

No Fear for Chinese White Collars any more

Findings from FGI



Benefit one



- 1. Survey Overview**
- 2. Survey Respondents**
- 3. 7 Key Insights**
- 4. Conclusions**

Compensation portfolio which can stimulate Chinese people

~ The Best Mix of Salary/Commendation/Benefit ~

1. Survey Overview

Content	Survey Concerning Benefit					
Method	Focused Group Interview					
Purpose	an understanding of Benefit system an understanding of incentive system					
Area	Shanghai (Justice Market Consulting FGI Room)					
Time	2 hours x 2 groups					
Target condition	Male and Female employees with wholly Japanese owned enterprises (more than 100 persons) Male and Female employees with wholly American owned enterprises (more than 100 persons) * Enterprise Type: manufacturer or service provider Above mentioned enterprises' ordinary employees and managers (regardless of whatever department)					
Date	June 17 th 2014 (Tuesday) Group① (Male) 14 : 00-16 : 00 Group② (Female) 17 : 00-19 : 00					
Number of samples	6 persons×2 G = 12 persons					
Distribution						
		Sex	type	Japanese Enterprise	Americian Enterprise	Total
	G1	Male	Manufacturer	2	1	6
			Non manufacturer	1	2	
	G2	Female	Manufacturer	2	1	6
			Non manufacturer	1	2	
		Total	6	6	12	



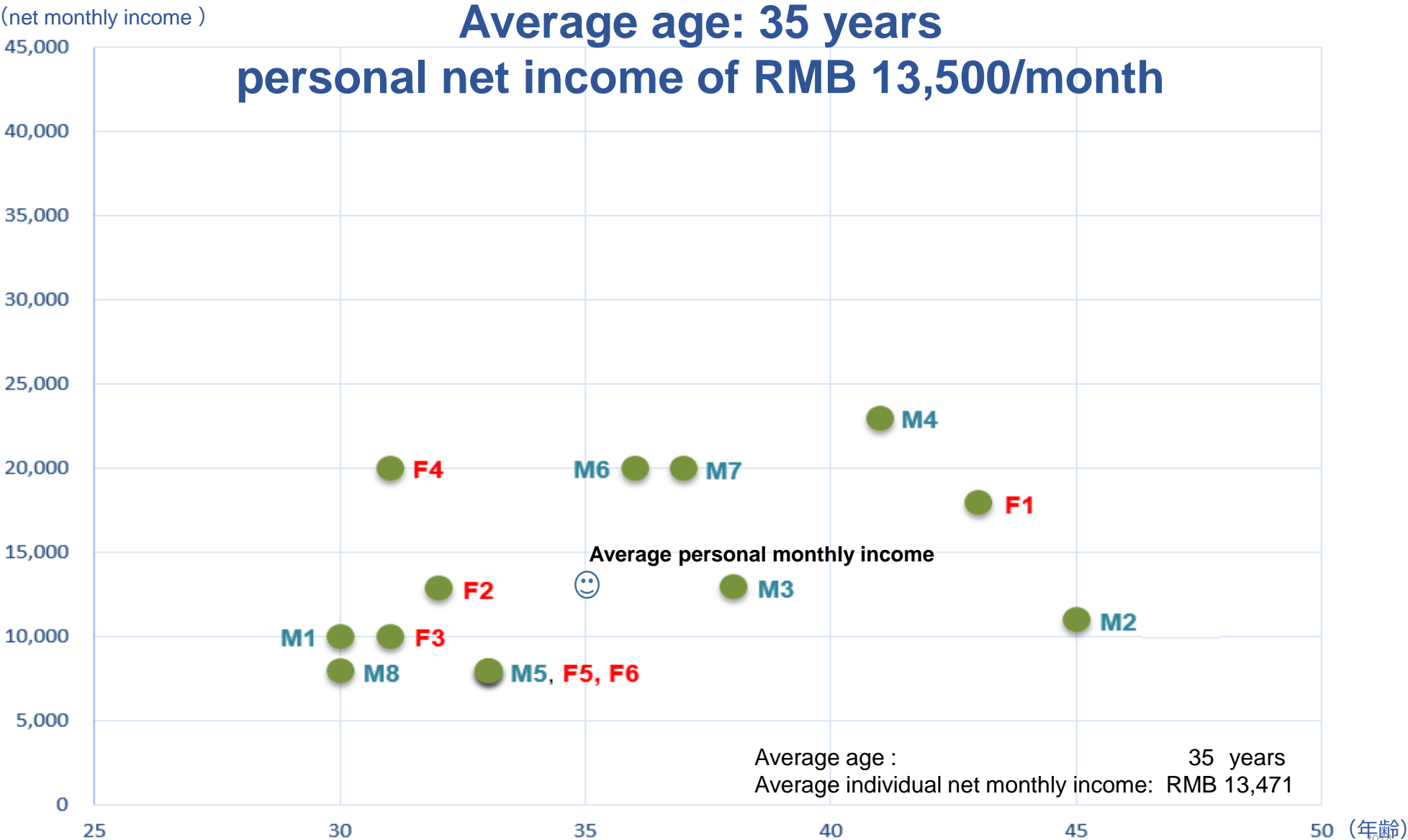
2. Survey Respondents Overview

NO	Age	Birth place	Academic	Marriage	Occupation	Enterprise nationality	Business	workforce	Personal monthly income RMB	HH monthly income RMB	Loan	Working age	Job change	Current Benefit/incentive	Desired Benefit
M1	30	Shanghai	Bachelor	Unmarried	IT	Japan	Medical equipment manufacturer	2,000 persons	10,000	20,000	No	4 years	Yes Twice	Housing subsidy, medical subsidy, life insurance, accident insurance and other allowance, vacation and travel allowance, communication subsidy, food subsidy, health check subsidy, high temperature allowance (summer), festival and birthday allowance, skill training subsidy, enterprise promotion system, bonus	Environmental award
M2	45	Shanghai	Bachelor	Married with a child	After service	Japan	Medical equipment manufacturer	2,000 persons	11,000	20,000	Yes	5 years	Yes Once	Housing subsidy, travel subsidy, communication subsidy, food subsidy, cloth subsidy, health check subsidy, festival, birthday allowance, skill training subsidy, enterprise promotion system, bonus	Hope for increase in annuity subsidy
M3	38	Shanghai	Bachelor	Married with a child	Sales manager	American	Fabric manufacturer	10,000 persons	13,000	20,000	Yes	8 years	Yes 3 Times	Housing subsidy, annuity subsidy, medical subsidy, vacation and travel allowance, subsidy for purchase of car, communication subsidy, food subsidy, health check subsidy, high temperature allowance (summer), festival and birthday allowance, skill training subsidy, enterprise promotion system, bonus, car	A system which makes clear punishment and award
M4	41	Shanghai	Master	Married with a child	IT consultant	American	Non manufacturer IT service	200 persons	23,000	30,000	Yes	2 years	Yes 3 Times	Housing subsidy, medical subsidy, accident insurance and other allowance, vacation and travel allowance, subsidy for purchase of car, communication subsidy, health check subsidy, vacation, festive and birthday allowance, enterprise promotion system, bonus	Child care subsidy and life insurance for child
M5	33	Shanghai	Bachelor	Married with a child	Data engineer	American	Non manufacturer navigation design for cars	500 Persons	8,000	23,000	Yes	4 years	Yes 3 Times	Housing subsidy, medical subsidy, life insurance, accident insurance, other allowance, communication subsidy, health check subsidy, festival and birthday allowance, bonus	Annuity contribution
M6	36	Shanghai	Bachelor	Married With a child	After service	Japan	Non manufacturer after service	120 persons	20,000	25,000	Yes	8 years	Yes Once	Housing subsidy, medical subsidy, accident insurance and other allowance, vacation and travel allowance, subsidy for purchase of car, traffic allowance, communication allowance, food allowance, health check and high temperature allowance, festival and birthday allowance, skill training subsidy, enterprise promotion system, bonus	Medical allowance

