

Employee Intentions Report

Michael Page International
China, 2011/12



Executive Overview

Key findings

The professional jobs market in China is booming and the war for talent has fast become a core business challenge. The best candidates have multiple career options to consider because the demand for suitably qualified professionals is outweighing supply. While this is good news for job seekers, it is placing employers under significant pressure to have the right attraction and retention strategies in place.

There is an exceptional level of job market confidence at the moment, with 92% of respondents considering the current market to be strong or very strong. This is already translating into an increased rate of attrition and we anticipate this trend will continue through the remainder of 2011. Some 40% of the professionals surveyed for this report believe it is highly likely they will take a new role in the next six months.

For 35% of respondents, being offered the opportunity for career development is the primary reason they would choose to stay with their current employer. A structured career development plan was particularly important for people in junior and mid-level positions. Inspiring and engaging leadership also rated highly, particularly for employees at a senior level.

Career development was also cited by 52% of respondents as the primary reason they would consider an external role. A solid increase in salary is another expectation, with 61% of respondents looking for an increase in excess of 15% before they move. As a consequence, employers looking to secure talent in the current market need to make a competitive offer in light of the skills shortage. But salary will not be enough and employers will need to sell their company brand and the career they can offer during the interview process.

Survey respondents also expressed a high level of confidence about the strength of the job market for the remainder of 2011. Some 69% expect the extent of employment opportunities for their profession to improve from what is already a strong base.

Methodology

The Michael Page Employee Intentions Report is based on the online survey responses of 1900 professional workers across China. Participants represent a broad range of professional occupation groups and hold positions that range from entry level through to senior management. The scope of the report includes key indicators such as the likelihood of staff attrition, salary expectations, preferences for attraction and retention strategies.

“Job market confidence soaring”

Attracting New Talent

Job Seeker Activity

Strong economic growth in mainland China over the last 12 months has significantly increased the number of job opportunities available for white collar employees. With aggressive hiring set to continue across all professional occupational groups in 2011, job seekers are becoming increasingly confident about making their next career move. Some 40% of the employees surveyed for this report

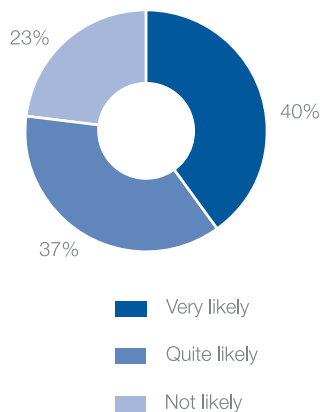
say it is highly likely they will change jobs in the next six months.

Employees in back office and support service areas such as technology and human resources are the most likely to move roles over coming months. The rate of jobs growth in back office areas is accelerating as employers look to support the rising

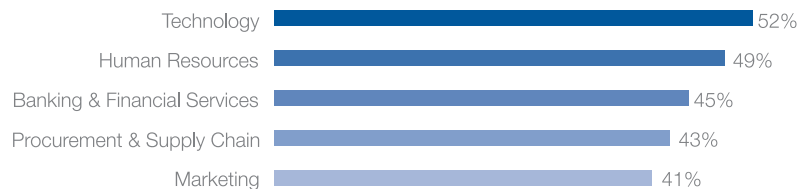
levels of business activity generated by front line professionals.

Despite a strong increase in job opportunities, accounting and finance professionals are the least likely to move roles in the next six months. Most respondents are choosing to stay with their current employer because of the career development opportunities on offer.

