



## EMPLOYMENT MARKET OVERVIEW

A sense of cautious optimism is returning to the employment market as a challenging 2009 draws to a close. Our annual employment survey, which this year includes responses from 350 senior managers from leading organisations in China, reveals 49% of respondents believe their headcount will increase over the coming 12 months. A further 49% predict their staff numbers will remain stable, with only 10% saying more cuts are likely. This is a significant change from 12 months ago, and a clear indication that China remains a key market for many companies.

These figures substantiate the view that the vast majority of employers have already made all of the necessary headcount reductions to control costs earlier in the year, and are now looking to increase or at least maintain current staff levels. Business confidence is also increasing and 74% of employers surveyed think trading conditions will improve further by the end of 2009 and early 2010.

We have seen staffing levels stabilise in recent months as companies become more optimistic about business conditions. A key point to note is that the assignments that were cancelled in late 2008 and early 2009 are commencing again, providing another indicator that the confidence to invest in the region is returning. Multinationals are still recruiting in China and activity levels are improving in sectors such as retail and consumer products. One of the ongoing frustrations for job seekers in the current climate is that many of the

final hiring decisions are still being made outside of China, in global headquarters located in the United States and Europe. This trend has prolonged the recruitment process and job seekers have to wait longer for the final decision to be made.

The retention of skills has remained an important consideration despite the deterioration in business conditions over the last 12 months. To avoid staff cuts, many companies have pursued alternate strategies of payroll cost reduction. Responses from our annual employment survey reveal 30% of companies have frozen salaries to avoid job cuts. When difficult decisions have needed to be made, those businesses with strong leadership and transparent communication have fared best.

While employers have been strategic in their approach to retention, many are operating under a misconception when it comes to the ease with which new staff can be recruited. The pool of active job seekers may have increased but in the majority of situations the most talented and well regarded professionals have been retained. These employees remain cautious about changing jobs despite early signs of market stabilisation. To attract high calibre candidates, employers need to offer competitive salaries and demonstrate the role is secure with the opportunity for exceptional career and skills growth.

The trend of sourcing local candidates for senior roles continues although it is clear that

a talent gap exists. With the best intentions of recruiting local candidates to support growth, many businesses are unable to find the skill set needed and are looking further afield, principally in Hong Kong and Singapore, or for returning nationals with overseas experience.

Our forecast for the next 12 months is for a steady increase in hiring activity rather than a sharp recovery. This cautious optimism is shared by the 75% of survey respondents who anticipate business conditions will improve over that period. However, employment tends to be a lagging indicator and jobs growth will only occur after sustained improvement in consumer and business confidence. The end of 2009 is likely to see moderate improvement in activity off a stable base, with new job creation a more realistic proposition for early 2010.

It is clear that a large number of companies have implemented salary freezes over the last 12 months. We anticipate salary levels will remain constant or increase marginally for people who remain in their roles. For those who change jobs, the days of negotiating a 20% to 25% increase in remuneration have disappeared – at least until there is evidence of a returning skills shortage. Employees can still expect an average salary increase of 5-10%, although the complexity of the role, growth plans of the company and opportunity for future progression are also key points to consider.

