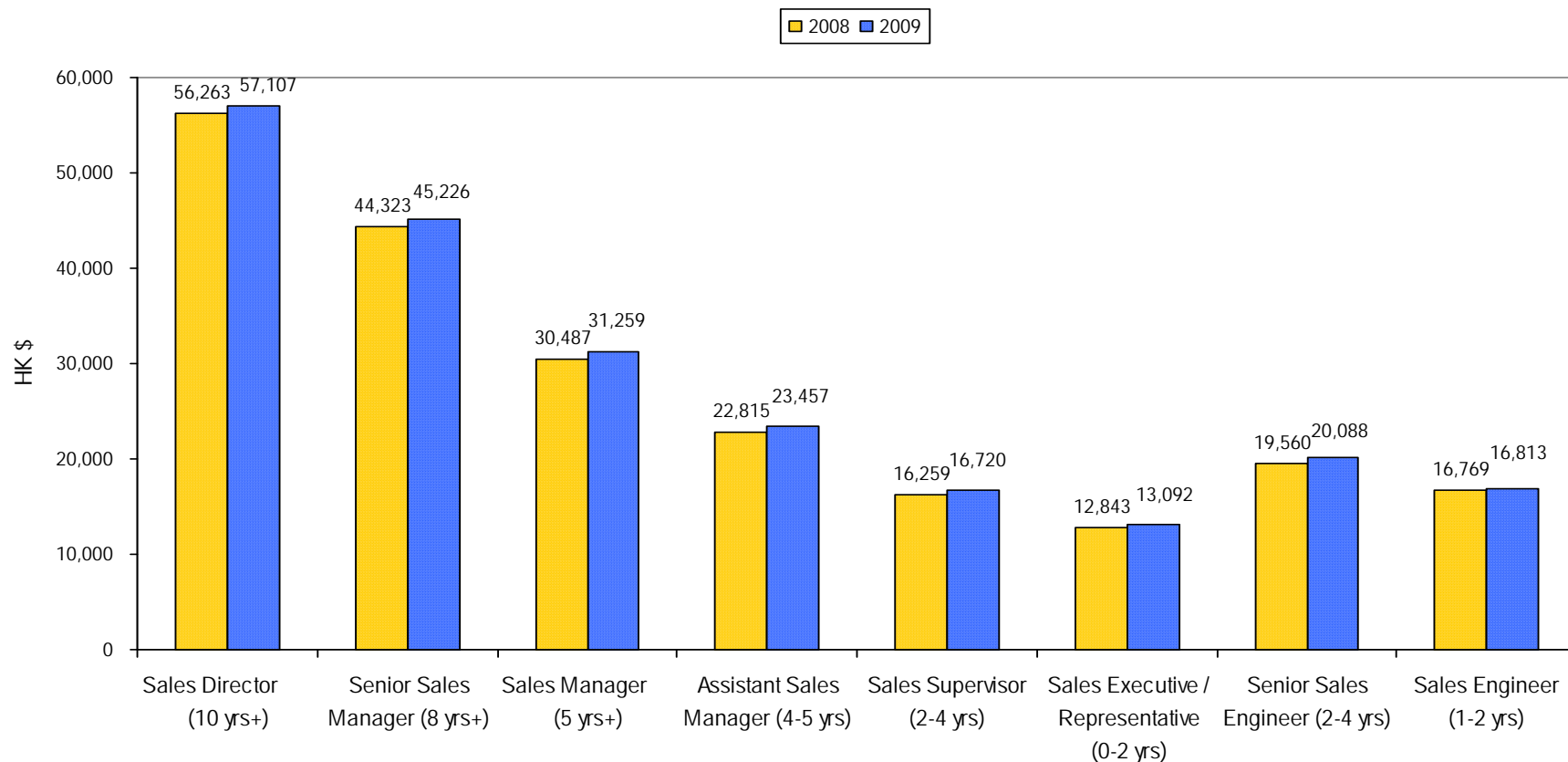


2008	Average	22,219	12,598	11,655	9,338
	median	24,200	17,221	12,000	9,800
	Q-range	12,750 - 27,250	10,025 - 23,125	9,000 - 15,500	7,500 - 10,000
2009	Average	22,536	12,774	11,781	9,438

