# 2015 Comprehensive Review of Salary and Benefits for International Staff, National Staff, and Administrative Staff 

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|  | ABBREVIATIONS |
| :---: | :---: |
| ADB | - Asian Development Bank |
| EBRD | - European Bank for Reconstruction and Development |
| GMIP | - Group Medical Insurance Plan |
| IDB | - Inter-American Development Bank |
| IAE | - internal administrative expenses |
| IFI | - international financial institution |
| IMF | - International Monetary Fund |
| MRP | - market reference point |
| NSAS | - national staff and administrative staff |
| OECD | - Organisation for Economic Co-operation and Development |
| PRC | - People's Republic of China |
| SMI | - supplemental merit increase |
| SPA | - salary progression adjustment |
| SRP | - Staff Retirement Plan |
| UN | - United Nations |
| US | United States |
|  | GLOSSARY |
| comparatio | - The ratio of a salary to the salary range midpoint in each grade level which in ADB's case is the market reference point positioned at the $75^{\text {th }}$ percentile of the comparators surveyed. This is an indicator of the extent to which salaries are aligned with the midpoint and hence with the comparators surveyed in the market. |
| comparatio dilution | - A lower comparatio at the end of the year than at the beginning. This is because average salaries decline during the year in relation to the average midpoint as the salaries of departing staff tend to be higher than those of new hires and newly promoted staff tend to be paid relatively low salaries within each grade. |
| 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. At ADB, the MRP is positioned at the $75^{\text {th }}$ percentile of the market based on a salary survey of comparators. |
| midpoint | - At ADB the midpoint of the salary range is the market reference point which is set midway between the minimum and maximum of the grade level range. |


| overall salary |
| :--- |
| increase |


| payline | The percentage increase applied in the beginning of the year to <br> actual salary of existing staff at the end of the previous year |
| :--- | :--- |
| remuneration | -The midpoints for consecutive grades often plotted as a line to <br> show pay progression by grade level. |
| salary budget <br> increase | Salary, allowances and employer-provided benefit values. <br> The projected growth in the amount of salaries and other salary- <br> related personnel actions such as promotions and confirmation <br> increases to be paid in a year over the corresponding amount in <br> the previous year. |
| salary dilution | A lower average salary at the end of the year than at the <br> beginning. Salary dilution within the year occurs because staff <br> who depart have higher average salary and new hires on average <br> receive lower salary. |
| salary range | The range within which the salaries of a group of staff are <br> administered. Each grade level has its own salary range, which is <br> defined in terms of a minimum, a midpoint, and a maximum. |
| salary structure | -The set of salary ranges that are established for various levels. |
| salary structure |  |
| increase |  |$\quad$| 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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## EXECUTIVE SUMMARY

## A. Overview

1. This paper presents to the Asian Development Bank (ADB) Board of Directors the results of the 2015 comprehensive review of compensation and benefits for international staff, national staff and administrative staff at headquarters and in field offices. This paper also seeks Board approval of the proposed 2016 salary structures and corresponding salary increases for staff and endorsement of the proposed benefit changes.
2. An organization's compensation system is critical to achieving its operational goals especially in an increasingly competitive recruitment environment. For staff, compensation is the most tangible reward for performance, productivity, and proficiency.
3. ADB needs to adapt itself, and be attentive to new developments: (i) the dynamics for International Financial Institutions (IFIs) are becoming more competitive with more attention to their efficiency; (ii) ADB has made a renewed commitment to An Asia Free of Poverty; and (iii) the macroeconomic environment is changing and the world economy is entering a likely prolonged period of low rate of return and low inflation environment.
4. Against this backdrop, ADB commenced a comprehensive review of its compensation and benefits policies, centered on the following considerations:
(i) provide compensation and benefits that are generally comparable to other IFIs;
(ii) ensure that ADB is competitive enough to remain a premier employer, attracting skilled staff from all over the world;
(iii) enhance staff mobility to Resident Missions and reward key skills and talent;
(iv) demonstrate accountability and transparency to all stakeholders to be consistent with our mission of eradicating poverty;
(v) provide greater equity across former staff, active staff and new hires, and between different personal circumstances of individual staff members;
(vi) take into account total remuneration upon appointment, and staff expectations;
(vii) support the sustainability of the ADB Staff Retirement Plans (SRPs), which will benefit all current and future pensioners, under the current global and economic circumstances which come with risks of potential financial shocks and low investment returns; and
(viii) provide transitional measures in the implementation of reforms to cushion the impact on current staff.
5. Taking into account these considerations, the Budget, Personnel, and Management Systems Department (BPMSD) formulated initial proposals and discussed these extensively with staff, Board members, the Staff Council, and the Association of Former Employees of ADB (AFE-ADB). Some of these proposals are presented in this paper, while others, with respect to the Staff Retirement Plan (SRP), Group Medical Insurance Plan (GMIP) and Post-Retirement Group Medical Insurance Plan (PRGMIP), will continue to be considered in 2016.

