

# 2019 China Salary Guide

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The Morgan McKinley 2019 Salary Guide for expected salaries and contract rates for professional roles in Shanghai.

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## **2019 China Salary Guide**

Welcome to Morgan McKinley's 2019 Salary Guide for professionals working in Greater China

A slowdown in the growth of China's economy and dropping GDP had an impact on hiring across many sectors in the past 12 months. Despite recruitment in IT, accounting and certain finance disciplines experiencing a downward trajectory, the automotive, retail, sales, and marketing sectors all experienced rapid growth.

### **Automotive and Operations - NEVs Spur Demand**

In the automotive sector, 2018 saw a huge demand for talent in all engineering-related positions spurred by the industry's newly arrived players - new energy vehicle (NEV) manufacturers. Talents most frequently requested by hiring managers related to traction and electric motor control, the Internet of Things and Advanced Driver Assistance Systems.

While new technologies and specialist applications like battery storage are set to open new recruitment avenues, going forward, NEVs may experience a decline in government incentives and favourable

regulations, which could impact hiring trends.

In the operations sector, we saw explosive growth in recruitment in Q2 and Q3, and candidates keen to join NEV manufacturers over traditional players. Senior talents with a focus on resource and cost-optimisation and global sourcing were in high demand, while salary increments remained steady at around 20-30% for those switching companies.

### **Retail - Positive Growth in the Booming Sector**

The retail sector was booming in 2018 and as the industry continued to mature, hiring experienced positive growth. The rapid increase of digital retailing in the past few years has led to the emergence of new omnichannel positions, and new functions in e-commerce, business planning, buying and merchandising, presenting abundant opportunities for candidates.

It remained a job seekers' market in 2018 and while traditional retailing roles commanded salary increases of around 20-30 per cent, we saw this jump to 40-50 per cent for skilled omnichannel, e-commerce and other digital transformation-focused talent. With swift changes in the market, hiring trends became increasingly localised in 2018, with organisations keen to hire domestically cultivated Chinese talent over foreign professionals.

### **Sales and Marketing - E-commerce Drives hiring**

E-commerce marketing remained hot in 2018 and we saw higher requests for O2O (online-to-offline) managers and new retail managers. Companies were also on the lookout for tech-savvy marketing talents with the ability to drive advertising ROI for the business.

In the past 12 months, we saw marketing roles more generalist in nature broken down into specialised positions dedicated to a particular discipline, channel or task. As technologies and platforms continued to evolve, around fifty per cent of digital and e-commerce marketing roles on the market were newly created positions.

While there is no shortage of candidates for sales roles, the transformation of industry from offline to online is continually opening new opportunities for candidates, making talented sales professionals hard to pin down in 2018.

### **Corporate and Internet IT - Uncertainty Ahead**

The corporate IT recruitment sector continued on a general downward trend in 2018. With many companies undergoing digital transformation, we saw increased hiring for digital project managers and heads of digital to replace infrastructure and applications roles. 2018 remained an employers' market and job seekers will need to continually upgrade their skills to avoid their roles become marginalised or even defunct.

The last six months of the year saw the Internet IT sector become decidedly colder as investors more carefully scrutinised the growth and revenue projections of Internet companies. Many tech companies restricted their hiring and some even cut headcount as a result of poorer market performance.

Despite challenges, jobseekers remained confident, and the labour market for Internet IT professionals maintained its fluidity. Java developers, architecture talent and engineers with proficiency in the GO programming language were likely to have multiple job offers in hand.

### **Banking and Financial Markets - Competition for Talent Intensifies**

In the banking sector, we saw an increased volume of PRC desk coverage and institutions moving coverage banking away from the client side towards industry, particularly in fast-moving sectors like technology, media and telecommunications (TMT). Salaries for top talent in Shanghai are now virtually on par with Hong Kong and Singapore. However, a number of companies failed to allocate adequate budgets for talent remuneration, sometimes under by 20-30 per cent.

With the market rapidly opening, competition for talent amongst WFOEs came to a head this year, exacerbated by the fact that many of these organisations were hiring for similar roles at the same time. With changing regulation impacting the sector, competition for legal and compliance professionals was particularly intense. IT talent in securities, trading system developers and digitisation project managers

were all highly requested, and finance process improvement managers and other efficiency enhancement talent were also in demand.

Global Fund Managers are expected to step up hiring over the next 12 months as they get closer to obtaining a mutual fund licence. With a talent shortage in the market, organisations will have to look further afield to overseas Chinese working in markets like Singapore, Hong Kong, the U.S. or Europe and leverage attractive salaries to lure them back to China.

### **Finance and Accounting - A Downward Hiring Trend**

In 2018, the recruitment market for finance and accounting professionals continued on a downward trajectory, and job security became an increasing priority for employees. MNCs were hesitant to invest in headcount, and these same organisations were replacing senior talent with junior level roles as part of a cost-saving strategy.

Salaries increased at a much flatter rate than in previous years and candidates experienced a tougher search and extended hiring process, waiting on average 6-8 months and in some cases up to a year to find the right role. We saw an increasing number of candidates consider and accept offers in Tier 2 and Tier 3 cities.

Job opportunities at joint ventures were on the rise, and we expect to see these roles increase in number as more foreign firms seek to leverage the resources of Chinese partners. Candidates are advised to approach these roles through professional recruitment firms who can screen businesses to ensure they are fully compliant.

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