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October 2014

## Annual Review of Salary and Benefits for International Staff, National Staff, and Administrative Staff

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Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
CPI	–	consumer price index
FY	–	fiscal year
IAE	–	internal administrative expenses
MRP	–	market reference point
NSAS	–	national staff and administrative staff
SMI	–	supplemental merit increase
SPA	–	salary progression adjustment
US	–	United States

## GLOSSARY

comparatio	–	The ratio of a salary to the midpoint. This is an indicator of the extent to which salaries are aligned with the midpoint.
market positioning	–	The competitive positioning of the organization within the market. For example, a market positioning at the 75th percentile indicates that the organization's objective is to set its pay at a level above 75% of organizations in the defined market for similar jobs.
market reference point	–	The point near the middle of a salary range, around which the salary range is constructed. Its value is set close to the market value of the grade level and serves as the reference point with which average salaries are aligned.
midpoint	–	The market reference point in a symmetrical salary range. The market reference point is midway between the minimum and maximum of the grade level range.
payline	–	The midpoints for consecutive grades often plotted as a line to show pay progression by grade level.
salary budget increase	–	The projected growth in the amount of salaries and other salary-related personnel actions such as promotions and confirmation increases to be paid in a year over the corresponding amount in the previous year.
salary increase	–	The percentage increase to be applied to actual salary or to the midpoints of the new salary structure.
salary range	–	The range within which the salaries of a group of staff are administered. Each grade level has its own salary range, which is defined in terms of a minimum, a midpoint, and a maximum.
salary structure	–	The set of salary ranges that are established for various grade levels.

salary structure increase – The average percentage increase in the midpoints of the salary structure from 1 year to the next.

**NOTE**

In this report, "\$" refers to US dollars, unless otherwise stated.

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## I. INTRODUCTION

1. This paper presents to the Asian Development Bank (ADB) Board of Directors the results of the annual review of salary and benefits for international staff, and national staff and administrative staff (NSAS) at headquarters and in field offices. It seeks Board approval of the 2015 salary structures and corresponding salary increase proposals for all staff. This review has been completed in accordance with the compensation system approved by the Board for international staff in November 2010 and NSAS in November 2011. The annual review is conducted to assess the competitiveness of ADB's compensation practices with the overall strategic objective to remain an employer of choice that is able to attract and retain a very diverse workforce of the highest caliber while being fiscally prudent.<sup>1</sup> Similar to the review papers in 2012 and 2013, this document consolidates recommendations for staff salaries for international staff and NSAS at headquarters and in 30 field offices.

2. Given the midterm review of Strategy 2020 and the total compensation review scheduled for 2015, a broader discussion will be needed about strategic staffing, workforce planning, talent management, and the right compensation system to support ADB's business needs.<sup>2</sup> In the meantime, the salary increase proposals contained in this paper continue to balance the results of the rules-based compensation methodology that will ensure market competitiveness and financial sustainability within ADB's constricted overall budget resources in light of lower projected lending levels and net income, given current global market conditions. The salary increase proposed for staff has been determined by targeting a higher comparatio for international staff of 93.9% than last year's 93.3%, and a lower combined comparatio for NSAS of 97.9% (97.0% for NSAS in headquarters and 99.7% for NSAS in field offices) than last year's 99.0%. Management requests that the Board of Directors approve its proposal, which reflects (i) an overall modest budget impact of \$5.1 million (2.2% of total payroll or 0.8% of the 2015 internal administrative expense [IAE] budget) for salary increases and (ii) \$1.1 million for salary-related benefits, which in aggregate amounts to \$6.2 million (2.7% of total payroll or 1.0% of the 2015 IAE).

3. An organization's compensation system is critical to achieving its operational goals especially in an increasingly competitive recruitment environment. For the organization, the compensation system must be appropriately competitive to allow for recruitment and retention of the talent needed. For staff, compensation is the most tangible reward for performance, productivity, and proficiency. One of the principles of ADB's Our People Strategy is to "offer competitive remuneration, benefits, and rewards aligned with the nature and objectives of the organization and with the marketplace, to complement the attractiveness of ADB's mission and rewarding work environment."<sup>3</sup> ADB's compensation system is merit-based with pay increases based on individual performance. Automatic increases and cost-of-living adjustment are not provided.

4. ADB conducted remuneration studies for international staff in 2010, for NSAS at headquarters in 2011, and for specific field offices from 2011 to 2014. The primary objective of these comprehensive reviews is to assess the overall competitiveness of ADB's compensation package in the various markets ADB recruits from and loses talent to. These reviews included a comparison of total remuneration (salaries, allowances, and employer-provided benefits) for

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<sup>1</sup> Competitive compensation and benefits are the core of a strong employment value proposition, which includes ADB's compelling mission and standing in the international development community; challenging and rewarding work; a diverse workforce; an intellectually dynamic environment; and a range of experiences provided by the depth and breadth of its client base, products, and services.

<sup>2</sup> ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

<sup>3</sup> ADB. 2010. *Our People Strategy*. Manila.

international staff with six other international organizations. For NSAS, the review was based on a compensation survey of local comparators in each of their respective duty stations. Appendix 1 summarizes the primary findings of these reviews.

## II. ADB'S COMPENSATION SYSTEM

5. ADB follows the same market-based compensation system for all staff. Salaries are positioned at the 75th percentile of the defined relevant market for each category of staff. The difference for international staff and NSAS lies in the market reference used for salary comparisons. The World Bank<sup>4</sup> serves as the proxy for the global market for international staff and for local markets for field office NSAS; for headquarters NSAS, salaries are compared with those offered by 15 companies and international organizations in Manila.<sup>5</sup> Appendix 2 provides an overview of the World Bank's market-based compensation methodology; similar steps are taken in conducting ADB's market-based salary survey for NSAS at headquarters. Under the market-based compensation system, salary adjustments from 1 year to the next are not directly linked to the cost-of-living or consumer price index (CPI) movements. These indexes are reflected implicitly in the market movement of salaries in the global or local market settings, which are also influenced by labor market conditions (e.g., supply versus demand for specific skills, global economic fluctuations, and domestic fiscal conditions).

6. The recommendations in the 2010 and 2011 salary and benefits review reflect the following key principles of ADB's compensation system:

- (i) remain market competitive by reflecting labor market changes to attract and retain top talent,
- (ii) maintain a rules-based compensation system whereby salary increases are determined through a transparent formula-driven methodology,
- (iii) remain fiscally prudent in recognition of budgetary requirements and in response to external market economic conditions, and
- (iv) award differentiated salary increases according to performance.

7. The two significant changes introduced as a result of the 2011 review for NSAS were (i) Board approval of the annual compensation review of field offices; and (ii) a new formula to determine salary increases, which results in a more modest overall growth of staff salaries by setting a target comparatio at or below the payline (i.e., 100% comparatio), reflecting factors such as average time in grade, salary dilution, recruitment and retention experience, and budget impact.<sup>6</sup>

### A. International Staff

8. Based on the results of the 2010 international staff comprehensive review, the Board approved a revised compensation system to guide the formulation of the salary structure increase and salary increase proposals until the next comprehensive review in 2015.

9. The main features of the new compensation system are as follows:

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<sup>4</sup> Any reference to the World Bank refers to the World Bank Group, which includes the International Bank for Reconstruction and Development, the International Finance Corporation, and many other organizations.

<sup>5</sup> Except for the Japan Representative Office. Market data for this office is based on the Towers Watson market compensation data for Tokyo, which is designed to be locally competitive in accordance with ADB's compensation policy. The World Bank's salary structure for Japan is intended to be globally competitive since the World Bank considers its Tokyo office as a satellite office of its headquarters.

<sup>6</sup> This feature of not using 100% comparatio as an annual target to determine the salary increase recommendation has been in place for international staff since 2006, as a result of the 2005 comprehensive review.

- (i) The system is market driven, and a major review of its compensation methodology is scheduled every 5 years.
- (ii) In the years between broad-based market studies, the World Bank will be the principal comparator and its Washington headquarters professional staff salary survey will serve as a proxy for salary movements in the market.<sup>7</sup> The World Bank's market reference points (MRPs) will be the basis for setting ADB's job level midpoints.
- (iii) Based on job equivalency (Table 1), midpoints of ADB international staff levels IS1, IS3, IS5, IS7, and IS9 are anchored to the MRPs of World Bank levels E, F, G, H, and I, respectively. Midpoints for the intervening ADB levels IS2, IS4, IS6, and IS8 are interpolated to establish the new payline. The midpoint for ADB international staff level IS10 is positioned about midway between levels I and J of the World Bank.
- (iv) Full parity with the market (i.e., a 100% comparatio) is targeted for international staff levels IS1–IS6 by 2015.
- (v) The average salary increase rate will be set at a level higher than the average structure increase to enable salaries of staff to progress within the range.
- (vi) Salary increases will be applied to the range midpoint, as they have been since 2009.

## **B. National Staff and Administrative Staff**

10. Based on the results of the 2011 comprehensive review, the Board approved the following main features of the NSAS compensation system until the next major review in 2015:

- (i) The market-based approach will be retained.
- (ii) At headquarters, ADB will develop its salary structure based on a customized salary survey of comparators in Manila; for field offices, ADB will continue to base its salary structure on the salary structure of the World Bank, which conducts custom surveys periodically in all of ADB field office locations.
- (iii) The market positioning for NSAS in headquarters and in field offices will be anchored at the 75th percentile of total cash (including base pay, incentive pay, and allowances plus the value of in-kind benefits not provided by ADB) in each of its duty station locations.<sup>8</sup>
- (iv) Where applicable, ADB will separate the salary increase pool for NSAS to better align to their respective salary midpoints and to remain competitive in the market.
- (v) The average salary increase proposal will continue to be determined based on generally achieving a desired level of parity with the market payline (the target comparatio assigned depending on circumstances that may be peculiar to headquarters or a particular field office, such as time in grade, high turnover, or new office).
- (vi) Salary increases will be applied to the range midpoint, as they have been since 2009.

## **III. SALARY STRUCTURE AND AVERAGE SALARY INCREASE FOR 2015**

11. Based on ADB's compensation principle of ensuring competitiveness with the relevant market reference, the salary structure is adjusted based on the movement of the comparator market. The structure adjustment, average salary of staff, and a desired level of parity with the payline (i.e., the target comparatio) are inputs in determining the overall salary increase. The overall salary increase and assumed distribution of performance ratings determine the salary

<sup>7</sup> Broad-based market studies will be conducted every 4–5 years; the next one will be in 2015.

<sup>8</sup> Some examples of in-kind benefits are uniforms, memberships in fitness centers, transportation allowance, mobile allowance, subsidized company products, rice, meals, beverages, and a car program.

increase matrix for each staff category or location.<sup>9</sup> The salary increase given to staff members is based only on their individual performance ratings as a percentage of the midpoint of their respective grade level. Staff do not receive an automatic increase equal to the average structure increase or a minimum cost-of-living adjustment. Staff rated *unsatisfactory* receive no salary increase, and their salary can be lower than the minimum salary for their grade level.

## A. Compensation Results for International Staff

### 1. Structure Increase for 2015

12. The salary structure increase represents the adjustment or movement of the market payroll from year to year. Since the World Bank's MRPs are being used as the market proxy for this purpose, the structure increase is effectively the movement of the World Bank's MRPs for the grades that are equivalent to ADB job levels, resulting in a 2.3% average salary structure increase for 2015 (Table 1).<sup>10</sup>

**Table 1: International Staff Structure Increase for 2015**

Grade	World Bank			ADB				
	MRP as of 1 July 2013 (\$)	MRP as of 1 July 2014 (\$)	MRP Movement (%)	ADB Level	Confirmed Staff (No.)	2014 Midpoint <sup>a</sup> (\$)	2015 Midpoint <sup>a</sup> (\$)	Midpoint Movement (%)
E	82,300	84,200	2.3	IS1	7	81,500	83,400	2.3
				IS2	17	94,900	97,100	2.3
F	109,400	111,900	2.3	IS3	71	108,300	110,800	2.3
				IS4	220	128,000	130,900	2.3
G	147,600	151,000	2.3	IS5	252	147,600	151,000	2.3
				IS6	218	174,400	178,400	2.3
H	201,100	205,700	2.3	IS7	88	201,100	205,700	2.3
				IS8	62	235,500	240,900	2.3
I	269,800	276,000	2.3	IS9	27	269,800	276,000	2.3
				IS10	17	290,000	296,700	2.3
				IS1–IS6	785	144,264	147,570	2.3
				IS7–IS10	194	229,445	234,708	2.3
				All IS Levels	979	161,144	164,837	2.3

ADB = Asian Development Bank, IS = international staff, MRP = market reference point.

<sup>a</sup> Under the new ADB compensation system, international staff at levels IS1 and IS3 are anchored at 99% of the World Bank grade levels E and F, respectively, to reflect more accurately global market positioning. ADB international staff levels IS5, IS7, and IS9 are anchored at 100% of the World Bank grade levels G, H, and I, respectively. The midpoint for ADB international staff level IS10 is positioned at the MRP of World Bank level I plus 7.5%.

Source: ADB.

### 2. Proposed Salary Structure

13. Table 2 shows the proposed salary structure for 2015 based on a weighted structure increase of 2.3% and the same salary range spread that has been used since 2013.

<sup>9</sup> The four performance ratings are *exceptional*, *satisfactory with special recommendation*, *satisfactory*, and *unsatisfactory*.

<sup>10</sup> As in 2013 (FY2014, which ends on 30 June at the World Bank), the World Bank headquarters salary structure for 2014 (FY2015) was adjusted using published projected market pay increases resulting from the application of the indexation methodology in accordance with its multi-year review process.