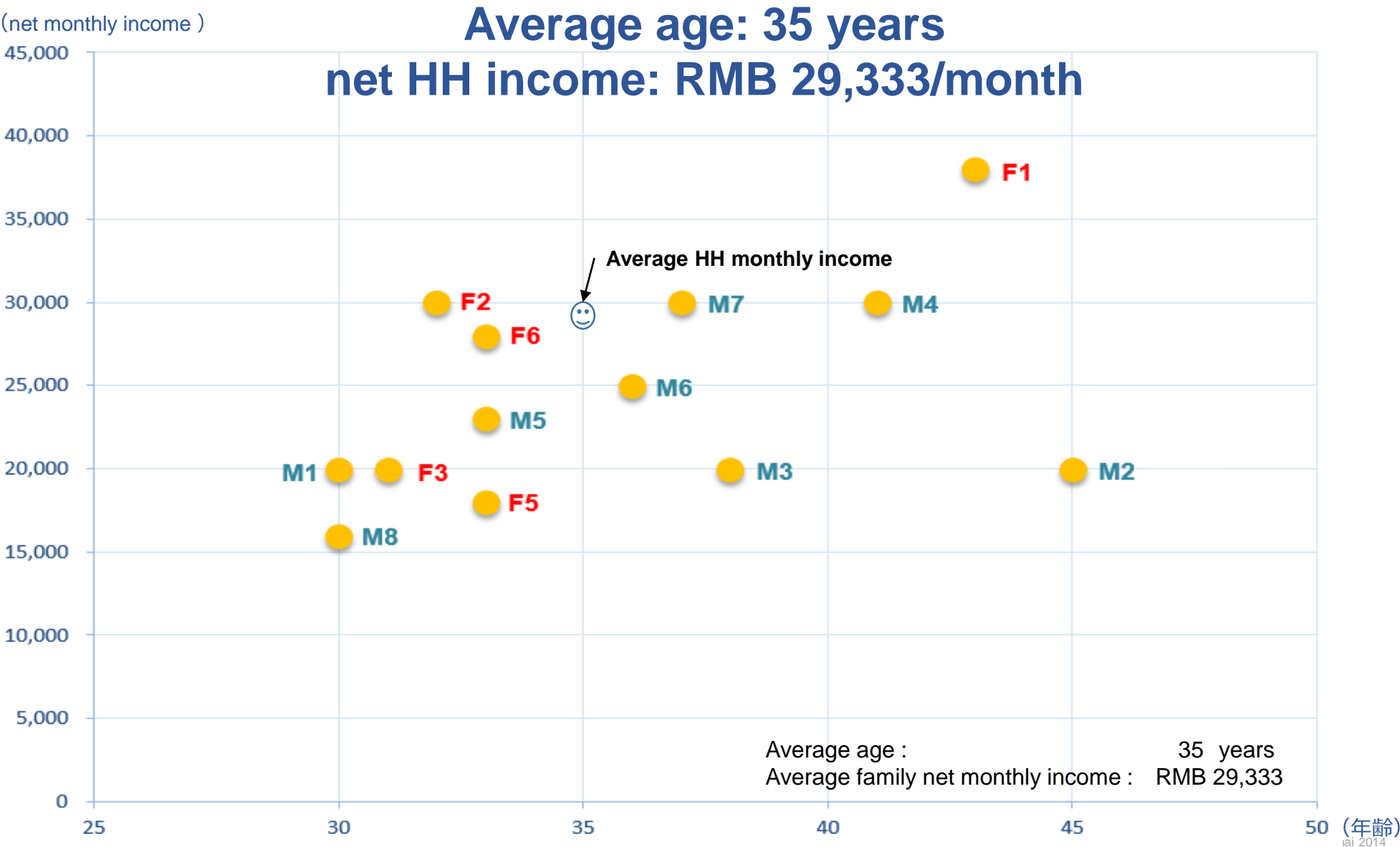
2. Survey Respondents Overview

NO	Age	Birth place	Academic	Marriage	occupation	Enterprise nationality	Business	workforce	Personal monthly income RMB	HH monthly income RMB	Loan	Working age	Job change	Current Benefit/incentive	Desired Benefit
F1	43	Shanghai	Bachelor	Married · having a child	business manager	Japan	Glasses manufacturer	120 persons	18,000	38,000	Yes	4 years	Yes 3 times	Housing subsidy, annuity subsidy, life insurance, accident insurance and other allowance, subsidy for purchase of car and traffic allowance, communication subsidy, food subsidy, health check subsidy, festival and birthday allowance, enterprise promotion system, bonus	Medical insurance for child is desired
F2	32	Shanghai	Bachelor	Married · having a child	Material planner with purchase department	American	Air conditioner manufacturer	5000 persons	12,900	30,000	Yes	8 years	No	Medical subsidy, subsidy for purchase of car and traffic allowance, communication subsidy, holiday, festival and birthday allowance, enterprise promotion system, bonus	Supplement reserve is desired
F3	31	Shanghai	College graduate	Married · having a child	IT/ evaluation manager	Japan	Non manufacturer /IT	400 persons	10,000	20,000	Yes	10 years	No	Housing subsidy, medical subsidy, life insurance, accident insurance and other allowance, vacation and travel allowance, communication allowance, food subsidy, health check subsidy, festival and birthday allowance, enterprise promotion system, bonus	Annuity subsidy is desired
F4	31	Shanghai	Bachelor	Married · having a child	Credit card center /department manager	American	Non manufacturer/financial	Over 5000 persons	20,000	80,000	No	2.5 years	Yes Twice	Housing subsidy, annuity subsidy, medical subsidy, vacation and travel allowance, health check subsidy, high temperature allowance (summer), festival and birthday allowance, enterprise promotion system, bonus	Medical insurance for child and high temperature allowance at time of above 37 degrees
F5	33	Shanghai	Bachelor	Married · having a child	Data engineer	Japan	Drug manufacturer	120 persons	8,000	18,000	No	7 years	Yes Twice	medical subsidy, accident insurance and other allowance, vacation and travel allowance, subsidy for purchase of car or traffic allowance, communication subsidy, food subsidy, subsidy for purchase of clothes, health check subsidy, high temperature allowance (summer), enterprise promotion system, bonus	Supplement reserve is desired
F6	33	Shanghai	Bachelor	Married	assistant manager with purchase department	American	LED lighting manufacturer	Over 5000 persons	8,000	28,000	Yes	8 years	Yes Once	medical subsidy, life insurance, vacation and travel allowance, subsidy for purchase of car or traffic allowance, communication subsidy, food subsidy, health check subsidy, festival and birthday allowance, enterprise promotion system, bonus, saving plan	Annuity subsidy is desired

2. Survey Respondents Overview



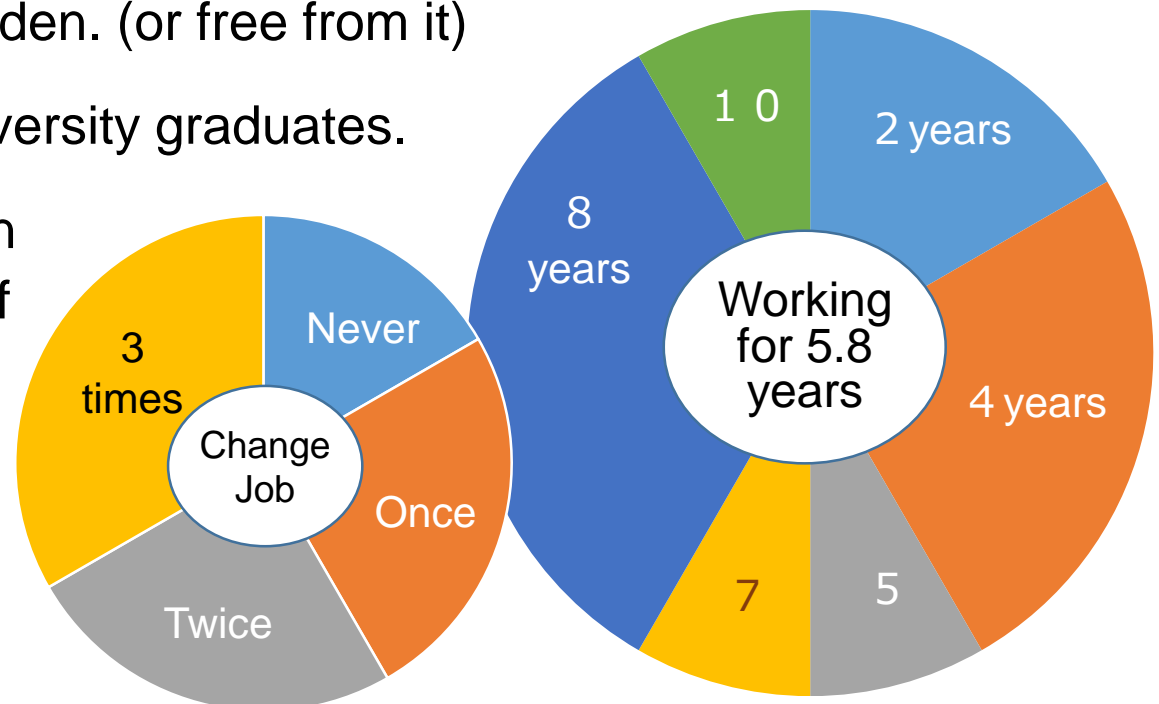
2. Survey Respondents Overview



2. Survey Respondents Overview

Shanghai native with a Child, No loan, Working for 5.8 years

- All of them are Shanghai native. Among 12 persons, there are 11 persons who are married, and 10 persons who have a child respectively.
- Half of them have no housing loan. But those, who have a housing loan, are entitled to subsidy from the company and therefore is almost free of any actual burden. (or free from it)
- Most of respondents are university graduates.
- They are working longer than the average working years of shanghai white collar employees which is 46.4 months (about 4 years)



7 Key Insights

which may **Open**
Your Chinese
Employees' Hearts



Key Insight 1

Outdated In-Kind Payment (Giving Goods)



Key Insight 1 ~ Outdated in-Kind Payment

Various companies make a lot of distributions in kind

Items	Japanese Enterprises						American Enterprises					
	M1	M2	M6	F1	F3	F5	M3	M4	M5	F2	F4	F6
Shopping card	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓
Exchange coupon	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Discount ticket						✓				✓		✓



In-kind payment are not welcome in most cases



上次端午节发粽子、很大一堆拎回去很重



Finance 31 years old Married with child, monthly HH income of RMB 80,000

At last dragon boat festival, we took a lot of cakes wrapped in bamboo leaves, which are quite heavy



有一些国有企业会发油啊，重的要死才一百多块钱



Manufacturer 36 years old married with a child, monthly HH income of RMB 25,000

Some state owned enterprises distribute edible oil, which are heavy, but only worth little more than RMB 100



一般百洁布，拖把。我们做销售的这个拿回去都觉得麻烦



Manufacturer 38 years old married with a child monthly HH income of RMB 20,000

We took mop which are sold by the company, it is troublesome to take them back home.

Exchange Coupon is also not welcome very much



月饼电影券这种我们有时候发多了感觉都用不掉也就不去买了



IT company 33 years old
married with a child, monthly
HH income of RMB 23,000



券的话我不是很感兴趣。还要去领，很烦的



Manufacturer 36 years old
married with a child monthly
HH income of RMB 25,000



因为那个东西第一个你提回去也烦，第二个还有个人喜好问题



Trading company 43 years old
married with a child monthly
HH income of RMB 38,000

Too many moon cake and movie tickets to use, and actually I don't buy by myself those things.(don't like)

I have no interest in exchange coupon. it is very troublesome to exchange it for commodities

First, after exchange it is troublesome to get the commodities back home. Second the problem is whether I like it or not.

