

A comprehensive report on compensation and benefits amongst  
Cambodia's private sector companies

# INSIGHTS

## CAMBODIA ANNUAL PRIVATE SECTOR COMPENSATION SURVEY 2015-2016

COMPENSATION  
STRATEGY &  
COMPONENTS



GROWTH &  
DIVERSIFICATION



ENGAGEMENT &  
RETENTION



PROFITABILITY &  
SUSTAINABILITY

ACTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION  
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# Insights report

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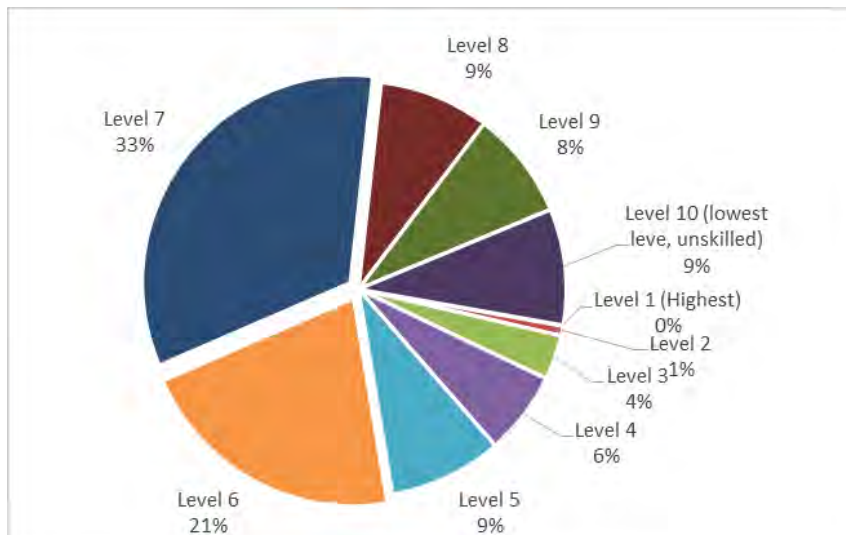
## 1 Highlights of the Survey

Nearly **12,500** employees represented across **14** Job functions and **10** job levels.

Figure 1: Sample distribution by Job Function



Figure 2: Sample distribution by Level



This chapter provides some highlights from the Annual Private Sector Compensation Survey 2015-16. It covers a range of interesting issues, including:

- Which job positions generally pay above the market average?
- Which sectors generally pay above the market average?
- How rapidly salaries increase from one job level to the next?
- How do companies structure their total compensation?
- What recruitment and labour turnover challenges do companies face and what has happened to employment in recent years?
- What is the range of salary increments companies are providing in 2015 and 2016?
- How do the salaries reported in this year's survey compare with last year's survey?

### 1.1 Best Paying Jobs

A frequent question both from employers and job seekers is to understand the best paying jobs in Cambodia. Best paying jobs from an employer's perspective also provides insights into supply challenges of finding particular skills. Our meetings with clients suggest that there is still a lot of competition in the market and employers are still faced with challenges related to investing in training, and employees leaving for higher pay. Competition within industries

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*"This year's survey shows interesting trends of best paid jobs. Competition amongst different professions remains pronounced demonstrating the **demand for and importance of** technical skills and different professions. Skills challenges are anticipated to remain in at least the coming decade as education and TVET systems develop as well as the diversification of industry which will put pressure on skills demands. Better labour market signaling and information will greatly help to reduce challenges.."*

*HRINC Consulting Insights*

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and across industries is still prevalent and pronounced in the financial services sector. These findings are also supported by the reasons why employees leave companies and the sectors they seek to work in – in particular for professional staff.

The table in the next page compares the median Gross Monthly Salary paid at each Job Level across each Job Function<sup>1</sup>. The table displays, for a given Job Level, the extent to which the median salary for a particular Job Function (such as Accounting & Finance) is higher or lower than the median salary for the total market (across all Job Functions). Percentage highlighted in blue indicate the Function is at least **10% above** the total

market (All Functions) median, while percentage highlighted in red indicate the Function is at least **10% below** the total market median. **The table highlights the following key points:**

- Job Functions that tend to *pay above* the overall market in many job levels .....
- Job Functions that tend to *pay below* the overall market in many job levels are ....

---

<sup>1</sup> All jobs are classified into 10 KESAR Job Levels (with one the most senior and 10 the most junior). There are 14 Job Functions (Accounting & Finance, etc.). Two hyphens (--) means there is insufficient data to display the results (for confidentiality reasons). See Chapter 4 for a full explanation of the methodology.



Table 1: Median Gross Monthly Salary, % Difference between Function Salary and All Functions Salary

| KESAR Level | All Functions | Function 1 | Function 2 | Function 3 | Function 4 | Function 5 | Function 6 | Function 7 | Function 8 | Function 9 | Function 10 | Function 11 | Function 12 | Function 13 |
|-------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| Level 1     | --            | --         | --         | --         | --         | --         | --         | --         | --         | --         | --          | --          | --          | --          |
| Level 2     | --            | -25%       | --         | --         | --         | --         | -3%        | --         | --         | -5%        | 20%         | --          | --          | 9%          |
| Level 3     | --            | -3%        | 0%         | --         | 16%        | 8%         | 20%        | -12%       | 30%        | 4%         | -5%         | 1%          | -21%        | -10%        |
| Level 4     | --            | -20%       | -1%        | --         | 0%         | -1%        | 8%         | -20%       | 4%         | 17%        | 17%         | -22%        | -25%        | 8%          |
| Level 5     | --            | 0%         | 7%         | --         | 1%         | -11%       | 9%         | -1%        | 5%         | -8%        | 12%         | 3%          | -26%        | -1%         |
| Level 6     | --            | 5%         | 2%         | --         | -5%        | -5%        | 8%         | 4%         | 3%         | 7%         | 8%          | -2%         | -14%        | -2%         |
| Level 7     | --            | 12%        | 7%         | -6%        | -20%       | -17%       | 18%        | 0%         | 2%         | -9%        | -5%         | 0%          | -12%        | 2%          |
| Level 8     | --            | -1%        | 3%         | 17%        | -6%        | -8%        | --         | -16%       | --         | -5%        | 40%         | -5%         | 15%         | 0%          |
| Level 9     | --            | --         | -7%        | 6%         | --         | --         | --         | --         | --         | --         | -21%        | -7%         | --          | --          |
| Level 10    | --            | --         | --         | 11%        | --         | --         | --         | --         | --         | --         | -6%         | -14%        | --          | --          |

Source: HRINC Annual Private Sector Compensation Review (2015-16)

## 1.2 Best paying sectors

In this survey, participating companies are classified into three sectors according to their main activity:

- 1) Automotive, Construction and Manufacturing
- 2) Telecom, Trade, Distribution, Transportation and Logistics and
- 3) Financial and Professional Services.

The table in the next page compares the median Gross Monthly Salary paid at each Job Level across these three broad sectors. The table displays, for a given Job Level, the extent to which a salary in a particular sector is higher or lower than the average salary for the overall market.

Percentages highlighted in blue are at least **10% above** the total market (all sectors) average, while percentages highlighted in red are at least **10% below** the total market average.

The table highlights that positions in the three sectors tend to pay slightly lower than the total market especially in non-management level.

*“Over the period of the banking and telecom boom there was a clear emergence of best paying sectors and very much an employee driven market. Today there appears to be more competition amongst best paying jobs and professions rather than amongst industry sectors. Competition amongst and within industries will always remain, however, are much less pronounced today.”*

*HRINC Consulting Insights*

Table 2: Difference between Sector Median Salary and Overall Market Median Salary

| KESAR Level | All Functions | Sector 1 | Sector 2 | Sector 3 |
|-------------|---------------|----------|----------|----------|
| Level 1     | --            | --       | --       | --       |
| Level 2     | --            | 15%      | -17%     | -6%      |
| Level 3     | --            | 9%       | 4%       | -10%     |
| Level 4     | --            | -18%     | 11%      | -5%      |
| Level 5     | --            | -1%      | -2%      | 0%       |
| Level 6     | --            | -11%     | -3%      | 2%       |
| Level 7     | --            | -19%     | -26%     | 7%       |
| Level 8     | --            | 4%       | 1%       | -5%      |
| Level 9     | --            | -6%      | 0%       | 1%       |
| Level 10    | --            | 0%       | -16%     | 11%      |

Source: HRINC Annual Private Sector Compensation Review (2015-16)

### 1.3 How much do salaries differ from one job level to the next?

Cambodia has a minimum wage that covers the exporting garment, textile and footwear sector – wages have been increasing significantly over the last years and today are starting to have an impact on other industries. The minimum wage in 2016, will increase from USD128 per month to USD140 per month excluding mandatory allowances and productivity and variable pay. The sharp increases in wages in the garment, textile and footwear sector, from an HRINC perspective, is now reducing the gap between regional countries minimum wages creating less of an incentive for young Cambodians to seek, very often, unskilled work in neighbouring countries. Reversing the migration trend will retain young people in Cambodia. As Cambodia pursued its Industrial Diversification Policy (IDP) and moves to a low-middle income country, retaining the Cambodia workforce within Cambodia is going to be essential. In recent years, attracting workers has been an increasing pressure in the manufacturing sector. One of Cambodia’s attractive characteristics is its young labour force.

Trends in wage increases from one level to the next remain ... It is important that HR professionals and business managers use trend lines to create a .....

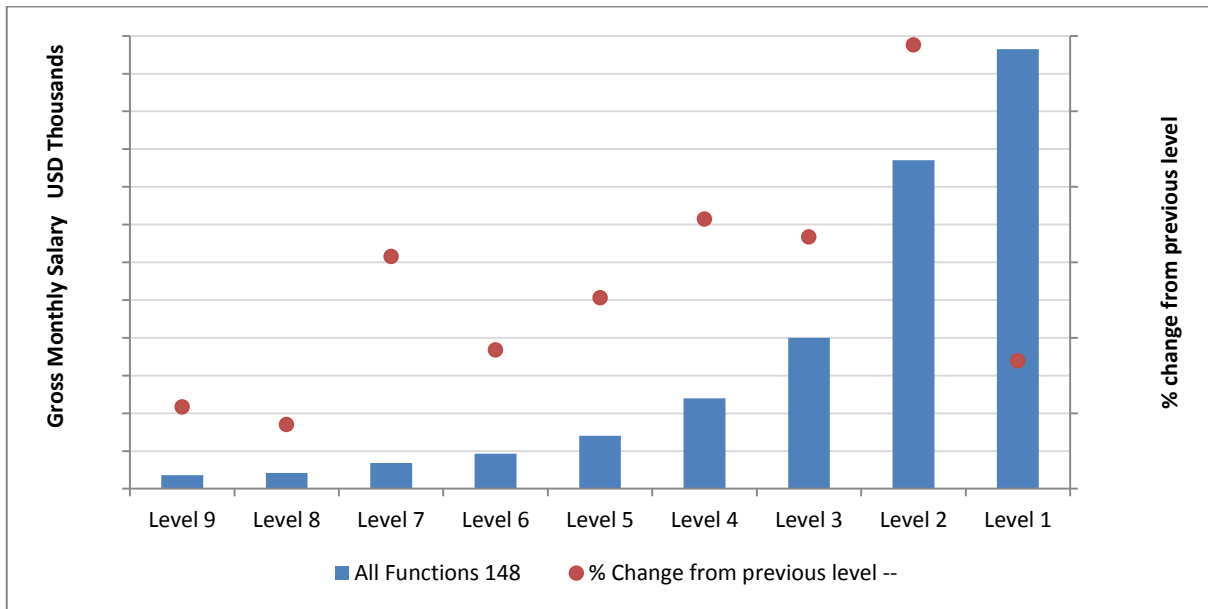
The figure 3 shows .....

“Salary progression from one level to the next requires a broader knowledge and understanding of the Cambodian labour market and its movements. Cambodia wage levels start off a very low base. During the financial and telecom sector boom, people with technical skills could command high salaries but not necessarily have a fully rounded interpersonal skillset or full technical skillset. Whereas starting on a low base provides young people with job opportunities, as they become more skilled, they become a lot more valuable. A change in salary when starting off a lower base, is significant in percentage.

Increases in minimum wages in the garment and footwear sector in 2016, will hopefully start reducing the gap between lowest and highest paid jobs, however, within the career path, there is likely to be a continued “uneven” progression of wage levels, given technical skills shortages.”

HRINC Consulting Insights

Figure 3: Median Gross Monthly Salary – by Level, across All Functions



Source: HRINC Annual Private Sector Compensation Review (2015-16).

Axis's numbers are expressly not provide in the Insight Report and available in the full report.

### 1.4 Structure of Total Compensation

The results of the survey indicate that *Annual Base Salary* continues to make up the most significant portion of Annual Total Remuneration. Long Term Incentive and Benefits constitute a smaller share of Annual Total Remuneration.

In particular, as a percentage of **Annual Total Remuneration**:

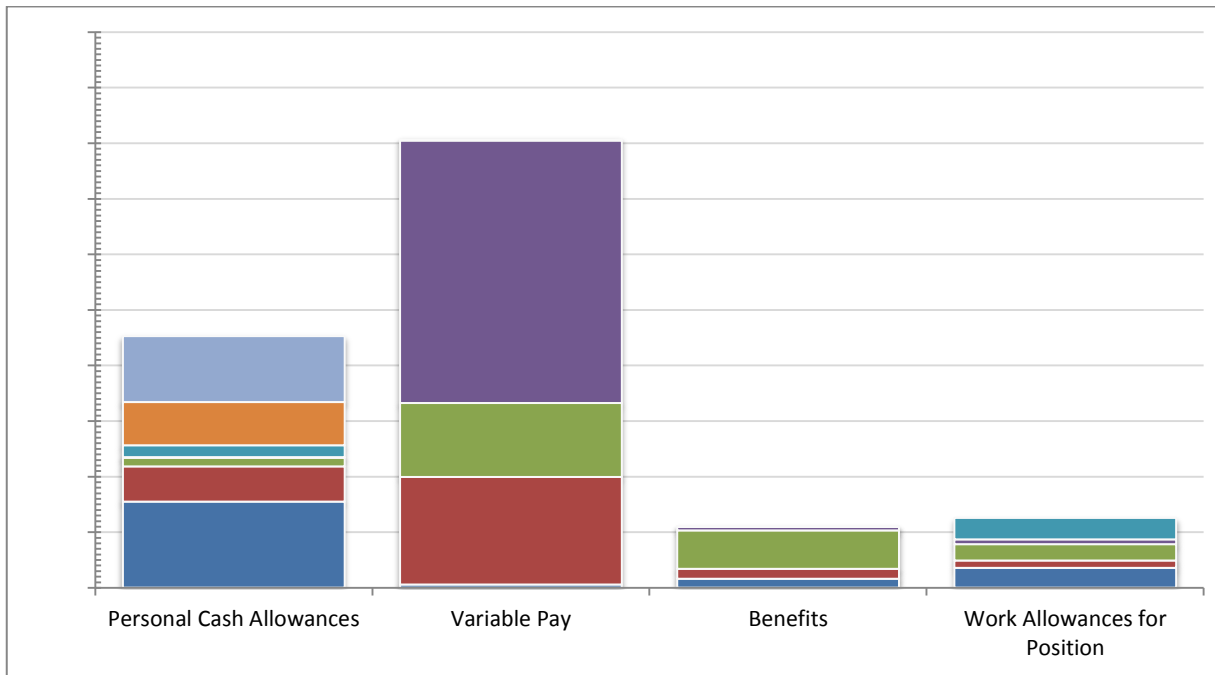
- **Base Salary** make up ....
- **Personal Cash Allowances** make ...
- **Variable Pay** make up ...
- **Long-Term Incentives** represent ....
- **Benefits** make up ...

*“Cash in hand, remains essential in structuring compensation. Variable pay schemes are starting to play an increasingly and more substantial role in how compensation structures are designed.”*

The report breaks down the components of total compensation into more detailed *sub-components*. The figure below provides a summary of the size of each sub-component (other than base salary), expressed as a percentage of Annual Total Remuneration. The percentages are calculated *across all 10 Jobs Levels and represent the average percentage contribution of each sub-component*. The data shows .....

The figure below shows the breakdown of subcomponents of compensation and their respective contributions to total compensation.

Figure 4: Total compensation sub-components, % Annual Total Remuneration, and average across all Job Levels



Axis's numbers are expressly not provide in the Insight Report and available in the full report.

### 1.5 Recruitment Challenges and Staff Turnover

The Annual Private Sector Compensation review reflects on recruitment challenges and shows that **many respondents feel the size of the talent pool is shrinking for management and unskilled worker, but expanding for entry level (university graduated)**. Most respondents appear reasonably satisfied with the quality of the talent pool for most types of staff. The less satisfied is the quality of semi-skilled workers.

Respondents experience different *recruitment challenges* for different types of staff. These are elaborated in the full document.

Respondents indicate that on average, it takes around .....

Turnover and turnover reasons are also clearly documented in the full report.

*Overall, the talent pool quality appears to be improving which is a positive trend. The management talent pool remains limited as does the unskilled worker talent pool. The entry level (University graduate) talent pool is however expanding. Compensation remains the most pertinent challenge in recruitment."*

*HRINC Annual Private Sector Compensation Review 2015 – 16.*

### 1.6 Workforce Profile and Changes in Employment

Participants were asked to provide estimates of their permanent staff (headcount) as well as their temporary/intermittent staff for the two years ending 2014 and 2015 (forecast). Encouragingly the total workforce numbers will increase in 2016.

### 1.7 Salary increments

The most common factors that participants take into account when determining the size of their salary increments are detailed in the report. Details of salary increments for different staffing levels are also provided.

## 2 Economic Outlook and Review

### 2.1 Global economy

This year's Global economy outlook, we have chosen to present parts of the IMF World Economic Outlook of October 2015. The global economy faces a variety of challenges, including political tensions, a migration crises looming in regards to conflict areas as well as the general economic challenges we all faced from global commodity prices declining, strengthening of the US dollar a potential recession in China? Regional developments such as new trade agreements as the Trans Pacific Partnership (TPP) which excludes Cambodia but includes some of our neighbouring countries who are highly productive and skilled have generally received "bad news" reviews for Cambodia. But what does all the global and regional developments mean to us working in Cambodia? It is necessary in this respect for HRINC, to provide you with factual information from reliable sources, and our review of information has encouraged us to share the IMF World Economic Outlook of October 2015. Unless otherwise quoted, the following section comes from the IMF Economic Outlook of October 2015, quoted directly from the Foreword written by Maurice Obstfeld, the Economic Counsellor. Words highlight in *italics*, not wording changes by HRINC

Six years after the world economy emerged from its broadest and deepest post-war recession, a return to robust and synchronized global expansion remains elusive. Despite considerable differences in country-specific outlooks, the new forecasts mark down expected near-term growth rates marginally, but nearly across the board. Moreover, downside risks to the world economy appear more pronounced than they did just a few months ago.