## B. Approach, Findings and Proposals of the 2015 Compensation and Benefits Review

6. The review included comparisons of total remuneration which is a combination of salaries and benefits worth and assessed the overall competitiveness of the ADB's
compensation package relative to global markets for international staff (IS) and the respective local markets for national staff and administrative staff (NSAS):
(i) For international staff, the review compared ADB with (i) six International Financial Institutions (IFIs) or international organizations (the European Bank for Reconstruction and Development [EBRD], the Inter-American Development Bank [IDB], the International Monetary Fund [IMF], the Organisation for Economic Cooperation and Development [OECD], the United Nations [UN], and the World Bank); and (ii) the public sector, financial services, and private sector markets in nine ADB member countries (Australia, the People's Republic of China (PRC), France, Germany, Japan, India, Singapore, the United Kingdom (UK), and the United States (US));
(ii) For NSAS at headquarters, comparisons were made with a group of 15 comparators representing public and private companies operating in the Philippines (Appendix 7);
(iii) Given the timetable for the study and the lack of reliable salary data sources in many of ADB's field office locations, only five field office locations were included in the market study: the PRC, India, Indonesia, Pakistan, and Viet Nam. Comparisons were made with local comparator companies (public and private sector financial/non-financial industry employers known for their progressive pay and benefits practices for each field office selected) and the World Bank office in these field office locations.
7. Primary findings and conclusions are as follows:
(i) Total remuneration.
(a) For international staff, total remuneration is positioned competitively relative to the six IFIs and international organizations if the measure is the midpoint of salaries. When the comparison used ADB's actual average salaries as the basis (which is $7.0 \%$ below the average midpoint), the competitiveness of ADB's total remuneration slightly weakens. This lower actual average salary has an impact on salary-based benefits such as pension and insurance benefits.
(b) Total remuneration for headquarters NSAS was also found to be competitive with the comparator market. Even though the levels of individual benefits might vary, the aggregate worth of ADB's benefits provisions enhanced the competitive advantage of the total remuneration package.
(c) Total remuneration for NSAS in the five field offices is at par with the World Bank and generally better than the local market comparator group. The provision of various benefits and allowances contributed to the generally favorable positioning of ADB's total remuneration package with the local comparators.
(ii) Compensation.
(a)

The midpoints of ADB's international staff salary structure were found to be at par with the IFI comparator group and highly competitive against the Global General Industry as well as the civil services of the nine countries;
(b) For headquarters NSAS, while ADB's cash compensation continued to be shown at par with the market, it was noted that the comparator group organizations and companies generally provided a significant portion of their cash compensation in the form of cash allowances and bonuses;
(c) For NSAS, in all the five field locations, ADB's compensation was found to be at par with the World Bank Market Reference Points. When ADB's
competitive positioning in comparison to the local market was examined, the outcome varied by location - with China, India and Pakistan at par with the 75th percentile, and Indonesia and Viet Nam significantly above the 75th percentile, relative to their respective local markets.
(iii) Benefits. The results indicated that the overall estimated worth of ADB's employer-provided benefits compared favorably with their respective comparator groups in all staff categories at the locations studied. Comparisons were conducted across major benefits groups such as security benefits (pension, insurance, sickness and disability benefits, and separation grants), housing allowance (rental subsidy) and expatriate allowances (for international staff), leave, loans and statutory benefits (for NSAS), and miscellaneous provisions grouped under other benefits.

