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

CAMBODIA ANNUAL PRIVATE SECTOR COMPENSATION SURVEY 2016-2017 INSIGHTS

COMPENSATION STRATEGY & COMPONENTS

GROWTH & DIVERSIFICATION

PROFITABILITY & SUSTAINABILITY

ENGAGEMENT & RETENTION

ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROWTH
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE
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Insights Report

An overview of data and data presentation of HRINC Private Sector Compensation Surveys.

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Surveys available in 2016-17

1   Surveys available in 2016-17

1.1   Industry Specific Reports

Banking and Financial Services**[1]

Descriptive: Multinational, international and large local banks as well as financial services providers. Data presented in the specific functions for the Financial Services Sector. Basic salary and total compensation is presented separately between Phnom Penh and Province. Highly representative of Banking and Financial Services Sector

 # Employees Represented: **17,763**

 # Job Functions: **14**

Shipping and Logistics**

Descriptive: Multinational shipping and logistics companies. Industry job specific classifications. It includes Phnom Penh and Provincial data

 # Employees Represented: **324**

 # Job Functions: **8**

Education and Professional Services **

Descriptive: Big and median size education and professional services sector including multinational and large local companies. Small dataset but comprehensive result to understand about the trend of the sector. It includes Phnom Penh and Provincial data

 # Employees Represented: **867**

 # Job Functions: **8**

Telecommunication and ISP providers**

Descriptive: Participants are multinational and standard local telecommunication and ISP companies sector. Includes Phnom Penh and Provincial data and is highly representative of the telco sector.

 # Employees Represented: **1,861**

 # Job Functions: **8**

Manufacturing and Industrial Services **

Descriptive: International and standard companies participated. Data is presented for the specific job functions. It includes Phnom Penh and Provincial data

 # Employees Represented: **2,261**

 # Job Functions: **10**

Automotive, Trade and Distribution **

Descriptive: Mostly are multinational and large local and standardised companies. Big dataset to be analysed and the data is available to present for the industry job specific classifications. It includes Phnom Penh and Provincial data. Representative of the sector.

 # Employees Represented: **2,248**

 # Job Functions: **9**

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[1] Surveys marked with a ** are consolidated into the annual private sector compensation review

Microfinance Sector

Descriptive: Third edition for MFI sector compensation survey. Big MFI participated the survey and highly representative of the sector. Data presented are very comprehensive. New development and advanced report and it makes readers to be easy to understand and take a lot advantages from the report to do the benchmarking. It includes Phnom Penh and Provincial data

 # Employees Represented: **More than 10,000**

 # Job Functions: **14**

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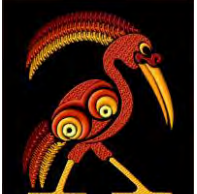
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Highlights of the Survey

2   Highlights of the Survey

Around **25,500** employees represented across **14** Job Functions and **10** Job Levels

Figure 1: Sample distribution by Job Function

Figure 2: Sample distribution by Level
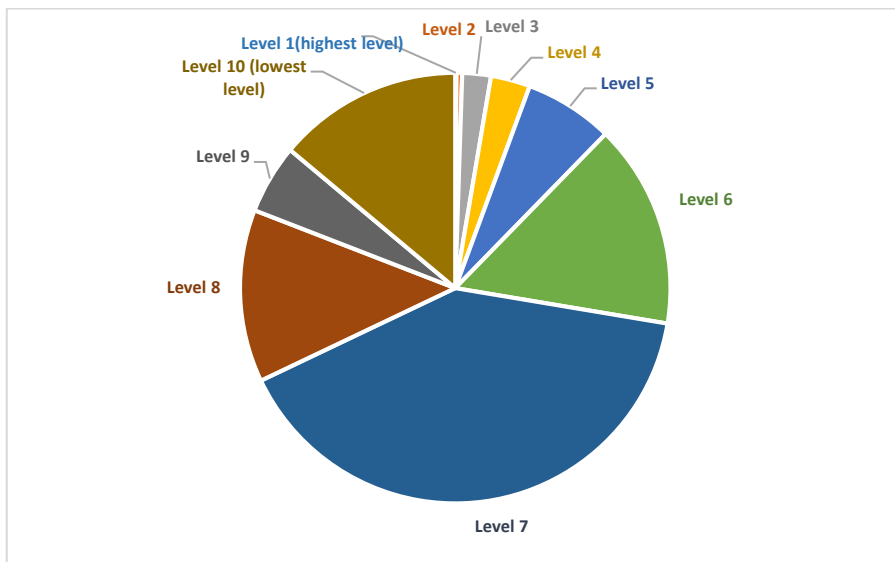
2.1   Best paying jobs

The table below compares the median Gross Monthly Salary paid at each Job Level across each Job Function[2]. 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 Function 9 tend to *pay above* the overall market in many job levels.

---

[2] 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 5 for a full explanation of the methodology.

- Job Function 1 tend to *pay below* the overall market in many job levels.

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

KESAR Level	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	Function 14
Level 1	--	--	--	--	--	--	--	--	--	--	--	--	0%	8%
Level 2	-8%	--	--	--	-19%	--	--	17%	29%	--	--	0%	5%	--
Level 3	-4%	--	36%	27%	16%	11%	29%	7%	4%	10%	2%	-16%	--	--
Level 4	-15%	--	9%	16%	7%	-8%	43%	27%	13%	0%	--	-2%	--	--
Level 5	-2%	--	0%	-9%	12%	1%	2%	3%	5%	7%	8%	-3%	--	--
Level 6	1%	--	-5%	3%	5%	-1%	3%	0%	16%	0%	12%	1%	--	--
Level 7	9%	3%	-18%	-9%	23%	0%	3%	0%	20%	-12%	1%	0%	--	--
Level 8	3%	8%	-14%	-5%	--	16%	--	3%	20%	0%	31%	8%	--	--
Level 9	-13%	3%	--	--	--	--	--	--	-8%	-10%	--	--	--	--
Level 10	--	0%	--	--	--	--	--	--	0%	-11%	--	--	--	--

Source: HRINC Annual Private Sector Compensation Review (2016-17)

2.2 Best paying sectors

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

1. Automotive, Trade and Distribution
2. Banking and Financial Service
3. Education and Professional Service
4. Manufacturing and Industrial Service
5. Shipping and Logistics
6. Telecommunication.

The table on the next page compares the median Gross Monthly Salary paid at each Job Level across these six 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. Percentage 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:

- Sector 3 tend to pay below the overall market for almost levels.
- Sector 1, sector 5 and sector 6 tend to pay above the overall market for management level.

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

KESAR Level	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6
Level 1	--	5%	--	--	--	--
Level 2	--	-3%	--	20%	--	--
Level 3	1%	-14%	-12%	-20%	24%	40%
Level 4	9%	-8%	-20%	6%	25%	30%
Level 5	10%	-4%	3%	-9%	15%	15%
Level 6	6%	1%	2%	-21%	-5%	-2%
Level 7	-4%	3%	8%	1%	-6%	-37%
Level 8	43%	3%	-31%	3%	--	-13%
Level 9	14%	5%	-28%	3%	--	4%
Level 10	-11%	0%	-18%	--	--	-25%

Source: HRINC Annual Private Sector Compensation Review (2016-17)

2.3   How much do salaries differ from one level to the next?

Cambodia has a minimum wage that covers the exporting garment, textile and footwear sector. In 2017, wages increased from 140 dollars per month to 153 dollars per month, a 9.3 percent increase excluding mandatory allowances and productivity and variable pay.

Trends in wage increases from one level to the next remain pronounced given that wages start of a low base. It is important that HR professionals and business managers use trend lines to create a smooth salary progression within the company, and remember to allow for flexibility to continue to manage skills shortages in the market.

The figure below shows the median Gross Monthly Salary for each Job Level, combined across all Job Functions. It also shows the percentage increase from one Job Level to the next (from Level 10 upwards). It highlights that median salaries generally rise from one job level to the next, especially at more senior job levels.

Figure 3: Median Gross Monthly Salary – by Level, across All Functions
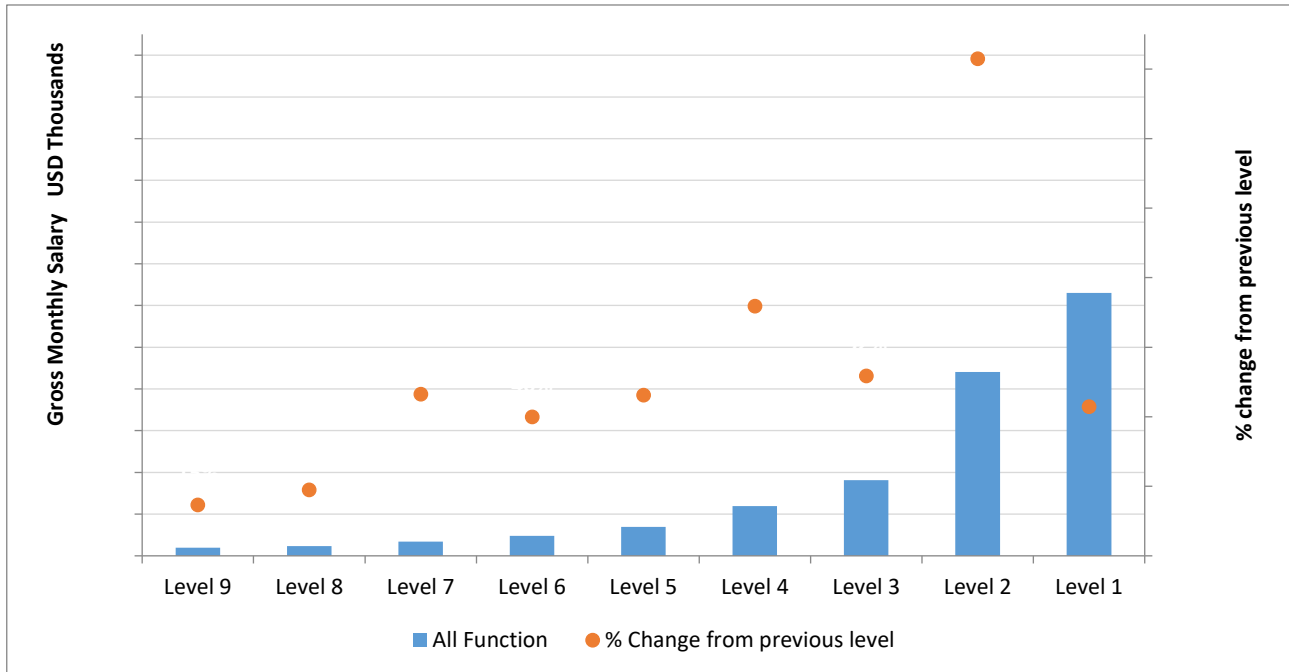
Source: HRINC Annual Private Sector Compensation Review (2016-17)

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

2.4   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, actual amount received**:

- **Base Salary** make up from around ….
- **Personal Cash Allowance** make up around ….
- **Variable Pay** make up from ….
- **Long Term Incentive** make up from around ….
- **Benefits** make up from ….