Near-term economic growth still looks stronger in advanced economies, compared with the recent past, but weaker in the emerging market and developing economies that account for a growing share of world output and will still account for the lion's share of world growth. Within advanced economies, receding legacies of recent crises, coupled with protracted monetary policy support and a return to fiscal neutrality, have underpinned generally accelerating output and falling unemployment, although deflationary pressures remain. Recovery is most advanced in the United States and the United Kingdom, where monetary policy looks likely to tighten soon, but is more tentative in the euro area and Japan. In countries outside of the advanced economies, the sources of slower growth are diverse, ranging from commodity price declines (which are also affecting a few advanced economies adversely), to overhangs from past rapid credit growth, to political turmoil. Of course, countries with multiple diagnoses are faring worst, in some cases also facing higher inflation. For emerging market and developing economies as a whole, the IMF forecast is that 2015 will mark the fifth consecutive year of declining growth.

What underpins forecasts of moderating growth?

First, the ongoing experience of slow productivity growth suggests that long-run potential output growth may have fallen broadly across economies. Persistently low investment helps explain limited labor productivity and wage gains, although the joint productivity of all factors of production, not just labor, has also been slow. Low aggregate demand is one factor that discourages investment, as the last World Economic Outlook report showed. Slow expected potential growth itself dampens aggregate demand, further limiting investment, in a vicious circle. Aging populations further restrain investment in a number of countries; in some others, institutional shortcomings or political instability are deterrents. In its more extreme forms, political conflict has created a large global stock of displaced persons, both within and across borders. The economic and social costs are immense.

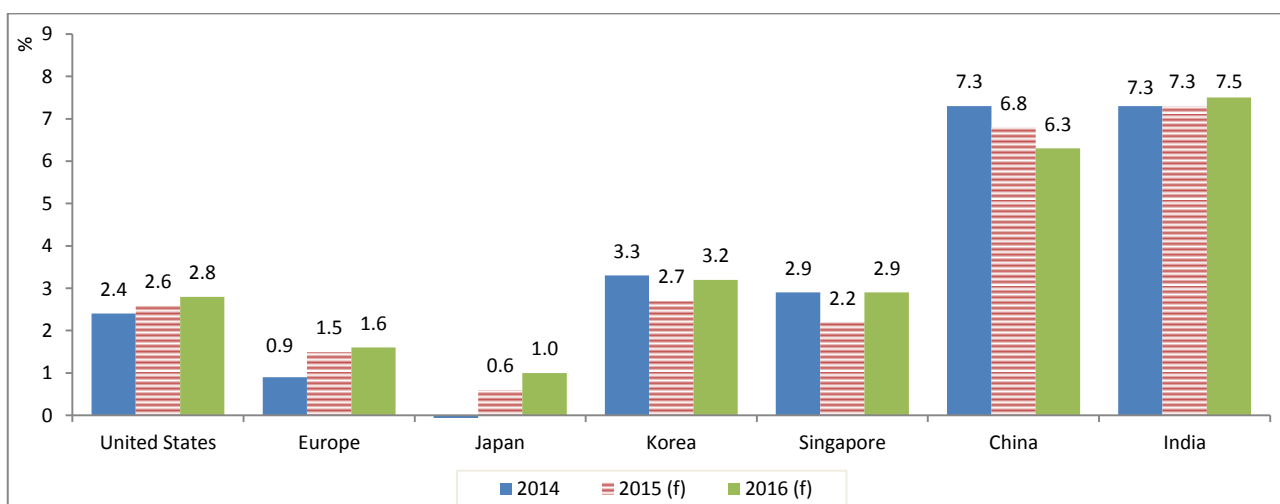
*The IMF outlook of October 2015 suggests in Chapter 1* that recessions may have a permanent negative effect not only on trend productivity levels, but on trend productivity growth. This mechanism would make current low productivity forecasts look in part like products of the post-2007 turbulence. Some economic historians advance the idea that the postwar global growth experience largely reflects diminishing returns along the extensive margin of technological innovation, punctuated temporarily by the entry of China and the former nations of the Soviet Union into the global market economy and by the information and communications technology revolution. Others counter that transformative innovation continues in many areas, from robotics to bioengineering. But like electrification over a century ago, these advances may take decades to embody in commercial production processes whose outputs are measured in national income. Only time can resolve these debates.



For countries that export oil and other commodities, changes in prices affect both the output gap and potential output itself, so recent movements in commodity prices also inform the near-term and longer-term output forecasts. Those movements have been dramatic, in part because of changes in China's economy, and affect low-income commodity exporters with particular force. Now the world's most important importer of metals, China maintained very rapid growth rates during the 2000s through 2011; as commodity prices rose, exporters invested heavily in capacity, fuelling domestic growth. China's leadership has recently targeted lower growth rates, however, as it seeks to rebalance its formerly export- and investment driven economy in favour of consumption, including of services. *Chapters 1 and 2 of the report show that many real commodity prices, notably those of metals, have fallen from peaks reached in 2011, and fell particularly sharply in the recent weeks of financial volatility starting in mid-August. It remains unclear, at the time of publication of the IMF World Economic Outlook of October 2015, if the recent declines represent a downward overshooting, but the effects of earlier reductions are already reflected in commodity exporter growth. Chapter 2 of the report estimates that on average about a third of the resulting growth reductions are attributable to the structural component of growth, mostly via reduced investment.*

Commodity exporters in particular have seen sharp depreciations of their currencies, but a general trend of reduced financial inflows to emerging markets has resulted in more generalized depreciation against the U.S. dollar, euro, and yen. Chapter 3 of the report suggests that these exchange rate changes should be associated with growing net exports for the depreciating countries, a development that is part of the natural adjustment process to differential growth rates that flexible exchange rates promote. Although one result may be an increase in the current account deficits of some advanced economies with relatively good growth performance, it is important that these exchange rate adjustments be seen as the natural shock absorbers they typically are rather than as intentional acts of "currency war." Indeed, past attempts by emerging markets to fix their exchange rates in the face of large financial outflows had quite negative consequences for global financial stability.

**Figure 5: Major economies, Real Gross Domestic Product, % change**



Source: IMF, *World Economic Outlook*, October 2015

Large exchange rate depreciations carry the risk of negative balance sheet effects. A notable potential pressure point is offshore foreign-currency borrowing by emerging market corporations. Counteracting such risks are substantial reserve buffers, greater external equity finance, and a growing trend of domestic currency denomination of onshore loans. Of course, other risks abide — renewed concerns about China's growth potential, Greece's future in the euro area, the impact of sharply lower oil prices, and contagion effects could be sparks for market volatility. In the advanced economies and in China, deflationary pressures, which continue to slow balance sheet adjustment, have not been entirely banished.

No single set of policy prescriptions is suitable for every country seeking to improve growth performance or build resilience. But some familiar general principles still apply in light of the shared challenges that countries face. Emerging market and developing economies need to be ready for monetary policy normalization by the United States.

Advanced economies must continue to deal with crisis legacies where they persist. At the same time, monetary accommodation should continue where output gaps are negative, supplemented by fiscal measures where fiscal space permits. In particular, the case for infrastructure investment seems compelling at a time of very low long-term real interest rates. Investment is one way to enhance potential output growth, but targeted structural reforms can also play an important positive role. Such reforms help not only to enhance future growth, but to increase the resilience of growth. They can help low-income countries to diversify their export bases. In all countries, continued strengthening of micro- and macro-prudential policy frameworks will also support resilience to economic shocks, whether originating domestically or from abroad.

## 2.2 Southeast Asia in Review

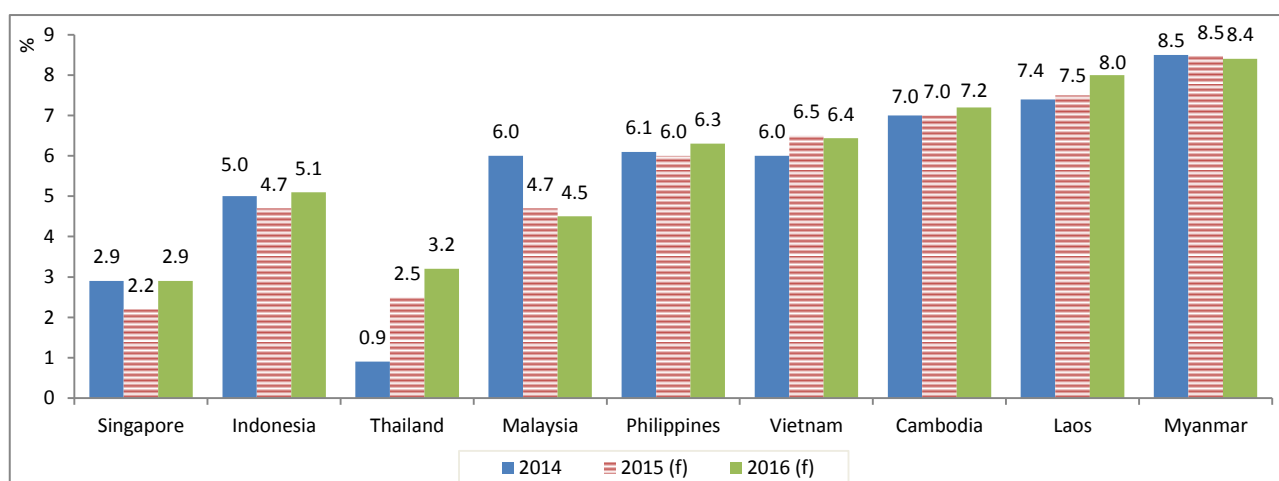
*“Global growth for 2015 is projects at 3.1 percent, 0.3 percentage points lower than in 2014 and 0.2 percentage points below the forecasts in July 2015 of the World Economic Outlook Update. Prospects across the main countries and regions remain uneven. Relative to last years, the recovery in advanced economies is expected to pick up slightly, while activity in emerging market and developing economies is project to slow for the firth year in a row, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries. In an environment of declining commodity prices, reduced capital flows to emerging markets and pressure on their currencies, and increasing financial market volatility, downside risks to the outlook have risen, particularly for emerging market and developing economies.”<sup>2</sup>*

**Economic growth in Southeast Asia is expected to be steady** through 2015 and into 2016 although Singapore and Malaysia are marked down the projection of 2015. According to the IMF World Economic Outlook of October 2015, the growth in Thailand is seen at a low in 2014 because of the political tension; however, is expected to increase steadily in 2015 and 2016.

As the figure below highlights the smaller and lesser developed economies in the region – notably Cambodia, Laos, and Myanmar –growth is expected to be more constant than their larger and more advanced neighbours.

**Inflation pressures are expected to remain subdued** in 2014 and 2015 and continue to 2016, with most economies in the region experiencing annual inflation rates of 2 to 6 percent in 2014. Countries with the highest inflation in the region are Myanmar (5.9 percent in 2014 and 12.1 percent forecasted in 2015), Indonesia (6.4 and 6.8 for the respective years), and Laos (5.5 and 5.3 for the respective years). By contrast, Cambodia’s inflation is 3.9 percent in 2014 and forecasted to be just 1.0 percent in 2015.

**Figure 6: Southeast Asian economies, Real Gross Domestic Product, % change**



Source: IMF, World Economic Outlook, October 2015

<sup>2</sup> International Monetary Fund, October 2015, Page XVV, Executive Summary Introductory paragraph

## 2.3 Cambodia in Review

In 2015, Cambodia has embarked on a number of important reforms which are important to point out as the reform agenda in the current government mandate has been particularly proactive in delivering results and creating a more service orientated public service including very much needed enforcement of laws:

1. Stricter Monitoring of the National High School Exams
2. Expansion of national health insurance to cover all the nation's poor
3. Establishment of national exit examinations for health sector professionals
4. Several pertinent changes to the tax reform processes including Implementation of Revenue Mobilisation Strategy, Implementation of national tax examinations for tax and accounting professionals and new online registration procedures for taxation
5. Establishment of the Anti-Corruption Unit's (ACU) Anti-Corruption Contract or Memorandum of Understanding which several multinationals have signed up too.
6. Enforcement of working permits and visa regulations for foreign workers in Cambodia
7. Development of medical and pension social security systems which will be implemented and introduced in 2016.
8. Launching of the Industrial Development Policy (IDP)
9. A push to promote the usage of Cambodian Riel

While the political situation remains calm, it remains fragile and unpredictable at present requiring careful monitoring from an investor perspective and management from political perspective. Overall, Cambodia still continues to enjoy grow at a steady pace after its shrinking in 2009. In 2014, it achieved 7.1 percent and the government expected its economy to grow at 6.9 percent in 2015 (based on the data from National Bank of Cambodia). Service, agriculture, and industry are still the main sectors contributing to the Cambodia GDP growth.

The service sector continues to grow in 2015 because of the increase in real estate by 18.9 percent although the tourism has slowdown to just 5.9 percent in 2015.

**The full report contains an overview of Cambodia's key economic sectors under the following headings and details of the figures and charts in the report can be found in the Tables of Contents for the Full report in the front of this document.**

1. **Agriculture Sector Developments**
2. **Manufacturing Sector Developments**
3. **Tourism Sector Developments**
4. **Banking Sector Overview**
5. **Foreign Direct Investment Developments**
6. **Inflation in Cambodia**

The full report also provide the following overviews and data

7. **Cambodia Employment and Labour Force Review**
8. **Cambodia's Public Holidays 2016**
9. **Cambodia's Minimum Wages in 2016**
10. **Regional Wage Cost Comparison.**

### 3 Profile of Participating Companies and Data Set

The table below provides an overall summary of the size of the survey samples from 2013-14 through to 2015-16. The table highlights that the size of this year's sample – in terms of total number of positions surveyed – is higher than last year's sample.

*Table 3: Size of Survey Samples: 2013-14 to 2015-16*

|  | 2013-14 | 2014-15 | 2015-16 |
|--|---------|---------|---------|
| <b>Number of participant companies</b>                 | 37      | 40      | 44      |
| <b>Total employees represented (Total data points)</b> | 14,277  | 8,561   | 12,372  |
| <b>Total number of clean data points</b>               | 8,203   | 7,798   | 10,747  |

*\*\* Note 1: A "data point" refers to one employee's salary. The total number of data points gives the total number of salary data analysed in the final dataset and report. To ensure that no single participant dominates the survey results, HRINC employs it's a structured data cleaning methodology to achieve a new set of data points called "clean data points". The cleaning methodology achieves the following: (1) that no company is over represented in the survey or in any job function or level, (2) data cleaning ensures that final results of the survey reflects the distribution of salary levels within a company. The total number of cleaned data points, therefore represent accurately the total employees represented in the survey. The total number of Expatriate staff represented in the survey include 116 data points in totals.*

The 2015-16 samples of 10,747 data points include 116 expatriate staff after cleaning. The salary tables presented in the compensation report represent 10,631 Cambodian employees and 116 expatriates. Moreover, this year's survey includes the majority leading banks in the country who have joined forces to enable a second edition of the banking sector survey. In the banking sector, only head office or Phnom Penh positions are included in the survey to ensure accuracy and transparency of data. Within the banking sector report, provincial breakdowns of salary are provided.

The 2015-16 sample of 10,747 data points include 116 expatriate staff after cleaning. The salary tables and the total compensation tables present separately for locals (10,631) and expatriates staff (116). Moreover, in this year's survey, the banking sector came together and a **Cambodia Financial Services Compensation Review** will also be published. In this report, all provincial data is excluded from datasets, however provincial comparisons are provided in the Financial Services Compensation Review report.

Of the 44 participants in this year's sample, 32 also participated in last year's survey and 13 companies are new participants. Readers should be careful when comparing the results of this years' survey with last year's survey. Companies wanting to do a particular review of their compensation structures – whether only salary or cash provisions or total compensation, or review a particular segment of the market, can request a **special report** tailored to their needs. The **HRINC Consulting Special Compensation report** reviews extensively a client competitiveness versus the market and provides clear guidance and outcomes on competitive benchmarking. If requested, HRINC recommendations as to compensation changes may also be requested.

## 4 Methodology and Report Interpretation

### 4.1 Methodology

#### 4.1.1 Job Analysis & KESAR Methodology

The survey is based on HRINC's KESAR analysis<sup>3</sup>, which is a job matching methodology tailored to the local Cambodian environment.

Each KESAR factor is defined, allocated a weighting of importance and then broken down into a set of criteria to clearly define what is being analysed. The KESAR factors and their criteria are:

- **Knowledge:** includes education, experience and practical knowledge
- **Environment:** includes the cultural and physical environments
- **Skills and Aptitude:** includes interpersonal, language and other key skills required to do the job
- **Responsibility:** includes the number of people being managed and the impact of the person's decisions on the company.

Each job position is analysed according to these KESAR factors and, based on the criteria weightings, is allocated a number of points. Depending on its total number of points, the position is allocated to one of 10 Job Levels (with 1 being the highest or most senior and 10 being the lowest or most junior).

Where possible, levels 4, 6 and 7 are further divided into 4A & 4B, 6A & 6B, and 7A & 7B. This is based on client feedback that greater differentiation at these levels assists with interpretation of the results.

Each job position is also allocated to one of the following Job Functions:

1. **Accounting & Finance:** positions related to accounting, finance, auditing and taxes
2. **Administration:** positions related to administration and operations support (not included drivers, cleaner and security guard)
3. **Cleaner, Driver & Guard:** cleaners, drivers and security guards (mostly in Levels 8 to 10)
4. **Customer Services:** positions that interface with customers and product support relating to customer enquiries
5. **Engineering:** engineers and technicians
6. **Human Resources & Legal:** positions related to human resources (recruitment, training, etc.)
7. **Information Technology:** IT-related positions relevant to IT support, whether web, LAN/WAN or infrastructure support
8. **Legal & Compliance:** positions related to legal, regulatory affairs and compliance
9. **Marketing:** marketing positions related to promotion of products and services
10. **Production & Maintenance:** positions related to the production of the company's core products and the maintenance of equipment and machinery, including production supervisors, machine operators and maintenance staff
11. **Purchasing & Logistics:** positions related to purchasing/procurement, logistics and warehousing
12. **Quality & environment:** positions related to quality control, including quality inspectors and quality control engineers
13. **Sales:** sales positions
14. **Top Management:** senior general management positions (in Levels 1 to 2).

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<sup>3</sup> "KESAR" stands for Knowledge, Environment, Skills, Aptitude and Responsibility.



The KESAR analysis coupled with the functional division of jobs allows us to carry out the job matching based on 10 Job Levels and 14 Job Functions. Each company is provided with the final evaluation and the job analysis is confirmed with the company.

To improve readers' understanding of what kind of jobs fit into which Job Levels and Functions, the salary tables for each Job Function in section 5.1 are accompanied by a page which describes the jobs contained in each Level (in terms of common job titles, minimum education and experience, and typical responsibilities and duties). This will help readers to interpret the salary tables in chapters 5, as well as the total compensation tables in chapter 7.

It is important to remember that this report evaluates the nature of job positions, rather than people of formal titles. Any job titles used in this report are intended to be used as a guide only. In practice, persons with the same title may perform very different jobs and therefore be allocated to different Job Levels.



