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partners

DUSA 2023 Salary and HR Survey Results

Date : 7th December 2023

In cooperation with: Hannah Zeng and Adrien Courson
of FES Partners (former Fiducia Executive Search)





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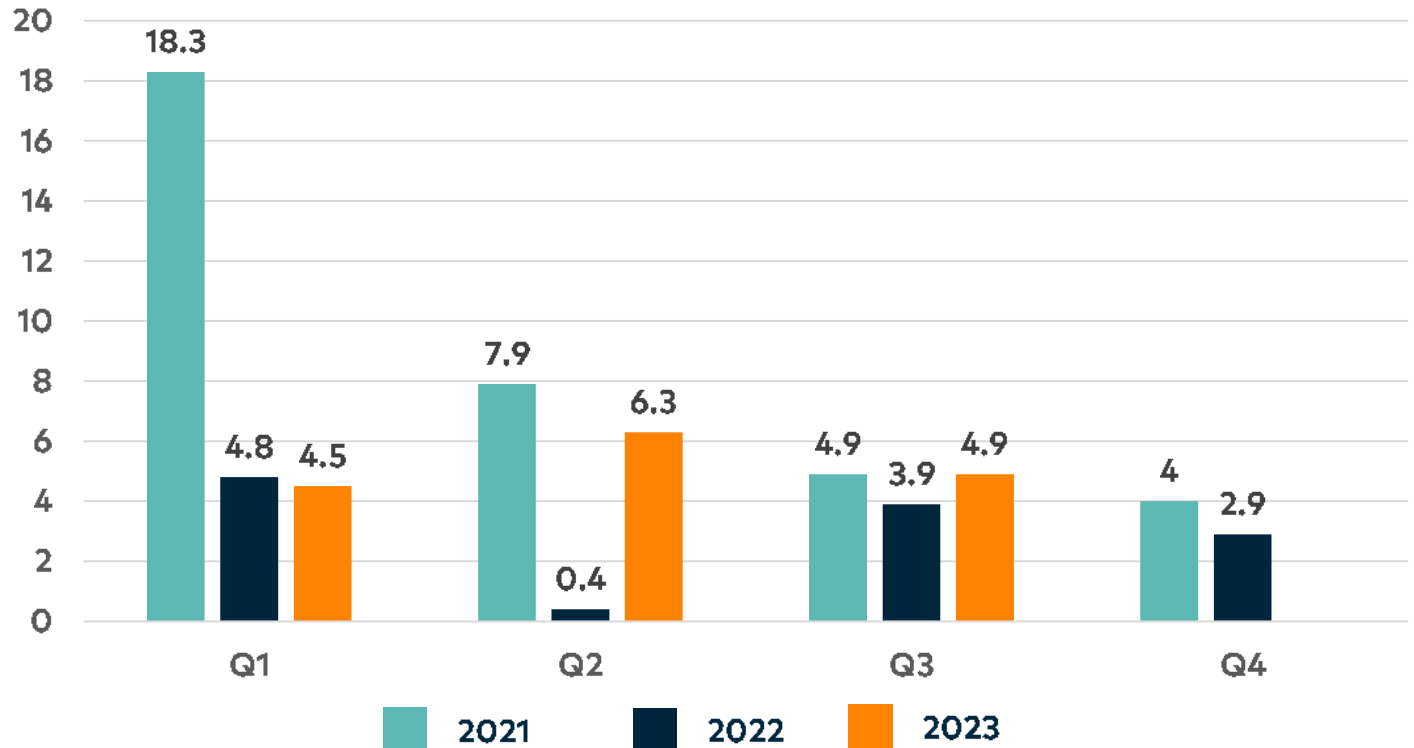
Salary and Labor Market Developments General labour market environment and outlook

DUSA European Association Suzhou

China GDP Annual Growth Rate

4.9%

China's Real GDP YoY is at 4.9%, compared to 6.3% in Q2 and 3.9% last year. This is lower than the long-term average of 8.8%. Which impacts overall development across the Yangtse River Region.



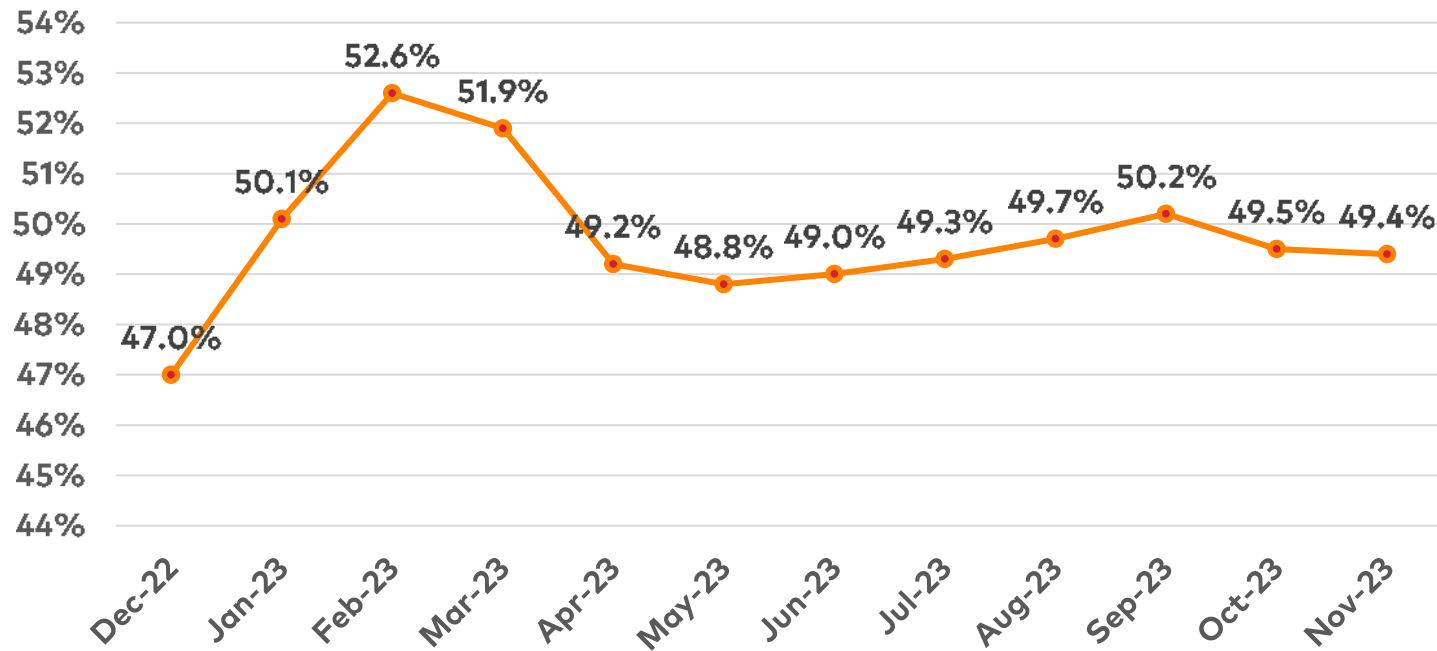
Note:

The Q/Q growth rate is the growth rate over the previous quarter, with seasonal adjustments.

Source: Data is from the National Bureau of Statistics of China

Purchasing Managers' Index for November 2023

Manufacturing PMI (Seasonally Adjusted)



49.4%

In November 2023, China's Manufacturing Purchasing Managers Index (PMI) was 49.4 percent, slightly down from 49.5 last month and up from 48.0 one year ago. This is a change of -0.2% from last month and 2.9% from one year ago.

Source: Data is from the National Bureau of Statistics of China

Key Learnings of 2023

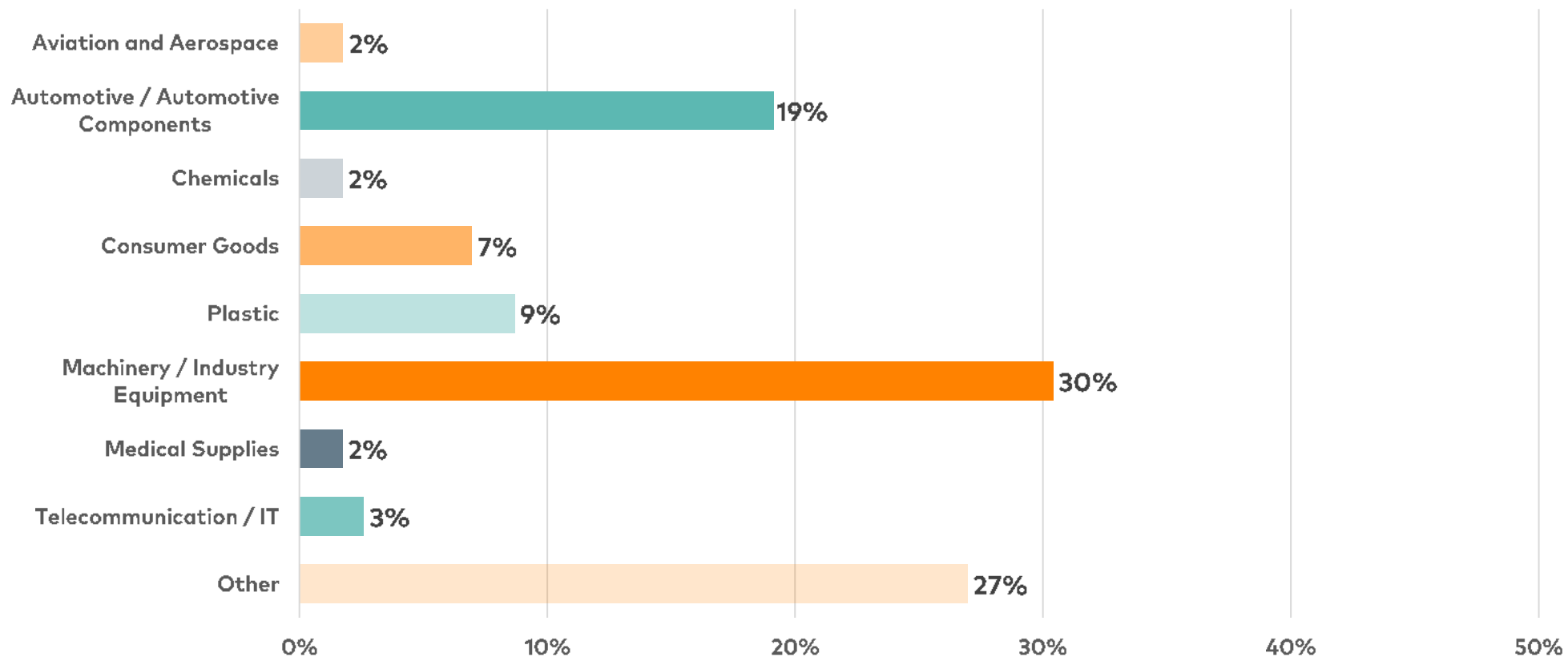
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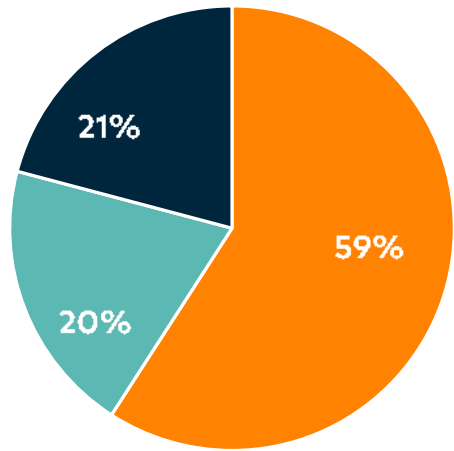
Surveyed Companies

Surveyed Industries

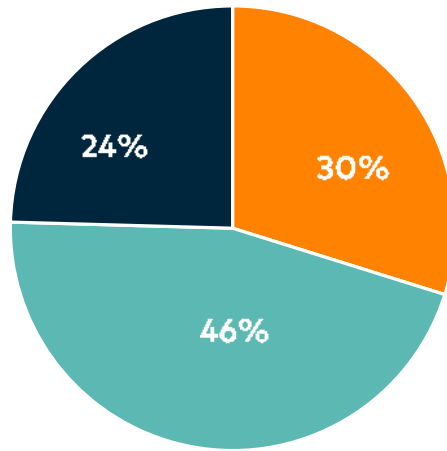


Surveyed Company Introduction

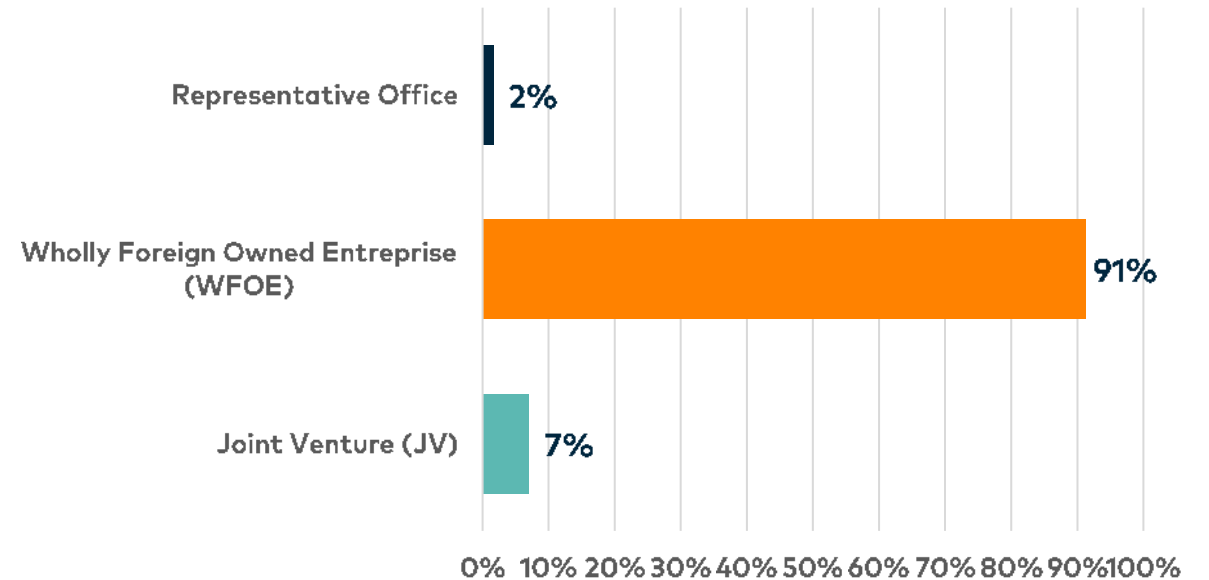
Company's location



Number of employees (at current location only)

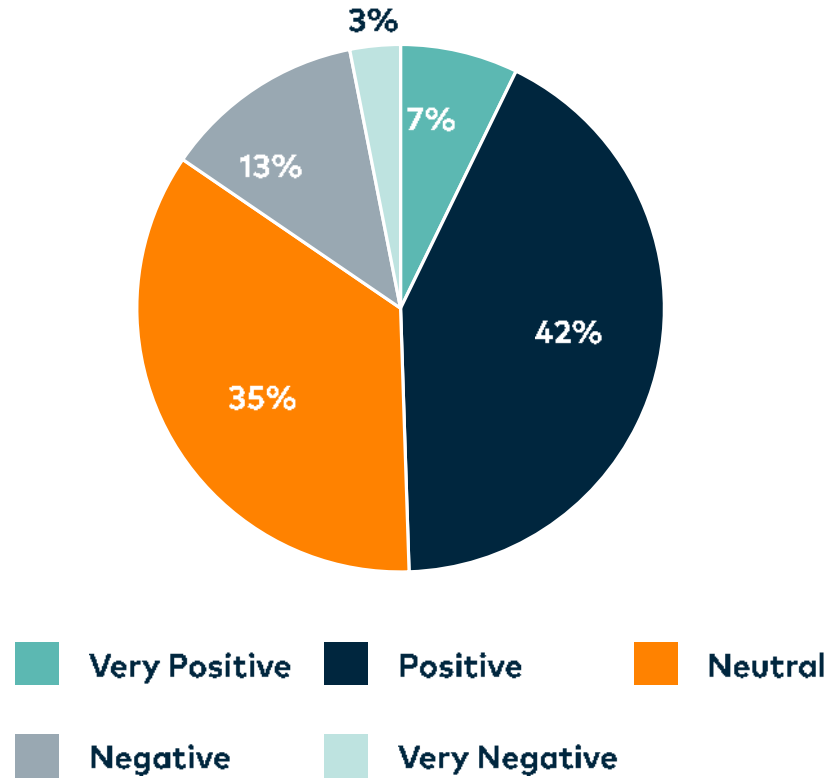


What is your company's legal structure?