In summary, the survey results show in full report.

Figure 4: Total Compensation sub-components, % Annual Total Remuneration, and average across all Job Levels
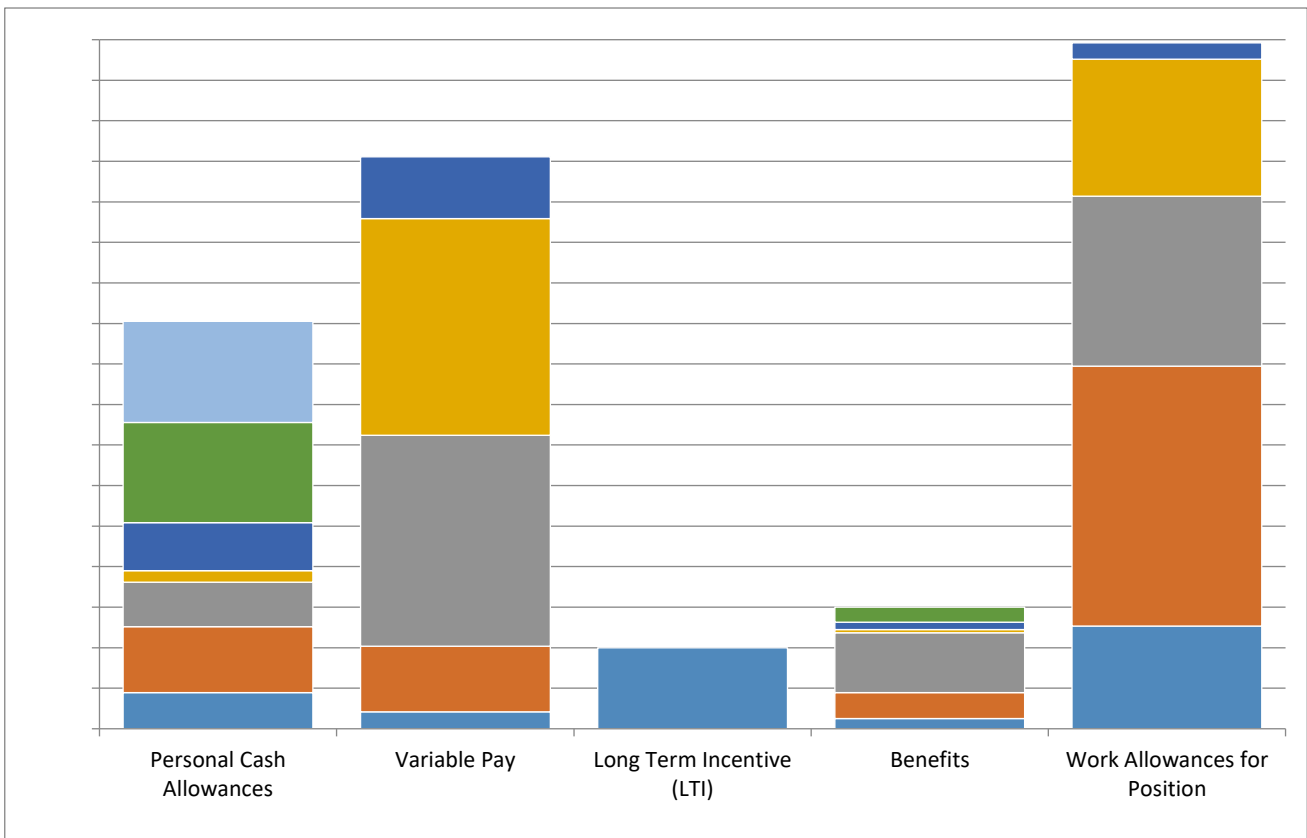
Source: HRINC Annual Private Sector Compensation Review (2016-17)

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

2.5 Recruitment Challenges and Staff Turnover

The Annual Private Sector Compensation review reflects on recruitment challenges and shows that **many of respondents feel the size of the talent pool is shrinking for management, but expanding for non-management – which include experienced professional, entry level, semi-skilled and unskilled workers**. The majority of respondents satisfy with the quality of the talent pool of Management level, of experienced professional and of entry level (university graduated). But they don't satisfy with the quality of the talent pool of semi-skilled & skilled work and of unskilled 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.

2.6 Workforce profile and changes in employment

Participants were asked to provide estimates of their permanent headcount as well as their temporary/intermittent headcount for the three years ending December 2015, 2016 (forecast) and 2017 (forecast).

In summary, the survey results show in full report.

2.7 Salary increments

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

2.8 Comparing salaries from 2015-16 and 2016-17 reports

This sector presents the salaries comparison by each functions from 2015-16 and 2016-17 survey reports. The two samples contain different participants. The 2015-16 survey had 44 participants while the 2016-17 survey has 49 participants (31 of whom also participated last year).

For each of the 31 companies' common to both surveys, we look at their average salary at each Job Level and Job Function in both surveys, and then calculate that company's percentage change from one year to the next.

The detail information can be found in the full report of the private sector compensation survey 2016-17.

Profile of Participating Companies

3   Profile of Participating Companies

This chapter analyses the characteristics of the survey sample, in terms of:

- Number of **participant companies**
- **Sectors** in which the survey participants operate
- Total number of positions surveyed (**data points**)
- **Size** of survey participants (in terms of employee numbers)
- **Types of enterprises**
- **Company turnover size**.

The table below provides an overall summary of the size of the survey samples from 2014-15 through to 2016-17. 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: 2014-15 to 2016-17

	2014-15	**2015-16**	**2016-17**
Number of participant companies	40	44	49
Total employees represented (Total data points)	8,561	12,372	25,324
Total number of clean data points	7,798	10,747	17,617

** 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 119 data points in totals.

The 2016-17 samples of 17,617 data points including expatriate staff after cleaning. The salary tables presented in the compensation report represent 17,498 Cambodian employees and 119 expatriates.

In this year's survey, the banking sector came together and a **Cambodia Financial Services Compensation Review** will also be published which include with all the big MFIs.

Of the 49 participants in this year's sample, 31 also participated in last year's survey and 18 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.

In the section that follows, detailed characteristics of the 2016-17 samples are compared with those of the 2015-16 samples. This highlights how the two samples differ, which will assist readers in interpreting differences in salary and total compensation information between the two surveys.

The private sector report classifies participating companies into 6 sectors classification as the following which is more sector than last year survey (3 sector classifications):

1. Automotive, Trade and Distribution
2. Banking and Financial Service
3. Education and Professional Service
4. Manufacturing and Industrial Service
5. Shipping and Logistics
6. Telecommunication.

Methodology and Report Interpretation

4.1   Methodology

4.1.1   Job Analysis & KESAR Methodology

The survey is based on HRINC's KESAR analysis[3], 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).

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 annual total cash tables for each Job Function in section 5.1 are accompanied by a table 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 and 6, 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 or 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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[3] "KESAR" stands for Knowledge, Environment, Skills & Aptitude and Responsibility.

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
A	**Annual Base Salary**	**Gross base salary received by employee each month (annualised)**
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.) Examples of personal cash allowances provided on a monthly basis include telephone usage, meals, accommodation, transportation, medical cash allowance and children/family support allowance.
A+B=C	**Annual Guaranteed Cash**	
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 13th month cheque, and attendance bonus.
C+D=E	**Annual Total Cash**	
F	**Long Term Incentives (LTI)**	Found in selected sectors like MFI sector - long term savings schemes, company shares or ownership.
E+F=G	**Annual Total Cash + LTI**	
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. 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).
G+H=I	**Annual Total Remuneration**	
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. 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).
I+J=K	**Employee Position Cost**	

4.1.3 Confidentiality and 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: [4]

- 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 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.

The same as every year, we present the salary data differently between local and expat staff. As a result of this data cleaning for local staff, the number of cleaned data points used in the salary and compensation analysis (17,498) is lower than the number of raw data points provided by participant (25,324). Nevertheless, these 17,498 cleaned data points still accurately represent the full range of salaries for the 25,324. Please note that, the data point's analysis include the provincial branch from the banking sector.

The total data points of expat staff is 119.

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

Average (or Mean)	The sum of all data (salaries) reported divided by the number of observations in the sample.
10th Percentile	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.
25th Percentile	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).
Median	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.
75th Percentile	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.
90th Percentile	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.
No. of Data Points	The number of actual data points across different companies whose data has been collected for the corresponding position.
No. of Companies	The number of companies who have contributed data for the particular position.

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[4] "Job position" refers to a particular Job Level in a particular Job Function (eg. Level 5 Accounting & Finance).

4.2.2   Interpreting tables

4.2.2.1   Monthly Salary tables

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

- 10th percentile means 10% of data points are below that point. For example, in level 5, the 10th percentile (10th 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 90th 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, 10th P shows the 'lower end' of salaries paid for that job and 90th P shows the 'higher end' of salaries paid for that same job.

Table 6: Interpreting Monthly Salary Data Tables (Example Data)

KESAR Level	10th P	25th P	Median	75th P	90th P	Average	# 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

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4.2.2.2 *Annual Total Cash tables*

The table below gives percentiles, median and average of a hypothetical set of annual total cash data received expressed in dollars. On the top of each tables, readers can find the description of jobs contained in each level (in terms of common job titles, minimum education requirement, minimum year of experience requirement and typical responsibilities and duties). This will help readers to interpret the total cash table, the monthly base salary tables as well as the total compensation tables in Chapter 7.