Employee turnover next six months



Top 5 areas for predicted turnover



Attracting New Talent

Preferred Attraction Strategies

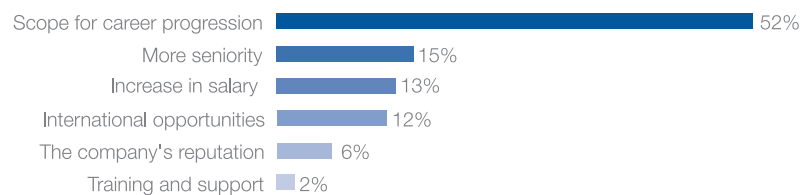
For the majority of employees surveyed (52%), the opportunity for career progression is the main reason they would change jobs. Professionals at all levels are looking to capitalise on career growth opportunities as companies continue to expand their headcount. The prospect of learning new skills and broadening their experience was particularly important for professionals in accounting and finance, legal and marketing.

The opportunity to gain a more senior title was the second most important factor for respondents when considering a new position. This was of particular importance to mid-level employees who are looking to demonstrate career progression.

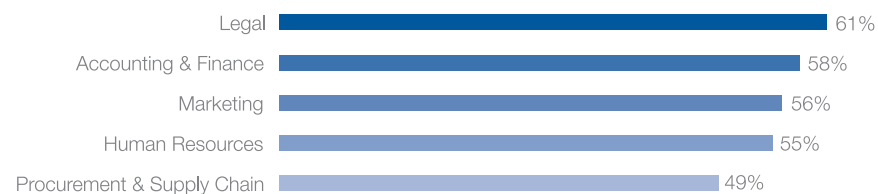
For respondents at more junior levels, an increase in salary was another key consideration in the decision to change

jobs. Competitive remuneration will continue to grow in importance for young, skilled professionals looking to take advantage of the positive job market.

What job seekers are looking for in their next role



Sectors in which career progression is most important



Attracting New Talent

Jobseeker Salary Expectations

As companies continue to expand their headcount in line with improving business conditions, employees are becoming increasingly confident about moving roles in order to improve their level of income.

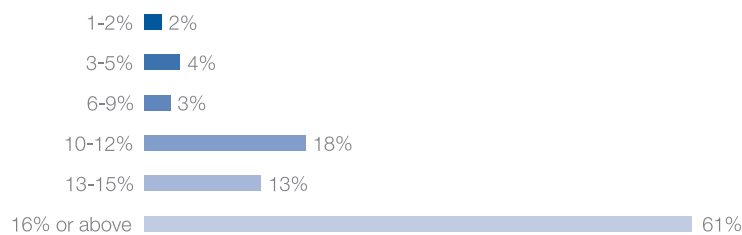
To change jobs, most respondents (61%) are seeking an increase above 15% of base salary. This high level of salary expectation

reflects the buoyancy of the white-collar employment market, which is placing skilled professionals in a strong negotiating position when it comes to salary.

One of the main drivers of professional jobs growth in China is the entry of new multinational companies and the expansion of those with an existing presence. This

is fuelling demand for professionals who are skilled at a level of international best practice, particularly in areas like finance. The growing demand for this level of experience is outweighing supply, which is reflected in our survey results that show professionals in accounting and finance expect the highest rate of salary increase for a job move.

Salary expectations for job change



Top 5 areas with the highest salary expectations

Discipline	Rank
Accounting & Finance	1
Procurement & Supply Chain	2
Engineering & Manufacturing	3
Banking & Financial Services	4
Marketing	5

Retaining Top Performers

Preferred Retention Strategies

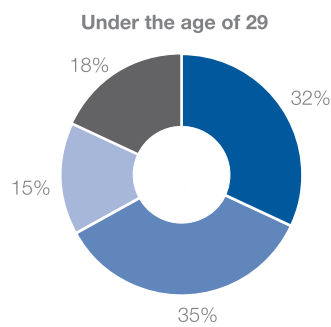
The retention of skilled staff is a growing business concern for companies in China. For 35% of respondents, being offered career development opportunities is the primary reason they choose to remain with their current employer. A structured career development plan supported by training was particularly valued by employees in the early and mid stages of their career.

Financial reward for achievement was rated as the second most influential factor in remaining in their current role. Given the strength of the business market there is a growing expectation amongst professional workers for performance based financial incentives.