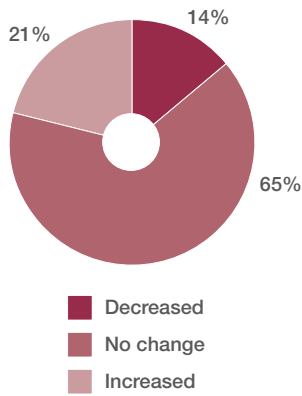
## SECTOR TRENDS – SALES & MARKETING

- Recruitment activity remains subdued and hiring decisions are more drawn out, particularly within multinationals based in China. In many instances, final sign-off is required from the Western head office and this is prolonging the decision making process.
- While global headcount freezes continue to restrict hiring in FMCG, luxury goods and media, recruitment activity has started to improve in recent months. In the FMCG sector there is growing demand for key account management candidates with modern trade account management experience, especially with sound strategy to execution skills. Trade marketers who have worked in multinational organisations are also sought after.
- Over the last 18 months, the manufacturing sector experienced steep declines in revenue because of reduced export demand from the United States and Europe. After making cuts to their workforce and production capacity, we have seen manufacturers beginning to hire sales staff in recent months to prepare for the upturn.
- The pharmaceuticals industry has proved most resilient with long-term investment plans still on track. Industry and product specific knowledge have been key to securing employment in this sector. We are also seeing signs of improved hiring within professional and financial services, particularly for candidates with business development skills. Most job cuts in these sectors were made in late 2008 and early 2009, and companies are beginning to increase their staff numbers to prepare for improved trading conditions in 2010.
- Our forecast for the next 12 months is for a steady increase in opportunities for sales and marketing professionals. Demand for sales staff is already increasing as companies look to capitalise on the revenue opportunities that come with the upturn. Once revenue improves, marketing budgets will be restored and this will enable marketing managers to increase headcount again.

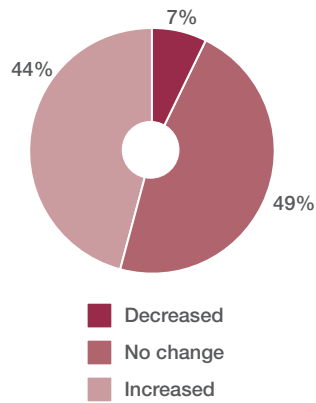


**MARKET RESEARCH RESULTS**

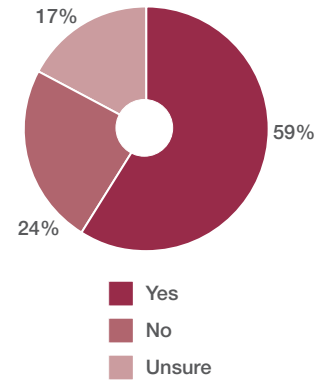
Over the last six months, how has your headcount been impacted by the global economic downturn?



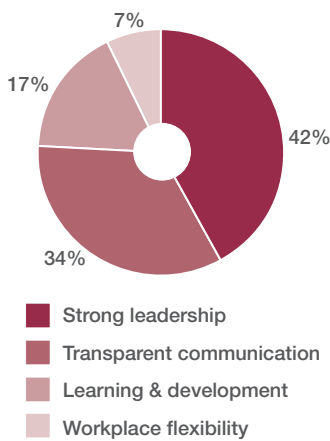
In the next 12 months, how do you see your headcount being impacted?



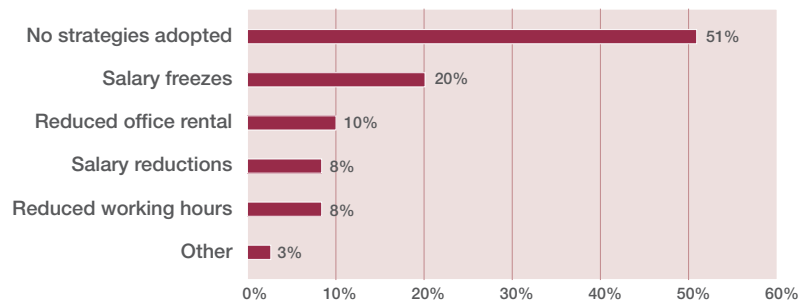
Do you anticipate business conditions will start to improve by the end of 2009?



What employee engagement strategies are proving most effective in the current environment?



What strategies has your organisation implemented to avoid job cuts?





