

ACCA MICHAEL PAGE ACCOUNTING AND FINANCE MARKET SURVEY 2008

The results of the Accounting and Finance Market Survey 2008 conducted jointly by ACCA Hong Kong and Michael Page International were revealed at a press conference held on 6 November. The survey aims to identify the salary trends, job change trends and talent retention strategies in the accounting and finance sector. A new section is added to this year's survey to identify the mobility needs and trends of today's accounting and finance professionals. The survey was conducted from 19 August to 16 September 2008 and received over 1,330 responses from ACCA Hong Kong members, ACCA approved employers, and clients and candidates of Michael Page International.

CAUTIOUSLY OPTIMISTIC OUTLOOK FOR ACCOUNTING INDUSTRY

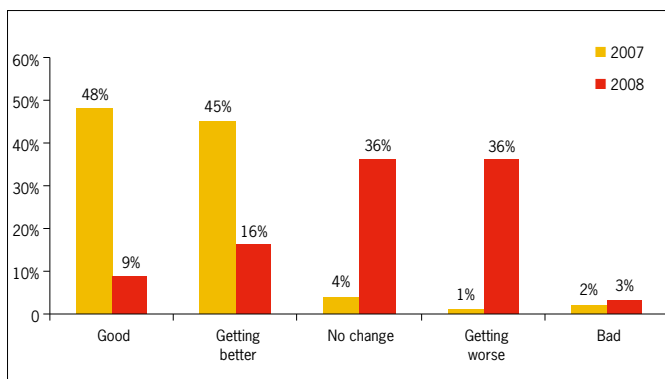
In the Accounting and Finance Market Survey conducted last year, a rosy picture was projected by the respondents which reflect the industry continued to enjoy the rewards of the bustling economy with stable growth. As the market changes rapidly with a number of incidents challenging the recruitment market, this year's survey shows a considerably cautious sentiment but industry outlook remains stable.

EMPLOYMENT MARKET OVERVIEW

Current job market

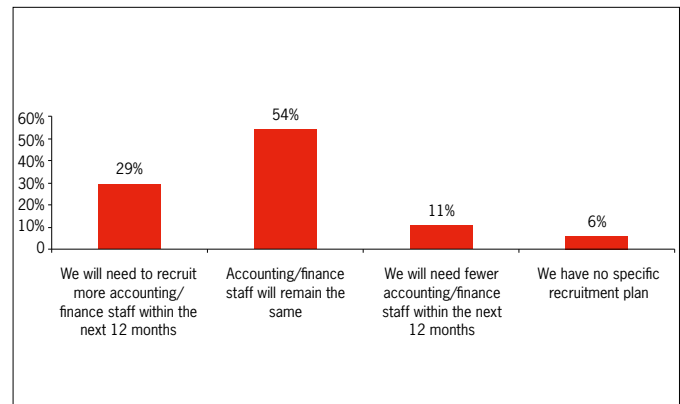
In this year's survey, 36% of responding employees say the overall accounting and finance job market is 'No Change' at present. The same percentage of responding employees say it is 'Getting Worse', which reflects a degree of caution with the finance profession. Twenty-five percent of respondents believe it is 'Good' and 'Getting Better' which marks a far more cautious approach than was represented in last year's survey. (Diagram 1)

Diagram 1: Employee's view on current job market (2007 vs 2008)



However, 54% responding employers say the number of accounting and finance staff will remain the same in the next 12 months, with 29% employers who responded to the survey say they will need to recruit more accounting and finance staff within the next 12 months. (Diagram 2)

Diagram 2: Employers' recruitment plan



Kelly Chan, President of ACCA Hong Kong acknowledges the cautious recruitment market but said that the demand for accounting and finance professionals remains steady. "Accounting professionals are equipped with a wide range of technical expertise and the supply of such professionals is still lagging behind the demand. We expect the market will have a higher demand for talent with control focus such as internal audit or internal control under the current market situation."

Anthony Thompson, Managing Director, Hong Kong & Southern China of Michael Page International says, "Organisations in different industries and sectors always need well qualified accounting and finance professionals irrespective of the economic environment. Asia is still viewed as a growth region and employers are less likely to change their recruitment plans drastically."

