

APPENDIX IX

SUMMARY OF THE RESULTS OF THE 1986/87 PAY TREND SURVEY

Purpose of the Survey

The Pay Trend Survey 1986/87 was the fourteenth in a series of pay trend surveys undertaken by the Pay Survey and Research Unit. These surveys provide information on the general movement of private sector pay over a given period. They are not concerned with comparisons of pay rates for specific occupation groups.

2. The 1986/87 survey covered the period 1 February 1986 to 31 January 1987 inclusive and the information collected provided a factual basis for the 1987 review of pay scales below the Directorate level in the civil service.

Participating Companies

3. 71 companies were invited to participate in the survey and 68 accepted the invitation. A schedule of companies participating in the survey is at Annex I.

Approach to the Survey

4. Each participating 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. Companies were asked to provide details of any general salary adjustments awarded to whole categories of employees. In order to identify any variation in salary adjustments made to staff at different levels within a company, they were asked to break down details of adjustments into three monthly salary bands, namely: less than \$4,700, \$4,700 - \$14,999 and \$15,000 - \$28,135. These bands relate broadly to Master Pay Scale Point 13 and below, Points 14 - 37 and Points 38 - 51 respectively in the civil service.

5. Details were also obtained of payments additional to salary and a comparison made with similar additional payments effected in the 1985/86 survey year.

6. Companies were also asked to provide details of pay adjustments of an individual nature such as merit awards and promotion increase. Information was sought on both the number of employees involved and the level of adjustments. Where these were identified they were recorded. Finally

companies were asked to provide details of significant changes in conditions of service and where reported these were also recorded.

Presentation of Data

7. Information provided during the interviews was recorded on the individual company statements, a sample of which is at Annex II. Items 1 - 3 of each statement give details relating to monthly salary, items 4 and 5 give details of payments additional to monthly salary, item 6 gives details of payments of an individual nature and item 7 records significant changes in conditions of service other than monthly salary and additional payments. Companies were asked to confirm that this statement for the company was factually correct.

8. 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 typical movements.

9. Details were obtained of 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 : -

- | | | |
|------------------------------|---|---|
| Pay Scale | - | Where there is a defined minimum and maximum rate for each job with a fixed or variable number of salary rates in between |
| Pay Range | - | Where there is a defined minimum and maximum rate for each job but with no predetermined salary rates in between |
| Individual Rate | - | Where there is no defined minimum and maximum rate and each employee is on an individually assessed personal rate |
| Daily, Hourly or Piece Rated | - | Where monthly salary is calculated on a daily rate or a piece rate basis |

10. The survey recorded 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 the market rate for a specific job), promotion, transfer and other factors. A few companies were unable to identify the percentage of adjustment attributable to individual components. A comparison was also made between any payments additional to salary made by each company during the year 1 February 1986 to 31 January 1987 and the previous survey year. Differences were converted into percentage terms by relating them to the appropriate rates of pay.

Validation of Results

11. Company data was analysed by the Pay Survey and Research Unit in accordance with the criteria shown in Annex III before they were presented to the Pay Trend Survey Committee. Of the 68 companies which took part in the survey, 64 announced a pay adjustment before the cut-off date and were able to identify increases related to cost of living, company performance and general market conditions. The percentage figures for various categories of staff in these 64 companies 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 the relevant sector in the survey field. The Tables produced for the Pay Trend Survey Committee therefore ran into many hundreds of calculations.

12. The 1986/87 Pay Trend Indicators together with the average percentage pay adjustment made by each company in each pay band, the average percentage pay adjustment for each major economic sector in each pay band and the number of surveyed employees are shown at Annex IV. The entries for individual companies are shown in random order for each economic sector.

