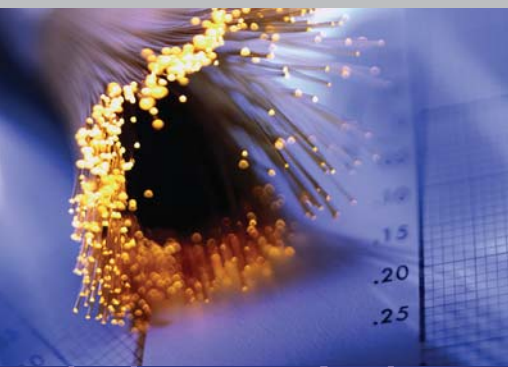


A comprehensive report on compensation and benefits amongst
Cambodia's leading companies



HR Inc. Cambodia

**ANNUAL PRIVATE SECTOR
COMPENSATION SURVEY
2012-2013 INSIGHTS COPY**



PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INF
SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INF
PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY G
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROWTH RETEN
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALL
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY
UNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROWTH RETENTION PROFITABI
PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INF
SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INF
PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY G
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROWTH RETEN

Acknowledgements & Introductory Remarks

This *Insight* copy of the *Cambodia Annual Multinational Sector Compensation Review 2012-13* provides a snapshot of some of the information and analysis contained in the full report.

We would like to warmly thank all companies that participated in this year's compensation survey. We are delighted to welcome many companies that joined the survey this year for the first time. As Cambodia's private sector continues to develop in size and sophistication, more companies are seeking guidance on salaries, total compensation and innovative human resources (HR) practices. As a result, 42 companies participated in our survey this year, which is a significant increase on last year's 31 participants. This increase in participation, together with some refinements to our analysis of total compensation, mean that this year's report is arguably the most representative and comprehensive review of compensation that HRINC has ever undertaken.

As always, we pay special thanks to those companies that have participated in HRINC's compensation reviews for many years. Their ongoing support and cooperation help us to deliver a consistent, high-quality product every year.

This is the 8th annual compensation review of multinational companies that HRINC has conducted – with our first survey launched in 2005. Our reports have improved and expanded over the years, in response to client feedback as well as the increasing sophistication of the Cambodian labour market.

As in previous years, a key finding of this year's survey is that the Cambodian labour market remains very tight for managers and experienced professionals. In such an environment, finding and keeping top talent will continue to be a challenge. Successful companies need to have a consistent and competitive compensation structure that reflects market trends and best practices. The *Cambodia Annual Multinational Sector Compensation Review 2012-13* plays an essential role in helping companies to establish and maintain such a compensation structure.

In the full report, our analysis and presentation of total compensation has been enhanced this year to move it towards international best practice. We believe the full report's chapter on total compensation will be easier to understand and also more useful in company's decision-making.

The purpose of this compensation review is to benchmark salaries and total compensation for positions in the private sector. This benchmarking exercise:

- Allows you to consistently compare different jobs within the organisation and similar jobs across different organisations
- Provides valuable information to help formulate competitive compensation policies based on prevailing market trends and best practices in the area of benefits
- Equips you with dependable market information on some significant common HR practices, including salary and total compensation reviews, salary increments, challenges in recruitment, and labour turnover.

The full report of the *Cambodia Annual Multinational Sector Compensation Review 2012-13* is divided into seven chapters, plus appendices.

Table of Contents

1. Highlights of the survey	3
1.1. Best paying jobs.....	3
1.2. Best paying sectors.....	4
1.3. How much do salaries differ from one job level to the next?	5
1.4. Salary increments	5
1.5. Structure of total compensation.....	5
1.6. Recruitment and staff turnover challenges	6
1.7. Changes in employment	6
1.8. Comparing salaries from 2011-12 and 2012-13 reports.....	6
2. Economic review and outlook.....	7
3. Profile of the sample	8
3.1. Overview.....	8
3.2. Participant Profile by Sector	9
3.3. Participant Profile by Size (Data Points)	10
3.4. Participants – types of enterprises	11
3.5. Methodology and confidentiality	12
3.5.1. Job Analysis & KESAR Methodology	12
3.5.2. Total Compensation	15
3.5.3. Confidentiality & data cleaning	16
4. Salary data by Job Functions.....	17
5. Salary Data by Activity Sectors.....	18
6. Annual Total Compensation.....	19
7. HR practices and challenges.....	21
Appendix: Participating Companies	22

List of Figures

Figure 1: Cross sector comparison, Median trend lines, Gross Monthly Salary	5
Figure 2: Sector comparison, 2011-12 versus 2012-13	9
Figure 3: Participant companies by size (data points), % of total participants.....	10
Figure 4: Participant companies by sector & size, % sector participants	10
Figure 5: Participants, types of enterprise, % of respondents.....	11
Figure 6: Gross Monthly Salary, All Functions	17
Figure 7: Trend Lines, Gross Monthly Salary, All Functions.....	18
Figure 8: Average Annual Total Remuneration (excluding work allowances) – By Level (% of Annual Total Remuneration).....	19
Figure 9: Provision of compensation, percentage of participating companies who provide	20

List of Tables

Table 1: Median Gross Monthly Salary, % Difference between Functional Salary and All Functions Salary.....	3
Table 2: Difference between Sector Median Salary and Overall Market Median Salary	4
Table 3: Size of Survey Samples: 2010-11 to 2012-13	8
Table 4: Generic job titles	13
Table 5: Examples of market job titles by Job Level	14
Table 6: Annual Total Compensation: Components	15

1. Highlights of the survey

This chapter of the full report provides some highlights of the *Cambodia Annual Multinational Sector Compensation Review 2012-13*. 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 do salaries increase from one job level to the next?
- What size salary increments are companies providing in 2012 and 2013?
- How do companies structure their total compensation?
- What recruitment and labour turnover challenges do companies face?
- What has happened to employment in recent years?
- How do the salaries reported in this year’s survey compare with last year’s survey?

1.1. Best paying jobs

The table below compares the median Gross Monthly Salary paid at each Job Level across each Job Function.¹ 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). Percentages highlighted in blue indicate the Function is at least 10% **above** the total market (All Functions) median, while percentages 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 are **HR & Legal, Engineering, IT and Production & Maintenance**
- Job Functions that tend to pay *below* the overall market in many Job Levels are **Quality & Environment and Sales**.