Salary trends and expectations

Both employers and employees report salary rises in 2008 and predict this increasing trend will continue in 2009. In 2008, 29% of responding employees had "1%-5%" salary increment and 27% had "6%-10%" increment. Same as last year, 9% of the responding employees say there was a "more than 30%" increment. (Diagram 3)

For the coming year, 64% of the responding employees expect salary will increase and the figure is 22% lower than last year's survey result. However, 81% of the responding employers say they are expecting to pay more in 2009. (Diagram 4)

Diagram 3: Salary trends in 2008 (Employees)

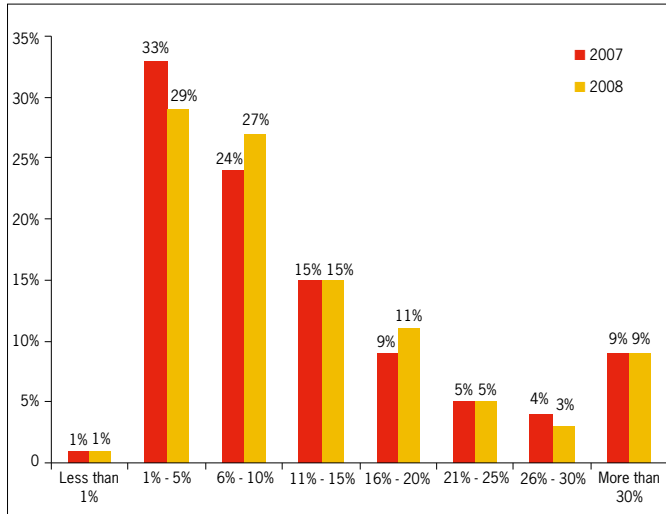
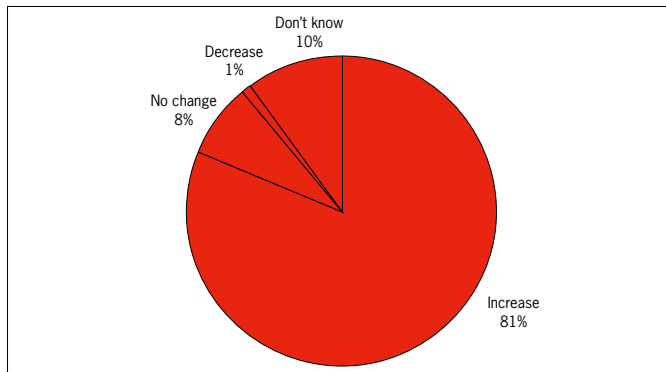


Diagram 4: Employers' expectation in 2009

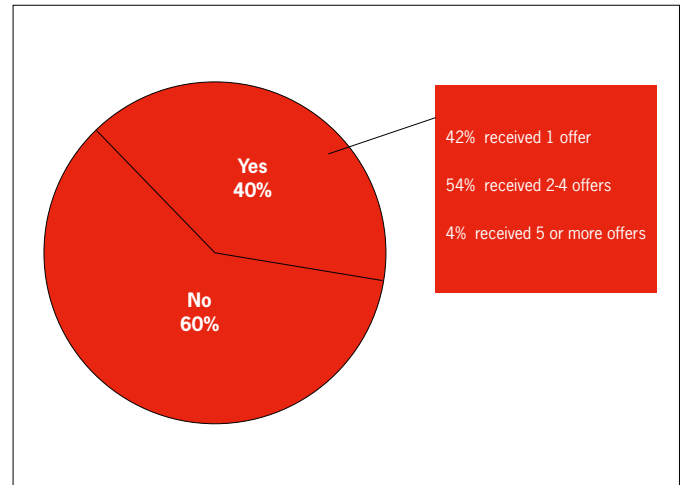


JOB CHANGE TRENDS AND TALENT RETENTION STRATEGIES

In this year's survey, 79% of responding employers received resignation letters from their accounting and finance staff in the past twelve months, 5% higher than the percentage recorded last year. Among this group of employers, 69% of them could successfully retain up to 10% of the resigned staff, 1% higher than the result in 2007.

Forty-six percent of responding employees say they have been actively searching for a new job in the last twelve months. This year, 40% of the responding employees received new job offers in the last 12 months, which is 10% lower than last year's result. Among those who received job offers, over half of them (54%) claim that they received two to four job offers, with 42% of them receiving one offer. Thirty per cent of these employees who received new offers have an average of "1% to 10%" pay rise and 32% have an average of "11%-20%" pay rise compared to their current or previous jobs, and the result is similar to that of last year. (Diagram 5)

Diagram 5: Employees who received new job offers



"Offer a pay rise and/or better fringe benefits" continues to be viewed as the most effective staff retention strategy by employers, followed by "work-life balance" and "offer a clear career progression pathway". These are the top three effective retention strategies.

