

HUMAN RESOURCES 08/09

Salary

SALARY & EMPLOYMENT FORECAST

Michael Page
HUMAN RESOURCES

WELCOME

Welcome to the 2008/2009 Michael Page Human Resources Salary & Employment Forecast for Greater China.

Michael Page International is a world-leading specialist recruitment consultancy. Growing entirely organically, rather than by mergers or acquisitions, we now have over 5,500 people in 166 offices in 28 countries worldwide. Coming from all industry sectors, our clients range from market-leading multinationals to small and medium sized firms.

Our consistent organic growth strategy and continued investment through business cycles is driving our growth in the specialist recruitment market in Greater China. Since opening our first office in Hong Kong in 1994, we have expanded significantly with offices currently in all of the main business centres including Hong Kong, Sha Tin, Shanghai, Shenzhen and Beijing.

This year, the format of our Salary Survey has changed to reflect our business growth and make it easier for employers and employees to stay abreast of current employment market and salary trends across key industries.

While most industry surveys provide qualitative insight on hiring intentions and salary levels, the Michael Page Human Resources Salary & Employment Forecast combines both quantitative and qualitative research, derived from our survey of employers and job seekers and our extensive involvement in the professional labour market in Hong Kong and Mainland China.

The survey, completed by approximately 450 employers and 1600 employees, covers a range of issues and trends relevant to today's corporate sector and establishes the Salary & Employment Forecast as a highly reputable report, based on in-depth industry research.

The Human Resources Salary & Employment Forecast provides employers and employees with useful insights into the hiring expectations, recruitment challenges and salary forecasts of key hiring managers over the coming year and covers eight key industries as detailed below:

- Finance
- Financial Services
- Legal
- Retail & Sourcing
- Engineering & Supply Chain
- Property & Construction
- Sales & Marketing

I wish to thank everyone who contributed to this year's Salary & Employment Forecast and trust you find the new report helpful and informative. We welcome your feedback and encourage you to contact us for further information or market specific advice.



Dan Chavasse
Managing Director, Greater China
& Southeast Asia

MARKET OVERVIEW

The attraction and retention of talent in today's highly competitive labour market and the need to build a strong leadership pipeline for future business growth are key challenges for employers. As a result, the human resources function is gaining increased recognition for its commercial impact. This translates to a strong employment market for HR professionals, particularly HR generalists and specialists at the middle management level.

HR professionals are highly sought after across the commercial and banking sectors to support business investment in human capital. Most employers understand that they need to look at longer-term strategies to develop fulfilled and loyal employees. This is having a direct impact on the demand for HR specialists, with an increasing

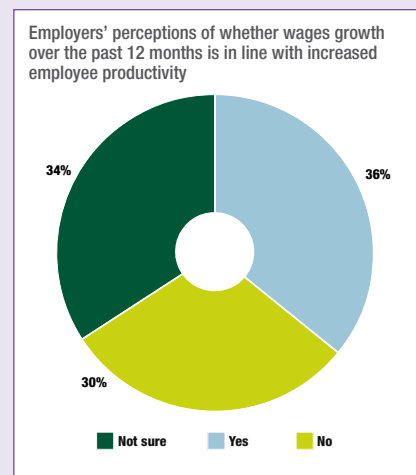
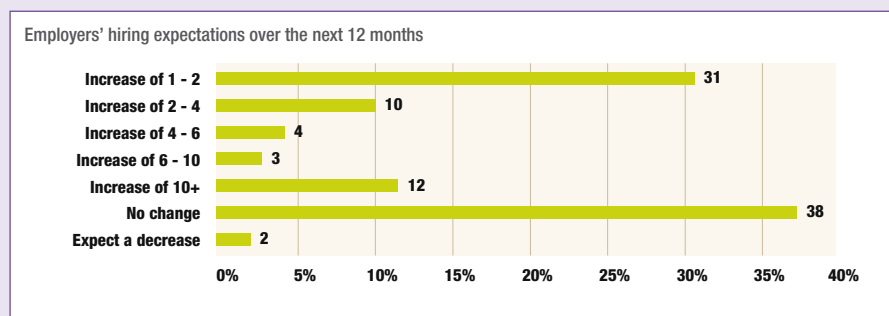
number of companies recruiting HR professionals to implement tailored talent management, learning and development and compensation and benefits programs.

With the attraction and retention of talent critical to the continued growth and success of companies in Hong Kong, talent management is becoming an even greater strategic imperative. This creates an ideal opportunity for HR professionals to influence strategic business planning and demonstrate how the HR function can add value to an organisation's bottom line.

We expect the employment market for HR professionals to remain strong over the next 12 months as organisations continue to recognise the value add function of HR and the various specialist

skill sets that fall within it. Demand will continue to increase along with salaries.

The greatest challenge for employers will be finding and retaining high calibre HR professionals to lead formal talent management practices, processes and systems in order to stay ahead of the competition. Of employers surveyed 61% experienced difficulty retaining HR professionals over the past 12 months whilst 91% see it as an important focus for the year ahead.