Shopping card is comparatively welcome



可能更实际一点的话，消费卡一类的更适合，可以自己决定买什么东西



IT company 33 years old
married with a child monthly
HH income of RMB 23,000



那就是消费卡送人给父母自己用都可以



Manufacturer 36 years old
married with a child monthly
HH income of RMB 25,000



不可能发现金，打到卡里作为工资还牵涉到个人所得税，所以发卡券是最隐讳的



Trading company 43 years old
married with a child monthly
HH income of RMB 38,000

If possible, I think that shopping card is good and I can use it to buy what I like

I can use it myself or give it to my parents

Cash distribution would be not a good idea. Individual income tax shall be paid if transferred to the banking card as salary. So shopping card is the best way to avoid paying tax



Proposal 1

From  Benefit one

Key Insight 1
Outdated in Kind
Payment

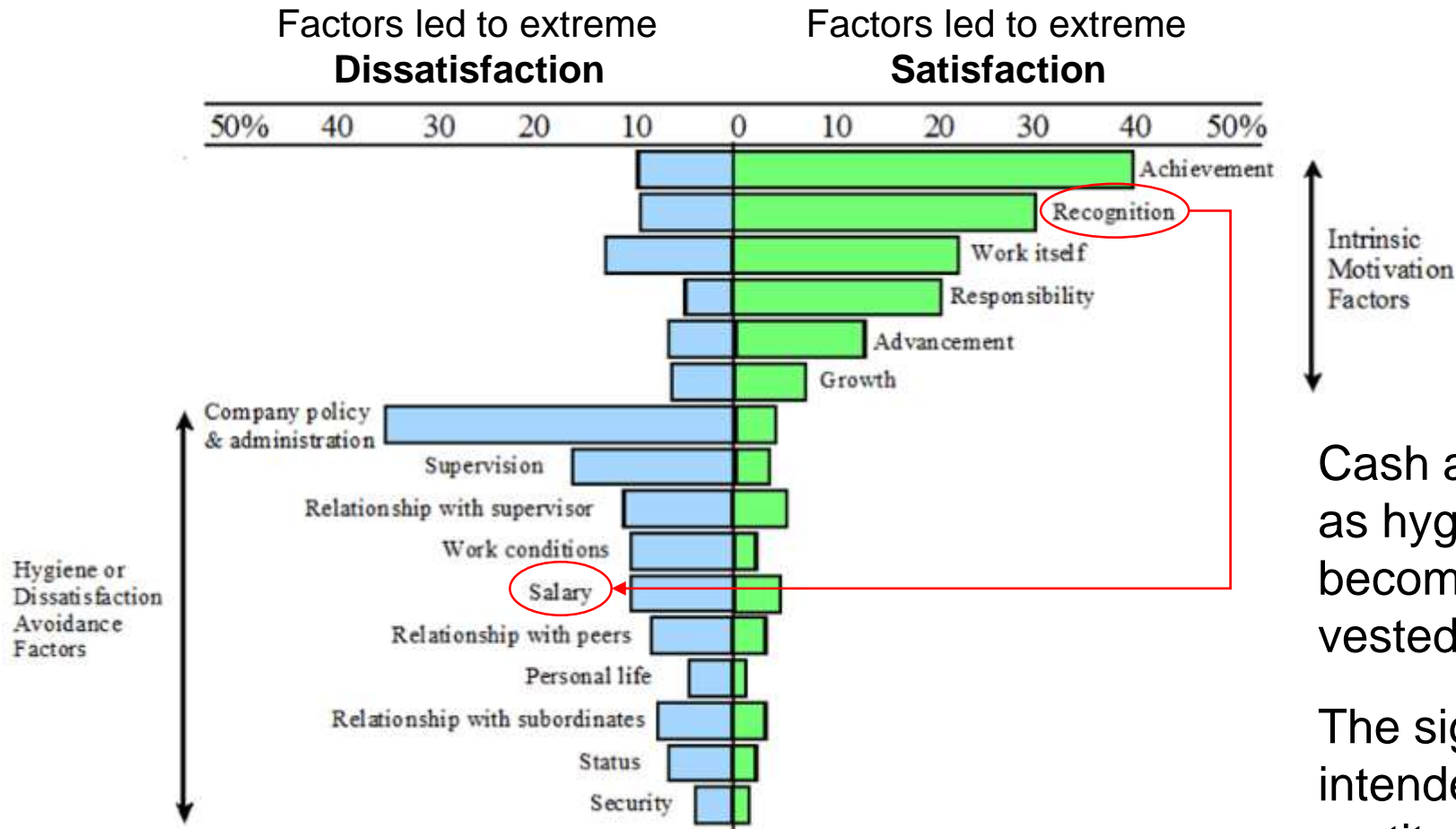




In-kind Payment Shall be **TERMINATED**.

- It shows disregard for what the employees like
- It is very troublesome to take them back home
- It is very troublesome to use exchange coupon
- There are a lot of employees who give it to other people or change it for cash

Cash-based Benefit NOT Recommended



Herzberg's motivation-hygiene theory
(Dual-factor Theory)

Proposal 1 - 3

Point-based Benefit is the most suitable alternative

Alternative		Glad even though it is a small amount	Happiness in saving	A feeling of vested interested	Message	Sufficient choices	Treatment of income tax
Cash payment Cash card	It is better to terminate it since it becomes a vested interest	X	△	X	X	◎	X
※ Optional Benefit	A few choices are available	○	X	△	○	X	△
Point based Benefit	A lot of choices are available; and make people feel happiness in saving	◎	◎	△	○	○	△

※ About five choices in respect of in-kind payment are made available ; and commodities can be selected within that scope.

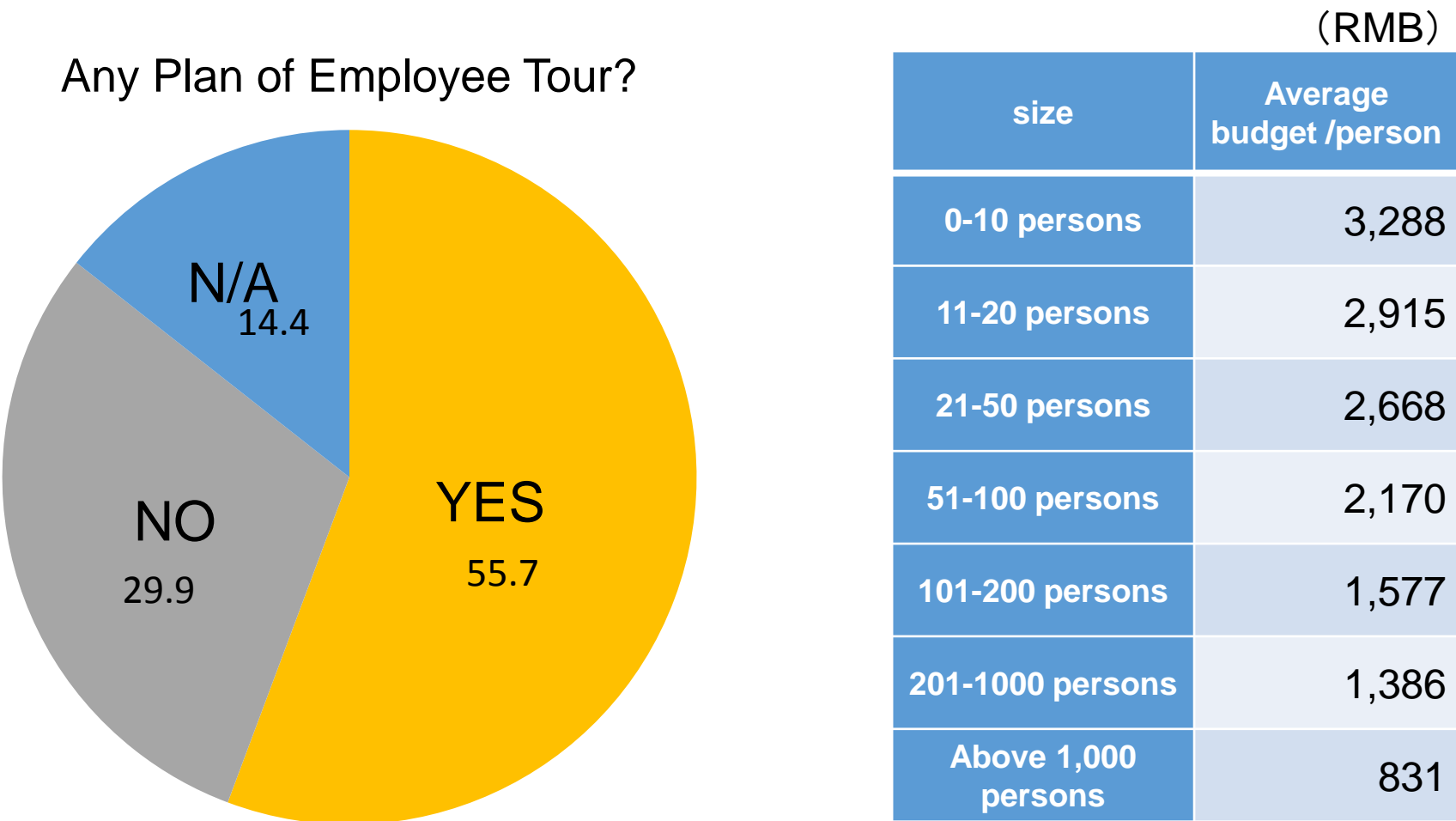
Key Insight 2

**Even Popular
Employee Tour
Dependent on
the operation method**



Key Insight 2 ~ Employee tour depend on operation












More than half of enterprises offer employee tour



Source : Pasona 2014 salary information
Benefit analysis report (a total of 1292 Japanese enterprises in China)

Key Insight 2 ~ Employee tour depend on operation

All of them. Short term domestic tour is prevalent

Tour form	Nationality	content	Frequency and schedule	Expense
Company organized tour		Domestic tour mainly in neighboring provinces	1 time/year、 2~3 day/each time	About RMB 1000/person
		Whole company and department	Whole company : 1 time /year Department : 1 time /quarter	About RMB 5~600元/person
		Domestic tour	1 time /year	
		Domestic tour (on shift)	1 time /year 、 2~3 days	RMB 1500/person
		Domestic tour		
Package tour		Change to tour destination every month	Each month	Half expense is borne; the employees shall make the plan themselves
		Overseas and domestic tour ※only applicant		Sufficient subsidy for domestic tour; in case of overseas tour, refer to tour expenses
Cash funded tour				Maximum per capital expense is RMB 2500
		Overseas, domestic tour	Number of times, time: one time for every half a year	RMB 1000 in cash. In case of Japan tour, ticket fee shall be calculated exactly
		Overseas, domestic tour		A minimum of RMB 2000 in cash
		Overseas, domestic tour		Excess over budget shall be borne by the employees themselves

Employee tour is Still Popular

Q : Like employee tour ? Prefer, a deluxe tour in which only a limited number of persons take part, or the one the entire staff with the department take part?



挺好，本身部门里面
一起玩大家比较习惯
了



IT company 33 years old married
with a child monthly HH income of
RMB 23,000

I like it very much. We are quite intimate with each other. It is good to go on a tour together.