Table 7: Interpreting Gross Annual Total Cash Data Tables (Example Data _ Sales Function)

Generic Position Title: Sales Representative, Sales Administrator, Assistant Sales Supervisor
KESAR Level: Level 7
Required min. education: Depends on Job Function
Required min. experience: 1-2 years
Typical responsibilities & duties: • Perform routine sales duties that require knowledge & skill but only limited judgement • Receive orders, queries or complaints from clients • Ensure products are delivered to client as agreed • Handle documentation related to a sale • The supervisor gives the objectives and the terms: the employee plans the tasks

KESAR Level 7 *Sales Representative, Sales Administrator, Assistant Sales Supervisor*	**10thP**	**25thP**	**Median**	**75thP**	**90thP**	**Average**	**# data point**	**# Company**
Annual Total Cash for Cambodian Staff								
Base salary (A)	**2,580**	**3,000**	**4,080**	**4,464**	**5,220**	**3,883**	**2,616**	**29**
Personal Cash Allowances (B)	**1,200**	**1,465**	**1,854**	**2,042**	**2,336**	**1,843**	**2,109**	**21**
Cash Allowance 1	60	60	120	120	300	140	620	11
Cash Allowance 2	324	324	480	480	480	441	464	8
Cash Allowance 3	--	--	--	--	--	206	98	3
Cash Allowance 4	--	--	--	--	--	--	--	1
Cash Allowance 5	--	--	--	--	--	--	--	1
Cash Allowance 6	480	552	720	720	828	665	559	13
Cash Allowance 7	--	--	54	--	--	57	1,296	4
Annual Guaranteed Cash (C=A+B)	**3,780**	**4,465**	**5,934**	**6,506**	**7,556**	**5,726**	**2,616**	29
Variable Pay (D)	**1,630**	**2,031**	**2,524**	**3,859**	**6,072**	**3,588**	**2,459**	**27**
Variable Pay 1	--	--	--	--	--	--	--	2
Variable Pay 2	243	280	347	393	442	348	1,936	12
Variable Pay 3	606	903	1,109	1,877	3,754	1,987	963	16
Variable Pay 4	321	388	576	1,040	1,290	746	505	19
Variable Pay 5	--	--	--	--	--	--	--	2
Annual Total Cash (E=C+D)	**5,410**	**6,496**	**8,457**	**10,365**	**13,628**	**9,314**	**2,616**	29

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 75th 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 90th 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.

4.2.3   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 90th percentile down to the 10th percentile – and so the longer the box, the bigger the range of salaries. The percentiles – 75th, 50th (or median), and 25th – are represented by lines within the box. The average (or mean) is represented by a diamond.

Figure 5: The Box Plot Explained

- 90th percentile
- 75th percentile
- Mean (average)
- Median (50th percentile)
- 25th percentile
- 10th percentile
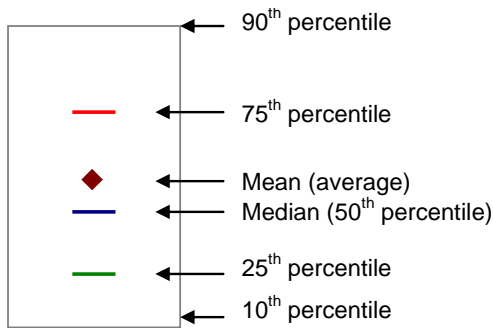
In the report, individual box plots for each Job Level are combined into a chart to show the range or spread of salaries at all Job Levels.

4.2.4   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.

In this report, section 5.4 presents trend lines for the median salaries in each Job Function.

Monthly Salary and Total Cash Data by Job Functions

5   Salary and Total Cash Data by Job Functions

This chapter provides detailed **monthly basic salary** information – both GROSS and NET – and **annual total cash in GROSS** for each job function.

The chapter is structured as follows:

1. Actual data according to Job Functions (All Functions and then each Job Function)
    a. Monthly basic salary in Gross and Net
    b. Annual Total Cash in Gross
2. Box plot diagrams of actual gross monthly salary data for each Job Function
3. Cross-functional comparison of actual gross monthly salary data
4. Cross-functional comparison of actual gross monthly salary trend lines.

5.1   Actual data according to Job Functions

Salary and Total Cash information in this section is presented by Job Levels and Job Functions. The spread of data is presented in terms of percentiles. For confidentiality reasons, two hyphens (--) are presented wherever data is insufficient.

All salary and total cash information by functions relates to **local Cambodian staff only**. We present the salary and total cash information for **Expatriate staff by level only**.

Job Descriptions for positions commonly found in each Job Level are presented on the head of the total cash tables. These descriptions may help readers to understand what types of jobs relate to the salary and total cash information contained in the 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.

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.

5.1.1 Salary and Total Cash for All Functions

5.1.1.1 Monthly Salary for All Functions

*Table 8: Gross Monthly Salary in USD, for All Functions – Cambodian Staff, **Example Data***

KESAR LEVEL	10thP	25thP	Median	75thP	90thP	Average	# data point	# Company
Level 1	3,356	4,088	5,825	9,933	13,000	7,143	8	8
Level 2	2,395	3,584	4,352	5,413	6,600	4,540	80	22
Level 3	1,122	1,456	2,000	2,576	3,190	2,112	370	35
Level 4	708	927	1,200	1,600	2,004	1,301	688	39
Level 4A	*964*	*1,162*	*1,492*	*1,826*	*2,295*	*1,552*	*354*	*37*
Level 4B	*625*	*801*	*960*	*1,250*	*1,600*	*1,051*	*325*	*30*
Level 5	473	586	700	857	1,048	740	939	39
Level 6	328	410	465	562	700	501	2,246	42
Level 6A	*395*	*445*	*500*	*611*	*759*	*545*	*1,186*	*40*
Level 6B	*286*	*354*	*430*	*500*	*618*	*446*	*931*	*39*
Level 7	200	247	340	407	444	330	3,532	41
Level 7A	*246*	*293*	*363*	*425*	*464*	*365*	*1,951*	*39*
Level 7B	*180*	*205*	*237*	*298*	*380*	*266*	*1,177*	*27*
Level 8	168	190	211	280	366	245	913	27
Level 9	128	150	180	217	275	192	895	33
Level10	128	139	148	160	202	159	960	24

*Table 9: Net Monthly Salary in USD, for All Functions – Cambodian Staff, **Example Data***

KESAR LEVEL	10thP	25thP	Median	75thP	90thP	Average	# data point	# Company
Level 1	2,967	3,553	4,942	8,227	10,683	5,996	8	8
Level 2	2,164	3,148	3,767	4,616	5,561	3,908	80	22
Level 3	1,036	1,339	1,825	2,321	2,833	1,905	370	35
Level 4	663	859	1,105	1,465	1,831	1,194	688	39
Level 4A	*893*	*1,071*	*1,368*	*1,668*	*2,067*	*1,418*	*354*	*37*
Level 4B	*591*	*746*	*889*	*1,150*	*1,465*	*971*	*325*	*30*
Level 5	451	561	655	793	969	693	939	39
Level 6	321	394	444	533	655	477	2,246	42
Level 6A	*359*	*424*	*474*	*577*	*710*	*513*	*1,186*	*40*
Level 6B	*285*	*345*	*412*	*475*	*581*	*427*	*931*	*39*
Level 7	200	244	331	391	425	321	3,532	41
Level 7A	*243*	*288*	*352*	*408*	*443*	*353*	*1,951*	*39*
Level 7B	*180*	*205*	*235*	*293*	*369*	*261*	*1,177*	*27*
Level 8	168	190	210	276	354	242	913	27
Level 9	128	150	180	216	272	190	895	33
Level10	128	139	148	160	202	159	960	24

5.1.1.2   *Annual Total Cash for All Functions*

Table 10: Gross Annual Total Cash in USD, Level X, for All Functions – Cambodian Staff, **Example Data**

Position Title: XXXX

KESAR Level: Level X

Required min. education: ……

Required min. experience: …….

Typical responsibilities & duties:

- ……….
- ……….
- ……….
- ……….
- ……….

KESAR Level X *Position: xxxx*	10thP	25thP	Median	75thP	90thP	Average	# data point	# Company
Annual Total Cash for Cambodian Staff								
Base salary (A)	**2,532**	**3,003**	**4,080**	**4,644**	**5,436**	**4,036**	**5,958**	**55**
Personal Cash Allowances (B)	**733**	**1,183**	**1,532**	**2,107**	**2,853**	**1,847**	**4,443**	**35**
Cash Allowance 1	60	90	120	180	300	153	1,008	24
Cash Allowance 2	264	324	324	480	585	415	1,150	14
Cash Allowance 3	60	60	240	240	240	244	281	6
Cash Allowance 4	--	--	--	--	--	--	--	1
Cash Allowance 5	--	--	--	--	--	--	--	2
Cash Allowance 6	60	420	552	720	828	547	850	19
Cash Allowance 7	49	49	56	67	480	125	2,843	6
Annual Guaranteed Cash (C=A+B)	**3,265**	**4,186**	**5,612**	**6,751**	**8,289**	**5,883**	**5,958**	**55**
Variable Pay (D)	**1,565**	**1,918**	**2,505**	**3,459**	**5,520**	**3,266**	**5,663**	**45**
Variable Pay 1	--	--	--	--	--	120	205	3
Variable Pay 2	243	294	350	410	462	359	3,911	22
Variable Pay 3	600	744	1,021	1,612	3,360	1,680	1,362	18
Variable Pay 4	352	420	642	882	1,107	722	1,829	32
Variable Pay 5	--	--	--	--	--	385	2,648	3
Annual Total Cash (E=C+D)	**4,830**	**6,103**	**8,116**	**10,210**	**13,809**	**9,149**	**5,958**	**55**

5.2 Box plots according to Job Functions

This section presents actual gross monthly 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.

