

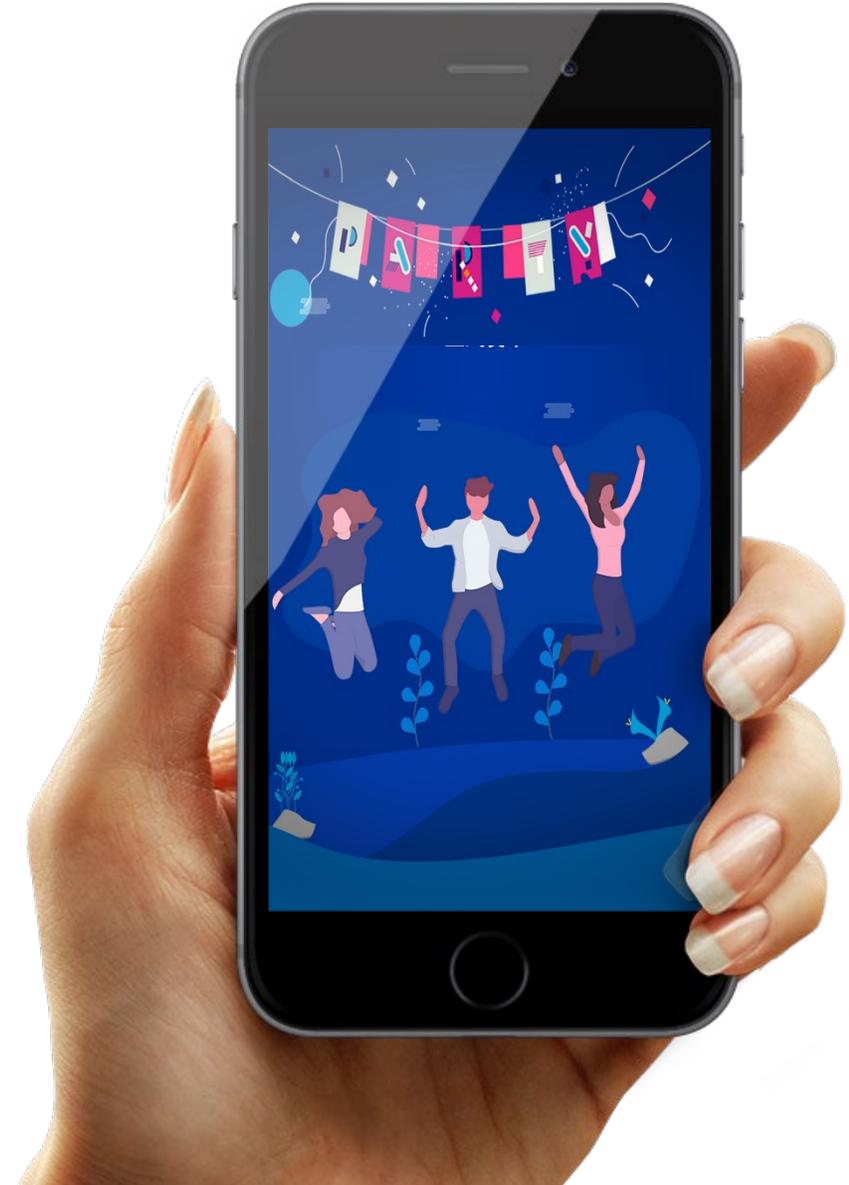
2021 SALARY & JOB MARKET TRENDS IN CHINA



April 22, 2021
Sue Wei
Regional Director, Hays Shanghai, China

AGENDA

- **HAYS 2021 ASIA SALARY GUIDE KEY FINDINGS**
- **ASIA & CHINA FINDINGS**
- **KEY INDUSTRY INSIGHTS**
- **HAYS RECOMMENDATIONS**
- **Q&A**



ABOUT THE PRESENTER



Sue Wei

Regional Director, Hays Shanghai, China

Sue is American Chinese and spent over 20 years in the US. She began in the advertising industry in New York as an Account Executive for the Newsweek account. Ten years ago, Sue moved to Shanghai and has since worked in two international recruitment agencies personally focused on executive level finance, legal and HR roles for multinational and domestic clients.

Sue currently leads the HAYS Shanghai office with over 90 consultants in Enabling Functions including Accountancy & Finance, Human Resource, Legal, Procurement & Supply Chain and IT as well as Industry teams including Property, Financial Services, Consumer, Life Sciences, Industrial and Tech. She is also the Greater China Lead for our key Life Sciences practice. Sue holds an MBA from Pace University, New York.

