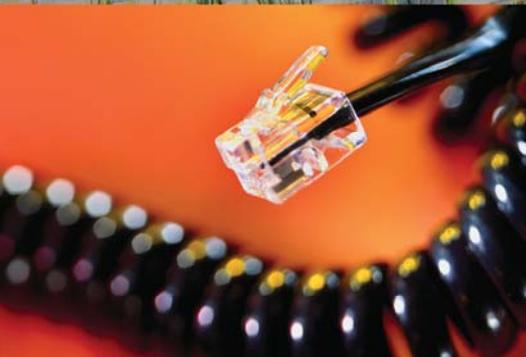


A comprehensive report on salaries and benefits amongst Cambodia's leading companies



HR Inc. Cambodia

**A PREVIEW OF THE
ANNUAL PRIVATE SECTOR
SALARY AND BENEFITS
SURVEY 2010-2011
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

Disclaimer

This report is the property of HRINC (Cambodia) Co., Ltd and may not be reproduced in any form or manner. The report should not be disclosed to any other party without the written consent of HRINC (Cambodia) Co., Ltd.

The report is intended to provide information to the buyer on market salaries and HR practices and may be used for internal company decision making and analysis. HRINC (Cambodia) Co., Ltd bears no responsibility for the decisions and/or further analysis made pertaining to the report. The data contained herein represents the data that participating companies have provided to HRINC (Cambodia) Co., Ltd where we have taken all reasonable effort to ensure data accuracy and transparency.

Further questions relating to the report can be sent to hrinc@hrinc.com.kh.

Acknowledgements & Introductory Remarks

We would like to warmly thank all the 24 participating companies for their collaboration in this project. Many of the companies who participated in this year's survey have participated in previous editions. We thank them for their on-going support and co-operation. We are also pleased to have several new companies joining the survey this year for the first time.

The access they have provided to their data and the transparency they have shown concerning their processes and practices have ensured that this report provides meaningful and valuable insights into the Cambodian market.

This Insight copy of the *Cambodia Private Sector Salary and Benefits Survey 2010-11* provides a snapshot of some of the information and analysis contained in the full report. The survey is the result of leading multinational companies in Cambodia seeking updated and reliable information on salaries, benefits and human resources (HR) practices in the Cambodian labour market.

This is the sixth annual salary survey 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 companies emerge from the difficult economic conditions of last year and look ahead to better times, it is apparent that finding and keeping top talent continues to be a challenge. In such an environment, it is more important than ever to have a consistent and competitive compensation structure that reflects market trends and best practices. The *Private Sector Salary and Benefits Survey 2010-11* plays an essential role in helping companies to establish and maintain such a compensation structure.

In previous surveys, it has been a challenge for readers to interpret salary information which includes both expatriate and local Cambodian staff together. This year, in response to client feedback, we have placed the focus of the analysis squarely on local Cambodian staff. While we present some information separately for expatriate salaries, most of the information is presented for local Cambodian staff only. We believe this makes the analysis clearer and more meaningful for clients.

This year, we have also expanded the chapter in the full report that outlines common HR practices and challenges in the Cambodian market. In the full report, we present some new information for the first time on issues relating to HR budgets, training, employment levels and managers' outlook for the future.

In another improvement, this year's full report also includes job descriptions for many common job positions in the Cambodian market. This should make the salary information easier to interpret.

The purpose of this salary survey is to benchmark salaries and benefits 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 prevailing market trends and best practices in the area of benefits
- Gives clear indications about market data for specialist or hybrid roles which are characteristic to your organisation
- Equips you with dependable market information on some significant common Human Resource (HR) practices including salary reviews, inflation rate adjustments, challenges in recruitment and labour turnover
- Provides you with an understanding of labour law compliance and practices within the market.

The full report of the *Private Sector Salary and Benefits Survey 2010-11* is divided into 12 chapters, plus appendices.

Table of Contents

1.	Economic Review and Outlook	5
2.	Highlights of the survey	5
2.1.	<i>Best paying jobs</i>	5
2.2.	<i>Which sectors pay the most?.....</i>	6
2.3.	<i>How much do salaries differ from one job level to the next?</i>	6
2.4.	<i>What benefits and allowances do companies provide?.....</i>	6
2.5.	<i>Recruitment and labour turnover challenges</i>	7
2.6.	<i>Employment numbers, impact of 2009 crisis and outlook for future</i>	7
2.7.	<i>Salary increments.....</i>	7
2.8.	<i>Bonus / Incentive payments.....</i>	7
2.9.	<i>Comparing salaries from 2009-10 and 2010-11 reports.....</i>	7
3.	Profile of the Sample	8
3.1.	<i>Introduction.....</i>	8
3.2.	<i>Participant Profile by Sector.....</i>	9
3.3.	<i>Participant Profile by Size (Employee Numbers)</i>	10
3.4.	<i>Sample Profile by Gender.....</i>	11
4.	Confidentiality & Methodology	13
4.1.	<i>Job Analysis & KESAR Methodology.....</i>	13
4.2.	<i>Confidentiality</i>	15
4.3.	<i>Total Compensation Concept</i>	15
5.	Report Interpretation: Understanding and Using the Report	17
5.1.	<i>Definition of Statistical Terms Used in this Report</i>	17
5.2.	<i>Interpreting Tables.....</i>	18
5.3.	<i>Interpreting Box Plots</i>	19
5.4.	<i>Interpreting Trend Lines.....</i>	19
6.	Salary Information According to Job Functions	20
7.	Salary Information According to Activity Sectors	22
8.	Total Cash Compensation	23
9.	Compensation Practices.....	24
10.	HR Practices & Challenges.....	24
11.	Labour Law Findings.....	24
12.	Appendices	25

List of Figures

Figure 1: Gross Monthly Salary (Median) – by Level, across All Functions	6
Figure 2: Participant Companies by Sector.....	9
Figure 3: Total Data Points by Sector	9
Figure 4: Participant companies by size (employee numbers)	10
Figure 5: Participant companies by sector & size	10
Figure 6: Gender profile by sector, 2010-11	11
Figure 7: Gender profile by Job Level, all Functions.....	11
Figure 8: Gender Profile by Job Function, all Levels	12
Figure 9: Examples of Market Job Titles by Job Levels.....	14
Figure 10: The Box Plot.....	19
Figure 11: Gross Monthly Salary, All Functions (Cambodian Staff)	21
Figure 12: Trend lines, Gross Monthly Salary, All Functions (Cambodian Staff)	21
Figure 13: Average Annual Total Cash Compensation – By Level (in %)	23

List of Tables

Table 3: Description of Activity Sectors.....	6
Table 5: Size of Survey Samples: 2007-08, 2008-09, 2009-10 & 2010-11	8
Table 6: Activities allocation by sector	9
Table 7: Annual Total Compensation – Components	16
Table 8: Interpreting Data Tables (Example Data).....	18
Table 9: Participant List by Industry Sector.....	25

1. Economic Review and Outlook

Following the deepest global recession since World War II, most economies began to recover in the latter months of 2009 and into 2010. However, the pace of recovery has been uneven across different parts of the world – just as the depth of the recession was uneven.