A box plot is very useful to understand **the spread of data**, in other words, the gross salary provided at any particular level. The longer the box, the bigger the spread of salaries and for the opposite, the shorter the box, the smaller the spread of salaries. Chapter 4.2 of this report provides practical explanation on the visual representation of the statistics if more information is required for understanding.

Figure 6: Gross Monthly Salary, All Functions
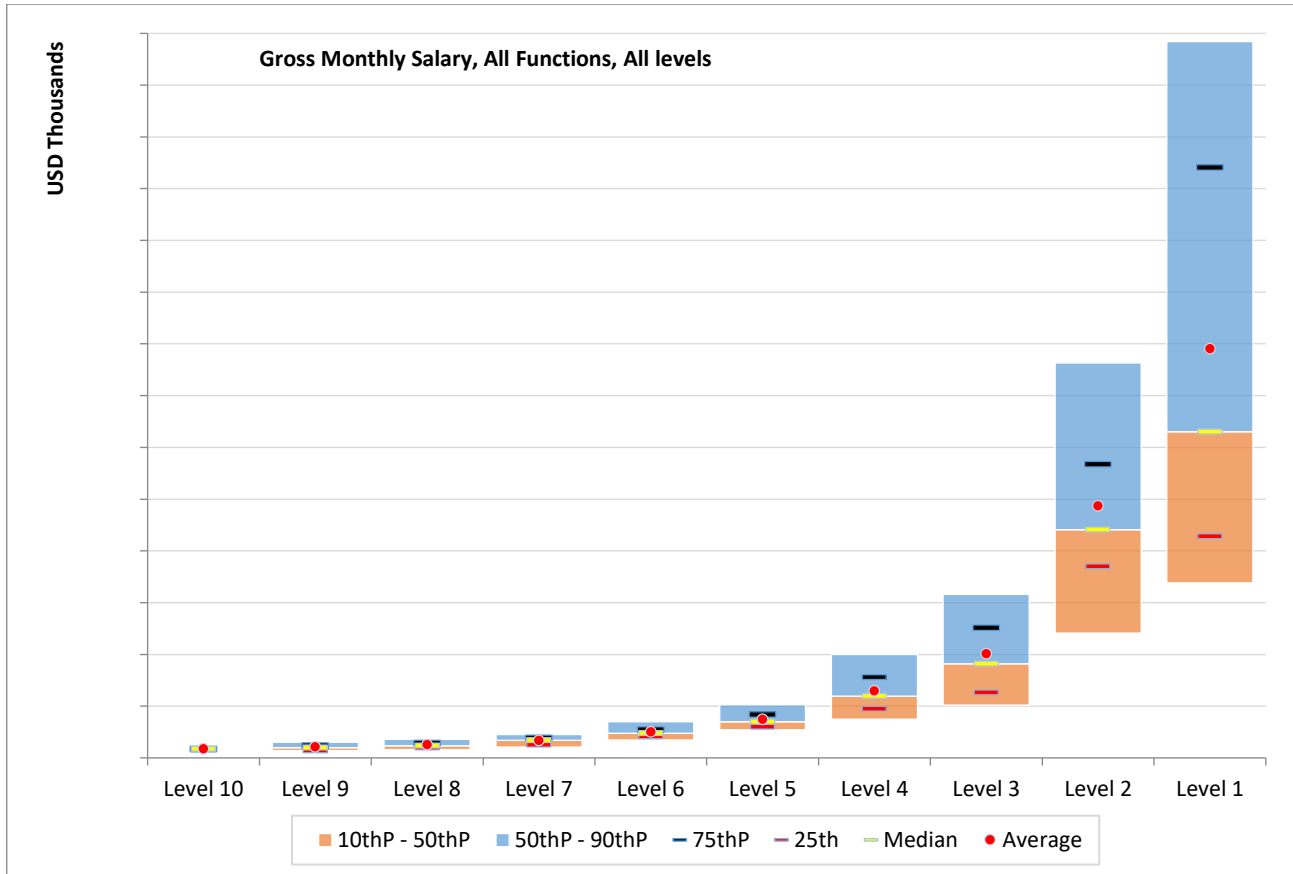
Source: HRINC Annual Private Sector Compensation Review (2016-17)

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

The box plots by each functions are available in the full report.

5.3 Cross Functional comparison according to Job Functions

The tables in this section provide comparisons of the gross monthly 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 second 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**.)

- The third 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 double the salary of the previous Level.

Table 11: _Median_ Gross Monthly Salary, % Difference between Functional Salary and Al Functions Salary (% higher or lower than All Functions) **Example Data**

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	Function 14
Level 1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0%
Level 2	--	-13%	-8%	--	--	--	-19%	--	--	17%	29%	--	--	0%	5%
Level 3	--	9%	-4%	--	36%	27%	16%	11%	29%	7%	4%	10%	2%	-16%	--
Level 4	--	-13%	-15%	--	9%	16%	7%	-8%	43%	27%	13%	0%	--	-2%	--
Level 5	--	3%	-2%	--	0%	-9%	12%	1%	2%	3%	5%	7%	8%	-3%	--
Level 6	--	-4%	1%	--	-5%	3%	5%	-1%	3%	0%	16%	0%	12%	1%	--
Level 7	--	9%	9%	3%	-18%	-9%	23%	0%	3%	0%	20%	-12%	1%	0%	--
Level 8	--	-1%	3%	8%	-14%	-5%	--	16%	--	3%	20%	0%	31%	8%	--
Level 9	--	--	-13%	3%	--	--	--	--	--	--	-8%	-10%	--	--	--
Level 10	--	--	--	0%	--	--	--	--	--	--	0%	-11%	--	--	--

Table 12: _Median_ Gross Monthly Salary, % Difference for Consecutive KESAR levels (from Level 10 upwards) **Example Data**

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	Function 14
														--	36%
Level 2	**143%**	95%	**133%**	--	--	--	70%	--	--	**165%**	202%	--	--	**190%**	--
Level 3	52%	89%	70%	--	90%	66%	65%	83%	37%	28%	39%	**66%**	--	30%	--
Level 4	72%	46%	50%	--	88%	**117%**	63%	57%	**142%**	**112%**	86%	61%	--	73%	--
Level 5	46%	56%	42%	--	54%	30%	57%	49%	44%	50%	32%	56%	40%	41%	--
Level 6	40%	24%	29%		61%	58%	19%	38%	40%	40%	35%	59%	56%	41%	--
Level 7	47%	61%	55%	39%	40%	41%	--	27%	--	42%	46%	29%	13%	36%	--
Level 8	19%	--	41%	26%	--	--	--	--	--	--	55%	32%	--	--	--
Level 9	15%	--	--	18%	--	--	--	--	--	--	6%	16%	--	--	--
Level 10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table 13: Average Gross Monthly Salary, % Difference between Functional Salary and Al Functions Salary (% higher or lower than All Functions) **Example Data**

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	Function 14
Level 1		--	--	--	--	--	--	--	--	--	--	--	--	--	0%
Level 2	--	-22%	-15%	--	--	--	4%	15%	8%	2%	5%	--	--	8%	11%
Level 3	--	5%	-2%	--	19%	15%	7%	17%	10%	5%	5%	4%	-10%	-10%	--
Level 4	--	-5%	-10%	--	0%	13%	9%	0%	21%	19%	7%	2%	-14%	-2%	--
Level 5	--	4%	-1%	--	-5%	3%	6%	4%	10%	6%	9%	0%	0%	-3%	--
Level 6	--	-2%	0%	--	-9%	8%	8%	7%	1%	4%	14%	2%	8%	-3%	--
Level 7	--	13%	13%	15%	-12%	-6%	3%	5%	8%	-2%	22%	-5%	8%	-4%	--
Level 8	--	6%	-2%	16%	-17%	-9%	--	4%	--	-7%	18%	13%	26%	-1%	--
Level 9	--	--	4%	0%	--	--	--	--	--	--	-4%	-2%	-24%	38%	--
Level 10	--	--	--	2%	--	--	--	--	--	--	-2%	-7%	--	--	--

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

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	Function 14
Level 1	62%	--	--	--	--	--	--	--	--	--	--	--	--	--	46%
Level 2	142%	80%	110%	--	--	--	75%	138%	137%	135%	142%	--	--	191%	--
Level 3	56%	72%	70%	--	84%	59%	69%	82%	41%	37%	54%	58%	62%	44%	--
Level 4	73%	58%	58%	--	82%	90%	62%	67%	90%	94%	69%	78%	48%	74%	--
Level 5	48%	57%	46%	--	54%	41%	55%	44%	61%	51%	41%	45%	37%	47%	--
Level 6	50%	31%	33%	--	55%	71%	37%	53%	40%	59%	40%	60%	51%	51%	--
Level 7	34%	43%	55%	34%	43%	39%	--	36%	--	41%	39%	13%	15%	30%	--
Level 8	19%	--	12%	38%	--	--	--	--	--	--	47%	38%	97%	-14%	--
Level 9	22%	--	--	19%	--	--	--	--	--	--	18%	27%	--	--	--
Level 10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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 Gross 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.

The detail in this summary can be found in the full report of private sector 2016-17.

For readers who are particularly interested in trend lines, a supplementary report is available for purchase. This supplementary report presents the 25th percentile, median and 75th 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.

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Figure 7: Cross Functional Comparison, Median Trend Lines, Gross Monthly Salary

Source: HRINC Annual Private Sector Compensation Review (2016-17)

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

Salary data by Activity Sector

6   Salary data by Activity Sector

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 salarysruvey@hrinccom.kh to assist you.

For readers who are particularly interested in sectoral reports, the report is available to order. The report presents in detail on the salary and compensation table by levels and by functions. Please contact HRINC for further information.

