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15pc rise due for white collar staff

By Jessie Yim

SUPERVISORY staff in the private sector are expected to receive pay rises averaging 15 percent, a recent pay level survey has found.

This would give them a rising standard of living compared to previous years as pay is increasing faster than inflation, according to the survey team.

Also, it could well be a second year with a double-digit pay rise.

Last year it was 13 percent. The 1987 rate was nine percent.

Meanwhile, the gap between the rate of salary increase and the rate of inflation continues to widen.

An employer group attributed the high salary increase to competition among companies to retain quality staff.

The competition was said to have been caused by rapid economic growth, aggravated by the brain drain problem.

Mr Peter Barrett, chairman of the General Chamber of Commerce's committee on terms and conditions of employment, warned that continuous unchecked pay rises would perpetuate the inflation spiral and eventually damage the economy.

He said a double-digit increase would be reason-

able - provided inflation was under 10 percent.

This would provide room for employers to pay staff according to performance, he said.

Hay Management Consultants, which conducted the survey, also warned employers should ensure satisfactory productivity to justify salary increments.

"The minute they can't is the minute they are in trouble," said Mrs Mary Fong, its principal consultant.

Local companies were under strong pressure to give high pay rises, she said.

The consultants conduct a bi-annual pay level survey on professionals and managerial staff in the private sector.

The surveys provide guidelines for clients to determine their own salary policies.

Mrs Fong said this year's survey included 78 well-established companies, comparing their salaries of this January with that of last January.

The average pay rise this year was expected to be 15 percent, she said.

Hay consultants found the gap between the rate of salary increase and rate of inflation had been widening annually.

Mrs Fong said that in 1987 inflation was 5.5 percent - 3.5 percentage points lower than the rate of salary increase.

Last year, inflation went up to 7.5 percent, but still 5.5 points lower than the rate of salary increase.

Mrs Fong said she expected this year's inflation rate to be nine percent which would be six percentage points lower than the salary increase.

Hay Management Consultants were commissioned by the Government in 1986 to conduct a pay level survey to compare civil service salaries with the private sector.

Mrs Fong said it was not possible to compare the private sector with the Government this year because of lack of information.

Last year, civil servants on the Master Pay Scale were given a pay rise between 9.56 percent and 9.93 percent, and directorate staff about seven percent.

But an accurate pay level survey has to include housing benefits and other cash allowances granted to civil servants.

These two factors have been included in the Hay Management Consultants' survey on the private sector.