Percentage of adjustment of monthly salary in 2009
(Retail & Chain Stores – by job positions)

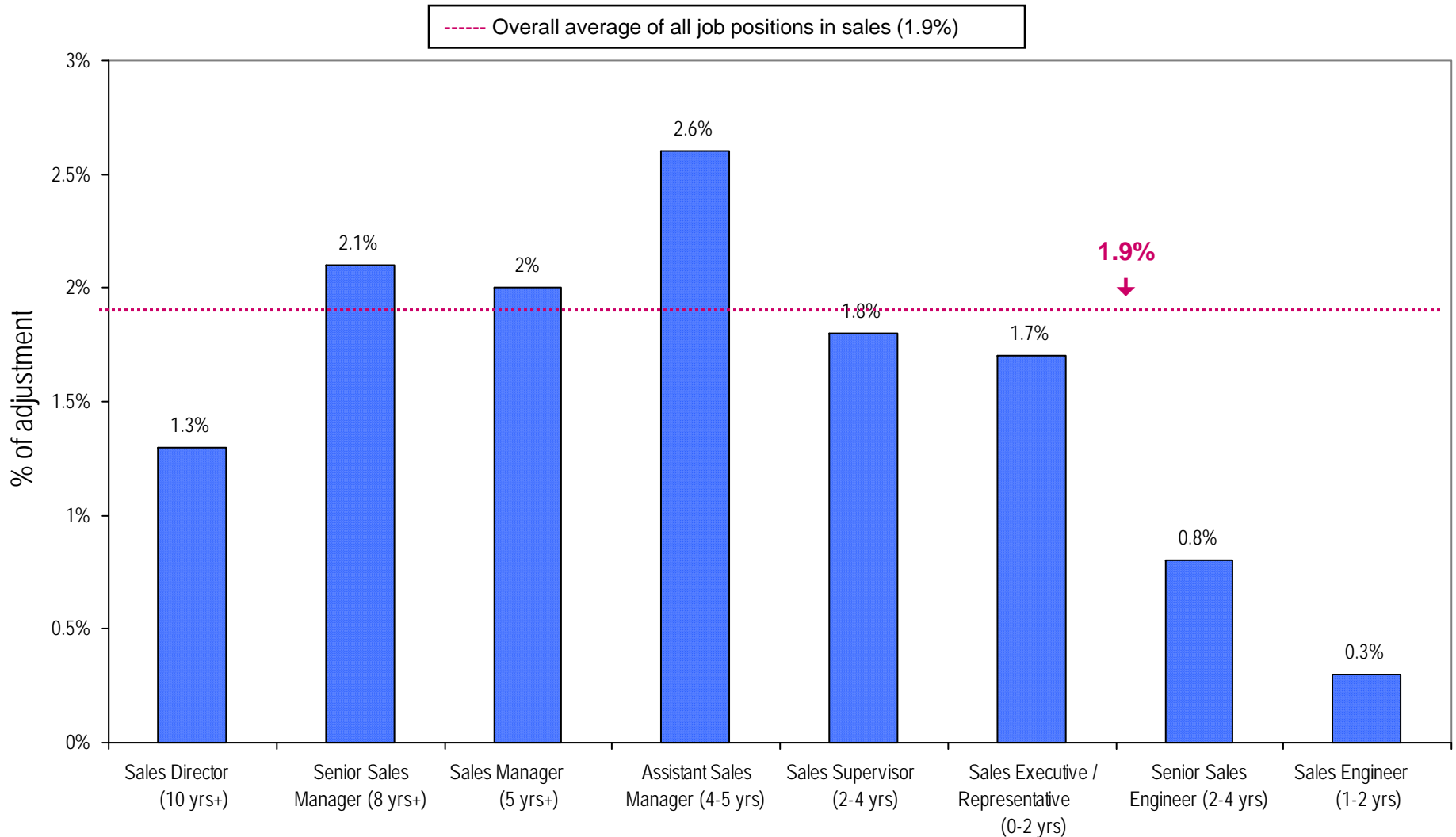


Present (2008) & predicted (2009) average monthly salary
(Sales – by job positions)