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

KESAR Level	Accounting & Finance	Admin	HR & Legal	Engineering	Information Technology	Production & Maintenance	Purchasing & Logistics	Quality & Environment	Customer Services	Marketing	Sales	Top Management
Level 1	4%	--	--	--	--	--	--	--	--	--	--	--
Level 2	13%	--	-28%	--	--	-6%	--	--	--	9%	-5%	-5%
Level 3	6%	13%	0%	25%	-3%	16%	-16%	-15%	-6%	-2%	2%	--
Level 4	2%	-17%	-8%	17%	3%	32%	3%	-2%	14%	13%	-11%	--
Level 5	-5%	-2%	2%	14%	29%	13%	22%	7%	2%	-2%	0%	--
Level 6	6%	1%	10%	3%	12%	17%	7%	-27%	-13%	2%	0%	--
Level 7	3%	9%	16%	-4%	13%	-6%	6%	0%	-2%	6%	-4%	--
Level 8	--	9%	26%	-12%	--	8%	-12%	--	2%	23%	-7%	--
Level 9	--	-5%	11%	--	--	30%	4%	--	-6%	--	-6%	--
Level 10	--	0%	--	--	--	25%	--	--	--	--	--	--

¹ All jobs are classified into 10 KESAR Job Levels (with one the most senior and 10 the most junior) and 11 Job Functions (Accounting & Finance, etc.). Two hyphens (--) means there is insufficient data to display the results (for confidentiality reasons). See Chapter 3 of the full report for a full explanation of the methodology.

1.2. Best paying sectors

In this survey, participant companies are classified into four sectors according their main activity:

- Automotive, Construction and Manufacturing
- Trade, Distribution, Transportation and Logistics
- Professional and Financial Services
- Telecommunications.

The table below compares the median Gross Monthly Salary paid at each Job Level across these four 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 average, while percentages highlighted in red are at least 10% **below** the total market average.

The table highlights that:

- Companies in the **Automotive, Construction & Manufacturing** sector tend to pay *above* the market median in some Job Levels and below the market median in others
- Companies in the **Trade, Distribution, Transportation & Logistics** sector tend to pay *slightly below* the market median at most Job Levels
- Companies in the **Services** sector tend to pay *above* the market median at lower Job Levels (8 to 10)
- Companies in the **Telecom** sector tend to pay *above* the market median at most Job Levels.

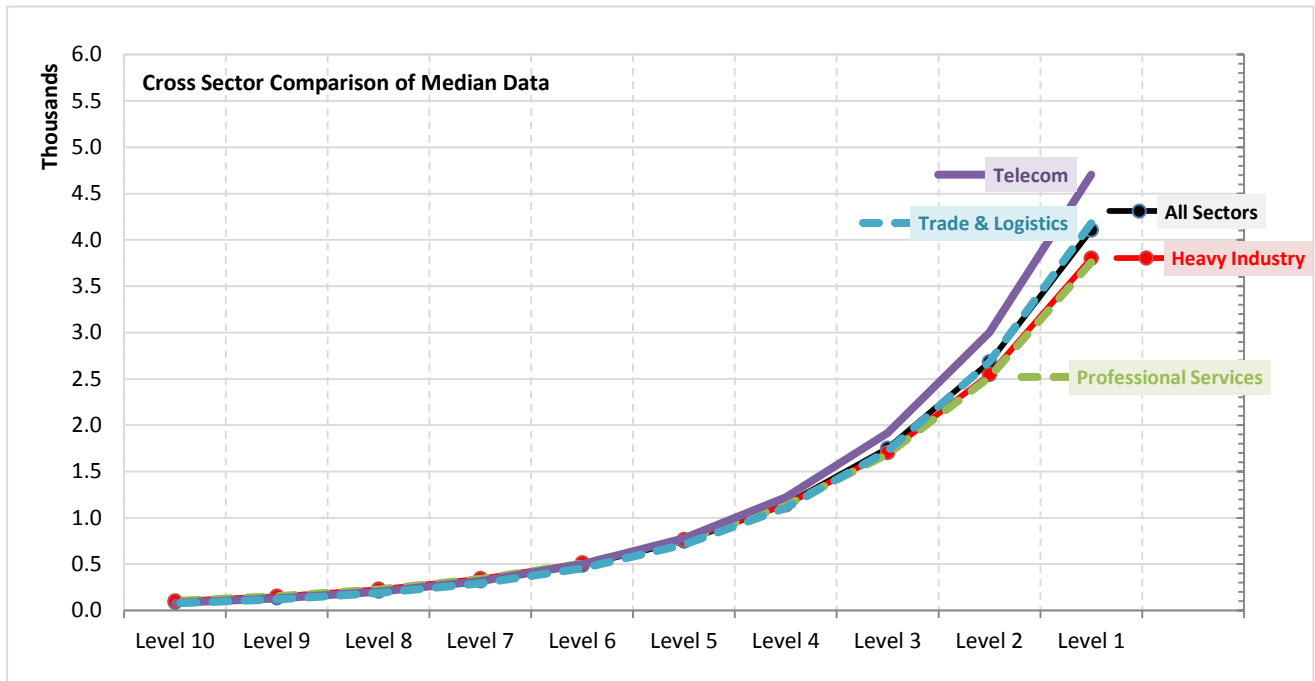
Table 2: Difference between Sector Median Salary and Overall Market Median Salary

KESAR Level	Automotive, Construction & Manufacturing	Trade, Distribution, Transportation & Logistics	Professional & Financial Services	Telecommunications
Level 1	--	--	--	--
Level 2	-11%	0%	3%	--
Level 3	11%	-11%	0%	23%
Level 4	12%	-6%	-6%	19%
Level 5	12%	5%	1%	28%
Level 6	-15%	0%	-6%	18%
Level 7	-14%	-8%	-1%	-10%
Level 8	0%	-7%	11%	0%
Level 9	38%	-4%	19%	16%
Level 10	25%	-24%	24%	--

<<Intentionally left blank>>

The figure below provides a snapshot of the median trend lines for each Sector. Based on these trend lines, it appears that median salaries increase at a similar rate across the four Sectors, with salary progression slightly greater in the Telecommunications sector.

Figure 1: Cross sector comparison, Median trend lines, Gross Monthly Salary



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

This section of the full report contains a chart which highlights that median salaries generally rise sharply from one job level to the next, especially at more senior job levels. For example, the median salary at Level 2 is more than double (115%) the median salary at Level 3.

1.4. Salary increments

The full report provides detailed information on the median salary increases that participant companies paid (or intend to pay) in 2011, 2012 and 2013.

1.5. Structure of total compensation

As the Cambodian labour market continues to grow in size and sophistication, both employers and employees are beginning to focus not just on base salaries, but also on other aspects of total compensation such as variable pay, benefits and allowances.

The results of the survey indicate that Base Salary makes up a greater share of Total Remuneration at higher Job Levels (77-81% of Total Remuneration) than at lower Job Levels (58-74% of Total Remuneration). Correspondingly, other compensation components constitute a smaller share of total Remuneration at higher Job Levels than at lower Job Levels.

The full report provides detailed information on each component of total compensation at each Job Level.