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#### 4.1.2 Total Compensation

HRINC's analysis of total compensation has been refined to move towards international benchmarks and in line with market developments since 2012. The table below summarises the components of annual total compensation, as presented in this report.

**Table 4: Annual Total Compensation – Components**

| #            | Component                        | Definition  |
|--------------|----------------------------------|---|
| <b>A</b>     | <b>Annual Base Salary</b>        | <b>Gross base salary received by employee each month (annualised)</b>   |
| B            | Personal Cash Allowances         | Fixed cash allowances provided to employee on a monthly basis for particular purposes (annualised). While the allowance is provided for a particular purpose, it is up to the employee how they choose to spend it. (That is, the fixed cash allowance is provided irrespective of how it is used by the employee.)<br>Examples of personal cash allowances provided on a monthly basis include telephone usage, meals, accommodation, transportation, medical cash allowance and children/family support allowance.  |
| <b>A+B=C</b> | <b>Annual Guaranteed Cash</b>    |   |
| D            | Variable Pay                     | Cash received on an annual basis based, whether guaranteed or performance based. Includes variable incentives and bonuses (typically based on performance of individual/team or company profitability), guaranteed 13 <sup>th</sup> month cheque, and attendance bonus.   |
| <b>C+D=E</b> | <b>Annual Total Cash</b>         |   |
| F            | Long Term Incentives (LTI)       | Found in selected sectors like MFI sector - long term savings schemes, company shares or ownership.   |
| <b>E+F=G</b> | <b>Annual Total Cash + LTI</b>   |   |
| H            | Benefits                         | Typically non-cash and provided through a third party provider or self-insurance where an employee claims back a certain amount. It differs from personal cash allowances in that it is a type of insurance.<br>Examples include hospitalisation coverage, comprehensive medical coverage, medical claim-back policy (where employee can claim-back some or all medical expenses), and retirement plan (where typically employer and employee contribute regularly to a fund, to be accessed by employee upon retirement or departure from the company).  |
| <b>G+H=I</b> | <b>Annual Total Remuneration</b> |   |
| J            | Work Allowances for Position     | Typically a claim back for expenses incurred in the course of an employee performing their duties. It differs from the personal cash allowances in that it is recorded as a business expense as opposed to an employee allowance.<br>Examples include claims back for telephone usage for business purposes (sometimes capped at a maximum amount), meal expenses incurred in the course of work, transportation expenses incurred (typically reimbursement of gasoline costs), and depreciation allowance (typically a fixed allowance provided for use of personal transportation in a position that requires frequent travel). |
| <b>I+J=K</b> | <b>Employee Position Cost</b>    |   |

### 4.1.3 Confidentiality & Data Cleaning

When presenting salary and benefits information, HRINC's number one priority is to maintain the confidentiality of participating companies. It is absolutely essential that the salaries and benefits paid by a particular company are not disclosed or identified in any way.

HRINC's policy is to only present aggregated data in its salary survey reports. To ensure the confidentiality of all data, a minimum number of observations are required for statistics to be displayed for a particular job position:<sup>4</sup>

- Three companies must report a unique job position for the mean (average) to be displayed
- Four companies are required to display the median
- Five companies are required to display the 10th, 25th, 75th and 90th percentiles.

In the tables throughout this report, where there is insufficient data to display the statistics for a unique job position, two hyphens (--) are displayed instead.

In total average compensation, when 2 companies are represented, the average of overall subtotals of total compensation is provided.

In addition, to ensure that one company does not dominate the results for a particular job position, no company can represent more than 50% of data points for a job position. In situations where a company's raw data points represent more than 50% of the sample's raw data points for a position, that company's data points are reduced using HRINC's own data cleaning methodology based on percentiles. Using this cleaning methodology, a company's "cleaned" data points still accurately reflect, as much as possible, the variability of all of the company's original data points for that position.

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<sup>4</sup> "Job position" refers to a particular Job Level in a particular Job Function (eg. Level 5 Accounting & Finance).

## 4.2 Report interpretation

### 4.2.1 Definition of Statistical Terms Used in this Report

Various statistical terms are used throughout this report. These terms are defined below.

*Table 5: Table of statistical definitions*

|                                   |   |
|-----------------------------------|---|
| <b>Average (or Mean)</b>          | The sum of all data (salaries) reported divided by the number of observations in the sample.  |
| <b>10<sup>th</sup> Percentile</b> | That data point (salary level) that is higher than 10% of all other data in the sample when ranked from low to high. In other words, only 10% of the salaries reported are lower than this amount.  |
| <b>25<sup>th</sup> Percentile</b> | That data point (salary level) that is higher than 25% of all other data in the sample when ranked from low to high. In other words, only 25% of the salaries reported are lower than this amount. This is also referred to as the first quartile (Q1). |
| <b>Median</b>                     | That data point (salary level) that is higher than 50% of all other data in the sample when ranked from low to high. In other words, it is the salary level that is ranked in the middle. This is also referred to as the 50 <sup>th</sup> percentile.  |
| <b>75<sup>th</sup> Percentile</b> | That data point (salary level) that is higher than 75% of all other data in the sample when ranked from low to high. In other words, only 75% of the salaries reported are lower than this amount. This is also referred to as the third quartile.      |
| <b>90<sup>th</sup> Percentile</b> | That data point that is higher than 90% of all other data in the sample when ranked from low to high. In other words, 90% of the salaries reported are lower than this amount.  |
| <b>No. of Data Points</b>         | The number of actual data points across different companies whose data has been collected for the corresponding position.   |
| <b>No. of Companies</b>           | The number of companies who have contributed data for the particular position.  |

### 4.2.2 Interpreting Tables

The table below gives the percentiles, median and average of a hypothetical set of salary data expressed in dollars.

- 10<sup>th</sup> percentile means 10% of data points are below that point. For example, in level 5, the 10<sup>th</sup> percentile (10<sup>th</sup> P) is \$150. This means that at level 5, only 10% of the employees have a net salary below \$150.
- Similarly, in level 5, the 90<sup>th</sup> P is \$600. This means that at level 5, 90% of the employees have a net salary below \$600 (or 10% of the employees have a salary higher than this point).

In very simple terms, at a given job level, 10<sup>th</sup> P shows the 'lower end' of salaries paid for that job and 90<sup>th</sup> P shows the 'higher end' of salaries paid for that same job.

**Table 6: Interpreting Data Tables (Example Data)**

| KESAR Level | 10th P | 25th P | Median | 75th P | 90th P | Average | No. of data points | No. of Institutions |
|-------------|--------|--------|--------|--------|--------|---------|--------------------|---------------------|
| Level 1     | 761    | 927    | 1,195  | 1,636  | 2,850  | 1,602   | 6                  | 5                   |
| Level 2     | 630    | 750    | 945    | 1,350  | 1,486  | 1,013   | 13                 | 9                   |
| Level 3     | 250    | 405    | 535    | 788    | 1,000  | 609     | 50                 | 24                  |
| Level 4     | 154    | 320    | 450    | 510    | 600    | 435     | 233                | 38                  |
| Level 5     | 150    | 180    | 289    | 450b   | 600    | 324     | 176                | 42                  |
| Level 6     | 87     | 120    | 150    | 200    | 263    | 174     | 195                | 51                  |
| Level 7     | 55     | 65     | 75     | 90     | 150    | 91      | 1,645              | 57                  |
| Level 8     | 50     | 60     | 80     | 100    | 120    | 85      | 679                | 52                  |
| Level 9     | 50     | 50     | 60     | 85     | 120    | 73      | 665                | 50                  |
| Level 10    | 50     | 50     | 50     | 50     | 50     | 50      | 3,662              | 58                  |

### 4.2.3 How is percentile data useful in HR policy?

Percentiles are used to set pay ranges according to the policy of the company. There are many factors that may impact how percentile data is used. It is important for HR professionals to have a good understanding of their company's compensation strategy and policy to make recommendations. We have outlined very broadly some questions that need to be answered, before using the data or making decisions or suggestions. Each company may have a different set of criteria or way to make their decisions – it is important that the compensation policy and strategy be well defined and understood by everyone.

An ideal compensation policy or strategy will build on the following questions – not every company has the same strategy but we have outlined some core high level components to think about.

Ask yourself the following questions:

- **What are the key elements of our business strategy that will influence the compensation strategy?**
  - This may include some of the following questions: (1) *How do we want to position our company in the market? Do we want to be the best payer in the market?* (2) *Do we have any critical functions in our company that we may remunerate differently or need to treat differently?* (3) *Where are our staff located and how does that impact how we will remunerate the position?*
- **What are the elements of our compensation strategy?** Are we “paying for person”, “paying for performance” or paying for specific positions or functions?
- **What are the components of our compensation structure?** What are all the different parts of an employee's total compensation, including benefits and allowances?
- **How will we transition to a new structure or update our current structure once we have made changes?**
- **How will we communicate our remuneration strategy to staff?**

A very basic example of using percentiles is provided below. It assumes the company already has a fully developed compensation policy and wants to position itself among the best payers in the market but within the market range (i.e. it does not want to pay higher than what the market is paying). The company wants to attract the best applicants at Level 5 – especially new talent in the market.

- For non-technical Level 5 positions, the company knows there is sufficient supply in the market. Therefore, the company positions its salary at the higher level taking the 75<sup>th</sup> percentile as a benchmark to position its salary levels.
- For technical Level 5 positions – which are assumed to be critical to this company's success – the company knows that the market does not have sufficient supply of talent. It is very difficult to source personnel in the technical positions, so the company decides to position salaries at entry level at the 90<sup>th</sup> percentile.

In practice, the decision-making process is not that simple and certainly further analysis needs to be done to ensure **internal equity amongst positions** in the company. However, the example does provide an indication of how you can use the percentile data. In the end, the proposals you make as an HR professional have to be **affordable** for the company as well as competitive so that your business can grow and maintain its competitive advantage. If a company is unable to provide the salaries it wants today, then it needs to put in place a long-term strategy to make sure it reaches its goals in the future.

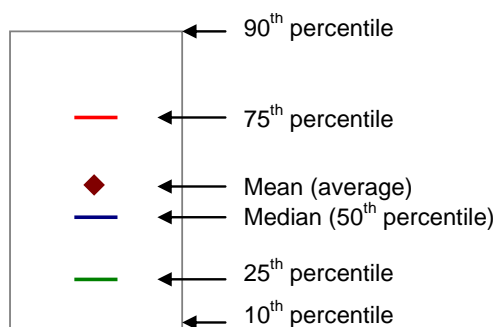


#### 4.2.4 Interpreting Box Plots

The salary data presented in table form is also presented in graphical “box plots” to assist in visual interpretation and comparison. A box plot contains information about the range of salaries reported for a particular Job Level. It shows whether the range of salaries reported is large or small for a Job Level, as well as the average and median salaries.

The figure below shows a box plot. The box represents the range of salaries from the 90<sup>th</sup> percentile down to the 10<sup>th</sup> percentile – and so the longer the box, the bigger the range of salaries. The percentiles – 75<sup>th</sup>, 50<sup>th</sup> (or median), and 25<sup>th</sup> – are represented by lines within the box. The average (or mean) is represented by a diamond.

Figure 7: The Box Plot Explained



In the report, individual box plots for each Job Level are combined into a chart to show the range or spread of salaries at all Job Levels.

#### 4.2.5 Interpreting Trend Lines

Trend lines show how salaries progress with an increase in Job Levels. In other words, as you progress up the career ladder and take on more responsibility, your salary increases. To produce a smooth trend line that is easy to understand, a mathematical “regression” model is used to fit a smooth curve through actual data points showing salary figures and Job Levels. This curve best represents the overall trend in those data points.

Trend lines can be a useful tool for HR Managers, because they provide a simple, clear picture of how salaries increase from one job level to the next. This enables HR Managers to get an overall feel for salaries in different Job Functions. Nevertheless, it is important to remember that trend lines are based on a mathematical equation, and do not show actual market salaries. Therefore, readers should be very careful in basing their company salary structures on trend lines, without referring to the actual salary tables.

## 5 Salary data by Job Functions

This chapter provides detailed salary information – both net and gross – for each Job Function.

The chapter is structured as follows:

1. Actual salary data according to Job Functions (All Functions and then each Job Function)
2. Box plot diagrams of actual salary data for each Job Function
3. Cross-functional comparison of actual salary data
4. Cross-functional comparison of trend lines
5. Relationship between salaries and experience (years in the position).

### 5.1 Actual data according to Job Functions

Salary information in this section is presented by Job Level and Job Function. The spread of salary data is presented in terms of percentiles. For confidentiality reasons, two hyphens are presented wherever data is insufficient.

All salary information by functions relates to **local Cambodian staff only**. We present the salary information for **Expatriate staff by level only**. The compensation for provincial data is presented separately in this report.

For each Function, Job Descriptions for positions commonly found in each Job Level are presented on the page facing the salary table. These descriptions may help readers to understand what types of jobs relate to the salary information contained in the salary tables.

*Note that these Job Descriptions are generic and are to be used as a guide only. For companies who participated in the survey, they should still refer to the Jobs Matrix that was provided to them as part of the survey process. This Matrix tells them precisely which of their jobs fit into each Job Level and Job Function.*

In each salary table, Job Levels 4, 6 and 7 are each split into A and B (see shaded cells in the table). As explained in Chapter 4, each job position is analysed by HRINC according to a set of criteria and then is allocated a number of points. To provide greater differentiation within one Level, positions are allocated to A or B, with positions in A having more points than positions in B. In this sense, positions in 4A are higher or more senior than positions in 4B.

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### 5.1.1 Monthly Salary for All Functions

Table 7: Net Monthly Salary in USD, for All Functions – Cambodian Staff

| KESAR LEVEL | 10thP | 25thP | Median | 75thP | 90thP | Average | # data point | # Company |
|-------------|-------|-------|--------|-------|-------|---------|--------------|-----------|
| Level 1     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 2     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 3     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 4     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 4A    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 4B    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 5     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 6     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 6A    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 6B    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 7     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 7A    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 7B    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 8     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 9     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level10     | --    | --    | --     | --    | --    | --      | --           | --        |

Table 8: Gross Monthly Salary in USD, for All Functions – Cambodia Staff

| KESAR LEVEL | 10thP | 25thP | Median | 75thP | 90thP | Average | # data point | # Company |
|-------------|-------|-------|--------|-------|-------|---------|--------------|-----------|
| Level 1     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 2     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 3     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 4     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 4A    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 4B    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 5     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 6     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 6A    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 6B    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 7     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 7A    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 7B    | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 8     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level 9     | --    | --    | --     | --    | --    | --      | --           | --        |
| Level10     | --    | --    | --     | --    | --    | --      | --           | --        |

Note: Levels 4, 6 and 7 have each been split into A & B (see shaded cells). This is to provide additional detail for interpretation of the results. Results for the aggregated Levels are still shown as well. Note that a separate stage of data cleaning is done for split levels, to ensure that participants' confidentiality is maintained when data is presented for split levels. (For example, Level 4 is cleaned to ensure that no participant has more than 50% of total data points for Level 4, while Levels 4A & 4B are each cleaned separately to ensure that no participant has more than 50% of data points for each of those split levels. For this reason, the number of cleaned data points for A plus B may be different than the number of cleaned data points shown at the aggregated level.

### Positions commonly found in each KESAR Job Level

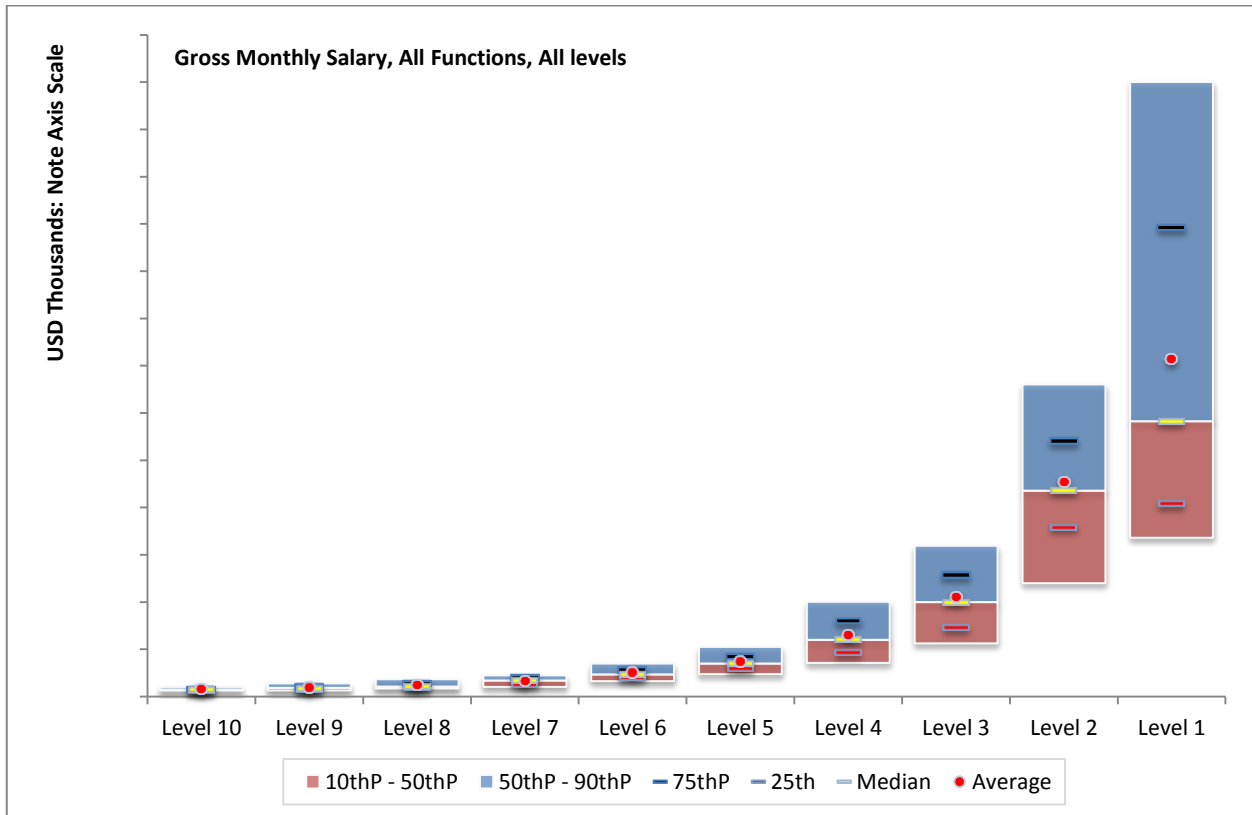
*Note: This page provides general guidance on the broad types of jobs commonly contained in each Job Level. More detailed guidance on specific jobs in each Function is provided in the tables on the following pages. Specific guidance may differ slightly from this table, depending on the Job Function.*

| KESAR Level     | Common job titles   | Required education                   | Required experience                  | Typical responsibilities & duties  |
|-----------------|---|--------------------------------------|--------------------------------------|--|
| <b>Level 1</b>  | Chief Executive Officer<br>Managing Director<br>Country Head/President  | Master degree                        | 15 years                             | <ul style="list-style-type: none"> <li>Usually the leader of the company, either at the national or international level</li> <li>Understands total business how all functions integrate and coordinate</li> <li>Sets up the strategies and the direction of the company and have the high ability to make other strategic decision which impact to the company</li> <li>Job requires negotiating strategically within and outside the company and his/her communication has a significant impact on sustainability of the company</li> <li>Job requires the high ability to solve and judge any problem that impact to the direction of the company</li> </ul> |
| <b>Level 2</b>  | Chief [Department] Officer<br>[Department] Director<br>Head of [Department]/<br>Senior Vice President                     | Master Degree                        | 10 years                             | •  |
| <b>Level 3</b>  | Vice President<br>Head of [Department] (basic)<br>Deputy Head of [Department]<br>[Dept.] Senior/Manager<br>Branch Manager | Master or Bachelor Degree            | 5-8 years                            | •  |
| <b>Level 4</b>  | [Dept. Unit] Manager<br>Branch Manager (basic)<br>Asst. Head of [Department]<br>Senior Specialist                         | Bachelor Degree                      | 5 years                              | •  |
| <b>Level 5</b>  | Asst. [Dept. Unit] Manager<br>Senior Analyst/Executive/ Team leader   | Bachelor Degree                      | 3 years                              | •  |
| <b>Level 6</b>  | Senior Officer<br>Executive/Officer<br>Analyst  | Bachelor Degree                      | 2 years                              | •  |
| <b>Level 7</b>  | Officer (basic)<br>Cashier<br>Teller  | Depends on Job Function              | 1-2 years                            | •  |
| <b>Level 8</b>  | Clerk<br>Messenger (with admin task)  | Depends on Job Function              | 1 years                              | •  |
| <b>Level 9</b>  | Driver<br>Chief Guard<br>Messenger  | High School or equivalent experience | Prior experience in similar position | •  |
| <b>Level 10</b> | Cleaner<br>Maid<br>Security Guard   | None                                 | None                                 | •  |

### 5.2 Box plots according to Job Functions

This section presents actual salary data as a box plot for each Job Function. As explained in chapter 4, box plots provide a visual representation of salary ranges at each Job Level. (The longer the box, the bigger the spread of salaries.)