2008	Average	56,263	44,323	30,487	22,815	16,259	12,843	19,560	16,769
	median	65,000	41,000	30,000	22,000	18,000	14,000	20,200	15,250
	Q-range	46,000 - 80,000	34,500 - 50,000	23,000 - 33,000	20,000 - 25,000	14,750 - 20,000	10,000 - 16,150	18,500 - 28,250	11,875 - 19,488
2009	Average	57,107	45,226	31,259	23,457	16,720	13,092	20,088	16,813

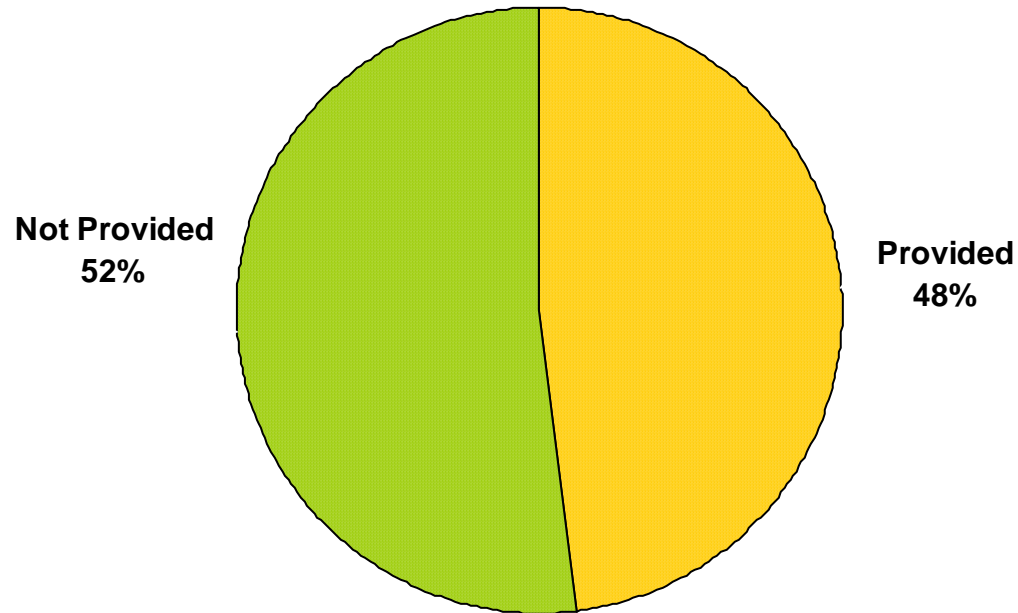
Percentage of adjustment of monthly salary in 2009
(Sales – by job positions)



2. Bonuses

Of all companies surveyed, 48% provided guaranteed performance bonus or year-end bonus to staff in 2008.