1.6. Recruitment and staff turnover challenges

When it comes to recruiting top talent, many respondents feel the *size* of the talent pool is shrinking for management and experienced professionals, but expanding for entry-level professionals (university graduates). Most respondents appear reasonably satisfied with the *quality* of the talent pool for most types of staff, although a significant percentage of respondents are not satisfied with the quality of entry-level professionals.

Respondents experience different *recruitment challenges* for different types of staff. For example, meeting salary and compensation expectations is a big challenge for recruiting management staff but not for recruiting entry-level professionals (university graduates).

The full report provides detailed information on participants' median staff turnover rates for calendar year 2011 and the first half of 2012.

1.7. Changes in employment

Participants were asked to provide estimates of their permanent staff (headcount) as well as their temporary/intermittent staff for the three years ending 2011, 2012 (forecast) and 2013 (forecast).

Regarding permanent staff, females make up around 31% of all permanent staff (males 69%), while expatriates make up around 2% of permanent staff (local Cambodians 98%).

The median increase in employment of permanent staff is projected to be around 6% in both 2012 and 2013. As has been the case in previous surveys, employment of local Cambodian staff is growing much faster than employment of expatriate staff.

1.8. Comparing salaries from 2011-12 and 2012-13 reports

The full report attempts to compare the salary results of the 2011-12 and 2012-13 surveys by analysing each company's average salary change in each job position between the two surveys (for the 25 companies that participated in both surveys). This provides another indication of salary movements over the past year.

<<Intentionally left blank>>

2. Economic review and outlook

The global economic environment has become increasingly gloomy during 2012. Economic growth is weakening in all of the world's major economies, as the ripple effects of weak growth in Europe and the United States are felt around the world. In October 2012, both the Asian Development Bank (ADB) and the International Monetary Fund (IMF) revised downwards their earlier forecasts (made in April 2012) for global economic growth in 2012 and 2013.

Taken together, the advanced industrial economies (which include the United States, Europe and Japan) are expected to grow by just 1.3% in 2012 and 1.5% in 2013.² Weak demand from these major economies is causing a slowdown in Asia's economic giants, China and India. As a result, economic growth in China is forecast to slow from 9.2% in 2011 to 7.8% in 2012, while growth in India is forecast to slip from 6.8% in 2011 to 4.9% in 2012.

Economies in Southeast Asia have held up remarkably well despite facing weaker demand for their exports from Europe and the United States. In most countries, economic growth is being supported by solid growth in domestic consumption, investment and trade within the region, as well as the relatively sound fiscal position of most governments in the region. Most economies in the region are expected to post slightly lower growth in 2012 than in 2011.

Cambodia's economy has continued to perform solidly in 2012, although recent data suggests that exports are weakening sharply and may be a drag on economic growth. Overall, economic growth is expected to slow from 7.1% in 2011 to 6.5% in 2012 and 6.7% in 2013. Inflation in Cambodia is expected to remain low (3.6% in 2012 and 4.4% in 2013).

The full report provides further information on the global and Cambodian economies, as well as Cambodian employment by sector.

<<Intentionally left blank>>

² Unless otherwise stated, all economic statistics in sections 1.1 and 1.2 are sourced from International Monetary Fund (IMF), *World Economic Outlook*, October 2012.

3. Profile of the sample

3.1. Overview

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

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

The table below provides an overall summary of the size of the survey samples from 2010-11 through to 2012-13. The table highlights that **this year’s survey is significantly larger**, in terms of number of participant companies and total number of positions surveyed.

Table 3: Size of Survey Samples: 2010-11 to 2012-13

	2010-11	2011-12	2012-13
Number of participant companies	24	31	48
Total number of positions surveyed (data points)³	4,405	4,936	14,257

In total, 25 of the 31 participants from 2011-12 also participated in 2012-13.

In the sections that follow, detailed characteristics of the 2012-13 sample are compared with those of the 2011-12 sample. This highlights how the two samples differ, which will assist readers in interpreting differences in salary and total compensation information between the two surveys.

<<Intentionally left blank>>

³ A “data point” refers to one employee’s salary. The total number of data points gives the total number of salary data analysed. To ensure that no single participant dominates the survey results, HRINC employs its own “data cleaning” methodology to reduce the impact of large participants. (See Chapter 3 of the full report for details of this methodology.)

3.2. Participant Profile by Sector

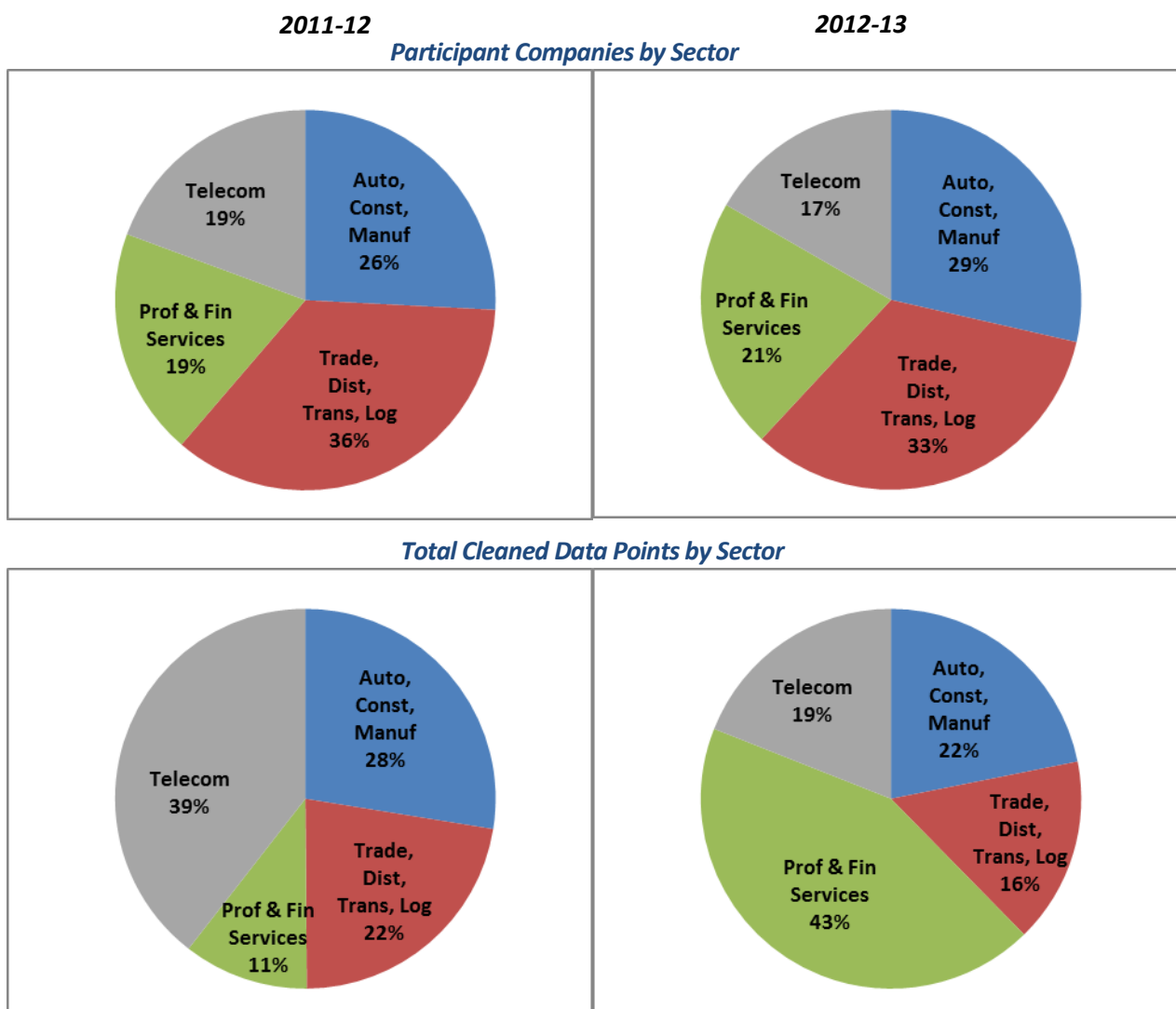
This year’s report classifies participating companies into four sector classifications:

- Automotive, Construction & Manufacturing
- Trade, Distribution, Transportation & Logistics
- Professional & Financial Services
- Telecommunications.

These four sector classifications are broadly similar to last year’s classifications. A complete list of participants, and the sectors to which they have been assigned, is provided in an appendix.

The figures below show each sector’s share of total participant companies and total cleaned data points. The main difference is that this year’s sample includes more financial services companies than previous years.

Figure 2: Sector comparison, 2011-12 versus 2012-13



Note:

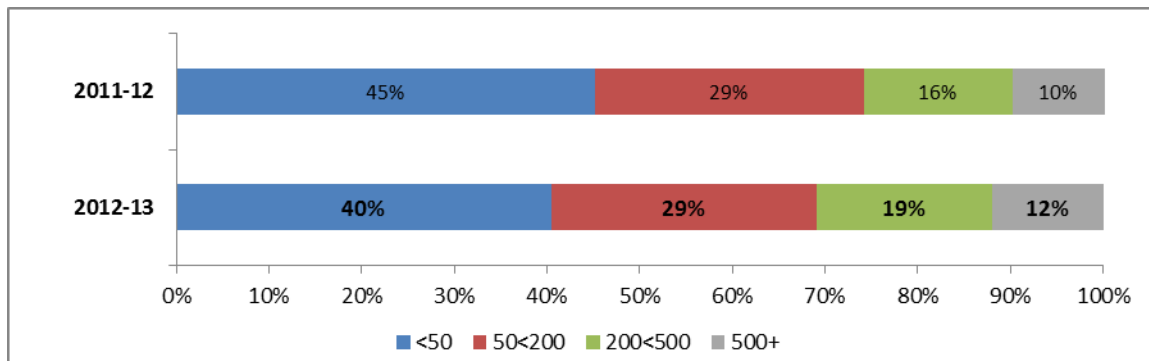
- Auto, Const, Manuf = Automotive, Construction & Manufacturing
- Trade, Dis, Trans, Log = Trade, Distribution, Transportation & Logistics
- Prof & Fin Services = Professional & Financial Services
- Telecom = Telecommunications

3.3. Participant Profile by Size (Data Points)

The figure below displays the participating companies according to their size (number of data points they provided). It shows the percentage of total participants that provided data points in each size category.

The sample contains a mix of small, medium and large employers. The size breakdown in 2012-13 is slightly more balanced than the previous year, with a slightly greater share of larger companies providing at least 200 data points.

Figure 3: Participant companies by size (data points), % of total participants

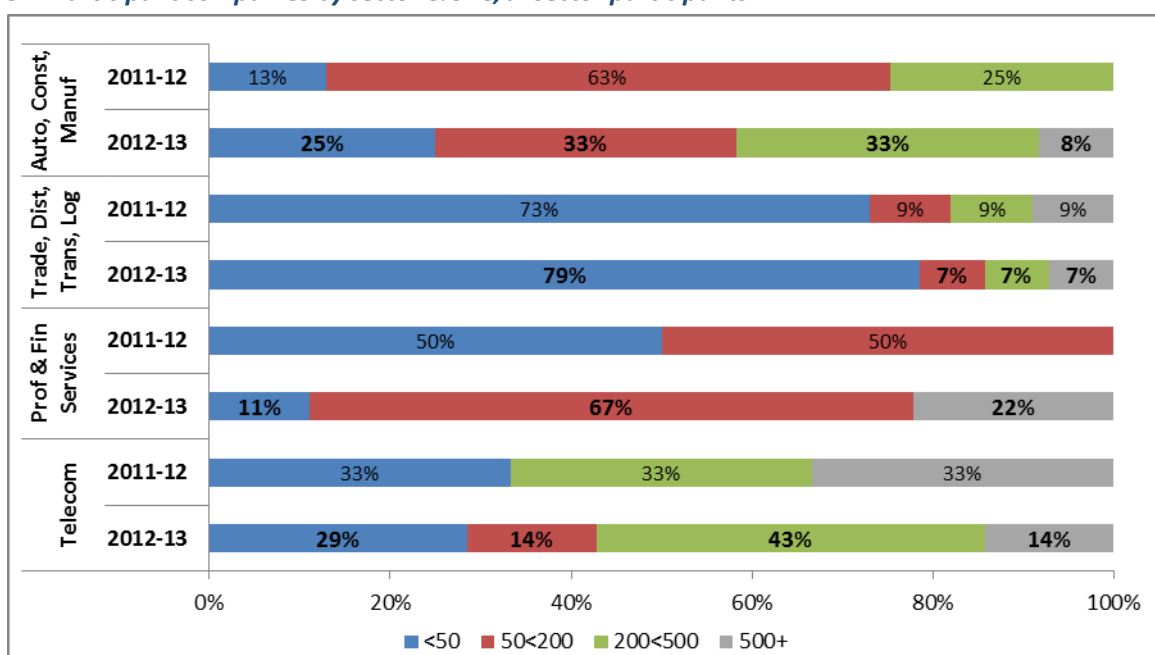


The figure below shows participant companies by sector and size for both surveys. It shows the percentage of each sector’s participants that provided data points in each size category.

The key points to note from the table are:

- There are significant differences in the size distribution of participants between the four sectors, and also between the two surveys
- The Automotive, Construction & Manufacturing sector is fairly evenly distributed
- The Trade, Distribution, Transportation & Logistics sector consists mostly of small participants (less than 50 data points)
- The Professional & Financial Services sector consists mostly of medium-sized participants (50<200), plus a greater share of very large participants (500+) than any other sector
- The Telecommunications sector consists mostly of large participants (200<500).