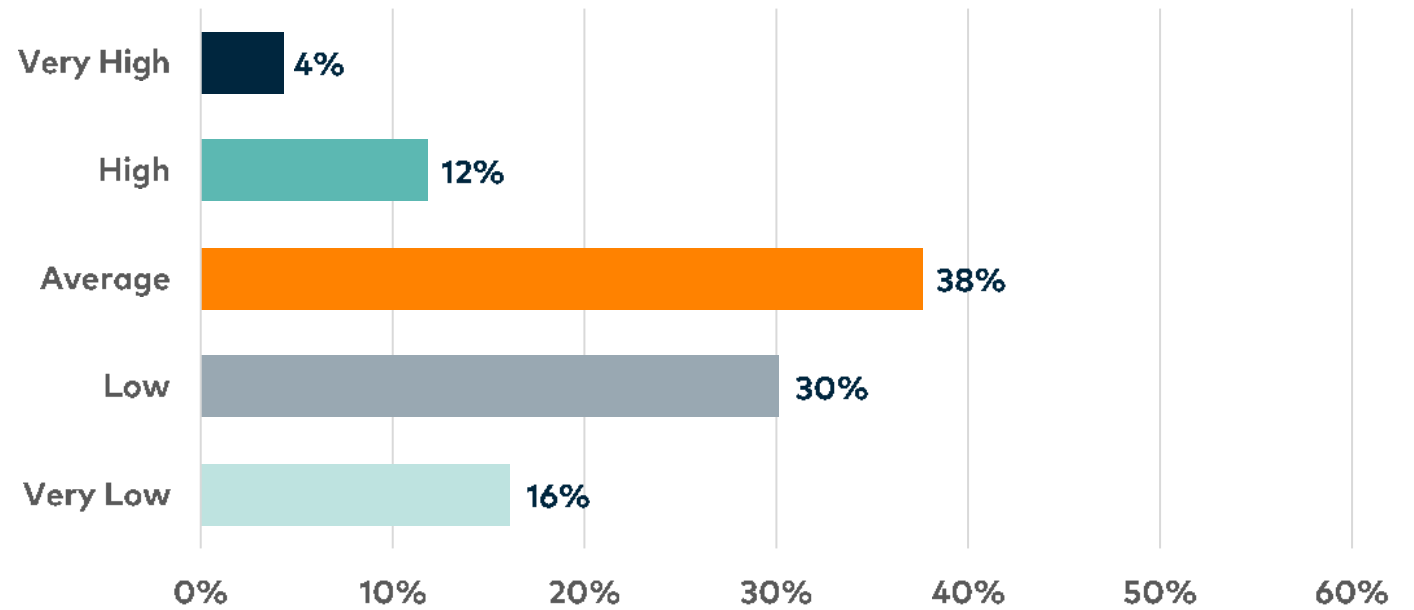


HR - Developments for 2023

How would you generally describe your company's development in 2023?

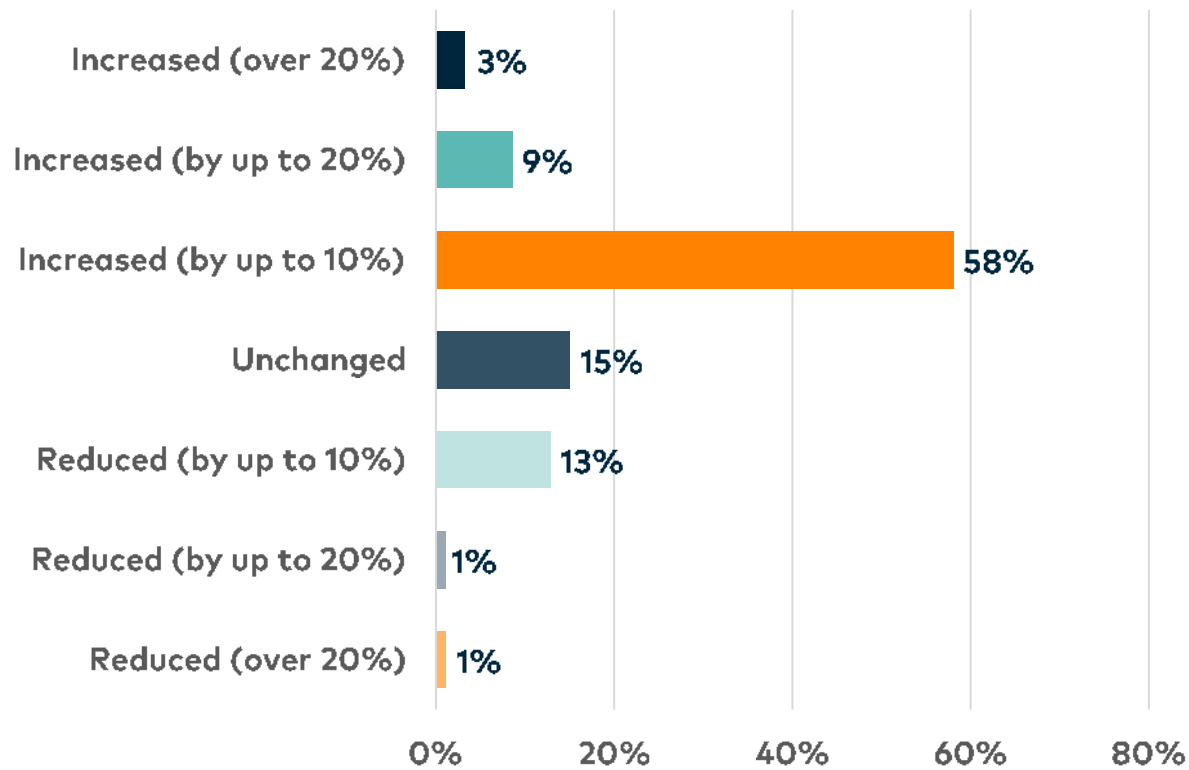


How would you describe your company's recruitment demand in 2023?

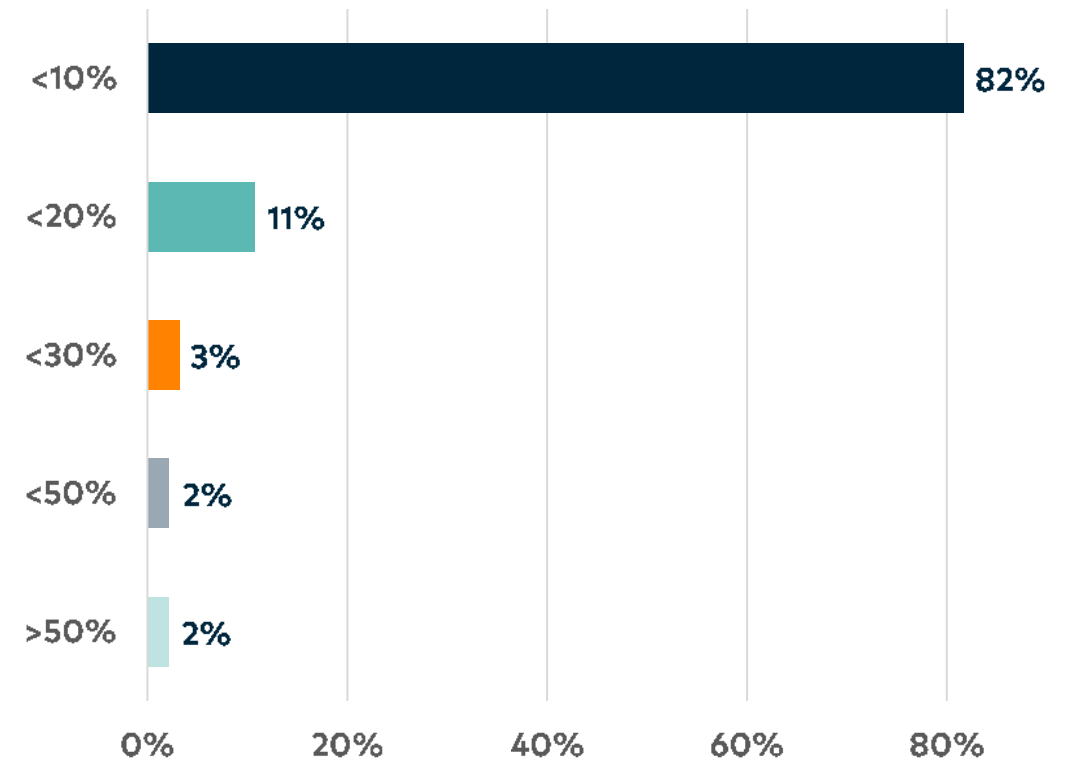


Overview of White-Collar Staff

What were your company's labor costs in 2023?



Overall turnover rate of white-collar staff in 2023?

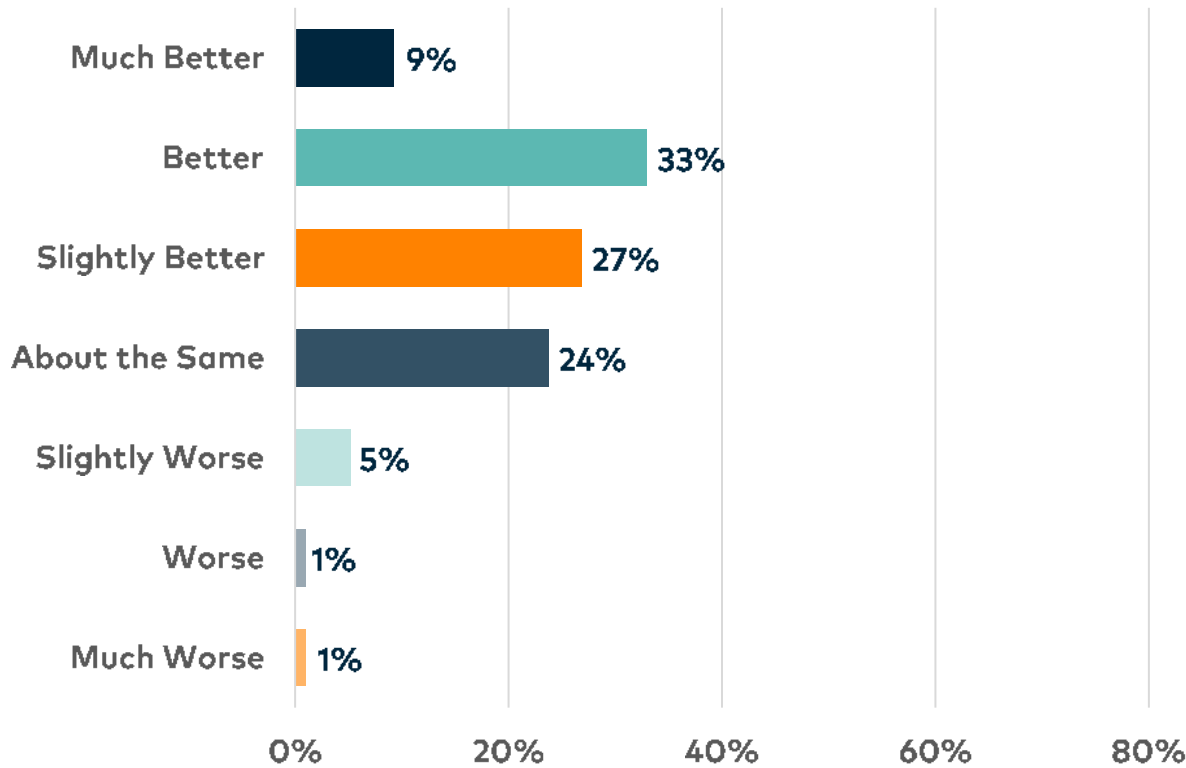


Business Sentiment

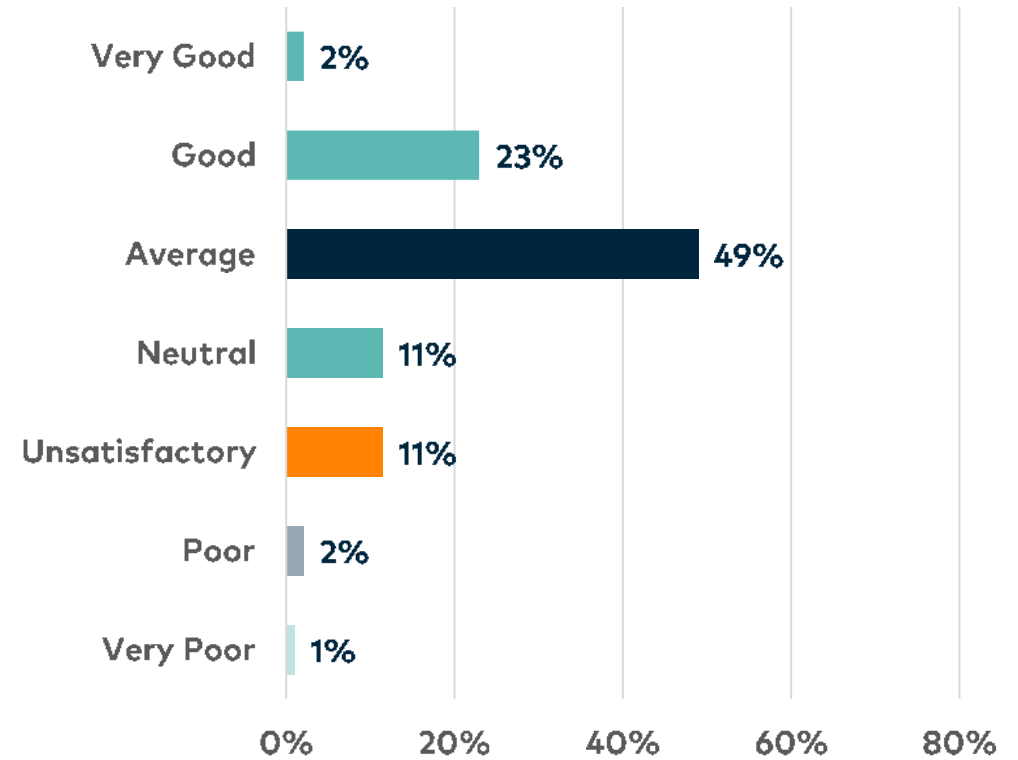
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Factors to Maintain Competitiveness	14
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Development Expectations

How would you describe your performance and development expectations for the next 12 months?

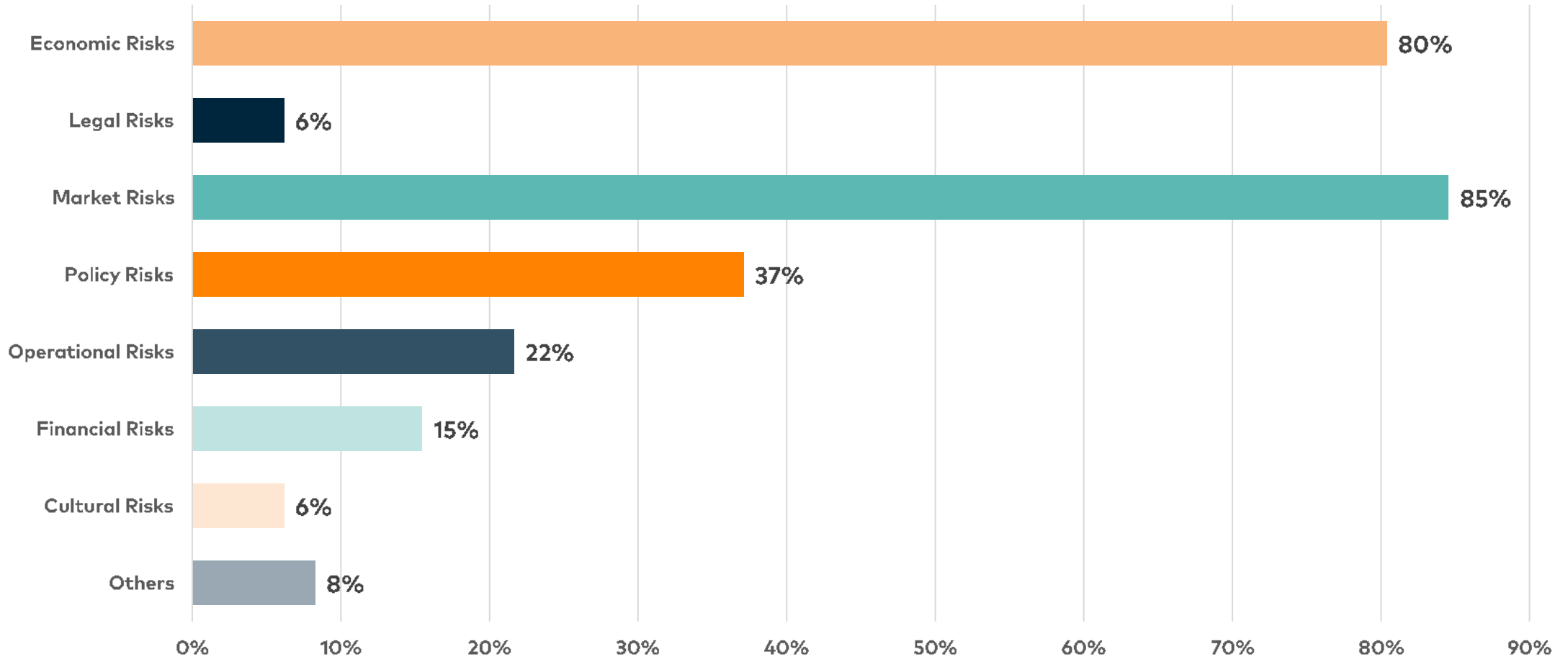


What are your expectations regarding your local/regional economic development over the next 12 months?