WE ARE HAYS



China
Shanghai
Beijing
Suzhou
Guangzhou
Shenzhen



**Hong Kong
SAR**



Japan
Osaka
Tokyo
Yokohama



Singapore



Malaysia
Kuala Lumpur
Sunway



11,600+
Staff
worldwide



33
Countries
worldwide



4.0+
Million
LinkedIn followers



**Official Recruitment
Partner
of Manchester City
Football Club**



**2018,2019 The
Best Companies
to Work for in
Greater China**

ABOUT THE REPORT

14th edition of the guide



Respondents surveyed
from Oct-Nov, 2020



RECORD number of
respondents from our five
locations in **Asia > 9,660**
China respondents > 3,110



17 specialisms profiled



Compensation and
benefits trends



Hiring plans and
salary expectations
for 2021



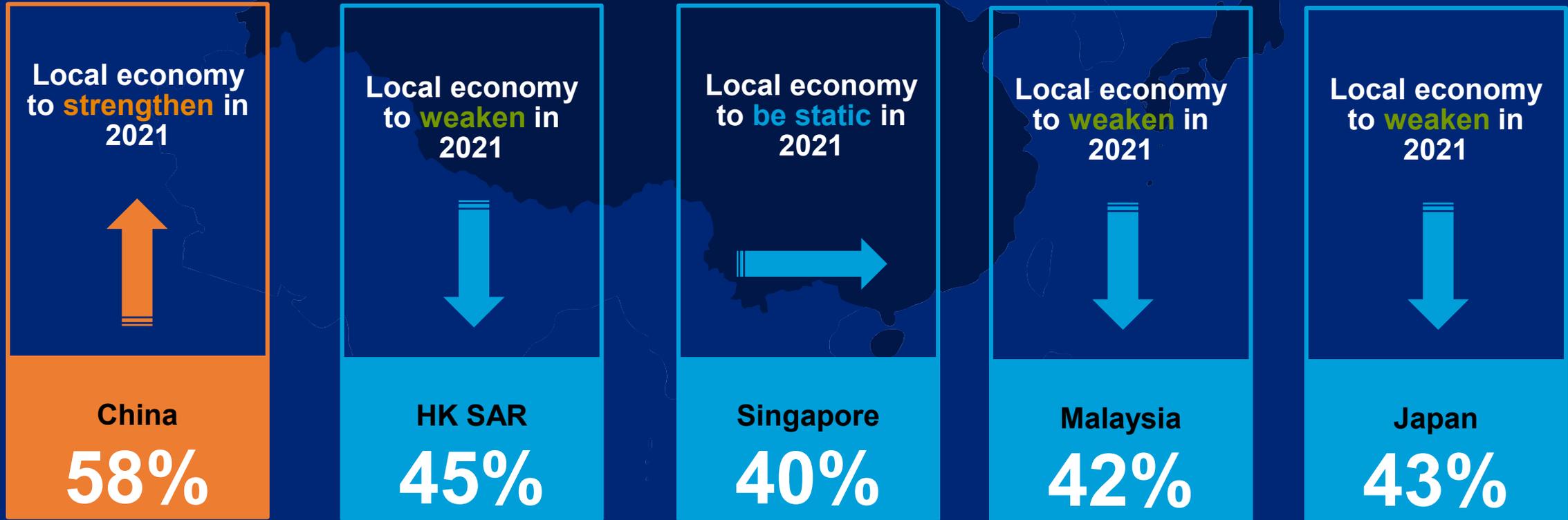
Advice and
recommendations
for today's market
in China and
across Asia

ASIA FINDINGS



ASIA FINDINGS

Majority of our
respondents think:



EMPLOYEES ARE INCREASINGLY CONSERVATIVE WITH SALARY INCREMENTS ...APART FROM CHINA.



