



PERSONNEL MANAGEMENT CLUB

PM VOICE

JUNE 2002

Staff Relocation: Hong Kong Employees stationed in China



On 26 March 2002, your PM Club invited Ms Monita Lee of the Human Capital Group of Watson Wyatt Hong Kong Limited to a luncheon seminar to talk about the latest trend and strategies in the compensation and benefits package offered to Hong Kong employees stationed in China.

Hereunder is the highlight of Monita's presentation.

Talent Management in China

Lately, Premier Chu Rong-ji disclosed that Chinese enterprises had been experiencing an increasing demand for talents, especially in fields like high tech, international finance, accounting,

international trade, legal, and general management.

In response to the surging demand, the Chinese government is attempting to attract talents to work in China from three sources, namely, to acquire from overseas, train and develop the locals, and attract "returnees" (Chinese residents went overseas either for study or for living to return to their homeland).

Relocation Package for Hong Kong Employees

The urgent quest for talents in China poses numerous opportunities for Hong Kong people, as, according to Monita, Hong Kong people enjoy certain advantages, such as:

- Experience in operations in China



- Well trained in international business environment
- Language and culture familiarity
- Ease of mobility
- Easy access to information
- Political link with the Chinese government.

Currently, when relocating Hong Kong employees to work and station in China, companies will usually offer relocation package to these employees. The compensation plan for relocation is normally made up of the Hong Kong-base compensation and benefits, plus additional compensation and benefits. Among the various benefits, the dominant ones are:

- Tax equalization
- Housing: Company dormitory and rental reimbursement
- Medical: Clinical and hospitalization provision
- Insurance: life and disability coverage
- Retirement: defined contribution or MPF
- Leave: annual leave, sick leave, marriage leave, bereavement and maternity leaves

In addition, there are common benefits, such as:

- Hardship allowance (usually 10-15% of the monthly base salary, payable in cash)
- Children education (up to the age of 18)
- Company car (for private and business use)
- Home leave package (two trips per annum)

However, the following benefits have become less common:

- Club membership
- Rest and recreation leave passage
- Daily allowance or per diem
- Amount for hardship allowance

Towards the ending of the presentation, Monita poses a stimulating question to the audience, "What do you perceive the Trends?" The latest situation shows that more and more companies begin to offer localized packages to Hong Kong employees who have been stationing in China for some time. That is, to treat them as locals. The main consideration involves a comparison between a typical relocation plan and a typical localization plan. In the former, the remuneration package comprises the basic compensation and benefits, plus the additional compensation and benefits for relocation and the cost in China, while in the latter, the localization package comprises merely the local compensation and benefits, plus the cost in China. Monita remarks that the gap between the two packages is quite large at present. Yet, are there any alternatives?



*Joint Clubs visit to
Cathay Pacific City*

Your PM Club joined with other 8 specialist clubs of HKMA to organize a visit to the Cathay Pacific City at Chak Lap Kok on Saturday, 4 May 2002. More than 80 persons from the various clubs took part in this Joint Clubs function.



The visit began with a talk and discussion session led by Mr. Alan Wong, General Manager - Corporate Communication Department of Cathay Pacific on the topic of "The World Biggest Welcome". The session centered around the extremely successful promotion campaign concerning the giving away of 10,000 free air-tickets to Hong Kong residents, which was launched by Cathay Pacific at the beginning of this year.



Then, there were visits respectively to the Cathay Pacific Catering Services and the Cathay Pacific City.

The visit eventually ended with a luncheon at Catalina, the restaurant in the Cathay Pacific City run by Cathay Pacific.



33rd Annual General Meeting and Fellowship Dinner



The annual event was held on 21 January 2002 evening at the World Trade Centre Club in Causeway Bay.

Mr. C.K. Lee, Chairman presented his last report on the activities of the year 2001, as he was about to step down from the chairmanship in the new executive committee. Following his report, a new executive committee was elected at the AGM.

The Fellowship Dinner began at 8:00 p.m.

During the Dinner, PM Club presented the scholarship to 3 full-time degree programme students in HRM, namely, the first prize to Ms. Szeto Mai Yee of the Chinese University of Hong Kong, the first runner-up to Ms. Kenix Poon of the Lingnan University and second runner-up to Mr. Philip Chung Kar Fai of the Hong Kong Polytechnic University.

Highlights of the dinner included exciting games and raffle draws with terrific prizes, donated by various organizations. If you were not able to come this time, PM Club sincerely hopes that you will join us and share the joyful moments with your fellow members next time.

The following persons have become the members of the Executive Committee of 2002:

Chairman:

Mr. Felix Yip (San Miguel Brewery Hong Kong Ltd.)

Vice Chairman:

Ms. Freda Cheuk (Estee Launder (HK) Ltd.)

Mr. Chris Wu (Li & Fung (Retailing) Ltd.)

Officers:

Ms. Doris Chan (Sky Connection Ltd.)

Mr. Peter Chang (Accenture Co. Ltd.) *

Mr. Aaron Chiang (Hutchison Telecommunications (HK) Ltd.)

Mr. C. K. Lee (C K Lee & Associates)

Mr. Allan Li (Hong Kong Polytechnic University)

Mr. Philip Li (Sun Hung Kai Insurance Consultants Ltd.)

Mr. Alex Wong (Triumph International Overseas Ltd.)

Ms. Amy Wong (Jardine OneSoultion)

Mr. K.C. Wong (Orient Overseas Container Line Ltd.)

* Mr. Peter Chang later resigned from the Executive Committee due to personal reasons.