**Table 2: International Staff Salary Structure Effective 1 January 2015**

<b>ADB Level</b>	<b>2015 Minimum (\$)</b>	<b>2015 Midpoint (\$)</b>	<b>2015 Maximum (\$)</b>	<b>Range Spread (%)</b>
IS1	75,800	83,400	91,000	20
IS2	84,400	97,100	109,700	30
IS3	94,300	110,800	127,300	35
IS4	111,400	130,900	150,400	35
IS5	125,800	151,000	176,100	40
IS6	148,700	178,400	208,200	40
IS7	171,400	205,700	240,000	40
IS8	200,800	240,900	281,100	40
IS9	234,900	276,000	317,100	35
IS10	263,700	296,700	329,600	25

ADB = Asian Development Bank, IS = international staff.

Source: ADB.

### 3. Proposed Average Salary Increase

14. The compensation system allows ADB the flexibility to set the salary increase. At a minimum, it should be set higher than the structure increase to allow salaries to progress along the salary range to reward staff for proficiency and performance. This would also improve the comparatio, which projected at 92.3% for 31 December 2014 remains far below 100.0% of the market payline (represented by the salary midpoints). In setting the proposed salary increase, other factors are taken into account, such as salary budget costs for resource allocation priorities, the relativity of salary increases of comparator organizations, and budgetary considerations.

15. For international staff, the overall proposed salary increase is 4.0%. This includes (i) a structure adjustment component of 2.3%, which is the budgeted salary increase; and (ii) a budget-neutral salary increase component of 1.7%, which will be absorbed within the existing real budget envelope for 2015. The budget-neutral salary adjustment is provided to allow for salary progression along the salary range (i.e., comparatio improvement) and inclusion of an additional merit increase for high performers rated *exceptional* and *satisfactory with special recommendation*. The proposed total salary increase of 4.0% is considered reasonable for the following reasons:

- (i) The World Bank staff's comparatio is at 97.1%, whereas ADB staff's comparatio after the salary increase would only be at 93.9%. Even for international staff at levels IS1–IS6, for which the compensation methodology approved by the Board in 2010 called for full parity (i.e., 100% comparatio) with the market payline by 2015, the comparatio after the proposed salary increase would only be at 95.2%. Appendix 3 (Table A3.1) shows the 10-year historical comparison of the structure adjustment and salary increase for the World Bank and ADB.
- (ii) The price impact of the salary increase on the overall budget is only 2.3% of payroll or 0.6% of IAE. As a component of IAE, although there may have been slight increases during the intervening years, staff salaries have declined since 2005. Appendix 7 shows the 10-year historical ratio of staff salaries and benefits to the IAE.
- (iii) The basket of goods consumed by expatriate staff as a proportion of pay has increased more quickly than salary increases because of higher inflation in Manila and the appreciation of the Philippine peso against the United States (US) dollar over the 10-year period 2005 to 2014. As illustrated in Appendix 3 (Table A3.2), the estimated local expenditure of 58% of pay in 2005 for a married staff member with two children would amount to 62% of pay in 2014 (based on the

salary increases awarded over this period, including promotions; the corresponding inflation rates in Manila; and the currency exchange rates).

- (iv) In addition to the World Bank's salary increase of 4.0%, their Board approved about 1.3% of the World Bank's total wage bill for performance awards (including rewards and recognition). ADB's allocation for its rewards and recognition program is 0.1% of IAE, or \$453,100.

16. For 2015, ADB is prioritizing bringing the salaries of international staff at levels IS1–IS6 closer to the market payline. Therefore, a split approach is being proposed whereby the average salary increase of 4.0% results in a differentiated increase of 4.2% for international staff levels IS1–IS6 and 3.6% for levels IS7–IS10. Table 3 shows the structure adjustment for each group, the proposed average salary increase, and the comparatio before and after the salary increase.

**Table 3: International Staff Average Salary Increase and Estimated Comparatio**

<b>ADB Levels</b>	<b>Confirmed Staff (No.)</b>	<b>Structure Adjustment (%)</b>	<b>Budget Neutral Salary Increase Component (%)</b>	<b>Proposed Average Salary Increase (%)</b>	<b>Estimated Comparatio before Salary Increase (%)</b>	<b>Estimated Comparatio after Salary Increase (%)</b>
IS1–IS6	785	2.3	1.9	4.2	91.3	95.2
IS7 –IS10	194	2.3	1.3	3.6	87.4	90.6
All IS Levels	979	2.3	1.7	4.0	90.2	93.9

ADB = Asian Development Bank, IS = international staff.

Source: ADB.

## **B. Compensation Results for National Staff and Administrative Staff**

### **1. Salary Structure for 2015**

17. In accordance with the NSAS compensation system that follows a market-based approach, the salary structure for NSAS at headquarters and in each field office is adjusted annually based on movements in the local comparator labor market.

18. The current structure increase for headquarters NSAS is based on an annual survey of local comparators in Manila. Towers Watson conducted a quick salary survey of ADB's comparators in Manila in the third quarter of 2014 (Appendix 4).<sup>11</sup> Based on the results of the survey, a weighted average salary structure increase of 4.5% when compared with the 2014 midpoints is being proposed for headquarters NSAS for 2015.

19. The salary structure for field offices is linked to the World Bank resident mission in each of the duty station locations except for Japan, which is based on an independent survey conducted by Towers Watson. The World Bank salary structures are effective on 1 July, whereas ADB's salary structures are effective the following 1 January. To recognize the 6-month lag between the effective dates, an aging factor is applied to the World Bank MRPs to determine the salary midpoints for ADB's salary structure.<sup>12</sup> The proposed structure adjustments

<sup>11</sup> Customized salary surveys are conducted biennially under the compensation system for headquarters NSAS. In the intervening year, a quick salary survey of the estimated salary increase that will be provided by comparators is used to adjust the salary structure.

<sup>12</sup> The aging factors used are based on compensation data gathered by the Birches Group on local compensation packages. Future trends in pay growth serve as a proxy for anticipated local labor market movement. Birches Group is an international compensation consulting firm that tracks salary developments in various locations. Where data for certain locations are not available, aging factors from reputable sources—such as the International Monetary Fund's International Financial Statistics, the Asian Development Bank Economics and Research Department and the Reserve Bank of Australia—are used.

for each of the field offices are shown in Appendix 6, which results in an overall structure adjustment of all field offices of 4.4% for 2015. It should be noted that the salary structures for NSAS in all locations are based on net salaries (net of income tax) whereas in Japan, Philippines, and the US continue to reflect gross salaries.

20. Following the comprehensive review of the salary methodology for all NSAS conducted in 2011 and the reviews of a select number of locations in 2012 and 2013, a review of the remaining field offices for which Birches Group data is available—Afghanistan, Bangladesh, Georgia, Kazakhstan, Kyrgyz Republic, Nepal, Pakistan, Sri Lanka, Thailand, Turkmenistan, and Viet Nam—was conducted in 2014.<sup>13</sup> The result of the review affirmed that ADB's weighted midpoints based on the World Bank salary structure were reasonably close to the weighted MRPs of the employers that participated in Birches Group's independent survey. This confirms that the comparator organizations used by the World Bank in these locations are appropriate and are likely to be the same companies that ADB would select for salary comparisons. Thus, the structure movement will continue to be linked to the movement of the MRPs for the corresponding World Bank resident mission in the respective duty station location.

21. In 2014, the Kyrgyz Republic Resident Mission requested for an interim review of its salary structure given the devaluation of the Kyrgyz Republic Som to the US dollar and its effect on the prices of commodities in the Kyrgyz Republic. While devaluation of currency does not automatically cause an increase in compensation, it may be a factor in the change in the country's CPI, which may be reflected in the local compensation data for which ADB uses the World Bank salary structure as a proxy. Following the World Bank's change in the denomination and disbursement of salaries of staff in its country office in the Kyrgyz Republic from Kyrgyz Republic Som to US dollars, the same is being proposed for salaries of staff in the Kyrgyz Republic Resident Mission effective 1 January 2015.

## **2. Proposed Salary Structure**

22. For headquarters NSAS, the salary midpoints from 2013 reflect base pay, the two bonus payments, and the dependency allowance component with the introduction of the new salary payment mode effective 1 July 2012.<sup>14</sup> Table 4 shows the salary structure increase for NSAS at headquarters for 2015, which results in a weighted structure increase of 4.5%.

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<sup>13</sup> ADB subscribes to the Birches Group's Indigo™ for access to its survey data, which includes information about salaries, fixed allowances, variable pay, and in-kind benefits for most ADB field office locations.

<sup>14</sup> This reflects the 2012 NSAS recommendation of discontinuing the 2-month bonus payment, which is now included in base pay. In addition, the base pay includes an amount equal to the median dependency allowance, which was lowered following the dependency allowance buyout for parents and parents-in-law in 2011.

**Table 4: Salary Structure Increase for National Staff and Administrative Staff at Headquarters, 2015**  
(Philippine pesos per year)

ADB Level	Staff (No.)	2014 Midpoint	2015 Midpoint	Midpoint Movement (%)
Administrative Staff				
AS1		512,000	512,000	0.0
AS2		575,000	575,000	0.0
AS3	4	696,400	696,400	0.0
AS4	191	809,500	825,700	2.0
AS5	266	977,400	1,016,500	4.0
AS6	203	1,197,900	1,257,800	5.0
AS7	169	1,432,600	1,504,200	5.0
National Staff				
NS1	112	1,592,000	1,681,500	5.6
NS2	153	1,753,600	1,858,800	6.0
NS3	117	2,163,100	2,249,600	4.0
NS4	42	2,783,700	2,867,200	3.0
NS5	10	3,446,800	3,550,200	3.0
NS6	2	4,270,000	4,398,100	3.0
All AS	833	1,083,639	1,128,963	4.2
All NS	436	1,971,585	2,065,707	4.8
All	1,269	1,388,717	1,450,807	4.5

ADB = Asian Development Bank, AS = administrative staff, NS = national staff.

Source: ADB.

23. Table 5 shows the proposed salary structure for NSAS at headquarters for 2015 using the same salary ranges used since 2013.

**Table 5: Salary Structure<sup>a</sup> for National Staff and Administrative Staff at Headquarters Effective 1 January 2015**  
(Philippine pesos per year)

ADB Level	2015 Minimum	2015 Midpoint	2015 Maximum	Range Spread (%)
Administrative Staff				
AS1	393,800	512,000	630,100	60
AS2	442,300	575,000	707,700	60
AS3	525,600	696,400	867,200	65
AS4	623,200	825,700	1,028,300	65
AS5	753,000	1,016,500	1,280,100	70
AS6	931,700	1,257,800	1,583,900	70
AS7	1,094,000	1,504,200	1,914,500	75
National Staff				
NS1	1,222,900	1,681,500	2,140,100	75
NS2	1,351,900	1,858,800	2,365,800	75
NS3	1,606,900	2,249,600	2,892,400	80
NS4	2,048,000	2,867,200	3,686,400	80
NS5	2,535,900	3,550,200	4,564,600	80
NS6	3,141,500	4,398,100	5,654,700	80

ADB = Asian Development Bank, AS = administrative staff, NS = national staff.

<sup>a</sup> Gross salary structure.

Source: ADB.

24. The proposed salary structure, effective 1 January 2015 for each ADB field office, is shown in Appendix 5; the weighted structure increase for each field office is shown in Appendix 6 (Table A6.1).

### 3. Average Salary Increase

25. Similar to the proposed salary increase for international staff, the average salary increase for NSAS is set higher than the structure increase to allow salaries to progress along the salary range to reward staff for proficiency and performance. For headquarters NSAS, the overall proposed salary increase is 7.6%, which includes a structure adjustment component of 4.5%, which is the budgeted salary increase and a budget-neutral salary increase component of 3.1% that will be absorbed within the existing real budget envelope for 2015. The budget-neutral salary increase component is provided to allow for salary progression along the salary range (i.e., comparatio improvement) and the inclusion of an additional merit increase for high performers rated *exceptional* and *satisfactory with special recommendation*. Table 6 shows the structure adjustment, the proposed average salary increase, and the resulting comparatio before and after the salary increase.

**Table 6: Average Salary Increase and Estimated Comparatio for National Staff and Administrative Staff at Headquarters**

ADB Levels	Confirmed Staff (No.)	Structure Adjustment (%)	Budget Neutral Salary Increase Component (%)	Proposed Average Salary Increase (%)	Estimated Comparatio before Salary Increase (%)	Estimated Comparatio after Salary Increase (%)
All Levels	1,269	4.5	3.1	7.6	91.1	97.0

ADB = Asian Development Bank.

Source: ADB.

26. Table 7 shows the average annual structure adjustment, nominal average annual salary increase, annual average CPI, and real annual salary increase for headquarters NSAS from 1 January 2011 to 1 January 2015.

**Table 7: Summary of Average Annual Salary Increase and Consumer Price Index (2011–2015)**

Year	Average Annual Structure Increase (%)	Average Annual Salary Increase (nominal) (%)	Average Annual CPI <sup>a</sup> (%)	Average Annual Salary Increase (real) (%)
2011	3.9	7.6	3.6	4.0
2012	2.3	6.0	4.2	1.8
2013	2.9	5.0	3.0	2.0
2014	4.0	7.6	4.1	3.5
2015	4.5	7.6	4.9 <sup>b</sup>	2.7
<b>Average</b>	3.4	6.7	3.9	2.8

CPI = consumer price index.

<sup>a</sup> Point-to-point inflation data from Republic of the Philippines National Statistics Office.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

27. For all of the field offices combined, the proposed overall salary increase is 7.0%, which includes (i) a structure adjustment component of 4.4% which is the budgeted salary increase and (ii) a budget-neutral salary increase component of 2.6%, which will be absorbed within the existing real budget envelope for 2015. The budget-neutral salary adjustment is provided to allow for salary progression along the salary range (i.e., comparatio improvement) and inclusion of an additional merit increase for high performers rated *exceptional* and *satisfactory with special recommendation*. The various currencies are converted to US dollars, based on the 31 August 2014 exchange rates. Appendix 6 (Table A6.1) shows the proposed overall average salary increase, the structure adjustment component (the budgeted salary increase), and the budget neutral-salary increase component for each field office.

