

SUMMARY OF THE RESULTS OF THE 1983/84 PAY TREND SURVEYPurpose of the Survey

The Pay Trend Survey 1983-84 was the eleventh survey of pay trends conducted by the Pay Survey and Research Unit and its forerunner the Pay Investigation Unit. Pay trend surveys provide information on the general movement of private sector pay over a given period and they are not concerned with comparisons of pay rates for specific occupational groups.

2. The 1983-84 survey covered the period 1 February 1983 to 31 January 1984 inclusive and the information collected provided a factual base for the review of pay scales below the Directorate level in the Civil Service.

Role of the Pay Survey and Research Unit

3. The Pay Survey and Research Unit is a fact-finding organisation which was set up to obtain information on private sector pay and practices relevant to the determination of Civil Service remuneration which is based on broad comparisons with the private sector. The Pay Survey and Research Unit operates independently within the Secretariat for the Standing Commission on Civil Service Salaries and Conditions of Service in as much as none of the information obtained from companies participating in the Unit's surveys is released outside the Unit other than in anonymous form. Anonymity is preserved in survey reports by the allocation of code numbers to companies participating in the surveys.

4. Subject to this need to protect confidential information and its sources, the Pay Survey and Research Unit is willing to assist organisations by providing information on salaries and conditions of service.

Approach to the Survey

5. The survey field was expanded on this occasion and 60 companies were invited to participate compared with 49 in the previous year. Each company was visited by a staff member of the Pay Survey and Research Unit and the personnel manager, personnel officer or other member of the management responsible for pay was interviewed. The methodology used was broadly the same as for the previous survey in 1982-83. Where companies were able to identify the various percentages within the overall adjustment which were attributable to specific elements, this was recorded. Details were also obtained of payments additional to salary and a comparison made with similar additional payments recorded in the 1982-83 Pay Trend Survey. In order to identify any variation in salary adjustments made to staff at different levels within a company, the companies were asked to provide details of adjustments in three salary bands, less than \$3,500 per month, \$3,500 - \$11,999 and \$12,000 - \$21,610. These bands

related broadly to Master Pay Scale Point 13 and below, Point 14 - 37 and Points 38 - 51 respectively in the Civil Service. The bands were slightly different from those used in the previous year when they equated approximately to Point 16 and below, Points 17 - 37 and Points 38 - 51.

#### Presentation of Data

6. An alphabetical list of the companies which were invited to participate in the survey is at Annex A. Information provided during the interview was recorded on individual company statements, a sample of which is at Annex B. Of the 60 companies 2 were unable to report any salary adjustment before the cut-off date for the survey. Items 1 - 4 of each statement give details relating to monthly salary, items 5 and 6 deal with payments additional to monthly salary and item 7 conditions of service other than monthly salary and additional payments. Item 8 records any pay movements in the previous year which were not reported in time for the 1982-83 Pay Trend Survey. Companies were asked to confirm that the statement for the company was factually correct.

7. Where a company used pay scales or pay ranges the survey recorded the movement of the range or scale as a whole. Where more flexible arrangements were found and employees were, in effect, on personal rates of pay the survey recorded the general trend and disregarded any atypical movements.

8. Details were obtained of the pay structures adopted by the participating companies, including arrangements for daily rated staff, and, as a result, the company employee category was linked separately to the appropriate salary structure. The terms used are defined as follows :

<u>Pay Scale</u>	- where there is a defined minimum and maximum rate for each job with a fixed or variable number of steps in between
<u>Pay Range</u>	- where there is a defined minimum and maximum rate for each job but no predetermined steps in between
<u>Individual Rate</u>	- where there is no defined minimum or maximum rate and each employee is on an individually assessed personal rate
<u>Daily Rated or Piece Rated</u>	- where monthly salary is calculated on a daily or piece rate basis

9. The range of salary adjustments and the components of the adjustment attributable to cost of living, general prosperity and company performance, merit, internal relativities, external relativities (i.e. adjustments due to changes in market rates for a specific job), promotion, transfer and other factors were recorded. A few companies were unable to identify the percentage of salary adjustments attributable to individual components. A comparison was also made between any payments additional to salary made by each company during the year 1 February 1983 to 31 January 1984 and the previous survey year. Differences were converted into percentage terms by relating them to the appropriate rates of pay.

#### Validation of Results

10. Company data was analysed in accordance with the criteria shown in Annex C and presented to the Pay Trend Survey Committee. The data was presented in tabular form showing the net percentage change in salaries after deduction of the factors listed in paragraph 7 of Annex C. The percentage figures for various categories of staff in each company by salary band were then multiplied by the appropriate number of employees and by the industrial weight. The industrial weight to be applied to each major economic sector was determined by dividing the percentage of employees in each economic sector for the working population of Hong Kong as a whole by the percentage of employees in each economic sector in the survey field. The Tables produced for the Pay Trend Survey Committee therefore ran into many hundreds of calculations. Annex D illustrates the range of pay adjustments made by the companies in the survey and the differences between the average adjustments for each major economic sector. It shows the average percentage pay adjustment made by each company in each pay band and the average percentage pay adjustment for each major economic sector in each pay band together with the number of employees involved. The entries for individual companies are shown in random order for each economic sector.