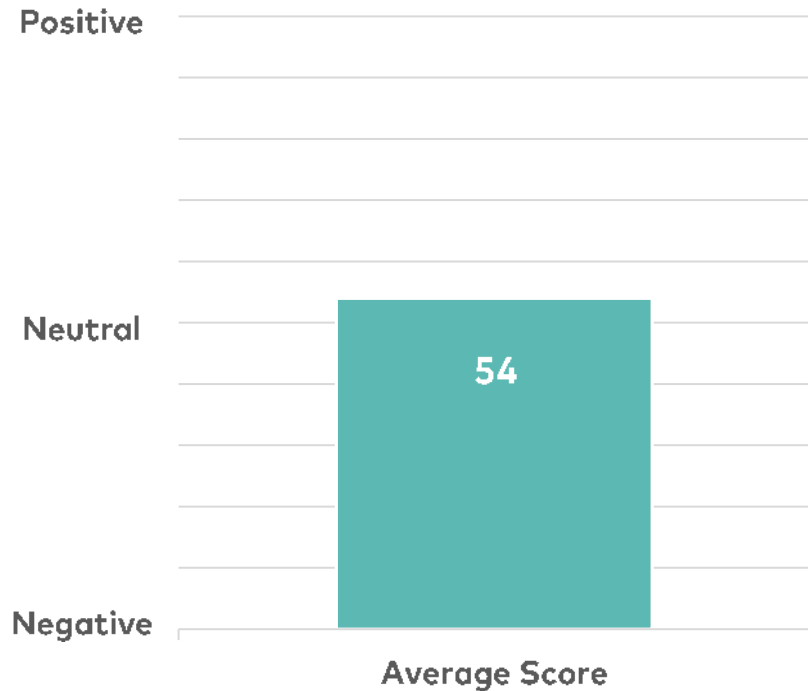
Risks for Development

What are the biggest risks for your company's economic development in the next 12 months? (3 choices)

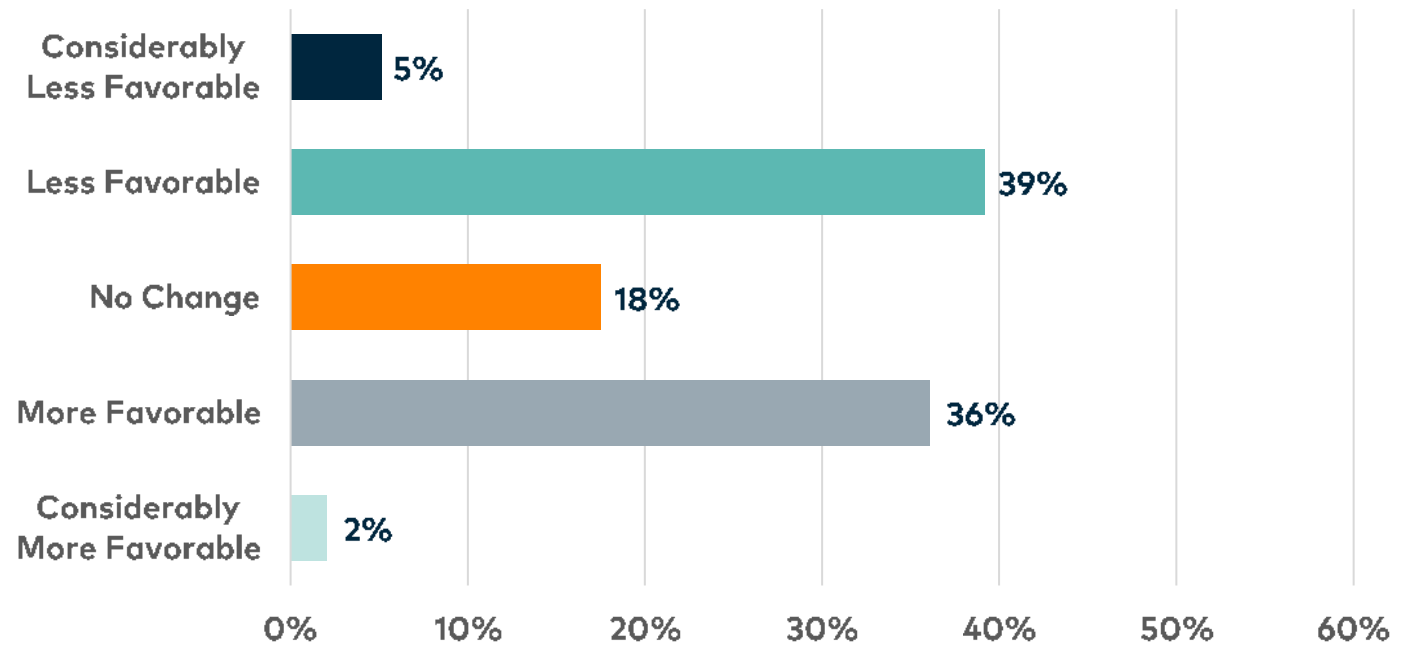


Business Climate in China

How do you perceive the current business climate in China?

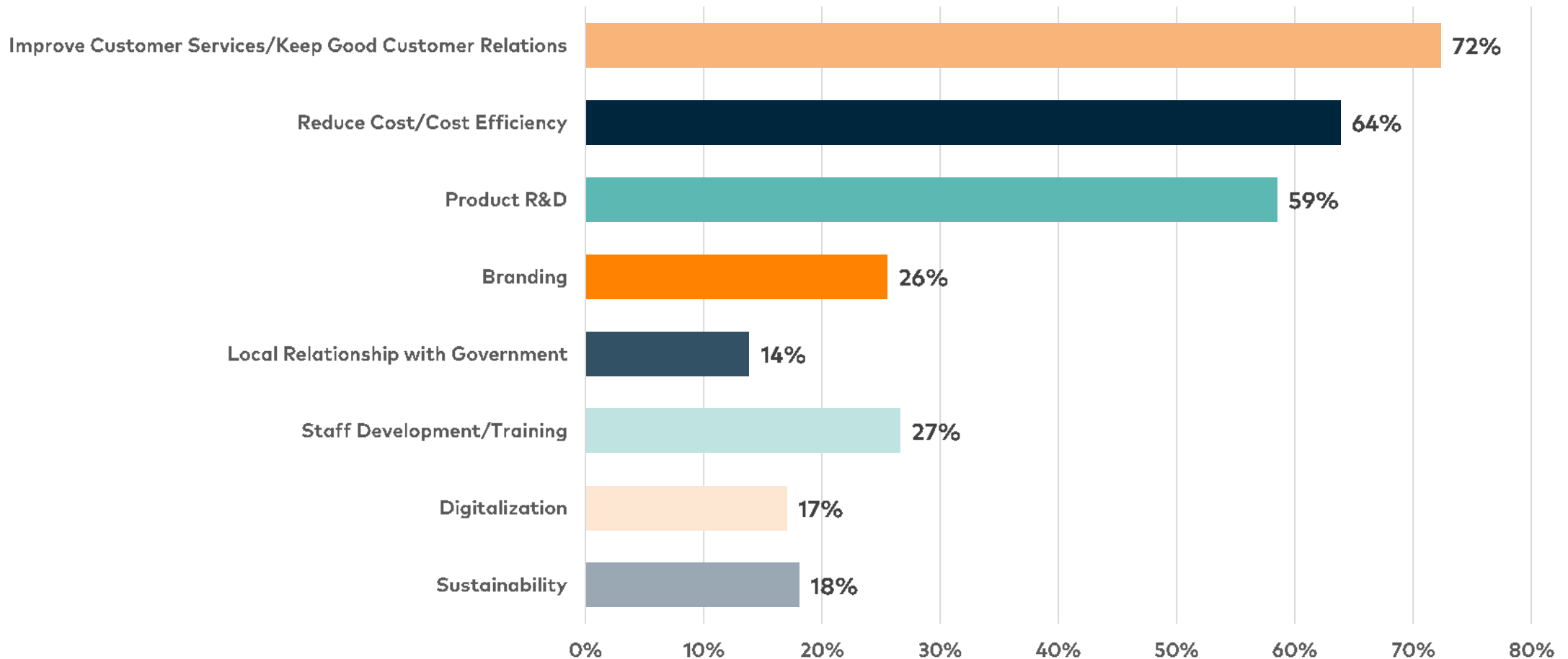


How do you predict the future business climate in Mainland China in the coming 3 years?



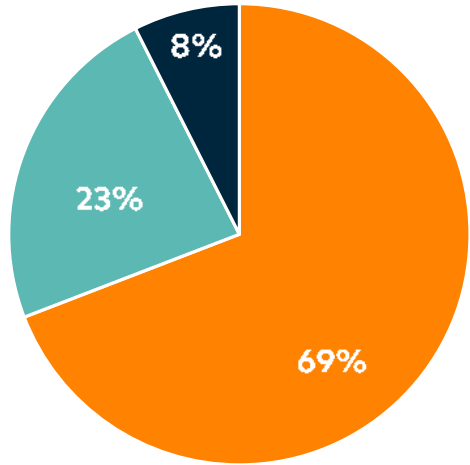
Factors to Maintain Competitiveness

Which are the 3 most important factors in maintaining competitiveness in Mainland China?



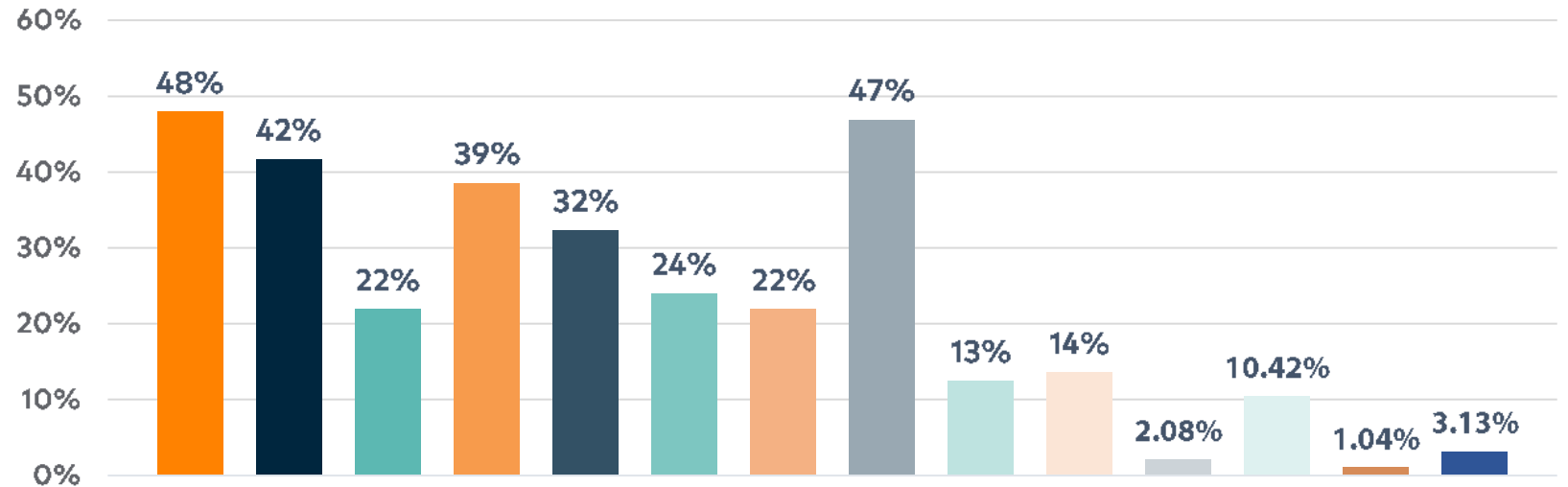
Investment Plan

Will you be investing in R&D and engineering capabilities over the next 12 months?



Yes No N/A

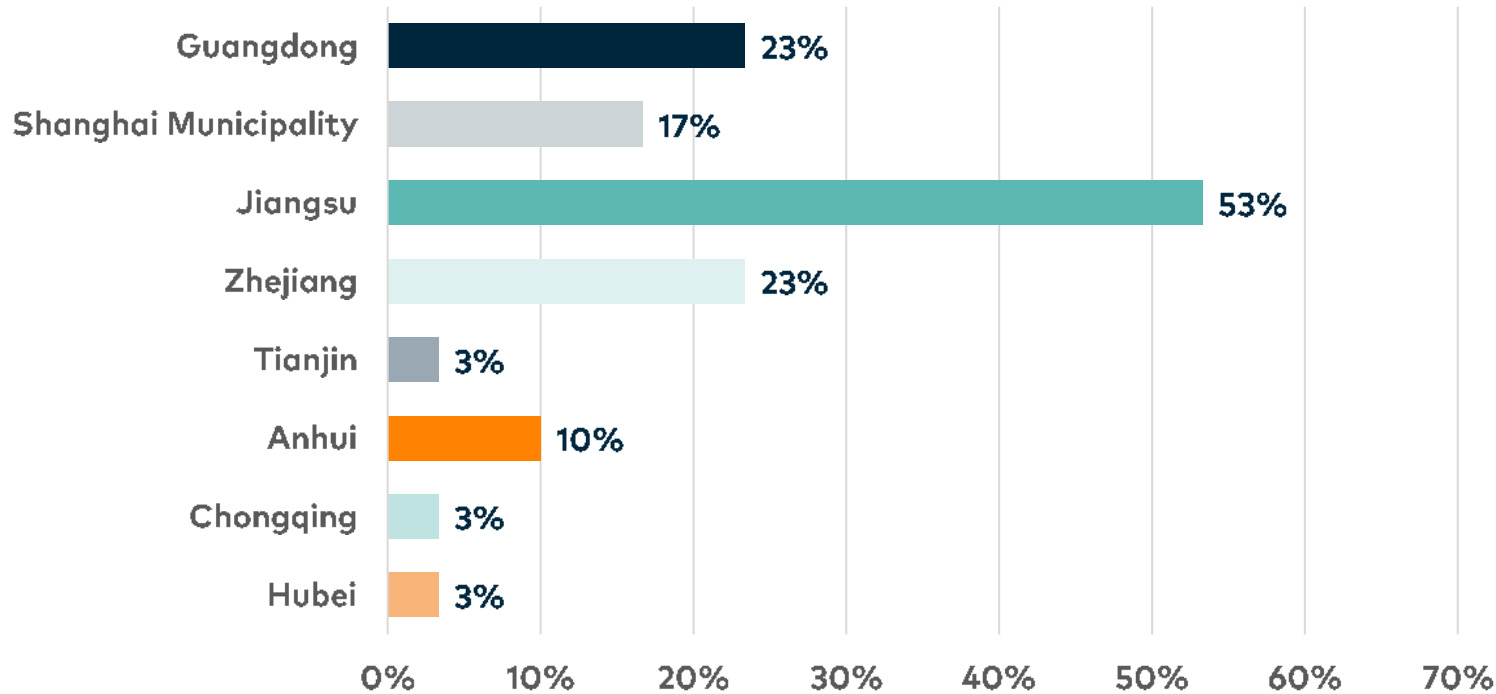
Which are the areas where you plan to increase your investments the most?



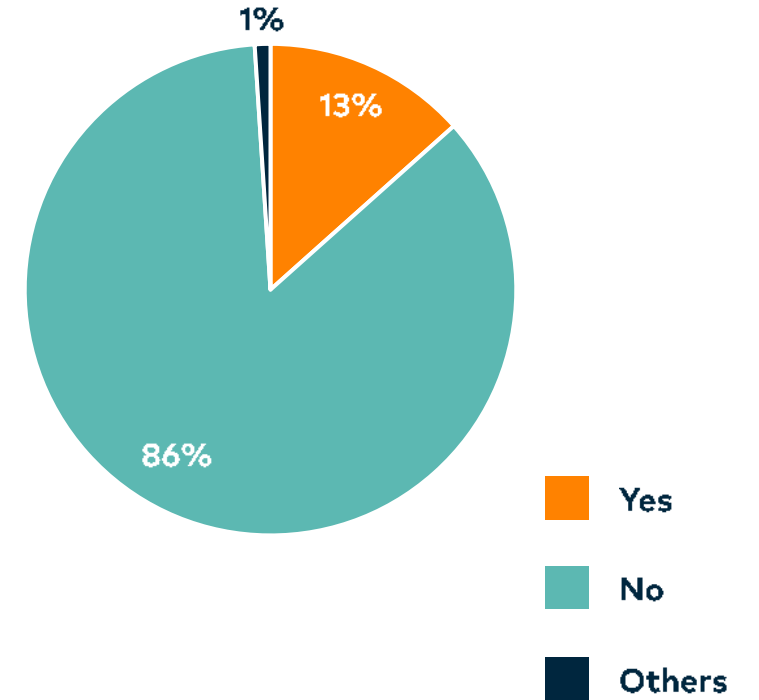
- Improved Cost Competitiveness
- Increased Innovation/Drive Differentiation
- Increasing Service Offering
- Sustainability and CSR
- Adoption of 5G/IoT
- Improved Production Capabilities
- Skills Development & Training
- R&D and Product Development
- JV & Acquisitions for Growth/Market Access
- None of the Above
- Expanding Production
- Increased Offline Marketing & Sales Presence
- Capture Digitalization/E-commerce Opportunities
- Innovation Partnership with Local Companies

Relocation Plan

To which of the following locations are you considering expanding your business?