Figure 8: Gross Monthly Salary, All Functions – Cambodian Staff



Axis's numbers are expressly not provide in the Insight Report and available in the full report.

### 5.3 Cross functional comparison according to Job Functions

The tables in this section provide comparisons of the salaries paid in each Job Function.

The first three tables provide comparisons of *median* gross monthly salaries, while the next three tables provide comparisons of the *average* gross monthly salaries. While the median is generally considered a better measure than the average when it comes to analysing market salaries, both measures are presented to allow the reader to focus on their preferred measure.

For both the median and average tables:

- The first table shows, for each Job Level, the percentage by which the salary in a Job Function is above or below the salary for all Job Functions combined. (Percentages in blue are at least 10% **above** the total market, while percentages in red are at least 10% **below**.)
  - Job Functions that tend to *pay above* the overall market in many job levels are ....
  - Job Functions that tend to *pay below* the overall market in many job levels ....
- The second table shows, for each Job Function, the percentage difference in salaries from one Job Level to the next (in other words, the rate of salary progression). Percentages in **bold** are at least 100%, which means the salary at that Level is at least .....

<< Intentionally left blank >>



Table 9: Median Gross Monthly Salary, % Difference between Functional Salary and All Functions Salary (% higher or lower than All Functions)

| KESAR Level | All Functions | Function 1 | Function 2 | Function 3 | Function 4 | Function 5 | Function 6 | Function 7 | Function 8 | Function 9 | Function 10 | Function 11 | Function 12 | Function 13 |
|-------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| Level 1     | --            | --         | --         | --         | --         | --         | --         | --         | --         | --         | --          | --          | --          | --          |
| Level 2     | --            | -25%       | --         | --         | --         | --         | -3%        | --         | --         | -5%        | 20%         | --          | --          | 9%          |
| Level 3     | --            | -3%        | 0%         | --         | 16%        | 8%         | 20%        | -12%       | 30%        | 4%         | -5%         | 1%          | -21%        | -10%        |
| Level 4     | --            | -20%       | -1%        | --         | 0%         | -1%        | 8%         | -20%       | 4%         | 17%        | 17%         | -22%        | -25%        | 8%          |
| Level 5     | --            | 0%         | 7%         | --         | 1%         | -11%       | 9%         | -1%        | 5%         | -8%        | 12%         | 3%          | -26%        | -1%         |
| Level 6     | --            | 5%         | 2%         | --         | -5%        | -5%        | 8%         | 4%         | 3%         | 7%         | 8%          | -2%         | -14%        | -2%         |
| Level 7     | --            | 12%        | 7%         | -6%        | -20%       | -17%       | 18%        | 0%         | 2%         | -9%        | -5%         | 0%          | -12%        | 2%          |
| Level 8     | --            | -1%        | 3%         | 17%        | -6%        | -8%        | --         | -16%       | --         | -5%        | 40%         | -5%         | 15%         | 0%          |
| Level 9     | --            | --         | -7%        | 6%         | --         | --         | --         | --         | --         | --         | -21%        | -7%         | --          | --          |
| Level 10    | --            | --         | --         | 11%        | --         | --         | --         | --         | --         | --         | -6%         | -14%        | --          | --          |

Table 10: Median Gross Monthly Salary, % Difference for Consecutive KESAR levels (from Level 10 upwards)

| KESAR Level | All Functions | Function 1 | Function 2 | Function 3 | Function 4 | Function 5 | Function 6 | Function 7 | Function 8 | Function 9 | Function 10 | Function 11 | Function 12 | Function 13 |
|-------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| Level 1     | 34%           | --         | --         | --         | --         | --         | --         | --         | --         | --         | --          | --          | --          | --          |
| Level 2     | 118%          | 68%        | --         | --         | --         | --         | 76%        | --         | --         | 100%       | 176%        | --          | --          | 164%        |
| Level 3     | 67%           | 102%       | 69%        | --         | 93%        | 81%        | 85%        | 83%        | 108%       | 48%        | 35%         | 117%        | 76%         | 40%         |
| Level 4     | 71%           | 38%        | 58%        | --         | 70%        | 90%        | 70%        | 39%        | 71%        | 119%       | 79%         | 29%         | 73%         | 87%         |
| Level 5     | 51%           | 43%        | 58%        | --         | 59%        | 41%        | 52%        | 44%        | 52%        | 29%        | 55%         | 58%         | 30%         | 51%         |
| Level 6     | 37%           | 29%        | 30%        | --         | 63%        | 57%        | 25%        | 43%        | 39%        | 61%        | 57%         | 35%         | 34%         | 32%         |
| Level 7     | 61%           | 82%        | 68%        | 29%        | 38%        | 46%        | --         | 91%        | --         | 54%        | 10%         | 70%         | 23%         | 64%         |
| Level 8     | 17%           | --         | 29%        | 30%        | --         | --         | --         | --         | --         | --         | 106%        | 19%         | --          | --          |
| Level 9     | 22%           | --         | --         | 16%        | --         | --         | --         | --         | --         | --         | 3%          | 31%         | --          | --          |
| Level 10    | --            | --         | --         | --         | --         | --         | --         | --         | --         | --         | --          | --          | --          | --          |

Table 11: Average Gross Monthly Salary, % Difference between Functional Salary and All Functions Salary (% higher or lower than All Functions)

| KESAR Level | All Functions | Function 1 | Function 2 | Function 3 | Function 4 | Function 5 | Function 6 | Function 7 | Function 8 | Function 9 | Function 10 | Function 11 | Function 12 | Function 13 |
|-------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| Level 1     | --            | --         | --         | --         | --         | --         | --         | --         | --         | --         | --          | --          | --          | --          |
| Level 2     | --            | -27%       | 32%        | --         | --         | --         | 27%        | --         | 10%        | -2%        | 5%          | --          | --          | 6%          |
| Level 3     | --            | 0%         | 3%         | --         | 6%         | 6%         | 2%         | -10%       | 14%        | 6%         | 6%          | -7%         | -23%        | -4%         |
| Level 4     | --            | -12%       | -5%        | --         | -8%        | -5%        | 19%        | -11%       | 0%         | 12%        | 1%          | -20%        | -25%        | 7%          |
| Level 5     | --            | 2%         | 8%         | --         | 1%         | -6%        | 3%         | 2%         | 15%        | -3%        | 8%          | -1%         | -22%        | -3%         |
| Level 6     | --            | 6%         | 4%         | --         | -6%        | -6%        | 3%         | 6%         | 5%         | 1%         | 16%         | -3%         | -8%         | -2%         |
| Level 7     | --            | 14%        | 13%        | 0%         | -10%       | -11%       | -3%        | 3%         | 7%         | -1%        | 0%          | 2%          | -8%         | -1%         |
| Level 8     | --            | 2%         | 0%         | 20%        | -14%       | -16%       | 3%         | -32%       | 13%        | -14%       | 22%         | -9%         | 13%         | -2%         |
| Level 9     | --            | -30%       | -5%        | 8%         | --         | --         | --         | --         | --         | --         | -13%        | -5%         | --          | --          |
| Level 10    | --            | --         | --         | 10%        | 41%        | --         | --         | --         | --         | --         | -4%         | -14%        | --          | --          |

Table 12: Average Gross Monthly Salary, % Difference for Consecutive KESAR levels (from Level 10 upwards)

| KESAR Level | All Functions | Function 1 | Function 2 | Function 3 | Function 4 | Function 5 | Function 6 | Function 7 | Function 8 | Function 9 | Function 10 | Function 11 | Function 12 | Function 13 |
|-------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| Level 1     | 57%           | --         | --         | --         | --         | --         | --         | --         | --         | --         | --          | --          | --          | --          |
| Level 2     | 115%          | 56%        | 176%       | --         | --         | --         | 93%        | --         | 109%       | 99%        | 114%        | --          | --          | 139%        |
| Level 3     | 62%           | 84%        | 76%        | --         | 87%        | 80%        | 58%        | 63%        | 84%        | 53%        | 69%         | 89%         | 67%         | 45%         |
| Level 4     | 76%           | 52%        | 54%        | --         | 60%        | 79%        | 76%        | 53%        | 54%        | 103%       | 66%         | 42%         | 69%         | 93%         |
| Level 5     | 48%           | 42%        | 53%        | --         | 59%        | 47%        | 43%        | 43%        | 62%        | 42%        | 38%         | 50%         | 26%         | 47%         |
| Level 6     | 52%           | 41%        | 40%        | --         | 59%        | 60%        | 48%        | 56%        | 48%        | 55%        | 75%         | 44%         | 52%         | 50%         |
| Level 7     | 35%           | 50%        | 52%        | 12%        | 41%        | 43%        | 42%        | 103%       | 28%        | 56%        | 10%         | 52%         | 9%          | 36%         |
| Level 8     | 28%           | 86%        | 35%        | 42%        | --         | --         | --         | --         | --         | --         | 80%         | 23%         | --          | --          |
| Level 9     | 20%           | --         | --         | 18%        | --         | --         | --         | --         | --         | --         | 9%          | 33%         | --          | --          |
| Level 10    | --            | --         | --         | --         | --         | --         | --         | --         | --         | --         | --          | --          | --          | --          |

## HRINC CONSULTING: INSIGHTS THAT DRIVE EMPLOYEE ENGAGEMENT AND BOTTOM LINE PERFORMANCE.

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#### 5.4 Trend Line comparison of Job Functions

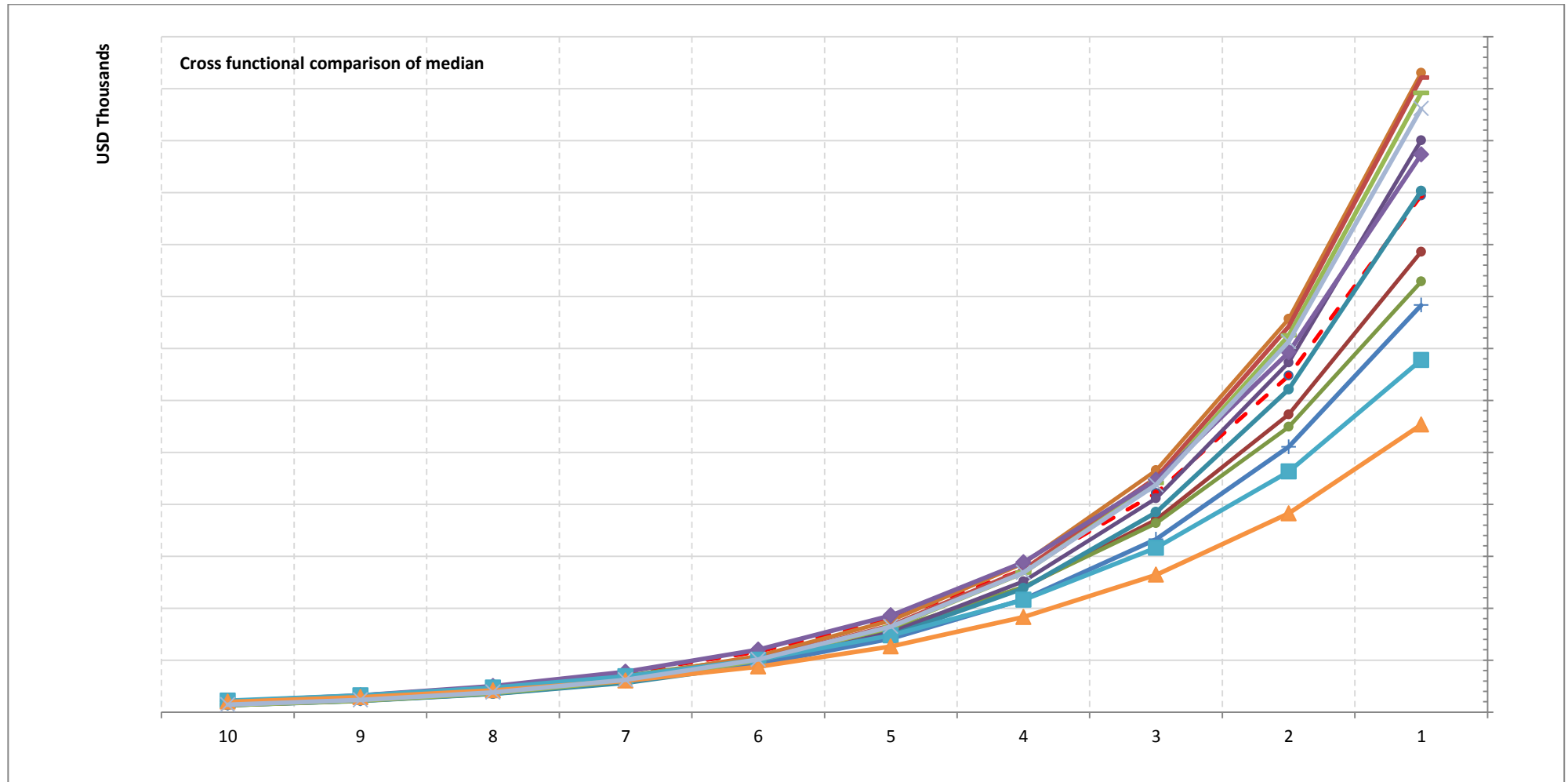
This section presents median trend lines of each Job Function. Trend lines are based on regressed data derived from a mathematical smoothing of actual data. A trend line is a line of best fit – it takes into account the best relationship between Salary and Job Level based on the variation in the data.

In the figure below, trend lines for the Median Monthly Salary are shown for each Job Function:

- The steeper the line, the bigger the increase in median salary from one Level to the next for a particular function.
- The bigger the vertical gap between the lines, the bigger the spread of median salaries at that Level.

*For readers who are particularly interested in trend lines, a supplementary report is available for purchase. This supplementary report presents the 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile trend lines for each Job Function and also for each Activity Sector (All Functions), as well as the regressed salary data that produces these trend lines. Please contact HRINC for further information.*

Figure 9: Cross Functional Comparison, Median Trend Lines, Gross Monthly Salary



Source: HRINC Annual Private Sector Compensation Review (2015-16)  
Axis's numbers are expressly not provide in the Insight Report and available in the full report.

## 6 Sectoral Comparisons

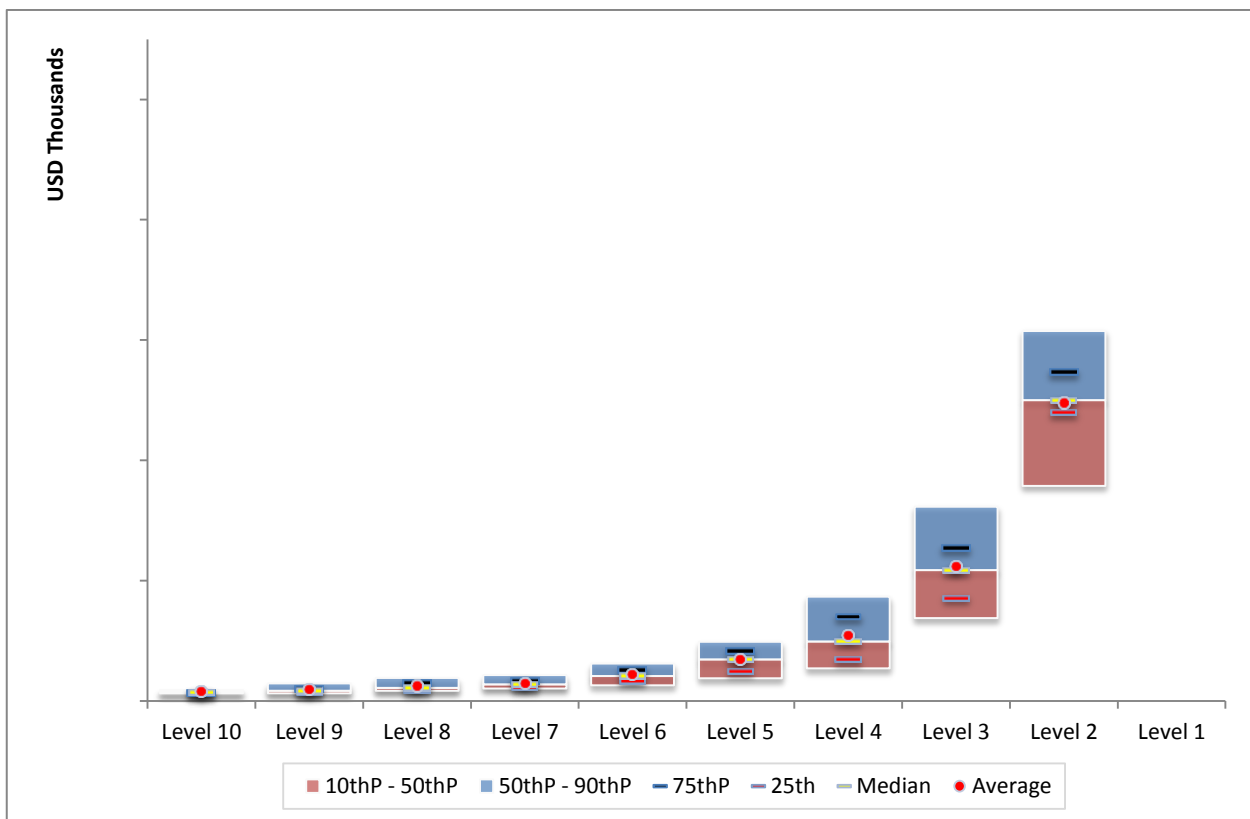
This section of the report provides the Private Sector a general view for salaries in other sectors. Detailed information on other sectors can be found in other sectorial reports of a request for data can be sent to [salariesurvey@hrinccom.kh](mailto:salariesurvey@hrinccom.kh) to assist you.

