



Balancing cost with talent attraction & retention

Compensation & Benefits Trends in New Normal

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welcome to brighter

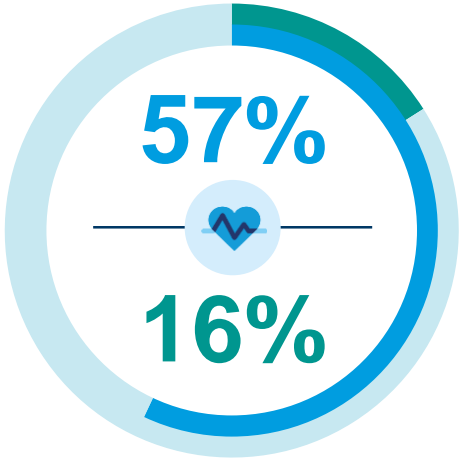
Pandemic has changed the employees' needs & behaviors in work & life

Employers who show they care employees have an advantage

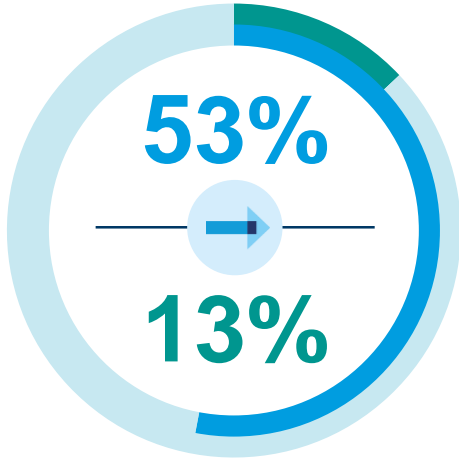
During the pandemic, employers proved supports to employees and they could make a meaningful difference.

Of employees who reported receiving **good** or **very good** support during the pandemic

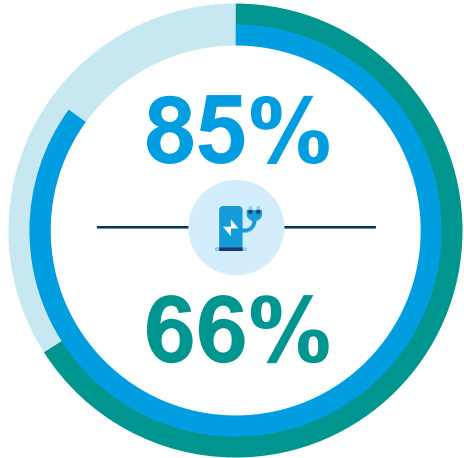
Of employees who reported receiving **poor** or **fair** support during the pandemic