No Change	44% Japan 32% Hong Kong SAR 32% Singapore 27% Malaysia
More than 10%	39% China

HOWEVER...CANDIDATE MOTIVATIONS REMAIN UNCHANGED



Actively looking for a new job



36%-Yes
2020 **36%**



44% - No, but I'm open
to new opportunities
2020 **45%**



Reasons for wanting to change jobs



58% - Salary & benefits
2020 **62%**



42% - Lack of career progression
2020 **45%**



41% - Seeking new challenges
2020 **48%**



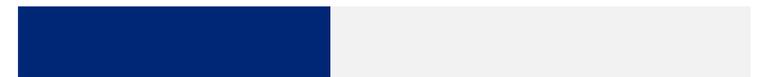
Reasons for staying in current job



49% - Salary & benefits
2020 **40%**

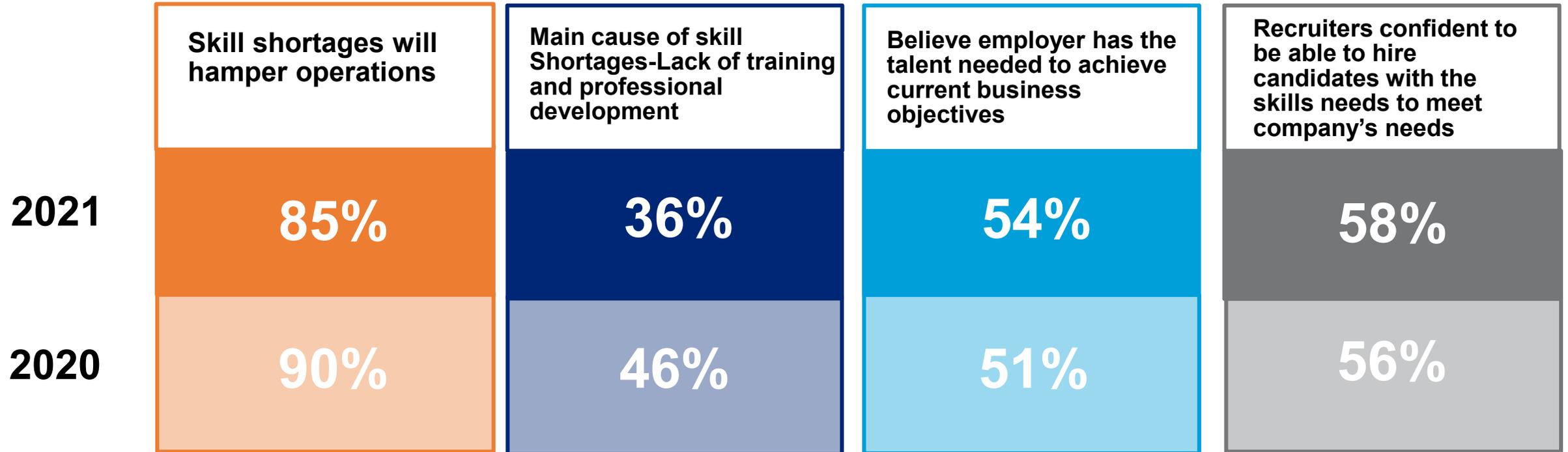


48% - Work-life balance
2020 **43%**



41% - Career progression
2020 **31%**
2020 No.3 Management style and company
culture **33%**

SKILL GAP WOES ACROSS THE REGION IMPROVE



CHINA FINDINGS



2021 CHINA OVERVIEW

Covering trends in below areas:



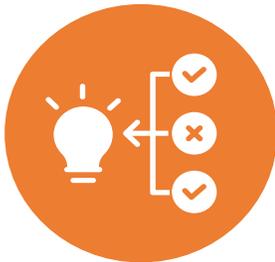
BUSINESS PROSPECTS



EMPLOYEE MOTIVATIONS



STAFF LEVEL



SALARY INCREMENTS

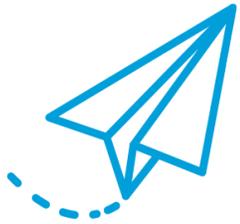


SKILL SHORTAGES



WORK LIFE BALANCE

2021 CHINA GENERAL OUTLOOK



58%

Strengthening

How do you foresee local economy in the next 6-12 months ?



56% Increase

How do you expect your company's activity levels to change in the next 12 months?