Companies providing performance bonus / year-end bonus in 2008



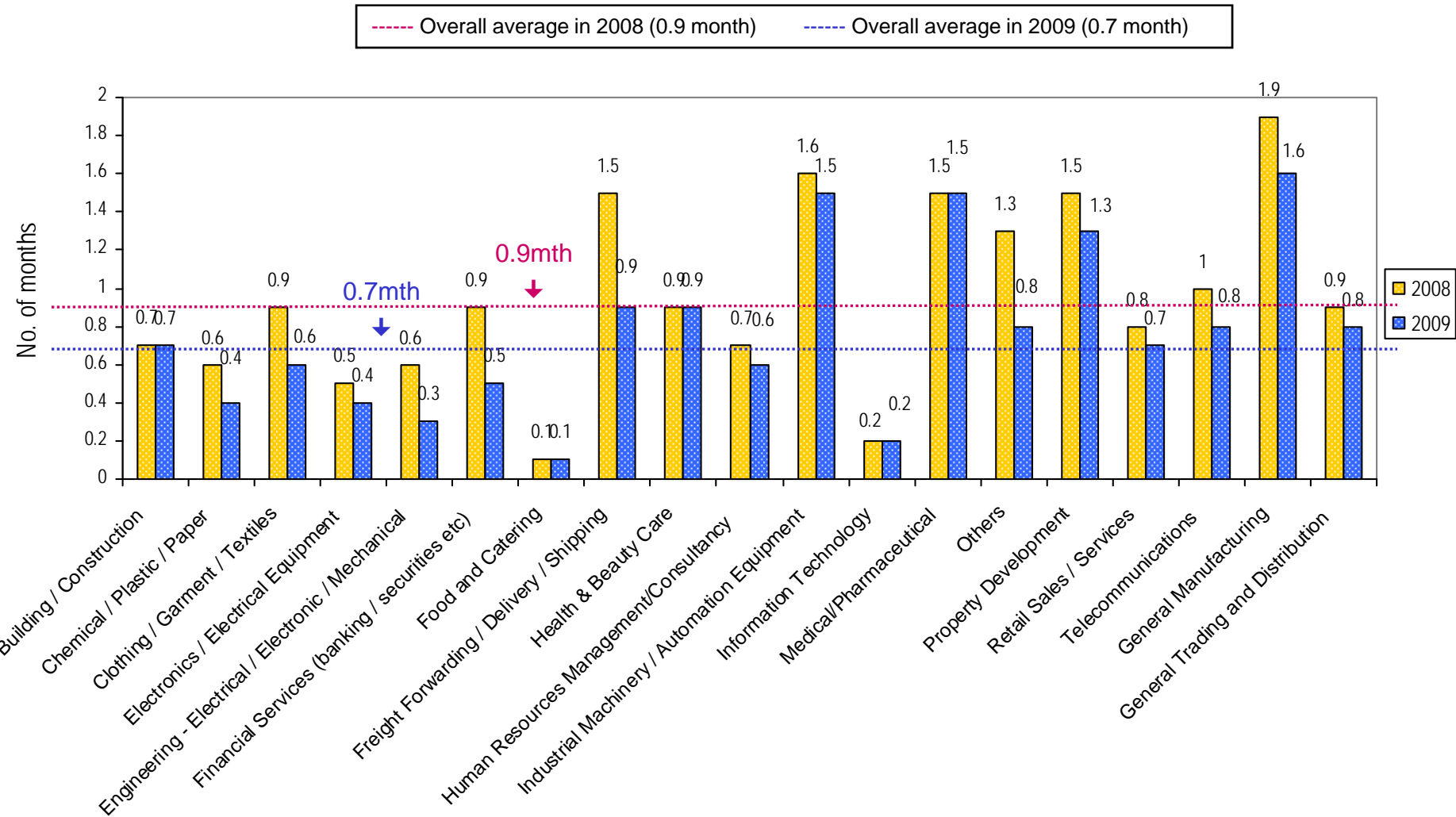
2.1.1. Performance Bonus in 2008 – by Business Sectors

For performance bonus, in terms of business sectors, general manufacturing provided the highest average performance bonus in 2008 (1.9 months of the basic salary), followed by Industrial Machinery / Automation Equipment (1.6 months).

2.1.2. Performance Bonus Adjustment – by Business Sectors

In 2009, the overall predicted adjustment of performance bonus is 0.7 month, a slight decrease from 0.9 month in 2008. In terms of business sectors, similar to 2008, general manufacturing is expected to provide the highest average performance bonus in 2009 (1.6 months of the basic salary).

Comparison of performance bonus provided between 2008 & 2009
(By business sectors)



Remarks: Industries with less than 2 companies or 10 employees were not included.