SKILLS IN DEMAND

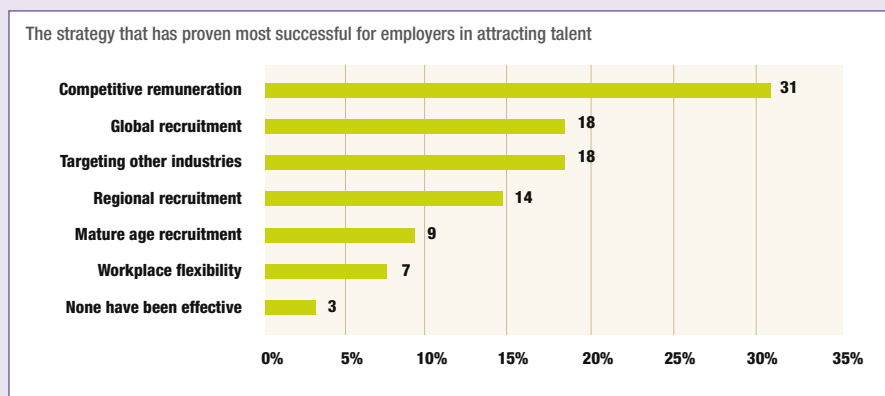
Companies are increasing staff levels to support expansion into the growing China market, and this is creating a buoyant market for HR professionals. Our survey results show that 60% of employers expect to hire more staff over the next 12 months. Competition amongst employers in the commercial and banking sectors is intense and some employers are relocating suitable candidates from other countries to meet demand.

The most sought after candidates are those with regional exposure and a strategic focus who can meet business expectations in terms of hiring objectives and retention rates. While a strong functional HR background will always be mandatory, organisations are increasingly seeking professionals with commercial skills who can demonstrate value in a business context. As HR continues to evolve as a business critical function, we expect these skills to become even more highly sought after.

Talent management is becoming a greater strategic priority for business. Larger companies are taking the lead in embracing formal talent management

practices and employing HR specialists, while smaller companies tend to outsource or incorporate such responsibilities into a generalist position. Learning and development is one of the skill sets highly sought after as companies look beyond salary to other key drivers that contribute to employee motivation and job satisfaction. Identifying and fast tracking talent to groom them for senior leadership positions is another strong focus for companies and is driving demand for HR specialists with experience in succession planning.

A growing number of organisations are filling HR positions with Chinese nationals or returnees due to the increasing volume and calibre of local talent. This is particularly common in the commercial sector where employers tend to look for Mandarin or Cantonese speaking professionals due to strong links with mainland China. The banking and financial services sector is often more flexible and many institutions will consider hiring expatriates for HR specialist roles which require a niche skill set.



RECRUITMENT CHALLENGES

The most significant challenge for Hong Kong employers in the coming year will be attracting and retaining the HR professionals required to expand their workforce and implement effective talent management strategies. HR professionals are in the enviable position of receiving multiple job offers so employers will need to have a streamlined recruitment process in place to secure talent ahead of their competitors.

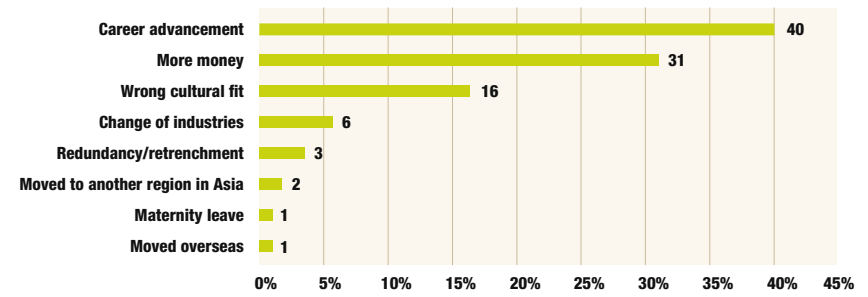
Competition for experienced professionals is fierce and talented candidates tend to only remain on the market for a short period of time. Organisations that conduct professional interviews with concise and timely feedback to candidates will reap the rewards. It is also important for employers to ensure they offer competitive remuneration and benefits packages so that they attract quality candidates.

There is a shortage of mid-level candidates with specialist skill sets due to the rapid growth in demand for skills such as learning and development, talent management and succession planning over the last two to three years. To address the domestic skills shortage, some banks are relocating HR professionals from overseas markets such as Australia and the UK, while others are relaxing their recruitment criteria in terms of industry background to increase their talent pool. We also encourage employers to invest in the career development and training of existing staff to build up the knowledge and skills of their local and regional talent pool.