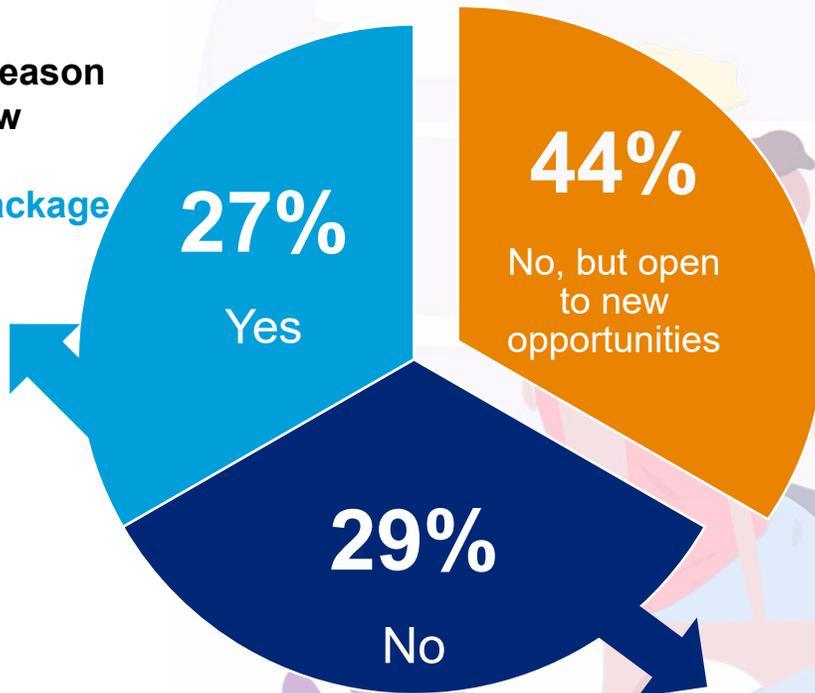
66% Yes

Are you currently restructuring your company/department to keep up with changing business needs?

CHINESE EMPLOYEES TURNED STABLER WITH CURRENT EMPLOYER

Are you actively looking for a job now?

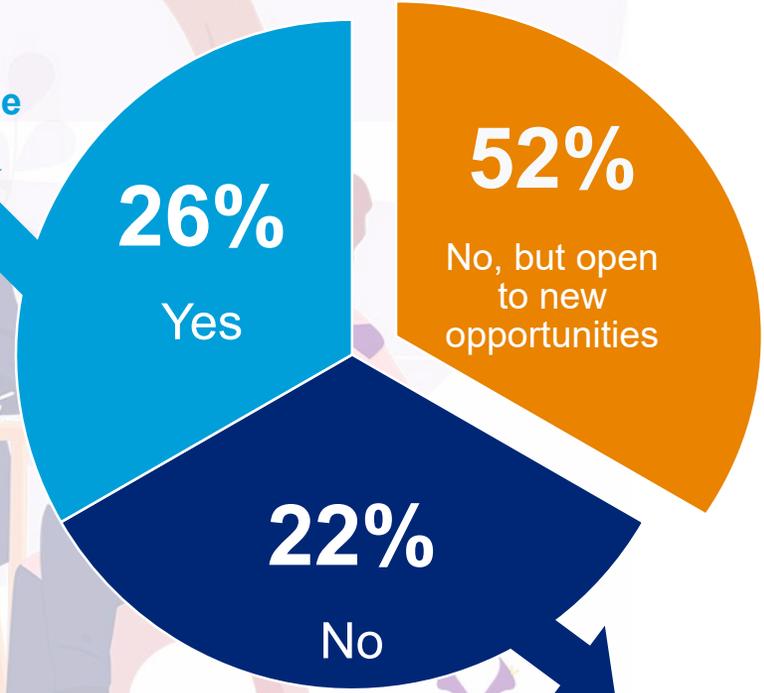
If yes, biggest reason to look for a new employer:
Better salary package
69%



2021

If no, biggest reason to stay with current employer:
Career progression
45%

If yes, biggest reason to look for a new employer:
Better salary package
62%



2020

If no, biggest reason to stay with current employer:
Work-life balance
44%

STAFF LEVELS ARE TO INCREASE SAID MOST CHINESE EMPLOYERS

72% of employers will **NOT** implement any hiring freeze for 2021.