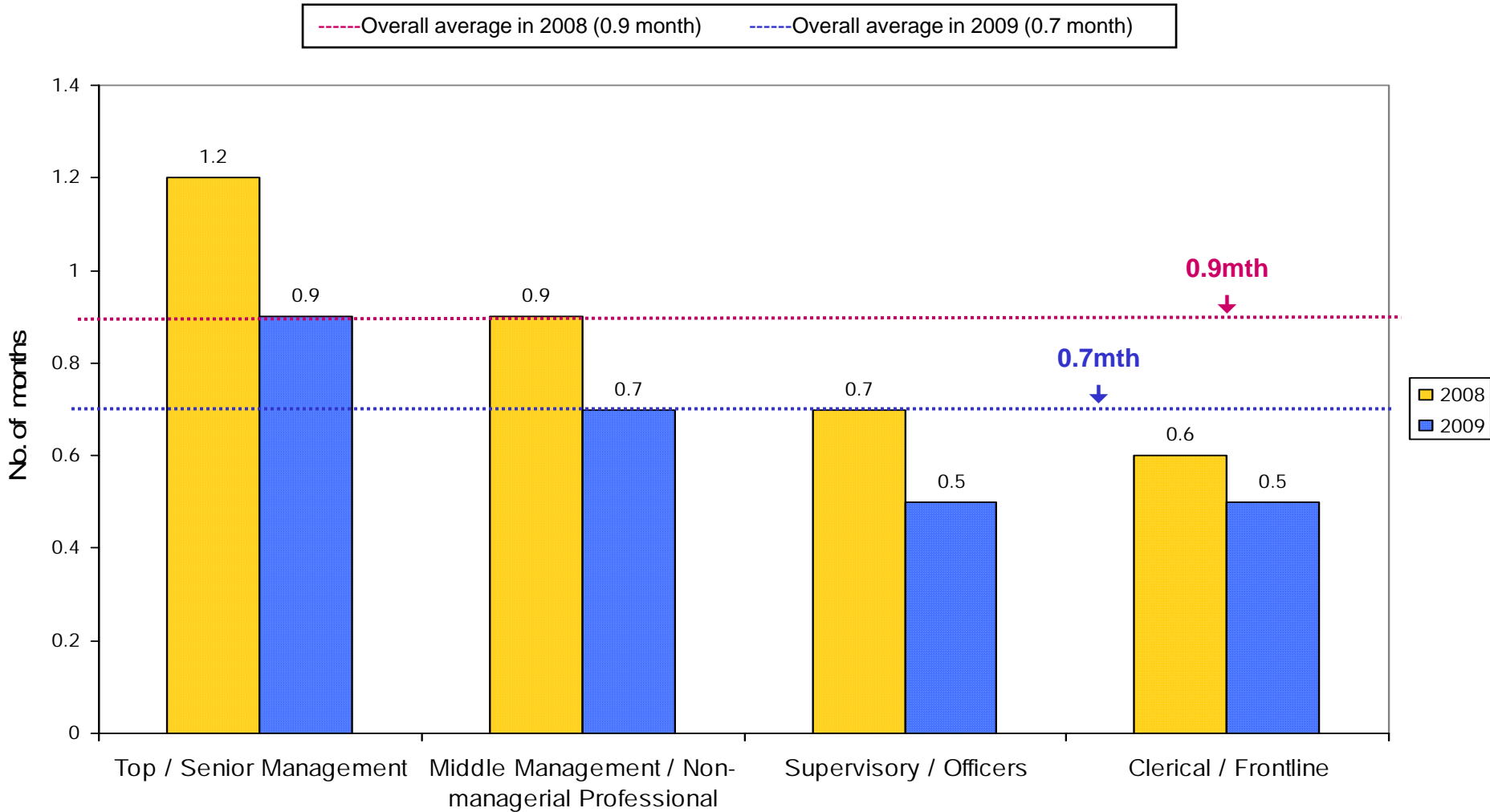
2.1.3. Performance Bonus in 2008 - by Employee Levels

The overall average amount of performance bonus for top / senior management in 2008 was 1.2 months (of the basic monthly salaries), for middle management / non-managerial professionals was 0.9 month, for supervisory officers is 0.7 month, and for clerical / frontline is 0.6 month.