China, India and most other Asian economies are enjoying a strong rebound in economic growth, thanks to an increase in global trade as well as stronger domestic growth. In contrast, Japan, Europe, and the United States have emerged from the recession much more slowly, with lingering doubts about the sustainability of their recoveries. High unemployment and weak government finances are still major challenges for these developed countries.

Overall, the global economy is expected to grow by 4.8% in 2010, following a contraction of 0.6% in 2009. Growth is expected to moderate slightly to 4.2% in 2011, as governments wind down their stimulus spending and tighten their fiscal policies.¹

The full report provides further information on the global and Cambodian economies, including economic growth, inflation and employment.

2. Highlights of the survey

This chapter provides some key highlights of the *Private Sector Salary and Benefits Survey 2010-11*. 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 benefits and allowances do companies provide?
- What recruitment and labour turnover challenges do companies face?
- What has happened to employment in recent years?
- By how much have salaries increased?
- What size bonuses have been awarded?
- How do the salaries reported in this year's survey compare with last year's survey?

2.1. Best paying jobs

Data in the report compares the average Gross Monthly Salary paid at each Job Level across each Job Function. Data displays, for a given Job Level, the extent to which the average salary for a particular Job Function (such as Accounting & Finance) is higher or lower than the average salary for the total market (across all Job Functions).

Some selected interesting findings include:

- At the middle Job Levels 4 to 6, **Engineering** roles tend to pay significantly higher salaries than other types of roles.
- At the more junior Job Levels 6 to 9, roles in **support and technical functions** tend to pay higher than other types of roles.
- **Customer Services** and **Sales & Marketing** tend to pay below the market average across several Job Levels.

The detailed report provides each job function and their ranking compared to the overall market.

¹ International Monetary Fund, World Economic Outlook Database, October 2010.

2.2. Which sectors pay the most?

In this survey, we have classified the participant companies into three sectors according to their main activity. These three broad sectors, and the activities they cover, are outlined in the table below.

Table 1: Description of Activity Sectors

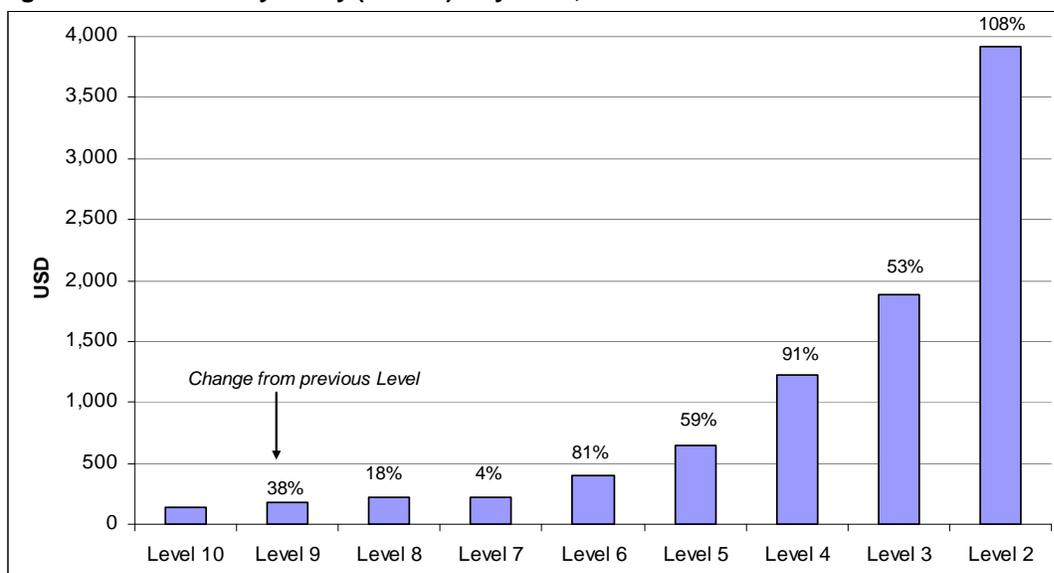
Sector	Activities
Industrial	Manufacturing, Trade, Shipping & Logistics, Oil & Gas
Services	Financial & Professional Services
Telecom	Telecom mobile operators; Telecom equipment providers

The data highlights that the Telecom sector tends to pay higher than the other sectors in the middle Job Levels 5 and 6, but lower than the other sectors in the lower Levels 8 and 9. The Services sector interestingly was significantly more competitive at senior levels.

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

The figure below shows the median Gross Monthly Salary for each Job Level and across all Job Functions, as well as the percentage increase from one Job Level to the next (from Level 10 upwards). It highlights that **median salaries generally rise sharply from one job level to the next**, especially at more senior job levels. In particular, the median salary at Level 2 is more than double the median salary at Level 3, and the median salary at Level 4 is almost double the median salary at Level 5.

Figure 1: Gross Monthly Salary (Median) – by Level, across All Functions



2.4. What benefits and allowances do companies provide?

The full report contains information on common types of compensation practices (including bonus payments, allowances and benefits) provided by participant companies.

2.5. Recruitment and labour turnover challenges

When it comes to recruiting “top talent”, 63% of respondent companies believe it is getting harder to find the skills they need. This is more the case for management and experienced talent than it is for entry level talent.

As was the case in last year's survey, the biggest recruitment challenge remains the lack of qualified candidates. Finding candidates with the right technical skills is the second-biggest challenge overall, being more of a problem for experienced talent than for entry level talent. Interestingly, meeting candidates' salary expectations was not as big an overall challenge as in previous surveys, although it is a much bigger challenge for experienced talent than for entry level talent.

The full report provides detailed information on participants' average labour turnover rates for 2007 to 2010. Separate information is shown for management and non-management staff.

2.6. Employment numbers, impact of 2009 crisis and outlook for future

For the 18 participant companies who provided their company's employment numbers for the years 2008 and onwards, the total increase in their employment numbers increased in 2009 and projected to increase again in 2010. Percentage increases are provided in the full report. Interestingly, the number of expatriates working in these companies actually *fell* in 2009 and is projected to fall again in 2010.

When asked about the extent to which they were affected by the financial crisis in 2009, most respondents said were affected either a little (39%) or to an average degree (43%). From a HR perspective, the most common way that participants dealt with the financial crisis was to promote people internally to fill positions created by people who had resigned, or to introduce job sharing strategies.

When asked about the future business outlook in Cambodia, more respondents are optimistic about prospects in the next 3 to 5 years (90%) than prospects in 2010 (77%).

2.7. Salary increments

The full report provides detailed information on participants' average salary increases from 2007 to 2011. Separate information is shown for management and non-management staff.

2.8. Bonus / Incentive payments

The full report provides detailed information on participants' bonus payments from 2007 to 2010. Separate information is shown for management and non-management staff.