28. Appendix 6 (Table A6.2) shows the average annual structure adjustment, nominal average annual salary increase, annual average CPI, and real annual salary increase for each field office from 1 January 2011 to 1 January 2015.

29. Table 8 shows the average annual structure adjustment, nominal average annual salary increase, annual average CPI, and real annual salary increase for field office NSAS from 1 January 2011 to 1 January 2015.

**Table 8: Summary of Field Office Average Annual Salary Increase in Salary Currency (2011–2015)**

<b>Year</b>	<b>Average Annual Structure Increase (%)</b>	<b>Average Annual Salary Increase (nominal) (%)</b>	<b>Average Annual CPI<sup>a</sup> (%)</b>	<b>Average Annual Salary Increase (real) (%)</b>
2011	7.1	11.1	7.8	3.3
2012	8.5	12.8	6.9	5.9
2013	4.0	6.5	5.7	0.8
2014	7.0	8.3	6.1	2.2
2015	4.4	7.0	4.8	2.2
<b>Average</b>	6.0	8.9	6.2	2.7

CPI = consumer price index.

<sup>a</sup> Data from the International Monetary Fund's International Financial Statistics, the Asian Development Bank Economics and Research Department (for Azerbaijan, Turkmenistan, and Uzbekistan), and the Reserve Bank of Australia (for Australia).

Source: Asian Development Bank.

### **C. Performance-Based Salary Increase Distribution**

30. Salary increases awarded in 2015 to individual staff will continue to be based on their performance and applied as a percentage of the midpoint salary of the staff member's grade level. Individual pay increases are based entirely on individual performances. Staff do not receive an automatic increase or an automatic cost-of-living adjustment.

31. The salary increase matrixes will be linked to overall performance ratings (i.e., *exceptional*, *satisfactory with special recommendation*, *satisfactory*, or *unsatisfactory*) and will have ranges that allow flexibility for supervisors to award for relative performance. Staff rated *exceptional* or *satisfactory with special recommendation* will receive increases above the average salary increase. Staff members who are rated *unsatisfactory* will receive no salary increase. The allocation of the salary increase budget using the salary increase matrix will ensure that adequate funding is available to maintain a performance rating distribution of up to 10% of staff rated *exceptional* and up to 25% of staff rated *satisfactory with special recommendation*, with the remaining 65% for staff rated *satisfactory*.

32. International staff at all levels rated *satisfactory* will be subject to the same salary increase matrix; a higher salary increase matrix will be used for levels IS1–IS6 than for levels IS7–IS10 for staff rated *satisfactory with special recommendation* or *exceptional*. For NSAS at headquarters, the same salary increase matrix will be employed since there is no significant difference in their respective average comparatios. For NSAS in each field office, a split salary increase matrix may be warranted, depending on the difference in comparatios of national staff versus administrative staff relative to their midpoints.

#### IV. SUMMARY OF 2015 PROPOSALS

##### A. International Staff

33. The salary proposal for international staff effective 1 January 2015 is an overall salary increase of 4.0%, which includes (i) a structure adjustment component of 2.3% (equal to the budgeted salary increase that results in the salary structure shown in Table 2); and (ii) a budget-neutral salary increase component of 1.7%, which is recommended to allow salary progression and merit increases for high performers.

##### B. National Staff and Administrative Staff

34. The salary proposals for NSAS effective 1 January 2015 are as follows:

- (i) for headquarters NSAS, an overall salary increase of 7.6%, which includes (i) a structure adjustment component of 4.5% (equal to the budgeted salary increase that results in the salary structure shown in Table 5); and (ii) a budget-neutral salary increase component of 3.1%, which is recommended to allow salary progression and merit increases for high performers; and
- (ii) for NSAS in field offices, an overall salary increase of 7.0%, which includes (i) an average structure adjustment component of 4.4% (equal to the budgeted salary increase that results in the salary structure shown in Appendix 5); and (ii) an average budget-neutral salary increase component of 2.6%, which is recommended to allow salary progression and merit increases for high performers (Appendix 6).

#### V. BUDGET EFFECT

35. The increase in the salary budget is the projected growth in the amount of salaries and other salary-related personnel actions to be paid in 2015 over the corresponding figures in 2014. The overall increase in the salary budget will be used to fund increases in salaries and other salary-related personnel actions, such as confirmations, promotions, grade level alignment, and salary adjustments driven by operational requirements. The amount being requested to fund salary increases is limited to the salary structure adjustment component, which reflects market price movement. Since the proposed salary increase component in excess of the structure adjustment and other salary-related personnel actions (e.g., confirmation increase, promotion increase) will be absorbed within the existing real budget envelope for 2015, it will be budget neutral. These increases are expected to be funded through the projected salary dilution that is anticipated in 2015 (i.e., staff leaving on average have higher salaries than newly appointed staff) and prudent management of promotions. Table 9 shows the total estimated budget effect of the 2014 and 2015 salary increase proposals by staff category.

36. The proposals result in a request for new funds of \$5.1 million for salary increases (0.8% of the estimated proposed 2015 budget) and \$1.1 million for salary-related benefit costs (0.2% of the proposed 2015 budget). Appendix 7 shows the 10-year history (2005–2014) of the ratio of staff salaries and benefits to IAE. Based on the 2014 midyear estimate, staff salaries and

benefits are expected to represent about 61.1% of IAE (45.8% for international staff and 15.3% for NSAS), which is lower than the figure of 63.9% in 2013 (48.9% for international staff and 15.0% for NSAS).

**Table 9: Budget Effect of Salary Increase Proposals**

Increase (\$ million)	2015				2014			
	IS	HQ NSAS	FO NSAS	Total	IS	HQ NSAS	FO NSAS	Total
Salary Increase <sup>a</sup>	3.7	1.0	0.4	5.1	3.1	1.9	1.4	6.4
Salary Increase (as % of salary)	2.3	4.5	4.4	2.2	2.0	4.0	7.0	2.9
Salary-Related Benefits <sup>b</sup>	0.8	0.2	0.1	1.1	0.7	0.4	0.3	1.4

FO = field office, HQ = headquarters, IS = international staff, NSAS = national staff and administrative staff.

<sup>a</sup> Including promotion increase, confirmation increase, and other salary-related personnel actions.

<sup>b</sup> Primarily staff retirement plan contributions (i.e., 21% for the Staff Retirement Plan and the balance of 0.43% for insurance benefits)

Source: Asian Development Bank.

## VI. BENEFITS

37. No change in benefits is proposed at this time. The next total remuneration study for all ADB staff has commenced and will be completed in 2015. The technical review of the Staff Retirement Plan has been completed and will be reviewed with the other benefit plans in the context of overall potential changes to align the compensation and incentive system to support ADB's business needs and workforce requirements.

## VII. RECRUITMENT AND RETENTION

38. ADB recruits from its member countries highly qualified and experienced professionals with international exposure to join as international staff. ADB recruits highly qualified and talented NSAS for each of its field offices from nationals of the duty station country. ADB seeks to attract staff from multinational companies, the finance sector, international financial institutions, international organizations, the public sector, and the academe.

39. ADB's recruitment and retention experience for international staff and NSAS is presented in Appendix 8. A review of the 3-year transformation period (2010–2012) showed that ADB was able to recruit and retain the required talent and skills. In line with the midterm review of Strategy 2020, the skills audit and HR audit may identify potential skills required to deliver project outputs and outcomes and make the necessary staffing adjustments. To build up the future pipeline of qualified candidates, ADB must continue to explore avenues and means for talent acquisition, including the use of social media. Candidates for some specific job families or positions (e.g., technology, risk management, treasury, finance, and private sector operations) continue to be difficult to attract or retain as demand and supply for these jobs in the global market remain very competitive.

40. For headquarters NSAS, ADB continues to be an attractive employer in Manila. However, recruitment and retention of suitably qualified and experienced NSAS continues to present a challenge in some field office locations. In some countries with well-developed employment markets, ADB tends to employ overqualified and highly experienced candidates, which can lead to job dissatisfaction later.

41. ADB expects to be able to recruit the staff needed for 2015 based on the proposed 2015 salary structures. The salary range widths at all levels provide sufficient flexibility to offer appointment salaries that take into account an individual's qualifications and experience.



## VIII. RECOMMENDATIONS

42. The President recommends that the Board approve for international staff the 2015 salary structure in Table 2 and an overall average salary increase of 4.0%, effective 1 January 2015, which reflects a structure adjustment component of 2.3% (equal to the budgeted salary increase) and a budget-neutral salary increase component of 1.7% to allow salary progression and merit increases for high performers.

43. The President recommends that the Board approve the following for NSAS, effective 1 January 2015:

- (i) for headquarters NSAS, the 2015 salary structure as shown in Table 5 and an overall average salary increase of 7.6%, which reflects a structure adjustment component of 4.5% (equal to the budgeted salary increase) and a budget-neutral salary increase component of 3.1% to allow salary progression and merit increases for high performers; and
- (ii) for field office NSAS, the 2015 salary structures as shown in Appendix 5 and an overall average salary increase of 7.0%, which reflects an average structure adjustment component of 4.4% (equal to the budgeted salary increase) and a budget-neutral average salary increase component of 2.6%. The corresponding figures for each field office are shown in Appendix 6 (Table A6.1).

44. Upon approval of the recommendations in paras. 42 and 43, the costs will be reflected in the 2015 budget proposal to be discussed and considered by the Board in December 2014.

**PRIMARY FINDINGS OF THE COMPENSATION REVIEW  
FOR INTERNATIONAL STAFF IN 2010 AND  
NATIONAL STAFF AND ADMINISTRATIVE STAFF IN 2011**

**A. International Staff**

1. The 2010 international staff compensation review's primary objective was to assess the overall competitiveness of the compensation package of the Asian Development Bank (ADB) relative to various markets, both private sector and public sector salaries in Australia; France; Germany; Hong Kong, China; Japan; Singapore; and the United States. The review also included comparisons of total remuneration (salaries, allowances, and employer-funded benefit values) with six international financial institutions and other international organizations: the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, and the World Bank.

2. The review noted that in accordance with the Agreement Establishing the Asian Development Bank (the Charter),<sup>1</sup> ADB needs an overall compensation program and, in particular, a salary system that is

- (i) set at internationally competitive levels in order to recruit and retain staff of the highest caliber from as wide a geographical basis as possible, and
- (ii) structured to recognize and provide strong incentives for high levels of performance throughout staff members' careers.

3. The review's primary findings and conclusions were as follows:

- (i) **Total remuneration.** Total remuneration is generally competitive if the measure is the midpoint of salaries. When the comparison used actual average salaries as the basis, the competitiveness of ADB's total remuneration dropped below the average and median values since average salaries of ADB staff are about 8% below the average midpoint salaries. This also affects salary-related benefit values. If the housing benefit is set aside, which as the consultants point out is a benefit that is a requirement unique to ADB to attract and retain staff because of location considerations, ADB's total remuneration package falls below the average and median values, even on the basis of midpoint salaries.
- (ii) **Compensation.** ADB's salary midpoints are generally competitive against global markets (Asia and the Pacific, Europe, and the United States). The study has shown that for the international staff positions that ADB recruits from the market, their pay levels converge in the global and regional markets. Performance bonuses are common only in the private sector, where the amounts are a significant component of total cash compensation. Among the six comparators, only the European Bank for Reconstruction and Development and the International Finance Corporation (part of the World Bank) pay performance bonuses.
- (iii) **Benefits.** Overall, ADB's benefits are competitive with those offered by the six comparators, but there are variations over the four broad benefit categories:
  - (a) security benefits (pension, insurance, sickness and disability benefits, and separation grants);

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<sup>1</sup> ADB.1966. *Agreement Establishing the Asian Development Bank*. Manila.

- (b) other professional staff benefits (dependency allowance, annual leave, and statutory holidays);
- (c) expatriate allowances (home country travel, education assistance, and mobility premium); and
- (d) housing allowances and rental subsidies.

4. Based on the aggregate value of all four categories of benefits, ADB ranks first and is above both the median and average values. However, this is primarily because of the rental subsidy, which is provided by only one other comparator. Without the rental subsidy, ADB's benefits package ranks fifth and falls below both the median and average. The consultants found that special factors make the provision of the rental subsidy a necessary allowance that allows ADB to address location-specific challenges.

5. The consultants also noted that ADB offers a comprehensive benefits package that is generally competitive with those of the comparators. However, many of the benefit programs operate under complex rule-based systems and are administratively burdensome to ADB. Staff members have also expressed a desire for simplification, more options, and flexibility to match their diverse personal circumstances. The review identified opportunities for making changes to individual benefits and allowances by reallocating resources within the total remuneration envelope. The recommended changes address the need to offer staff more options and some flexibility, balanced with ADB's need to make more effective use of its budgetary resources. The proposed changes will also help streamline processes and lower administration costs.

## **B. National Staff and Administrative Staff**

6. Similar to the 2010 comprehensive review for international staff, the 2011 review's primary objective was to assess the appropriateness of the current compensation methodology and determine the overall competitiveness of ADB's compensation package at headquarters and in field offices for national staff and administrative staff (NSAS). The total remuneration comparison was limited to headquarters and three field offices—the People's Republic of China, India, and Indonesia—because reliable salary data was not readily available in many duty station locations and the timeline for the completion of the review restricted the scope.

