

Annex III

CRITERIA USED FOR THE CALCULATION
OF THE 1986/87 PAY TREND INDICATORS

1. All 71 companies participating in the survey were included in the calculations provided that : -
 - (a) they could provide and confirm data on adjustments of salary and additional payments for not less than 75% of their total employees by 4 February 1987;
 - (b) where appropriate, they could separate adjustments relevant to the calculation of the pay trend indicators from the inscale increment and merit of an individual employee, external and internal relativities, promotion and transfer;
 - (c) they had not changed the basis of their salary structure to a pay scale or pay scales for some or all categories of their employees during the survey period 1 February 1986 to 31 January 1987; and
 - (d) their economic activities, company size and salary structure had not changed to such an extent that it was no longer appropriate for the data provided by them to be compared with the data provided in the previous year.
2. The total number of employees in each company included in the calculations of the pay trend indicators were used to determine the industrial weighting factor to bring the survey results into line with the distribution of the working population in major economic sectors as reported by the Census and Statistics Department for the third quarter of 1986.
3. Only data on salary and additional payments relating to the survey period 1 February 1986 to 31 January 1987 and additional payments for the previous year reported belatedly were included in the calculation of the pay trend indicators.
4. Data on salary and additional payments relating to apprentices, trainees and employees earning more than \$28,135 per month were excluded from the calculation of the pay trend indicators.

5. Three salary bands, less than \$4,700 per month, \$4,700 - \$14,999 per month and \$15,000 - \$28,135 per month broadly relating to MPS 13 and below, MPS 14 - 37 and MPS 38 - 51 were used.
6. Data on salary and additional payments for company employees in a particular band were included in the calculation of the pay trend indicators only if by 4 February 1987 the company had announced adjustments for not less than 75% of the employees in that band during the survey period.
7. Adjustments attributable to the following factors were excluded from the calculation of the pay trend indicators : -
 - (a) inscale increment and merit of an individual employee;
 - (b) external and internal relativities; and
 - (c) promotion and transfer.
8. Changes in bonus (including those for the Lunar New Year 1987 but excluding those for the Lunar New Year 1986) were taken into account and one month's bonus was taken as equal to 8.33% of the monthly salary.
9. Changes in payments and monthly allowance reported in dollar terms were converted into annual percentage terms by relating them to the appropriate salary rates.
10. Where a range of percentage adjustments to a particular salary level was reported, the average figure was used.

Annex IV

PAY TREND SURVEY 1986/87

Table showing the range of average percentage changes in general salary and additional payments for each salary band in each of the 64 survey companies and of the major industrial sectors weighted by the number of employees in each band and industrial weights

Industrial Sector	Lower Band (less than \$4,700 p.m.) %	Middle Band (\$4,700 - \$14,999 p.m.) %	Upper Band* (\$15,000 - \$28,135 p.m.) %
Manufacturing	7.11	5.78	5.82
	7.60	7.60	-
	7.45	7.83	7.83
	7.50	7.19	6.00
	9.48	1.41	0.40
	4.00	4.00	4.00
	1.81	4.94	5.00
	5.00	5.00	5.00
	6.50	5.63	5.27
	9.80	9.17	-
	5.00	5.00	5.00
	7.00	7.00	-
	5.81	-14.21	-
	11.56	12.32	14.63
	8.81	4.41	0.83
	11.38	12.69	20.00
	3.50	3.50	3.50
	7.24	4.00	4.00
	1.45	-6.83	-6.83
	6.78	6.78	6.78
	17.02	14.25	14.25
9.58	9.92	11.00	
10.28	12.44	12.50	
15.00	15.00	15.00	
4.00	4.00	3.87	
10.97	10.88	7.00	
8.77	10.00	10.00	
8.30	8.30	8.30	
Sector average %	7.92	7.48	6.86
Number of employees	28,046	4,986	390

Industrial Sector	Lower Band (less than \$4,700 p.m.) %	Middle Band (\$4,700 - \$14,999 p.m.) %	Upper Band* (\$15,000 - \$28,135 p.m.) %
Construction	21.29 2.64 8.53 7.79 9.00	7.21 2.95 4.00 7.82 7.08	15.27 4.75 - 9.35 9.00
Sector average %	8.09	5.32	10.47
Number of employees	2,038	630	28
Financing, insurance, real estate and business services	6.00 4.00 7.22 5.50 9.72	6.00 4.00 3.76 5.50 9.65	6.00 4.00 3.70 5.50 10.00
Sector average %	5.61	5.47	5.37
Number of employees	11,438	5,150	684
Wholesale, retail, I/E, restaurants and hotels	6.00 5.00 5.00 5.00 7.00 5.00 8.43 11.39 10.78 4.00 4.55 8.20 4.50 6.40 6.05 12.13 4.00 8.38 4.00 7.33	6.00 5.00 5.00 5.00 7.00 5.00 7.62 16.25 7.05 4.00 4.52 7.71 4.50 6.40 11.43 10.00 4.23 8.36 4.00 8.81	6.00 5.00 5.00 5.00 7.00 5.00 6.80 14.00 6.42 4.00 4.50 7.50 4.50 6.40 - 10.00 5.03 8.44 4.00 8.37

Industrial Sector	Lower Band (less than \$4,700 p.m.) %	Middle Band (\$4,700 - \$14,999 p.m.) %	Upper Band* (\$15,000 - \$28,135 p.m.) %
Sector average %	6.46	5.93	6.21
Number of employees	13,866	4,443	719
Transport, storage and commu- nication	8.17	8.17	8.17
	6.07	5.84	-
	5.12	-11.52	-11.52
	6.00	6.00	6.00
	7.61	7.77	-
	5.00	5.00	6.52
Sector average %	5.58	5.89	7.00
Number of employees	16,636	2,860	134

Pay Trend
Survey
Indicators

7.13%

6.40%

6.30%

Total number
of employees

72,024

18,069

1,955

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