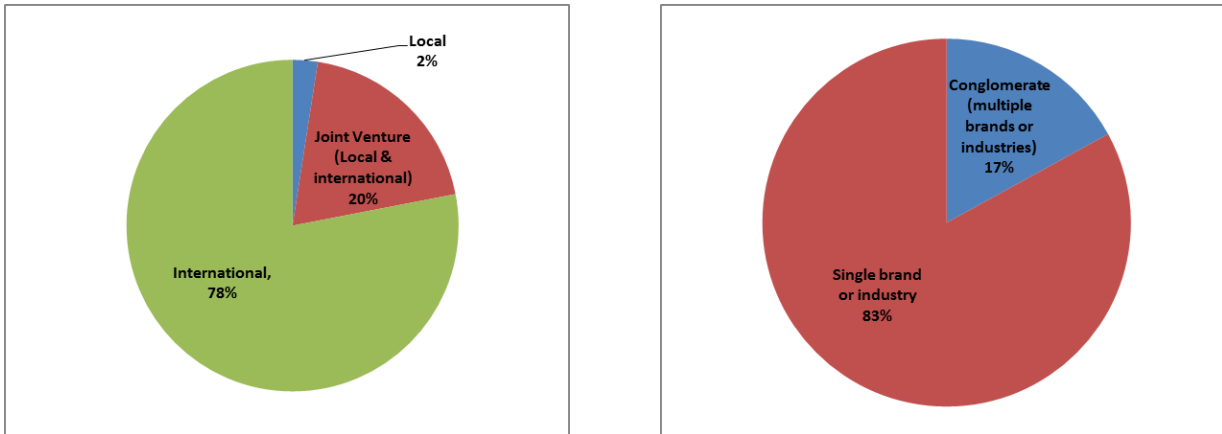
Figure 4: Participant companies by sector & size, % sector participants



3.4. Participants – types of enterprises

The figures below show the types of enterprises that participated in the sample, in terms of their ownership and their operational structure. A majority of participants are foreign-owned companies operating under a single brand or in a single industry.

Figure 5: Participants, types of enterprise, % of respondents



<<Intentionally left blank>>

3.5. Methodology and confidentiality

3.5.1. Job Analysis & KESAR Methodology

The survey is based on HRINC's KESAR analysis⁴, 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:** includes all positions related to accounting, finance, auditing and taxes
2. **Administration:** includes all positions related to administration and operations support (such as drivers and guards)
3. **HR & Legal:** includes all human resources and legal positions
4. **Engineering:** includes all engineers and technicians
5. **Information Technology:** includes all IT-related positions relevant to IT support, whether web, LAN/WAN or infrastructure support
6. **Production & Maintenance:** includes all 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
7. **Purchasing & Logistics:** includes all positions related to purchasing/procurement, logistics and warehousing
8. **Quality & environment:** includes all positions related to quality control, including quality inspectors and quality control engineers
9. **Customer Services:** includes all positions that interface with customers and product support relating to customer enquiries
10. **Sales:** includes all sales positions
11. **Marketing:** includes all marketing positions related to promotion of products and services
12. **Top Management:** includes senior general management positions (in Levels 1 to 3).

⁴ "KESAR" stands for Knowledge, Environment, Skills, Aptitude and Responsibility.

Generic job titles are used to describe at a high level the Job Levels represented. These generic job titles will not necessarily match those of every company surveyed. The most important point in comparing jobs is the nature of the job (as reflected in its KESAR score), rather than the job title. Generic job titles for each Job Level are explained in the table below.

Table 4: Generic job titles

KESAR Job Levels	Generic Title	Definition
1	Director	Understands the total business (how all functions integrate and coordinate). In-depth knowledge and experience of industry and commercial environment.
2	Function Director	Understands how own functions integrate with others. Extensive knowledge and experience of the function's work and thorough knowledge of other organisations which operate within the same industry.
3	Manager	Understands how own and other sub-functions' processes coordinate and integrate with each other. Understanding and experience of the industry in which the business operates.
4	Senior Executive	Understands how own and other sub-functions' processes coordinate and integrate with each other. In depth knowledge and experience of precise work/technical area.
5	Supervisor	Understands own area and how it integrates with others within the same functions.
6	Executive	In-depth understanding of the concepts and principles in own technical area and basic understanding in others.
7	Staff (skilled worker)	Good understanding of the concepts and principles in own technical area and basic understanding in others.
8	Assistant (experienced worker)	Basic understanding of the concepts and principles in own technical area.
9	Worker	Basic knowledge of activities and procedures of own work area.
10	Unskilled Worker	Knowledge limited to the tasks performed (and hence very basic).

The KESAR analysis coupled with the functional division of jobs allows us to carry out the job matching based on 10 Job Levels and 12 Job Functions. Each company is provided with the final evaluation and the job analysis is confirmed with the company.

On the next page, a matrix is provided of *typical job titles found in the market* by the different Job Levels and Job Functions. This matrix helps readers to understand which types of jobs are found in particular categories in the Cambodian market. In addition, in a supplement to the full report, more detailed job descriptions are presented for the most common jobs in each Job Function. This should help readers understand what types of jobs are contained within the different Job Levels and Job Functions.

It is important to remember that we are evaluating the nature of job positions, rather than people or formal titles. The titles in the matrix below 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.

Table 5: Examples of market job titles by Job Level

HRINC Rank Points	Generic Titles	Accounting & Finance	Administration	HR & Legal	Engineering	Information Technology	Production & Maintenance	Purchasing & Logistics	Quality & Environment	Customer Services	Sales	Marketing
Level 1	Director	--	--	--	--	--	--	--	--	--	--	--
Level 2	Function Director	Head of Finance Finance Director	Head of Admin Admin Director	Head of HR HR Director	Engineering Manager	IT Executive Manager	Country Manager	Operations Manager Head of Trade	--	Head of Customer Services	Head of Sales Sales Director	Commercial Manager Marketing Director
Level 3	Manager	Finance Manager Regulatory Affairs Manager	Admin Manager	HR Manager	Technical Manager Engineering Manager	IT Manager	Project Manager	Sourcing Manager Operations Manager	Quality Assurance Manager	Call Centre Manager, Customer Relations Manager	Sales Manager	Marketing Manager
Level 4	Senior Executive	Senior Accountant Senior Finance Executive	Admin Manager	HR Manager Legal Counsel	Senior Engineer	IT Manager IT Senior	Site Manager	Logistic Manager Purchasing Manager	Quality Assurance Manager	Front Office Manager Customer Service Supervisor	Area Sales Manager	Senior Merchandiser
Level 5	Supervisor	Financial Analyst	Admin Supervisor	HR Supervisor	Project Engineer	IT Engineer	Production Manager	Equipment Manager	Quality Assurance Supervisor	Call Centre Team Leader	Sales Supervisor	Merchandiser
Level 6	Executive	Finance Executive	Admin Executive	Recruitment Executive	Engineer	IT Executive	Supervisor	Warehouse Supervisor	Quality Control Engineer	Customer Service Executive	Senior Sales Representative	Marketing Executive
Level 7	Staff (skilled worker)	Finance Officer	Admin Assistant	HR Officer	Skilled Technician	IT Officer	Skilled Technician	Store Supervisor	Quality Control Technician	Customer Services Officer	Sales Representative	Marketing Officer
Level 8	Assistant (experienced worker)	Cashier	Receptionist	HR Assistant	Technician	IT Technician	Maintenance Technician	Storeman	Quality Control Technician	Call Centre Officer	Sales Staff	Marketing Assistant
Level 9	Worker	--	Secretary	--	--	--	Machine Operator	Storeman	--	--	--	--
Level 10	Unskilled worker	--	Guard, Cleaner	--	--	--	Worker	--	--	--	--	--

