

## SUMMARY OF THE RESULTS OF THE 1984/85 PAY TREND SURVEY

### Purpose of the Survey

The Pay Trend Survey 1984/85 was the twelfth 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 1984/85 survey covered the period 1 February 1984 to 31 January 1985 inclusive and the information collected provided a factual basis for the 1985 review of pay scales below the Directorate level in the civil service.

### Approach to the Study

3. 60 companies were invited to participate in the survey. 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 somewhat different to that used in the 1983/84 survey. 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 breakdown details of adjustments into three monthly salary bands, namely : less than \$4,000, \$4,000 - \$12,999 and \$13,000 - \$25,605. These bands relate broadly to Master Pay Scale Point 13 and below, Points 14 - 37 and Points 38 - 51 respectively in the civil service.

4. Details were also obtained of payments additional to salary and a comparison made with similar additional payments recorded in the 1983/84 Pay Trend Survey.

5. Companies were also asked to provide details of pay adjustments of an individual nature such as merit awards and promotion increases. 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

6. A schedule of companies participating in the survey is at Annex A. Information provided during the interview was recorded on the individual company statements, a sample of which is at Annex B. Only one company did not supply data before the cut-off date for the survey. 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.

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 pay structures operated by the participating companies, including arrangements for daily rated staff, and as a result the company employee category has been 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 salary rates in between
<u>Pay Range</u>	- where there is a defined minimum and maximum rate for each job but with no pre-determined salary rates in between
<u>Individual Rate</u>	- where there is no defined minimum and maximum rate and each employee is on an individually assessed personal rate
<u>Daily, Hourly or Piece Rated</u>	- where monthly salary is calculated on a daily rate or a 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 the market rate for a specific job), promotion, transfer and other factors were recorded. 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 1984 to 31 January 1985 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 in tabular form. 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 the relevant sector in the survey field. The Tables produced for the Pay Trend Survey Committee therefore run 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 have been awarded in the private sector during the year 1 February 1984 to 31 January 1985 :

<u>Lower Salary Band</u>	<u>Middle Salary Band</u>	<u>Upper Salary Band</u>
(less than \$4,000 p.m.)	(\$4,000 - \$12,999 p.m.)	(\$13,000 - \$25,605 p.m.)
10.77%	9.12%	8.77%

1984/85 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
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

Industrial  
Classification\*

Hsin Chong Construction Co. Ltd.	C
Hutchison-Boag Engineering 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
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

Industrial  
Classification\*

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
Wing On Co., Ltd., The	W
Winner Company (H.K.) Ltd.	M
W. Haking Enterprises 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