7. The review included comparisons of total remuneration (salaries and employer-provided benefit values) with the local comparator companies and the World Bank in the duty station location. The primary findings and conclusions are as follows:

- (i) **Total remuneration.** Total remuneration, as measured by the sum of cash compensation plus the monetary value assigned to the employer-provided portion of benefits, is at par for NSAS in headquarters and in the three field offices when compared with the World Bank. This is because both organizations provide many of the same benefits to locally recruited staff as are provided to international staff, notably pension, medical insurance, and leave. However, when compared with local comparator companies, total remuneration at ADB headquarters and the three field offices is significantly higher.
- (ii) **Compensation.** ADB's cash compensation at headquarters is lower than the World Bank and is at par with local comparator companies. For the three field offices, it is essentially the same, as expected, since the World Bank salary structure serves as the basis for the ADB salary structure in all of its field offices with the exception of Japan.
- (iii) **Benefits.** ADB's benefits are competitive with those offered by the World Bank, but are particularly higher when compared to the benefits provided by local comparator companies. Compared with the World Bank, most of the benefits are

at par; benefit values are higher for loans because of the interest subsidy and lower for life insurance.

8. The review noted that ADB offers a comprehensive benefits package that is generally above those of market comparators and at par with the World Bank. This is a result of ADB following the practice of most international financial institutions to maintain the same benefit programs and practices across locations to ensure parity among staff. The review endorsed the current practice of generally applying the same set of benefits across locations, especially since some field offices have few staff. The consultants also recommended that ADB consider “trade-offs” or reallocation of existing budgetary resources when considering changes to existing benefits or introducing new ones.

9. The review also identified opportunities to change certain benefits to unify the policy and practice for all NSAS. The recommended changes will also help streamline processes and simplify administration. ADB will continue to review benefits and allowances regularly, and will introduce cost-effective changes—primarily by reallocating existing budgetary resources—with the goal of providing staff with more options and flexibility, and simplifying administration.

## OVERVIEW OF THE WORLD BANK COMPENSATION METHODOLOGY

1. The revised compensation methodology for international staff approved by the Asian Development Bank (ADB) Board of Directors in 2010 reaffirmed the appropriateness of ADB continuing to reference the World Bank as its principal comparator. Therefore, ADB adjusts its salary structure by the same salary structure movement as the World Bank. This appendix provides an overview of the policies and procedures used under the World Bank rules-based compensation system to measure the United States (US) comparator market.<sup>1</sup>

2. **Step 1: Surveying the market and selecting comparator organizations.** The World Bank's salary structure for Washington-appointed staff is referenced to the US market. The compensation system utilizes salary data from three labor market sectors in setting the salary structure: the public sector, the private general industrial sector, and the private financial sector. For the public sector, market data is gathered from the US civil service, federal agencies, and the Federal Reserve System. Multiple high-quality data sources are used to ensure adequate coverage for World Bank jobs. Data from the Hay Group are used for the industrial sector, and data from McLagan Partners and Towers Watson are used for the financial sector.<sup>2</sup>

3. **Step 2: Job matching and collecting total cash compensation data.** Job matching reviews are conducted to reflect changes in the World Bank jobs relative to jobs in comparator organizations. This process contributes to a better understanding of the counterpart jobs in the market. Total cash compensation, which includes base salary and annual variable pay, is used to build the salary structures. Long-term incentives that are based on multiyear results, such as stock options or performance-based incentives, are excluded.

### Aggregating the Data

World Bank grade levels E to H	ADB grade levels IS1 to IS8	The data source weighting is 33% for the US public sector (US civil service 60%, Federal Reserve 40%) and 67% for the private sector (50% industrial sector, 50% financial sector).
World Bank grade level I	ADB grade levels IS9 and IS10	The data source weighting is half public sector and half private sector.

ADB = Asian Development Bank, IS = international staff, US = United States.  
Source: ADB.

4. **Step 3: Market positioning—setting the payline and designing the structure.** Once the market salary levels have been weighted and aggregated for each World Bank grade, the existing salary structure is adjusted effective July 1 to align the market reference points (MRPs) with the market grade levels based on a smoothing technique. This ensures that new MRPs are close to their respective market values, and the weighted average of the market values of the various grades and the weighted average of the MRPs are approximately equal. The competitive positioning of the World Bank is set at the 75th percentile of the market data. The MRPs determine the salary payline. To complete the structure, minimum and maximum salaries are developed from the MRPs using range spreads, which vary by grade level.

5. **Step 4: Calculating the structure adjustment and overall salary increase.** The structure adjustment is the increase in the weighted average of the new MRPs when compared with the previous year's MRPs (weighted by the number of staff). For its 2015 fiscal year (FY), 1

<sup>1</sup> Historical analyses have shown that the US market has been consistently competitive internationally. Every 3 years, the Washington salary scale is compared against the composite French and German market paylines to assess its international competitiveness.

<sup>2</sup> The Hay Group, McLagan Partners, and Towers Watson are compensation survey consulting firms.

July 2014–30 June 2015, the structure adjustment for the World Bank is 2.3%. The overall salary increase consists of the budgeted structure adjustment plus a non-budgeted salary increase component. The non-budgeted salary increase component has two elements: (i) the supplemental merit increase (SMI), which is provided to differentiate rewards for high performers and/or to address competitiveness issues for grades with average salaries significantly below the MRP; and (ii) the salary progression adjustment (SPA), which provides for progression within salary ranges, similar to the step increases in the public sector—except at the World Bank, where these are not automatic and are totally performance-based. The calculations of the SMI and the SPA are as follows:

- (i) The SMI is determined as the salary gap of staff with performance ratings of 4 or 5 relative to their MRP in the previous year (the World Bank ratings of 4 or 5 are similar to the ADB performance ratings of *satisfactory with special recommendation* and *exceptional*). The SMI is distributed to high-performing staff across all grades. For FY2015, the SMI for the World Bank is 0.3%.
- (ii) The SPA is determined as the 5-year average of the salary gap of confirmed staff (staff with more than 1 year in the same grade) relative to the MRPs over the same period. For FY2015, the SPA for the World Bank is 1.4%.

6. **Step 5: Converting gross market values to net values.** While labor market compensation data are collected and provided in gross terms, the resulting gross market values per grade are then netted down based on current tax tables provided by PricewaterhouseCoopers to restate them in terms comparable to the net-of-tax salaries of World Bank staff.

7. **Step 6: Developing a salary increase matrix.** Based on the overall salary increase and the distribution of performance ratings, the salary increase matrix is developed. The weighted average of the midpoint of the salary increase ranges for each performance rating weighted by the expected percentage of staff assigned for each rating is matched closely with the overall salary increase percentage.

**ADB AND WORLD BANK INTERNATIONAL STAFF SALARY STRUCTURE AND SALARY INCREASE (2006-2015) AND EFFECT OF EXCHANGE RATE AND PHILIPPINES CONSUMER PRICE INDEX ON STAFF EXPENSES AS A PERCENTAGE OF SALARY**

**Table A3.1: ADB and World Bank International Staff Salary Structure and Salary Increase (2006–2015)**  
(%)

Calendar Year	Structure Adjustment		Salary Increase		Comparatio	
	ADB	World Bank	ADB	World Bank	ADB	World Bank
2006	3.6	3.9	4.3	5.4	92.4	100.0
2007	3.5	3.5	4.4	5.0	91.7	100.0
2008	4.1	3.5	4.1	4.8	90.9	100.0
2009	4.3	3.3	5.9	5.0	91.8	100.0
2010	1.8	1.5	3.7	3.7	91.6	100.0
2011	1.7	2.4	4.3	3.7	91.5	100.0
2012	2.0	1.9	3.9	2.8	93.3	98.9
2013	1.9	1.9	3.2	3.2	93.3	98.1
2014	2.0	2.0	3.1	3.4	93.3	97.5
2015	2.3	2.3	4.0	4.0	93.9	97.1
Compounded Growth Rate	30.7	29.5	49.3	49.4		
Compounded Annual Growth Rate	2.7	2.6	4.1	4.1		

ADB = Asian Development Bank.  
Source: ADB.

**Table A3.2: Effect of Exchange Rate and Philippines Consumer Price Index on Staff Expenses as a Percentage of Salary<sup>a</sup>**

Year	Average Salary (Including Promotion Increases)	Amount Spent in Manila Starting at 40% of Pay in 2004	Annual Staff Share of Rent	Staff Share of Primary/Secondary Education	Total	Amount Spent in Manila as % of Pay	31 Dec Exchange Rate (\$/P)	CPI Philippines <sup>b</sup>	Salary Increase	Amount Spent in Manila Starting at 40% of Pay in 2005	Staff Share of Rent
	(\$)	(\$)	(\$)	(\$)	(\$)	(%)		(%)	(%)	(P)	(P)
2005	88,506	35,402	9,894	5,634	50,930	58	53.68	7.6	6.1	1,900,314	531,059
2006	93,861	41,721	11,361	5,974	59,055	63	49.01	6.2	6.1	2,044,738	556,794
2007	99,633	52,675	14,109	6,334	73,117	73	41.23	2.9	6.2	2,171,512	581,632
2008	105,462	47,027	12,704	6,716	66,446	63	47.52	8.3	5.9	2,234,486	603,614
2009	113,529	52,388	13,378	7,121	72,887	64	46.18	4.2	7.7	2,419,064	617,752
2010	119,717	57,582	14,450	7,550	79,583	66	43.78	3.8	5.5	2,520,665	632,562
2011	126,960	59,675	14,491	8,005	82,171	65	43.85	4.6	6.1	2,616,450	635,337
2012	134,133	66,735	14,677	8,488	89,900	67	41.01	3.2	5.7	2,736,807	601,890
2013	140,773	63,641	13,025	9,000	85,666	61	44.38	3.0	5.0	2,824,385	578,064
2014	147,600	67,654	13,873	9,543	91,070	62	43.00	4.4	4.9	2,909,116	596,544
<b>Annual Increase (%)</b>	<b>5.8</b>	<b>7.5</b>	<b>3.8</b>	<b>6.0</b>	<b>6.7</b>	<b>0.8</b>	<b>(2.4)</b>	<b>4.5</b>	<b>5.8</b>	<b>4.8</b>	<b>1.3</b>

( ) = negative, CPI = consumer price index, P = Philippine peso.

<sup>a</sup> This illustrative example is based on the following assumptions:

- (i) The salary increase is the approved annual average salary increase plus a component to reflect an average promotion increase during 2005–2014.
- (ii) Staff with two dependent children in duty station schooling in Manila.
- (iii) Staff's total local expenditure (excluding rent and education) is at 40% of salary; this includes food, clothing, transportation costs, and utilities.
- (iv) Staff share is 25% of education cost; education cost is assumed to be an average of primary and secondary tuition fees at international schools in Manila.
- (v) Staff share is 35% of actual rent; rent is assumed to be at the average median gross rent in each calendar year.

<sup>b</sup> Annual inflation data from the Republic of the Philippines National Statistics Office.

Source: Asian Development Bank.



**LIST OF COMPARATOR COMPANIES AND ORGANIZATIONS FOR SALARY REVIEW OF  
HEADQUARTERS NATIONAL STAFF AND ADMINISTRATIVE STAFF**

<b>No.</b>	<b>Company Name</b>	<b>Line of Business</b>	<b>Headquarters</b>	<b>Total No. of Staff</b>
1	Accenture, Inc.	Services	United States	>1,000
2	Citibank, N.A.	Finance	United States	>1,000
3	HSBC Group	Finance	United Kingdom	>500
4	International Rice Research Institute	Supranational	Philippines	>1,000
5	National Power Corporation	Service/Utilities	Philippines	>1,000
6	Nestle Philippines, Inc.	Consumer	Switzerland	>1,000
7	Petron Corporation	Oil	Philippines	>1,000
8	Procter & Gamble, Philippines	Consumer	United States	>1,000
9	San Miguel Corporation	Consumer	Philippines	>1,000
10	Smart Communications, Inc.	Service/Utilities	Philippines/Japan	>1,000
11	Sun Life Assurance Company of Canada	Finance	Canada	>500
12	United Laboratories, Inc.	Pharmaceutical	Philippines	>1,000
13	United States Embassy	Embassy	United States	>1,000
14	World Bank, Manila Office	Supranational	International	<500
15	World Health Organization	Supranational	International	<500

> = greater than, < = less than.

Source: Towers Watson's Salary Survey Report.