## C. 2016 Compensation and Benefits Proposals

8. As a result of the 2015 comprehensive review, ADB recommends the following proposals:
(i) Compensation methodology. ADB recommends to:
(a) retain the current approach for carrying out annual reviews and adjustments to the salary structure and implementation of salary increases;
(b) widen the salary structure range for international staff levels IS9 and IS10 to $40 \%$ from $35 \%$ and $25 \%$, respectively ;
(c) have a mechanism to make ad hoc, non-pensionable salary payments as temporary relief measure for locations with sudden and severe depreciation of their local currency ( $50 \%$ or more over a 3-month period.)
Salary Recommendations for 2016. ADB recommends:
(a) for international staff, provide an overall salary increase of $4.7 \%$, which includes a $2.4 \%$ structural increase and a budget neutral salary increase of $2.3 \%$ which reflects a higher salary dilution due to expected higher turnover. For 2016, included in the $4.7 \%$ overall salary increase is an additional salary increase component of $1.0 \%$ required to improve the average comparatio for all levels from $93.9 \%$ targeted at the beginning of 2015 to $94.9 \%$ at the beginning of 2016. The budget neutral salary increase of $2.3 \%$ can be covered by a comparatio dilution component of $1.3 \%$, and an extra dilution of $0.7 \%$ due to expected higher turnover throughout the year. The remaining $0.3 \%$ will be covered by other savings. The combined $0.7 \%$ and $0.3 \%$ covers the $1.0 \%$ additional salary increase to improve the average comparatio. This results in a total budget increase for salaries of international staff in 2016 of 2.4\% (see Table 13), despite the overall salary increase of $4.7 \%$ on 1 January 2016;
(b) for headquarters NSAS, provide an overall salary increase of $7.0 \%$, which includes a $4.0 \%$ structural increase and a budget neutral salary increase of 3.0\%;
(c) for NSAS in the 30 field offices, provide an overall salary increase of $7.0 \%$ in dollar terms, which includes a $6.0 \%$ structural increase and a budget neutral salary increase of 1.0\%; and
(d) implement the proposed salary structures effective 1 January 2016 for all staff categories.
(iii) Benefits. ADB recommends:
(a) for international staff, effective 1 January 2016: increase dependency allowance from $\$ 600$ to $\$ 1,000$ annually per eligible dependent child; provide pre-school allowance of up to $\$ 1,350$ per calendar year (up to $\$ 150$ per month) for dependent children 3 to 5 years of age where such children do not avail of the education assistance benefit; and lower education assistance benefits for new hires with a 4-year transition for existing international staff;
(b) for all staff effective 1 January 2016, offer a non-secular floating holiday as an option against Occasional Absence entitlement; provide parental leave and adoption leave currently included in sick leave as a separate benefit; introduce a corporate sponsored volunteer day; and include up to two staff siblings in the definition of an "immediate family member" for the provision of emergency travel and/or leave for all staff.

## D. 2016 Compensation and Benefits Budget Impact

9. The overall gross salary increase for 2016 is estimated at $\$ 7.0$ million, before adjusting for the currency exchange impact of the US dollar against local currencies at headquarters and in field offices. Accounting for the currency exchange impact will result in a budget effect of $\$ 4.7$ million, which includes $\$ 3.9$ million for international staff, $\$ 0.1$ million for NSAS at headquarters (from P44 to P46 = \$1), and $\$ 0.7$ million for NSAS in field offices. The corresponding cost for salary-related benefits is $\$ 0.9$ million for international staff and $\$ 0.7$ million for all NSAS primarily due to the Staff Retirement Plan.
10. The proposed benefit changes will be effectively cost-neutral.

## I. INTRODUCTION

1. This paper presents to the Asian Development Bank (ADB) Board of Directors the results of the 2015 comprehensive review of compensation and benefits for international staff, and national staff and administrative staff (NSAS) at headquarters and in field offices. It seeks Board approval of the 2016 salary structures and corresponding salary increase proposals for all staff and endorsement of the proposed benefit changes.

## A. Strategic Objectives, Human Resources, and Staffing Policies

2. An organization's compensation system is critical to achieving its operational goals especially in an increasingly competitive recruitment environment. For staff, compensation is the most tangible reward for performance, productivity, and proficiency. Periodic reviews were previously conducted to assess the sustainability and cost-efficiency of ADBs compensation and benefits policies and its effectiveness in supporting talent acquisition, staff development and retention.
3. The 2015 review, however, was conducted in a new setting and therefore included new elements.
4. ADB needs to adapt itself, and be attentive to new developments: 1) the dynamics for International Financial Institutions (IFIs) are becoming more competitive with more attention to their efficiency; 2) ADB has made a renewed commitment to An Asia Free of Poverty; and 3) the macroeconomic environment is changing and the world economy is entering a likely prolonged period of low rate of return and low inflation environment.
5. Against this backdrop, ADB commenced a comprehensive review of its compensation and benefits policies, centered on the following considerations:
(i) provide compensation and benefits that are generally comparable to other IFIs;
(ii) ensure that ADB is competitive enough to remain a premier employer, attracting skilled staff from all over the world; ${ }^{1}$
(iii) enhance staff mobility to Resident Missions and reward key skills and talent;
(iv) demonstrate accountability and transparency to all stakeholders to be consistent with our mission of eradicating poverty;
(v) provide greater equity across former staff, active staff and new hires, and between different personal circumstances of individual staff members;
(vi) take into account total remuneration upon appointment, and staff expectations;
(vii) support the sustainability of the ADB Staff Retirement Plans, which will benefit all current and future pensioners, under the current global and economic circumstances which come with risks of potential financial shocks and low investment returns; and
(viii) provide transitional measures in the implementation of reforms to cushion the impact on current staff.

