

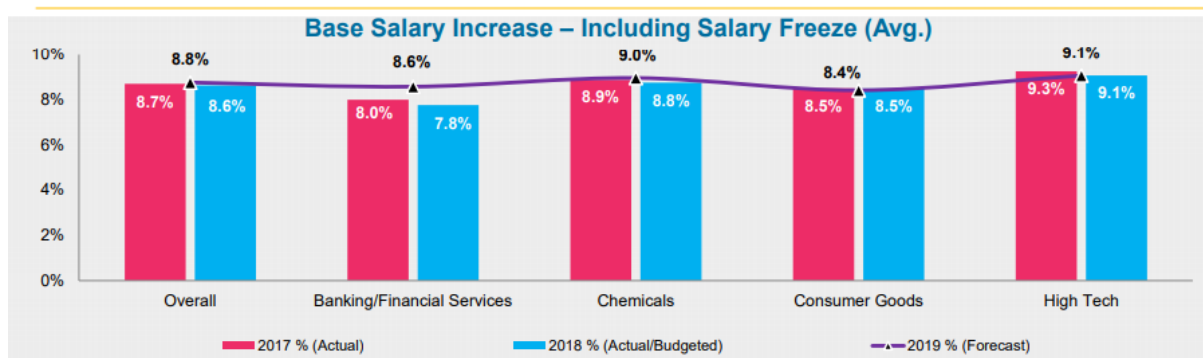
TALENTNET-MERCER SALARY SURVEY 2019 MARKET PULSE REPORT

According to the Talentnet-Mercer Market Pulse Report released early 2019, this year, there is a strategic shift within remuneration strategy consistent with other years. This shift is evident in the overall lower salary increase rate, yet higher variable bonus rate observed at certain organisational levels.

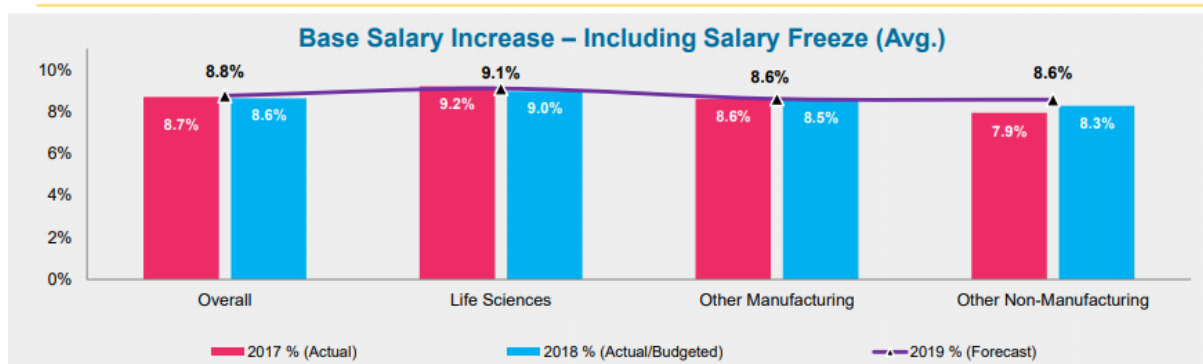
People strategy - a slow but gradual shift

Overall, 2019 is forecasted to gain a slight increase in salary increase rate across industries. Likewise, the High Tech, Life Sciences, and Chemicals industry will remain the three with the highest base salary increase rate, at 9.1%,9.1%, and 9.0% respectively. Consistent with previous years’ results, these three industries remain some of the strongest-performing within the Vietnamese market.

BASE SALARY INCREASE PERCENTAGE ON OVERALL PAYROLL BUDGET* - BY INDUSTRY 1/2



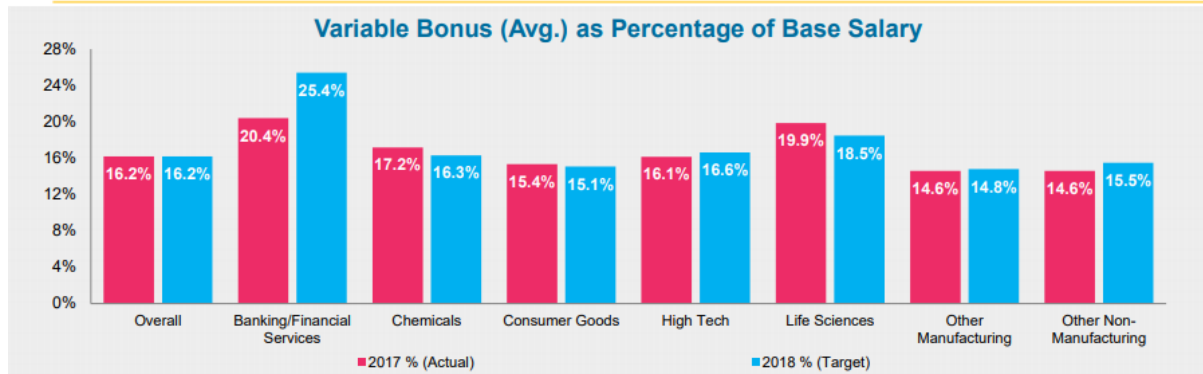
BASE SALARY INCREASE PERCENTAGE ON OVERALL PAYROLL BUDGET* - BY INDUSTRY 2/2



The Banking/Financial Service industry is forecasted to have an 0.8% increase in base salary, to 8.6% for 2019. In 2018, the bonus increase rate of companies in this industry was also top-leading among others in the market (25.4%), thanks to the strong local and regional