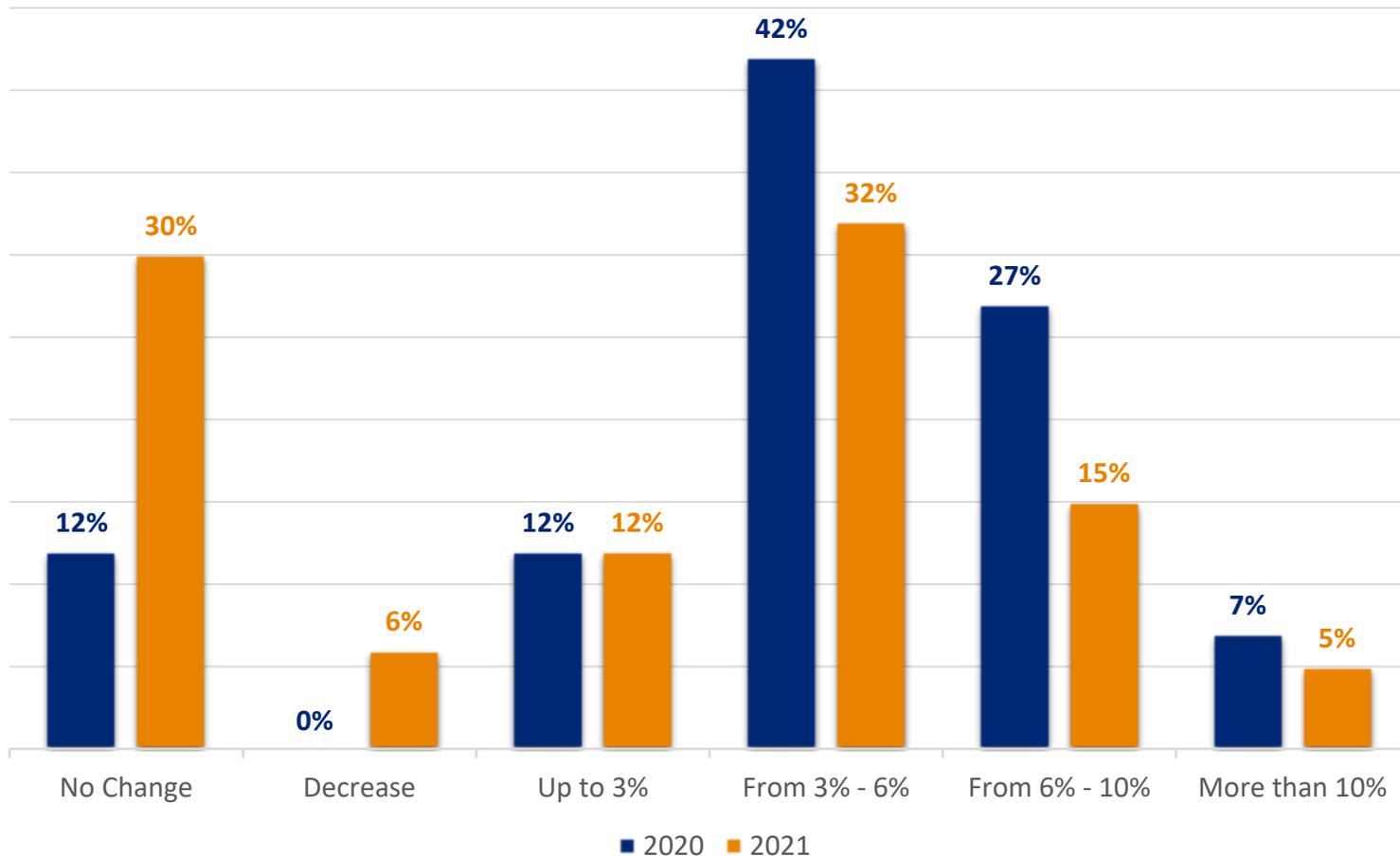


38% of employers said their permanent staff levels **INCREASED** over the last 12 months.

50% of employers expect their permanent staff levels to **INCREASE** in the next 12 months.