很一般，
没有什么亮点



IT company 41 years
old Married with a
child monthly HH
income of RMB 30,000

Generally speaking ,
There is nothing
new in it



应该是一起去



Manufacturer 36years old married with a
child monthly HH income of RMB 25,000

一起去更好



IT company 33 years old married with a
child monthly HH income of RMB 23,000

It is good to go together

Key Insight 2 ~ Employee tour depend on operation

The one without a Sense of Unity is not Welcome

Q : In what way shall an employee tour be organized ?



我们一年一次、大家轮批去，基本上两三天、国内的，人均一千五百块。基本上两天，但我觉得好像还是短了一点



Manufacturer 42 years old married with a child monthly HH income of RMB 20,000



海外旅行、我觉得最好是机票钱发给我们好了，我不用老到日本去



Manufacturer 36 years old married with a child monthly HH income of RMB 25,000



每个月会更新很多的旅游景点支付一半，你们自己组织，我们都不去



Manufacturer 38 years old married with a child monthly HH income of RMB 20,000

Domestic tour, about 2 or 3 days, the budget is only RMB 1500, time is a little short

Only flight ticket for Japan is available. It is better to pay ticket fee to us so that we can go where we like to go

Tour destination set every month, and paid half of the expense. I don't want to go with anyone I don't know



Proposal 2

From  Benefit one

Key Insight 2
Employee tour
Dependent on
operation
method





As far as you have Rooms to Continue the Employee Tour, You SHALL Continue it

- It will be better to terminate package tour and cash funded tour
- It is necessary to make the employee tour colorful and cheerful
- If having no sufficient budget to make it, only organize it “once for every two year”.
- The employee usually bears no expense and only allowed to have partial expense in case of overseas tour



Difficult to Continue? But your people will need Something Alternatives

There are a lot of reasons for such impossibility

- There is no new destination idea.
- There are too many employees to keep the fairness.
- It is beyond the secretariat office's operating capability.



- Budget should be used for general meeting, year end party, etc.
- Instead of the tour, allocate budget on Point Based Benefit

Key Insight 3

**MONEY is still
most Welcome
But if it is
Not ENOUGH,
Won't be Happy**

What is commendation
incentive, which will be
remembered always in the heart?



Key Insight 3 ~ Money is still most Welcome, but...

Each company recognizes Long term Works

Item (each company's incentive policy)		Japanese enterprise						American enterprise					
		M1	M2	M6	F1	F3	F5	M3	M4	M5	F2	F4	F6
Commendation for Continuous service	Long term Works for 1 year			✓									
	Long term Works for 3 year			✓	✓								
	Long term Works for 5 year	✓	✓	✓	✓		✓	✓	✓	✓			✓
	Long term Works for 10 year	✓	✓	✓		✓		✓	✓	✓		✓	✓
	Long term Works for 20 year					✓							✓
	Long term Works for 30 year					✓							✓
	Retirement					✓							
Incentive tour	Domestic tour		✓	✓			✓						
	Overseas tour			✓	✓			✓	✓				
	Others					✓							

Key Insight 3 ~ Money is still most Welcome, but...

Japanese company heeds to Language Certification

Item (each company's incentive policy)		Japanese enterprise						American enterprise					
		M1	M2	M6	F1	F3	F5	M3	M4	M5	F2	F4	F6
Qualification	Executive administrator	✓						✓					
	Human resource administrator	✓						✓					
	Microsoft qualification	✓						✓					
	CISCO qualification	✓						✓					
	Accountant qualification	✓	✓					✓					
	English TOEIC 900	✓											
	English TOEIC 800	✓											
	English TOEIC 700	✓											
	Japanese Language Proficiency Test Level One	✓	✓		✓	✓							
	Architect qualification		✓										

Key Insight 3 ~ Money is still most Welcome, but...

Organization is in Priority for Japanese company

Item (each company's incentive policy)		Japanese enterprise						American enterprise					
		M1	M2	M6	F1	F3	F5	M3	M4	M5	F2	F4	F6
Contribution to organization	General manager award	✓	✓	✓	✓								
	Department manager award	✓	✓	✓	✓								
	Newcomer MVP award	✓	✓	✓						✓			
	Instructor award		✓	✓									
	Friend instruction	✓	✓			✓						✓	✓
	Event organizer award	✓				✓				✓			
	Award for sharing information									✓			
	Award for improvement of annual business	✓	✓		✓						✓		
	Award for improvement of internal business	✓	✓		✓	✓				✓	✓		
	Award for proposal about annual cost cutting	✓									✓		
	Good management award	✓	✓	✓				✓		✓	✓	✓	✓
	Award for contribution to company	✓	✓	✓	✓			✓	✓	✓	✓		

Key Insight 3 ~ Money is still most Welcome, but...

Customer evaluation is of Significance

Item (each company's incentive policy)		Japanese enterprise						American enterprise					
		M1	M2	M6	F1	F3	F5	M3	M4	M5	F2	F4	F6
Operation	Performance	✓	✓		✓	✓	✓	✓	✓		✓		✓
	Number of contract being executed	✓	✓					✓	✓		✓		
	Participation in activities		✓					✓			✓		
	Achievement of monthly sales volume	✓	✓				✓	✓	✓				
	Achievement of annual sales volume	✓	✓		✓		✓	✓	✓				
	100% achievement of sales vs. last year		✓				✓	✓					
	Customer evaluation	✓	✓	✓	✓	✓							
	Renewing of contract of existing customer	✓											
	Exceed 100% of sales vs. last month	✓						✓					

Key Insight 3 ~ Money is still most Welcome, but...

Working Attitude is important for Japanese

Item (each company's incentive policy)		Japanese enterprise						American enterprise					
		M1	M2	M6	F1	F3	F5	M3	M4	M5	F2	F4	F6
Service attitude	Entertainment contest winners			✓									
	Speedy service award		✓	✓									
	Campaign menu sales champion											✓	
	Store hygiene award	✓											
	Good appearance award	✓	✓										
	Appreciation letter and words	✓	✓										
Working attitude	Award for overtime-work cutting	✓	✓										
	No lateness and no absence		✓	✓		✓		✓					
	Over time holiday and busy period		✓	✓		✓		✓		✓			
	Business travel contribution award	✓	✓	✓		✓	✓					✓	
	Night work contribution award	✓	✓	✓				✓		✓			

Key Insight 3 ~ Money is still most Welcome, but...

Hundreds of RMB is nothing to do with them

Q : Cash or General manager award, which makes you feel more impressive?



你要看现金是多少。打个比方发个五百一
千元的也没有意思。还不如来个奖状



Manufacturer 36 years old married with a child
monthly HH income of RMB 25,000



你说两千我有点犹豫
你说五千我毫不犹豫



Manufacturer 36 years old married with a
child monthly HH income of RMB 20,000

It depends on how much the amount is,
if just RMB 500 to 1000, I won't feel
interested any more.
In such a case, it is better to give me a
honorable certificate

If it is RMB 2000, I would prefer
general manager award,
if it is RMB 5000, no doubt,
I prefer cash

Key Insight 3 ~ Money is still most Welcome, but...

Hundreds of RMB is nothing to do with them

Q : Less than a thousand of RMB, you prefer a spiritual commendation ?



差不多。几千的肯定要现金。奖状是一种回忆



Manufacturer 38 years old married with a child monthly HH income of RMB 20,000



少的真的无所谓



Manufacturer 33 years old married with a child monthly HH income of RMB 23,000



我如果得到这个奖状，万一要跳槽什么的这也是我的资历



Manufacturer 36 years old married with a child monthly HH income of RMB 25,000

Whichever it is, it is good.
If it is thousands of RMB,
I prefer cash, but
commendation will be in
my memory.

If it is a small
amount,
It will be same
not be given.

If the commendation is offered
to me, it will be good to have it
included into my resume

Cordial executions, well remembered by employees



我现在公司发铜币、有的老员工很自豪的说我攒了五个铜币了。有一种荣誉、代表他的资历。



I t company 41 years old married having a child monthly family income of RMB 30,000

An old employee feels proud that he has had 5 bronze coin, it is his honor, which can be included into his resume



我们销售部是开那种年会、会评出那种绩效特别突出的有奢华的海外旅行



I t company 41 years old married having a child monthly family income of RMB 30,000

At year end meeting, our business department will select the best performing employee who will be offered an overseas tour!

Cordial executions, well remembered by employees



金币，纪念币这个是年限奖



Manufacturer 42 years old married with a child monthly HH income of RMB 20,000



我们五年是XO，十年是金条



IT company 33 years old married with a child monthly family income of RMB 23,000



年终的分红公司的股份。公司会让我们自己选择购买不购买，虽然买的量不多毕竟也是公司想到你



Manufacturer 38 years old married with a child monthly family income of RMB 20,000

Gold coin and commemorative coin is offered with reference to working years

XO brandy For working 5 years; Gold Bar for working 10 years

The shareholder will be entitled to dividend by the end of year. The company will offer such shares to us. Although such offer is made in small quantity, it indicates that company takes you into consideration.



Proposal 3

From  Benefit one

Key Insight 3
Money is still
most welcome
But if it is
not enough,
won't be
happy





Consider Better Options, Rather than just Give them Hundreds of RMB in cash

- Decrease number of award winner and get RMB1000 award instead.
- Concentrate resources on event which will be in employees' memory
- **If you want to go ahead with small amount incentive, then implement a point based incentive**

Proposal 3

It is a reality that everyone prefers money, but...

Cash	Point
Friendly with Achievement and Performance evaluation	Friendly with evaluation Process
Won't be appreciated If it is a small amount	Even a small amount they will feel glad
Easy to lose its value and Easily become a vested interest	There are Happiness in saving, which will be continuously done
RMB 100 = value of RMB 100	100P can be exchanged with one for more than RMB 120
Individual income tax imposed	tax is gray....



Key Insight 4


FAMILY is
not an
Important
thing, It's
EVERYTHING

Key Insight 4 ~ Family is everything

“Family” is an absolute keyword even in working




工作强度对我很重要，我宁可多点时间在家里照顾家庭

 Manufacturer 38 years old married with a child monthly HH income of RMB 20,000

Whether the work is busy or not is important for me, since it will impact the time for taking care of my family




跳槽原因是我们公司被收购了，收购之后把我们的公司转去佛山，我不可能去佛山。

 IT company, 33 years old married with a child monthly HH income of RMB 23,000

The reason why I quit the previous company is that the company was acquired and then moved to Fushan. I cannot go there.