Feel their employer cares about their health and well-being



Are less likely to leave their job as a result

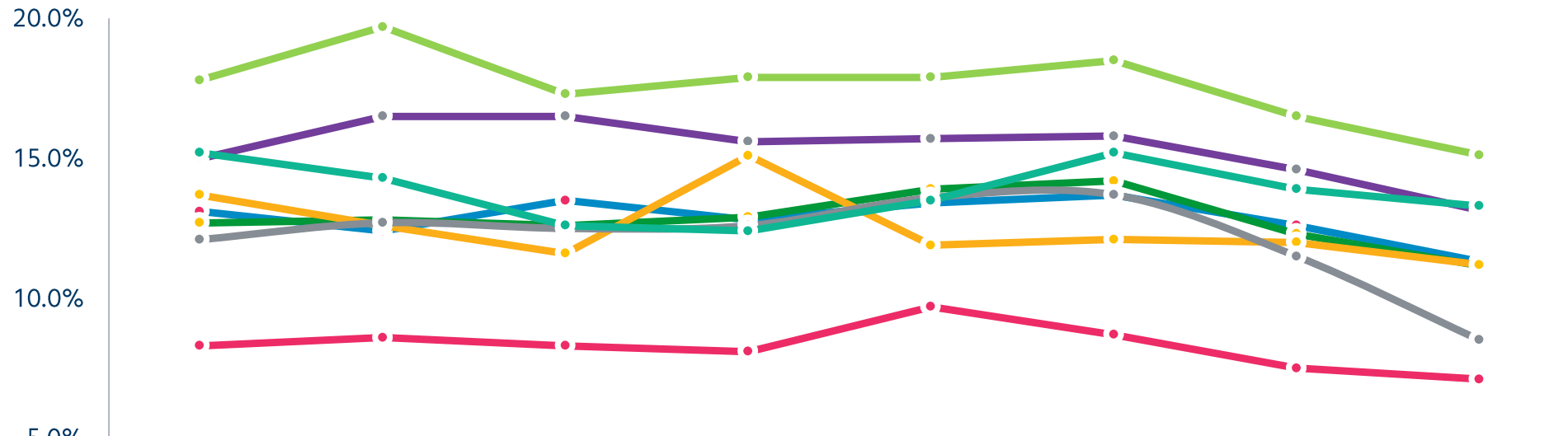


Feel energized at work

MMB Health on Demand 2021
Q5. How much do you feel that your employer cares about your health and well-being?
Q21. Did the level, type and quality of support you received from your employer during COVID-19 affect how you feel about moving elsewhere to another employer?
Q4. On a typical day, how energized do you feel at work in your current role? (In the job that you spend the most time working.)
by support from your employer during the pandemic

The Covid-19 Impact

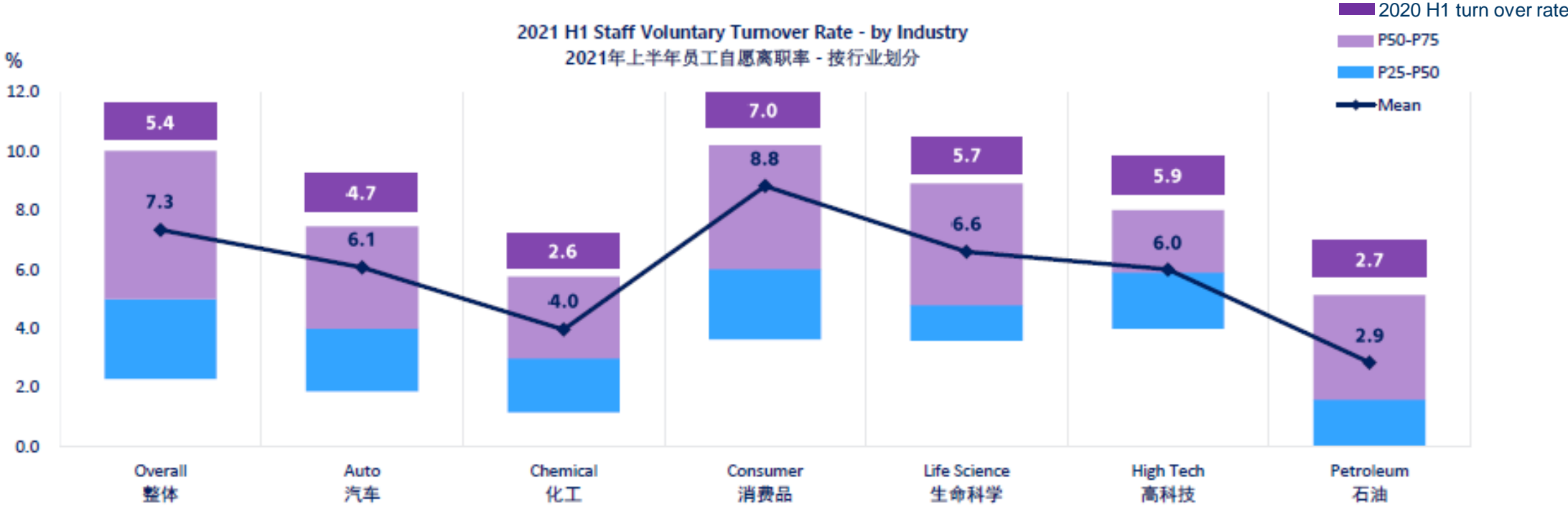
Voluntary turnover rate was historically low in 2020 (By industry)



	2013	2014	2015	2016	2017	2018	2019	2020
Beijing All Industries Office	13.1%	12.4%	13.5%	12.8%	13.4%	13.7%	12.6%	11.3%
Shanghai All Industries Office	12.7%	12.8%	12.6%	12.9%	13.9%	14.2%	12.3%	11.2%
Guangdong All Industries Office	15.0%	16.5%	16.5%	15.6%	15.7%	15.8%	14.6%	13.1%
Chemical (1st Tier)	8.3%	8.6%	8.3%	8.1%	9.7%	8.7%	7.5%	7.1%
High-Tech (1st Tier)	13.7%	12.6%	11.6%	15.1%	11.9%	12.1%	12.0%	11.2%
Auto (1st Tier)	12.1%	12.7%	12.5%	12.6%	13.6%	13.7%	11.5%	8.5%
Consumer (1st Tier)	17.8%	19.7%	17.3%	17.9%	17.9%	18.5%	16.5%	15.1%
Life Science	15.2%	14.3%	12.6%	12.4%	13.5%	15.2%	13.9%	13.3%