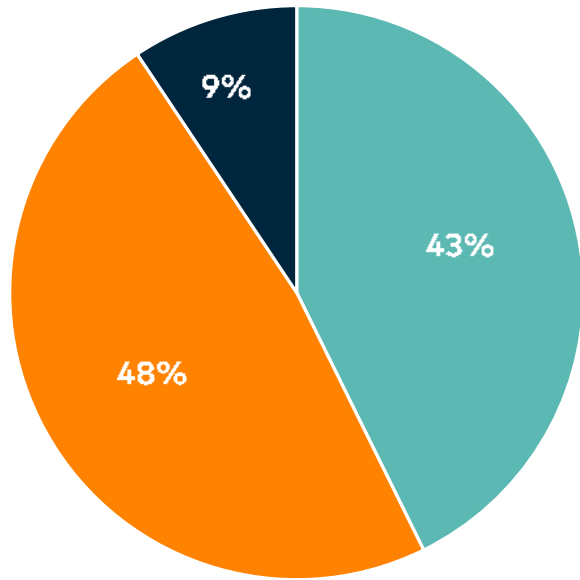


Have you explored relocating to other regions domestically?



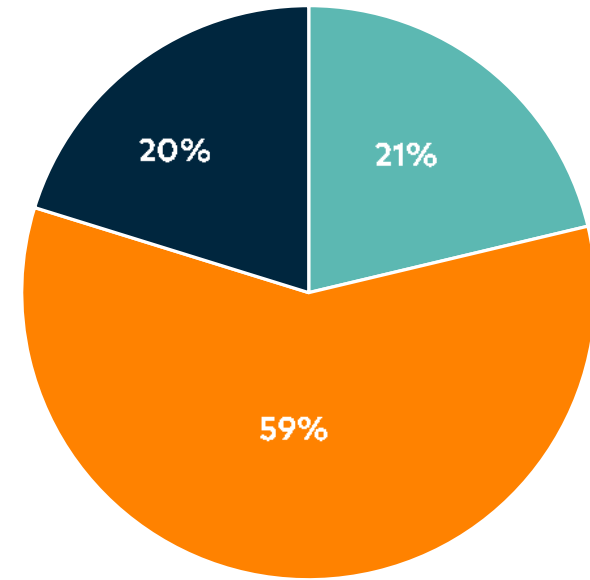
Alteration & Expansion Plans

Are you considering any supply chain alterations for your operations in Mainland China?



■ Yes ■ No ■ N/A

Has your company got expansion plans to SEA/other regions?

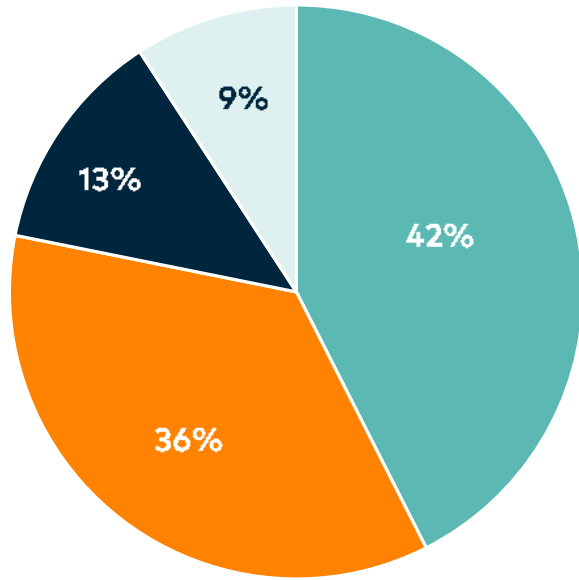


HR Overview

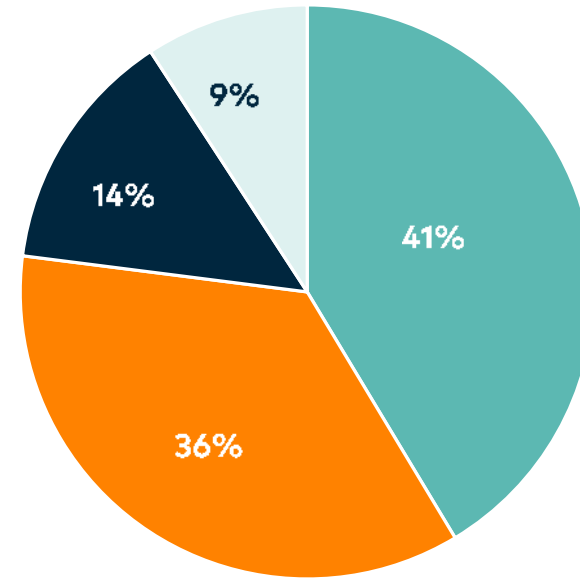
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Employee Trends

How many employees did you have by the end of 2022 in China?



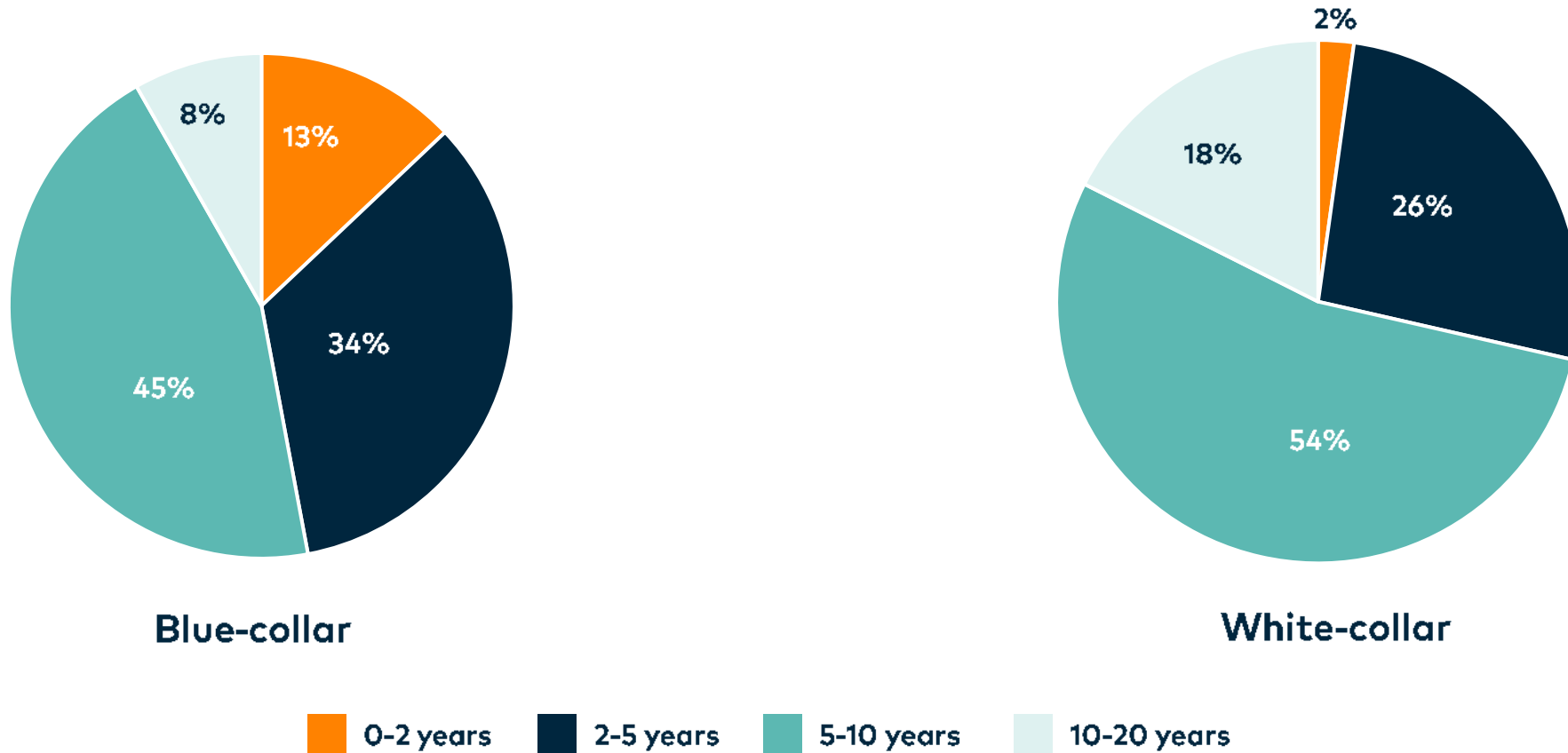
How many employees do you plan to have by the end of 2023 in China?



■ <100 ■ 100-300 ■ 300-500 ■ >500

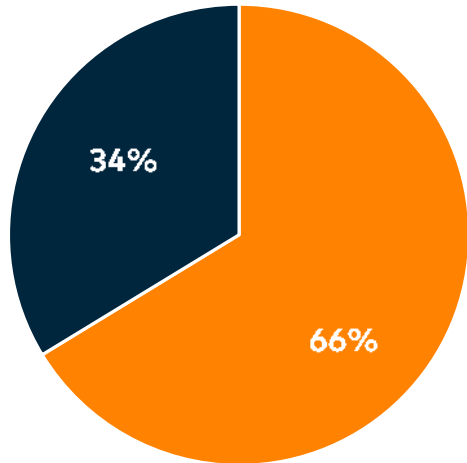
Retention Trends

How many years do your employees stay with the company on average?



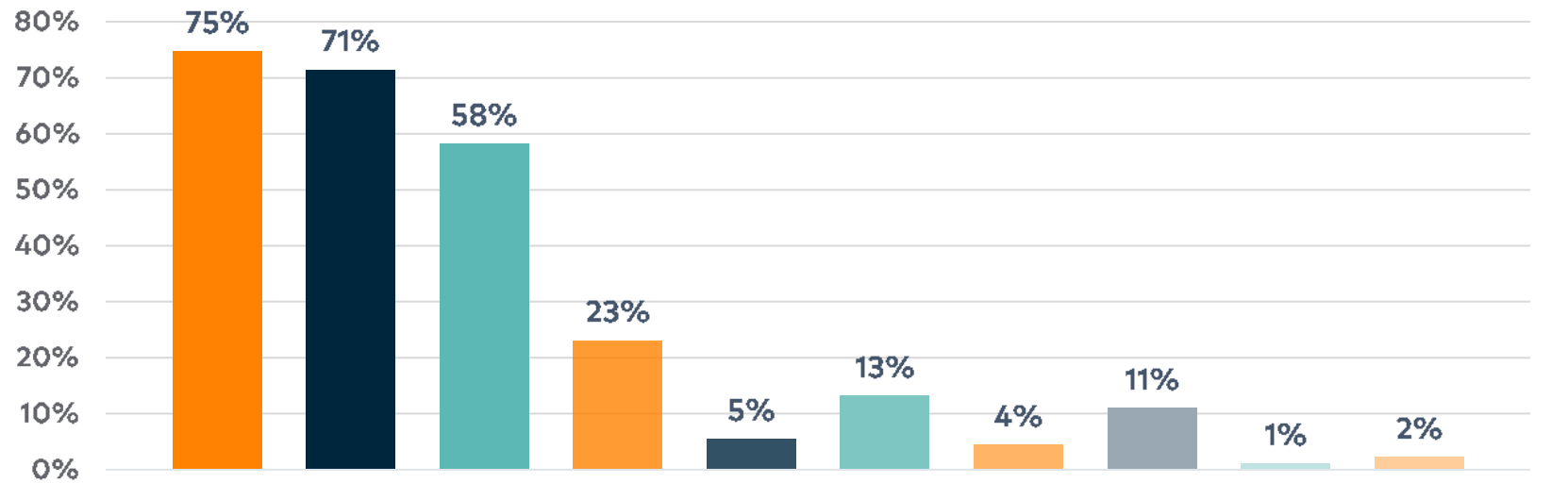
Key HR Challenges

Has hiring in 2023 been more challenging than in 2022?



Yes No

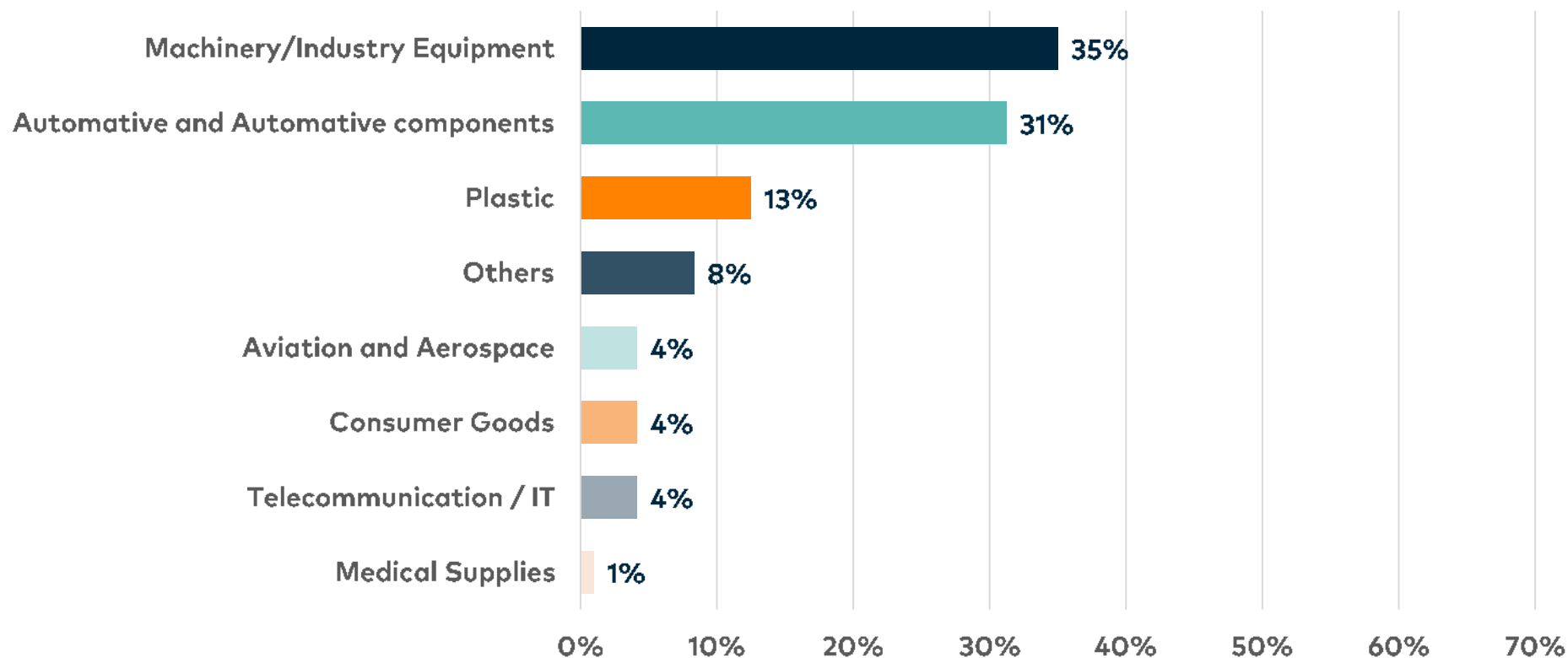
What are your biggest current HR challenges?