2.9. Comparing salaries from 2009-10 and 2010-11 reports

The full report attempts to compare the salary results of the 2009-10 and 2010-11 surveys – first by comparing all participants in both surveys, and then restricting the comparison to the companies that participated in both surveys.

3. Profile of the Sample

3.1. Introduction

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)
- **Gender** breakdown of positions surveyed

The table below provides an overall summary of the size of the survey samples from 2007-08 through to 2010-11. The size of this year's sample is similar to last year's sample.

Table 2: Size of Survey Samples: 2007-08, 2008-09, 2009-10 & 2010-11

	2007-08	2008-09	2009-10	2010-11
Number of participant companies	19	59	29	24
Total number of positions surveyed (data points) *	1,360	10,196	4,745	4,465

* A **data point** refers to one employee's salary. The total number of data points gives the total number of salary data analysed.

The 2010-11 sample of 4,465 data points includes 60 expatriate staff. Since the salaries of expatriates tend to distort the salary analysis (because of their higher salaries), their data points have been removed for most of the analysis in this year's report. As a result, the information presented below on the profile of the sample relates only to the 4,405 Cambodian data points.

3.2. Participant Profile by Sector

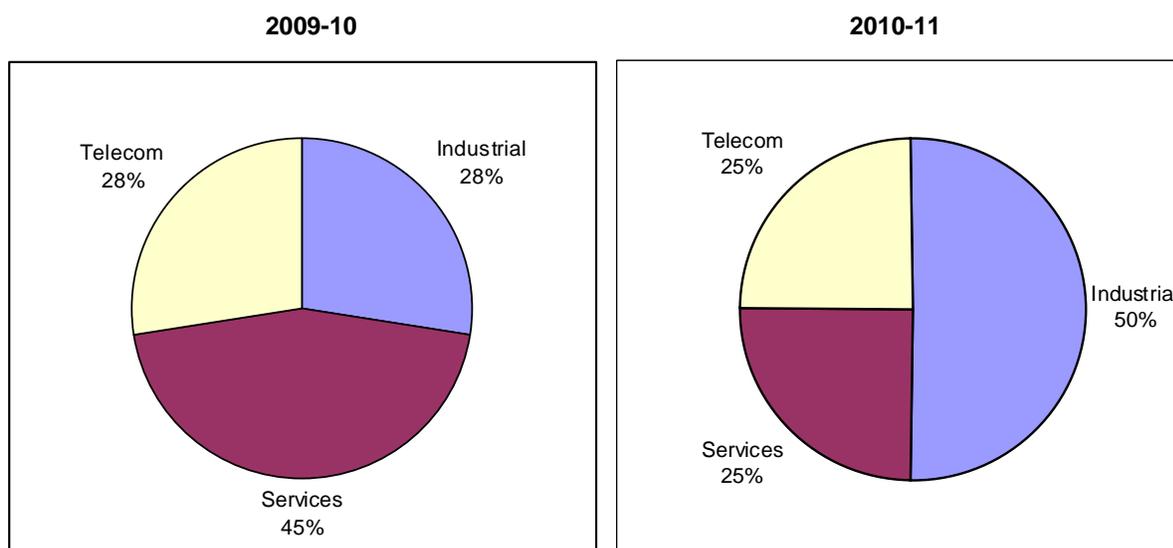
This year’s report uses the same three sector classifications as last year – Industrial, Services and Telecom. The table below shows the main activities assigned to each of these sector classifications. A complete list of participants, and the sectors to which they have been assigned, is provided in an appendix.

Table 3: Activities allocation by sector

Sector	Activities
Industrial	Manufacturing, Trade, Shipping & Logistics, Petroleum
Services	Financial & Professional Services
Telecom	Telecom mobile operators; Telecom equipment providers

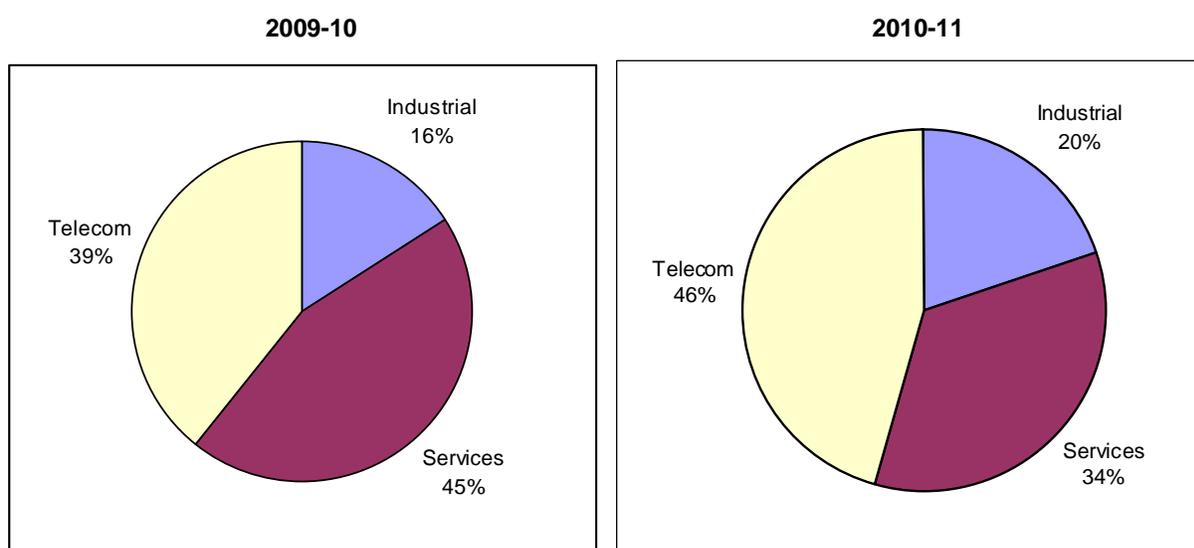
The figures below show the percentage of survey participants in each sector.

Figure 2: Participant Companies by Sector



The figures below show the percentage of survey data points in each sector.