However Talent Competition is up in 2021

2021 H1 Voluntary Turnover Rates – by Industry



2020 Actual & 2021 Estimated Merit salary increase – Beijing All Industries

44 (7%)

Organizations reported salary freeze in 2021

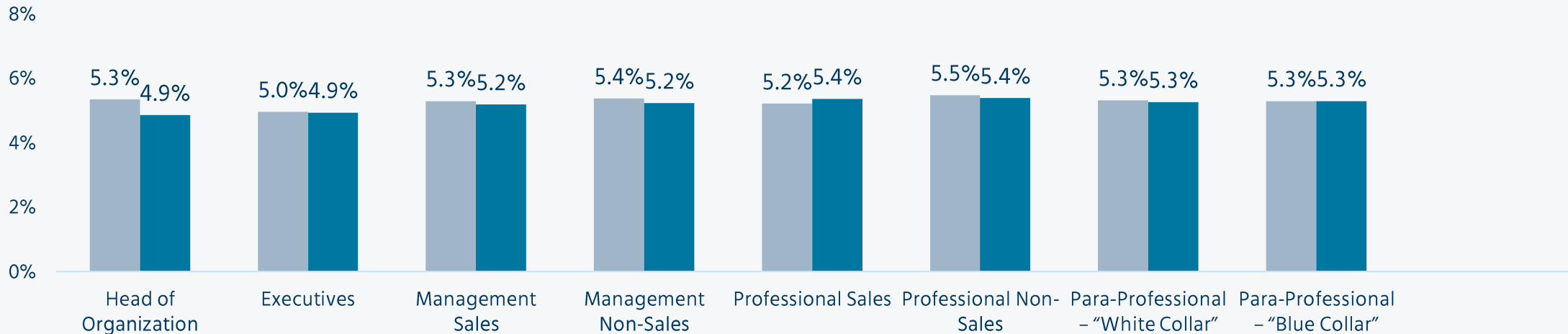
VS

130 (22%)

organizations in 2020

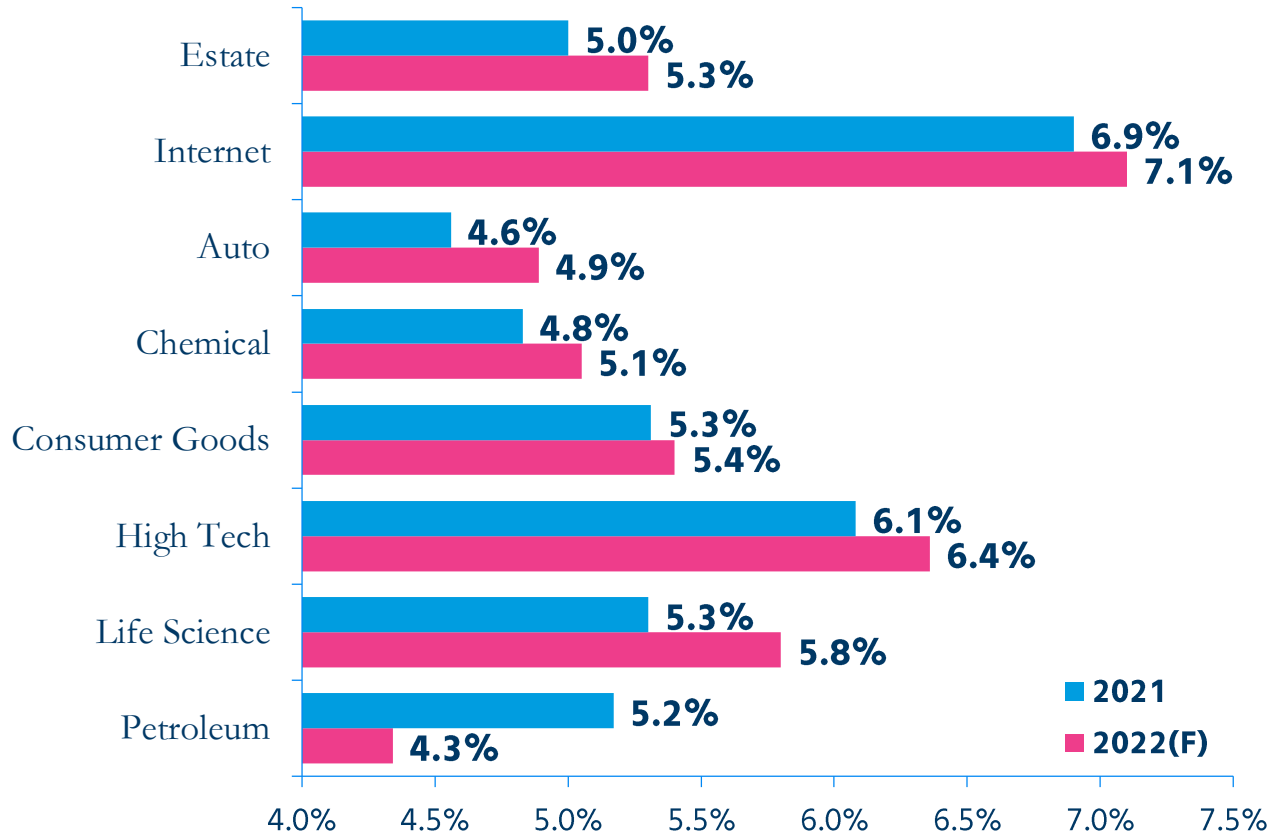
Average salary increases by Career Stream, 2020-2021