因为现在有孩子了吧，可能考虑的会均衡一些，工作量很均衡。然后尽量的离家近一些，不要太远

 Trading company 43 years old married with a child monthly HH income of RMB 38,000

Since I have a child, I need to balance my work and life matters. And I will stay near home as possible as I can .

High need for supplemental medical insurance Covering Children and Parents



补充医疗是可以报90%·子女65%但是爱人要报的话另外付费用了。



IT company 33 years old
married with a child monthly HH
income of RMB 23,000

There are supplemental medical insurance covering myself and child, but if covering my wife, additional expense shall be paid



希望可以提供员工子女医疗险



Finance 31 years old married
with a child monthly HH
income of RMB 80,000

It is better if I can have the medical insurance covering child



我蛮想要补充医疗保险的、因为年龄增大缺乏运动



Manufacturer 31 years old
married with a child monthly
HH income of RMB 20,000

I really want supplemental medical insurance since I am getting older

Key Insight 4 ~ Family is everything

If they can Boast before parents, It will be Powerful



我换了一个照相机给
在成都的爸爸，
被称赞了



Manufacturer (enterprise having introduced point-based Benefit)



我曾经换了洗脚机给
母亲，还有换了
豆浆机给我的老婆。



Service enterprise having introduced point-based Benefit)

I exchanged points for a Canon camera and gave it to my father living in Chengdu who expressed his praise that my company is very good.

I once exchanged points for a foot washing machine and soy milk machine and gave them to my mothers who expressed her praise that I have a good boss



Proposal 4

From  Benefit one

Key Insight 4

Family is not an important
thing, it's
EVERYTHING



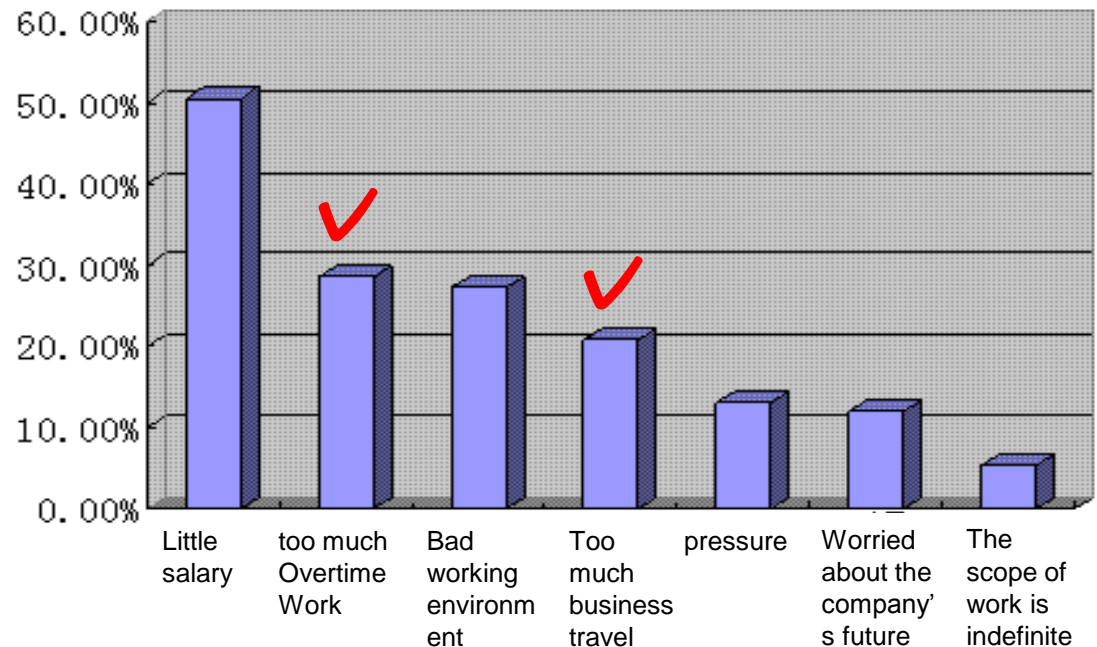
Proposal 4



Don't Forget the Family Behind the Employees

Because of Overtime work and Business Travel, there was a Little time I could stay Together with FAMILY and therefore I changed the job.

Reason of job change



Data source : Screen Wall Talent Web (<http://mq.tmjob88.com>)



We shall adequately respond to needs for medical insurance

- It is taken for granted especially in foreign companies.
(if not, people will be left with a negative impression)
- Young employee will not consider it as necessary

Q : Do you have supplemental medical insurance ?

I have, but now I am healthy and therefore have no chance to use it.

(a male employee with Japanese owned enterprise, 30 years old)

Q : Can your family use it ?

Yes, as the company's system, both my wife and child can use it

But I am unmarried, and have nothing to do with it

(a male employee with Japanese owned enterprise, 30 years old)

Proposal 4



We shall adequately respond to needs for medical insurance

Since the employees have different needs, the basic insurance shall be available to all of employees and the additional insurance shall be optional on the basis of point system.



Key Insight 5

WOW!
These are What
They Can Not
FORGET!

Commendation
In-kind payment



Key Insight 5 ~ What They can Not Forget

Carefully Designed Commendations/Events



House, Health and Annuity are Popular



现在没有贷款，但是是蛮有诱惑的，如果有合适的房子可以再去买一套，这样子能有额外的补贴。



Finance 31 years old married with a child HH family income of RMB 30,000



还有年金计划，还有关爱计划，健身房啊，心理咨询啊，心理疏导，比如说性骚扰啊或者歧视类的，都可以直接找律师倾诉，该处理的处理，人文关怀特别好



Manufacturer 33 years old married with no child monthly HH income of RMB 28,000

I have no housing loan now, but since it is very good system, I hope to buy on more house in order to use this system.

Annuity plan, gymnasium, service such as psychological consulting, sexual harassment consulting, legal consulting are available, since of these services, I think our company is a very good company

Employee Tour and Saving Supports are popular



给到一张来回的机票，只是一个来回机票的金额，你可以自由的支配，他一年有效的你可以自己去订。



Trading company 43 years old married with a child monthly HH income of RMB 38,000



有一个储蓄计划，放弃蛮可惜的，满了五年以后能拿50%，满将近八年的时候才可以全额拿走。是分批发给你的，储蓄计划是很大一部分，他比公司的奖金分红还要大。



Manufacturer 33 years old married having no child monthly family income of RMB 28,000

I can go on a tour to where I like to go. The air ticket or payment for it is offered to me once every year.

There is a good saving plan, which I cannot give up. Only 50% can be withdrawn upon expiration of five years and the full amount can be withdrawn upon expiration of eight years.



Proposal 5

From  Benefit one

Key Insight 5
Commendation
and in-kind
payment
they can Not
FORGET!





Work Out the Plans for Benefit and Commendation which can Deliver company's Message!

- It is not good to ask employees what they like and It will be not a good idea to easily carry out it in a form of money
- We must check whether the commendation and in kind payment become stereotyped or not. However, some of it came to very valuable by being continued.
- The actual Benefit (saving allowance, housing loan, medical insurance) is powerful, but on the other hand, we must keep it moderate (not too much).

Proposal 5



“Motivation” means : place a high priority on it
“Hygiene” means : Not easy to back, take it seriously

I like it very much

Salary, bonus, subsidy,
housing loan,
saving supports, medical
insurance

Spiritual commendation
Point based incentive
Employee tour(overseas)

Hygiene factor

Motivation factor

Medical check, Pension insurance,
enterprise annuity
Accident insurance, shopping card
Various consulting services

Year end meeting
Employee tour (domestic)
Medals / Trophies

Good to Get/Have

Insight 6

**Female
employee takes
“PROFITS”**

**Male
employee
prefers
“HONOR”**



Male employee sees importance on commendation

Q : Which is more impressive, obtaining money or obtaining great award from the general manager?



精神鼓励也是蛮重要的，特别是最好有传承下来



IT company 41 years old
married with a child monthly
family income of RMB 30,000



两者兼顾



IT company
33 years old married
with a child monthly
HH income of RMB
23,000



发个奖状也蛮不错，我如果得到这个奖状，万一要跳槽什么的这也是我的资历



Manufacturer 36 years old married with
a child monthly HH income of RMB 25,000


I think that spiritual award is important, particularly those which lasting for a long time is more impressive

It is important to have both available

If any commendation is offered to me, it is good to have it included into my resume

Female employee shows negatives on commendation


Q : What do you think about spiritual commendation ?



这个适当的要有，因为这个是或许跟你今后的职业发展会有密不可分的关联。但是对于员工的立场不是纯粹的走过场，也是有现实东西的表彰。



Trading company 43 years old married with a child
monthly HH income of RMB 38,000



一般



Manufacturer
32 years old
married with a
child monthly
HH income of
RMB 30,000



无所谓



Manufacturer
32 years old
married with a
child monthly
HH income of
RMB 30,000

It is necessary to have spiritual commendation once in a while. It will be favorable to future career. But the employees will not be satisfied only with a formal commendation, they also want to be rewarded with actual interest

I don't mind
having it or not
All same

Female employee shows negatives on commendation

Q : What do you think about obtaining an award from the general manager and having a dinner together with him



普通员工的话谢谢他了，这种饭肯定不要吃的



Trading company 43 years old married with a child monthly HH income of RMB 38,000

I will feel quite bothered, it is not good to have a dinner with the general manager



总经理职位太高了他表彰完过两天他也不知道你是谁



Manufacturer 31 years old married with a child monthly HH income of RMB 20,000

The general manager remains in a too high position and he will forget me completely, several days after it.

Insight 7 Being **CALM** is comfortable rather than being **AGGRESSIVE**



Get that much, Still want to have any more ? !

Q : What things do you further want or desire ?



我朋友在国企，他是里面一个等于三产，他们是从前年开始，每年发一笔通货膨胀费。



Manufacturer 36 years old married with a child monthly HH income of RMB 25,000

My friend works for a state owned enterprise and he got an inflation subsidy from the year before last. (envy him)



出去旅游不是法定福利，但是他说给你几次，对你吸引力也会增加



Manufacturer 36 years old married with a child monthly HH income of RMB 25,000

I will not be tired no matter how many times I go on an employee tour



希望增加的是补充养老金和企业年金



IT company 33 years old married with a child monthly HH income of RMB 23,000

I hope to get supplemental pension insurance and enterprise annuity further expanded

Key Insight 6 ~ Being CALM not being Aggressive

In their 30s, Already Worried about their Annuity ? !