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 5, 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, Sector 1
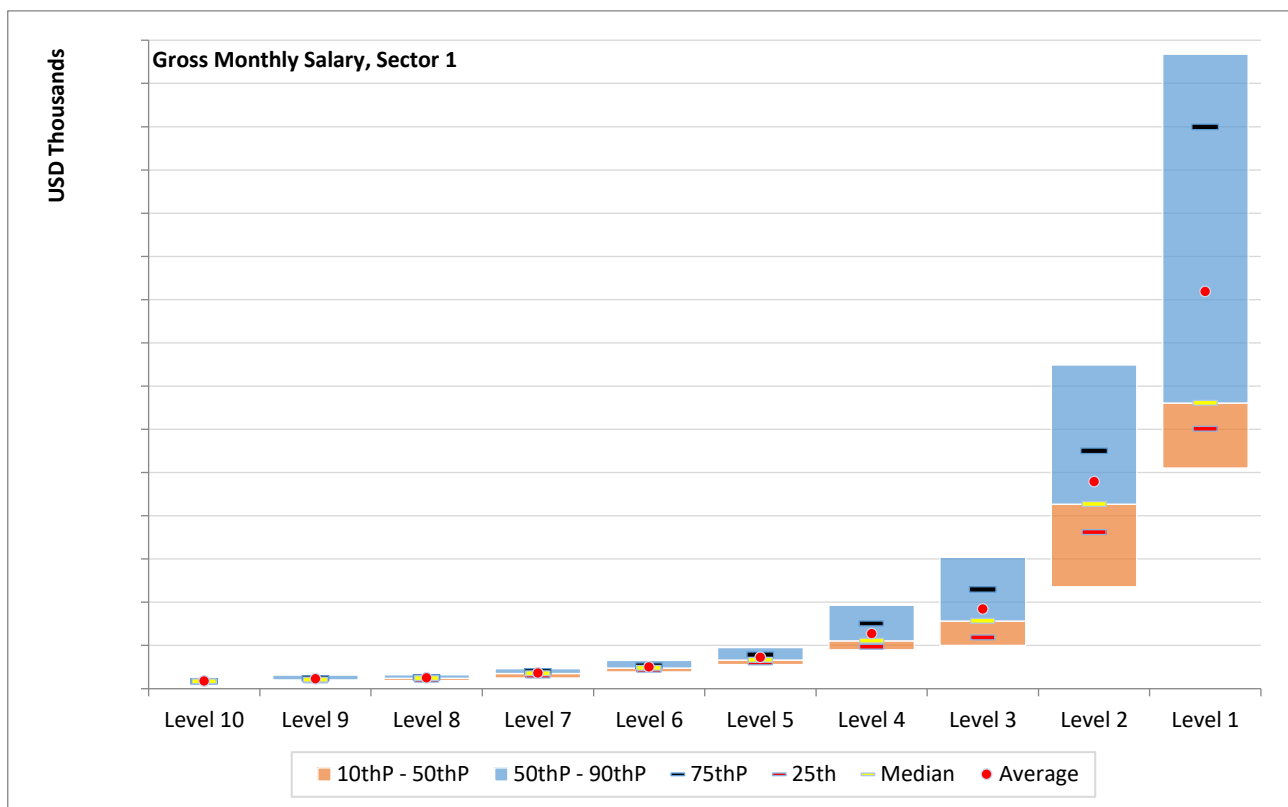
Source: HRINC Annual Private Sector Compensation Review (2016-17)

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

The box plot by each sectors is presented in the full report.

6.2   Cross Sector Comparison

The tables in this section provide comparisons of the salaries paid in each Activity Sector.

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

For both the median and the average pages:

- The second table shows, for each Job Level, the percentage by which the salary in a Sector is above or below the salary for all Sectors combined. (Percentages in blue are at least 10% **above** the total market, while percentages in red are at least 10% **below**.)

- The third table shows, for each Sector, 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 double the salary of the previous Level.

Table 15: Median Gross Monthly Salary, % Difference between Sector Salary and All Sectors Salary (% higher or lower than all Sectors) ***Example Data***

KESAR Level	All Functions	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6
Level 1	--		5%				
Level 2	--		-3%		20%		
Level 3	--	1%	-14%	-12%	-20%	24%	40%
Level 4	--	9%	-8%	-20%	6%	25%	30%
Level 5	--	10%	-4%	3%	-9%	15%	15%
Level 6	--	6%	1%	2%	-21%	-5%	-2%
Level 7	--	-4%	3%	8%	1%	-6%	-37%
Level 8	--	43%	3%	-31%	3%		-13%
Level 9	--	14%	5%	-28%	3%		4%
Level 10	--	-11%	0%	-18%			-25%

Table 16: Median Gross Monthly Salary, % Difference for Consecutive KESAR Levels (from Level 10 upwards) ***Example Data***

KESAR Level	All Functions	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6
Level 1	43%		55%				
Level 2	**143%**		**173%**				
Level 3	52%	40%	42%	67%	**129%**	51%	63%
Level 4	72%	71%	66%	33%	29%	87%	95%
Level 5	46%	51%	39%	48%	70%	75%	71%
Level 6	40%	55%	37%	32%	62%	42%	**120%**
Level 7	47%	-2%	46%	**130%**	15%		5%
Level 8	19%	48%	17%	14%	17%		0%
Level 9	15%	48%	21%	0%	14%		60%
Level 10							

Table 17: Average Gross Monthly Salary, % Difference between Sector Salary and All Sectors Salary (% higher or lower than all Sectors)
Example Data

KESAR Level	All Functions	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6
Level 1	--		16%				
Level 2	--	1%	-2%	-51%	11%		
Level 3	--	-1%	-8%	0%	13%	20%	28%
Level 4	--	10%	-2%	-10%	-15%	13%	19%
Level 5	--	4%	-3%	1%	3%	10%	12%
Level 6	--	10%	0%	16%	-8%	0%	-1%
Level 7	--	3%	6%	12%	-10%	-2%	-25%
Level 8	--	35%	-1%	-22%	1%		-9%
Level 9	--	15%	10%	-19%	-3%	61%	2%
Level 10	--	3%	0%	0%	-1%		-15%

Table 18: Average Gross Monthly Salary, % Difference for Consecutive KESAR Levels (from Level 10 upwards) ***Example Data***

KESAR Level	All Functions	Sector 1	Sector 2	Sector 3	Sector 4	Sector 5	Sector 6
Level 1	62%		92%				
Level 2	142%	148%	161%	20%	139%		
Level 3	56%	40%	45%	72%	108%	66%	68%
Level 4	73%	84%	76%	54%	43%	78%	83%
Level 5	48%	39%	44%	28%	65%	62%	67%
Level 6	50%	60%	41%	56%	53%	53%	99%
Level 7	34%	3%	44%	92%	20%		10%
Level 8	19%	40%	8%	15%	24%		7%
Level 9	22%	35%	33%	-2%	18%		46%
Level 10							

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 rend 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.

For readers who are particularly interested in trend lines, a supplementary report is available for purchase. This supplementary report presents the 25th percentile, median and 75th 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.

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Figure 9: Cross Sector comparison, Median trend lines, Gross Monthly Salary
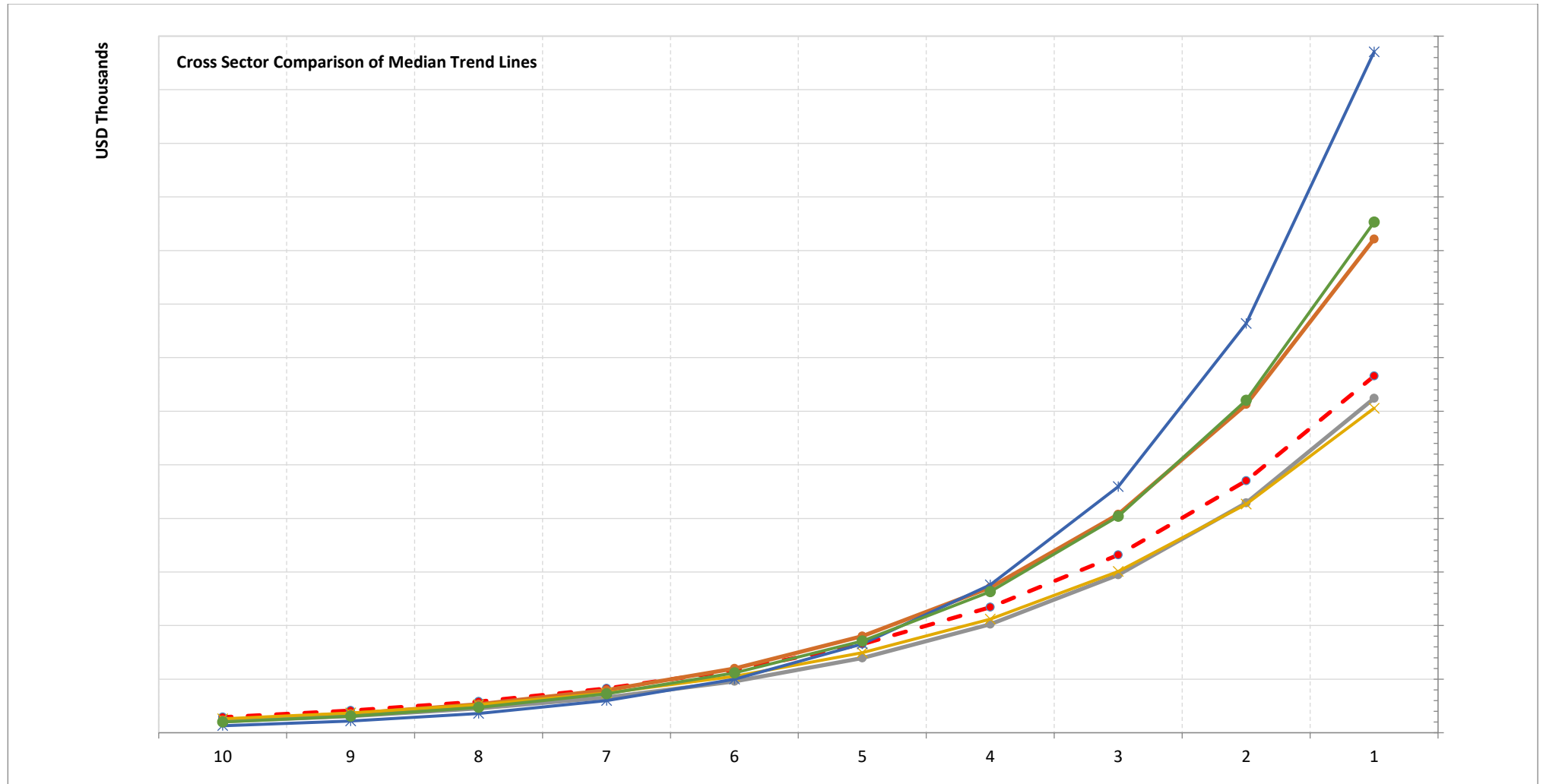
Cross Sector Comparison of Median Trend Lines

Source: HRINC Annual Private Sector Compensation Review (2016-17)

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

Annual Total Compensation

7   Annual Total Compensation

Whereas the precious 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)	+ Long-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 4.1.2 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

Summary amounts for each component of Annual Total Cash, for each Job Level and each Job Function.