TRUTH ABOUT 2020 SALARY CHANGES IMPACTED BY PANDEMIC

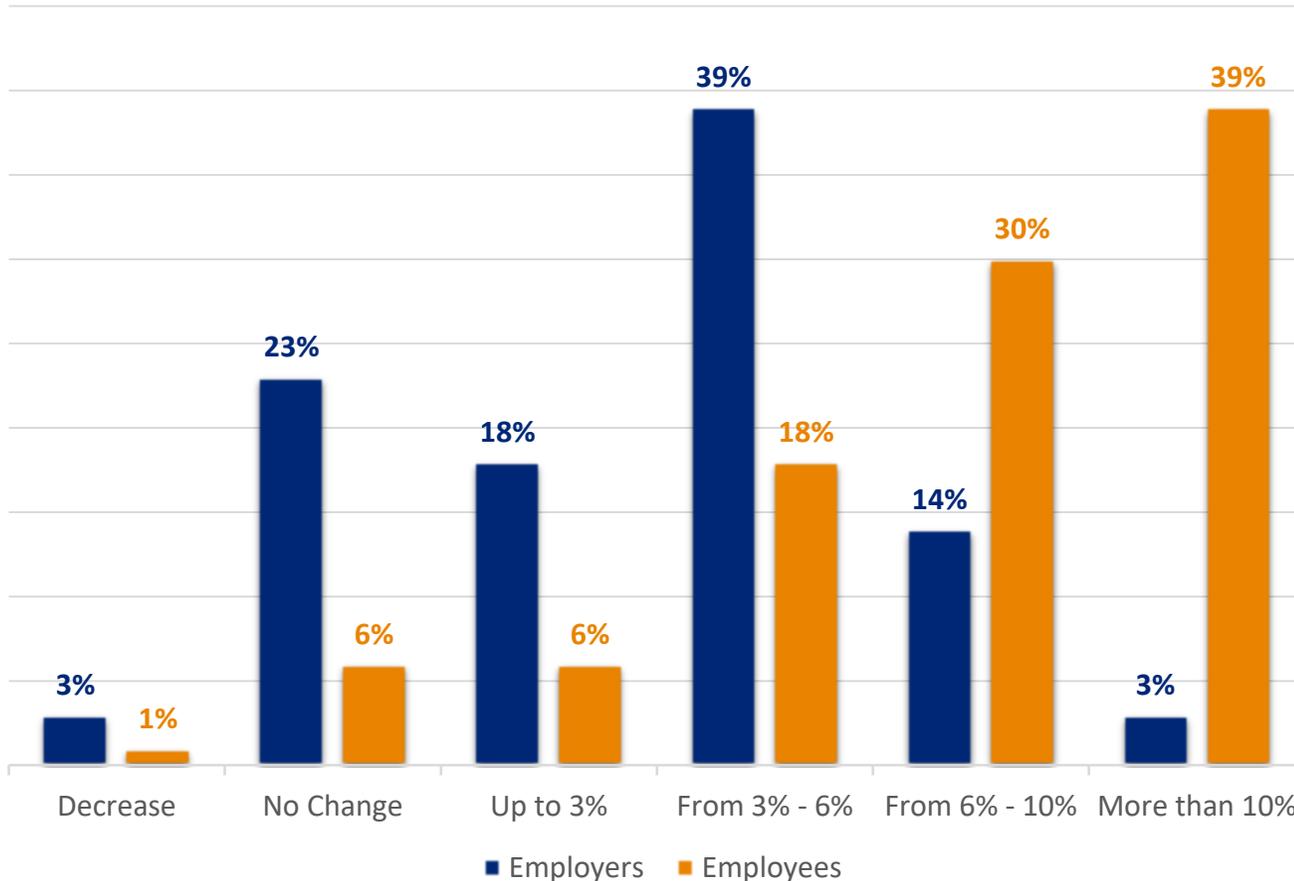
During the last 12 months, have your employee's salaries changed?



- Employees with **no salary change** last year has risen from 12% to 30%, largely due to pandemic.
- % of employees with **3-6% salary increase** has decreased from 42% to 32%.
- % of employees with **6-10%, and >10% salary increase** has also decreased at some level.
- 6% employees has **a lower salary** than last year.

CHINESE EMPLOYEES ARE EXPECTING MORE INCREMENTS

Predicated employer vs expected employee salary increases over the next 12 months



- China's employers and employees are expecting **differently** in salary increments.
- **39%** of Chinese employees are expecting over **10%** salary increase, the highest in Asia. While their employers don't think so.
- **Majority (39%)** of Chinese employers think that realistic salary increase rate is within **3-6%** in 2021.

MAJORITY CHINA EMPLOYEES STILL RECEIVED BONUS IN 2020

63% of Chinese employees received bonus in 2020.

13% received but they were lower than expected

5% received but they were deferred

10% not received any bonus

9% are not eligible for bonuses

67% of employers still to offer bonus as part of remuneration package in 2021.