■ 2020 ■ 2021



2021 / 2022 Estimated Merit Salary Increase (Excluding Salary Freeze) By industry & City

Merit Salary Increase – by industry



BY GEOGRAPHY (Average)

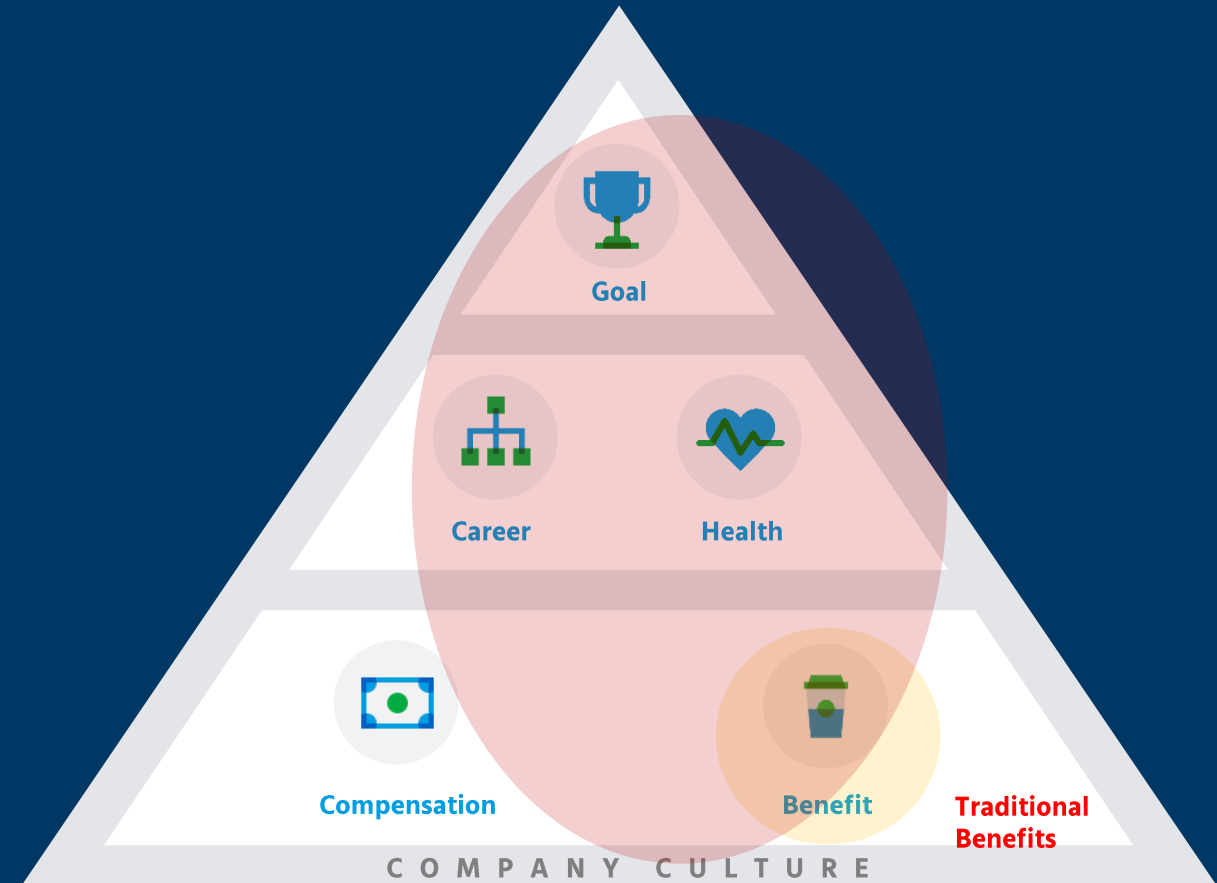




Mercer Point of View : Competition is up, employers can't solely rely on cash for talent war