2.1.4. Performance Bonus Adjustment in 2009 - by Employee Levels

The overall average amount of performance bonus for top / senior management in 2009 is 0.9 month, for middle management / non-managerial professionals is 0.7 month, for supervisory officers is 0.5 month, and for clerical / frontline is 0.5 month. Generally speaking, the overall performance bonus in 2009 is predicted to be lower than 2008.

**Comparison of performance bonus provided between 2008 & 2009
By employee levels**



2.2.1. Year-end Bonus in 2008 – by Business Sectors

In 2008, in terms of business sectors, Industrial Machinery / Automation Equipment had the highest amount (1.5 months of the basic salary).

2.2.2. Year-end Bonus Adjustment – by Business Sectors

Adjustment in 2009

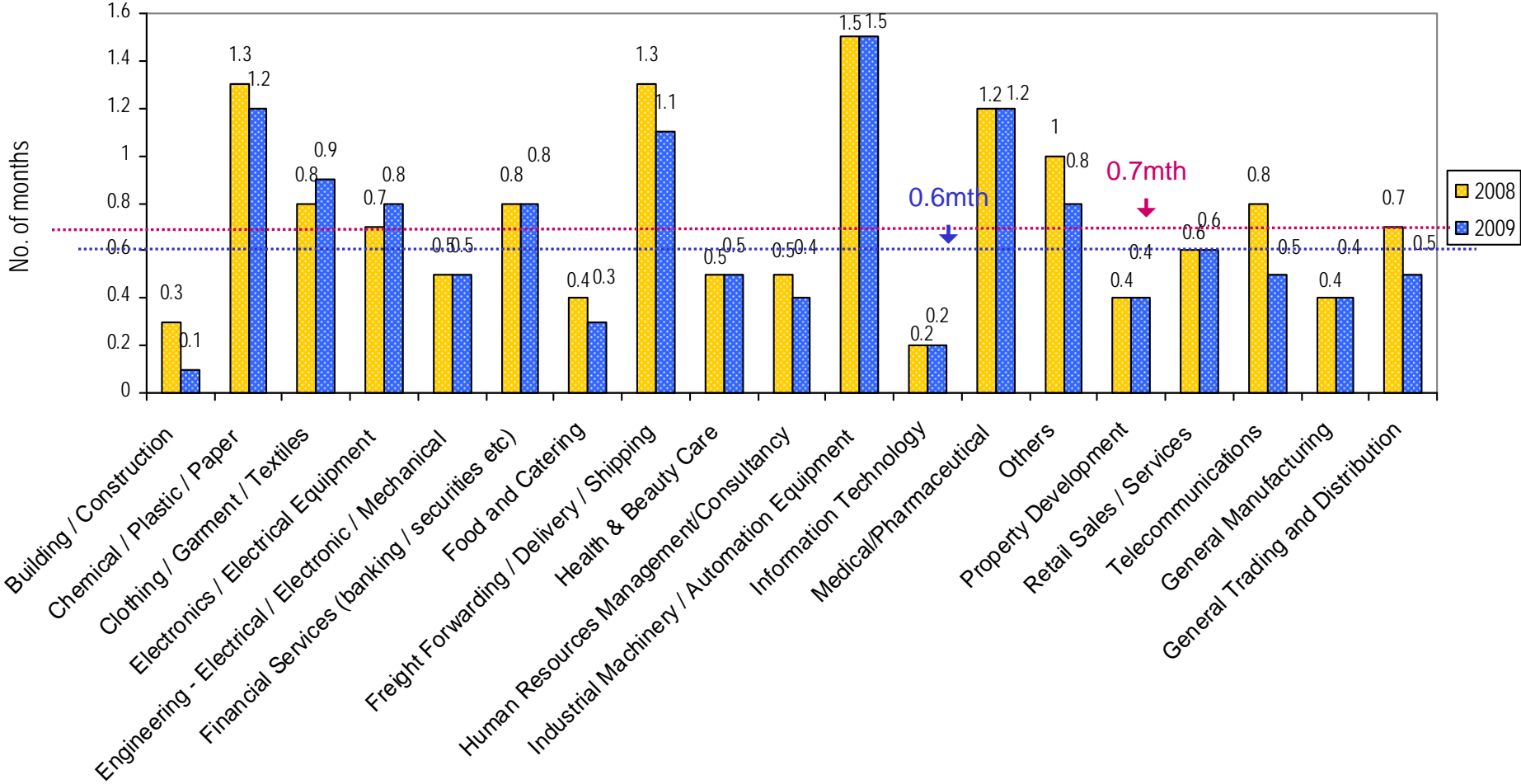
The year-end bonus is expected to have a slightly decrease from 0.7 month in 2008 to 0.6 month in 2009.