In the employees' survey, "remuneration package" is ranked second among their job change decision factors, while "good career prospect and exposure" continues to top the list. "Job promotion" is ranked third which is the same as last year. (Diagram 6)

Diagram 6: Retention strategies vs Job change decision factors

Employers' retention strategies	Employees' job change decision factors
1. Offer a pay rise and /or better fringe benefits	1. Good career prospects and exposure
2. Work-life balance	2. Remuneration package
3. Offer a clear career progression pathway	3. Job promotion
4. Establish robust linkage of individual remuneration to individual performance	4. Job security
5. Position talent management as a strategic priority for senior management	5. Opportunity for training and development

TRAINING AND MOBILITY

In this year's survey, we looked at the training support that employers provide and employees received. Most of the responding employers say they provide cash subsidies for courses and examinations for their employees. However, less than half of the responding employees mention that they received such support. (Diagram 7)

Diagram 7: Training support ranked by employees and employers

Training support	Rank by employees	Rank by employers
Leave for study / other training courses	26%	52%
Cash subsidy for courses and examinations	32%	60%
In-house training	43%	56%
Mentorship programme	9%	17%
Others	3%	6%
None	30%	5%

* Respondents can choose more than one option

"We recommend employers to talk to their staff about their training needs and determine if there are any ways in which resources could be better allocated. Continuing professional development and training is crucial for accounting and finance professionals, especially in a challenging economic and business environment," states Mr Thompson.

In order to continue to gauge market needs, a section on mobility of accounting and finance professionals has been added to this year's survey to track the need for mobility from such professionals. In general, 65% of the responding employees say they are required to travel for business while the duration differs. Ninety per cent of responding employers say their accounting and finance staff need to travel for business outside Hong Kong at least once or twice a year on average (Diagram 8). Fifty-five percent of responding employers say their accounting and finance staff travelled most frequently to Greater China (Diagram 9).

"Flexibility in terms of mobility, such as willingness to travel for business is becoming a factor that employers nowadays find important. Enhancing the mobility to travel, being equipped with a global qualification such as ACCA, and international perspective would help accounting and finance professionals take on a broader role in their career development," says Ms Chan.

Diagram 8: Travel frequency of accounting and finance staff

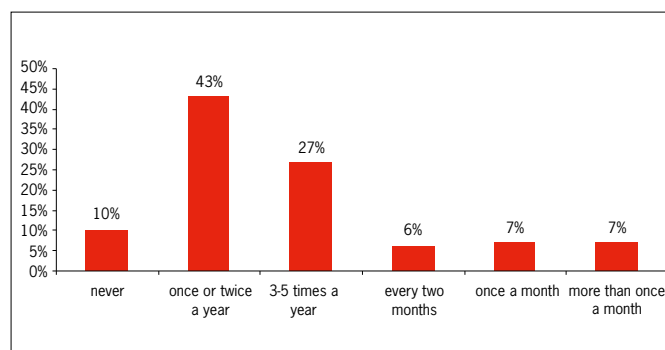
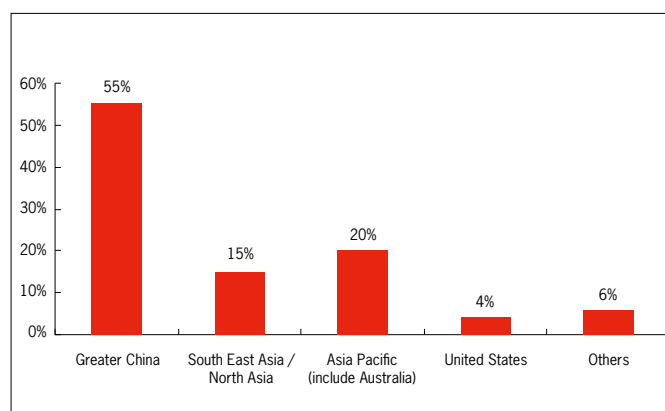


Diagram 9: Region/country most frequently travelled for accounting and finance staff



Recommendations:

1. Despite the recent changes in the global economic environment, demand for accounting professionals is still steady especially in the commerce and industry sectors in the Asia Pacific region;
2. Talent with knowledge in control focus e.g. internal control, compliance, risk management etc. are in demand;
3. Companies need well qualified accounting and finance professionals in good and bad times;
4. Accounting and finance professionals are advised to continuously invest in enhancing their knowledge and qualification. Trainings on technical and soft skills are crucial to meet the challenging market;
5. Flexibility in terms of mobility e.g. willingness to travel help job-seekers to take on broader roles.

Note: Thank you to all ACCA members, approved employers and Michael Page clients and candidates in Hong Kong who had participated in this survey. This survey could not be completed without your valuable inputs.