7.1   Detail 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).

Detail information on provision of compensation components are 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.

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 8 positions (provided by 8 companies). Of these 8 positions, 3 positions receive a telephone cash allowance (provided by 3 companies). The average annual bonus for these 3 positions is $720 (blue column). However, spread across the entire sample of 5 positions (ie. including the two position which received zero), the average annual bonus is $270 (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.

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.

Table 19: Understanding Total compensation Tables

	Annual Compensation Component Gross in USD	Average Total Sample	# employees receive amount	# companies provide amount	Average Amount Received	% Annual Total Remun. (Average)	% Annual Base Salary (Average)
A	**Annual Base Salary**	**94,830**	**8**	**8**	**94,830**	**57.53%**	**100.00%**
B	**Personal Cash Allowances**	3,338	5	5	24,570	14.91%	25.91%
	Telephone	*270*	*3*	*3*	*720*	*0.44%*	*0.76%*
	Meals	*173*	*--*	*2*	*--*	*--*	*--*
	Housing	*0*	*--*	*0*	*--*	*--*	*--*

7.2.1 Total Compensation data presentation

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

Table 20: Average Annual Total Compensation – Level x, Type of Function (Type of employee) ***Example Data***

	Annual Compensation Component Gross in USD	Average Total Sample	# employees receive amount	# companies provide amount	Average Amount Received	% Annual Total Remun. (Average)	% Annual Base Salary (Average)
A	**Annual Base Salary**	**8,937**	**1,346**	**41**	**8,937**	**42.73%**	**100.00%**
B	**Personal Cash Allowances**	1,217	965	28	4,586	21.92%	51.31%
	Cash Allowance 1	70	310	21	305	1.46%	3.41%
	Cash Allowance 2	68	227	11	404	1.93%	4.52%
	Cash Allowance 3	21	92	4	301	1.44%	3.36%
	Cash Allowance 4	1	--	1	--	--	--
	Cash Allowance 5	87	--	1	--	--	--
	Cash Allowance 6	205	160	13	1,724	8.24%	19.29%
	Cash Allowance 7	765	701	6	1,469	7.02%	16.44%
C	**Annual Guaranteed Cash**	**10,154**	**1,346**	**41**	**13,523**	**64.65%**	**151.31%**
D	**Variable Pay**	2,468	*1312*	*38*	5,746	27.47%	64.30%
	Variable Pay 1	1	--	1	--	--	--
	Variable Pay 2	417	799	18	702	3.36%	7.85%
	Variable Pay 3	370	211	13	2,357	11.27%	26.37%
	Variable Pay 4	1,414	603	32	1,951	9.33%	21.83%
	Variable Pay 5	266	581	3	617	2.95%	6.90%
E	**Annual Total Cash**	**12,622**	**1,346**	**41**	**19,270**	**92.12%**	**215.61%**
F	**Long Term Incentive (LTI)**	476	*856*	*10*	749	3.58%	8.38%
G	**Annual Total Cash + LTI**	**13,098**	**1,346**	**41**	**20,018**	**95.70%**	**223.99%**
H	**Benefits**	262	*776*	*35*	899	4.30%	10.06%
	Benefit 1	37	489	22	62	0.29%	0.69%
	Benefit 2	58	249	6	195	0.93%	2.19%
	Benefit 3	140	398	18	470	2.25%	5.26%
	Benefit 4	14	518	26	20	0.10%	0.23%
	Benefit 5	6	160	4	51	0.25%	0.58%
	Benefit 6	7	--	1	--	--	--
I	**Annual Total Remuneration**	**13,360**	**1,346**	**41**	**20,917**	**100.00%**	**234.05%**
J	**Work Allowances for Position**	461	*1142*	*33*	4,456	21.30%	49.86%
	Work Allowance 1	314	771	16	510	2.44%	5.70%
	Work Allowance 2	49	33	4	1,045	5.00%	11.70%
	Work Allowance 3	7	12	5	763	3.65%	8.53%
	Work Allowance 4	6	--	2	--	--	--
	Work Allowance 5	85	961	24	113	0.54%	1.27%
	Work Allowance 6	0	--	0	--	--	--
K	**Employee Position Cost**	**13,821**	**1346**	**41**	**25,373**	**121.30%**	**283.90%**

7.2.2   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** make up from around ….
- **Personal Cash Allowance** make up around …
- **Variable Pay** make up from …
- **Long Term Incentive** make up from around ...
- **Benefits** make up from ….

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

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Figure 10: Average Annual Total Remuneration including work allowances, All Levels (in USD)

Total Annual Compensation (Incl Work Allowances), All Level

USD Thousands

Level 10, Level 9, Level 8, Level 7, Level 6, Level 5, Level 4, Level 3, Level 2, Level 1

■ Annual Base Salary ■ Personal Cash Allowances ■ Variable Pay ■ Long-term Incentive ■ Benefits ■ Work Allowances

Source: HRINC Annual Private Sector Compensation Review (2016-17)

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

Figure 11: Average Annual Remuneration including work allowances, Level 10 to 5 (in USD)

Total Annual Compensation (Incl Work Allowances), Level 10 - 5

USD Thousands

Level 10, Level 9, Level 8, Level 7, Level 6, Level 5

■ Annual Base Salary ■ Personal Cash Allowances ■ Variable Pay ■ Long-term Incentive ■ Benefits ■ Work Allowances

Source: HRINC Annual Private Sector Compensation Review (2016-17)

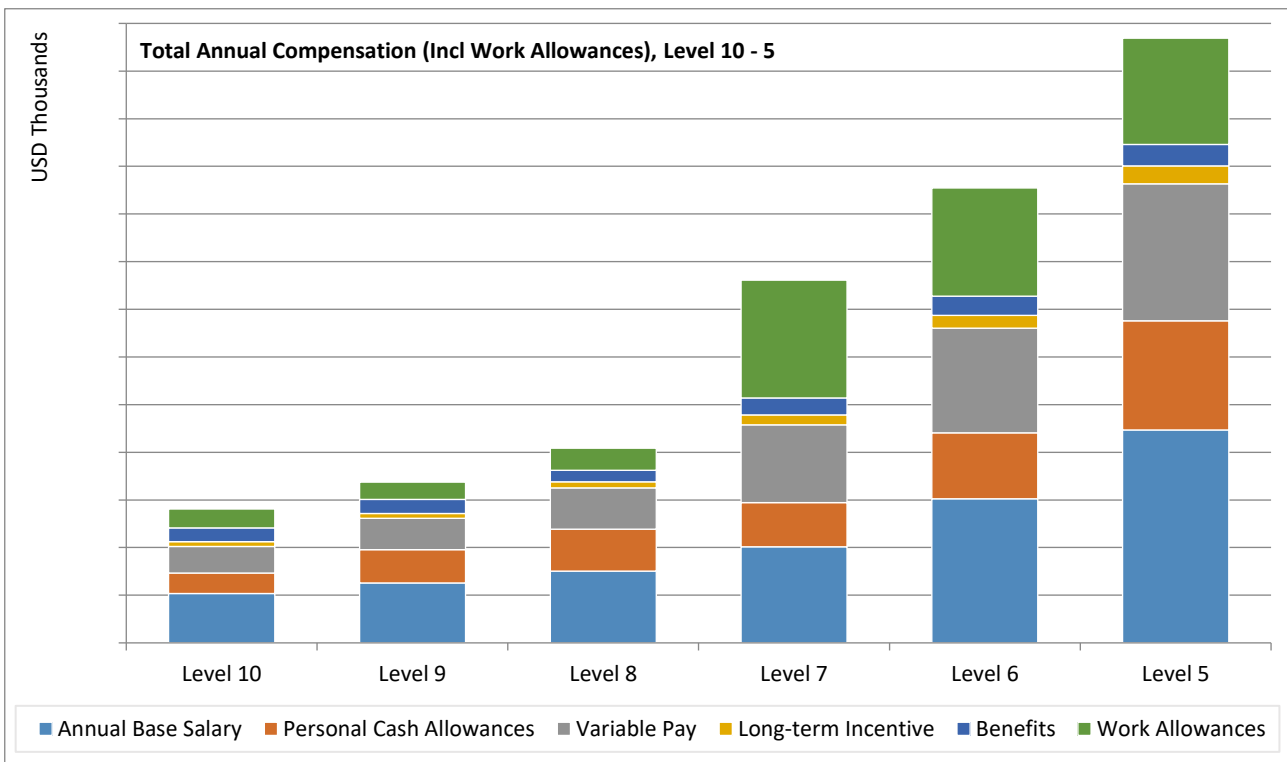*Axis's numbers are expressly not provide in the Insight Copy and available in the full report.*

Figure 12: Average Annual Total Remuneration including work allowances (% of Total)

Source: HRINC Annual Private Sector Compensation Review (2016-17)