### 6.1 Box plots of Activity Sectors

This section presents actual salary data as a box plot for each Activity Sector. As explained in Chapter 4, box plots provide a visual representation of salary ranges at each Job Level. (The longer the box, the bigger the spread of salaries.)

The objective is to provide a visual overview of compensation levels in other sectors.

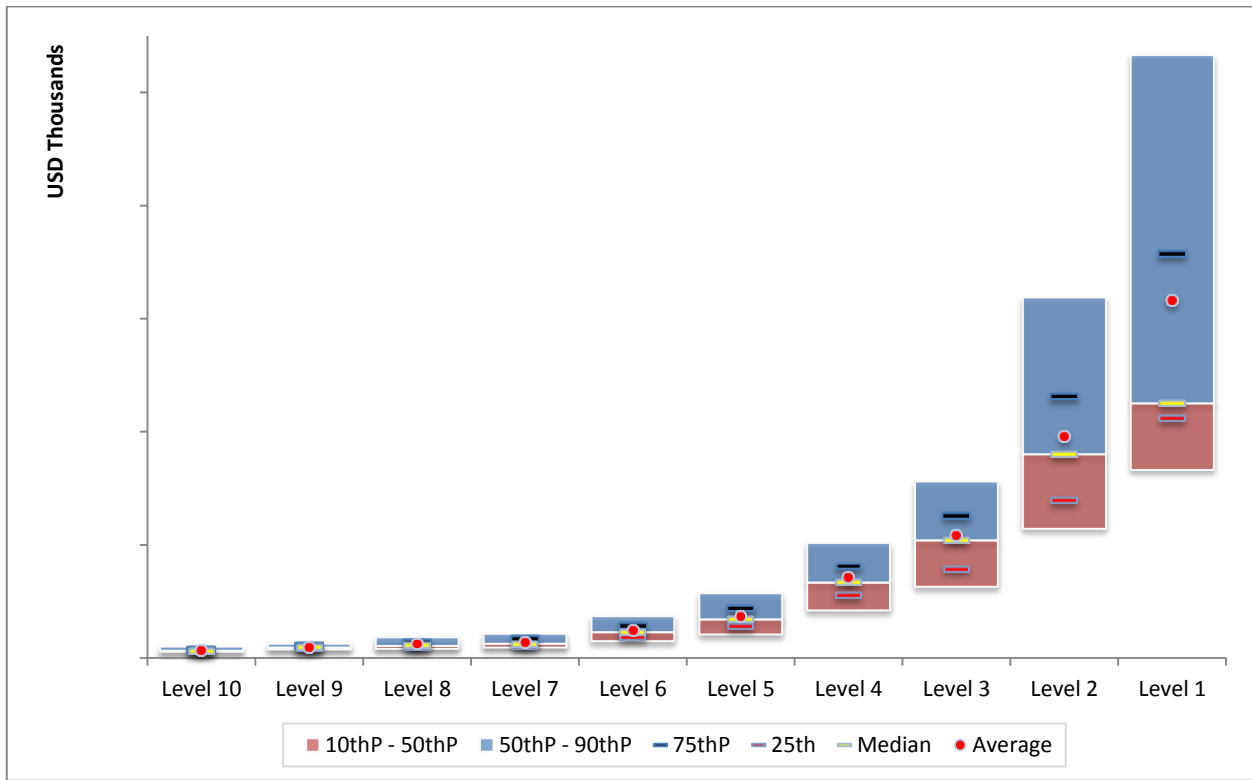
Figure 10: Gross Monthly Salary, Automotive, Construction & Manufacturing Sector



Source: HRINC Annual Private Sector Compensation Review (2015-16)

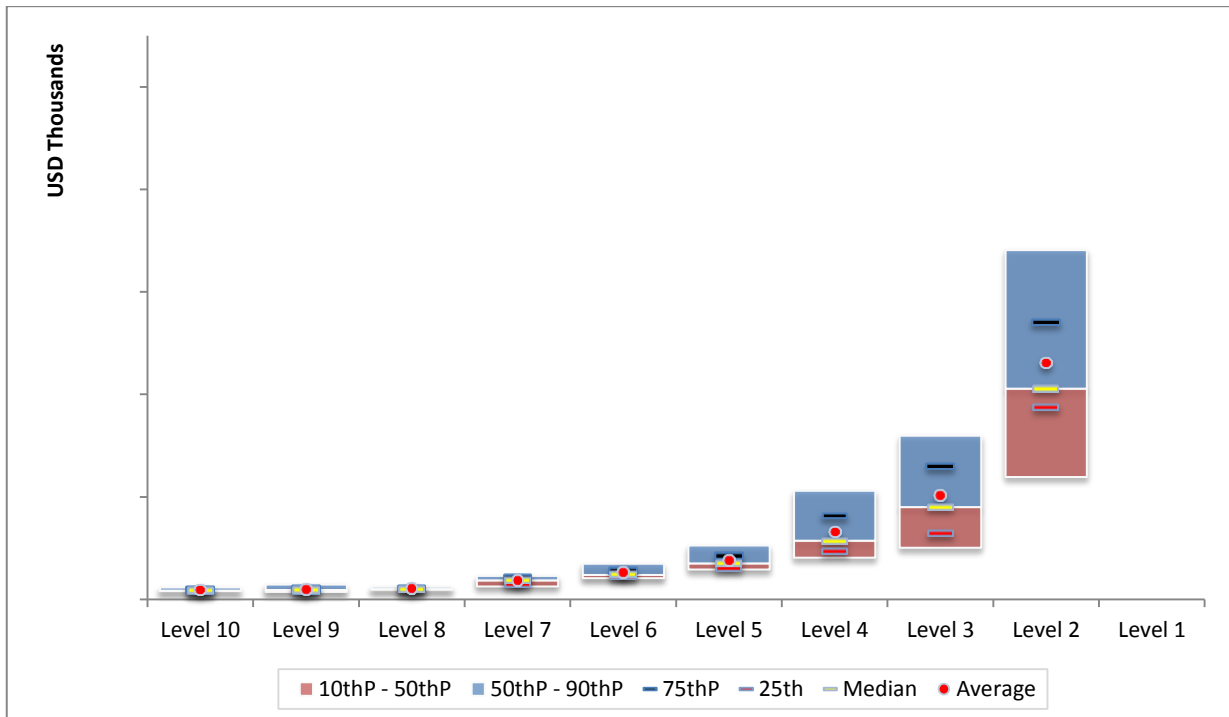
Axis's numbers are expressly not provide in the Insight Report and available in the full report.

Figure 11: Gross Monthly Salary, Telecom, Trade, Distribution, Transportation & Logistics Sector



Source: HRINC Annual Private Sector Compensation Review (2015-16)  
 Axis's numbers are expressly not provide in the Insight Report and available in the full report.

Figure 12: Gross Monthly Salary, Financial & Professional Services Sector



Source: HRINC Annual Private Sector Compensation Review (2015-16)  
 Axis's numbers are expressly not provide in the Insight Report and available in the full report.



## 6.2 Cross Sector Comparison

The tables in this section provide comparisons of the salaries paid in each Activity Sector. Percentages in blue are at least 10% **above** the total market, while percentages in red are at least 10% **below**.

The tables on below provide comparisons of *median* gross monthly salaries, while the tables on the following page provide comparisons of *average* gross monthly salaries.

Just describe what information is in this section without showing the tables.

**Table 13: Median Gross Monthly Salary, % Difference between Sector Salary and All Sectors Salary (% higher or lower than All Sectors)**

| KESAR Level | All Functions | Sector 1 | Sector 2 | Sector 3 |
|-------------|---------------|----------|----------|----------|
| Level 1     | --            | --       | --       | --       |
| Level 2     | --            | 15%      | -17%     | -6%      |
| Level 3     | --            | 9%       | 4%       | -10%     |
| Level 4     | --            | -18%     | 11%      | -5%      |
| Level 5     | --            | -1%      | -2%      | 0%       |
| Level 6     | --            | -11%     | -3%      | 2%       |
| Level 7     | --            | -19%     | -26%     | 7%       |
| Level 8     | --            | 4%       | 1%       | -5%      |
| Level 9     | --            | -6%      | 0%       | 1%       |
| Level 10    | --            | 0%       | -16%     | 11%      |

Source: HRINC Annual Private Sector Compensation Review (2015-16)

**Table 14: Median Gross Monthly Salary, % Difference for Consecutive KESAR levels (from Level 10 upwards)**

| KESAR Level | All Functions | Sector 1 | Sector 2 | Sector 3 |
|-------------|---------------|----------|----------|----------|
| Level 1     | 34%           | --       | --       | --       |
| Level 2     | 118%          | 130%     | 73%      | 128%     |
| Level 3     | 67%           | 120%     | 56%      | 58%      |
| Level 4     | 71%           | 43%      | 95%      | 63%      |
| Level 5     | 51%           | 67%      | 51%      | 47%      |
| Level 6     | 37%           | 51%      | 81%      | 30%      |
| Level 7     | 61%           | 25%      | 18%      | 83%      |
| Level 8     | 17%           | 29%      | 18%      | 10%      |
| Level 9     | 22%           | 15%      | 44%      | 10%      |
| Level 10    | --            | --       | --       | --       |

Source: HRINC Annual Private Sector Compensation Review (2015-16)

Table 15: Average Gross Monthly Salary, % Difference between Sector Salary and All Sectors Salary (% higher or lower than All Sectors)

| KESAR Level | All Functions | Sector 1 | Sector 2 | Sector 3 |
|-------------|---------------|----------|----------|----------|
| Level 1     | --            | --       | --       | --       |
| Level 2     | --            | 9%       | 2%       | -14%     |
| Level 3     | --            | 6%       | -4%      | 2%       |
| Level 4     | --            | -16%     | 1%       | 9%       |
| Level 5     | --            | -7%      | 3%       | -1%      |
| Level 6     | --            | -11%     | 4%       | -2%      |
| Level 7     | --            | -8%      | 11%      | -15%     |
| Level 8     | --            | 2%       | -12%     | 1%       |
| Level 9     | --            | -1%      | 3%       | 1%       |
| Level 10    | --            | -2%      | 16%      | -14%     |

Source: HRINC Annual Private Sector Compensation Review (2015-16)

Table 16: Average Gross Monthly Salary, % Difference for Consecutive KESAR levels (from Level 10 upwards)

| KESAR Level | All Functions | Sector 1 | Sector 2 | Sector 3 |
|-------------|---------------|----------|----------|----------|
| Level 1     | 57%           | --       | --       | --       |
| Level 2     | 115%          | 122%     | 128%     | 81%      |
| Level 3     | 62%           | 104%     | 55%      | 52%      |
| Level 4     | 76%           | 59%      | 72%      | 93%      |
| Level 5     | 48%           | 53%      | 46%      | 49%      |
| Level 6     | 52%           | 48%      | 42%      | 75%      |
| Level 7     | 35%           | 21%      | 70%      | 14%      |
| Level 8     | 28%           | 33%      | 9%       | 28%      |
| Level 9     | 20%           | 21%      | 6%       | 40%      |
| Level 10    | --            | --       | --       | --       |

Source: HRINC Annual Private Sector Compensation Review (2015-16)

### 6.3 Trend line comparison of Activity Sectors

This section presents trend lines, which are based on regressed data derived from a mathematical smoothing of actual data. A trend line is a line of best fit – it takes into account the best relationship between Salary and Job Level based on the variation in the data.

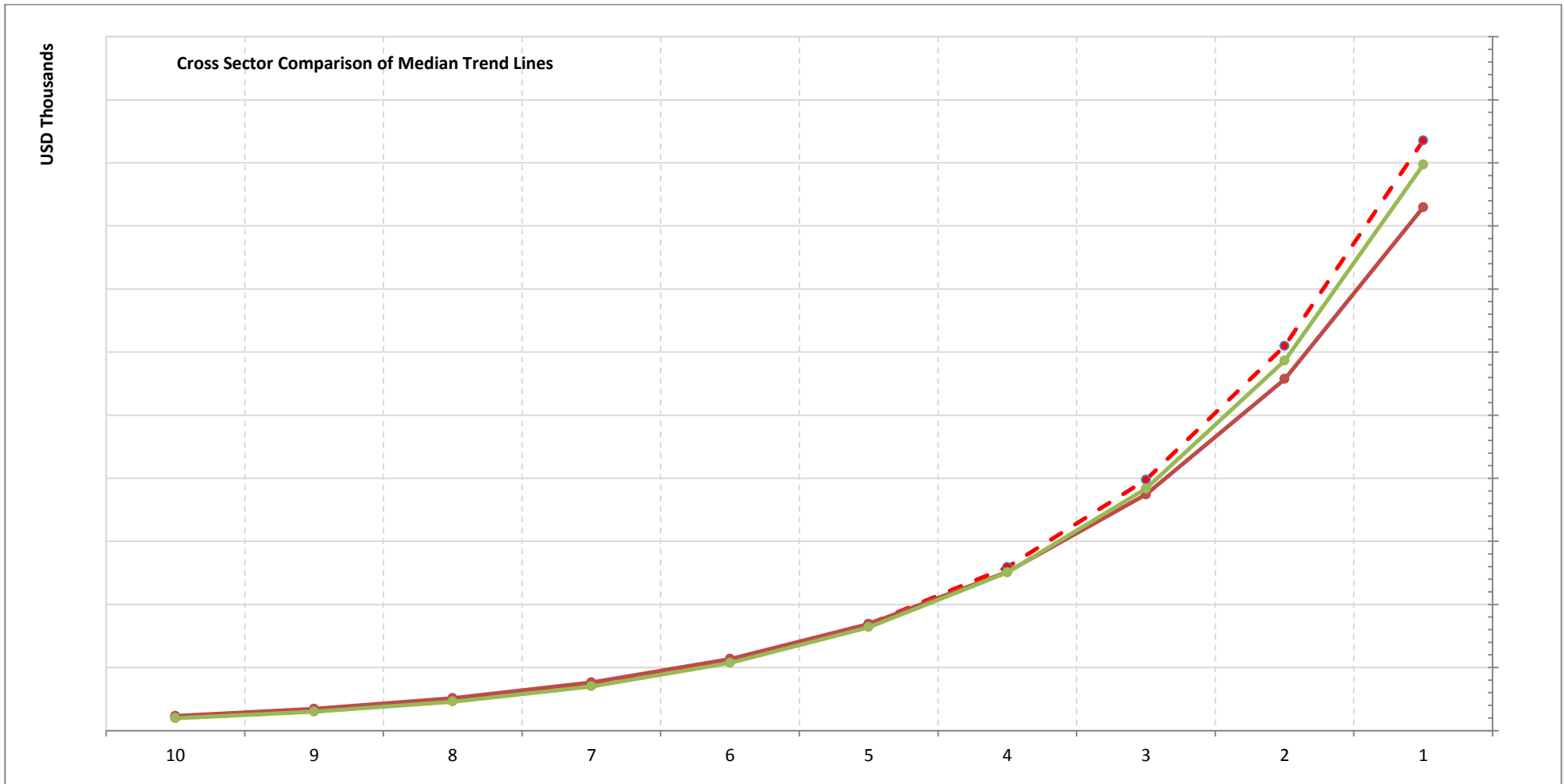
In the figure below, trend lines for the Median Monthly Salary are shown for each Activity Sector:

- The steeper the line, the bigger the increase in median salary from one Level to the next for a particular Activity Sector.
- The bigger the vertical gap between the lines, the bigger the spread of median salaries at that Level.

Based on these trend lines, it appears that salary progression from one Job Level to the next is slightly flatter for the ... sector, compared to the other two sectors.

**For readers who are particularly interested in trend lines, a supplementary report is available for purchase. This supplementary report presents the 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile trend lines for each Job Function and also for each Activity Sector (All Functions), as well as the regressed salary data that produces these trend lines. Please contact HRINC for further information.**

Figure 13: Cross sector comparison, median trend lines, Gross Monthly Salary



Source: HRINC Annual Private Sector Compensation Review (2015-16)

Axis's numbers are expressly not provide in the Insight Report and available in the full report.

## 7 Annual Total Compensation

Whereas the previous chapter presented information on Monthly Salaries, this chapter looks at the broader measure of total compensation.

The broad components of total compensation are presented in the following format:

|                               |                                    |                                 |
|-------------------------------|------------------------------------|---------------------------------|
| Annual Base Salary (A)        | + Personal Cash Allowances (B)     | = Annual Guaranteed Cash (C)    |
| Annual Guaranteed Cash (C)    | + Variable Pay (D)                 | = Annual Total Cash (E)         |
| Annual Total Cash (E)         | + Log-Term Incentives (F)          | = Annual Total Cash + LTI (G)   |
| Annual Total Cash + LTI (G)   | + Benefits (H)                     | = Annual Total Remuneration (I) |
| Annual Total Remuneration (I) | + Work Allowances for Position (J) | = Employee Position Cost (K)    |

Please refer to section .... of this report for a detailed explanation of these components of compensation.