**PROPOSED FIELD OFFICE SALARY STRUCTURES EFFECTIVE 1 JANUARY 2015**

**CENTRAL WEST ASIA**

**Table A5.1: Afghanistan Resident Mission**

(\$ per year)

<b>Level</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>	<b>Range Spread (%)</b>
<b>Administrative Staff</b>				
AS1	10,500	13,700	16,800	60
AS2	12,100	15,700	19,400	60
AS3	13,900	18,400	22,900	65
AS4	15,500	20,600	25,600	65
AS5	18,100	24,400	30,800	70
AS6	20,000	27,000	34,000	70
AS7	25,200	34,600	44,100	75
<b>National Staff</b>				
NS1	29,200	40,100	51,100	75
NS2	33,100	45,500	57,900	75
NS3	38,800	54,300	69,800	80
NS4	45,800	64,100	82,400	80
NS5	52,800	73,900	95,000	80
NS6	58,200	81,500	104,800	80
NS7	64,000	89,600	115,200	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.2: Armenia Resident Mission**

(AMD per year)

<b>Level</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>	<b>Range Spread (%)</b>
<b>Administrative Staff</b>				
AS1	4,365,000	5,675,000	6,984,000	60
AS2	4,947,000	6,431,000	7,915,000	60
AS3	5,294,000	7,014,000	8,735,000	65
AS4	5,834,000	7,730,000	9,626,000	65
AS5	6,455,000	8,714,000	10,974,000	70
AS6	7,149,000	9,651,000	12,153,000	70
AS7	8,894,000	12,229,000	15,565,000	75
<b>National Staff</b>				
NS1	10,337,000	14,213,000	18,090,000	75
NS2	11,779,000	16,196,000	20,613,000	75
NS3	14,211,000	19,895,000	25,580,000	80
NS4	16,567,000	23,194,000	29,821,000	80
NS5	20,077,000	28,108,000	36,139,000	80
NS6	22,474,000	31,463,000	40,453,000	80
NS7	24,721,000	34,610,000	44,498,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.3: Azerbaijan Resident Mission**  
(AZN per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	13,300	17,300	21,300	60
AS2	14,200	18,500	22,700	60
AS3	15,900	21,100	26,200	65
AS4	17,600	23,300	29,000	65
AS5	19,600	26,400	33,300	70
AS6	21,600	29,200	36,700	70
AS7	25,200	34,700	44,100	75
National Staff				
NS1	29,200	40,100	51,100	75
NS2	33,100	45,500	57,900	75
NS3	39,900	55,800	71,800	80
NS4	46,600	65,200	83,900	80
NS5	55,100	77,200	99,200	80
NS6	61,400	85,900	110,500	80
NS7	67,400	94,400	121,300	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.4: Georgia Resident Mission**  
(GEL per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	23,300	30,300	37,300	60
AS2	27,500	35,700	44,000	60
AS3	29,500	39,100	48,700	65
AS4	31,700	42,000	52,300	65
AS5	35,000	47,200	59,500	70
AS6	40,200	54,300	68,300	70
AS7	44,800	61,600	78,400	75
National Staff				
NS1	50,700	69,700	88,700	75
NS2	56,500	77,700	98,900	75
NS3	70,400	98,500	126,700	80
NS4	81,400	113,900	146,500	80
NS5	102,000	142,800	183,600	80
NS6	108,600	152,100	195,500	80
NS7	119,600	167,400	215,300	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.5: Kazakhstan Resident Mission**  
(T per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	2,288,000	2,974,000	3,661,000	60
AS2	2,568,000	3,338,000	4,109,000	60
AS3	2,829,000	3,748,000	4,668,000	65
AS4	3,106,000	4,116,000	5,125,000	65
AS5	3,323,000	4,486,000	5,649,000	70
AS6	3,929,000	5,304,000	6,679,000	70
AS7	4,591,000	6,312,000	8,034,000	75
National Staff				
NS1	5,484,000	7,541,000	9,597,000	75
NS2	6,378,000	8,770,000	11,162,000	75
NS3	8,575,000	12,005,000	15,435,000	80
NS4	10,391,000	14,547,000	18,704,000	80
NS5	12,948,000	18,127,000	23,306,000	80
NS6	15,462,000	21,647,000	27,832,000	80
NS7	17,008,000	23,811,000	30,614,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.6: Kyrgyz Republic Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	8,800	11,400	14,100	60
AS2	9,200	11,900	14,700	60
AS3	9,900	13,100	16,300	65
AS4	10,800	14,300	17,800	65
AS5	11,000	14,800	18,700	70
AS6	12,400	16,700	21,100	70
AS7	14,200	19,500	24,900	75
National Staff				
NS1	16,300	22,400	28,500	75
NS2	18,300	25,200	32,000	75
NS3	20,800	29,100	37,400	80
NS4	24,200	33,900	43,600	80
NS5	28,800	40,300	51,800	80
NS6	31,900	44,700	57,400	80
NS7	35,100	49,200	63,200	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.7: Pakistan Resident Mission**  
(PRs per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	581,000	755,000	930,000	60
AS2	732,000	952,000	1,171,000	60
AS3	725,000	960,000	1,196,000	65
AS4	915,000	1,213,000	1,510,000	65
AS5	1,274,000	1,720,000	2,166,000	70
AS6	1,503,000	2,029,000	2,555,000	70
AS7	1,892,000	2,601,000	3,311,000	75
National Staff				
NS1	2,526,000	3,473,000	4,421,000	75
NS2	3,159,000	4,344,000	5,528,000	75
NS3	3,813,000	5,338,000	6,863,000	80
NS4	5,092,000	7,129,000	9,166,000	80
NS5	5,992,000	8,389,000	10,786,000	80
NS6	7,564,000	10,589,000	13,615,000	80
NS7	8,320,000	11,648,000	14,976,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.8: Tajikistan Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	8,300	10,800	13,300	60
AS2	9,300	12,100	14,900	60
AS3	10,200	13,500	16,800	65
AS4	11,600	15,400	19,100	65
AS5	12,800	17,300	21,800	70
AS6	14,100	19,000	24,000	70
AS7	16,900	23,200	29,600	75
National Staff				
NS1	19,000	26,100	33,300	75
NS2	21,100	29,000	36,900	75
NS3	24,300	34,000	43,700	80
NS4	27,600	38,600	49,700	80
NS5	30,400	42,600	54,700	80
NS6	33,300	46,600	59,900	80
NS7	36,600	51,300	65,900	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.9: Turkmenistan Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	8,300	10,800	13,300	60
AS2	10,500	13,700	16,800	60
AS3	12,200	16,100	20,100	65
AS4	13,400	17,700	22,100	65
AS5	14,500	19,600	24,700	70
AS6	15,600	21,100	26,500	70
AS7	17,600	24,200	30,800	75
National Staff				
NS1	20,500	28,200	35,900	75
NS2	23,400	32,200	41,000	75
NS3	29,100	40,800	52,400	80
NS4	34,100	47,700	61,400	80
NS5	40,700	57,000	73,300	80
NS6	44,100	61,800	79,400	80
NS7	48,600	68,000	87,500	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.10: Uzbekistan Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	7,600	9,900	12,200	60
AS2	8,300	10,800	13,300	60
AS3	9,400	12,500	15,500	65
AS4	10,300	13,700	17,000	65
AS5	11,300	15,300	19,200	70
AS6	13,200	17,800	22,400	70
AS7	15,200	20,900	26,600	75
National Staff				
NS1	17,900	24,600	31,300	75
NS2	20,600	28,300	36,100	75
NS3	25,700	36,000	46,300	80
NS4	29,900	41,900	53,800	80
NS5	35,500	49,700	63,900	80
NS6	40,400	56,500	72,700	80
NS7	44,400	62,200	79,900	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

## EAST ASIA

**Table A5.11: People's Republic of China Resident Mission**  
(CNY per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	97,200	126,300	155,500	60
AS2	108,800	141,500	174,100	60
AS3	119,600	158,500	197,300	65
AS4	136,800	181,200	225,700	65
AS5	154,000	207,900	261,800	70
AS6	175,300	236,600	298,000	70
AS7	223,500	307,300	391,100	75
National Staff				
NS1	258,000	354,700	451,500	75
NS2	292,400	402,000	511,700	75
NS3	389,400	545,200	700,900	80
NS4	481,200	673,700	866,200	80
NS5	608,100	851,400	1,094,600	80
NS6	681,800	954,500	1,227,200	80
NS7	750,000	1,050,000	1,350,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.12: Mongolia Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	8,300	10,800	13,300	60
AS2	9,300	12,100	14,900	60
AS3	10,200	13,500	16,800	65
AS4	11,200	14,900	18,500	65
AS5	13,300	17,900	22,600	70
AS6	14,200	19,200	24,100	70
AS7	16,800	23,100	29,400	75
National Staff				
NS1	19,600	26,900	34,300	75
NS2	22,300	30,600	39,000	75
NS3	27,400	38,400	49,300	80
NS4	30,900	43,300	55,600	80
NS5	42,100	58,900	75,800	80
NS6	46,500	65,100	83,700	80
NS7	51,100	71,600	92,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

## PACIFIC

**Table A5.13: Pacific Liaison and Coordination Office**  
(A\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	33,000	42,900	52,800	60
AS2	36,000	46,800	57,600	60
AS3	38,000	50,300	62,700	65
AS4	41,900	55,500	69,100	65
AS5	44,600	60,200	75,800	70
AS6	48,200	65,100	81,900	70
AS7	55,100	75,700	96,400	75
National Staff				
NS1	62,400	85,800	109,200	75
NS2	69,700	95,900	122,000	75
NS3	78,600	110,000	141,500	80
NS4	88,300	123,600	158,900	80
NS5	101,400	142,000	182,500	80
NS6	113,100	158,400	203,600	80
NS7	124,500	174,300	224,100	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.14: Pacific Subregional Office in Suva, Fiji**  
(F\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	16,800	21,800	26,900	60
AS2	18,800	24,400	30,100	60
AS3	20,200	26,700	33,300	65
AS4	22,500	29,800	37,100	65
AS5	24,400	33,000	41,500	70
AS6	27,000	36,500	45,900	70
AS7	31,600	43,500	55,300	75
National Staff				
NS1	38,100	52,400	66,700	75
NS2	44,600	61,300	78,100	75
NS3	59,600	83,500	107,300	80
NS4	71,400	100,000	128,500	80
NS5	81,400	114,000	146,500	80
NS6	95,200	133,300	171,400	80
NS7	104,700	146,600	188,500	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.



**Table A5.15: Papua New Guinea Resident Mission**  
(K per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	22,400	29,100	35,800	60
AS2	25,900	33,700	41,400	60
AS3	28,000	37,100	46,200	65
AS4	31,200	41,400	51,500	65
AS5	35,300	47,700	60,000	70
AS6	41,300	55,700	70,200	70
AS7	49,500	68,100	86,600	75
National Staff				
NS1	57,700	79,400	101,000	75
NS2	66,000	90,700	115,500	75
NS3	78,800	110,300	141,800	80
NS4	97,900	137,100	176,200	80
NS5	125,400	175,600	225,700	80
NS6	131,900	184,600	237,400	80
NS7	145,000	203,000	261,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.16: Timor-Leste Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	5,200	6,700	8,300	60
AS2	6,300	8,200	10,100	60
AS3	6,700	8,900	11,100	65
AS4	7,800	10,300	12,900	65
AS5	8,400	11,300	14,300	70
AS6	9,600	12,900	16,300	70
AS7	12,800	17,600	22,400	75
National Staff				
NS1	14,900	20,500	26,100	75
NS2	17,100	23,500	29,900	75
NS3	21,000	29,400	37,800	80
NS4	26,100	36,500	47,000	80
NS5	35,100	49,200	63,200	80
NS6	39,400	55,100	70,900	80
NS7	43,300	60,600	77,900	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

## SOUTH ASIA

**Table A5.17: Bangladesh Resident Mission**  
(Tk per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	486,000	632,000	778,000	60
AS2	568,000	739,000	909,000	60
AS3	706,000	935,000	1,165,000	65
AS4	812,000	1,076,000	1,340,000	65
AS5	959,000	1,295,000	1,630,000	70
AS6	1,047,000	1,413,000	1,780,000	70
AS7	1,323,000	1,819,000	2,315,000	75
National Staff				
NS1	1,615,000	2,221,000	2,826,000	75
NS2	1,908,000	2,623,000	3,339,000	75
NS3	2,304,000	3,226,000	4,147,000	80
NS4	3,486,000	4,880,000	6,275,000	80
NS5	4,031,000	5,644,000	7,256,000	80
NS6	5,074,000	7,103,000	9,133,000	80
NS7	5,581,000	7,814,000	10,046,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.18: Bhutan Resident Mission**  
(Nu per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	208,000	270,000	333,000	60%
AS2	238,000	309,000	381,000	60%
AS3	266,000	353,000	439,000	65%
AS4	297,000	394,000	490,000	65%
AS5	327,000	442,000	556,000	70%
AS6	356,000	480,000	605,000	70%
AS7	394,000	542,000	690,000	75%
National Staff				
NS1	425,000	585,000	744,000	75%
NS2	457,000	628,000	800,000	75%
NS3	491,000	688,000	884,000	80%
NS4	524,000	733,000	943,000	80%
NS5	556,000	779,000	1,001,000	80%
NS6	594,000	831,000	1,069,000	80%
NS7	653,000	914,000	1,175,000	80%

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.19: India Resident Mission**  
(Rs per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	366,000	476,000	586,000	60
AS2	429,000	558,000	686,000	60
AS3	495,000	656,000	817,000	65
AS4	589,000	780,000	972,000	65
AS5	669,000	903,000	1,137,000	70
AS6	814,000	1,099,000	1,384,000	70
AS7	1,028,000	1,413,000	1,799,000	75
National Staff				
NS1	1,234,000	1,697,000	2,160,000	75
NS2	1,441,000	1,981,000	2,522,000	75
NS3	1,778,000	2,489,000	3,200,000	80
NS4	2,719,000	3,807,000	4,894,000	80
NS5	3,733,000	5,226,000	6,719,000	80
NS6	4,611,000	6,455,000	8,300,000	80
NS7	5,071,000	7,100,000	9,128,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.20: Nepal Resident Mission**  
(NRs per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	534,000	694,000	854,000	60
AS2	636,000	827,000	1,018,000	60
AS3	675,000	894,000	1,114,000	65
AS4	807,000	1,069,000	1,332,000	65
AS5	905,000	1,222,000	1,539,000	70
AS6	1,004,000	1,355,000	1,707,000	70
AS7	1,220,000	1,678,000	2,135,000	75
National Staff				
NS1	1,424,000	1,958,000	2,492,000	75
NS2	1,628,000	2,239,000	2,849,000	75
NS3	2,089,000	2,924,000	3,760,000	80
NS4	2,509,000	3,512,000	4,516,000	80
NS5	3,044,000	4,261,000	5,479,000	80
NS6	3,547,000	4,966,000	6,385,000	80
NS7	3,901,000	5,462,000	7,022,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.21: Sri Lanka Resident Mission**  
(SLRs per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	939,000	1,221,000	1,502,000	60
AS2	1,020,000	1,326,000	1,632,000	60
AS3	1,229,000	1,629,000	2,028,000	65
AS4	1,377,000	1,824,000	2,272,000	65
AS5	1,525,000	2,059,000	2,593,000	70
AS6	1,924,000	2,597,000	3,271,000	70
AS7	2,275,000	3,128,000	3,981,000	75
National Staff				
NS1	2,712,000	3,729,000	4,746,000	75
NS2	3,148,000	4,329,000	5,509,000	75
NS3	3,754,000	5,256,000	6,757,000	80
NS4	4,805,000	6,727,000	8,649,000	80
NS5	6,456,000	9,039,000	11,621,000	80
NS6	8,280,000	11,592,000	14,904,000	80
NS7	9,108,000	12,751,000	16,394,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