Highest Amount

In 2009, Industrial Machinery / Automation Equipment is expected to get the highest amount of year-end bonus (1.5 months of the basic salary).

**Comparison of year-end bonus provided between 2008 & 2009
(By business sectors)**

Overall average in 2008 (0.7 month) Overall average in 2009 (0.6 month)



Remarks: Industries with less than 2 companies or 10 employees were not included.

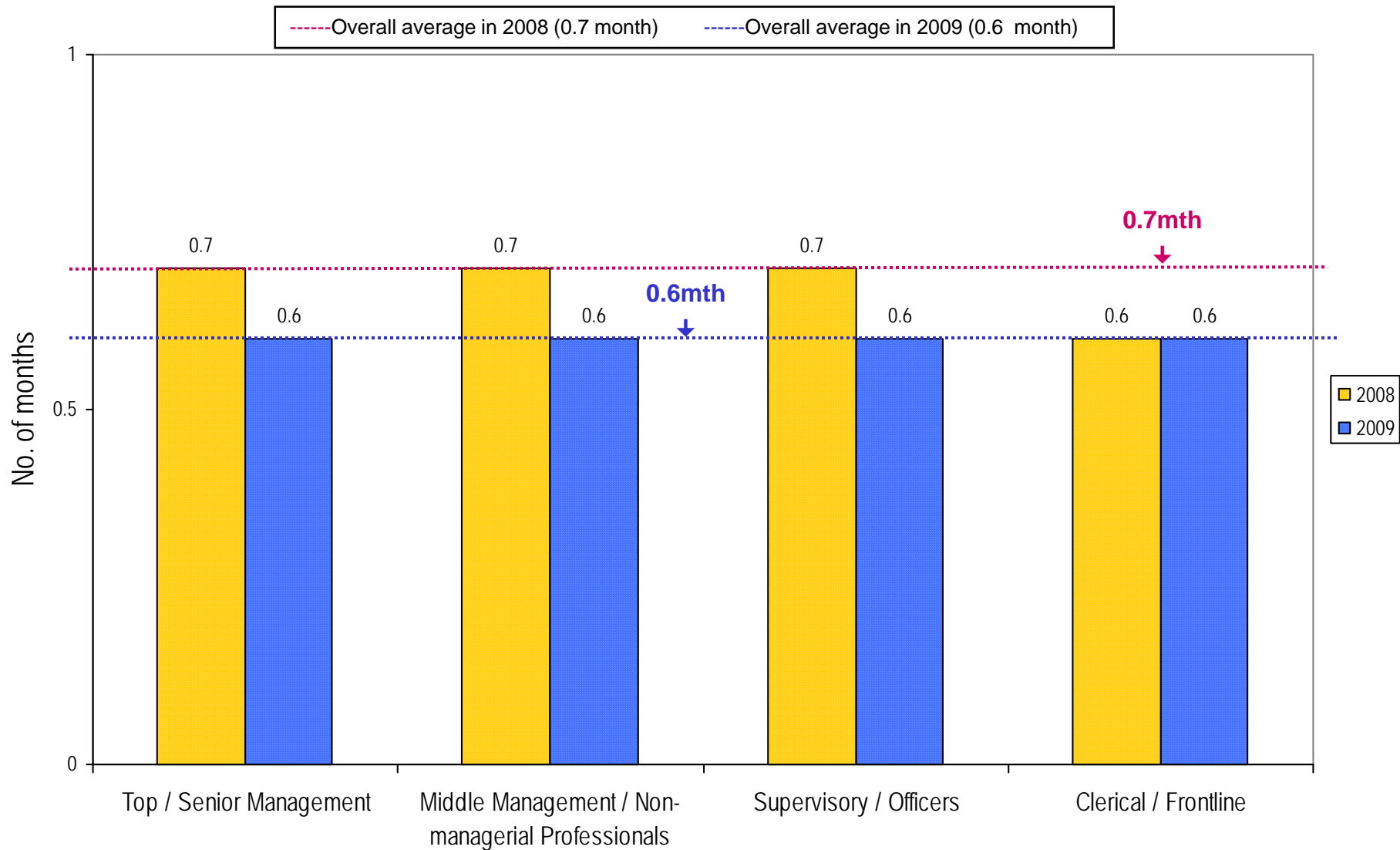
2.2.3. Year-end Bonus in 2008 – by Employee Levels