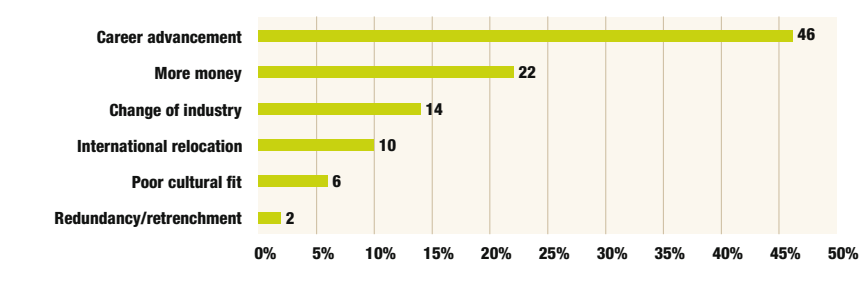
While a competitive remuneration package is important, we also encourage companies to look at additional strategies to retain HR professionals. Of employees surveyed 46% cited career advancement as the main reason for their last job change, with more money a long way behind at

just 22%. Employers need to be more creative and consider non-financial benefits such as regional job rotation, sponsored training and development, mentoring and innovative reward and recognition programs to retain top performers.

Employers' perceptions of the major contributing factors in people leaving



Employees' main reason for changing jobs

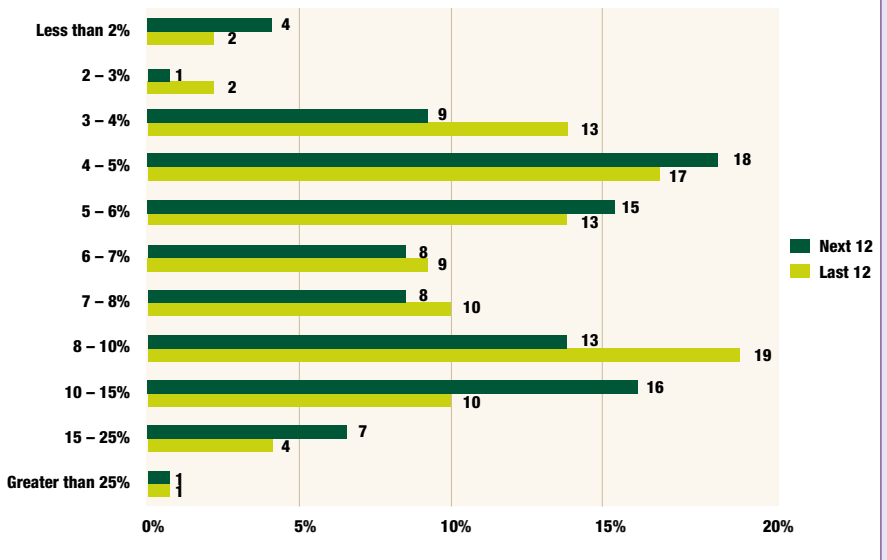


SALARY INFLATION

We expect the candidate market to remain tight over the next 12 months, particularly in relation to mid-level HR generalists and specialists, as companies increase recruitment activity and focus on the development and retention of existing staff.

We predict average salary increases of 5–10% over the next 12 months for HR professionals remaining in the same job, with increases of 10–15% likely for those changing jobs. In some instances, candidates with highly sought after skill sets can receive increases of 20–30%.

Employers' salary predictions next 12 months vs. last 12 months



SALARY TABLES

HONG KONG

ROLE	HKS'000
BANKING & FINANCE	
Human Resources Director/Business Partner	1.4 million+
Human Resources Director/Business Partner	1.2–1.5 million
Human Resources Manager/Business Partner	800–1.1 million
Human Resources Manager/Business Partner	600–900
Human Resources Advisor/Assistant HR Manager	350–600
Human Resources Officer/Coordinator	250–400
Compensation & Benefits Manager	900–1.2 million
Compensation & Benefits Specialist	500–800
Head of Resourcing	1.2 million+
In-house Recruitment Manager	700–1 million
In-house Recruitment Specialist	350–700
Vice President/Director Learning & Development/ Organisational Development	1–1.5 million
Learning & Development Manager	700–1 million
Learning & Development Advisor	400–700
Training & Development Officer	250–400
Global Mobility Manager	800–1.2 million
Global Mobility Specialist	500–700
Human Resources Information System Specialist	500–800
Payroll Manager	500–800
Payroll Specialist	300–500
COMMERCE & INDUSTRY	
Regional Human Resources Director	1.2–1.5 million
Human Resources Director	900–1.2 million
Regional Human Resources Manager	600–900
Human Resources Manager	450–600
Human Resources Advisor/Assistant HR Manager	400–600
Human Resources Officer/Coordinator	200–350
Compensation & Benefits Manager	700–1.1 million
Compensation & Benefits Specialist	300–600
Head of Resourcing	1 million+
In-house Recruitment Manager	600–900
In-house Recruitment Specialist	350–600
Vice President/Director Learning & Development/ Organisational Development	900–1.2 million +
Learning & Development Manager	600–800
Learning & Development Advisor	400–600
Training & Development Officer	200–350

Please note:

- Salaries indicated are based on basic salary, excluding bonus/incentive schemes.
- Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides. Since there are often specific circumstances relating to individual companies, please call us for additional information.