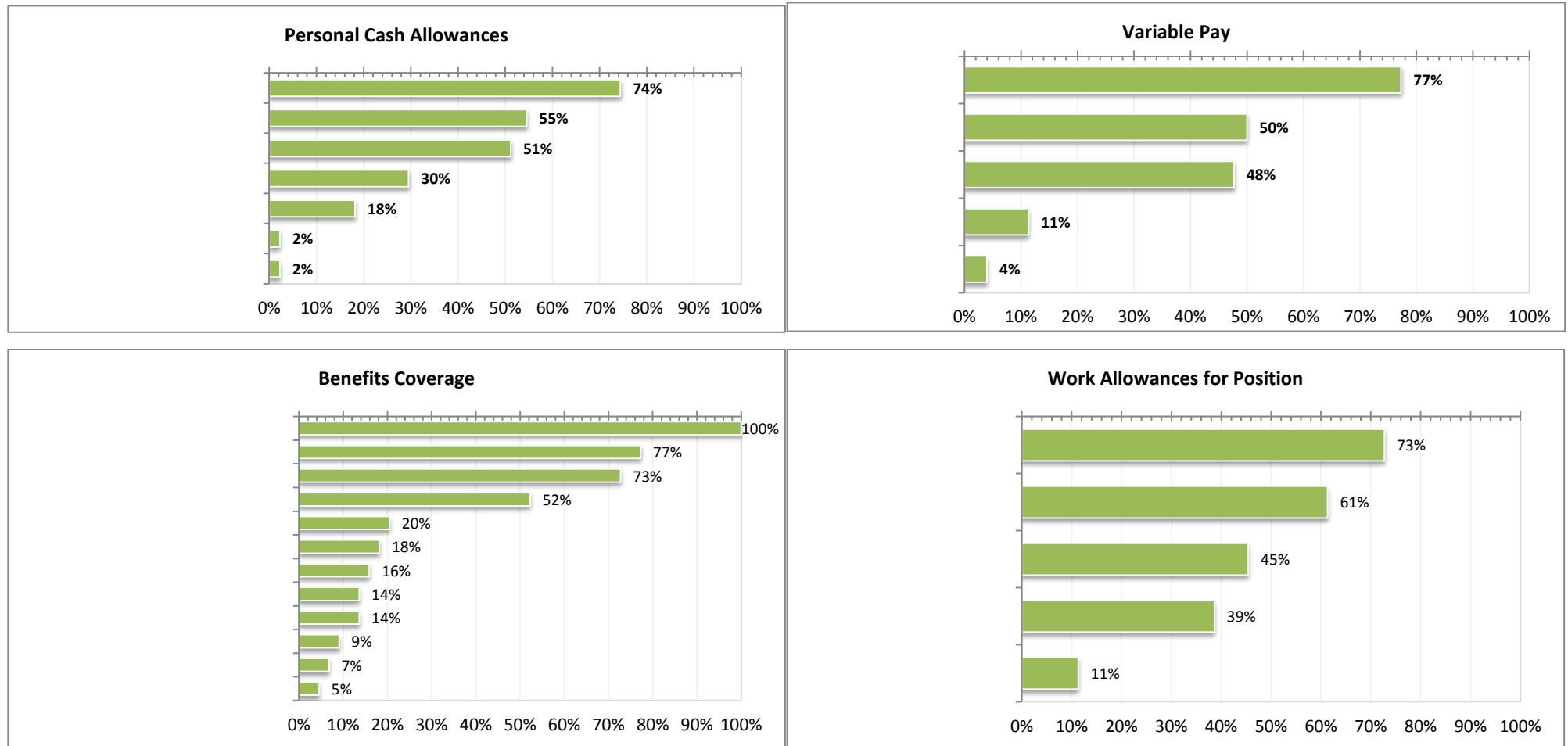
The chapter is structured as follows:

1. Percentage of participants who provide each component of total compensation
2. Detailed amounts for each component of total compensation, for each Job Level aggregated across all Job Functions
3. Summary amounts for each component of Annual Total Cash, for each Job Level and each Job Function.

### 7.1 Details on provision of compensation components

This section provides details on the percentage of participants that provide the various forms of non-salary compensation to at least some of their employees. It includes companies that gave estimates of dollar amounts (which are included in the calculations later in this chapter) as well as companies that indicated they provide but did not provide a useable estimate (which are not included in the calculations later in this chapter).

Figure 14: Provision of compensation, percentage of participating companies who provide



Source: HRINC Annual Private Sector Compensation Review (2015-16)

Axis's numbers are expressly not provide in the Insight Report and available in the full report.



## 7.2 Total Compensation – All Functions

The tables on the following pages present detailed information on each component of Annual Total Compensation for each Job Level combined across all Job Functions for Local staff and Expatriate Staff. Each page contains detailed information on a single Job Level.

The figure is the useful information to help readers to understand the actual amount provided by the participants for each components of total compensation. It is the source for the company to review the benefits policy and to design.

The tables require some explanation:

- 1) The green-shaded column **Average of Total Sample (USD)** shows the average annual dollar amounts for each component of compensation. This average is calculated across all positions in the sample at that Level. It includes those positions which do not receive the component of compensation at all, and which are assigned a zero amount. This figure is the same calculation that was presented in last year’s report.
- 2) The blue-shaded columns relate only to those individuals who receive a dollar amount for the compensation sub-component. In other words, they exclude all zeros from the calculations. **Average \$ amount received** shows the average annual dollar amount only for those positions that receive the compensation component. This average excludes positions which do not receive the component at all.
  - a) For example, the table below, there are 5 positions (provided by 5 companies). Of these 5 positions, 3 positions receive a **meal cash allowance** (provided by 3 companies). The average annual amount for these 3 positions is \$317 (blue column). However, spread across the entire sample of 5 positions (ie. including the two position which received zero), the average annual amount is \$190 (green column).
- 3) The green-shaded column is used to aggregate all the components of total compensation to get an estimate of Average Total Remuneration. The blue-shaded column is useful to understand the actual average amounts provided by companies that provide the particular component of compensation.
- 4) Where only one or two companies in the sample provide a particular compensation component, the blue-shaded average is not presented to ensure that the confidentiality of those one or two companies is not compromised. The green-shaded average can still be presented, because this average is spread across all companies in the sample and therefore does not disclose information about particular companies.

Figure 15: Understanding Total Compensation Tables

| Annual Compensation Component<br>GROSS in USD |                                 | Average of Total Sample | % Annual Total Remun. | % Annual Base Salary | # employees who receive amount | # companies who provide amount | Average amount received |
|---|---------------------------------|-------------------------|-----------------------|----------------------|--------------------------------|--------------------------------|-------------------------|
| <b>A</b>                                      | <b>Annual Base Salary</b>       | 66,884                  | 83.37%                | 100.00%              | 5                              | 5                              | 66,884                  |
| <b>B</b>                                      | <b>Personal Cash Allowances</b> | 3,904                   | 4.87%                 | 5.84%                |                                |                                |                         |
|   | Telephone                       | 90                      | 0.11%                 | 0.13%                | --                             | 1                              | --                      |
|   | Meals                           | 190                     | 0.24%                 | 0.28%                | 3                              | 3                              | 317                     |
|   | Housing                         | 12                      | 0.01%                 | 0.02%                | --                             | 1                              | --                      |



### 7.2.1 Total compensation data presentation

Minimum qualifications ....  
 Minimum experience ...  
 Actual years in position 5 years (sample median)  
 Common position titles ....  
 Position description ....

**Table 17: Average Annual Total Compensation – Level x, Type of Function (Type of employee)**

|          | Annual Compensation Component<br>Gross in USD | Average of<br>Total<br>Sample | % Annual<br>Total<br>Remu. | % Annual<br>Base Salary | # employees<br>who receive<br>amount | # companies<br>who provide<br>amount | Average<br>amount<br>received |
|----------|---|-------------------------------|----------------------------|-------------------------|--------------------------------------|--------------------------------------|-------------------------------|
| <b>A</b> | <b>Annual Base Salary</b>                     | <b>166,913</b>                | <b>71.23%</b>              | <b>100.00%</b>          | <b>3</b>                             | <b>3</b>                             | <b>166,913</b>                |
| <b>B</b> | <b>Personal Cash Allowances</b>               |                               |                            |                         |                                      |                                      |                               |
|          | <i>PCA type 1</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>PCA type 2</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>PCA type 3</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>PCA type 4</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>PCA type 5</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>PCA type 6</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>PCA type 7</i>                             |                               |                            |                         |                                      |                                      |                               |
| <b>C</b> | <b>Annual Guaranteed Cash</b>                 | <b>192,027</b>                | <b>81.95%</b>              | <b>115.05%</b>          |                                      |                                      |                               |
| <b>D</b> | <b>Variable Pay</b>                           | <b>41,874</b>                 | <b>17.87%</b>              | <b>25.09%</b>           |                                      |                                      |                               |
|          | <i>VP type 1</i>                              |                               |                            |                         |                                      |                                      |                               |
|          | <i>VP type 2</i>                              |                               |                            |                         |                                      |                                      |                               |
|          | <i>VP type 3</i>                              |                               |                            |                         |                                      |                                      |                               |
|          | <i>VP type 4</i>                              |                               |                            |                         |                                      |                                      |                               |
|          | <i>VP type 5</i>                              |                               |                            |                         |                                      |                                      |                               |
| <b>E</b> | <b>Annual Total Cash</b>                      | <b>233,900</b>                | <b>99.82%</b>              | <b>140.13%</b>          |                                      |                                      |                               |
| <b>F</b> | <b>Long Term Incentive (LTI)</b>              |                               |                            |                         |                                      |                                      |                               |
| <b>G</b> | <b>Annual Total Cash + LTI</b>                | <b>234,201</b>                | <b>99.95%</b>              | <b>140.31%</b>          |                                      |                                      |                               |
| <b>H</b> | <b>Benefits</b>                               |                               |                            |                         |                                      |                                      |                               |
|          | <i>Benefits type 1</i>                        |                               |                            |                         |                                      |                                      |                               |
|          | <i>Benefits type 2</i>                        |                               |                            |                         |                                      |                                      |                               |
|          | <i>Benefits type 3</i>                        |                               |                            |                         |                                      |                                      |                               |
|          | <i>Benefits type 4</i>                        |                               |                            |                         |                                      |                                      |                               |
|          | <i>Benefits type 5</i>                        |                               |                            |                         |                                      |                                      |                               |
|          | <i>Benefits type 6</i>                        |                               |                            |                         |                                      |                                      |                               |
| <b>I</b> | <b>Annual Total Remuneration</b>              | <b>234,327</b>                | <b>100.00%</b>             | <b>140.39%</b>          |                                      |                                      |                               |
| <b>J</b> | <b>Work Allowances for Position</b>           |                               |                            |                         |                                      |                                      |                               |
|          | <i>WAP type 1</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>WAP type 2</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>WAP type 3</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>WAP type 4</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>WAP type 5</i>                             |                               |                            |                         |                                      |                                      |                               |
|          | <i>WAP type 6</i>                             |                               |                            |                         |                                      |                                      |                               |
| <b>K</b> | <b>Employee Position Cost</b>                 | <b>236,104</b>                |                            |                         |                                      |                                      |                               |

Numbers are expressly not provided in the Insight Report and available in the full report.

### 7.2.1 Summary of Total Compensation, All Functions

The information presented in the tables above highlights that *Annual Base Salary makes up a greater share of Annual Total Remuneration at higher Job Levels than at lower Job Levels* – and therefore other compensation components (especially Personal Cash Allowances and Benefits) constitute a smaller share at higher Job Levels than at lower Job Levels.

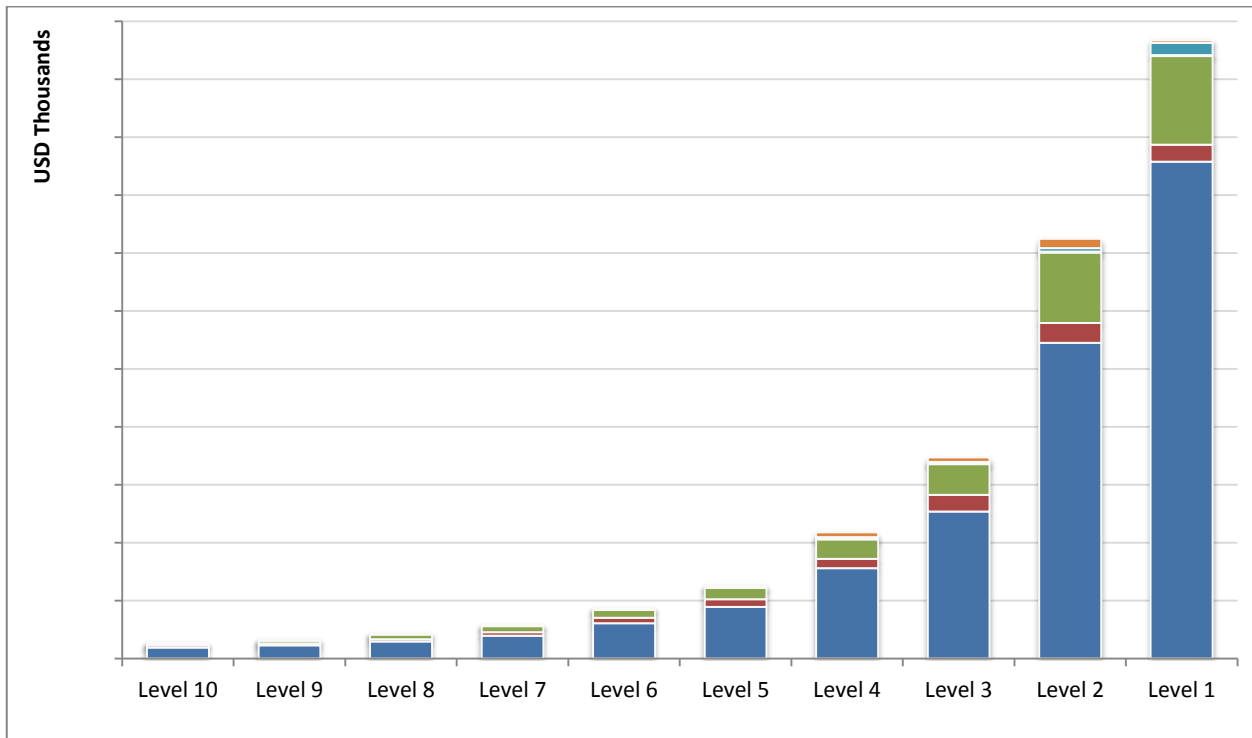
In particular, as a percentage of Annual Total Remuneration:

- **Base Salary** makes up ...
- **Personal Cash Allowances** make up ...
- **Variable Pay** makes up ...
- **Long-Term Incentive** ...
- **Benefits** make up ....

This information is summarized in the four figures on the next two pages.

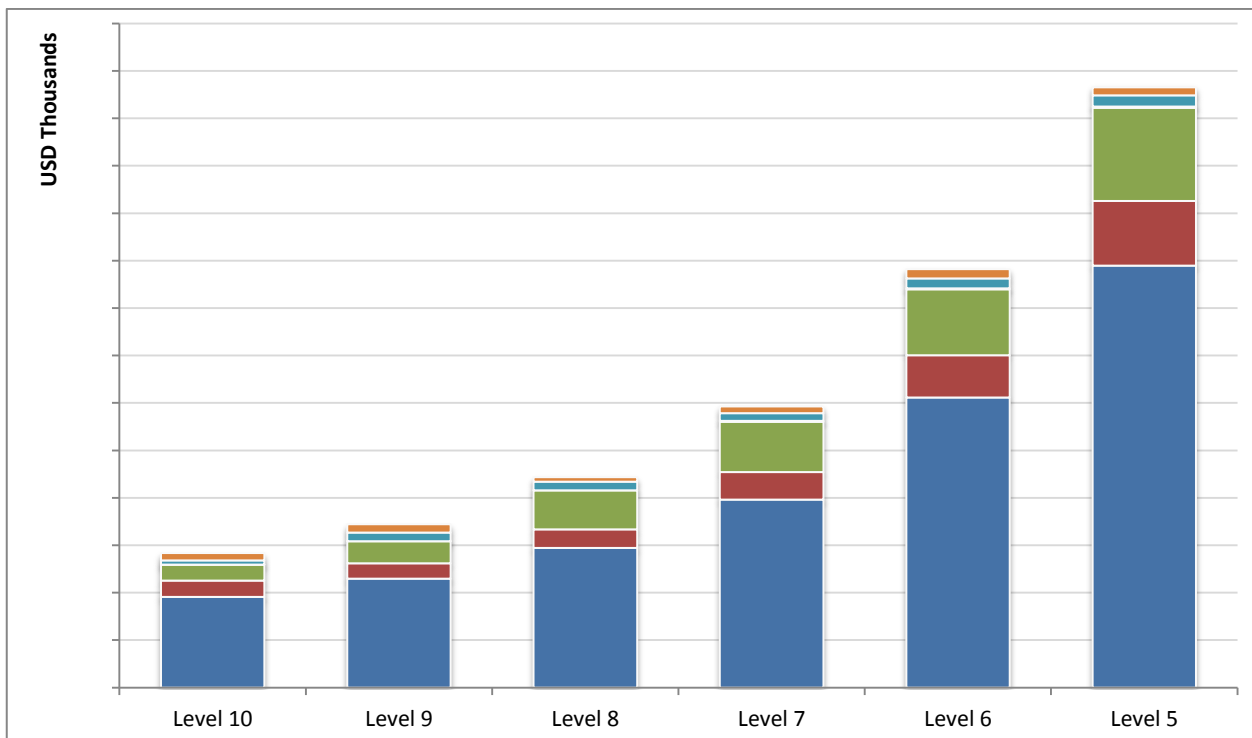
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Figure 16: Average Annual Employment Cost (including work allowances), All Levels (USD)



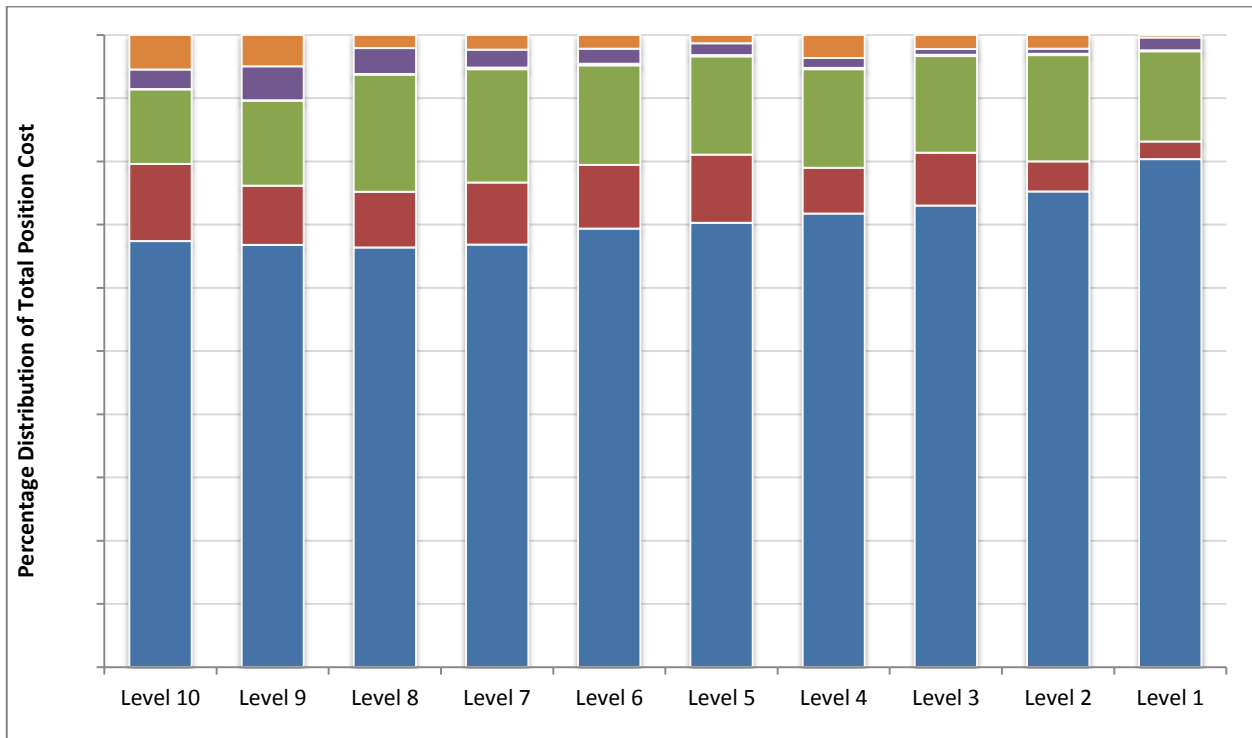
Axis and legend are expressly not provides in the Insight Report and available in the full report.