## SOUTHEAST ASIA

**Table A5.22: Cambodia Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	7,000	9,100	11,200	60
AS2	8,200	10,600	13,100	60
AS3	8,800	11,600	14,500	65
AS4	10,200	13,500	16,800	65
AS5	10,600	14,300	18,000	70
AS6	12,400	16,800	21,100	70
AS7	16,100	22,200	28,200	75
National Staff				
NS1	18,800	25,800	32,900	75
NS2	21,300	29,300	37,300	75
NS3	27,400	38,400	49,300	80
NS4	32,300	45,200	58,100	80
NS5	41,200	57,700	74,200	80
NS6	47,100	66,000	84,800	80
NS7	51,900	72,600	93,400	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.23: Indonesia Resident Mission**  
(Rp per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	93,113,000	121,047,000	148,981,000	60
AS2	113,608,000	147,691,000	181,773,000	60
AS3	120,844,000	160,118,000	199,393,000	65
AS4	147,136,000	194,955,000	242,774,000	65
AS5	167,504,000	226,131,000	284,757,000	70
AS6	208,541,000	281,531,000	354,520,000	70
AS7	254,019,000	349,276,000	444,533,000	75
National Staff				
NS1	307,436,000	422,724,000	538,013,000	75
NS2	360,852,000	496,171,000	631,491,000	75
NS3	518,379,000	725,730,000	933,082,000	80
NS4	645,482,000	903,675,000	1,161,868,000	80
NS5	901,895,000	1,262,653,000	1,623,411,000	80
NS6	1,027,866,000	1,439,012,000	1,850,159,000	80
NS7	1,130,652,000	1,582,913,000	2,035,174,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.24: Lao People's Democratic Republic Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	5,800	7,500	9,300	60
AS2	6,400	8,300	10,200	60
AS3	6,900	9,100	11,400	65
AS4	7,500	10,000	12,400	65
AS5	8,200	11,100	13,900	70
AS6	9,000	12,100	15,300	70
AS7	10,500	14,500	18,400	75
National Staff				
NS1	12,600	17,300	22,100	75
NS2	14,600	20,100	25,600	75
NS3	20,400	28,500	36,700	80
NS4	26,000	36,400	46,800	80
NS5	36,600	51,200	65,900	80
NS6	44,500	62,300	80,100	80
NS7	48,900	68,500	88,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.25: Myanmar Resident Mission**  
(\$ per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	7,000	9,100	11,200	60
AS2	8,000	10,400	12,800	60
AS3	8,800	11,700	14,500	65
AS4	9,800	13,000	16,200	65
AS5	10,900	14,700	18,500	70
AS6	12,000	16,200	20,400	70
AS7	13,500	18,500	23,600	75
National Staff				
NS1	14,800	20,400	25,900	75
NS2	16,200	22,300	28,400	75
NS3	18,300	25,600	32,900	80
NS4	20,100	28,100	36,200	80
NS5	21,900	30,600	39,400	80
NS6	24,000	33,600	43,200	80
NS7	26,400	37,000	47,500	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.26: Thailand Resident Mission**  
(B per year)

Level	Minimum	Midpoint	Maximum	Range Spread (%)
Administrative Staff				
AS1	279,000	363,000	446,000	60
AS2	348,000	453,000	557,000	60
AS3	406,000	538,000	670,000	65
AS4	509,000	674,000	840,000	65
AS5	607,000	820,000	1,032,000	70
AS6	762,000	1,029,000	1,295,000	70
AS7	911,000	1,252,000	1,594,000	75
National Staff				
NS1	1,092,000	1,501,000	1,911,000	75
NS2	1,273,000	1,750,000	2,228,000	75
NS3	1,879,000	2,630,000	3,382,000	80
NS4	2,812,000	3,937,000	5,062,000	80
NS5	3,329,000	4,660,000	5,992,000	80
NS6	3,872,000	5,421,000	6,970,000	80
NS7	4,259,000	5,963,000	7,666,000	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.27: Viet Nam Resident Mission**  
(\$ per year)

<b>Level</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>	<b>Range Spread (%)</b>
<b>Administrative Staff</b>				
AS1	8,700	11,300	13,900	60
AS2	9,300	12,100	14,900	60
AS3	10,700	14,200	17,700	65
AS4	12,300	16,300	20,300	65
AS5	14,200	19,200	24,100	70
AS6	16,400	22,200	27,900	70
AS7	20,800	28,600	36,400	75
<b>National Staff</b>				
NS1	26,100	35,900	45,700	75
NS2	31,300	43,100	54,800	75
NS3	44,100	61,700	79,400	80
NS4	51,200	71,700	92,200	80
NS5	65,800	92,100	118,400	80
NS6	84,100	117,700	151,400	80
NS7	92,500	129,500	166,500	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

## REPRESENTATIVE OFFICES

**Table A5.28: European Representative Office**  
(€ per year)

<b>Level</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>	<b>Range Spread (%)</b>
<b>Administrative Staff</b>				
AS4	30,600	40,600	50,500	65
AS5	32,300	43,600	54,900	70
AS6	37,300	50,400	63,400	70
AS7	40,900	56,200	71,600	75
<b>National Staff</b>				
NS1	46,400	63,800	81,200	75
NS2	51,900	71,400	90,800	75
NS3	66,400	92,900	119,500	80

AS = administrative staff, NS = national staff.

Source: Asian Development Bank.

**Table A5.29: Japan Representative Office<sup>a</sup>**

(¥ per year)

<b>Level</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>	<b>Range Spread (%)</b>
<b>Administrative Staff</b>				
AS4	4,165,000	5,519,000	6,872,000	65
AS5	4,223,000	5,701,000	7,179,000	70
AS6	4,472,000	6,037,000	7,602,000	70
AS7	5,661,000	7,784,000	9,907,000	75
<b>National Staff</b>				
NS1	6,139,000	8,441,000	10,743,000	75
NS2	6,617,000	9,098,000	11,580,000	75
NS3	8,736,000	12,230,000	15,725,000	80

AS = administrative staff, NS = national staff.

<sup>a</sup> Gross salary structure.

Source: Asian Development Bank.

**Table A5.30: North American Representative Office<sup>a</sup>**

(\$ per year)

<b>Level</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>	<b>Range Spread (%)</b>
<b>Administrative Staff</b>				
AS4	38,600	51,100	63,700	65
AS5	44,400	59,900	75,500	70
AS6	49,700	67,100	84,500	70
AS7	54,700	75,200	95,700	75
<b>National Staff</b>				
NS1	64,500	88,700	112,900	75
NS2	74,300	102,200	130,000	75
NS3	98,200	137,500	176,800	80

AS = administrative staff, NS = national staff.

<sup>a</sup> Gross salary structure.

Source: Asian Development Bank.



**PROPOSED FIELD OFFICE STRUCTURE ADJUSTMENT, SALARY INCREASE, AND  
COMPARATIO FOR 2015 AND SUMMARY OF FIELD OFFICE AVERAGE ANNUAL  
SALARY INCREASE AND CONSUMER PRICE INDEX (2011–2015)**

**Table A6.1: Proposed Field Office Structure Adjustment, Salary Increase, and Comparatio**

Regional Department/ Field Office Location	Confirmed Staff (No.)	Structure Adjustment Component (%)	Budget Neutral Salary Increase Component (%)	Proposed Average Salary Increase (%)	Estimated Comparatio before Salary Increase (%)	Estimated Comparatio after Salary Increase (%)	Salary Currency	Exchange Rate <sup>a</sup>
<b>Central West Asia</b>								
Afghanistan	15	10.7	0.1	10.8	90.7	100.6	\$	1.00
Armenia	6	7.2	1.0	8.2	90.6	98.3	AMD	410.93
Azerbaijan	5	6.4	0.1	6.5	93.3	99.4	AZN	0.78
Georgia	6	0.1	3.4	3.5	96.6	100.0	GEL	1.73
Kazakhstan	11	12.1	1.6	13.7	87.5	99.5	T	182.08
Kyrgyz Republic	9	2.8	2.4	5.2	95.5	100.5	\$	1.00
Pakistan	35	16.8	0.1	16.9	86.3	101.3	PRs	101.85
Tajikistan	14	19.5	2.4	21.9	79.4	98.0	\$	1.00
Turkmenistan	4	1.3	4.1	5.4	97.9	103.2	\$	1.00
Uzbekistan	14	0.0	3.0	3.0	98.2	101.1	\$	1.00
<b>East Asia</b>								
PRC	49	6.3	1.5	7.8	90.6	97.6	CNY	6.14
Mongolia	15	0.0	3.2	3.2	99.9	103.1	\$	1.00
<b>Pacific</b>								
Australia	10	0.3	1.9	2.2	102.3	104.6	A\$	1.07
Fiji	13	0.7	1.8	2.5	100.3	102.9	F\$	1.85
PNG	9	0.2	2.1	2.3	98.0	100.2	K	2.46
Timor-Leste	5	2.3	0.5	2.8	98.9	101.7	\$	1.00
<b>South Asia</b>								
Bangladesh	45	0.9	8.5	9.4	88.6	97.0	Tk	77.60
Bhutan <sup>b</sup>	1	0.4	1.6	2.0			Nu	60.60
India	61	2.8	4.8	7.6	91.0	97.9	Rs	60.60
Nepal	36	12.0	1.8	13.8	84.2	96.0	NRs	96.84
Sri Lanka	31	7.9	2.5	10.4	86.4	96.0	SLRs	130.23
<b>Southeast Asia</b>								
Cambodia	26	1.3	1.7	3.0	98.1	101.1	\$	1.00
Indonesia	37	0.0	2.1	2.1	99.4	101.4	Rp	11,705.00
Lao PDR	17	0.0	2.4	2.4	97.7	100.0	\$	1.00
Myanmar <sup>c</sup>		0.3	1.7	2.0	104.1	106.2	\$	1.00
Thailand	11	0.0	2.6	2.6	98.5	101.0	B	31.95
Viet Nam	37	2.9	2.9	5.8	94.5	100.0	\$	1.00
<b>Representative Offices</b>								
Germany	3	2.2	0.1	2.3	111.1	113.6	€	0.76
Japan	3	0.9	1.1	2.0	121.7	124.1	¥	104.09
United States	3	2.3	3.7	6.0	86.8	92.0	\$	1.00
<b>Total/Average</b>	<b>531</b>	<b>4.4</b>	<b>2.6</b>	<b>7.0</b>	<b>93.1</b>	<b>99.7</b>		

Lao PDR = Lao People's Democratic Republic, PNG = Papua New Guinea, PRC = People's Republic of China.

<sup>a</sup> Data as of 31 August 2014.

<sup>b</sup> Comparatio values for staff in the Bhutan Resident Mission are not shown for purposes of confidentiality.

<sup>c</sup> Current national and administrative staff in the Myanmar Resident Mission were appointed in 2014 and will not be entitled to the 2015 salary increase. Figures shown only reflect indicative values for the confirmation increase.

Source: Asian Development Bank.