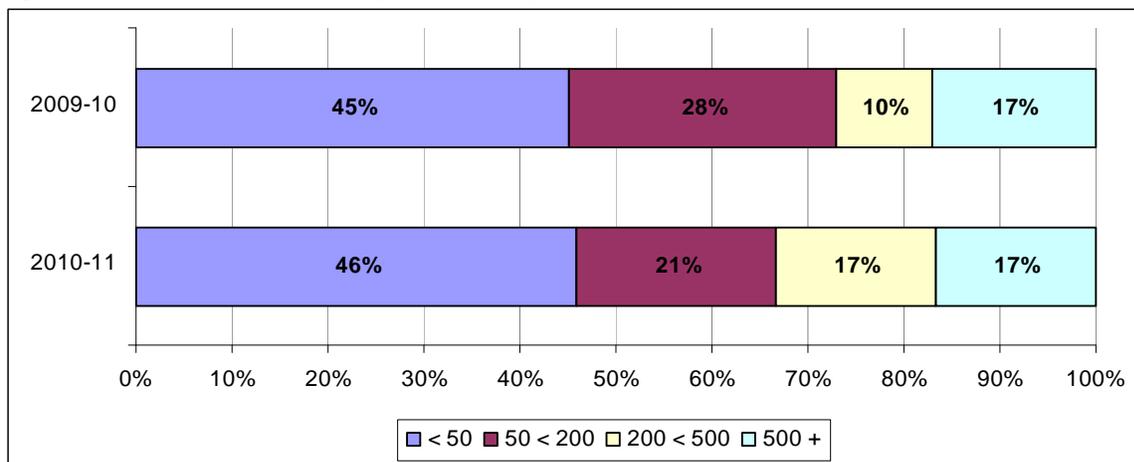
Figure 3: Total Data Points by Sector



3.3. Participant Profile by Size (Employee Numbers)

The figure below displays the participating companies according to their size (employee numbers). The sample contains a mix of small, medium and large employers. The size breakdown in 2010-11 is broadly similar to that of 2009-10 – which enhances the comparability of the two samples.

Figure 4: Participant companies by size (employee numbers)

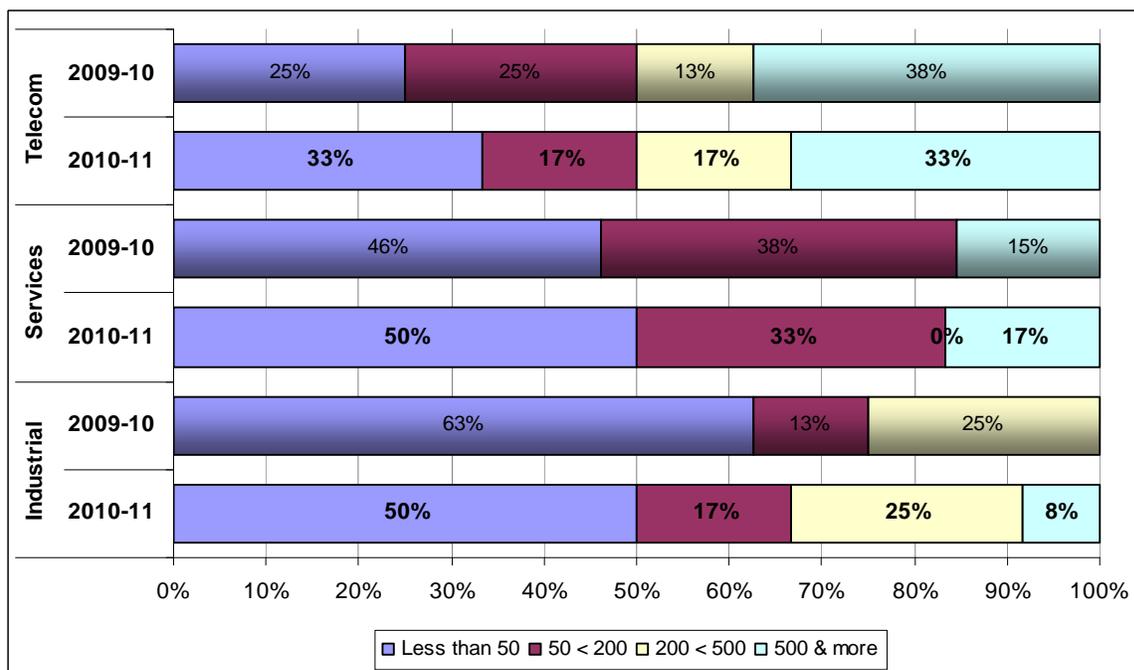


The figure below shows participant companies by sector and size for both surveys. To make it easier to distinguish between 2010-11 and 2009-10, the data bars for 2010-11 have their percentage breakdowns in larger **bold** font.

The key points to note from the table are:

- Overall, each sector has similar size breakdowns in both surveys
- In both surveys, the Telecom sector has the biggest percentage of large employers (500 and above)
- In both surveys, most participants from the Services sector have less than 200 employees..

Figure 5: Participant companies by sector & size

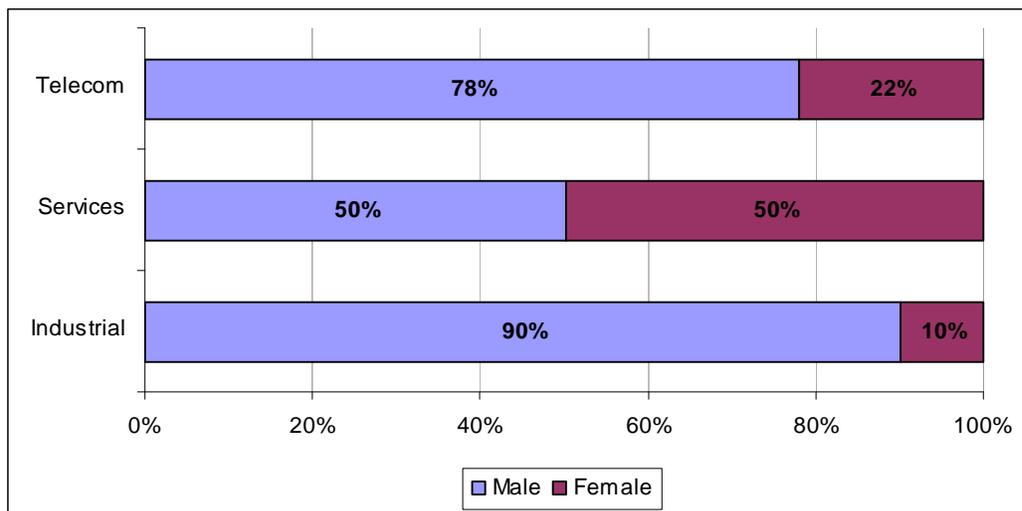


3.4. Sample Profile by Gender

Companies were asked to provide the gender of the person in each position. In total, 17 of the 24 companies provided gender information for all their job positions, representing 71% of all participants and 75% of all data points.

The percentages below relate to the restricted sample of 17 companies who provided gender information. In total, **males account for 80% of all positions**, while females account for the remaining 20%. The figure below highlights the male-female ratios of the different sectors. Males tend to dominate the Industrial sector (90%) while females have their greatest representation in the Services sector (50%).