Figure 17: Average Annual Employment Cost (including work allowances), Level 10 to 5 (USD)



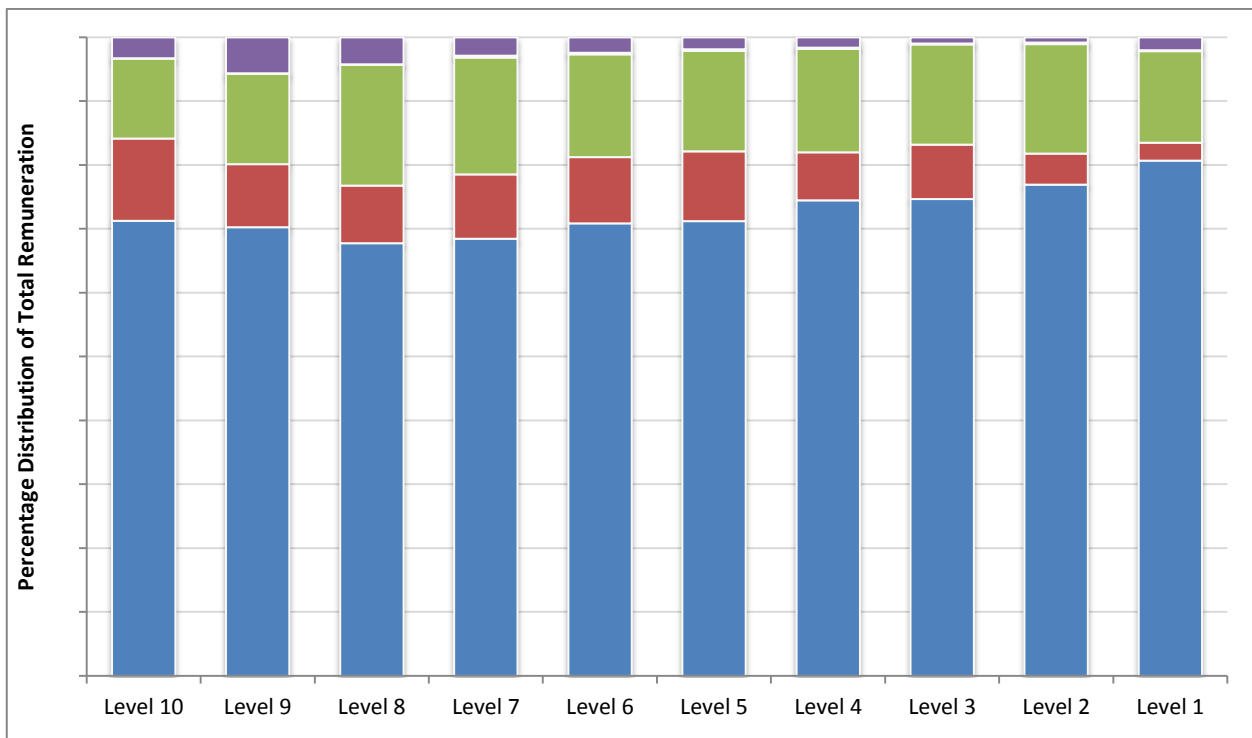
Axis and legend are expressly not provides in the Insight Report and available in the full report.

Figure 18: Distribution of Average Total Employment Cost (% of Total)



Axis and legend are expressly not provides in the Insight Report and available in the full report.

Figure 19: Distribution of Average Annual Total Remuneration (% of Total)



Axis and legend are expressly not provides in the Insight Report and available in the full report.

The total compensation tables above contain details of average amounts for each sub-component of total compensation (such as telephone and meals allowances within the broader Personal Cash Allowances component).

The figure below shows the size of these sub-components (other than Base Salary), expressed as a percentage of Annual Total Remuneration. The percentages are calculated as the average across all 10 Job Levels. (To identify percentages for each Job Level, refer to the tables and figures above.)

### 7.3 Total Compensation by Job Function

In this section, total compensation information is presented for each Job Function for *Cambodian staff only, excluding Expatriate staff*. The purpose is to highlight any differences in the structure of total compensation between job positions in different Job Functions.

*The information in these tables should be interpreted with some caution*, as amounts are based on general estimates provided by participating companies. In addition, differences in average compensation components between Functions may partly reflect different participant weightings in the Functions, rather than genuine differences in compensation provided to jobs in those Functions.

For this reason, total compensation is not broken down beyond Annual Total Cash (E), which comprises base salary, personal cash allowances and variable pay. In other words, compensation is presented as follows:

Annual Base Salary (A) + Personal Cash Allowances (B) = Annual Guaranteed Cash (C)

Annual Guaranteed Cash (C) + Variable Pay (D) = Annual Total Cash (E)

Results are not presented for the other components of total compensation (long-term Incentives, benefits or work allowances) because any differences between Functions in these components is more likely to reflect different participant weightings, rather than genuine differences in compensation practices between Functions.

Disaggregated data by Function is not presented for split Levels (A & B) due to limited data.

The information is presented in the **three tables spanning the following pages**. In the following tables, percentages **highlighted in blue** mean that, for that Job Function, the component's share of Annual Total Cash is significantly higher (at least 5% higher) than the average share across all Job Functions. Percentages **highlighted in red** means that the component's share of Annual Total Cash is significantly lower than the average share across all Job Functions.

Table 18: Average Annual Total Compensation: Different Functions (example Data)

| KESAR Level | Total Compensation Component GROSS in USD | Function A     |                     |                     | Function B |                     |                     | Function C |                     |                     | Function D |                     |                     | Function E |                     |                     |
|-------------|---|----------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|
|             |   | Average        | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide |
| 1           | Annual Base Salary (A)                    | 164,185        | 73%                 | 4                   |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              | 19,135         | 9%                  | 4                   |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                | 183,320        | 82%                 | 4                   |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          | 41,480         | 18%                 | 4                   |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              | <b>224,800</b> | <b>100%</b>         | <b>4</b>            |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 2           | Annual Base Salary (A)                    |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 3           | Annual Base Salary (A)                    |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 4           | Annual Base Salary (A)                    |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 5           | Annual Base Salary (A)                    |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |                |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |



| KESAR Level | Total Compensation Component GROSS in USD | Function A |                     |                     | Function B |                     |                     | Function C |                     |                     | Function D |                     |                     | Function E |                     |                     |
|-------------|---|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|
|             |   | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide |
|             | Annual Guaranteed Cash (C)                |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 6           | Annual Base Salary (A)                    |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 7           | Annual Base Salary (A)                    |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 8           | Annual Base Salary (A)                    |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
| 9           | Annual Base Salary (A)                    |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |

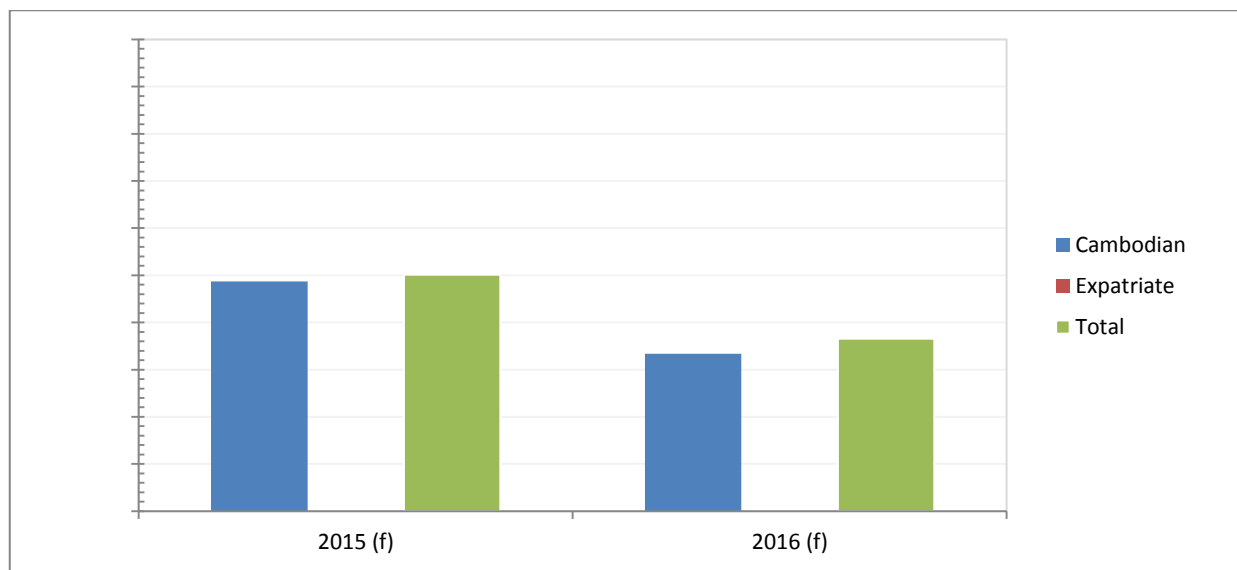
| KESAR Level | Total Compensation Component GROSS in USD | Function A |                     |                     | Function B |                     |                     | Function C |                     |                     | Function D |                     |                     | Function E |                     |                     |
|-------------|---|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|------------|---------------------|---------------------|
|             |   | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide | Average    | % Annual Total Cash | # Comp. Who Provide |
| 10          | Annual Base Salary (A)                    |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Personal Cash Allowances (B)              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Annual Guaranteed Cash (C)                |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | Variable Pay (D)                          |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |
|             | <b>Annual Total Cash (E)</b>              |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |            |                     |                     |

Numbers are expressly not provides in the Insight Report and available in the full report.

## 8 HR Practices and Challenges

### 8.1 Staff numbers (changes in employment)

Figure 20: Expected increase in permanent staff, participant median



Axis's number are expressly not provides in the Insight Report and available in the full report.

### 8.2 Variable Pay

The detail in this section can be found in the full report of private sector 2015-16.

### 8.3 Salary increases

The detail in this section can be found in the full report of private sector 2015-16.

### 8.4 Recruitment Challenges

Participants were asked about their general perceptions of the Cambodian labour market, in terms of the size of the talent pool, the quality of the talent pool, and the main recruitment challenges. The results are presented in the figures in the following page. The main conclusions are:

- **Size of the talent pool:**
- **Quality of the talent pool:**
- **Main recruitment challenges:**

When it comes to recruitment top talent, .....

Respondents experience different **recruitment challenges** for different types of staff....

**Job Functions difficult to recruit for:**

**Time taken to recruit:**

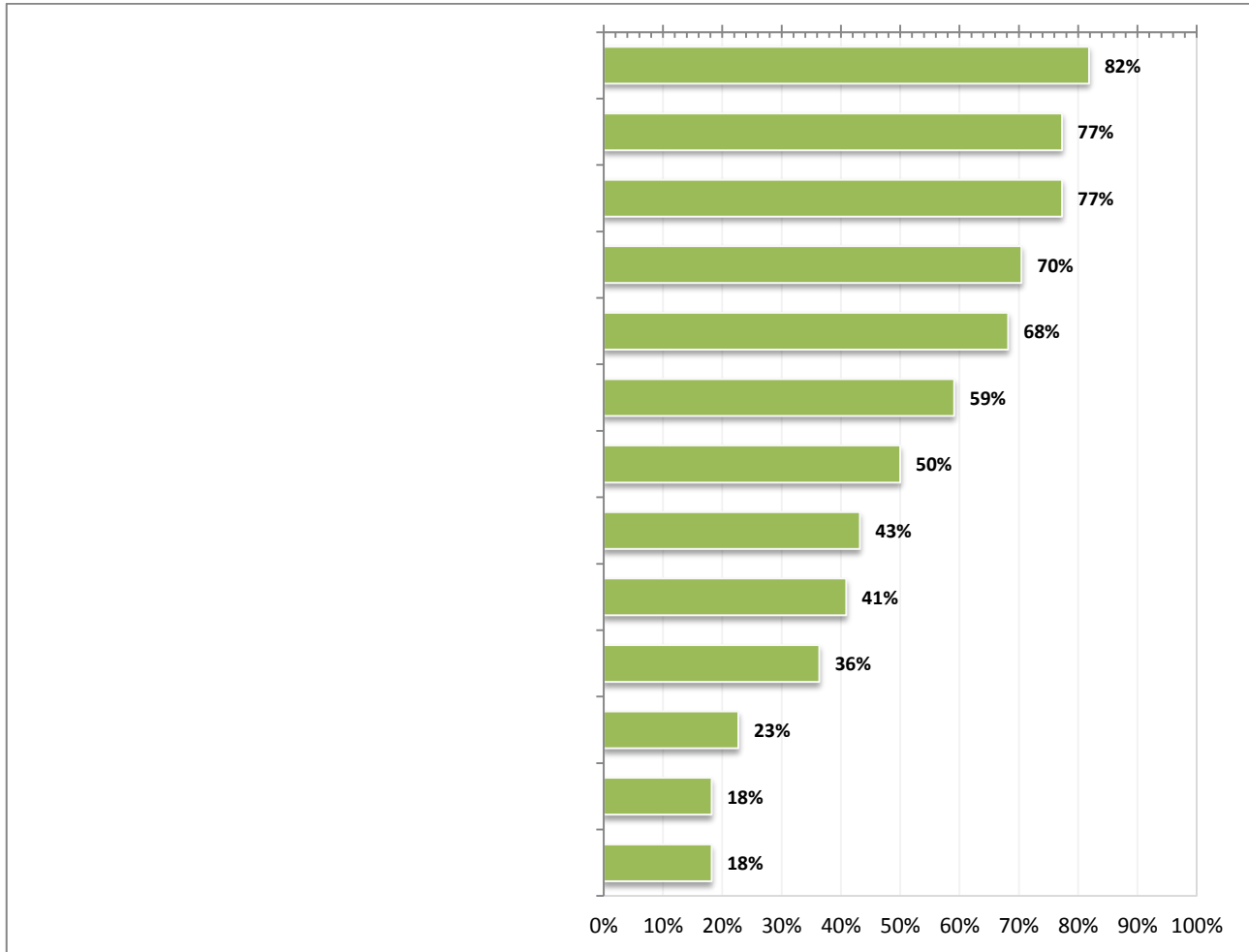
#### 8.4.1 Staff turnover and time taken to recruit

The detail in this section can be found in the full report of private sector 2015-16.

### 8.5 Emerging Innovative HR practices

The figure below summarises the provision of other emerging and innovative HR practices by participants.

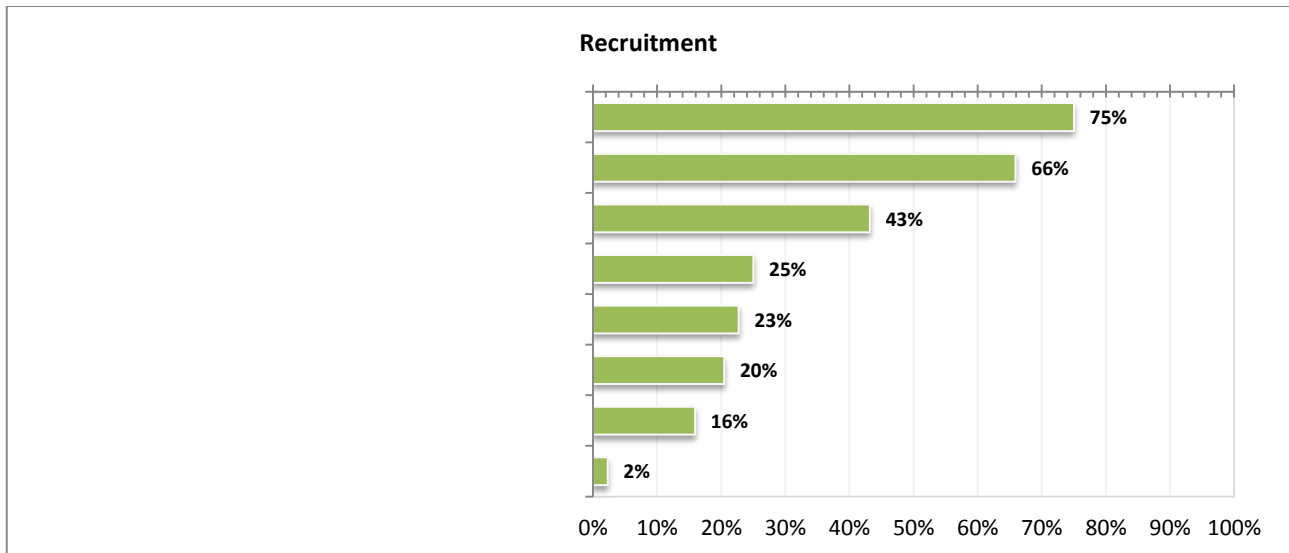
Figure 21: Emerging innovative HR practices, % of respondents



Legends are expressly not provided in the Insight Report and available in the full report.