**Table A6.2: Summary of Field Office Average Annual Salary Increase and Consumer Price Index<sup>a</sup> (2011–2015)**

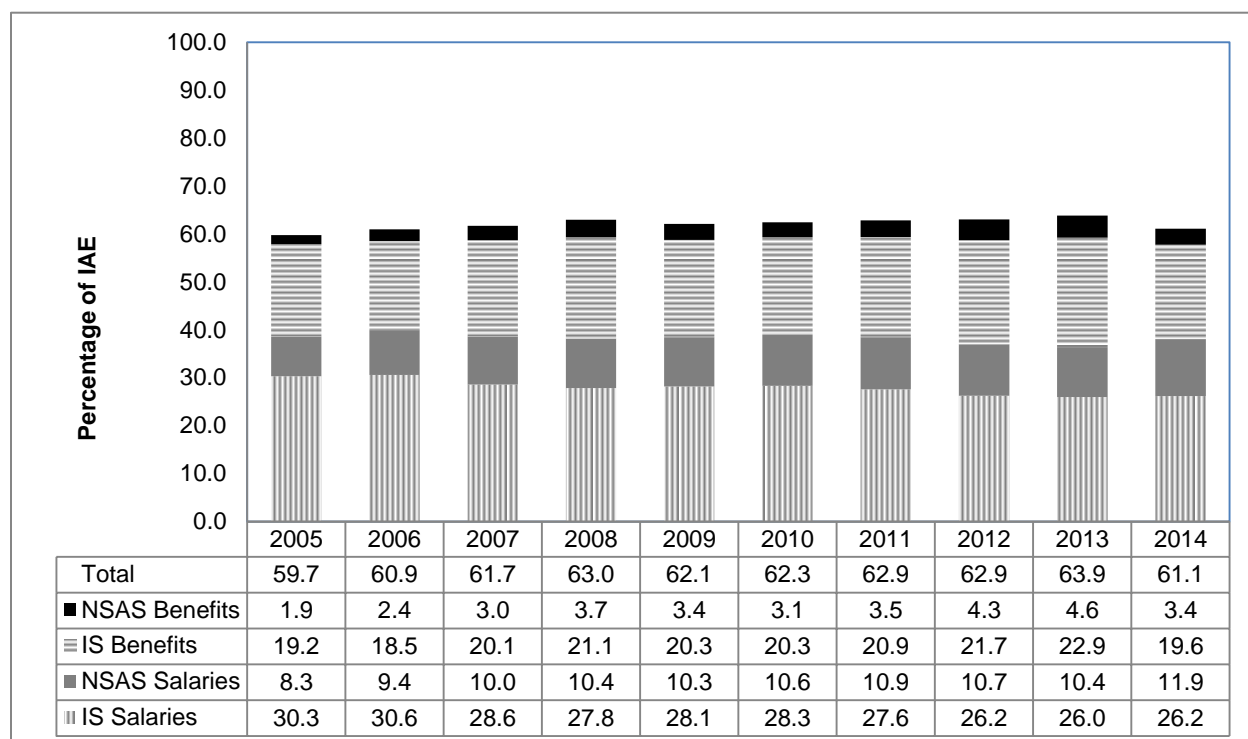
<b>ADB Field Office Location</b>	<b>Average Annual Structure Increase (%)</b>	<b>Average Annual Salary Increase (nominal) (%)</b>	<b>Average Annual CPI<sup>a</sup> (%)</b>	<b>Average Annual Salary Increase (real) (%)</b>
Uzbekistan	5.8	8.6	11.5	(2.9)
Timor-Leste	6.5	6.6	6.9	(0.3)
Australia	2.2	3.8	3.7	0.1
India	3.8	8.6	8.5	0.1
Mongolia	11.5	13.3	13.0	0.3
Germany	0.6	2.0	1.5	0.5
Afghanistan	7.4	8.4	7.6	0.8
PNG	6.2	8.3	7.5	0.8
Nepal	7.7	10.7	9.5	1.2
Indonesia	4.6	6.9	5.5	1.4
Cambodia	4.3	5.6	4.0	1.6
Fiji	2.3	5.2	3.6	1.6
Azerbaijan	5.4	8.1	6.0	2.1
United States	4.0	5.0	1.9	3.1
Japan	(3.2)	4.1	0.9	3.2
Pakistan	10.5	13.4	10.0	3.4
Viet Nam	9.9	12.9	9.4	3.5
Lao PDR	7.0	9.5	5.9	3.6
Thailand	1.3	6.4	2.8	3.6
Bangladesh	7.4	11.6	7.9	3.7
Kazakhstan	7.2	9.9	6.2	3.7
Armenia	7.3	9.9	4.6	5.3
Kyrgyz Republic	6.8	9.2	3.8	5.4
Sri Lanka	7.9	11.7	5.8	5.9
Georgia	6.0	9.3	3.3	6.0
PRC	7.5	9.5	3.2	6.3
Tajikistan	11.2	13.0	5.4	7.6
Turkmenistan	6.8	14.5	5.5	9.0
<b>Average</b>	<b>6.0</b>	<b>8.9</b>	<b>6.2</b>	<b>2.7</b>

( ) = negative; CPI = consumer price index, Lao PDR = Lao People's Democratic Republic, Lao PDR = Lao People's Democratic Republic, PNG = Papua New Guinea, PRC = People's Republic of China.

<sup>a</sup> Data from the International Monetary Fund's International Financial Statistics, the Asian Development Bank Economics and Research Department (for PNG, Turkmenistan, and Uzbekistan), and the Reserve Bank of Australia (for Australia).

Source: Asian Development Bank.

**RATIO OF STAFF SALARIES AND BENEFITS  
TO INTERNAL ADMINISTRATIVE EXPENSES  
(%)**



IAE = Internal Administrative Expenses, IS = international staff, NSAS = national staff and administrative staff.

Notes:

1. 2005–2013: actual data; 2014: midyear estimates

2. Major events in the rationalization of salaries and benefits:

For international staff:

- (i) Education grant: rationalization of tuition and flat rate allowance (1999–2003)
- (ii) Home country travel and education travel: 80% airfare (2006)
- (iii) Rental subsidy: fixed cost sharing at 60% Asian Development Bank and 40% staff (2006)
- (iv) Post-retirement group medical insurance plan: decrease in reimbursement rate and elimination of subsidy for stop loss benefits (2006)
- (v) Staff Retirement Plan: new plan provisions (2006 and 2009)
- (vi) Rental subsidy: fixed cost sharing at 65% Asian Development Bank and 35% staff (2008)
- (vii) Rental subsidy: implementation of rental allowance scheme (2012)

For national staff and administrative staff:

- (i) Dependency allowance for headquarters NSAS: 3-year buyout for parents and parents-in-law (2011)
- (ii) Dependency allowance for headquarters NSAS: eliminated for staff hired from 1 January 2012 (2012)
- (iii) Salary payment mode for headquarters NSAS: annualized salary paid over 12 months (2012)
- (iv) Overtime: uniform overtime rate for all administrative staff to 1.5 for weekdays and 1.7 for weekends and holidays (2012)

Source: Asian Development Bank.

## RECRUITMENT AND RETENTION EXPERIENCE

### A. International Staff

1. Tables A8.1–A8.6 present the recruitment and retention experience of the Asian Development Bank for international staff. The main points are as follows:

- (i) **Recruitment rate.** The highest recruitment rate during 2005–2014 was 16.0% (in 2010). The highest recruitment percentage (20.5%) of women was also recorded in 2010 (Table A8.1). The annualized recruitment rate of 6.8% for 2014 is the lowest for the 10-year period. ADB's newly recruited staff in 2014 have primarily come from government agencies (43.3%) and the private sector (33.3%) with the rest coming from other international organizations, from within ADB (promotions from national staff positions), and the academe (Table A8.2).
- (ii) **Rejection rate.** The annualized rejection rate for 2014 of 16.1% is higher than the average rejection rate from 2005 to 2013 of 15.3% (Table A8.3). The average rejection rate for women was greater than that for men from January 2005 to August 2014. The main reasons for rejection of job offers were related to family or spouse employment (45.1%) and salary-related (42.8%) concerns (Table A8.4). During the first 8 months of 2014, six candidates rejected the offer primarily due to job-related concerns.
- (iii) **Termination rate.** The staff termination annualized rate of 9.2% for 2014 is higher than the average termination rate of 8.7% during 2005–2013 (Table A8.5).
- (iv) **Voluntary resignation rate.** The staff voluntary resignation annualized rate of 3.6% for 2014 is higher than the average termination rate of 3.2% for 2005–2013 (Table A8.5). Table A8.6 shows that in the first 8 months of 2014, 26 staff resigned voluntarily, 11 of whom for personal or family-related reasons, and 13 for other reasons (e.g., return to parent organization, department and/or division management, and job content). During the first 8 months of 2014, four of the six women international staff voluntarily resigned for family or other personal issues. Renewed efforts are being made to ensure that women are provided opportunities to gain experience to increase their competitiveness for progression and that the promotion process ensures that women are fully considered.

**Table A8.1: Recruitment of International Staff**

Year	Staff as of 1 January		No. of Staff Hired		Recruitment Rates (%)	
	All Staff	Women	All Staff	Women	All Staff	Women
2005	855	255	94	21	11.0	8.2
2006	883	259	70	19	7.9	7.3
2007	856	249	99	25	11.6	10.0
2008	847	248	115	22	13.6	8.9
2009	874	248	119	29	13.6	11.7
2010	927	258	148	53	16.0	20.5
2011	1,024	298	118	54	11.5	18.1
2012	1,055	332	103	54	9.8	16.3
2013	1,076	368	91	37	8.5	10.1
2014 <sup>a</sup>	1,083	375	49	13	4.5	3.5

<sup>a</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.2: Recruitment Source**

Recruitment Source	2008		2009		2010		2011		2012		2013		2014 <sup>a</sup>	
	All	Regional	All	Regional	All	Regional	All	Regional	All	Regional	All	Regional	All	Regional
International Organization	11	6	19	6	15	6	19	12	18	9	18	10	7	3
Private Sector	62	34	53	28	94	54	52	21	50	27	43	24	17	10
Academe	4	4	7	4	7	4	4	2	2	1	2	1	4	2
Government Agency	35	24	35	27	24	16	37	27	24	18	20	10	19	13
From ADB's National Staff	3	3	5	5	8	8	6	6	9	9	8	8	2	2
<b>Total</b>	<b>115</b>	<b>71</b>	<b>119</b>	<b>70</b>	<b>148</b>	<b>88</b>	<b>118</b>	<b>68</b>	<b>103</b>	<b>64</b>	<b>91</b>	<b>53</b>	<b>49</b>	<b>30</b>

ADB = Asian Development Bank.

<sup>a</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.3: Rejection of Job Offers**

Year	Total Offers		No. of Rejections		Rejection Rates (%)	
	All Staff	Women	All Staff	Women	All Staff	Women
2005	104	23	11 <sup>a</sup>	1	10.6	4.3
2006	86	25	12	5	14.0	20.0
2007	122	29	20	3	16.4	10.3
2008	131	29	20	5	15.3	17.2
2009	146	39	19	5	13.0	12.8
2010	156	54	10	3	6.4	5.6
2011	126	72	13	7	10.3	9.7
2012	119	59	11	6	9.2	10.2
2013	91	33	11	7	12.1	21.2
2014 <sup>b</sup>	56	17	6	2	10.7	11.8

<sup>a</sup> Excludes one candidate whose offer was withdrawn as the offer lapsed.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.4: Reasons for Rejections of Job Offers**

Reason		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 <sup>a</sup>	Total
Salary-related <sup>b</sup>	All Staff	4	6	7	9	10	7	3	3	2	1	<b>52</b>
	Women	1	2	0	3	4	2	3	1	0	0	<b>16</b>
Family reasons and spouse employment	All Staff	4	4	10	10	9	3	7	7	6	1	<b>61</b>
	Women	0	3	2	2	1	1	3	4	4	0	<b>20</b>
Security and living conditions in Manila	All Staff	0	0	0	0	0	0	0	0	0	0	<b>0</b>
	Women	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Job-related <sup>c</sup>	All Staff	3	2	3	1	0	0	3	1	3	4	<b>20</b>
	Women	0	0	1	0	0	0	1	1	3	2	<b>8</b>
<b>Total</b>	<b>All Staff</b>	<b>11</b>	<b>12</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>10</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>6</b>	<b>133</b>
	<b>Women</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>2</b>	<b>44</b>

<sup>a</sup> Data as of 31 August 2014.

<sup>b</sup> Includes low salary, receipt of better offer, and non-transferability of pension.

<sup>c</sup> Includes broader job requirement, job assignment preference, and higher entry-level position.

Source: Asian Development Bank.

**Table A8.5: Termination Rates**

Year	Staff as of 1 January		Voluntary Resignations <sup>a</sup>				Other Terminations				Total Terminations			
			All		Termination Rates (%)		All		Termination Rates (%)		All		Termination Rates (%)	
2005	855	255	19	8	2.2	3.1	47	9	5.5	3.5	66	17	7.7	6.7
2006	883	259	34	14	3.9	5.4	63	16	7.1	6.2	97	30	11.0	11.6
2007	856	249	60	20	7.0	8.0	48	6	5.6	2.4	108	26	12.6	10.4
2008	847	248	38	14	4.5	5.6	50	8	5.9	3.2	88	22	10.4	8.9
2009	874	248	18	8	2.1	3.2	48	11	5.5	4.4	66	19	7.6	7.7
2010	927	258	22	3	2.4	1.2	29	10	3.1	3.9	51	13	5.5	5.0
2011	1,024	298	26	8	2.5	2.7	61	12	6.0	4.0	87	20	8.5	6.7
2012	1,055	332	28	7	2.7	2.1	54	11	5.1	3.3	82	18	7.8	5.4
2013	1,076	368	23	12	2.1	3.3	61	18	5.7	4.9	84	30	7.8	8.2
2014 <sup>b</sup>	1,083	375	26	6	2.4	1.6	40	13	3.7	3.5	66	19	6.1	5.1

<sup>a</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

Table A8.6: Reasons for Voluntary Resignations<sup>a</sup>

Year	Personal or Family <sup>b</sup>		Salary- or Career-Related <sup>c</sup>		Others <sup>d</sup>		Reasons Not Divulged by Staff		Total		Ratio of Voluntary Resignations to Terminations	
	All Staff	Women	All Staff	Women	All Staff	Women	All Staff	Women	All Staff	Women	All Staff	Women
2005	6	5	5	2	8	1	0	0	19	8	28.8	47.1
2006	9	7	13	2	12	5	0	0	34	14	35.1	46.7
2007	19	8	22	6	19	6	0	0	60	20	55.6	76.9
2008	16	6	15	6	3	0	4	2	38	14	43.2	63.6
2009	9	4	4	2	2	0	3	2	18	8	27.3	42.1
2010	4	0	4	1	13	2	1	0	22	3	43.1	23.1
2011	7	2	5	2	13	3	1	1	26	8	29.9	40.0
2012	11	4	1	0	14	2	2	1	28	7	34.1	38.9
2013	10	6	0	0	12	6	1	0	23	12	27.4	40.0
2014 <sup>e</sup>	11	4	0	0	13	2	2	0	26	6	39.4	31.6

<sup>a</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.

<sup>b</sup> Includes the situation in the Philippines, spouse employment, and/or children's education.

<sup>c</sup> Includes better career prospects elsewhere and lack of professional opportunities.

<sup>d</sup> Includes return to parent organization, department, and/or division management and job content.