- Recruiting Qualified Employees
- Rising Labor Costs
- Internal Salary Structure vs Expectations from New Joiner
- Employee Retention
- Training Costs
- Demographic Change
- Discipline
- Employer Branding
- China's New ITT Law
- Other (please specify)

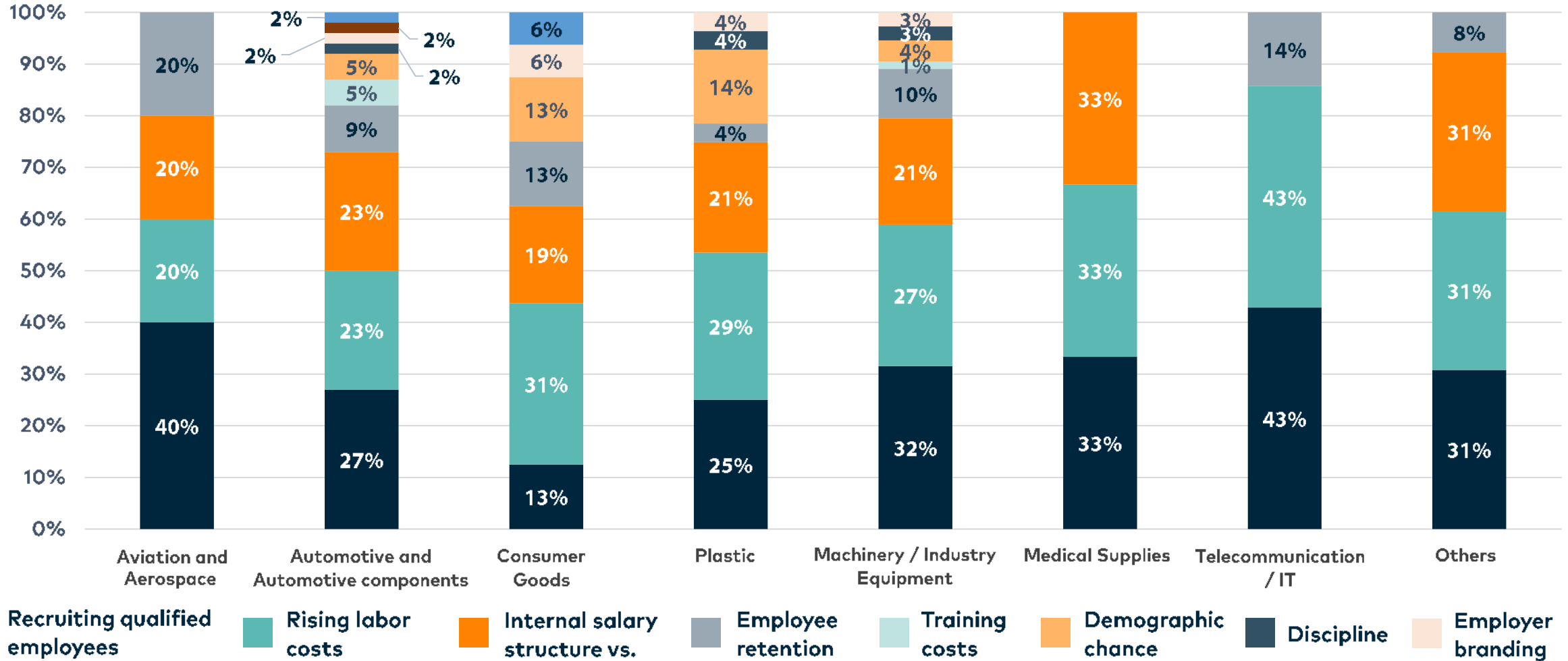
Key HR Challenges

Hiring in 2023 has been more challenging than in 2022
(comparison across surveyed industries)



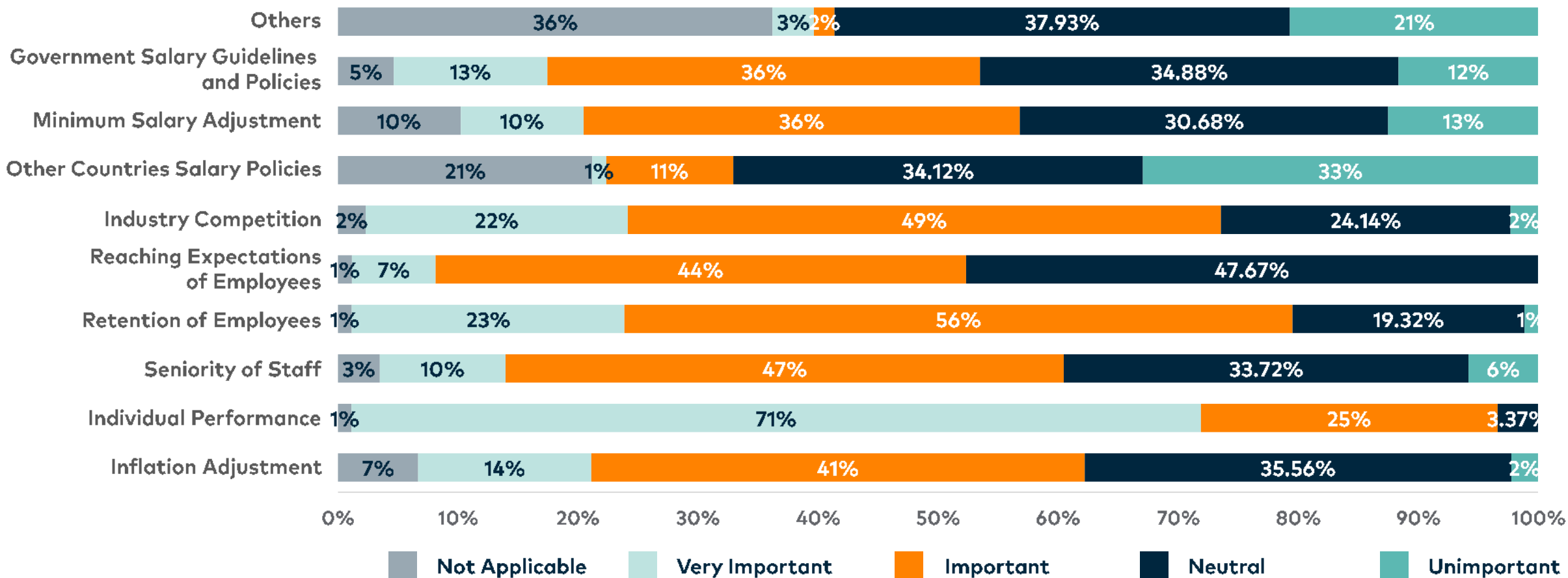
Key HR Challenges

Biggest current HR challenges across surveyed industries



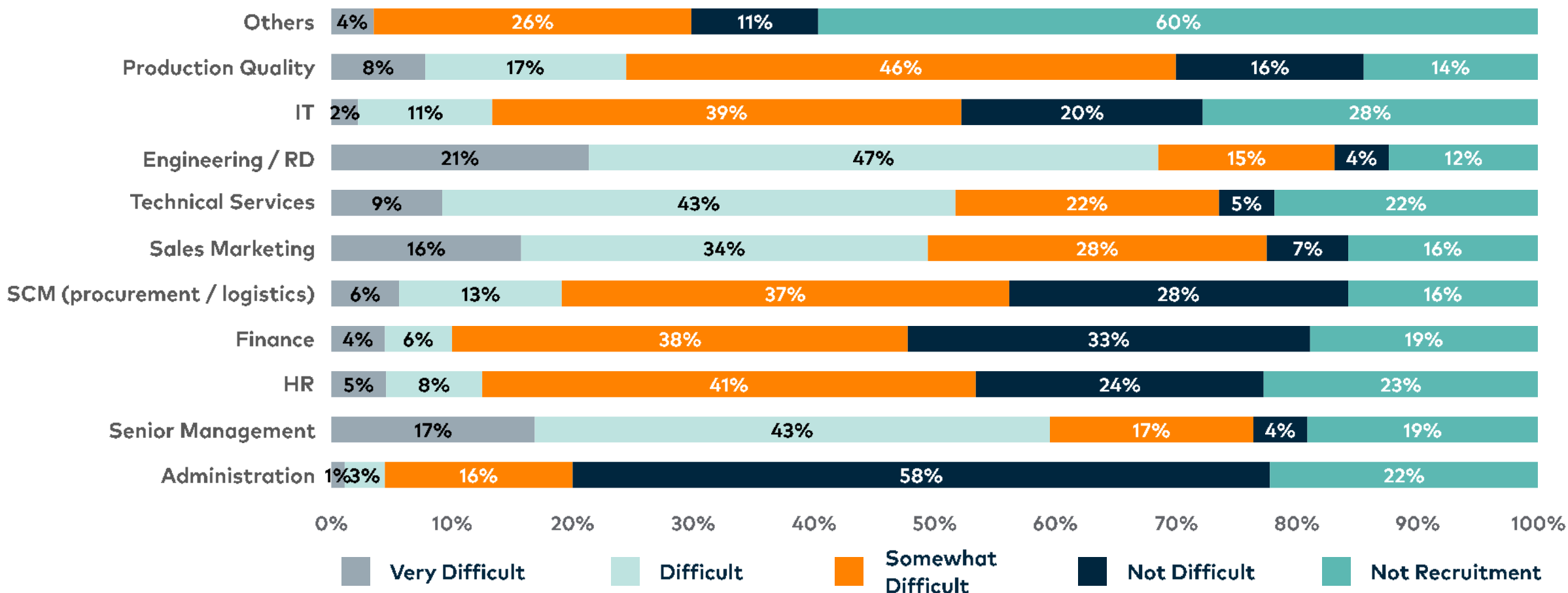
Salary Adjustments

What is the importance of the following items for your decision on salary adjustments?



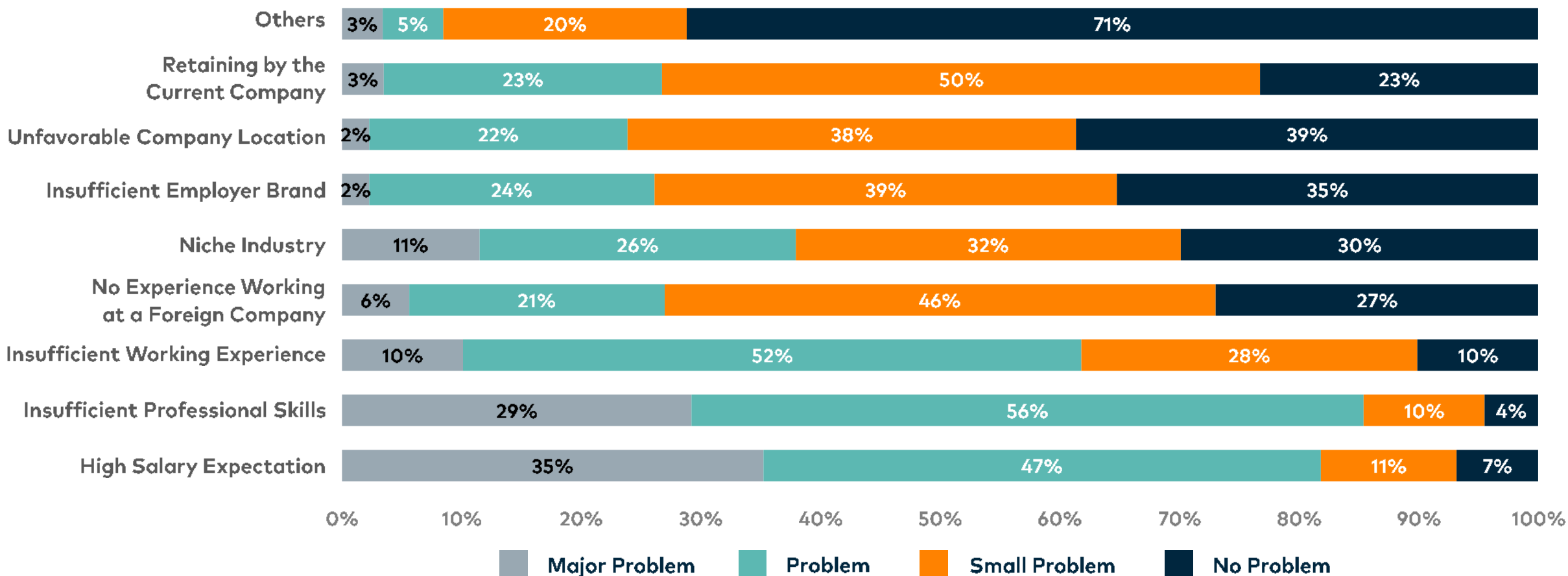
Recruitment Challenges per Position

How difficult do you find it to recruit qualified staff in China for the following positions?



Challenges in Filling Vacant Positions

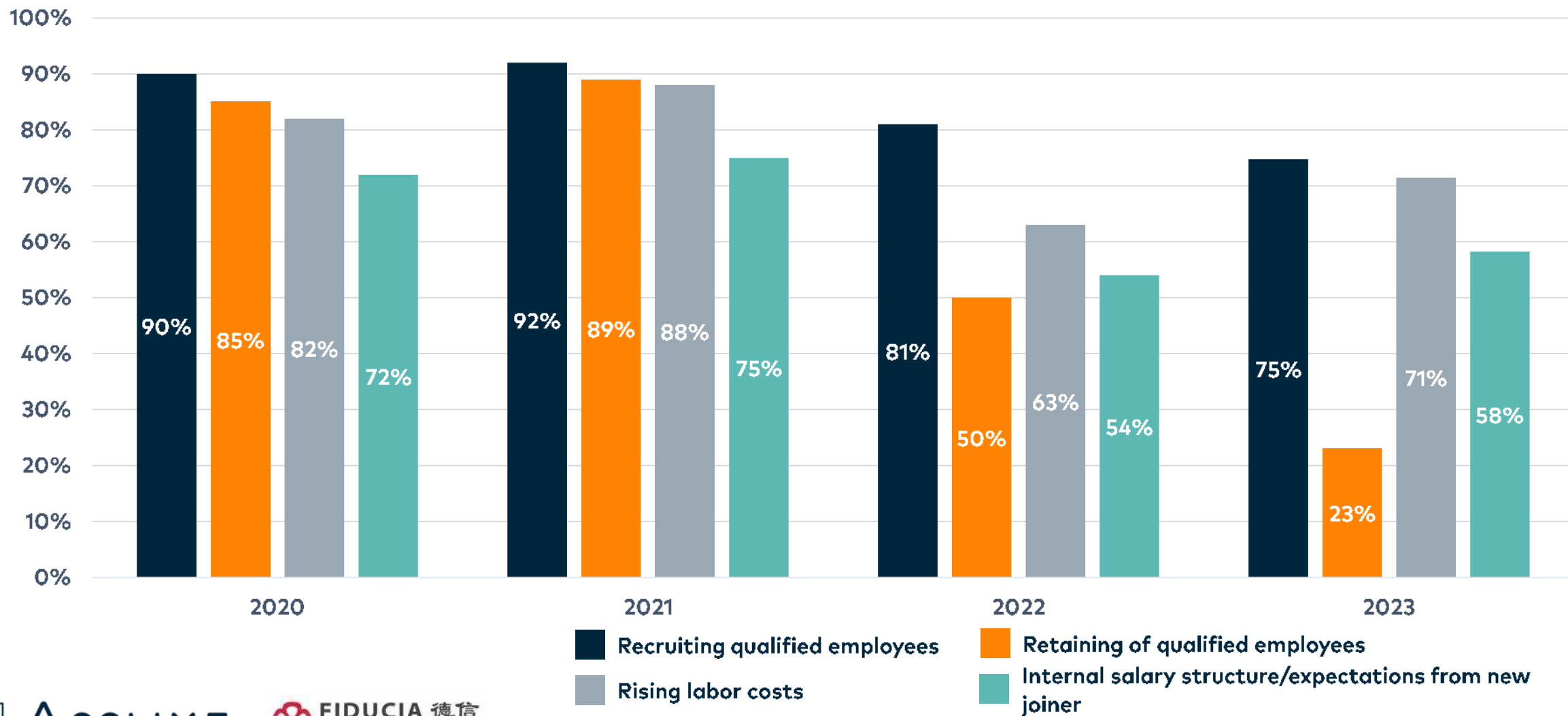
What are the main reasons why vacancies cannot be filled?