16% yes but for lower amounts than previously

8% yes but for less staff than previously

7% Not going to offer bonus

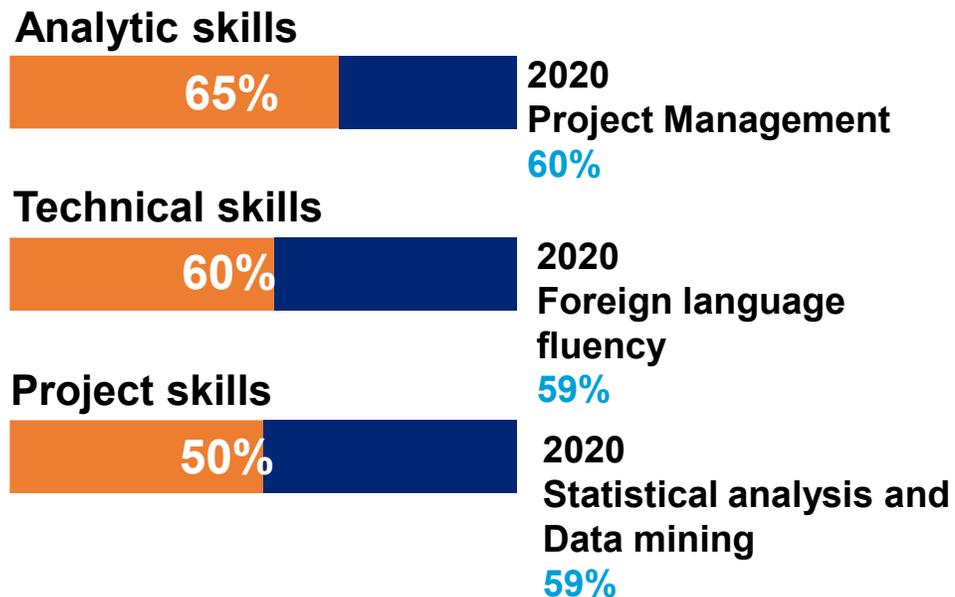
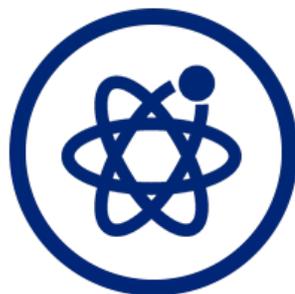
2% Not offer bonus as part of remuneration package



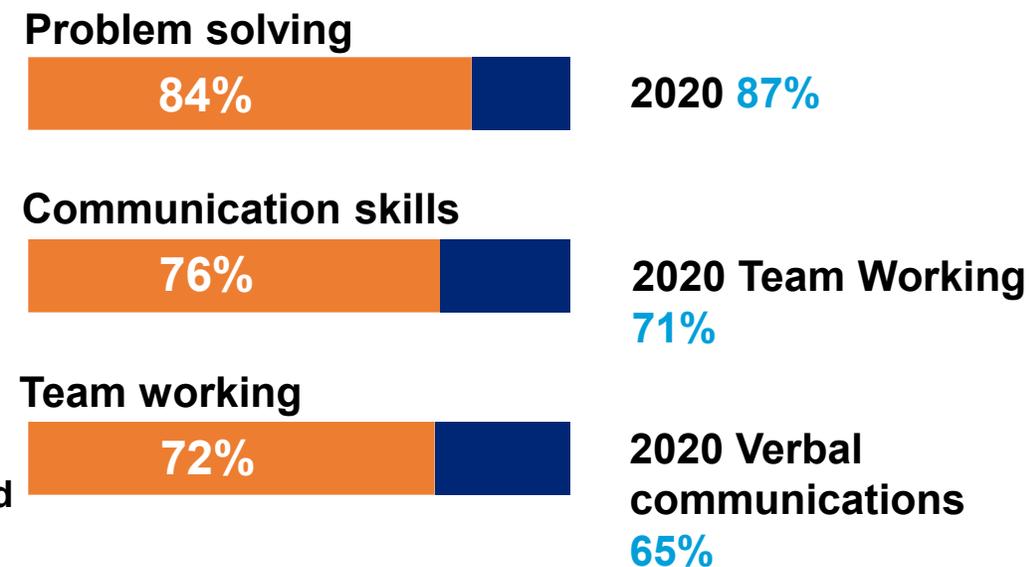
HARD SKILLS MORE IN DEMAND THAN SOFT SKILLS

What skills are most sought-after by your company?

TOP THREE HARD SKILLS IN DEMAND IN CHINA



TOP THREE SOFT SKILLS IN DEMAND IN CHINA



54%
Hard skills

46%
Soft skills

SKILL SHORTAGES IN CHINA

HARD SKILL OR SHORT SKILL?

65%

Chinese employees spend 1-5 hours/week outside job improving professional skills (Highest figure across Asia)



Chinese employees have taken up efforts to develop

soft skills 64%

hard skills 36%

to improve their job prospects.



WORK-LIFE BALANCE KEY TO STAFF RETENTION

14%

Rate their work-life balance as “very good”
37% rate as “good”.

Basically same with
2020.