In 2008, the overall average amount of year-end bonus for top / senior management was 0.7 month (of the basic monthly salaries), for middle management / non-managerial professionals was 0.7 month, for supervisory officers was 0.7 month, and for clerical / frontline was 0.6 month.

2.2.4. Year-end Bonus Adjustment – by Employee Levels

In 2009, the year-end bonus for all employee levels is predicted to drop to 0.6 month.

**Comparison of year-end bonus provided between 2008 & 2009
(By employee levels)**



3. Benefits

The Compensation & Benefit Survey shows that employers are providing more benefits to staff to attract talents and help them achieve a work-life balance as well as develop in their career.

5-Day Working Week

The survey finds that 68% of respondents implemented a five-day working week in 2008. It is expected that a further 6% will implement such working schedule next year, making up a total of 74%.

Flexible Working Hours

Only 13% have implemented in their workplace, and a further 6% of the companies expect to introduce this practice next year. Among companies that provided flexible working hours, most of them allowed employees to start and work at any time, provided that they have to be at the office during core working time period and fulfill a fixed number of working hours every day.

Leave

Besides annual leave and sick leave, companies still provide different types of leave for employees, including maternity leave, compassionate leave and marriage leave. At least 69% of respondents implemented all of the leave types mentioned. On the other hand, almost 30% of respondents provided study and examination leave to staff in 2008 and a further 9% will provide this benefit next year. Near one-third of the respondents provided paternity leave to staff in 2008 and a further 8% will provide this type of leave next year.

Health-related Benefits

About 30% of the respondents provided an ergonomic working environment for their employees in 2008 and a further 7% expect to provide this in 2009. Facilities providing an ergonomic working environment include computer monitors with a height-adjustable stand, chairs with arms, and keyboard trays. Besides, more than one-tenth of employers provided a smoking cessation programme to staff.

Other Benefits

For insurance plans, 82% of respondents provided clinical (out-patient) service, 80% provided hospitalization, 67% provided Chinese Bonesetters consultation and Chinese medical practitioners consultation, and 36% provided dental service in 2008 with the percentage expected to increase by 12% in 2009.

Among the surveyed companies, 75% provided training to staff, and close to half of them provided both in-house and outsourced training in 2008. The survey shows that 49% of the companies provided education allowance to their employees this year and a further 10% intend to provide next year.

Other benefits mentioned in the survey include transportation allowance, purchase of company stocks at discounted prices, cash housing allowance, personal loan, etc.

4. Afterword

Due to the impact of the global financial tsunami, JobsDB HK conducted a follow-up phone interview with 98 respondents (out of 162 respondents) of the Compensation and Benefit Survey on 12 December 2008.

Out of the 98 respondents, about 30% either have frozen / decreased employees' salary, compensation and benefits from end of October to 12 December or will plan to freeze / decrease employees' salary, compensation and benefits in near future. The majority come from Information Technology, Electronics/Electronics Equipment, General Trading/Distribution and Retail Sales Services.

Out of the 98 respondents, about 23% laid off employees from end of October to 12 December because of the worsening financial economy. Most of these companies come from Information Technology and General Trading/Distribution industries.