13. 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 surveyed companies during the year 1 February 1986 to 31 January 1987 : -

<u>Lower Salary Band</u>	<u>Middle Salary Band</u>	<u>Upper Salary Band</u>
(less than \$4,700 p.m.)	(\$4,700-\$14,999)	(\$15,000-\$28,135 p.m.)
7.13%	6.40%	6.30%

1986-87 Pay Trend Survey

Alphabetical list of companies which participated in the survey

	<u>Industrial Classification*</u>
A.S. Watson & Co., Ltd.	W
Amoy Industries (International) Ltd.	M
British-American Tobacco Co. (H.K.) Ltd.	M
Caltex Oil Hong Kong Ltd.	W
Carlsberg Brewery Hong Kong Limited	M
Caterpillar Far East Limited	W
Cathay Pacific Airways Ltd.	T
Chiaphua Industries Ltd.	M
China Motor Bus Co., Ltd.	T
Crocodile Garments Ltd.	M
Dairy Farm Company Ltd., The	W
Esso Hong Kong Ltd.	W
Fook Lee Construction Co., Ltd.	C
Gammon (Hong Kong) Ltd.	C
Hewlett-Packard Hong Kong Limited	W
Hong Kong Aircraft Engineering Co. Ltd.	M
Hongkong and Shanghai Banking Corporation Ltd., The	F
Hongkong and Shanghai Hotels Ltd., The	W
Hong Kong Teakwood Works Ltd.	M
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

	<u>Industrial Classification*</u>
Hongkong Tramways Ltd.	T
Hongkong United Dockyards Ltd.	M
Hsin Chong Construction Co. Ltd.	C
IBM World Trade Corporation	W
ICI (China) Ltd.	W
Jardine, Matheson & Co., Ltd.	W
Jebsen & Co. Ltd.	W
John Swire & Sons (H.K.) Ltd.	F
Kodak (Far East) Ltd.	W
Kowloon Motor Bus Co., (1933) Ltd., The	T
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
Mattel Toys (H.K.) 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
Orient Overseas (Holdings) Ltd.	T
Otis Elevator Co., (H.K.) Ltd.	C
Paul Y. Construction Co., Ltd.	C
Perfekta Enterprises Ltd.	M
Philips Hong Kong Ltd.	W

	<u>Industrial Classifications*</u>
Philips Hong Kong Ltd. Consumer Electronics Factory	M
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
Shun Hing Electronic Trading Co. Ltd.	W
Sing Tao Limited (previously Sing Tao Newspapers Ltd.)	M
Sonca Products Ltd. (previously Sonca Industries Ltd.)	M
South China Morning Post Ltd.	M
South Sea Textile Manufacturing Co., Ltd.	M
Standard Chartered Bank	F
Swire Bottlers Ltd.	M
Toppan Printing Co., (H.K.) Ltd.	M
Tyco (Hong Kong) Limited	M
Vincent Wong & Co. Ltd.	W
Wearbest Garment Manufacturing Co. Ltd.	M
Wing On Co., Ltd., The	W
Winner Company (H.K.) Ltd.	M

* 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

Annex II

Company No.

1. Statement of general salary adjustments during the inclusive period 1 February 1986 to 31 January 1987 attributable to factors other than those of an individual nature recorded in item 6

2. Analysis of employees by category, monthly salary, salary adjustments as recorded in item 1 and salary structure as at January 1987

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 \$28,135 shown in parenthesis		

3. Analysis of salary adjustments as recorded in item 1 in accordance with the following three salary bands

Company employee category	Less than \$4,700		\$4,700 - \$14,999		\$15,000 - \$28,135	
	No. of employees	% salary adjustment	No. of employees	% salary adjustment	No. of employees	% salary adjustment

Company No. (cont'd)

4. Details of any additional payments during the inclusive period 1 February 1986 to 31 January 1987 (including payments due for the Lunar New Year 1987 but excluding those for 1986)

5. Comparison of additional payments detailed in item 4 with those for the inclusive period 1 February 1985 to 31 January 1986

6. Statement of salary adjustments during the inclusive period 1 February 1986 to 31 January 1987 attributable to individual merit, external and internal relativities, promotion and transfer

7. Details of significant changes in conditions of service during the inclusive period 1 February 1986 to 31 January 1987