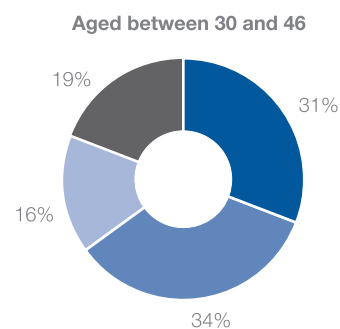
Inspiring and engaging leadership also rated highly as a retention strategy. Our research

has shown that during periods of business expansion, employees want to understand the overall business strategy and the role they play in contributing to higher level objectives. Whatever a person's job title, when they feel they are making a positive contribution to a company's growth their level of engagement will be higher.

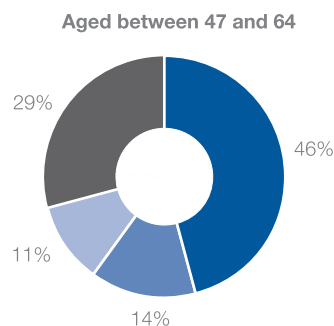
What will keep employees in their current role



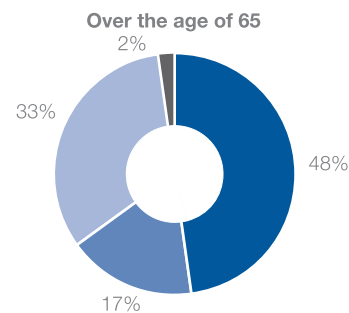
- Financial reward
- Career development
- Motivating manager
- International opportunities



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Retaining Top Performers

Employee Salary Expectations

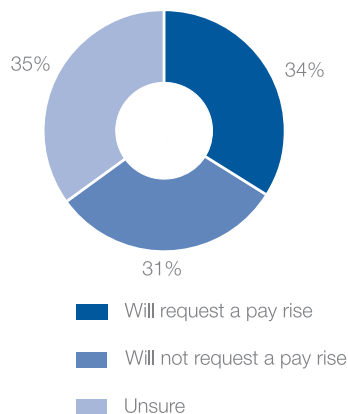
Retaining top talent is becoming a key challenge for many employers in China, particularly as salary expectations rise and pressure grows to provide financial reward for achievement.

Some 34% of respondents will be asking their current employer for a salary increase in the next six months. Most employees will be looking for an increase of 16% or above of their base salary, which reflects a high level of confidence in the strength of the professional labour market.

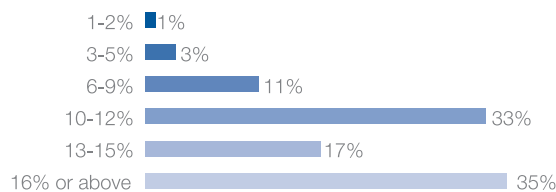
Professionals in the human resources and procurement and supply chain sectors are the most likely to ask their current employer for a salary increase over the next six months. Employees in these sectors are confident as strong economic conditions drive more companies to expand their back office and operational functions. Most employees in human resources will be asking for a 10-12% increase on base salary, with the majority of procurement and supply chain professionals requesting an increase of 16% or above.

Professionals in the accounting and finance sector are the least likely to ask their current employers for a substantial salary increase over the next six months. The majority of these respondents reported career development opportunities ahead of financial reward as the most influential factor in choosing to stay with their current employer.

Salary pressures over next six months



What employees will ask for



Top 5 areas for predicted pay rise requests



Job Market Confidence

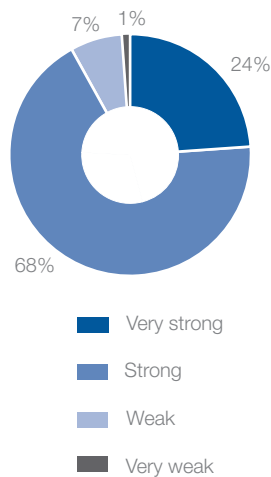
Current Job Market

Robust hiring is occurring across all professional occupational groups and leading indicators point to this trend continuing through the remainder of 2011. The degree of job market confidence in China leads our research into the broader Asia Pacific region, with 92% of respondents considering the current market to be strong or very strong.