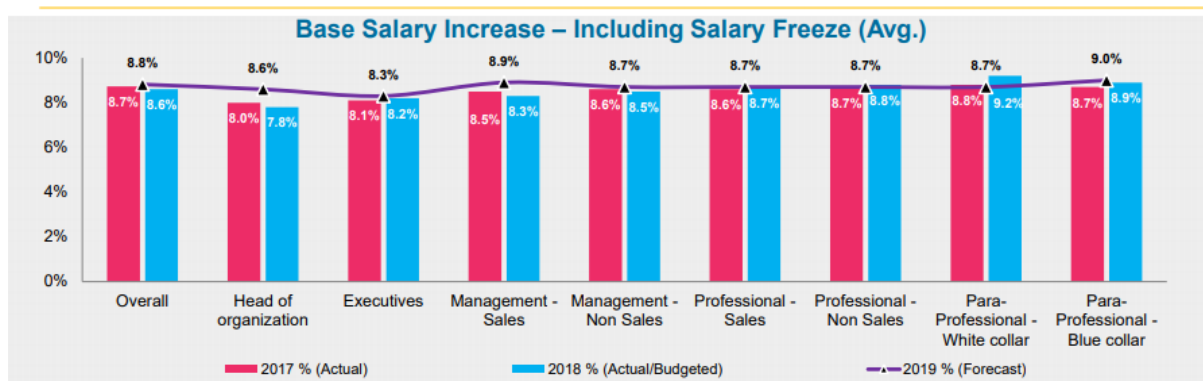
potential as well as their performance. This is a good sign for this industry in the near future, showing a highly potential room for expansion in the market.

VARIABLE BONUS - BY INDUSTRY

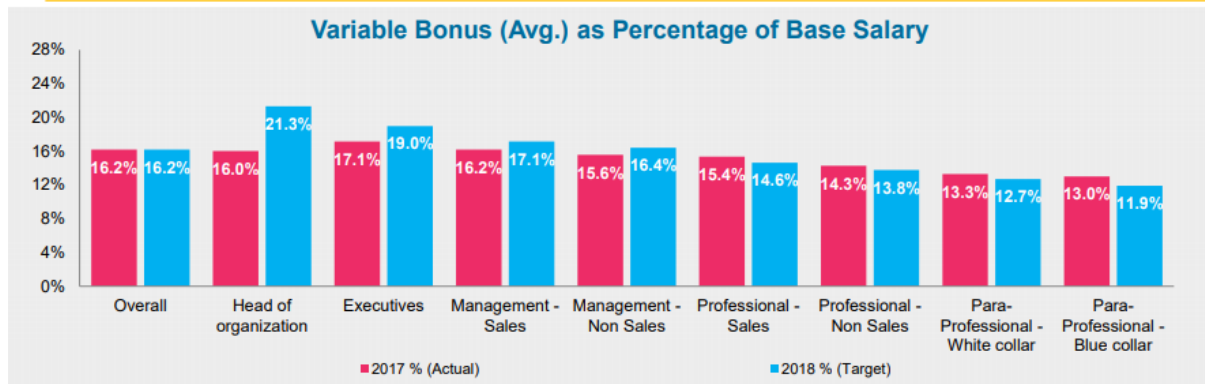


This year, while management and executive levels seem to have a slight overall salary increase rate, while there is no significant change amongst professional levels. Similarly observed in variable bonus rates, Head of organisation, and Executive, and Management levels have had their bonus rates are higher than all other levels (at 21.3%, 19%, and 17.1% respectively). This is understandable – as key drivers of business profit and performance, managerial and leadership positions are motivated through variable bonus. On the other hand, para-professional and professional individuals prefer a more stable salary rate to ensure their secure daily life.