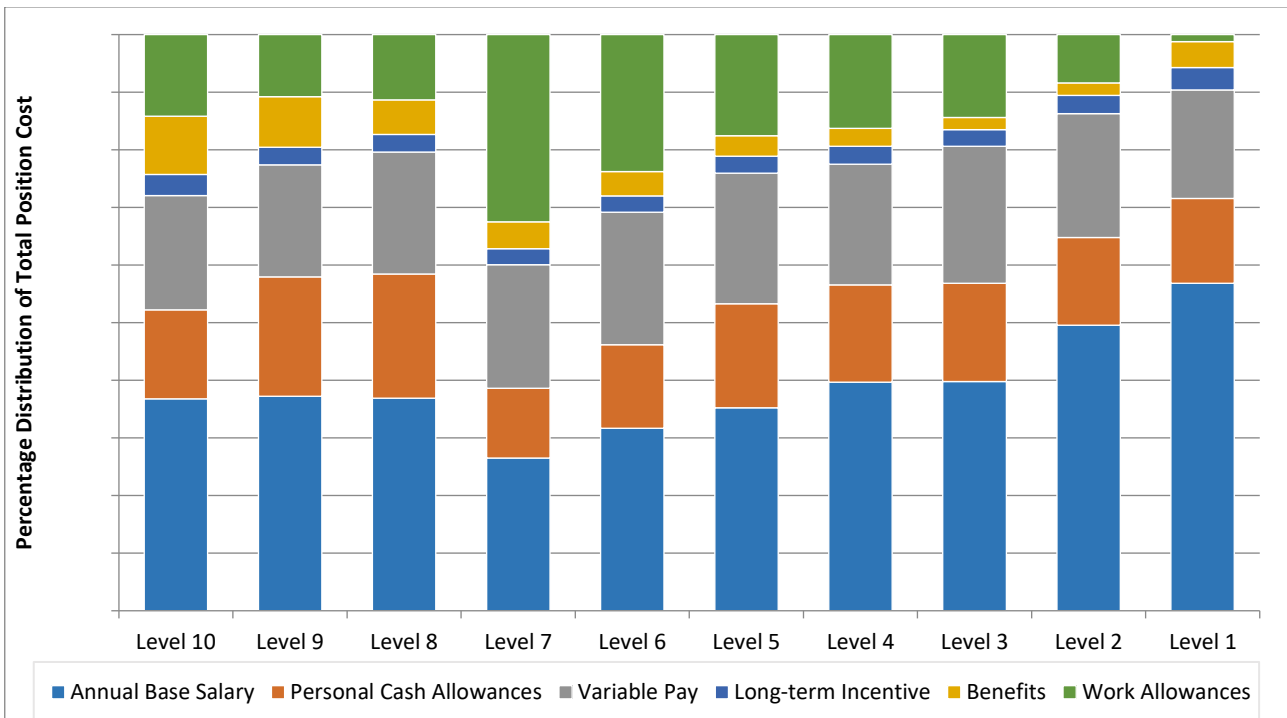*Axis's numbers are expressly not provide in the Insight Copy and available in the full report.*

Figure 13: Average Annual Total Remuneration excluding work allowances (% of Total)

Source: HRINC Annual Private Sector Compensation Review (2016-17)

Axis's numbers are expressly not provide in the Insight Copy and available in the full report.
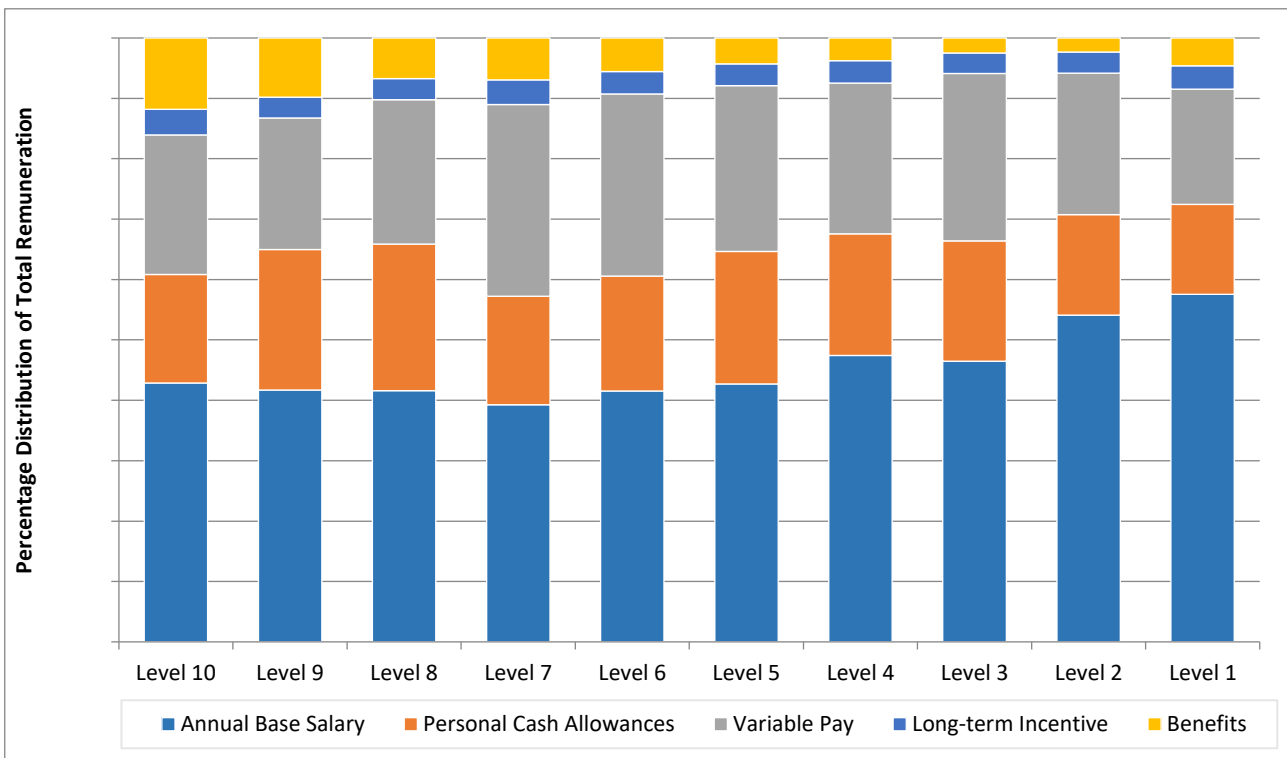
The total compensation tables above contain details of average amounts for each sub-component of total compensation (such as telephone and meals allowances within the broader Personal Cash Allowances component).

HR Practices and Challenges

8   HR Practices and Challenges

8.1   Employment composition and growth

The detail in this section can be found in the full report of private sector 2016-17.

8.2   Salary Increments and Adjustments in Private Sector

The detail in this section can be found in the full report of private sector 2016-17.

8.3   Perceptions on the Labour Market and Employee Talent Pool

The detail in this section can be found in the full report of private sector 2016-17.

8.4   Staff Turnover, Employment Separation and Time Taken to Recruit

The detail in this section can be found in the full report of private sector 2016-17.

8.5   Qualitative Review of Emerging Innovative and HR practices

The results are self-explanatory and presented in the figure below and discussed in detail on the Benefits Report. Each result is presented in minimum and maximum US dollars amount by median and average.

Figure 14: Emerging innovative HR practices, % of respondents
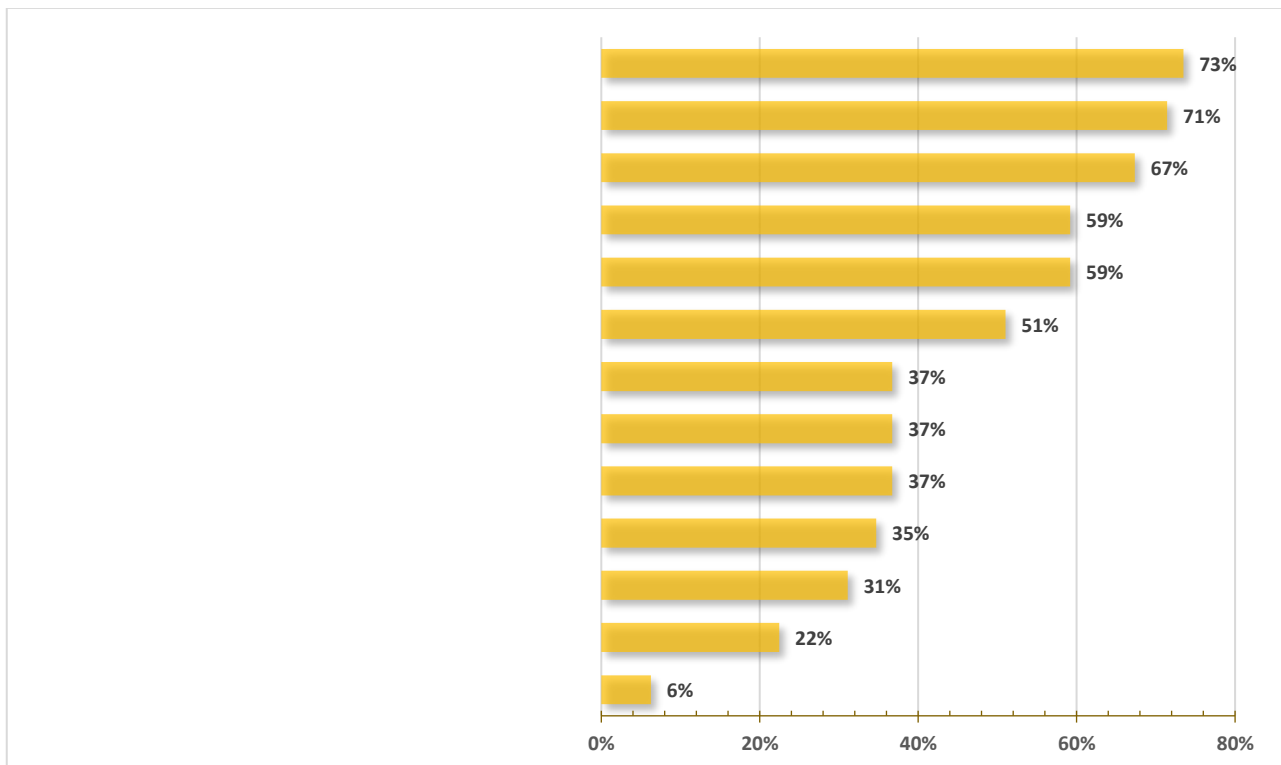
Source: HRINC Annual Private Sector Compensation Review (2016-17)

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8.6 Top 3 HR Challenges according to HR Managers

Top 3 HR Challenges for 2017

Recruitment

Source: HRINC Annual Private Sector Compensation Review (2016-17)