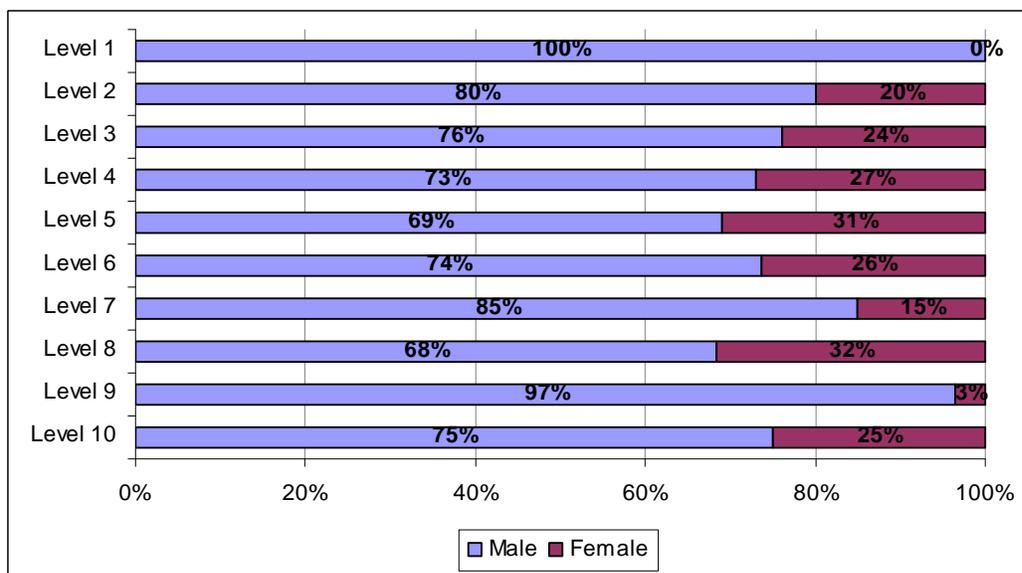
Figure 6: Gender profile by sector, 2010-11



The figure below shows the male-female ratio of positions in each Job Level, combined across all Job Functions. (Job Level 1 contains the most senior positions and Job Level 10 contains the most junior positions. See Chapter 5 Methodology for a detailed explanation of Job Levels and Job Functions.)

There is a large variation in gender ratios for different Job Levels. Males are heavily represented (more than 75%) in Levels 1, 2, 3, 7 and 9, while females have their largest representation in Levels 5 and 8.

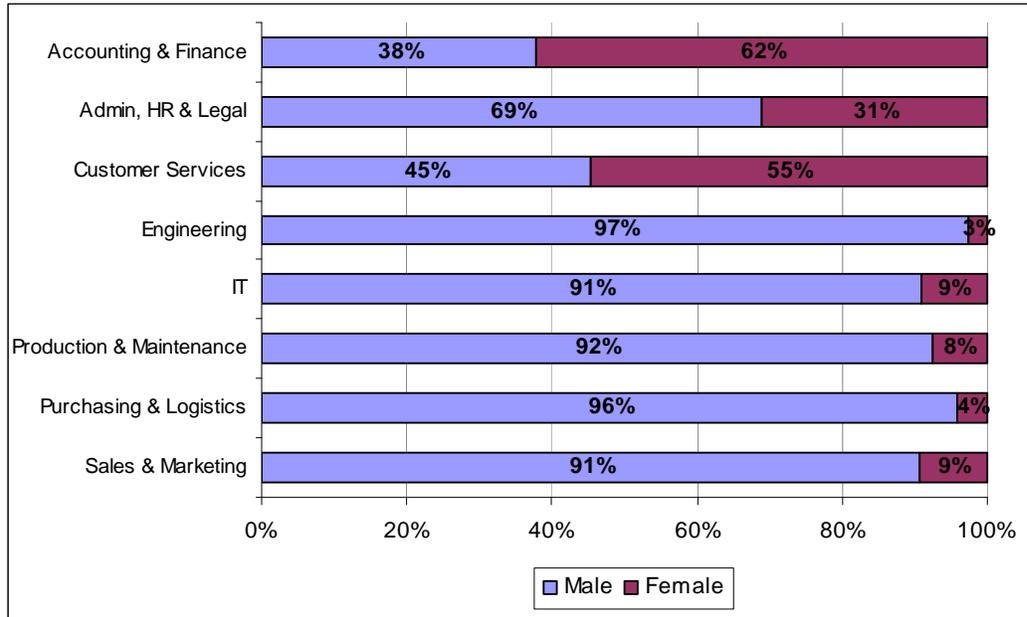
Figure 7: Gender profile by Job Level, all Functions



By aggregating the Job Levels into three broader categories, females have their highest representation in the medium Job Levels 4 to 6 (28%) and their lowest representation in the lower Job Levels 7 to 10 (18%). In the more senior Job Levels 1 to 3, female representation is 23%.

The figure below shows the male-female ratio of positions in each Job Function, combined across all Job Levels. Again, there is a large variation in gender ratios for different Job Functions. Males dominate Engineering and Purchasing & Logistics, while females have their strongest representation in Accounting & Finance, Customer Services and Admin, HR & Legal.

Figure 8: Gender Profile by Job Function, all Levels



<<Intentionally left blank>>

4. Confidentiality & Methodology

4.1. Job Analysis & KESAR Methodology

The survey is based on KESAR analysis (Knowledge, Environment, Skills and Aptitude, and Responsibility) 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 can be summarised as follows:

- **Knowledge:** includes education, experience and practical knowledge
- **Environment:** includes the cultural environment as well as workplace hazards
- **Skills and Aptitude:** includes interpersonal skills, language skills 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).

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

1. **Accounting & Finance:** includes all positions related to accounting, finance, auditing, taxes, auditing.
2. **Administration, HR & Legal:** includes all human resources, administration, operations support (such as drivers and guards) and legal positions.
3. **Engineering:** includes all engineers and technicians
4. **Information Technology (LAN/WAN/WEB & Infrastructure Support):** includes all IT related positions relevant to IT support, whether web, LAN/WAN or infrastructure support.
5. **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.
6. **Purchasing & Logistics:** includes all positions related to purchasing/procurement, logistics and warehousing.
7. **Customer Services:** includes all positions that are interfacing with customers and product support relating to customer enquiries.
8. **Sales & Marketing:** includes all sales and marketing positions relevant to the promotion of company products and services.

The KESAR analysis coupled with the functional division of jobs allows us to carry out the job matching based on 10 Job Levels and 8 Job Functions. Each company is provided with the final evaluation and the job analysis is confirmed with the company.

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 chapter 7 (Salary Information According to Job Functions), 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.