BASE SALARY INCREASE PERCENTAGE ON OVERALL PAYROLL BUDGET* - BY CAREER LEVEL



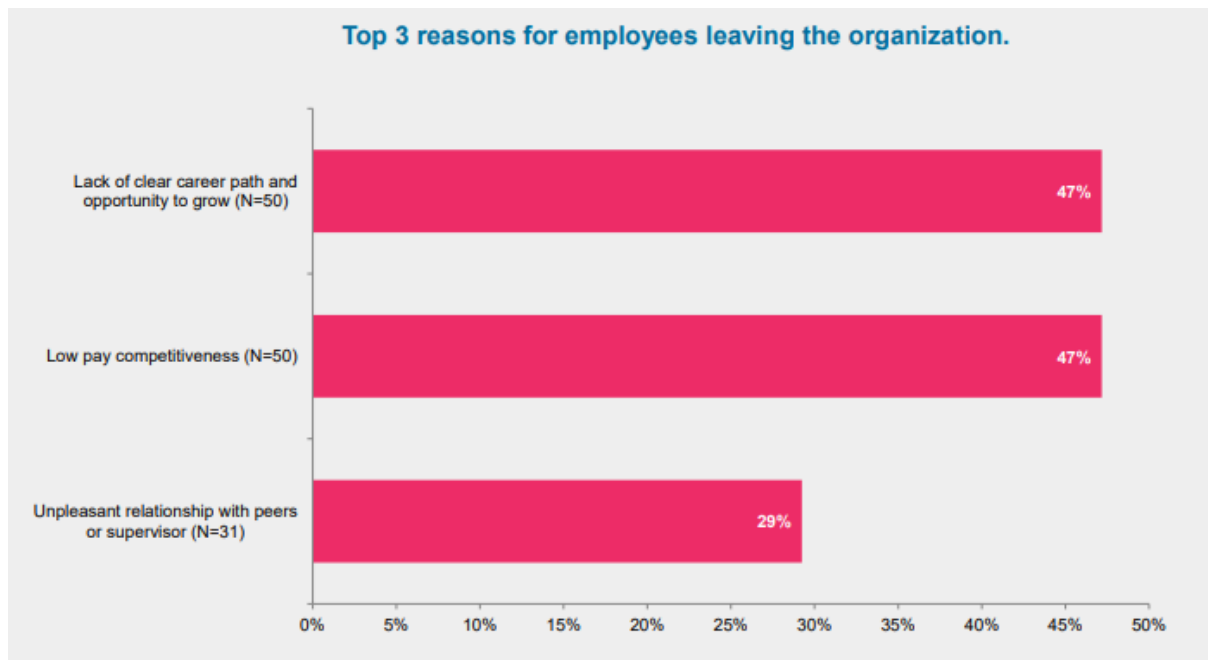
VARIABLE BONUS - BY CAREER LEVEL



Retention – how to go even further

Of biggest concerns for this year's report are the top reasons that caused employees to leave organisations. Lack of clear career path and Low pay competitiveness stand equally at 47%. Whereas low pay competitiveness stood secondary to career path in previous years, in 2018, there is equal demand for both. This proves that employee demand is quickly shifting towards a balanced need between a stable career progression and equitable compensation for their effort.

“In the digital age where businesses are predominantly occupied by millennials, behaviours and expectations of employees are rapidly diversifying. As a result, businesses must centralise their structure based on quantitative and qualitative data – most importantly in the task of talent retention, where there are both tangible and intangible deciding factors. Other than career progression, employees feel the need to see the fruits of their efforts, and see that effort reciprocated equitably. As such, appropriate remuneration schemes and flexible training and development options are pivotal.” Commented Ms. Nguyen Thi Thanh Huong, Deputy CEO of Talentnet, Head of Human Capital Solutions and Mercer Salary Survey Department.



To conclude, 2019 is forecasted to be a promising year with businesses quickly adapting to the digital age. It is evident that businesses are slowly shifting towards a more methodised and sustainable people strategy approach. Strategies and tactics are being carried out to maximise performance. Of course, these tactics must be done with business goals in mind. In order to make timely and accurate decisions regarding their employees, leaders must grasp the overall market picture through reliable data reference points, identify long term goals for the business, and organise business strategy in order to invest in the right people and right place. After all, the ultimate goal of all businesses is to create the highest amount of motivation for employees, in order to directly contribute into business performance.

With standardised methodology and up-to-date human resources trend, the Talentnet-Mercer Total Remuneration Survey (TRS) is a powerful reference tool for business leaders in the revision and improvements of human resources strategy relating to salary and remuneration within the Vietnamese market. This is an annual report, and is a reliable database for businesses to determine their strategies directly contributing to business performance. Combined with other factors such as working environment, training and development, career progression, and performance management, this will be a solid premise for businesses to step into the digital era with a people-ready culture, maximising sustainable business results.

About Talentnet

Founded in 2007, formerly the HR recruitment and consultation services by PriceWaterhouseCoopers, Talentnet has evolved into one of the leading HR strategy consulting businesses, and is a pioneer in the HR industry within Vietnam. With over 20 years' experience in the field, servicing over 800 clients from multinational corporations to leading businesses in Vietnam, Talentnet understands the importance of the workforce, and



with it is our mission to lift the quality of our nation's workforce, while contributing to the Vietnamese HR community.

For more information, please visit: www.talentnet.vn