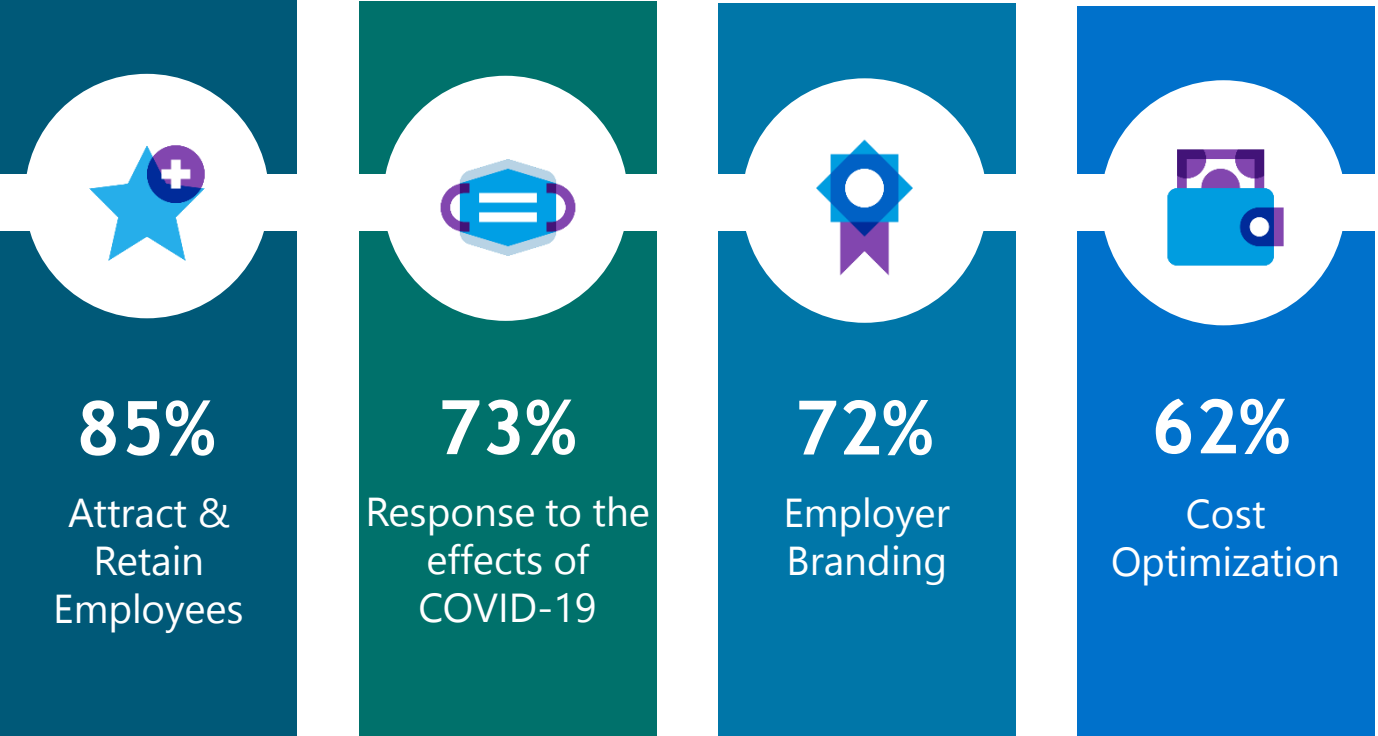
Employees' view on the reward value by working in an organization has changed. **Leading companies are rethinking their reward strategy.**

- The company mission and how to integrate it into business practice through the executives' actions, company policy, is under unprecedented scrutiny.
- Flexible arrangement has become the core element of reward value proposition, and the trade-off between employees' personalized preference is being reconsidered (e.g. flexi time, innovative plan options such as flexible benefits, career opportunities, etc.)