Figure 9: Examples of Market Job Titles by Job Levels

HRINC Rank Points	Generic Titles	Accounting & Finance	Admin, HR & Legal	Engineering	Information Technology	Production & Maintenance	Purchasing & Logistic	Customer Services	Sales & Marketing
Level 1 270<300	Director	--	--	--	--	--	--	--	--
Level 2 240<270	Function Director	Head of Finance	Head of Admin / HR	Engineering Manager	IT Executive Manager	Country Manager	Operations Manager	Head of Customer Services	Commercial Manager
		Finance Director	Admin / HR Director				Head of Trade		Marketing Director
Level 3 210<240	Manager	Finance Manager	HR Manager	Technical Manager	IT Manager	Project Manager	Sourcing Manager	Call Centre Manager, Customer Relations or Service Centre Manager	Marketing Manager
		Regulatory Affairs Manager	Admin. Manager	Engineering Manager			Operations Manager		Sales Manager
Level 4 180<210	Senior Executive	Senior Accountant	HR Manager	Senior Engineer	IT Manager	Site Manager	Logistic Manager	Front Office Manager	Area Sales Manager
		Senior Finance Executive	Admin Manager		IT Senior		Purchasing Manager	Customer Service Supervisor	Senior Merchandiser
Level 5 150<180	Supervisor	Financial Analyst	HR Supervisor	Project Engineer	IT Engineer	Production Manager	Equipment Manager	Back Office Supervisor	Merchandiser
		Account Executive	Admin Supervisor				Logistic Supervisor	Call Centre Team Leader	Distributor Supervisor
Level 6 120<150	Executive	Finance Executive	Recruitment Executive	Engineer	IT Executive	Supervisor	Warehouse Supervisor	Customer Service Executive	Senior Sales Representative
Level 7 100<120	Staff (skilled worker)	Finance Officer	Admin Assistant	Skilled Technician	IT Officer	Skilled Technician	Store Supervisor	Customer Services Officer	Sales Representative
Level 8 80<100	Assistant (experienced worker)	Cashier	Receptionist	Technician	IT Technician	Maintenance Technician	Storeman	Call Centre Officer	Sales Staff
Level 9 60<380	Worker		Secretary		--	Machine Operator	Storeman	--	
Level 10 40<60	Unskilled worker	--	Guard, Cleaner	--	--	Worker	--	--	--

4.2. Confidentiality

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 position:

- Three organisations must report a unique position for the mean (average) to be displayed
- Four organisations are required to display the median
- Five organisations are required to display the 10th, 25th, 75th and 90th percentiles.
- Any one company cannot represent more than 50% of data points for a unique job position. Through a data cleansing methodology based on percentiles, a company's reduced number of data points still accurately reflects the variability of the salaries it pays at that level.

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.

4.3. Total Compensation Concept

The concept of Total Compensation is much broader than just the salary received by the employee. Total Compensation also includes:

- other types of guaranteed cash (such as 13th month cheques)
- fixed allowances that are used (at least in part) for personal purposes (such as telephone, transport and housing allowances)
- variable pay (such as bonuses and incentives)
- other benefits (such as medical insurance)
- other allowances that are used only for work purposes.

These components are detailed in the table below.

<<Intentionally left blank>>

Table 4: Annual Total Compensation – Components

	Monthly Net Salary
	Tax Withheld
	Monthly Gross Salary
A	Annual Gross Salary
B	13th Month Cheques
A+B	ANNUAL TOTAL BASE SALARY
For personal purpose OR for work and personal purpose	Telephone Allowance
	Meal Allowance
	Housing Allowance
	Children Education Allowance
	Car Allowance (Cash given out for Car and Petrol and Maintenance Expenses)
	Transport Allowance
	Other Fixed Guaranteed Allowance
C	Annual Fixed Allowances
A+B+C	ANNUAL TOTAL GUARANTEED CASH
	Annual Variable Bonus
	Annual Sales Incentive
	Other Annual Bonus
D	Annual Variable Pay
A+B+C+D	ANNUAL TOTAL CASH COMPENSATION
	Annual Insurances (health, accident, life...)
	Medical Allowance
	Death Benefit (lump sum for family support)
	University or Study Allowance
	Retirement benefits
	Loan programs
	Other benefits
E	Annual Benefits
For work purpose only	Telephone Allowance
	Meal Allowance
	Car Allowance (Cash given out for Car and Petrol and Maintenance Expenses)
	Transport Allowance
F	Allowances for Work Purpose
A+B+C+D+E+F	TOTAL COMPENSATION

In Chapter 9 of the full report, we provide estimates of the average Annual Total Cash Compensation (highlighted in red text in the table above). In Chapter 10, benefits and allowances are described in detail.

5. Report Interpretation: Understanding and Using the Report

5.1. Definition of Statistical Terms Used in this Report

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

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, 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, 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.

<<Intentionally left blank>>

5.2. Interpreting Tables

The table below gives the 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, for a given job level, 10th P shows the 'lower end' of salaries paid for that specific job at that specific level and 90th P shows the 'higher end' of salaries paid for that same specific job at that same specific level.

Table 5: Interpreting Data Tables (Example Data)

KESAR Level	10th P	25th P	Median	75th P	90th P	Average	No. of data points	No. of Institutions
Level 1	761	927	1,195	1,636	2,850	1,602	6	5
Level 2	630	750	945	1,350	1,486	1,013	13	9
Level 3	250	405	535	788	1,000	609	50	24
Level 4	154	320	450	510	600	435	233	38
Level 5	150	180	289	450	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

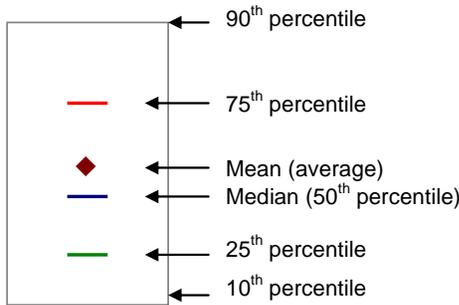
<<Intentionally left blank>>

5.3. 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.

This year, we have redesigned the box plots to make them easier to interpret. 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 10: The Box Plot



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.

5.4. 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.

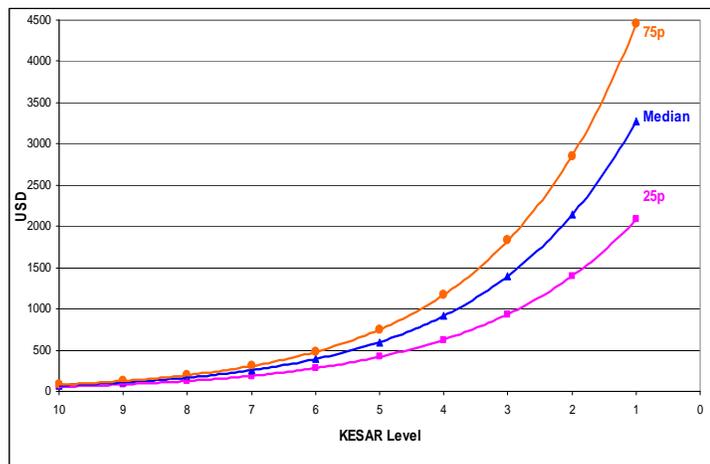
In the full report, section 7.1 presents tables and charts based on actual data, while section 7.4 presents smoothed trend lines derived from the mathematical regression. There are several reasons why smoothed trend lines can be a useful tool for HR Managers:

- They provide a simple, clear picture of how salaries increase from one job level to the next, which enables the HR Manager to get an overall feel for where their company is positioned in the market.
- HR Managers may need to get some idea of market pay rates for roles that are hybrid or specialist.
- They highlight what is a commonly seen trend – that salaries at the higher job levels generally increase from one level to the next at a much faster rate salaries in lower job levels.