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Training & Development

Source: HRINC Annual Private Sector Compensation Review (2016-17)

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Top 3 HR Challenges for 2017

Compensation & Benefits

Percentage
66%
47%
30%
30%
21%
19%
13%

Percentage Respondents

Source: HRINC Annual Private Sector Compensation Review (2016-17)

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Law & Compliance

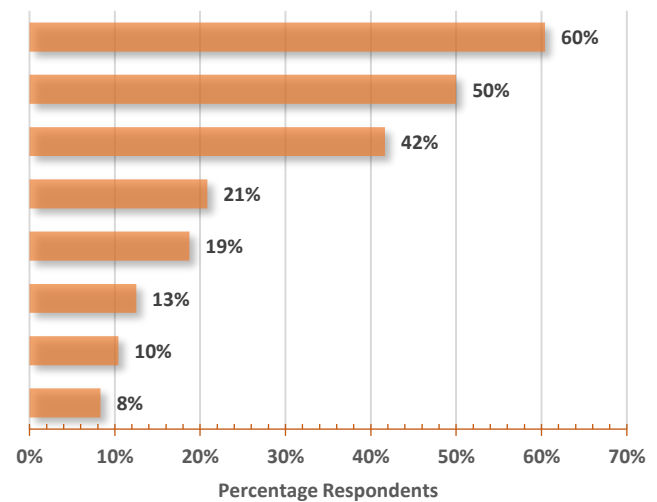| Percentage |
|---|
| 52% |
| 48% |
| 46% |
| 21% |
| 21% |
| 15% |
| 8% |
| 4% |

Percentage Respondents

Source: HRINC Annual Private Sector Compensation Review (2016-17)

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Performance Management

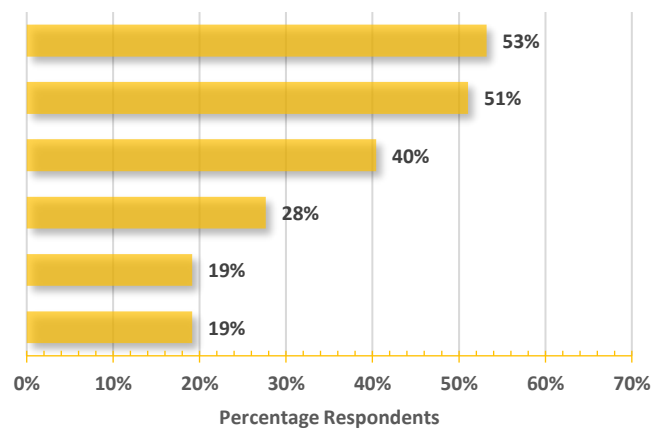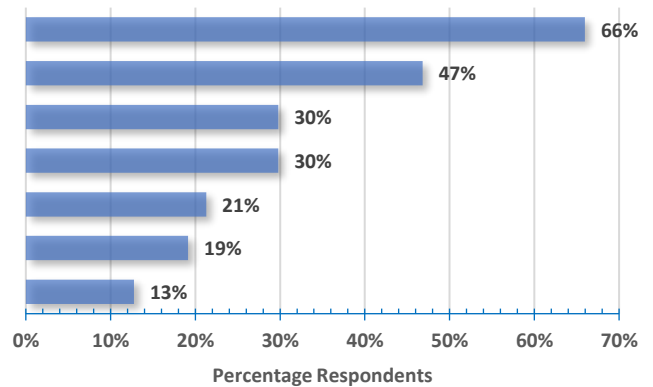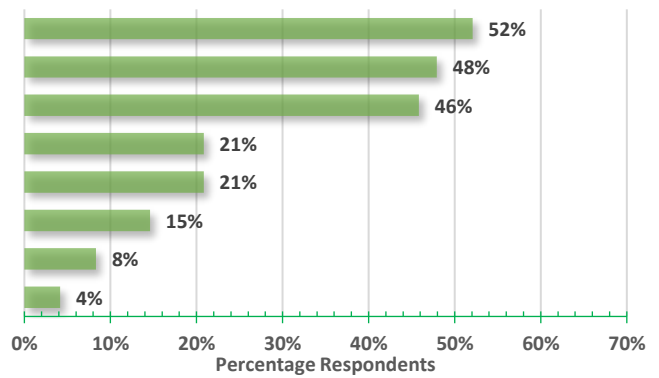| Percentage |
|---|
| 54% |
| 50% |
| 38% |
| 33% |
| 29% |
| 13% |

Percentage Respondents

Source: HRINC Annual Private Sector Compensation Review (2016-17)

Axis's sentences are expressly not provide in the Insight Copy and available in the full report.
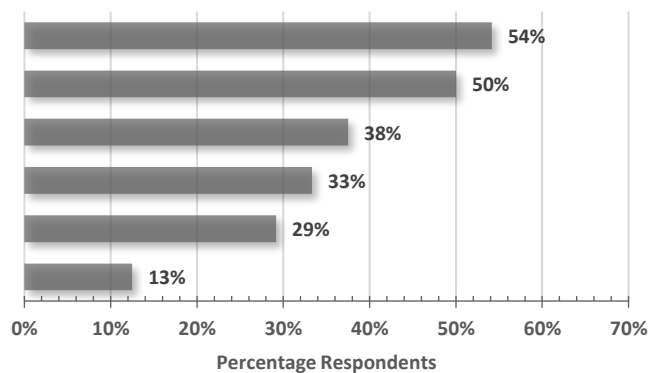
Appendices
Appendices

Terminology & HR Dictionary for Statistics

Term	Description
10th percentile	The data point (=salary) that is higher than 10% of all other data in the sample when ranked from low to high.
13th Month Cheque	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.
25th percentile	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)
75th percentile	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)
90th percentile	The data point (=salary) that is higher than 90% of all other data in the sample when ranked from low to high.
Average (Mean)	The sum of all data (salaries) reported divided by the number of observations in the sample. This is also referred to as the Mean.
Box Plots	Graphic which contains information about the range of salaries reported per job level.
Data Point	A single data observation. Each data point refers to one employee's salary.
KESAR Methodology	Job analysis methodology developed by HRINC which is based on five main criteria : Knowledge, Environment, Skills, Attitude and Responsibility
Labour Turnover	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.
Mean (Average)	The sum of all data (salaries) reported divided by the number of observations in the sample. This is also referred to as the average
Median	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
Respondent Companies	Companies that responded to specific questions in the survey questionnaire.

Participating Companies

Table 21: List of Participating Companies

#	Company Name	Sector
1	Alliance Pharma Cambodge	Automotive, Trade & Distribution
2	Avery Dennion RBIS (Cambodia) Trading Co., Ltd	Automotive, Trade & Distribution
3	Grandis Timber Co., Ltd	Automotive, Trade & Distribution
4	HGB Auto	Automotive, Trade & Distribution
5	Hong Kong Dragon Airlines Limited	Automotive, Trade & Distribution
6	Jotun (Cambodia) Limited	Automotive, Trade & Distribution
7	Mitsubishi Motor (Cambodia) Co.,Ltd	Automotive, Trade & Distribution
8	N C X Co., Ltd (HONDA)	Automotive, Trade & Distribution
9	RMA (Cambodia) Co., Ltd	Automotive, Trade & Distribution
10	Total Cambodge	Automotive, Trade & Distribution
11	United Pharma (Cambodia) Co., Ltd	Automotive, Trade & Distribution
12	Wuerth (Cambodia) Ltd	Automotive, Trade & Distribution
13	Aprati Foods (Cambodia) Ltd	Manufacturing & Industrial Service
14	British American Tobacco (BAT)	Manufacturing & Industrial Service
15	Cambodia Beverage Company Ltd (Coca Cola)	Manufacturing & Industrial Service
16	Comin Khmere Co., Ltd.	Manufacturing & Industrial Service
17	Denso (Cambodia) Co., Ltd	Manufacturing & Industrial Service
18	Kampot Cement Co.,Ltd	Manufacturing & Industrial Service
19	APV (Cambodia) Co., Ltd	Education & Professional Services
20	International School of Phnom Penh (ISPP)	Education & Professional Services
21	PEAK DMC Cambodia trading as Intrepid (Cambodia) Co., Ltd	Education & Professional Services
22	Phnom Penh SEZ Plc (PPSEZ)	Education & Professional Services
23	Royal Cambodian Limousine Service Co., Ltd	Education & Professional Services
24	Western International School	Education & Professional Services
25	ACLEDA Bank Plc	Banking & Financial Service
26	ANZ Royal Bank	Banking & Financial Service
27	Bank of Tokyo-Mitsubishi UFG	Banking & Financial Service
28	Cambodia Commercial Bank	Banking & Financial Service
29	Cathay United Bank (Cambodia) Corp., Ltd	Banking & Financial Service
30	CIMB Bank Plc	Banking & Financial Service
31	Hong Leong Bank (Cambodia) Plc	Banking & Financial Service
32	RHB Indochina Bank	Banking & Financial Service
33	Rural Development Bank (RDB)	Banking & Financial Service
34	Sai Gon - Ha Noi Cambodia Limited (SHB Bank)	Banking & Financial Service
35	Sathapana Bank Plc	Banking & Financial Service

#	Company Name	Sector
36	True Money (Cambodia) Limited	Banking & Financial Service
37	WING (Cambodia) Limited Specialised Bank	Banking & Financial Service
38	Bolloré Logistics (Cambodia) Ltd (SDV)	Shipping & Logistic
39	Damco (Cambodia) Ltd	Shipping & Logistic
40	DHL Express (Cambodia) Ltd	Shipping & Logistic
41	Maersk Cambodia Ltd	Shipping & Logistic
42	OOCL (Cambodia) Limited	Shipping & Logistic
43	Yusen Logistics (Cambodia) Co., Ltd	Shipping & Logistic
44	CamGSM Co., Ltd (Cellcard)	Telecom
45	Branch of NTT communications(Thailand) Co., Ltd	Telecom
46	Ezecom Co., Ltd	Telecom
47	Huawei Technologies (Cambodia) Co., Ltd	Telecom
48	Kingtel Communications Limited	Telecom
49	Smart Axiata Co., Ltd	Telecom

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