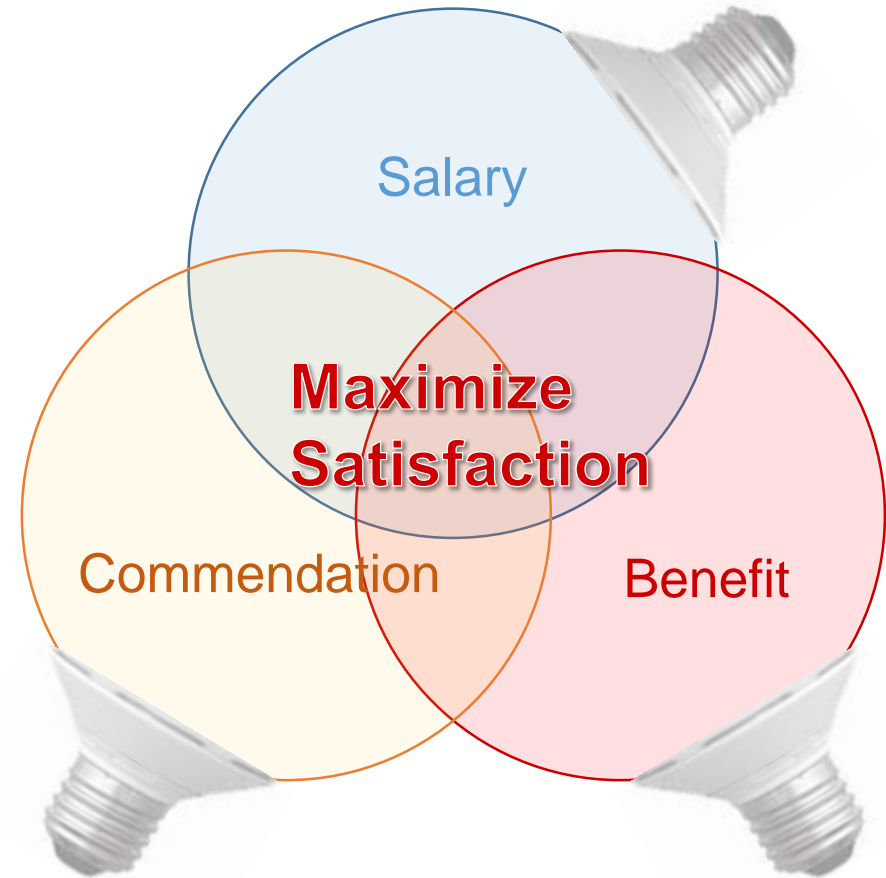
<the desired Benefit from now on >

Male group						Female group					
M1	M2	M3	M4	M5	M6	F1	F2	F3	F4	F5	F6
Holiday allowance	Supplemental medical insurance	Supplemental pension insurance	Special dental check	Shopping card	Supplemental pension insurance	Enterprise annuity	Supplemental reserve	Supplemental medical insurance	Supplemental medical insurance	Supplemental reserve	Enterprise annuity
Shopping card	Periodic health check	Supplemental reserve	Periodic health check	Enterprise annuity	Enterprise annuity	Comprehensive health check	Supplemental medical insurance	Housing subsidy	Supplemental reserve	Supplemental medical insurance	Supplemental medical insurance
Supplemental reserve	Paid leave	Traffic allowance	Family care leave	Housing subsidy	Paid leave	Supplemental medical insurance	Paid leave	Supplemental pension insurance	Supplemental pension insurance	Holiday allowance	Domestic tour
Supplemental medical insurance	Shopping card	Employee tour	Supplemental pension insurance	Supplemental reserve	Supplemental medical insurance	Overseas tour	Overseas tour	Overseas tour	Overseas tour	Housing subsidy	Comprehensive health check
Accident insurance	Supplemental pension insurance	Shopping card	Holiday allowance	Paid leave	Family care leave	Supplemental pension insurance	Shopping card	Holiday allowance	Holiday allowance	Paid leave	Paid leave

Proposition/Conclusion

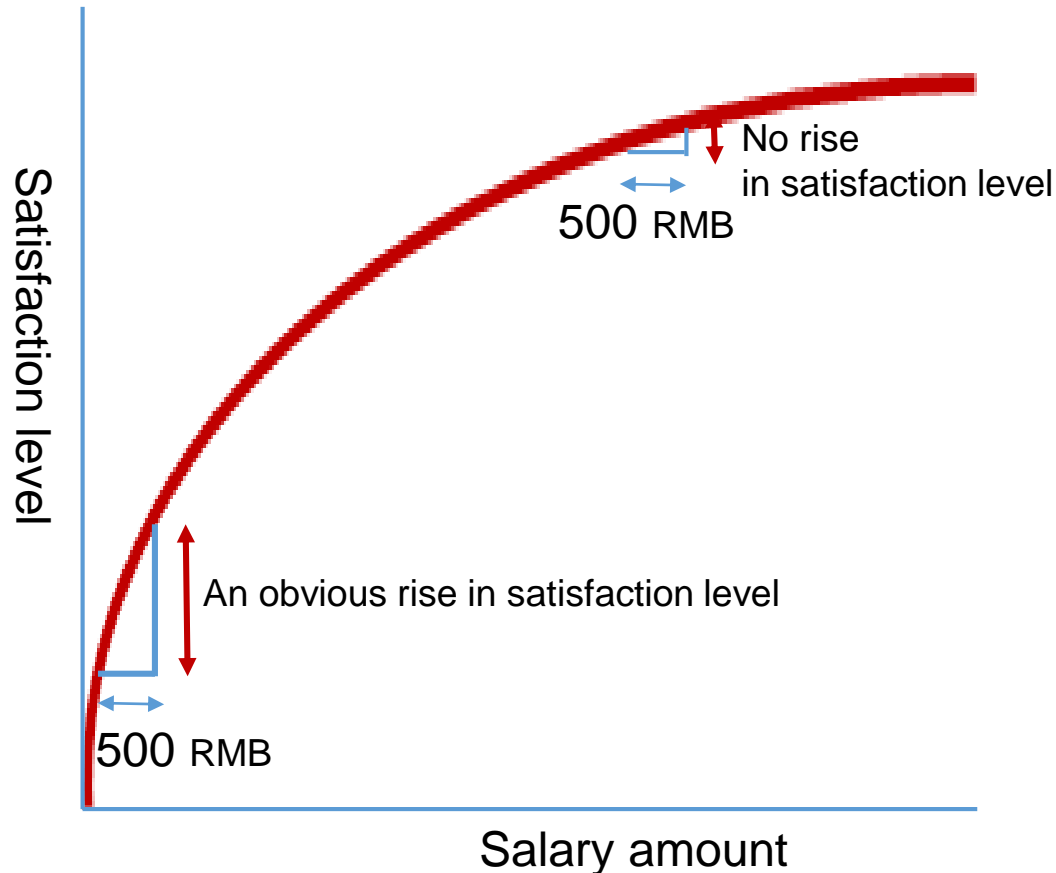
Compensation **Portfolio**
which can **Satisfy**
Chinese employee
who are getting
Wealthy

Most effective
BALANCE of salary,
commendation and Benefit



Proposition/Conclusion

Difficult to Get Satisfaction by Salary Increase



When salary remains low, even small salary increase (for example RMB 500) will make employees satisfied.

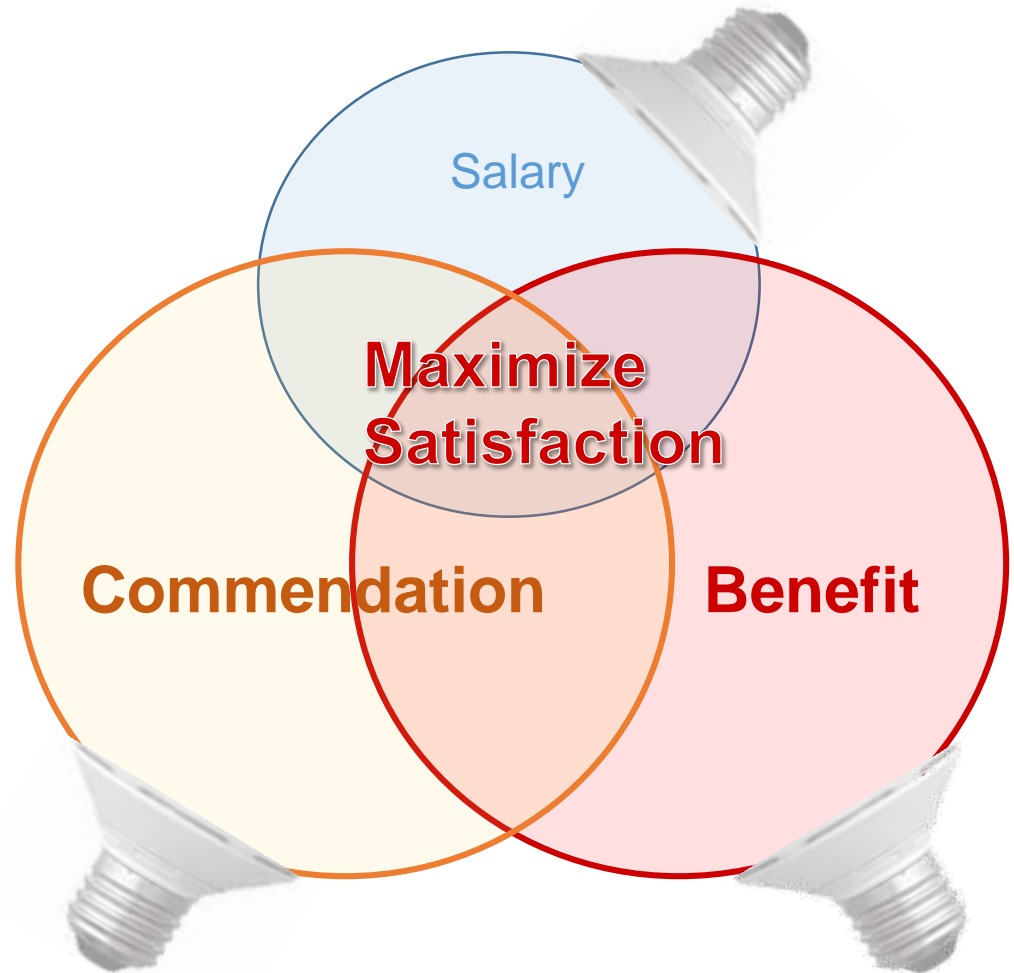
On the other hand, since salary has been increased to some extent, if increasing salary by same RMB 500, the satisfaction level will be lower.