## SALARY TABLES

ROLE	EXPERIENCE	RMB '000
<b>FINANCIAL SERVICES</b>		
Product Development Manager	3–6 years	500–700
Philanthropy/Corporate Social Responsibility Manager	4–8 years	500–800
Media Relations Manager	6–8 years	500–850
Internal Communications Manager	6–8 years	500–850
Event Manager	6–8 years	500–900
Marketing Communications Manager	4–9 years	500–900
Market Research Manager	4–8 years	550–900
Public Relations/Corporate Communications Manager	4–8 years	600–1 million
Corporate Sales Manager	5–8 years	800–1.4 million
Market Research Director	10+ years	900+
Marketing Communications Director	10+ years	900–1.5 million
Public Relations/Corporate Communications Director	8–12 years	1–1.6 million
Product Development Director	10+ years	1.2 million+
<b>PROFESSIONAL SERVICES</b>		
Sales Engineer	3–5 years	300–500
Marketing Specialist	3–5 years	350–450
Sales Manager	6–8 years	450–700
Public Relations/Media Communications Manager	6–8 years	500–850
Business Development Manager	8–10 years	600–800
Marketing Director	10+ years	900+
Business Development Director	10+ years	1 million+
<b>MANUFACTURING/INDUSTRIAL</b>		
Sales Director	8–12 years	800–1.4 million+
Marketing Director	8–12 years	1–1.5 million
General Manager/Director	12+ years	1.3–1.8 million+
<b>CONSUMER PRODUCTS</b>		
Assistant Brand Manager/Assistant Product Manager	2–3 years	200–350
Brand Manager/Product Manager	3–4 years	350–500
Assistant Key Account Manager	1–3 years	350–550
Category Manager	2–6 years	350–750
Public Relations Manager	6–8 years	400–750
Key Account Manager	3–6 years	550–800
Senior Brand Manager/Senior Product Manager	4–6 years	500–700
Trade Marketing Manager	4–6 years	550–750
Marketing Manager	6–8 years	600–800
Manager – Research Product Development & Planning	6–10 years	700–1 million
General Sales Manager	7–10 years	700–1.2 million
Business Manager	7–10 years	800–1 million
Public Relations Director	8–12 years	800–1.4 million
Marketing Director	8–12 years	800–1.5 million
Sales Director	10+ years	800–1.5 million
General Manager	12+ years	1.2–2 million
<b>MEDIA - PUBLISHING</b>		
Circulation/Direct Marketing Manager	4–6 years	400–700
Advertising/Media Sales Manager	4–8 years	600–900
Circulation/Marketing Director	7–11 years	700–1.3 million
Advertising/Media Sales Director	8–12 years	900–1.4 million

Please note:

- Salaries indicated are based on basic salary, excluding bonus/incentive schemes.
- Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides, as there are often specific circumstances relating to individual companies. Please call us for additional information.
- These salary ranges have been determined using local salary structures. Expatriate or local packages will typically offer higher salaries and more comprehensive benefit packages including tax equalization.



**SALARY TABLES**

ROLE	EXPERIENCE	RMB '000
<b>MEDIA - ENTERTAINMENT</b>		
Account Manager	5-8 years	300-500
Assistant Sales Manager	2-4 years	300-600
Assistant Marketing Manager	2-4 years	300-750
Account Director	8-10 years	450-700
Sales Manager	4-6 years	500-900
Marketing Manager	4-6 years	600-900
Sales Director	8+ years	800-1.4 million
Marketing Director	6-10 years	900-1.4 million+
General Manager	10+ years	1.5 million+
<b>MEDIA - ADVERTISING AGENCIES</b>		
Group Account Director	10-12 years	650-900
Business Director	10-15 years	900-1.4 million+
Managing Director/General Manager	15+ years	1.3-1.7 million+
<b>MEDIA - PUBLIC RELATIONS AGENCIES</b>		
Account Manager	5-8 years	350-500
Account Director	8-10 years	400-750
Director	10+ years	600-1 million
Executive Director	10-15 years	1-1.5 million
Managing Director/General Manager	15+ years	1.5 million+
<b>MANUFACTURING/INDUSTRIAL</b>		
Account Manager	5-8 years	350-500
Account Director	8-10 years	400-750
Director	10+ years	600-1 million
Executive Director	10-15 years	1-1.5 million
General Manager/Director	12+ years	1.3-1.8 million+
Managing Director/General Manager	15+ years	1.5 million+
<b>IT &amp; TELECOMMUNICATIONS</b>		
Assistant Marketing Communications Manager	3-4 years	400-550
Channel Account Manager/Account Manager	3-5 years	400-750
Senior Product Manager	4-6 years	550-800
Marketing Manager	6-8 years	650-900
Sales Manager/Global Account Director	6-12 years	600-1.2 million
Communications Manager/Regional Communications Manager/ Public Relations Manager	5-8 years	700-1 million
Division Manager/Sales & Marketing Manager/General Sales Manager	8-11 years	1-1.4 million
Public Relations Director/Marketing Communications Director	9+ years	1-1.4 million
Sales Director/Business Development Director	12+ years	1.4-1.8 million
Managing Director/General Manager	12+ years	1.5 million+
Vice President Sales & Marketing/Sales & Marketing Director/ Marketing Director	10+ years	1.5-2 million

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