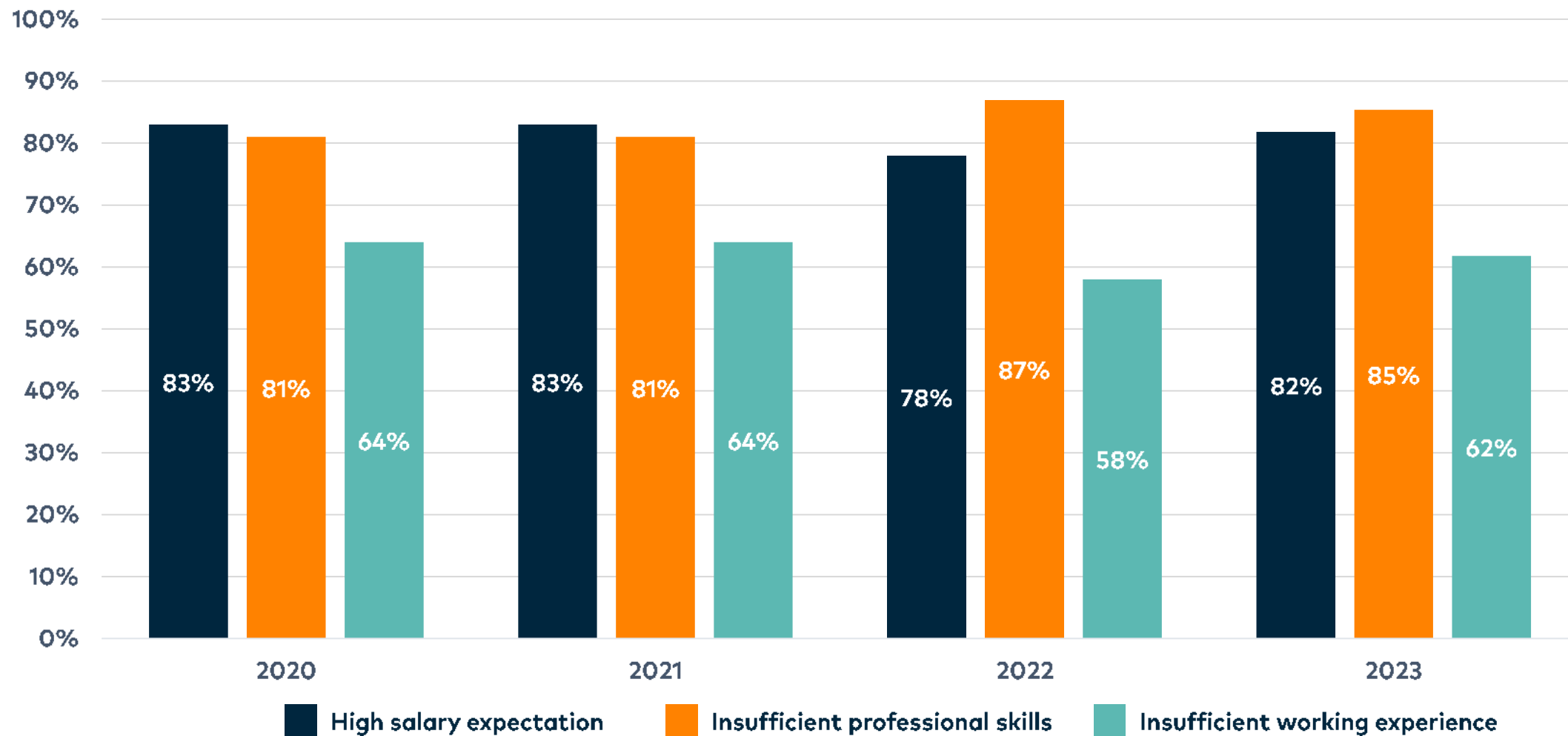
HR Overview: 4 Year Comparison

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Key HR Challenges: 4 Year Comparison

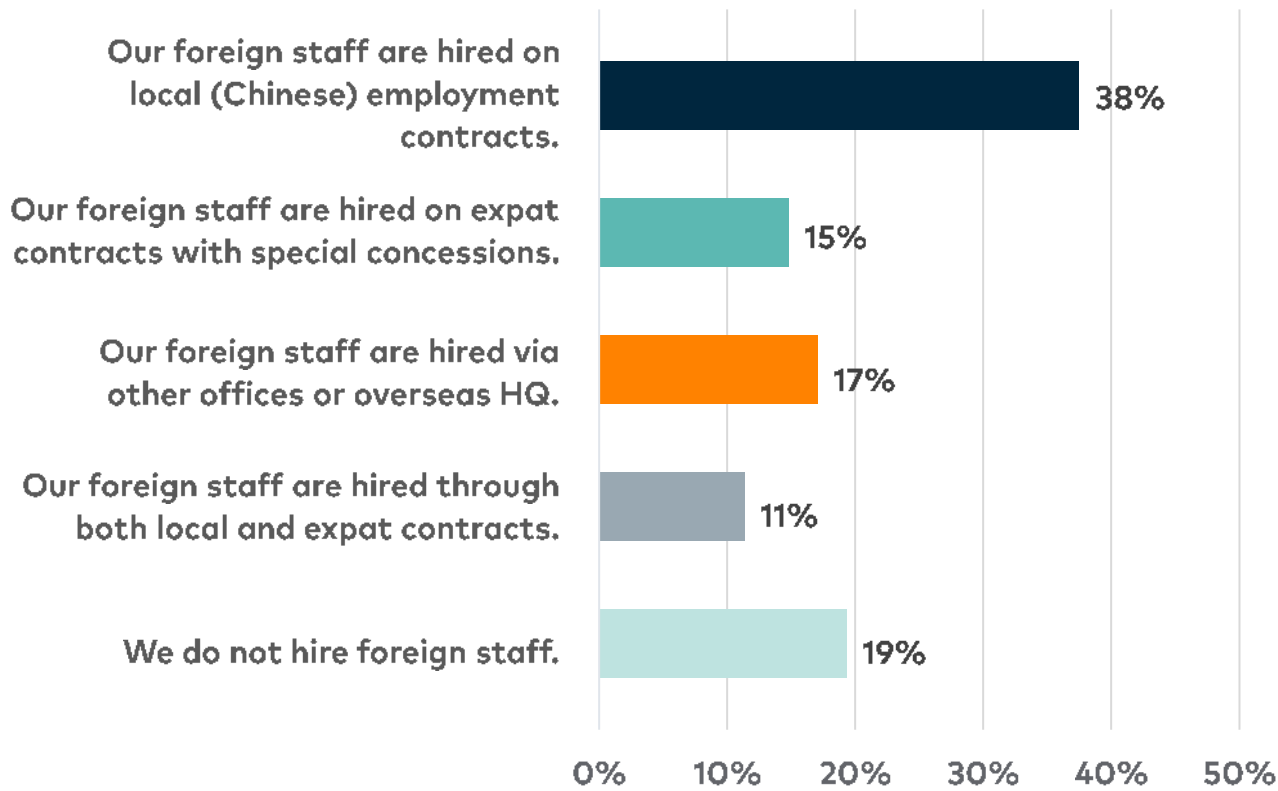


Key Hiring Challenges: 4 Year Comparison

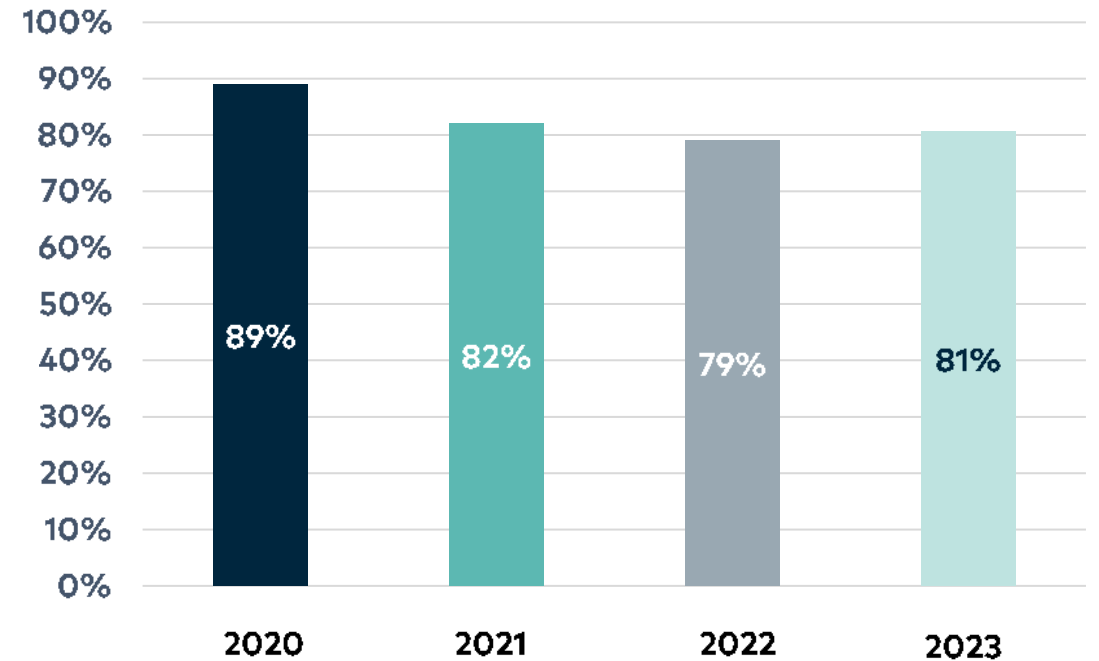


Foreign Employment: 4 Year Comparison

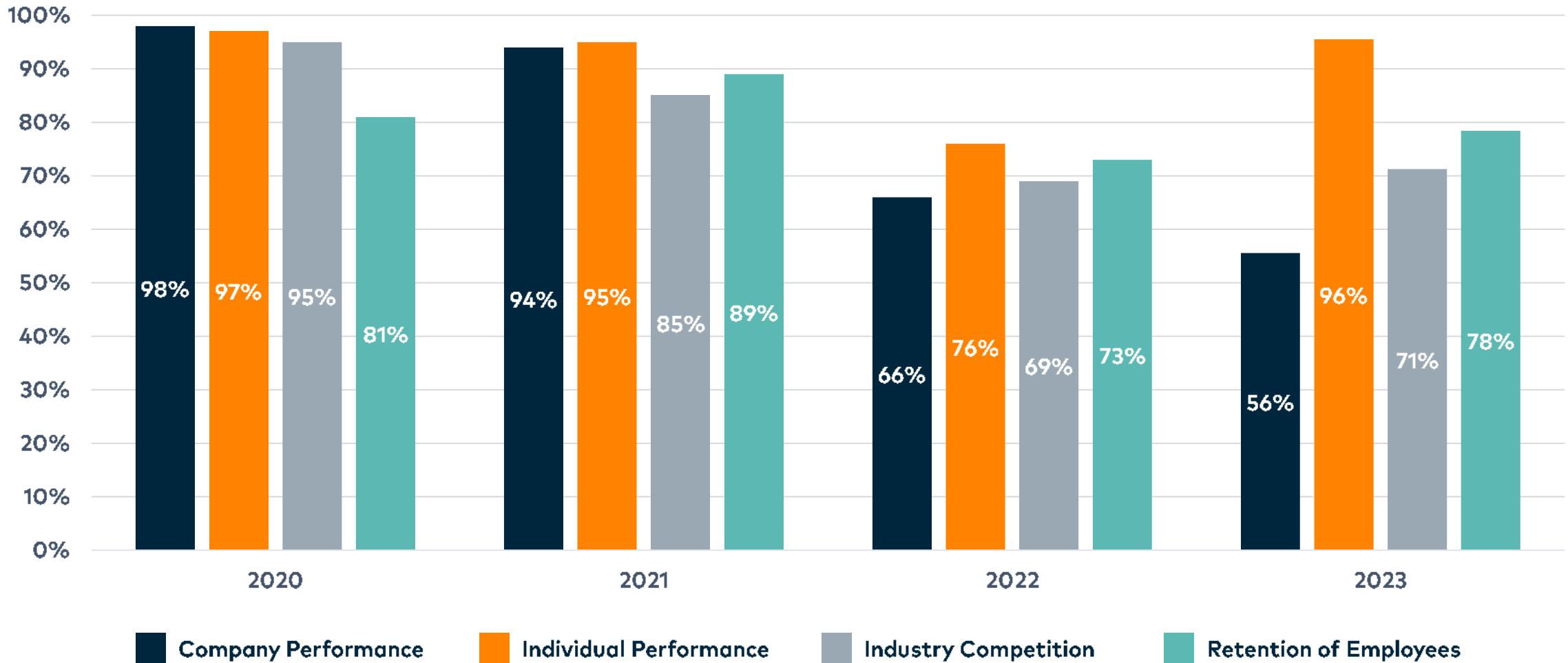
Employment Status of Foreign Staff



Percentage of Surveyed Companies with Foreign Staff

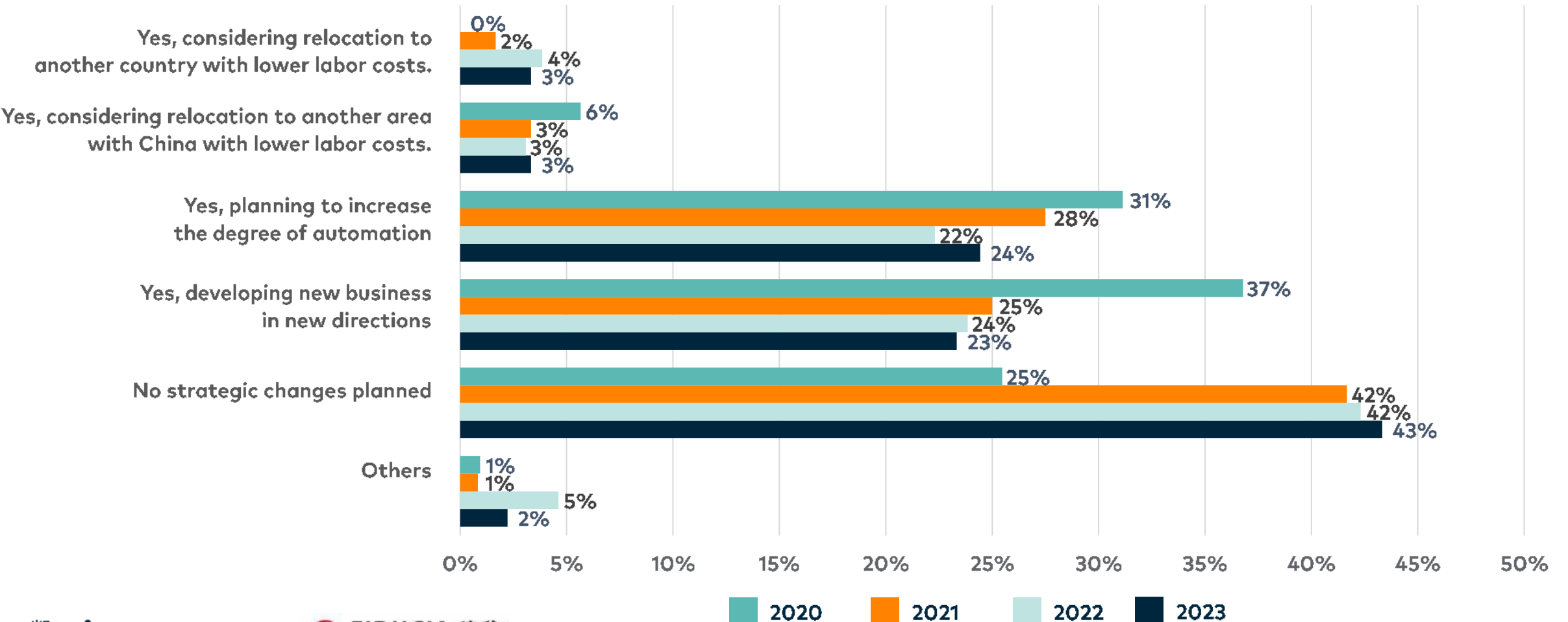


Wage Adjustment Drivers: 4 Year Comparison



Strategic Changes: 4 Year Comparison

Is your company considering strategic changes due to rising labor costs in China?