* Law of Decreasing Marginal Utility
Established by William Stanley Jevons, Carl Menger, Marie-Esprit-Léon Walras during 1870s

Proposition/Conclusion

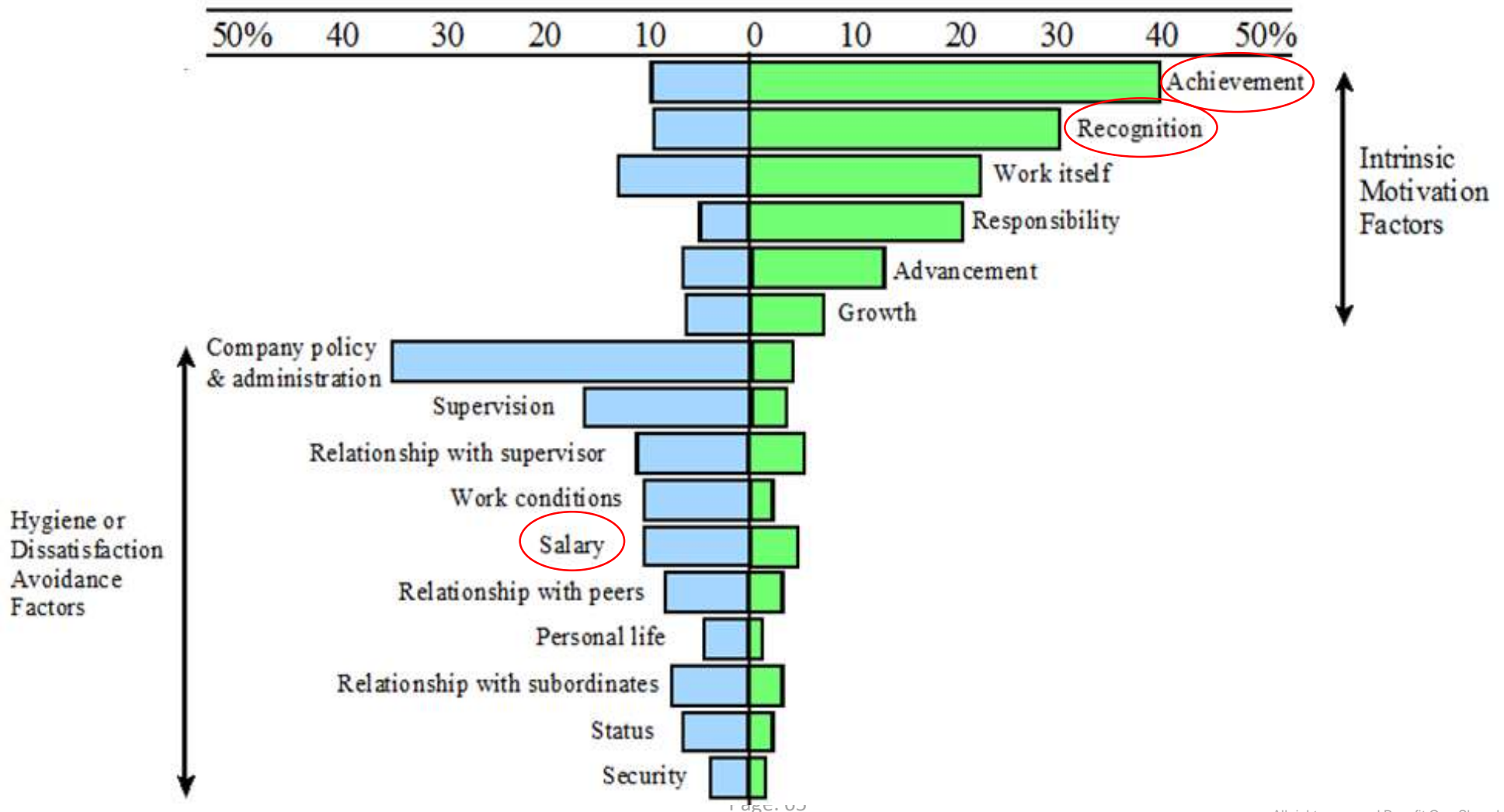
Most Effective Balance of Salary/Commendation/Benefit

Salary increase has limitation to satisfy the employee. We recommend to put more efforts on **Commendation** and **Benefit**



Proposition/Conclusion

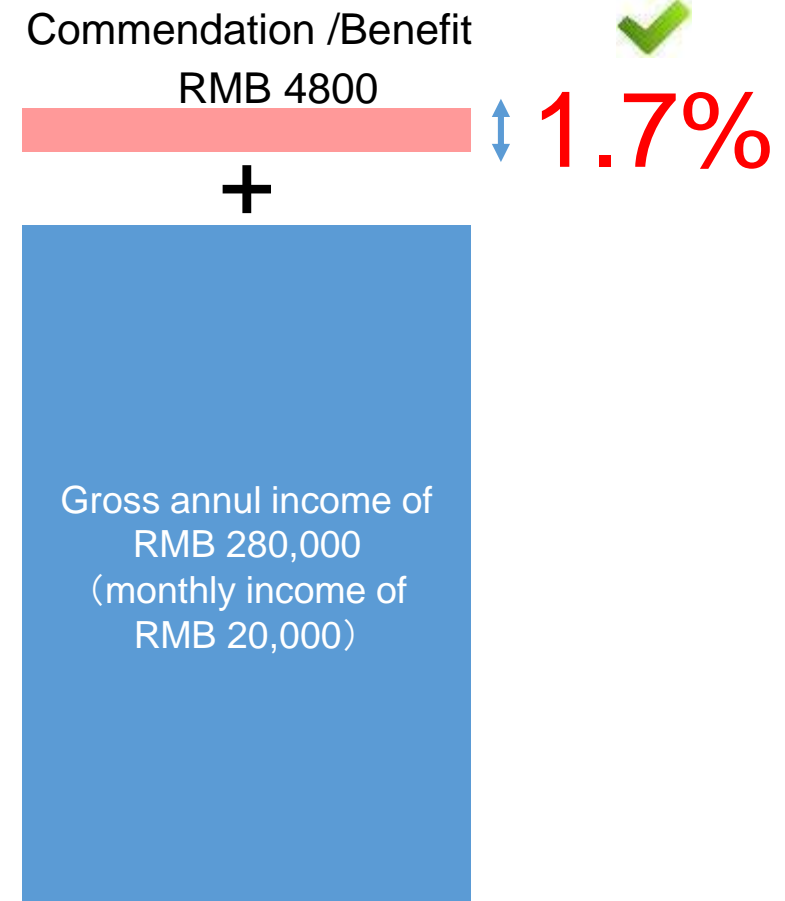
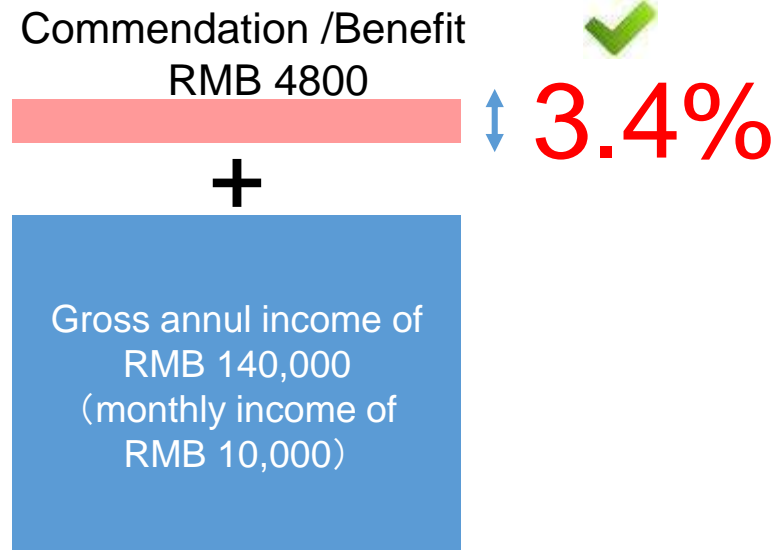
Commendation/Benefit, as motivating factor, FINE



Proposition/Conclusion

Ratio of Commendation/Benefit is not so High

Average Commendation/Welfare budget is approx. 4,800 RMB in a year. It is just 1.7% of total annual income of your employee.



Proposition/Conclusion

Best Balance of salary/commendation/Benefit (1/2)



Terminate outdated in-kind payment, transfer to point-based Benefit rather than cash.



Continue with employee tour for embodying a sense of unity and terminate other kinds of employee tours. Those budget shall be used for the purpose of point based Benefit



The budget for the incentive such as hundreds of RMB in cash for each person (small incentives) shall be used on a basis of point based Benefit

Best Balance of salary/commendation/Benefit (2/2)



Don't forget family behind the employees.



In general, needs for medical insurance remains high, but since such needs is different from life stage to life stage, take Point-based Benefit into consideration.



Work Out hard to develop Benefit/Commendation which can express the company's message.