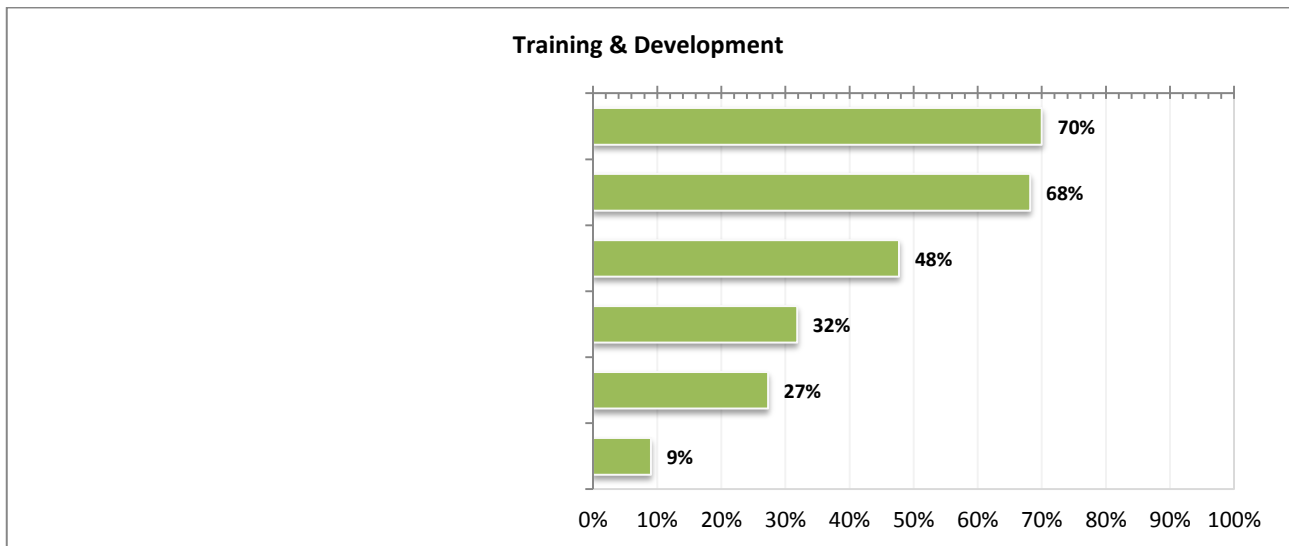
### 8.6 Top emerging challenges for HR Managers in 2016

Figure 22: Emerging HR Challenges: Recruitment



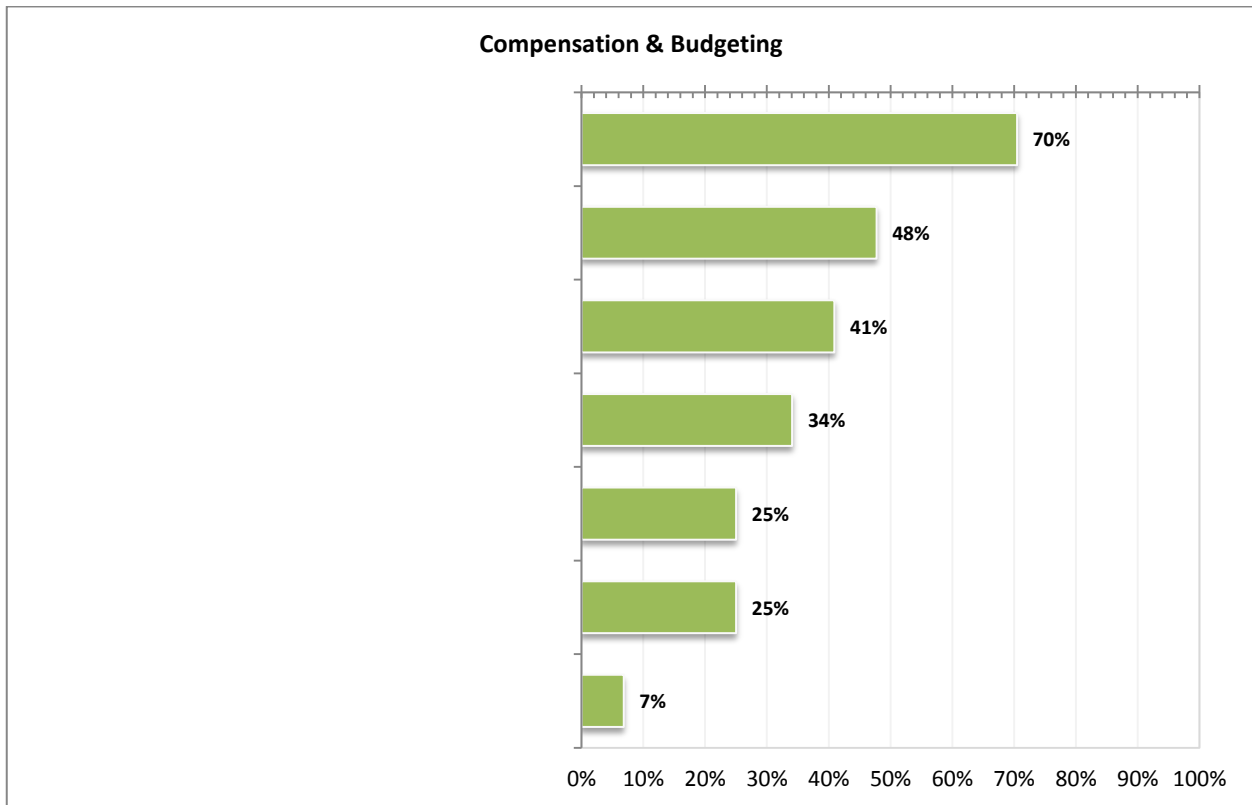
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Figure 23: Emerging HR Challenges: Training and Development



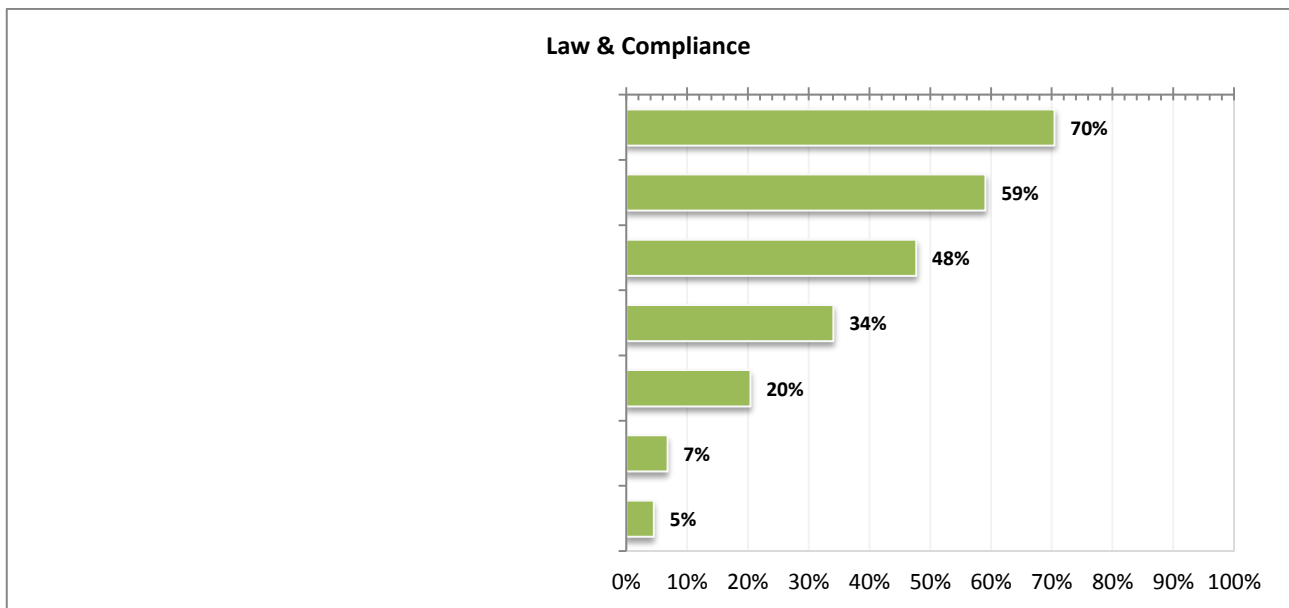
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Figure 24: Emerging HR Challenges: Compensation and Budgeting



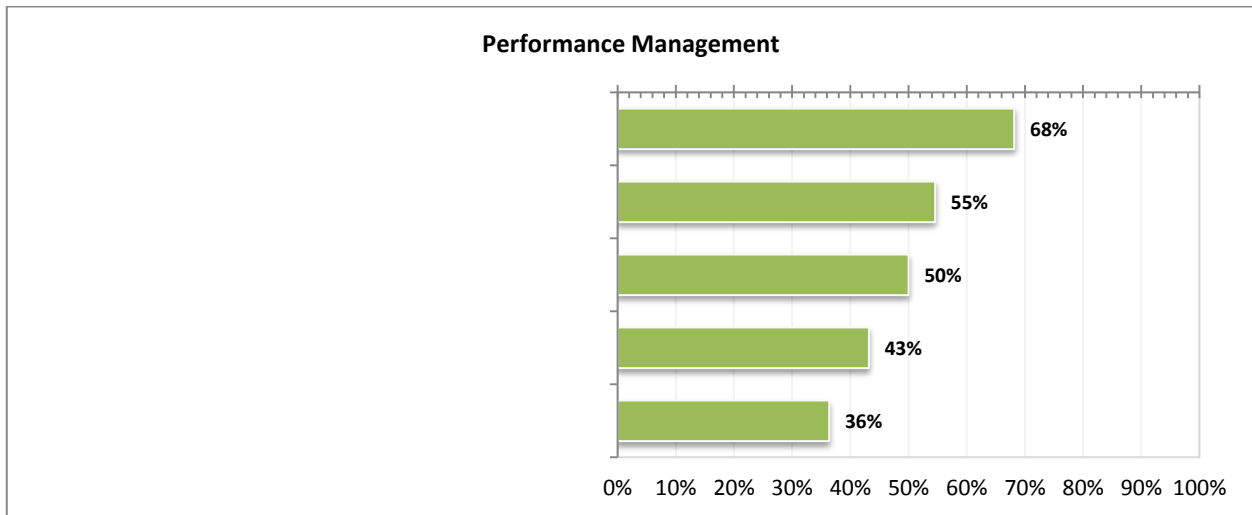
Legends are expressly not provides in the Insight Report and available in the full report.

Figure 25: Emerging HR Challenges: Law and Compliance



Legends are expressly not provides in the Insight Report and available in the full report.

Figure 26: Emerging HR Challenges: Performance Management



Legends are expressly not provides in the Insight Report and available in the full report.



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## Appendices

### Terminology & HR Dictionary for Statistics

Table 19: List of terminology and descriptions

| Term                        | Description   |
|-----------------------------|---|
| <b>10th percentile</b>      | The data point (=salary) that is higher than 10% of all other data in the sample when ranked from low to high.  |
| <b>13th Month Cheque</b>    | Additional month of salary provided to staff at a specific time of the year. It is not an incentive bonus for performance but forms an integral part of the salary package.   |
| <b>25th percentile</b>      | The data point that is higher than 25% of all other data in the sample when ranked from low to high. This is also referred to as the first quartile (Q1)  |
| <b>75th percentile</b>      | The data point (=salary) that is higher than 75% of all other data in the sample when ranked from low to high. This is also referred to as the third quartile (Q3)  |
| <b>90th percentile</b>      | The data point (=salary) that is higher than 90% of all other data in the sample when ranked from low to high.  |
| <b>Average (Mean)</b>       | The sum of all data (salaries) reported divided by the number of observations in the sample. This is also referred to as the Mean.  |
| <b>Box Plots</b>            | Graphic which contains information about the range of salaries reported per job level.  |
| <b>Data Point</b>           | A single data observation. Each data point refers to one employee's salary.   |
| <b>KESAR Methodology</b>    | Job analysis methodology developed by HRINC which is based on five main criteria : Knowledge, Environment, Skills, Attitude and Responsibility  |
| <b>Labour Turnover</b>      | The percentage of employees who leave the company during the year. It is calculated as: Number of leavers during the year divided by Average number of employees during the year, expressed as a percentage.                              |
| <b>Mean (Average)</b>       | The sum of all data (salaries) reported divided by the number of observations in the sample. This is also referred to as the average  |
| <b>Median</b>               | That data point (salary level) that is higher than 50% of all other data in the sample when ranked from low to high. In other words, it is the salary level that is ranked in the middle. This is also referred to as the 50th percentile |
| <b>Respondent Companies</b> | Companies that responded to specific questions in the survey questionnaire.   |

## Participating Companies

Table 20: List of Participating Companies

| #  | Companies Name   | Sector  |
|----|--|---|
| 1  | Aprati Foods (Cambodia) Ltd  | Automotive, Construction & Manufacturing            |
| 2  | British American Tobacco (Cambodia) Limited                                      | Automotive, Construction & Manufacturing            |
| 3  | Cambodia Beverage Company Ltd  | Automotive, Construction & Manufacturing            |
| 4  | Comin Khmere Co., Ltd  | Automotive, Construction & Manufacturing            |
| 5  | Denso  | Automotive, Construction & Manufacturing            |
| 6  | Kampot Cement Co., Ltd   | Automotive, Construction & Manufacturing            |
| 7  | Mitsu  | Automotive, Construction & Manufacturing            |
| 8  | NCX ( Honda)   | Automotive, Construction & Manufacturing            |
| 9  | Pharma Product Manufacturing   | Automotive, Construction & Manufacturing            |
| 10 | Yamato   | Automotive, Construction & Manufacturing            |
| 11 | ACLEDA   | Financial and Professional Services                 |
| 12 | ANZ Royal Bank   | Financial and Professional Services                 |
| 13 | APV (Cambodia) Co., Ltd  | Financial and Professional Services                 |
| 14 | Cathay United Bank (Cambodia) Co., Ltd.  | Financial and Professional Services                 |
| 15 | Cambodia Commercial Bank   | Financial and Professional Services                 |
| 16 | CIMB Bank Plc  | Financial and Professional Services                 |
| 17 | Hong Leong Bank (Cambodia) Plc.  | Financial and Professional Services                 |
| 18 | Maruhan Japan Bank   | Financial and Professional Services                 |
| 19 | Maybank  | Financial and Professional Services                 |
| 20 | PEAK Cambodia DMC  | Financial and Professional Services                 |
| 21 | Phillip Bank Plc   | Financial and Professional Services                 |
| 22 | Phnom Penh SEZ Co., LTd  | Financial and Professional Services                 |
| 23 | RHB  | Financial and Professional Services                 |
| 24 | (Cambodia) Power Transmission Lines Co., Ltd.                                    | Telecom, Trade, Distribution, Transport & Logistics |
| 25 | Alliance Pharma Cambodge   | Telecom, Trade, Distribution, Transport & Logistics |
| 26 | Bayer (Cambodia) Co., Ltd.   | Telecom, Trade, Distribution, Transport & Logistics |
| 27 | C.Melchers GmbH & Co. KG( Cambodia)  | Telecom, Trade, Distribution, Transport & Logistics |
| 28 | CamGSM Co., Ltd  | Telecom, Trade, Distribution, Transport & Logistics |
| 29 | Damco (Cambodia) Ltd   | Telecom, Trade, Distribution, Transport & Logistics |
| 30 | Group of Worldbridge Companies   | Telecom, Trade, Distribution, Transport & Logistics |
| 31 | Herbalife (Cambodia) Co., Ltd.   | Telecom, Trade, Distribution, Transport & Logistics |
| 32 | Huawei Technologies (Cambodia) Co., Ltd  | Telecom, Trade, Distribution, Transport & Logistics |
| 33 | Jotun (Cambodia) Ltd   | Telecom, Trade, Distribution, Transport & Logistics |
| 34 | (JTI) Representative Office of JT International Tobacco Services (Singapore) Ltd | Telecom, Trade, Distribution, Transport & Logistics |
| 35 | Mearsk (Cambodia) Limited  | Telecom, Trade, Distribution, Transport & Logistics |

| #  | Companies Name                      | Sector  |
|----|-------------------------------------|---|
| 36 | Mega Lifesciences Pty Ltd           | Telecom, Trade, Distribution, Transport & Logistics |
| 37 | OOCL (Cambodia) Limited             | Telecom, Trade, Distribution, Transport & Logistics |
| 38 | RMA Group                           | Telecom, Trade, Distribution, Transport & Logistics |
| 39 | Royal Cambodian Limousine Service   | Telecom, Trade, Distribution, Transport & Logistics |
| 40 | Sanofi Cambodia Co., Ltd            | Telecom, Trade, Distribution, Transport & Logistics |
| 41 | Smart Axiata Co.,Ltd.               | Telecom, Trade, Distribution, Transport & Logistics |
| 42 | Total Cambodge                      | Telecom, Trade, Distribution, Transport & Logistics |
| 43 | Wuerth (Cambodia) Ltd.              | Telecom, Trade, Distribution, Transport & Logistics |
| 44 | Yusen Logistics (Cambodia) Co.,Ltd. | Telecom, Trade, Distribution, Transport & Logistics |

## 2016 Public holiday schedule

Table 21: Public Holiday Schedule for 2016

| No. | Day       | Date   | Holiday   | 5 day work week | 5.5 or 6 day working week      |
|-----|-----------|--------|---|-----------------|--------------------------------|
| 1   | Friday    | 1-Jan  | International New Year Day                        |                 |                                |
| 2   | Thursday  | 7-Jan  | Victory over Genocide Day                         |                 |                                |
| 3   | Monday    | 22-Feb | Meak Bochea Day                                   |                 |                                |
| 4   | Tuesday   | 8-Mar  | International Women's Day                         |                 |                                |
| 5   | Wednesday | 13-Apr | Khmer New Year Day                                |                 |                                |
| 6   | Thursday  | 14-Apr | Khmer New Year Day                                |                 |                                |
| 7   | Friday    | 15-Apr | Khmer New Year Day                                |                 |                                |
| 8   | Saturday  | 16-Apr | Khmer New Year Day                                |                 | <i>lose a productivity day</i> |
| 9   | Sunday    | 1-May  | International Labor Day                           | 1               | 1                              |
| 10  | Saturday  | 13-May | King Norodom Sihamoni's Birth Day                 |                 | <i>lose a productivity day</i> |
| 11  | Sunday    | 14-May | King Norodom Sihamoni's Birth Day                 | 1               | 1                              |
| 12  | Monday    | 15-May | King Norodom Sihamoni's Birth Day                 |                 |                                |
| 13  | Saturday  | 20-May | Visak Bochea Day                                  |                 | <i>lose a productivity day</i> |
| 14  | Tuesday   | 24-May | Royal Plowing Ceremony Day                        |                 |                                |
| 15  | Wednesday | 1-Jun  | International Children Day                        |                 |                                |
| 16  | Monday    | 18-Jun | Queen Norodom Monineath Sihanouk's Birth Day      |                 |                                |
| 17  | Saturday  | 24-Sep | Constitutional day                                |                 | <i>lose a productivity day</i> |
| 18  | Friday    | 30-Sep | Pchum Ben Day                                     |                 |                                |
| 19  | Saturday  | 1-Oct  | Pchum Ben Day                                     |                 | <i>lose a productivity day</i> |
| 20  | Sunday    | 2-Oct  | Pchum Ben Day                                     | 1               | 1                              |
| 21  | Saturday  | 15-Oct | Commemoration Day of Former King Norodom Sihanouk |                 | <i>lose a productivity day</i> |
| 22  | Sunday    | 23-Oct | Anniversary of the Paris Peace Accord             | 1               | 1                              |
| 23  | Saturday  | 29-Oct | King Norodom Sihamoni's Coronation Day            |                 | <i>lose a productivity day</i> |
| 24  | Wednesday | 9-Nov  | Independent Day                                   |                 |                                |
| 25  | Thursday  | 13-Nov | Water Festival                                    |                 |                                |
| 26  | Friday    | 14-Nov | Water Festival                                    |                 |                                |
| 27  | Saturday  | 15-Nov | Water Festival                                    |                 | <i>lose a productivity day</i> |
| 28  | Saturday  | 10-Dec | International Human Rights Day                    |                 | <i>lose a productivity day</i> |

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