3.5.2. Total Compensation

This year, HRINC’s analysis of total compensation has been refined to move towards international benchmarks. The table below summarises the components of annual total compensation, as presented in the full report.

Table 6: 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 13 th 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	

3.5.3. 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:⁵

- 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.

As a result of this data cleaning, the number of cleaned data points used in the salary and compensation analysis (9,462) is lower than the number of raw data points provided by participants (14,257). Nevertheless, these 9,462 cleaned data points still accurately represent the full range of salaries for the 14,257 positions.

<<Intentionally left blank>>

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

4. Salary data by Job Functions

The full report provides detailed salary information – both net and gross – for each Job Function.

This chapter of the full report is structured as follows:

Actual Data According to Job Functions

- Monthly Salary for All Functions
- Monthly Salary for each Job Function

Cross Functional Comparison According to Job Functions

- Comparison of Median Gross Monthly Salaries across each Job Function
- Comparison of Average Gross Monthly Salaries across each Job Function

Trend Lines According to Job Functions

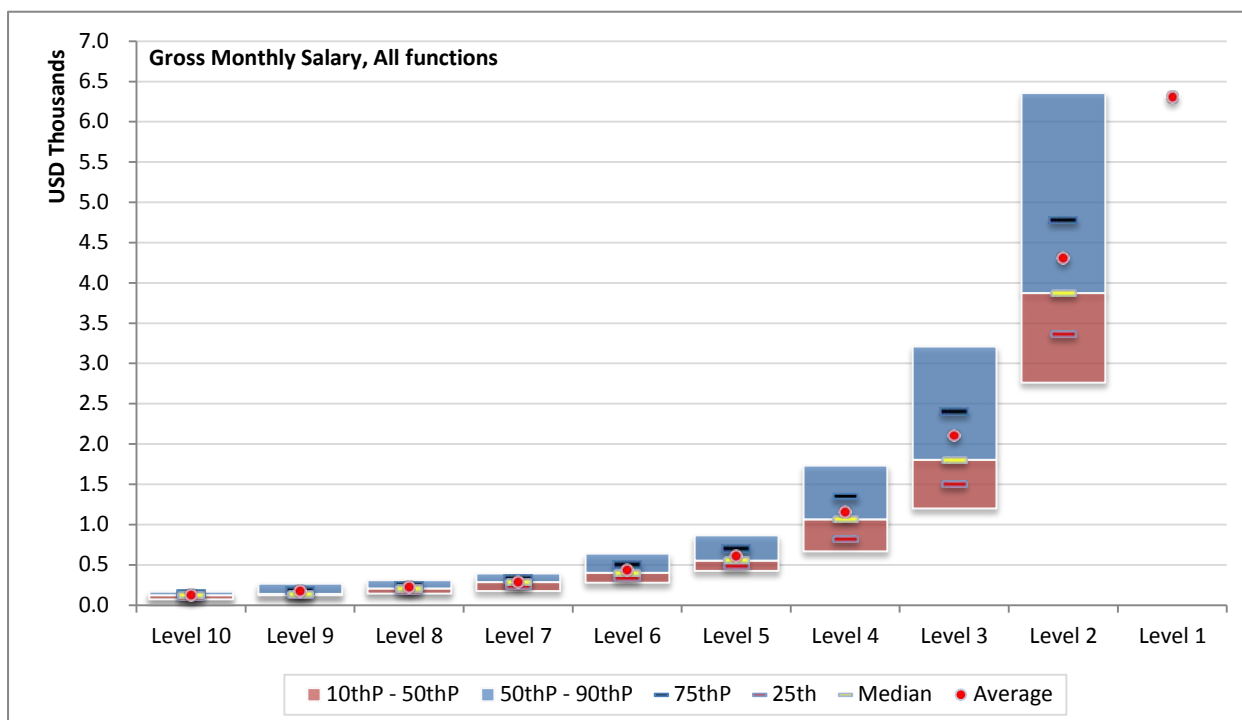
- Trend Lines for Gross Monthly Salary for All Functions
- Trend Lines for Gross Monthly Salary for each Job Function
- Cross Functional Comparison of Median Trend Lines.

Job Descriptions for positions commonly found in each Job Function are contained in an attached supplement to the full report. These descriptions may help readers to understand what types of jobs relate to the salary information contained in the salary tables.

The figure below shows the market range of salaries aggregated across All Functions.

For each Job Level, the combined height of the blue and red boxes shows the market range of salaries from the 10th percentile to the 90th percentile. The red dot shows the average salary and the yellow line shows the median salary (50th percentile).