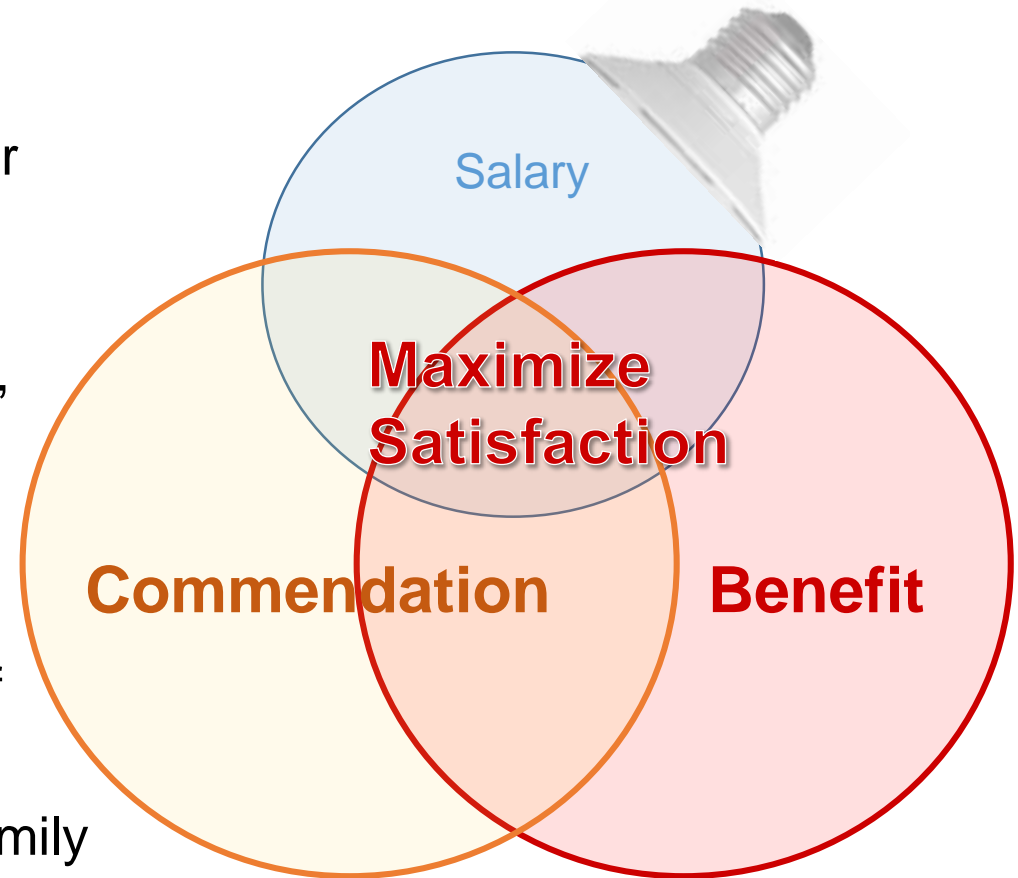
Best Balance of Salary/Commendation/Benefit

1) Benefit

- Point based Benefit
- Carefully designed employee tour embodying a sense of unity (including overseas tour)
- Housing loan, Medical insurance, Saving support

2) Commendation

- Eye catching and exciting type of Year End Party
- Commendation in presence of family
- Unexpected Commendation



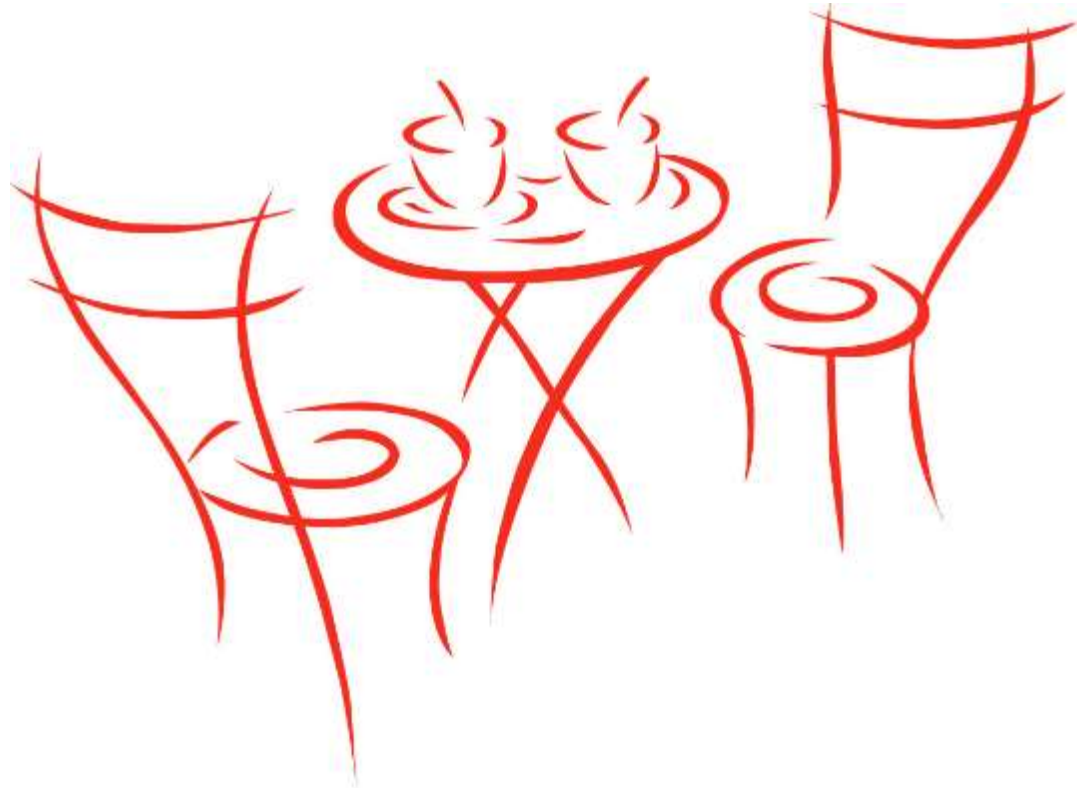
Thank You !



wengnanyan@benefit-one.com.cn

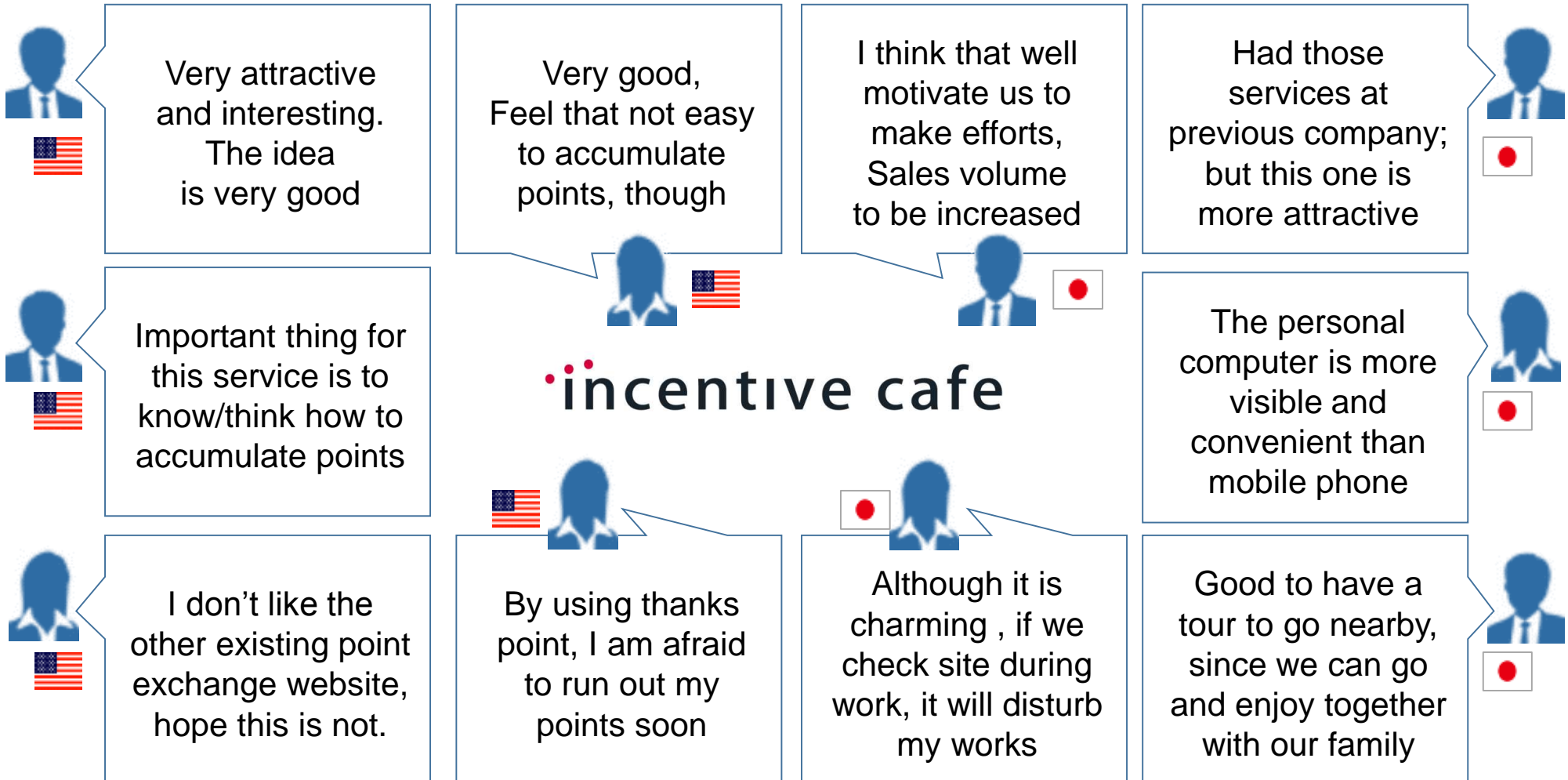
• incentive cafe

**What is
it ?**



Evaluation of Incentive Cafe

Concept itself is unique, fresh and good idea!



Implementation Cost

Annual grant below 1.5 million Yuan

(Excluding tax)

Issued IDs	Unit	1~100	101~1,000	1,001~5,000	5,001~10,000	+10,000 Each Time
Initial Set-up Fee	1 Site	\20,000				
Service Fee	1 Month	\5,000	\8,000	\10,000	\15,000	¥8,000 Supplemental
Point Expenses	Point	Payout only for consumed points				

Annual grant over 1.5 million Yuan

(Excluding tax)

Issued IDs	Unit	1~100	101~1,000	1,001~5,000	5,001~10,000	+10,000 Each Time
Initial Set-up Fee	1 Site	Free				
Service Fee	1 Month	Free				
Points Expenses	Point	Payout only for consumed points				

※ Customers who have joined Japan personnel welfare service project [Benefit station] with annual consumption over 40 million Yuan are exempt for initial set-up fees and costs involved in monthly usage of this system.
 ※ Initial set-up fee refers to the cost for website. (If one company needs to set up multiple sites, then multiple set-up fees will be charged.)
 ※ Including group companies. If the total Points awarded is expected to exceed 1.5 million Yuan or 400,000 Yuan, then the implementation cost can be exempt.

※ The following contents are subject to further discussions.

1. Call centre, FAX, postcards, special brochures, booklets preparation, etc.
2. The data required from your company's database are automatically reflected in the scoring system
3. Automatically extract the desired data from Incentive Cafe database
4. Single Sign On settings

[illegible]