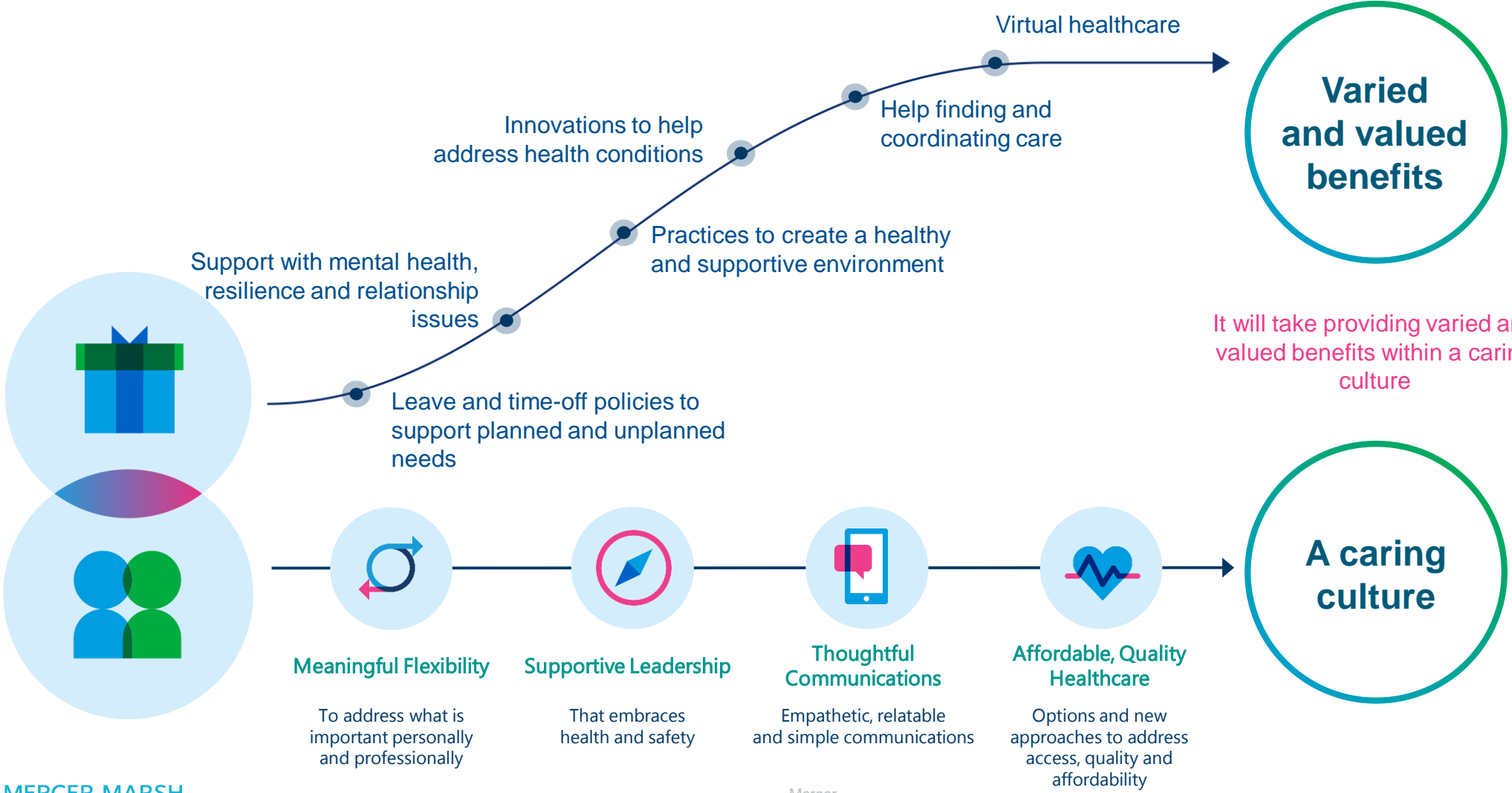
71% employers in Asia are reviewing or changing benefits in 2021

Key drivers for change



Provide what employees value

It takes more than benefits to make all employees feel valued



Balancing Cost & Empathy

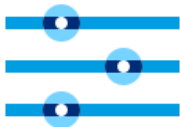
For talent attraction and retention



Listen to what your workforce needs now to identify the gaps in existing reward program



Modernize benefit design & company policy to provide meaningful flexibility



Enhance the communication approach & reflect EVP



Review your well-being strategy against desired business outcomes and then refine as needed



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