Figure 6: Gross Monthly Salary, All Functions

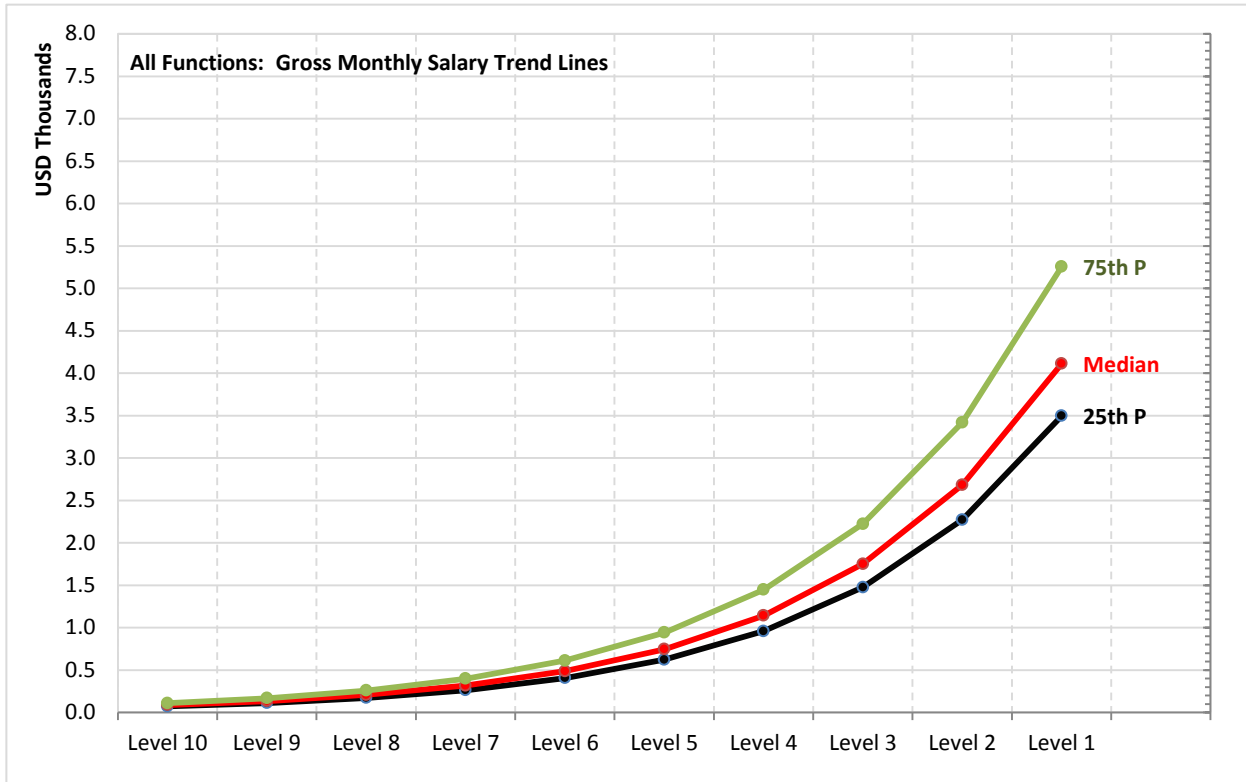


In the full report, the above type of chart (as well as tables containing numerical information) is presented for each of the 12 Job Functions.

The figure below presents trend lines based on regressed data, aggregated across All Functions.

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

Figure 7: Trend Lines, Gross Monthly Salary, All Functions



Again, the full report shows similar information for each of the 12 Job Functions.

5. Salary Data by Activity Sectors

The full report breaks down the salary data into four broad sector categories:

- Automotive, Construction & Manufacturing
- Trade, Distribution, Transportation & Logistics
- Professional & Financial Services
- Telecommunications.

Sector salary information is presented for each Job Level across all Job Functions combined. Actual data for each sector is presented, followed by a cross-sector comparison of each sector’s actual data, followed by trend lines for each sector.

<<Intentionally left blank>>

6. Annual Total Compensation

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

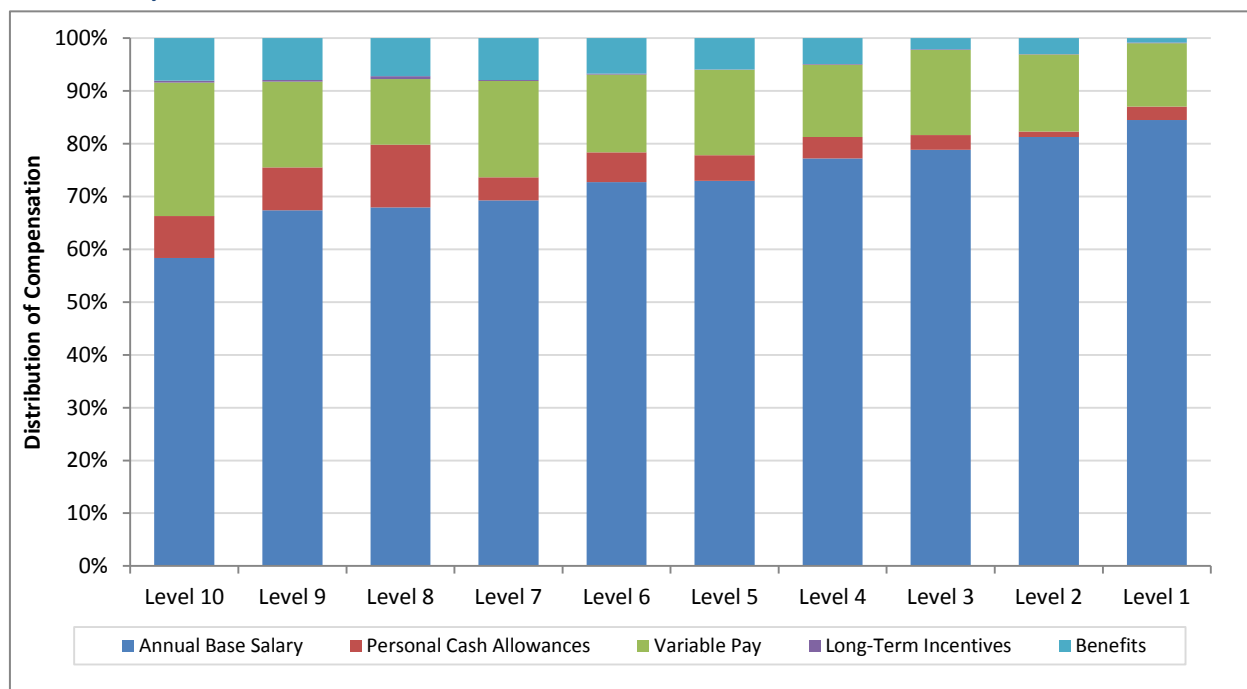
This year, the analysis of total compensation has been refined to move towards international benchmarks.