11. The Pay Trend Survey Committee agreed with the findings of the Pay Survey and Research Unit and concluded that there was evidence that the following pay increases had been awarded in the private sector during the year 1 February 1983 to 31 January 1984 :

<u>Lower Salary Band</u>	<u>Middle Salary Band</u>	<u>Upper Salary Band</u>
(less than \$3,500 p.m.)	(\$3,500 - \$11,999 p.m.)	(\$12,000 - \$21,610 p.m.)
9.86%	8.64%	8.45%

1983-84 Pay Trend SurveyAlphabetical list of companies which participated in the survey

	<u>Industrial Classification**</u>
*A.S. Watson & Co., Ltd.	W
Amoy Canning Corporation (H.K.) Ltd., The	M
British-American Tobacco Co. (H.K.) Ltd.	M
Caltex Oil Hong Kong Ltd.	W
Cathay Pacific Airways Ltd.	T
Chartered Bank, The	F
Chiaphua Industries Ltd.	M
China Motor Bus Co., Ltd.	T
*Crocodile Garments Ltd.	M
C.Y. Tung Group of Companies (H.K.)	T
*Dodwell Hong Kong Ltd.	W
Esso Hong Kong Ltd.	W
Fook Lee Construction Co., Ltd.	C
Gammon (Hong Kong) Ltd.	C
*Gilman & Co., Ltd.	W
Hong Kong Aircraft Engineering Co. Ltd.	M
Hongkong & Kowloon Wharf & Godown Co. Ltd., The	T
Hongkong and Shanghai Banking Corporation Ltd., The	F
*Hongkong and Shanghai Hotels Ltd., The	W
Hongkong & Yaumati Ferry Co., Ltd., The	T
Hongkong Land Company Ltd., The	F
Hong Kong Oxygen & Acetylene Co., Ltd.	M
Hong Kong Soya Bean Products Co., Ltd., The	M
Hongkong Tramways Ltd.	T
Hongkong United Dockyards Ltd.	M
Hsin Chong Construction Co. Ltd.	C
Hutchison-Boag Engineering Ltd. (previously Hutchison-Boag Ltd.)	W
IBM World Trade Corporation	W
Jardine, Matheson & Co., Ltd.	W
Jebsen & Co. Ltd.	W
John Swire & Sons (H.K.) Ltd.	F
Kowloon Motor Bus Co., (1933) Ltd., The	T

	Industrial Classification**
*Lam Soon (H.K.) Ltd.	M
Lap Heng Co., Ltd.	M
*Leighton Textile Company Ltd.	M
Li & Fung Ltd.	W
Lo and Lo Solicitors & Notaries Public	F
Manhattan Garments Ltd.	M
Mei Foo Investments Ltd.	F
Mobil Oil Hong Kong Ltd.	W
*Motorola Semi-conductors (H.K.) Ltd.	M
National Lacquer & Paint Products Co., Ltd., The	M
Nedlloyd Lines	T
Otis Elevator Co., (H.K.) Ltd.	C
Paul Y. Construction Co., Ltd.	C
*Perfekta Enterprises Ltd.	M
*Philips Hong Kong Ltd.	W
Ryoden Electric Engineering Co., Ltd.	C
San Miguel Brewery Ltd.	M
Shell Company of Hong Kong Ltd., The	W
*Shui Hing Co., Ltd., The	W
Sing Tao Newspapers Ltd.	M
Sonca Industries Ltd.	M
South China Morning Post Ltd.	M
South Sea Textile Manufacturing Co., Ltd.	M
Swire Bottlers Ltd.	M
Toppan Printing Co., (H.K.) Ltd.	M
Wing On Co., Ltd., The	W
Winner Company (H.K.) Ltd.	M
W. Haking Enterprises Ltd.	M

\* Additional companies for the 1983-84 survey

\*\* Industrial classification in accordance with International Standard Industrial Classification

M = Manufacturing

C = Construction

W = Wholesale, retail and import/export trades, restaurants and hotels

T = Transport, storage and communication

F = Financing, insurance, real estate and business services

Company No.

1. Statement of salary adjustments during the inclusive period 1 February 1983 to 31 January 1984

2. Analysis of employees by category, monthly salary, salary adjustment and salary structure as at January 1984

Company employee category	*Number of employees	Minimum and maximum of basic monthly salary	% salary adjustment	Basis of salary structure*

Total

\*Number of employees with monthly salary over \$21,610 shown in parenthesis

3. Analysis of salary adjustments in accordance with the following three salary bands

Company employee category	Less than \$3,500		\$3,500 - \$11,999		\$12,000 - \$21,610	
	No. of employees	% salary adjustment	No. of employees	% salary adjustment	No. of employees	% salary adjustment