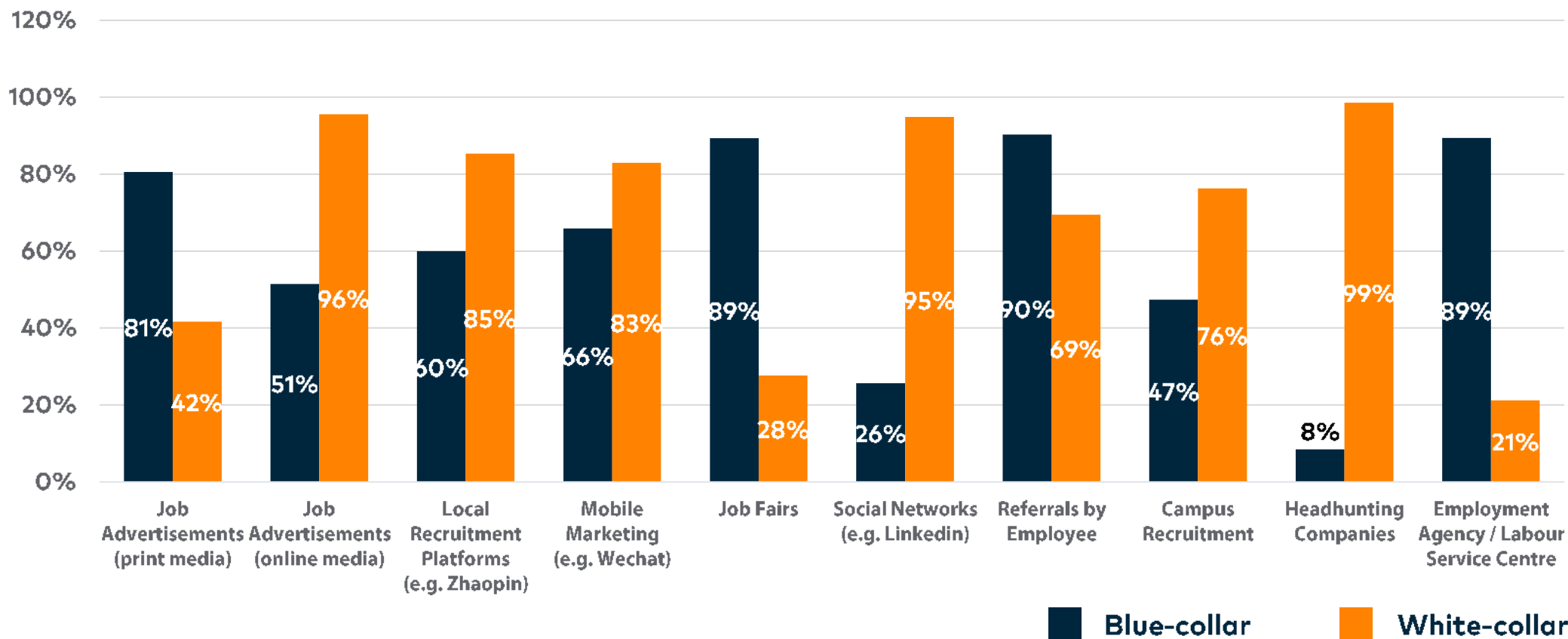


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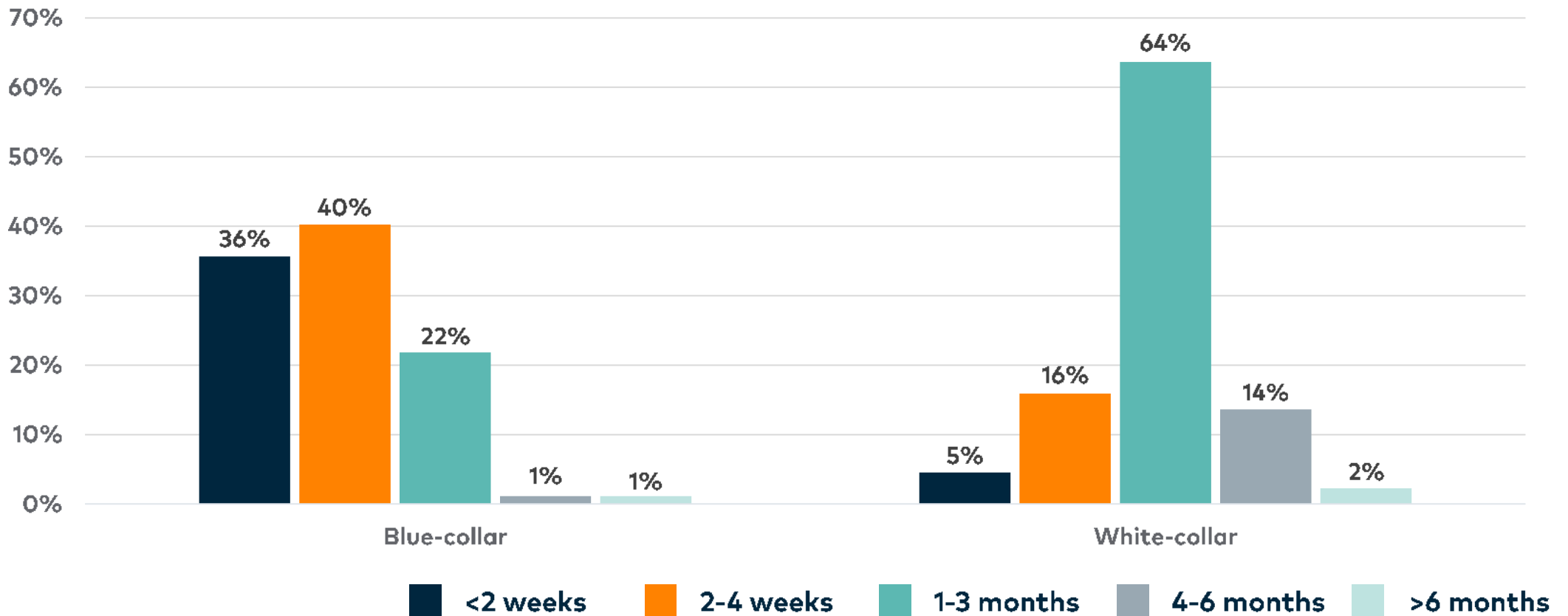
Recruitment Channels

Which recruitment channels do you mainly use in China?



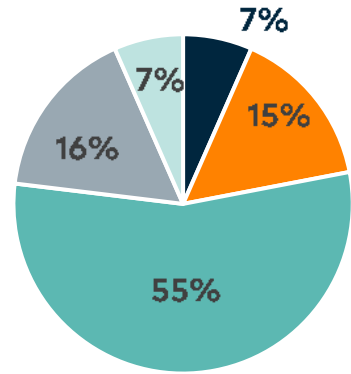
Length of Recruiting Procedure

How long is your recruiting procedure in general (from search to formal contract)?

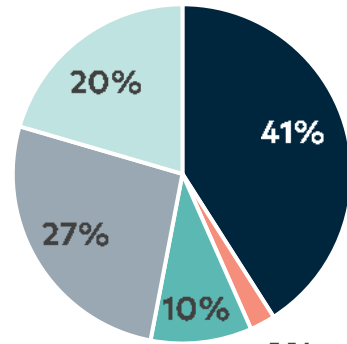


White Collar Recruitment Channels

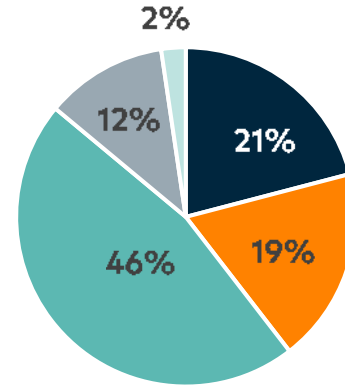
What were your primary channels for acquiring white collar staff in 2023?



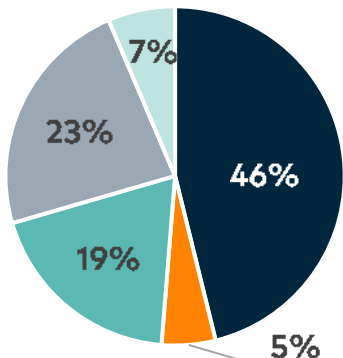
Online-Recruitment



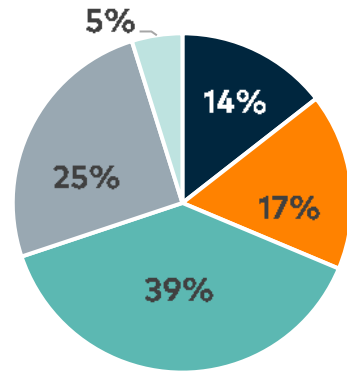
On-site Job Fair



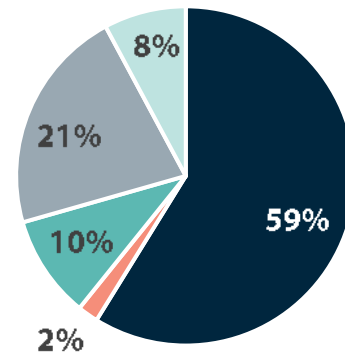
Headhunting Company



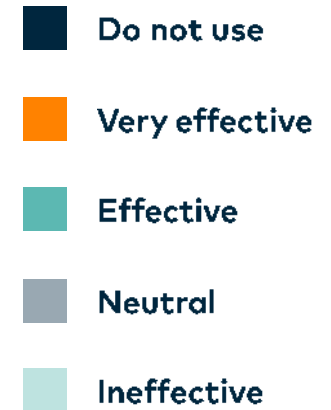
Job Outsourcing



International Referral

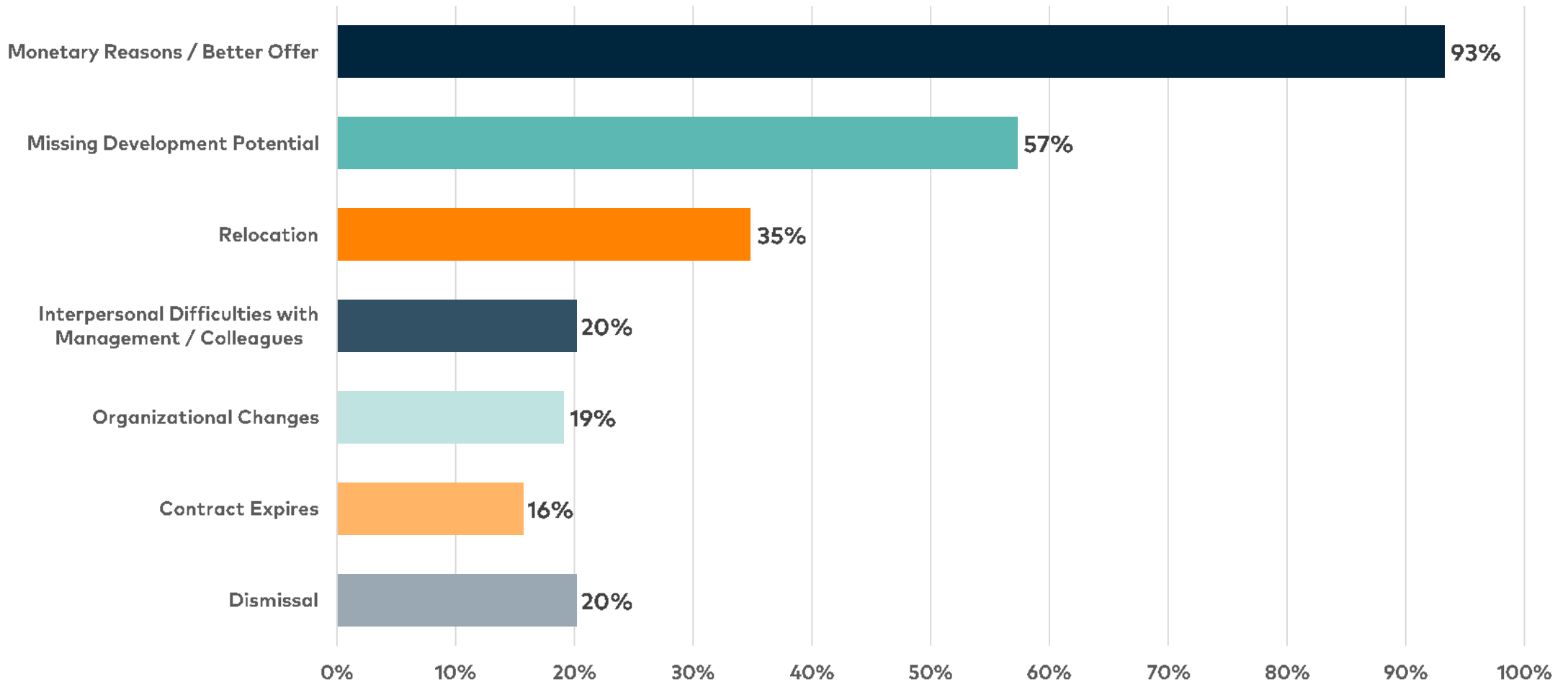


Others



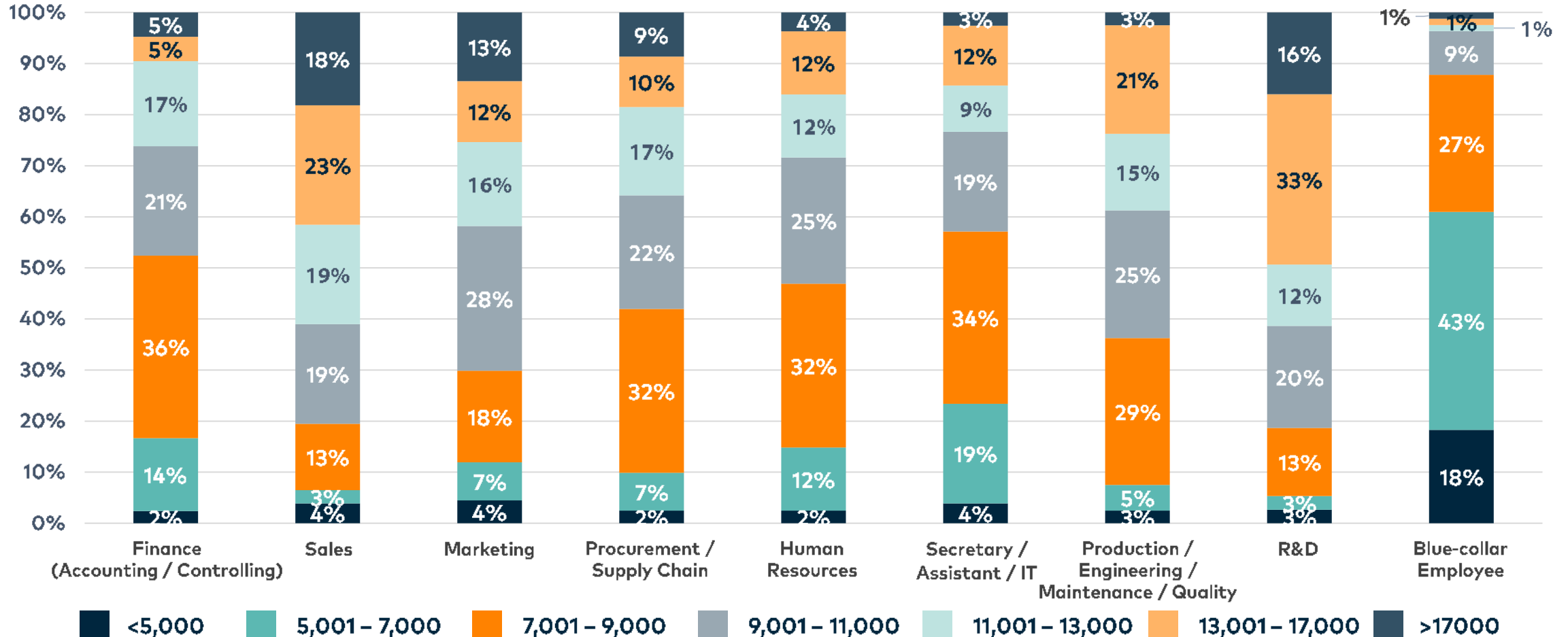
Main Reasons for Employee Departure

What are the Top 3 reasons for your employees to leave the company?



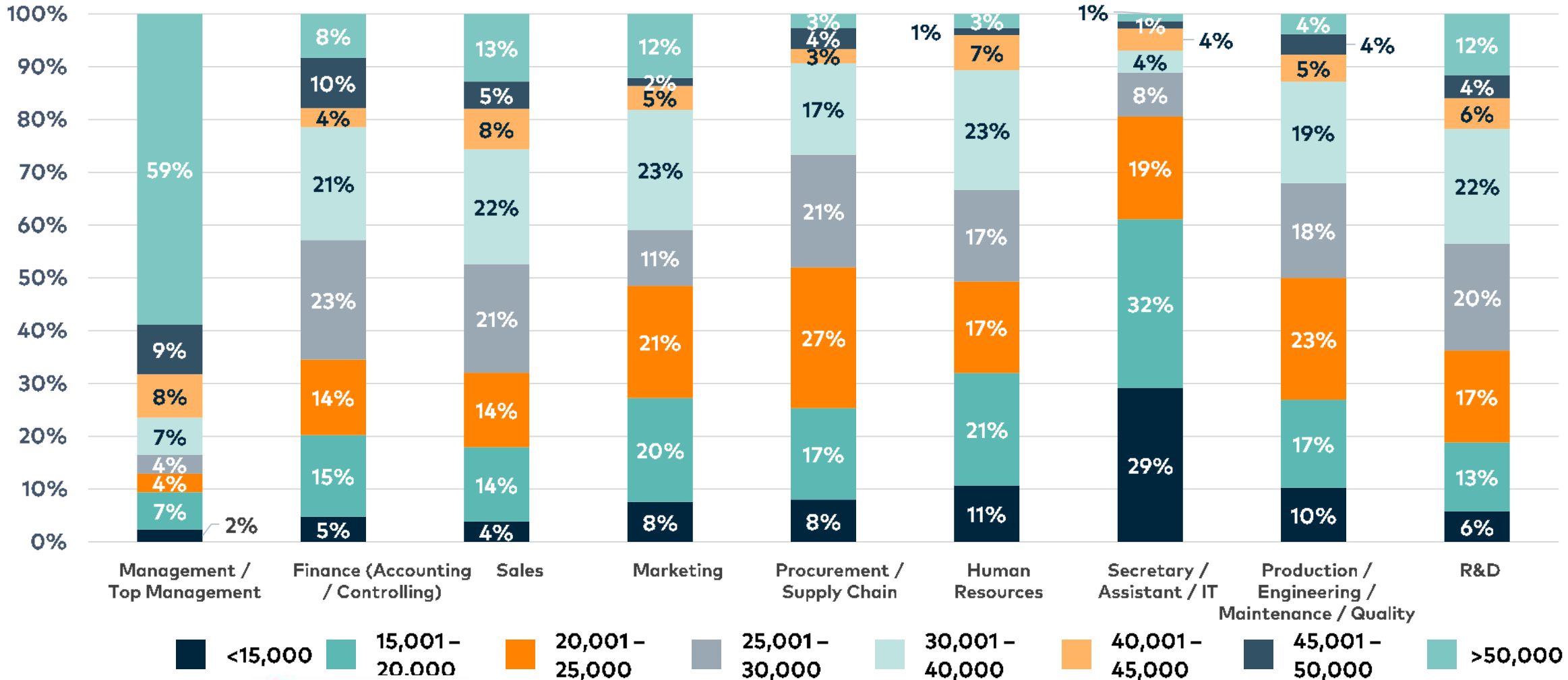
Salary Ranges for Junior – Mid Level Staff

What is the average salary range of your Junior and Mid-level employees (e.g. clerk, engineer, supervisor, assistant manager) fix/ monthly/ gross in RMB?