Interpreting trend lines

In the report, separate trend lines are shown for the median salary, 25th P and 75th P across all job functions (see the figure as an example).

This example shows that at the lower job levels of 10 and 9, the trend lines for 75th P and 25th P are very close together, which indicates that the range of salaries paid is quite small. In contrast, these lines are much farther apart at the higher job levels of 2 and 1, which indicates that the range of salaries paid is quite large. This is quite typical of market salaries – the more senior the positions, the more variation in salaries.



6. Salary Information According to Job Functions

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

The 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 – including Job Descriptions of jobs commonly found in each 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.

The main tables and charts present salary information for local Cambodian staff only. Expatriate data is shown separately for data aggregated across All Functions, but is otherwise excluded from the analysis. This is because expatriate data tends to distort the overall results due to the relatively high salaries that some expatriates receive.

The full report contains tables and charts that show the spread of salary data (net and gross) for:

- All functions
- Accounting & Finance
- Administration, Human Resources & Legal
- Engineering
- Information Technology (LAN/WAN/WEB & infrastructure support)
- Production & Maintenance
- Purchasing & Logistics
- Customer Services
- Sales & Marketing.

In the full report, the salary tables for each Job Function are preceded by Job Descriptions commonly found in that Function. These descriptions may help readers to understand what types of jobs relate to the salary information contained in the salary tables.

The two figures present salary information for each Job Level aggregated across all Job Functions. The first figure present box plots based on actual data, while the second figure presents trend lines based on regressed data.

Figure 11: Gross Monthly Salary, All Functions (Cambodian Staff)

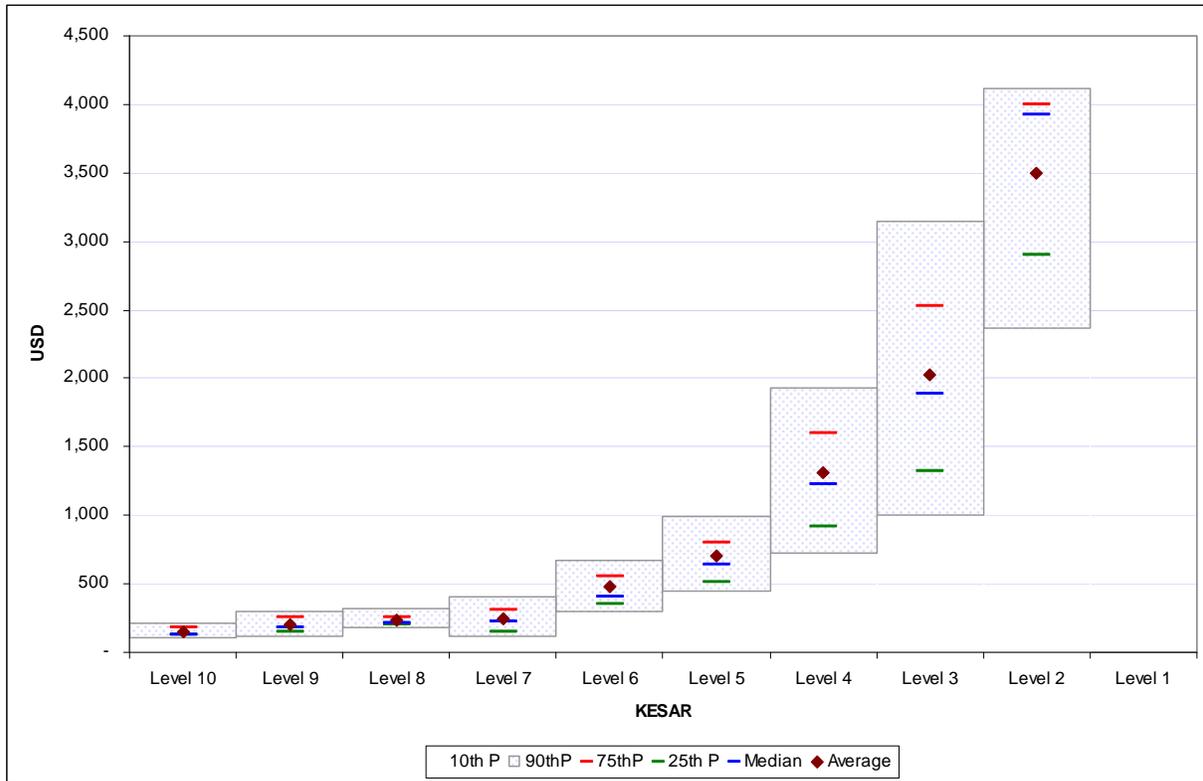
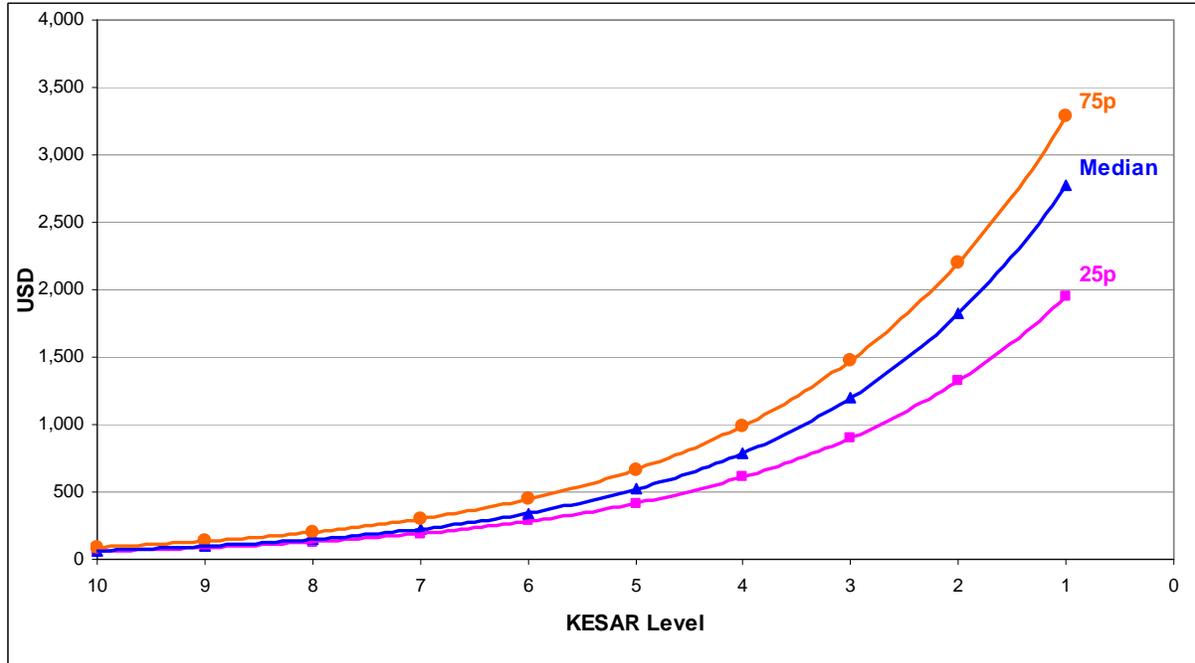


Figure 12: Trend lines, Gross Monthly Salary, All Functions (Cambodian Staff)



7. Salary Information According to Activity Sectors

This full report breaks down the salary data into three broad sector categories – Industrial, Services and Telecom.