PAY TREND SURVEY 1983 - 84

CRITERIA USED IN THE ANALYSIS OF  
BASIC DATA FOR EACH COMPANY

1. Only data relating to the survey period 1 February 1983 to 31 January 1984 and to employees with a monthly salary of not more than \$21,610 was considered.
2. Three salary bands, less than \$3,500, \$3,500 - \$11,999 and \$12,000 - \$21,610 relating broadly to MPS 13 and below, MPS 14 - 37 and MPS 38 - 51 were used.
3. Changes in bonus (including those due for the Lunar New Year 1984 but excluding those for the Lunar New Year 1983) were taken into account and one month's bonus was taken as being equal to 8.33% of the monthly salary.
4. Where a lump sum increase was reported it was converted into percentage terms by relating it to the appropriate salary rates.
5. Where a monthly allowance, which represented an actual addition to basic pay, was reported it was converted into annual percentage terms by relating it to the appropriate salary rates.
6. Where a range of percentage increases to a particular salary level was reported, the average figure was used.
7. Increases equating to the inscale increments of a civil servant, or attributable to the following factors : -
  - (a) merit of a particular employee;
  - (b) internal relativities;
  - (c) external relativities or adjustments due to changes in the market rate of a specific job;
  - (d) promotion; and
  - (e) transfer

were excluded. Where companies could not separate the components of their pay increase as stated above from those which were relevant to the annual pay trend adjustment, they were excluded from the calculation of the survey results.

8. Where companies had not announced a pay adjustment which would be effective within the survey period but were expected to make an announcement after 31 January 1984, they were excluded from the calculation of the pay trend indicators.



9. Where it was confirmed that companies had given two increases within the survey period merely because of a change in the effective date of their salary adjustments, the additional increase made on a date which was out of line with the previous normal practice was excluded.
  
10. The survey findings were additionally weighted by industrial classification to reflect the distribution of the working population in major economic sectors as reported by the Census and Statistics Department for the 3rd quarter of 1983.

Pay Trend Survey 1983 - 84

Table showing the range of average percentage changes in salary and additional payments for each salary band in each of the 56 survey companies and of the major industrial sectors weighted by the number of employees in each band

Industrial Sector	Lower Band (less than \$3,500 p.m.) %	Middle Band (\$3,500 - \$11,999 p.m.) %	Upper Band* (\$12,000 - \$21,610 p.m.) %
Construction	6.30	6.06	-
	7.37	4.74	0
	8.55	9.51	7.95
	3.48	9.10	33.90
	3.63	8.23	8.35
Sector average %	5.35	7.63	21.08
Number of employees	2,496	790	24
Manufacturing	8.68	7.89	7.04
	10.00	10.00	10.00
	2.03	4.53	4.96
	8.15	5.00	5.00
	10.33	10.33	10.33
	8.50	8.50	-
	21.89	10.00	-
	10.00	5.78	-
	9.34	9.49	7.50
	12.00	12.00	12.00
	15.10	14.87	14.00
	12.40	7.35	7.35
	9.58	9.58	-
	11.10	9.41	7.84
	7.42	6.70	6.09
	6.00	6.00	6.00
	12.39	23.74	-
	12.00	12.00	12.00
	9.71	8.83	9.59
10.50	10.50	10.50	
14.13	13.36	-	
12.13	11.69	11.25	

Industrial Sector	Lower Band (less than \$3,500 p.m.) %	Middle Band (\$3,500 - \$11,999 p.m.) %	Upper Band* (\$12,000 - \$21,610 p.m.) %
Sector average %	11.11	9.89	8.95
Number of employees	26,168	3,729	290
Transport, storage and communication	14.06	-4.24	-2.83
	14.77	14.77	14.77
	15.54	13.57	13.08
	5.10	5.26	3.73
	9.32	8.12	7.38
	10.50	10.50	11.29
	8.00	8.00	-
	9.64	10.97	27.83
Sector average %	10.44	11.09	14.29
Number of employees	15,425	3,184	159
Wholesale, retail, I/E, restaurants and hotels	8.00	8.00	8.00
	4.00	4.00	4.00
	11.70	11.70	11.70
	9.00	8.58	6.00
	10.00	10.00	10.00
	10.70	10.58	10.41
	7.00	7.00	7.00
	5.59	5.44	5.68
	6.00	6.00	6.00
	12.68	9.87	2.57
	7.40	7.40	7.40
	8.00	8.00	8.00
	9.00	9.00	9.00
	10.00	10.00	10.00
	14.66	9.18	3.63
Sector average %	8.94	8.14	8.01
Number of employees	11,199	3,529	460

Industrial Sector	Lower Band (less than \$3,500 p.m.) %	Middle Band (\$3,500 - \$11,999 p.m.) %	Upper Band* (\$12,000 - \$21,610 p.m.) %
Financing,	5.00	5.00	5.00
insurance,	6.50	6.50	6.50
real estate	5.00	5.10	3.90
and business	10.50	10.49	10.50
services	11.22	9.02	9.00
	5.00	5.00	5.00
Sector average %	6.39	6.60	6.82
Number of employees	12,200	5,043	553
Pay Trend Survey indicators	9.86%	8.64%	8.45%
Total number of employees	67,488	16,275	1,486

\* A hyphen in the Upper Band Column indicates that a company had no employees in that salary range.