<sup>e</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

## B. Headquarters National Staff and Administrative Staff

2. Tables A8.7–A8.13 present the recruitment and retention experience for national staff and administrative staff (NSAS) at headquarters. The main points are as follows:

- (i) **Recruitment rate.** Table A8.7 provides a summary of the offers made and accepted from January 2005 to August 2014. Of the 51 offers made in the first 8 months of 2014, 44 (36 administrative staff and 8 national staff) were accepted (Table A8.8). However, the acceptance rate of 86.3% is lower than the average acceptance rate of 96.3% during 2005–2013. Moreover, the recruitment rates of 3.7% and 3.3% in 2013 and 2014, respectively, are the lowest per year since 2005. From January 2005 to August 2014, the majority of recruited NSAS came from the private sector (74.8%) and government agencies (19.7%) and the rest from international organizations and the academe, although no headquarters NSAS have been recruited from the academe since 2013 (Table A8.9).
- (ii) **Rejection rate.** Table A8.10 shows the rejection rates from January 2005 to August 2014. The rejection rate of 13.7% during January–August 2014, which is the highest since 2006, is also considerably higher than the average rejection rate of 5.6% during 2005–2013.
- (iii) **Termination rate.** Table A8.11 shows the termination rates from January 2005 to August 2014. The annualized termination rate of 6.5% is almost the same as the average termination rate of 6.4% during 2005–2013. However, the highest number of terminations (143) for the period was recorded in 2013, majority of which is due to early retirement (59.4%), voluntary resignation (17.5%), and normal retirement (11.9%). Terminations from January 2005 to August 2014 were mainly because of retirement, voluntary resignations, and ADB-initiated separations (Table A8.12).
- (iv) **Voluntary resignation rate.** The annualized voluntary resignation rate of 2.4% for 2014 is higher than the average voluntary resignation rate of 1.7% during 2005–2013. Table A8.13 shows that in the first 8 months of 2014, 21 staff

resigned voluntarily—more than half of them (52.4%) for salary or career-related reasons.

**Table A8.7: Recruitment Experience**

Year	No. of Staff as of 1 January	Number of Offers <sup>a</sup>	No. of Staff Hired <sup>b</sup>	Acceptance Rate (%)	Recruitment Rate (%)
2005	1,222	73	70	95.9	5.7
2006	1,227	81	68	84.0	5.5
2007	1,170	107	101	94.4	8.6
2008	1,200	92	84	91.3	7.0
2009	1,220	102	97	95.1	8.0
2010	1,235	140	136	97.1	11.0
2011	1,325	108	102	94.4	7.7
2012	1,384	114	105	92.1	7.6
2013	1,424	54	52	96.3	3.7
2014 <sup>c</sup>	1,336	51	44	86.3	3.3

<sup>a</sup> Includes formal offers and informal offers (only where the candidates declined).

<sup>b</sup> Includes all candidates who accepted offers made during the year.

<sup>c</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.8: Recruitment by Staff Category**

Category	Level	Number of Staff <sup>a</sup>								
		2006	2007	2008	2009	2010	2011	2012	2013	2014 <sup>b</sup>
Administrative Staff	AS3	6	11	7	8	14	8	4	4	2
	AS4	33	56	44	47	57	51	56	30	26
	AS5	2	5	7	4	5	4	6	1	3
	AS6	4	5	6	7	8	8	6	4	4
	AS7	8	7	12	14	19	9	8	1	1
National Staff	NS1	0	0	0	0	0	3	12	8	6
	NS2	14	15	8	16	26	17	9	4	1
	NS3	1	2	0	1	7	1	4	0	1
	NS4	0	0	0	0	0	0	0	0	0
	NS5	0	0	0	0	0	1	0	0	0
<b>Total</b>		<b>68</b>	<b>101</b>	<b>84</b>	<b>97</b>	<b>136</b>	<b>102</b>	<b>105</b>	<b>52</b>	<b>44</b>

AS = administrative staff, NS = national staff.

<sup>a</sup> Includes all candidates who accepted offers made during the year.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.



**Table A8.9: Recruitment by Source<sup>a</sup>**

<b>Year</b>	<b>Private Sector (%)</b>	<b>International Organization (%)</b>	<b>Government Agencies (%)</b>	<b>Academe (%)</b>
2005	68.5	1.4	24.7	5.5
2006	70.8	1.5	23.1	4.6
2007	74.8	2.9	18.5	3.9
2008	71.3	3.5	24.1	1.2
2009	69.8	6.3	20.8	3.1
2010	72.9	2.9	22.1	2.1
2011	78.3	5.0	15.8	0.8
2012	71.4	2.9	23.8	1.9
2013	92.3	1.9	5.8	0.0
2014 <sup>b</sup>	75.0	4.5	20.5	0.0

<sup>a</sup> Includes all candidates who accepted offers made during the year.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.10: Rejection of Job Offers**

<b>Year</b>	<b>No. of Offers</b>	<b>No. of Rejections</b>	<b>Rejection Rates (%)</b>
2005	73	3	4.1
2006	81	13	16.0
2007	107	6	5.6
2008	92	8	8.7
2009	102	5	4.9
2010	140	4	2.9
2011	108	4	3.7
2012	114	5	4.4
2013	54	2	3.7
2014 <sup>a</sup>	51	7	13.7

<sup>a</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.11: Termination Rates**

Year	No. of Staff as of 1 January	Voluntary Resignations <sup>a</sup>		Other Terminations		Total Terminations	
		No. of Staff	Rate (%)	No. of Staff	Rate (%)	No. of Staff	Rate (%)
2005	1,222	20	1.6	48	3.9	68	5.6
2006	1,227	19	1.5	103	8.4	122	9.9
2007	1,170	37	3.2	35	3.0	72	6.2
2008	1,200	25	2.1	42	3.5	67	5.6
2009	1,220	21	1.7	60	4.9	81	6.6
2010	1,235	18	1.5	32	2.6	50	4.0
2011	1,325	15	1.1	46	3.5	61	4.6
2012	1,384	17	1.2	42	3.0	59	4.3
2013	1,424	25	1.8	118	8.3	143	10.0
2014 <sup>b</sup>	1,336	21	1.6	36	2.7	57	4.3

<sup>a</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible to early retirement benefits.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

Table A8.12: Reasons for Terminations

Termination Reasons	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 <sup>a</sup>
Voluntary resignation <sup>b</sup>	20	19	37	25	21	18	15	17	25	21
Retirement	7	18	16	25	23	21	27	25	105	33
Normal	4	14	8	13	9	9	19	17	19	2
Early	3	4	7	12	14	11	8	6	85	31
Incapacity	0	0	1	0	0	1	0	2	1	0
Fixed-term expiration	1	2	0	2	1	1	1	2	1	1
ADB-initiated separation	32	3	4	5	6	6	12	11	8	0
Misconduct	3	2	3	0	0	1	2	1	0	0
Non-confirmation	1	1	0	0	0	0	1	1	0	1
Death	1	2	0	3	0	0	1	0	1	0
Ill health	0	0	0	0	0	0	0	0	1	0
Special separation package	0	0	0	7	28	0	0	0	0	0
Enhanced separation program	0	73	12	0	0	0	0	0	0	0
Change to international staff category	3	2	0	0	2	3	2	2	2	1
<b>Total</b>	<b>68</b>	<b>122</b>	<b>72</b>	<b>67</b>	<b>81</b>	<b>50</b>	<b>61</b>	<b>59</b>	<b>143</b>	<b>57</b>

ADB = Asian Development Bank.

<sup>a</sup> Data as of 31 August 2014.

<sup>b</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.

Source: Asian Development Bank.

**Table A8.13: Reasons for Voluntary Resignations<sup>a</sup>**

Reason	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 <sup>b</sup>
Salary- or career-related	7	6	13	6	4	4	4	5	10	11
Migration	8	4	13	4	10	6	4	1	1	0
Personal or family	5	9	11	13	6	8	6	10	13	9
Not provided by staff	0	0	0	2	1	0	1	1	1	1
Total voluntary resignations	20	19	37	25	21	18	15	17	25	21
Total terminations	68	122	72	67	81	50	61	59	143	57
Ratio of voluntary resignations to total terminations	29.4	15.6	51.4	37.3	25.9	36.0	24.6	28.8	17.5	36.8
Total number of staff	1,222	1,227	1,170	1,200	1,220	1,235	1,325	1,384	1,424	1,336
Ratio of voluntary resignations to number of staff	1.6	1.5	3.2	2.1	1.7	1.5	1.1	1.2	1.8	1.6

<sup>a</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

### C. Field Office National Staff and Administrative Staff

3. Tables A8.14 to A8.20 present the recruitment and retention experience for field office NSAS. The main points are as follows:

- (i) **Recruitment rate.** Table A8.14 provides a summary of the offers made and accepted from January 2007 to August 2014. All 32 offers made in the first 8 months of 2014 were accepted—16 for administrative staff positions and 16 for national staff positions (Table A8.15). Most of the staff recruited came from the private sector (Table A8.16).
- (ii) **Rejection rate.** The average rejection rate from January 2007 to August 2014 is 7.7%. (Table A8.17).
- (iii) **Termination rate.** Table A8.18 shows the termination rate of local staff in field offices from January 2007 to August 2014, while Table A8.19 shows the reasons for the termination. The annualized termination rate of 5.3% in 2014 is lower than the average termination rate of 7.5% during 2007–2013. The terminations were mainly due to voluntary resignations.
- (iv) **Voluntary resignation rate.** Table A8.20 shows that the main reasons for voluntary resignations were personal or family concerns and salary- or career-related issues.

**Table A8.14: Recruitment Experience**

Year	No. of Staff as of 1 January	No. of Offers <sup>a</sup>	No. of Staff Appointments <sup>a</sup>	Acceptance Rate (%)	Appointment Rate (%)
2007	374	62	55	88.7	14.7
2008	391	69	57	82.6	14.6
2009	406	64	58	90.6	14.3
2010	435	78	70	89.7	16.1
2011	477	86	71	82.6	14.9
2012	512	72	63	87.5	12.3
2013	545	41	37	90.2	6.8
2014 <sup>b</sup>	550	32	32	100.0	5.8

<sup>a</sup> Includes local staff in the representative offices and all candidates who accepted offers made during the year.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.15: Recruitment by Staff Category**

Item	No. of Staff <sup>a</sup>							
	2007	2008	2009	2010	2011	2012	2013	2014 <sup>b</sup>
Administrative Staff	29	28	36	36	46	36	18	16
National Staff	26	29	22	34	25	27	19	16
<b>Total</b>	<b>55</b>	<b>57</b>	<b>58</b>	<b>70</b>	<b>71</b>	<b>63</b>	<b>37</b>	<b>32</b>

<sup>a</sup> Includes all candidates who accepted offers made during the year.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.16: Recruitment by Source<sup>a</sup>**

Year	Private Sector	International Organization	Government Agencies	Academe
	(%)	(%)	(%)	(%)
2007	69.1	16.4	14.6	0.0
2008	61.4	19.3	15.8	3.5
2009	62.1	10.3	27.6	0.0
2010	57.1	21.4	18.6	2.9
2011	67.6	19.7	11.3	1.4
2012	61.9	17.5	15.9	4.8
2013	64.9	18.9	16.2	0.0
2014 <sup>b</sup>	84.4	6.3	6.3	3.1

<sup>a</sup> Includes all candidates who accepted offers made during the year.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.17: Rejection of Job Offers**

Year	No. of Offers	No. of Rejections	Rejection Rates (%)
2007	62	7	11.3
2008	69	12	17.4
2009	64	6	9.4
2010	78	7	9.0
2011	86	10	11.6
2012	72	9	12.5
2013	41	4	9.8
2014 <sup>a</sup>	32	0	0.0

<sup>a</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.18: Termination Rates**

Year	No. of Staff as of 1 January	Voluntary Resignations <sup>a</sup>		Other Terminations		Total Terminations	
		No. of Staff	Rate (%)	No. of Staff	Rate (%)	No. of Staff	Rate (%)
2007	374	31	8.3	8	2.1	39	10.4
2008	391	37	9.5	5	1.3	42	10.7
2009	406	21	5.2	8	2.0	29	7.1
2010	435	14	3.2	14	3.2	28	6.4
2011	477	24	5.0	12	2.5	36	7.5
2012	512	13	2.5	17	3.3	30	5.9
2013	545	19	3.5	14	2.6	33	6.1
2014 <sup>b</sup>	550	14	2.5	5	0.9	19	3.5

<sup>a</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.

**Table A8.19: Reasons for Terminations**

Reason	2007	2008	2009	2010	2011	2012	2013	2014 <sup>a</sup>
Voluntary resignation <sup>b</sup>	31	37	21	14	24	13	19	14
Retirement	2	1	3	4	6	8	7	4
Fixed-term expiration	0	1	0	0	0	2	0	0
ADB-initiated separation	3	1	2	5	2	0	1	0
Change to international staff category	3	2	3	5	4	7	6	1
<b>Total</b>	<b>39</b>	<b>42</b>	<b>29</b>	<b>28</b>	<b>36</b>	<b>30</b>	<b>33</b>	<b>19</b>

<sup>a</sup> Data as of 31 August 2014.

<sup>b</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.

Source: Asian Development Bank.

**Table A8.20: Reasons for Voluntary Resignations<sup>a</sup>**

<b>Reason</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014<sup>b</sup></b>
Salary- or career-related	16	13	8	8	9	4	8	4
Migration	1	0	0	0	0	0	2	1
Personal or family	12	21	12	6	11	8	9	8
Not provided by staff	2	3	1	0	4	1	0	1
Total voluntary resignations	31	37	21	14	24	13	19	14
Total terminations	39	42	29	28	36	30	33	19
Ratio of voluntary resignations to total terminations	79.5	88.1	72.4	50.0	66.7	43.3	57.6	73.7
Total number of staff	374	391	406	435	477	512	545	550
Ratio of voluntary resignations to number of Staff	8.3	9.5	5.2	3.2	5.0	2.5	3.5	2.5

<sup>a</sup> The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.

<sup>b</sup> Data as of 31 August 2014.

Source: Asian Development Bank.