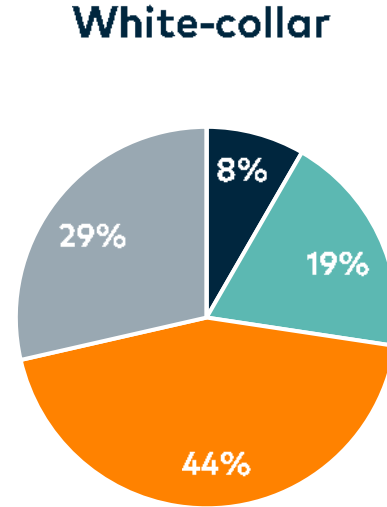
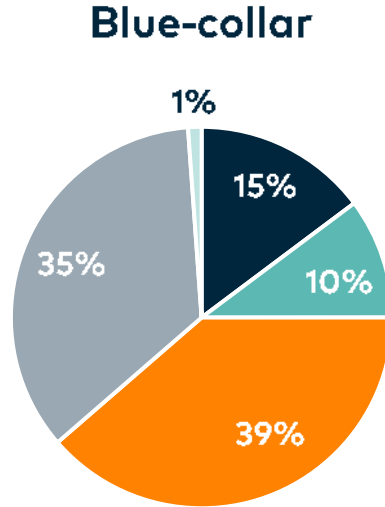
Salary Ranges for Senior Staff

What is the average salary range of your senior employees?

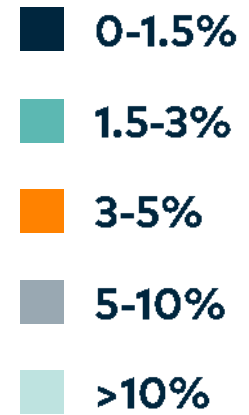
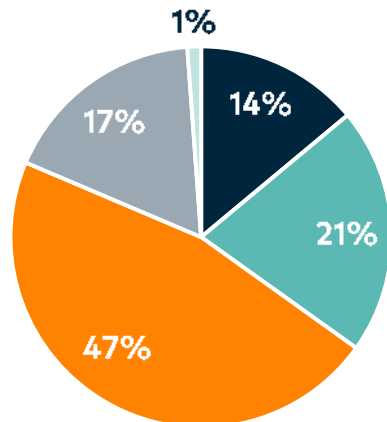
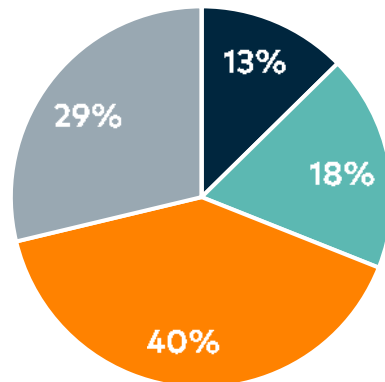


Salary Increases and Expectations

What was the salary increase of your company for 2022 on average?

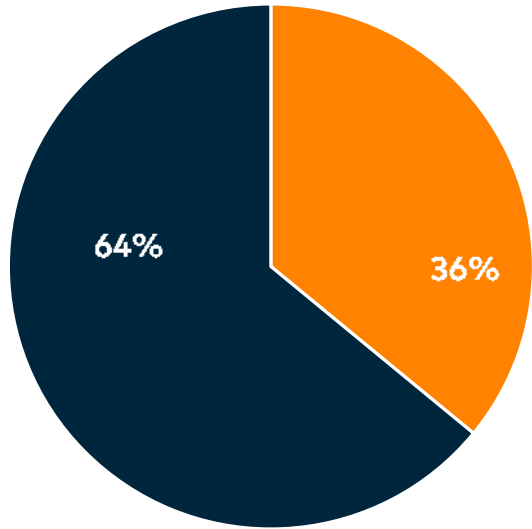


What salary increase does your company expect for 2023/24 on average?



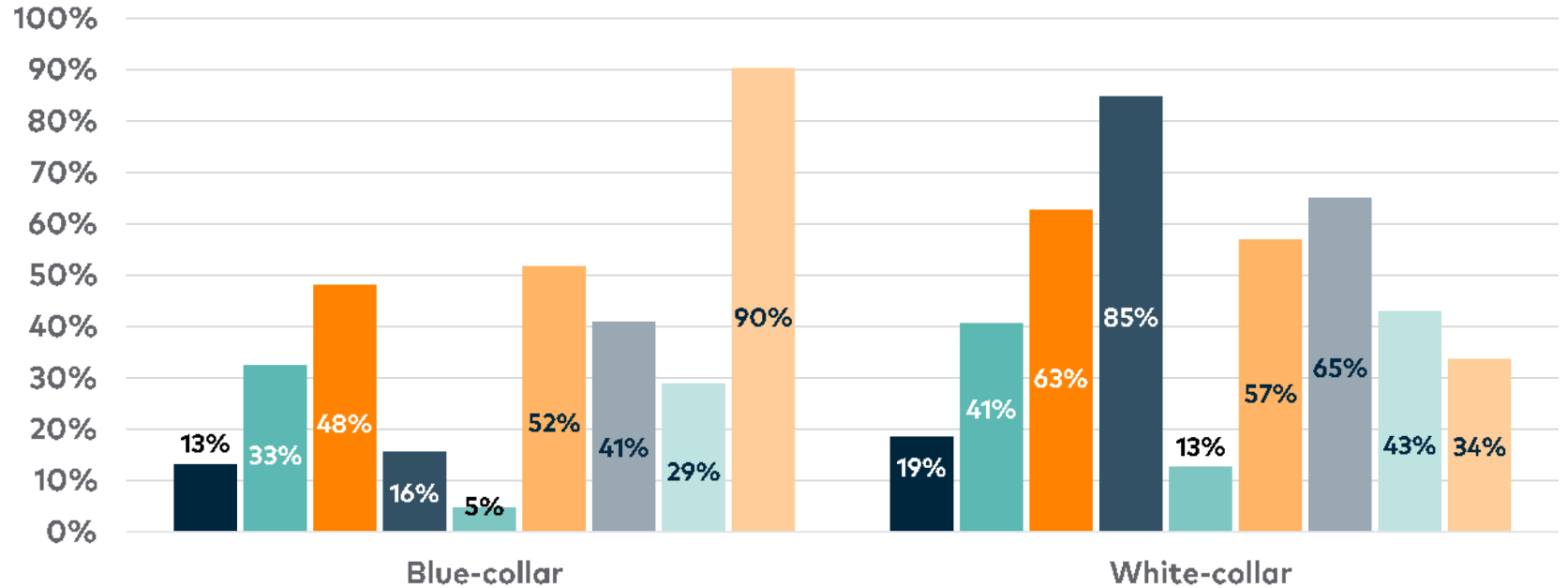
Salary Increases and Benefits

Has your company considered postponing a salary increase for 2023/24?



Yes No

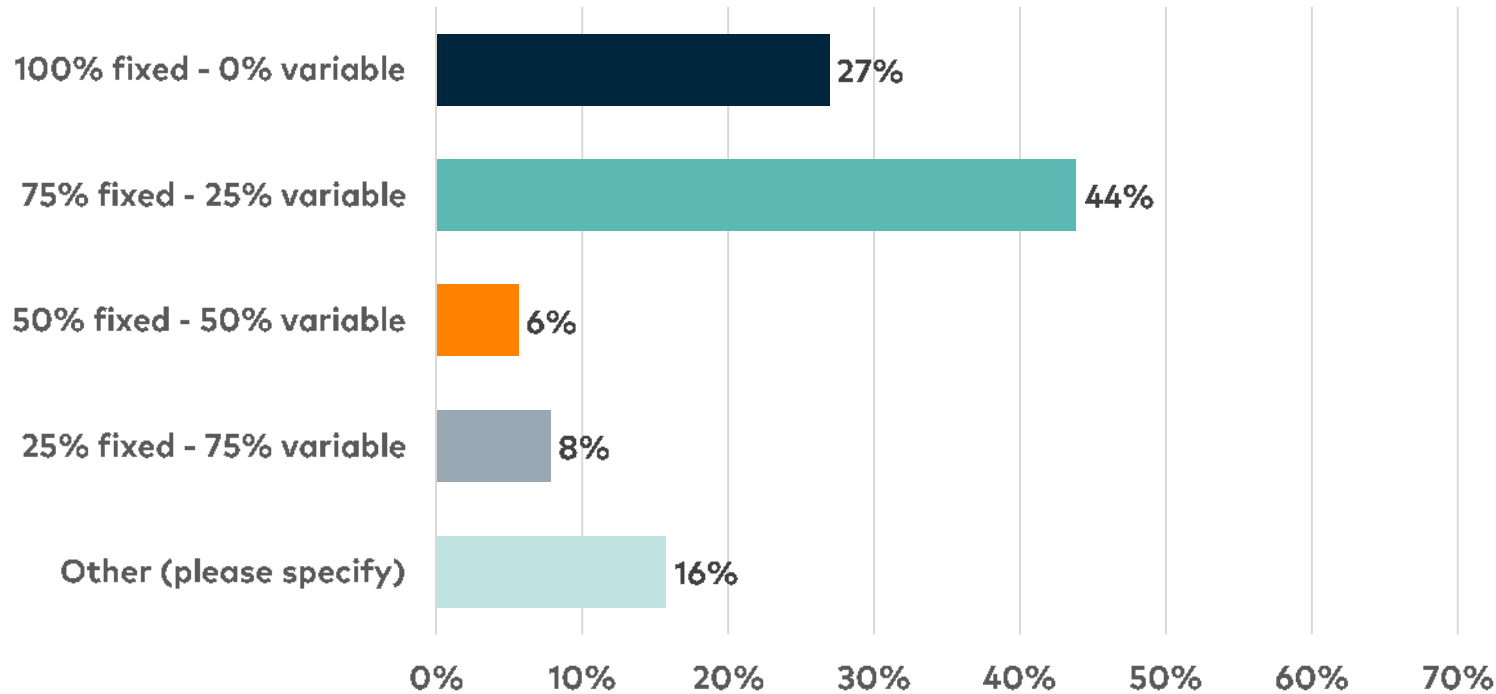
Please mark the standard benefit plans offered to your employee



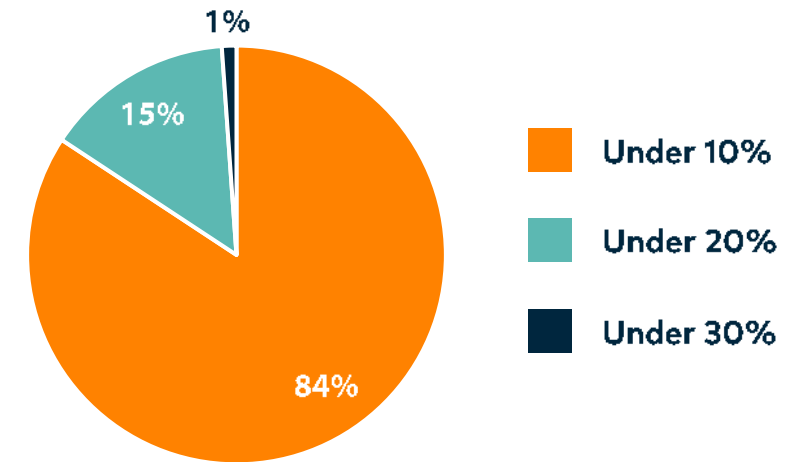
Re-location Allowance Telephone Allowance Business Travel Allowance Housing Allowance Schooling Allowance Training Allowance Transportation Allowance Additional Medical Allowance Overtime Working Allowance

Bonuses and Training

The ratio between fixed and variable salary (bonus) for white-collar employees on average

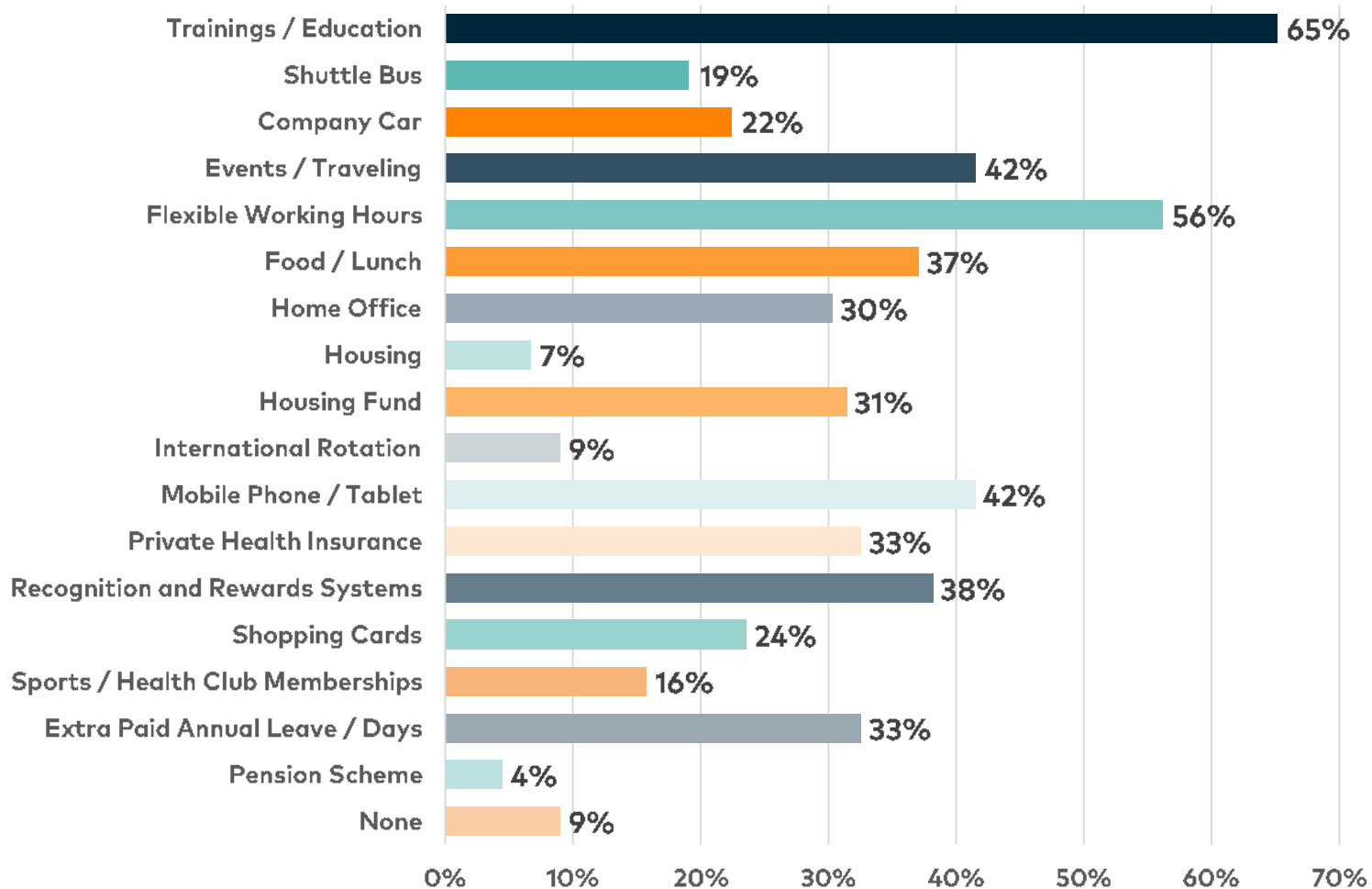


What percentage of your total labour costs are spent on training and education for personnel?



Extraordinary Benefits

Does your company offer extraordinary benefits to retain key personnel?



Top 3 in the 2023:

- Training and education (65%)
- Flexible working hours (56%)
- Mobile phone / Event and traveling (42%)

Compared to 2022 respondents agreed that Training and education (63%), Food and lunch (52%), and Flexible working hours (48%) were the most important factors.



Conclusion

Key Takeaways

- **Challenging Positions:** As with previous surveys, Sales, R&D, and Engineering staff are the most challenging to recruit and the highest-paid staff overall except for higher management. This is clear that this trend will continue for the next few years, with companies focusing their efforts on how to attract, hire, develop, and retain those talents.
 - a. Sales = Maintain and Develop Revenue Channels
 - b. R&D = New product or transfer product (localization)
 - c. Engineering = make things happen = bridge between R&D and Sales.
- **2023 in Retrospect:** 2023 being a very challenging year, even when contrasted with the COVID periods, it is interesting to note that surveyed companies are now more driven by cost control, placing higher emphasis on individual performance than before.
- This is indicative of Suzhou's resilience as a 'closed circuit' economic region, insulating it from the major supply-chain issues faced by other regions during COVID, but not protection for the general economic climate as a whole.
- **2023 General Sentiment:** The majority of survey responses are cautiously optimistic about business for 2024, with a general trend for ambivalence to negativity in 2025, 2026. This can be contrasted with prevailing social-political pressures and economic uncertainty in China.