In the full report, the 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)

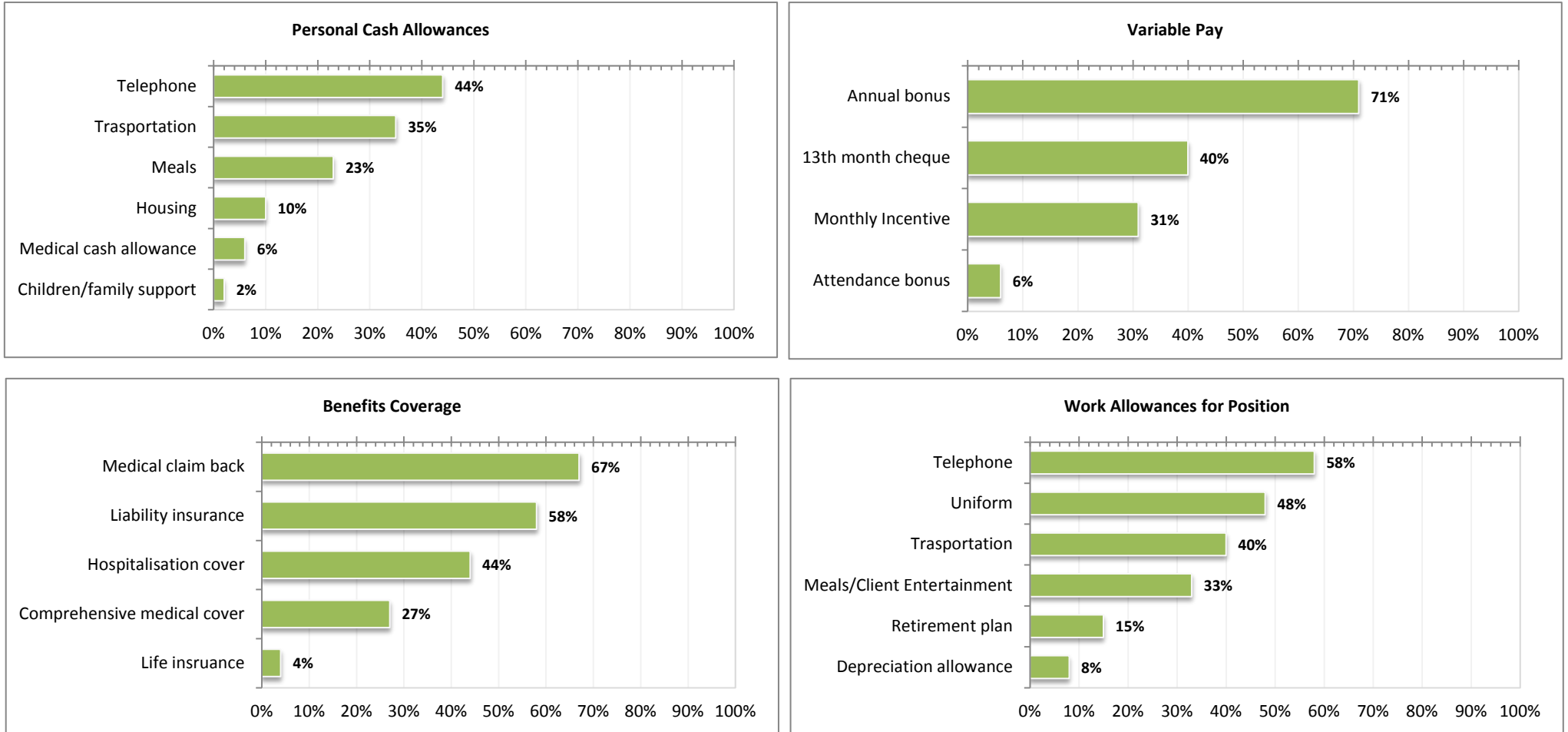
The figure below shows, for each Job Level, each component’s percentage of Annual Total Remuneration. It highlights that Base Salary makes up a greater share of Total Remuneration at higher Job Levels than at lower Job Levels. Correspondingly, other compensation components constitute a smaller share of total Remuneration at higher Job Levels than at lower Job Levels.

Figure 8: Average Annual Total Remuneration (excluding work allowances) – By Level (% of Annual Total Remuneration)



The figure below provides details on the percentage of participants that provide the various forms of non-salary compensation to at least some of their employees.

Figure 9: Provision of compensation, percentage of participating companies who provide



7. HR practices and challenges

The full report outlines some of the HR practices and challenges that are common in the private sector, relating to:

- Staff numbers (changes in employment)
- Variable pay
- Salary increases
- Recruitment challenges
- Emerging innovative HR practices.

<<Intentionally left blank>>

Appendix: Participating Companies

Company	Sector
Amco (Hyundai)	Automotive, Construction & Manufacturing
British American Tobacco	Automotive, Construction & Manufacturing
Cambodia Beverage Company Ltd	Automotive, Construction & Manufacturing
CBL	Automotive, Construction & Manufacturing
Comin Khmère Co., Ltd	Automotive, Construction & Manufacturing
HONDA	Automotive, Construction & Manufacturing
Jardine Schindler (Cambodia) Ltd.	Automotive, Construction & Manufacturing
Kingdom Brewery	Automotive, Construction & Manufacturing
Kompot Cement	Automotive, Construction & Manufacturing
Mitsu	Automotive, Construction & Manufacturing
TOYOTA (CAMBODIA) CO.,LTD	Automotive, Construction & Manufacturing
YAMAHA	Automotive, Construction & Manufacturing
ACLEDA Bank Plc.	Financial & Professional Services
ANZ Royal Bank	Financial & Professional Services
CAMPU LONPAC INSURANCE PLC.	Financial & Professional Services
CIMB Bank PLC	Financial & Professional Services
HwangDBS Commercial Bank Plc	Financial & Professional Services
Manulife (Cambodia) Plc	Financial & Professional Services
Maybank	Financial & Professional Services
PWC	Financial & Professional Services
Wing (Cambodia)	Financial & Professional Services
Alcatel-Lucent	Telecommunications
Branch Of Ericsson AB- Cambodia	Telecommunications
Cambodia Advance Communications Co., Ltd.	Telecommunications
EZECOM Co., Ltd	Telecommunications
Hello Axiata Company Limited	Telecommunications
Mobitel	Telecommunications
SOTELCO LTD.	Telecommunications
APL	Trade, Distribution, Transport & Logistics
Chevron (Cambodia) Limited	Trade, Distribution, Transport & Logistics
Damco Cambodia Ltd	Trade, Distribution, Transport & Logistics
DKSH	Trade, Distribution, Transport & Logistics
KCI	Trade, Distribution, Transport & Logistics
Maersk (Cambodia) Ltd.	Trade, Distribution, Transport & Logistics
OOCL (Cambodia) Limited	Trade, Distribution, Transport & Logistics
Representative Office of "DuPont (Thailand) Ltd."	Trade, Distribution, Transport & Logistics
Rep. Office of JT International Tobacco Services Singapore Pte. Ltd. Cambodia	Trade, Distribution, Transport & Logistics
RMA Group	Trade, Distribution, Transport & Logistics
Thai Samsung Electronics	Trade, Distribution, Transport & Logistics
Cambodia	Trade, Distribution, Transport & Logistics
Unilever Cambodia Limited	Trade, Distribution, Transport & Logistics
Wuerth Cambodia	Trade, Distribution, Transport & Logistics

The full report of the Cambodia Annual Private Sector Compensation Review 2012-13 is available for sale.

To order your copy of the report, please contact:

Ms Paula NICOLAS: +855 (12) 341943 or paula.nicolas@hrinc.com.kh

Ms NIL Keorachana: +855 (11) 983838 or nil.keorachana@hrinc.com.kh