65%

Candidates want
Flex-working when
they are looking for a
new job.

4% more than 2020.

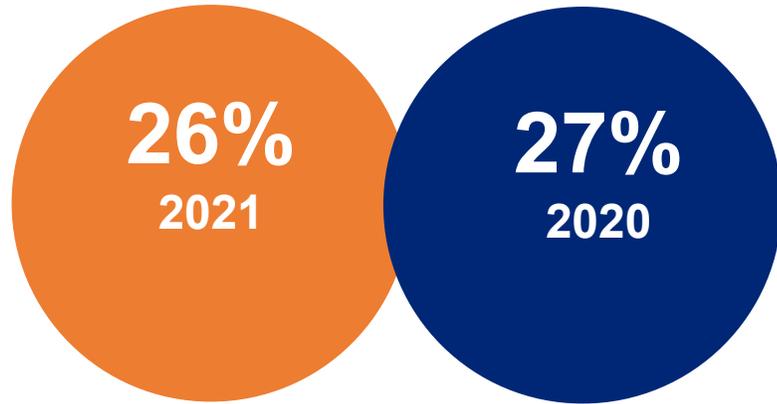


45%

Respondents say
their company
provide None of flex-
working options to
them



TEMP NOT A MAIN STREAM IN CHINA



China's companies use temporary/contract staff
on a regular, ongoing basis



Reasons to recruit temp in 2021

To meet peaks in demand	43%
To ensure flexibility of staffing costs	35%



SKILLS SOUGHT

Technical skills (e.g. Programming languages, design program)	32%
Project Management	21%

KEY INDUSTRY INSIGHTS

BANKING & FINANCIAL SERVICES



Internationalisation was the prominent trend in 2020, and this is unlikely to abate in the year ahead.

Restructuring and upgrades to create redundancies and opportunities

The continued rise and rise of the Greater Bay Area

Digital banking at the forefront of the digitalisation surge

Salary expectation 2021

45% Employee: >10%

33% Employer: stay the same

26% Employer: 3-6%

26% Employer: <3%

MANUFACTURING/ENGINEERING



Domestic companies to take advantage of the U.S.
Trade war

Technical, sales and manufacturing, in that
order

Salary expectation 2021

34% Employee: >10%

30% Employee: 6-10%

43% Employer: 3-6%

DIGITAL TECHNOLOGY / IT



Growth in 2021 will be led by digitalisation and transformation

Competition for software engineers and operational 'videoisation'

Cybersecurity steps required before cloud implementation

An end to it infrastructure outsourcing

Salary expectation 2021

51% Employee: >10%

31% Employer: 3-6%

31% Employer: stay the same

LIFE SCIENCES/ HEALTH CARE



Government incentives and PE/VCS will fund
life sciences recruiting boom

Domestic recruitment and flexible
enticements

Salary expectation 2021 Healthcare

40% Employee: 6-10%
46% Employer: 3-6%

Salary expectation 2021 Pharmaceuticals and Life Sciences

47% Employee: >10%
44% Employer: 3-6%

EDUCATION



Pandemic created the largest disruption of education systems in history, fundamentally impacting the sector

A distance learning trend and growth in bilingual education

Salary expectation 2021

28% Employee: >10%

25% Employee: 6-10%

41% Employer: stay the same

LEGAL



Strong hiring demand amid the emergence of competitive opportunities

Greater headcounts and attractive compensation

Salary expectation 2021

30% Employee: >10%

27% Employee: 3-6%

36% Employer: stay the same

HUMAN RESOURCES



| A year of caution ahead

| HR candidates should consider more than salary

ACCOUNTING & FINANCE



Increased investment in TMT and life sciences

Optimism in retail follows growth in luxury goods

PROCUREMENT & SUPPLY CHAIN



Rebuilding a priority for 2021

Multi-skilled SCM talent to be rewarded in regionalised industry

RECOMMENDATION

OUR RECOMMENDATION FOR EMPLOYERS

- ✓ Separate **working-from-home** from **working at home**
- ✓ Reorganise bonus structures to retain key talent
- ✓ Decide how to access the best digital talent
- ✓ Continue improved innovation through diversity
- ✓ Reconsider the temporary staff market



RECOMMENDATION FOR EMPLOYEES

- ✓ **Take time to upskill for the sake of both you and your company**
- ✓ **Fill the right skills gap**
- ✓ **Alter your objectives or know your worth**
- ✓ **Stand out by offering something more**
- ✓ **Only you can progress your career**