In the full report, salary information is presented for each Job Level across all Job Functions combined.

The full report is structured as follows:

Actual Data According to Activity Sectors

- Monthly Salary (Net and Gross) for All Sectors
- Monthly Salary (Net and Gross) for each Sector

Cross Sector Comparison of Actual Data

- Comparison of Median Gross Monthly Salaries across each Sector
- Comparison of Average Gross Monthly Salaries across each Sector

Trend Lines According to Activity Sectors

- Trend Lines for Gross Monthly Salary for All Sectors
- Trend Lines for Gross Monthly Salary for each Sector
- Median Trend Lines across each Sector.

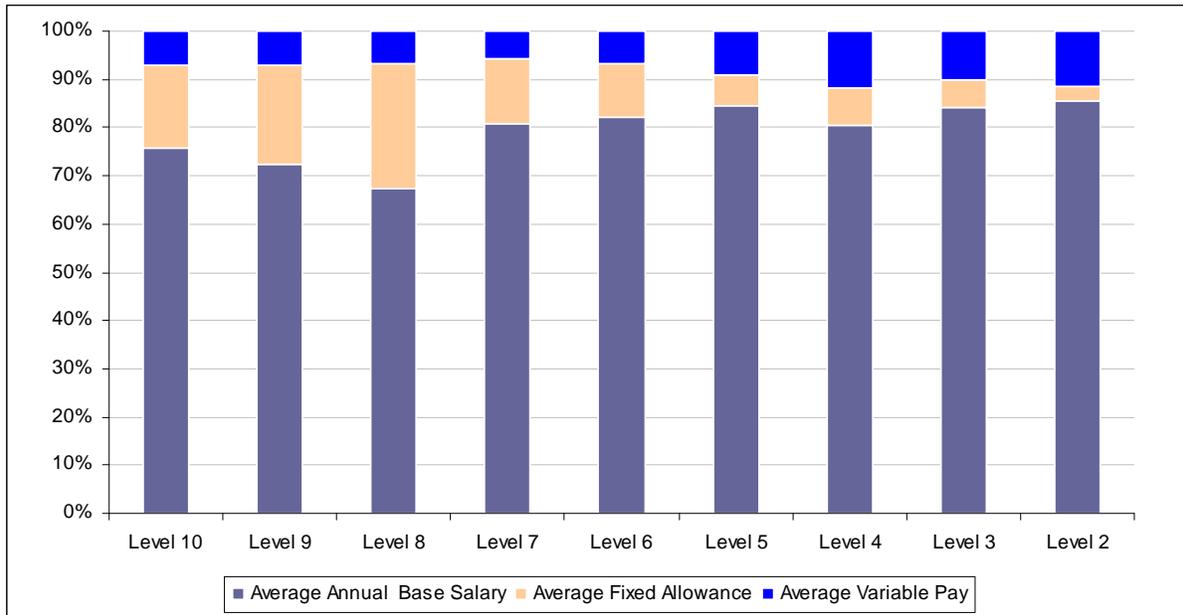
<<Intentionally left blank>>

8. Total Cash Compensation

Whereas the previous chapter of the full report presented information on Monthly Salaries, this chapter of the full report looks at the broader measure of Annual Total Cash Compensation – by job level and job functions, and also by activity sector.

The figure below shows, for each Job Level, each component’s percentage of Annual Total Cash Compensation. It highlights that fixed allowances represent a larger share of total compensation at lower Job Levels (8-10) than they do at higher Job Levels (2-7).

Figure 13: Average Annual Total Cash Compensation – By Level (in %)



<<Intentionally left blank>>

9. Compensation Practices

The full report provides information on the type and prevalence of particular compensation practices (variable pay, benefits and allowances) that are commonly provided by companies in Cambodia. A total of 20 benefits and allowances were identified with the top 5 including:

1. Bonuses
2. Telephone Allowances
3. Workplace Accident Insurances
4. Overtime implementation
5. Company Car Benefits

A detailed listing, commonly used and implementation practises are provided in the full report.

10. HR Practices & Challenges

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

- HR structures, practices and budgets
- Training and development
- Employment – contracts, termination, staff turnover and staff numbers
- Financial crisis and future outlook
- Recruitment challenges
- Salary increases
- Bonus / incentive payments.

11. Labour Law Findings

The full report contains information on participants' implementation of basic Labour Law requirements in the workplace. It looks at a number of Labour Laws that affect productivity in the workplace as well as some associated administrative challenges that have an impact on the HR function. These include Public holidays and Leave Allowances, Medical Check-Ups, Employment Cards or Blue Books, Staff Movement Forms and the National Social Security Fund.

12. Appendices

The table below shows the companies that participated in the *Private Sector Salary and Benefits Survey 2010-11*.

Table 6: Participant List by Industry Sector

INDUSTRIAL	TELECOM	SERVICES
Trade, Transport & Logistics, Oil & Gas, Manufacturing	Telecom	Professional Services, Hospitality
APL Cambodia Co., Ltd	Alcatel-Lucent	ANZ Royal Bank
British American Tobacco (BAT)	Applifone (Star-Cell)	DFDL Mekong
Cambodia Beverages Company	Ericsson AB	HwangDBS Commercial Bank
Chevron (Cambodia) Limited	Hello Axiata Cambodia	Maybank
DKSH Cambodia	Mobitel	PriceWaterhouseCoopers
DuPont	Sotelco (beeline)	Sciaroni & Associate
Jardine Schindler (Cambodia)		
JT International Tobacco Services		
Kampot Cement		
Roussel Cambodge		
Total Cambodge		
Unilever		

ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GR
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY
PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFL
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROW
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY
PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY G
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY

**Understanding Organisation, Business, People, You!
HR Consulting, Outsourcing, Training, Recruitment**

ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GR
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY
PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFL
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY GROW
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY
PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION STRATEGY PRODUCTIVITY SUSTAINABILITY COMPETITIVENESS INFLATION
ECONOMIC RECOVERY GROWTH RETENTION PROFITABILITY ECONOMIC RECOVERY G
GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY GROWTH EDUCATION CHALLENGE TRAINING OPPORTUNITY



Head Office: #13Bis, Sothearos Blvd., Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh

Battambang Office: #101, Street 3, Group 35, Village 20 Oksaphea, Sangkat Svay Por, Battambang City, Battambang Province

Mailing Address: GPO Box 1560, Phnom Penh, 12000, Kingdom of Cambodia

(T): +855 (12) 766748, +855 (23) 211437

(E): hrinc@hrinc.com.kh, (W): www.hrinc.com.kh