

SUMMARY OF THE 1988/89 PAY TREND SURVEY

Purpose of the Survey

The 1988/89 Pay Trend Survey was the sixteenth such survey undertaken. 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 1988/89 survey covered the period 1 February 1988 to 31 January 1989.

Participating Companies

3. 68 companies were invited to participate in the survey and 65 of them accepted the invitation. A schedule of companies participating in the survey is at Annex.

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 \$5,700, \$5,700-\$17,999 and \$18,000-\$35,890. These bands relate broadly to Master Pay Scale Point 13 and below, Points 14-37 and MPS Points 38 - General Disciplined Services (Officer) Pay Scale Point 38 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 1987/88 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.

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Presentation of Data

7. Information provided during the interviews was recorded on the individual company statements. Companies were asked to confirm the 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 atypical 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, hourly or 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, general changes in market rates,

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merit, inscale increment, 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 current survey year and in the previous survey year. Differences were converted into percentage terms by relating them to the appropriate rates of pay.

11. Company data were analysed by the Pay Survey and Research Unit in accordance with prescribed criteria before they were presented to the Pay Trend Survey Committee.

12. The Pay Trend Survey Committee accepted the findings of the Unit on the 1988/89 Pay Trend Survey. The Committee also concluded that, taking into account only those adjustments which related to the cost of living, company performance, general changes in market rates, inscale increment and merit, there was evidence that the following pay increases had been awarded in the private companies surveyed during the year 1 February 1988 to 31 January 1989 :

| <u>Lower Salary Band</u> (less than \$5,700 p.m.) | <u>Middle Salary Band</u> (\$5,700 - \$17,999 p.m.) | <u>Upper Salary Band</u> (\$18,000 - \$35,890 p.m.) |
|---|---|---|
| 16.04% | 16.07% | 14.60% |

Annex to Appendix H

Companies participating in the 1988-89 Pay Trend Survey

| | <u>Industrial Classification*</u> |
|--|---------------------------------------|
| A.S. Watson & Co., Ltd. | W |
| 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 |
| Dairy Farm Company Ltd., The | W |
| Esso Hong Kong Ltd. | W |
| Fook Lee Construction Co., Ltd. | C |
| Gammon Construction Ltd. | C |
| Hewlett-Packard Hong Kong Limited | W |
| Hong Kong Aircraft Engineering Co., Ltd. | M |
| Hongkong and Shanghai Banking Corporation, The | F |
| Hongkong and Shanghai Hotels Ltd., The | W |
| Hong Kong Teakwood Works Ltd. | M |
| Hongkong Ferry (Holdings) Co., Ltd. (previously Hongkong & Yaumati Ferry Co., Ltd.) | 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 |

Annex to Appendix H (Cont'd)

| | <u>Industrial Classification*</u> |
|---|---------------------------------------|
| IBM World Trade Corporation | W |
| ICI (China) Ltd. | W |
| Inchcape Pacific Limited | 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 (Trading) Ltd. (previously 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 Container Line Ltd. (previously 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 |

Annex to Appendix H (Cont'd)

| | <u>Industrial Classification*</u> |
|---|---------------------------------------|
| Philips Hong Kong Ltd. Consumer Electronics Factory | M |
| Ryoden (Holdings) Ltd. (previously 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 |
| Sonca Products Ltd. | M |
| South China Morning Post 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