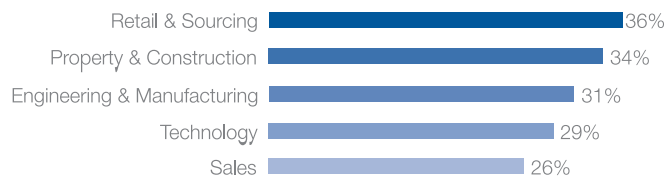
Professionals in the retail and sourcing and property and construction industries are the most confident about the current strength of their professions. The majority of retail businesses in China are expanding their operations in order to capitalise on the growing levels of disposable income amongst domestic consumers, with a significant

increase in hiring activity across the industry as a result. In the property and construction sector, foreign real estate investment and multinational expansion is driving a high level of jobs growth.

Employee confidence in job market



Top 5 areas of strongest confidence



Market Outlook

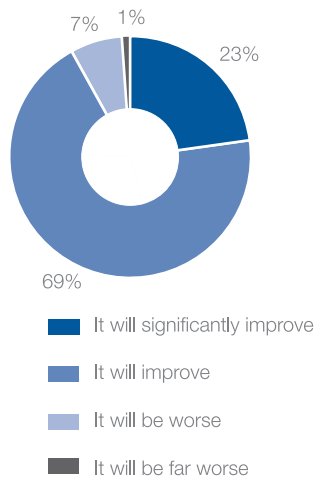
Job Market Outlook

All indicators are pointing towards sustained jobs growth across professional occupation groups in China. This will place increasing demands on employers to retain and attract talent because the growing skills shortage will offer top performers numerous opportunities for career progression.

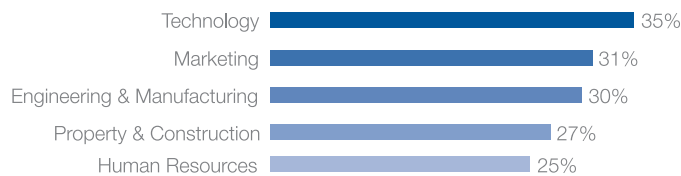
The majority of employees surveyed are positive about the job market outlook, with 69% expecting employment conditions for their profession to improve in comparison to 2010. The highest levels of optimism come from employees in the technology and marketing sectors. The rapid growth of

technology outsourcing in China is driving continued demand for skilled IT professionals at all levels. In the marketing sector, the demand for high performing professionals is also increasing across all industries, with a particularly strong requirement from retail and consumer businesses.

Employee confidence in job market 2011 vs 2010



Top 5 areas of job market optimism



Market Outlook

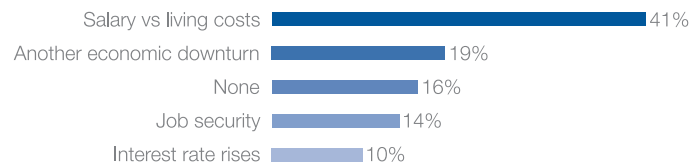
Employee Concerns

There are concerns about the escalating cost of living in China and some employees are worried about their capacity to meet these cost pressures. For 41% of respondents, meeting financial obligations is the issue of most concern over the next six months. With

economic conditions predicted to improve further throughout 2011, the pressure will be on employers to provide salary increases for their employees to compensate for the rising cost of living.

Employees in technology, as well as in banking and financial services are most concerned about the rising cost of living.

Employee concerns over next six months



Areas most concerned about salary vs living costs



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The Group operates through 148 offices in 32 countries worldwide. First established in London in 1976, we've been bringing job seekers and employers together for more than 30 years.