[^0]6. The 2015 comprehensive review was also guided by ADB's views expressed in Our People Strategy ${ }^{2}$ and Strategy $2020^{3}$ taking into account the goals and principles of ADB's recently articulated human resources (HR) strategy as well as the HR implications of its Midterm Review (MTR) Strategy 2020 Action Plan. ${ }^{4}$
7. Taking into account these considerations, the Budget, Personnel, and Management Systems Department (BPMSD) formulated a set of initial proposals and discussed these extensively with staff, Board members ${ }^{5}$, the Staff Council, and the Association of Former Employees of ADB (AFE-ADB).
8. Some of these proposals are presented in this paper while others, with respect to the Staff Retirement Plan (SRP), Group Medical Insurance Plan (GMIP) and Post-Retirement Group Medical Insurance Plan (PRGMIP), will continue to be considered in $2016 .{ }^{6}$

## B. Need for a Comprehensive Review of Salaries and Benefits

9. The last comprehensive review of salaries and benefits was conducted for international staff in 2010 and for NSAS in 2011 and the overall competitiveness of ADB's current compensation package needed to be reassessed. In light of the global labor market conditions in both the private and public sectors, ADB needed to know how it is positioned against the market so it can recruit and retain the staff it needs.
10. The 2015 comprehensive review was undertaken with the assistance of an external consulting firm. ${ }^{7}$ The consultants' preliminary report was submitted in June 2015. Staff from BPMSD formulated a set of initial proposals, which were extensively discussed with staff, Board members, the Staff Council, and AFE-ADB, before Management approved the final set of recommendations for Board approval. Appendixes 1 and 2 summarize the primary findings of these reviews.

## II. BACKGROUND

## A. General Principles of Staff Compensation

11. ADB's salaries and benefits have been guided by a number of principles that were reaffirmed in the 2015 comprehensive review.
(i) Internationally or locally competitive. The salary system is set at competitive levels for international staff in global markets and NSAS in their respective local markets to recruit and retain staff of the highest caliber.
(ii) Market-based pay. ADB salaries and benefits are market-based, i.e., they are determined based on comparisons with compensation levels of comparator markets and organizations, focusing on jobs and/or grades with comparable content and weight in ADB and the other organizations. The market-based

[^1]approach to pay determination is the standard method followed by most employers, including IFIs and international organizations. Compared to a cost-of-living-based methodology, a market-based system is preferred by most organizations for the following reasons: (i) it implicitly incorporates the consumer price index and exchange rate considerations; (ii) it is sensitive to supply and demand conditions of the job market; and (iii) it more appropriately reflects the market value of a job.
(iii) Job-based compensation. ADB's compensation system will continue to be jobbased, with salary levels internally determined based on the job grading system and with external salary comparisons based on valid comparisons of jobs and/or grades. Matching jobs properly ensures that the organization is paying the right level of salaries for comparable jobs in the market. ADB's salary structure and staff salaries are based on the value of the work performed by staff members, which is established by objective evaluations of the duties and responsibilities of positions.

## B. Current Approach and Methodology

12. Compensation Review Cycle. ADB adopts a multiyear cycle of compensation reviews that combines
(i) broad-based structural reviews at 5-year intervals on the appropriateness of the compensation methodology and competitiveness of compensation, benefits and allowances and total remuneration; For field office NSAS, in between studies, an evaluation of the total remuneration of field offices not included in the comprehensive review against their local comparators;
(ii) in intervening years, for international staff and field office NSAS an automatic, formula-based adjustment to be applied to the salary structure according to the percentage increases of the salary range market reference points (MRPs) of the World Bank. For headquarters NSAS, custom surveys in alternate years, which will be followed by an adjustment to the salary structure based on market salary increases provided by the external compensation survey consulting firm.
13. Market positioning and choice of comparators. The market positioning and comparators of the different staff categories are as follows:
(i) For international staff, the World Bank is considered as the principal comparator. The World Bank's MRPs which is positioned at the $75^{\text {th }}$ percentile of total cash compensation is used as the basis for setting ADB's level midpoints. ADB levels are aligned with the World Bank grades based on the following job equivalency:
(a) Levels IS1-IS4. The midpoints for levels IS1 and IS3 are set at 1.0\% lower than the MRPs for World Bank grades GE and GF, respectively, while levels IS2 and IS4 have interpolated values.
(b) Levels IS5-IS9. The midpoints at levels IS5, IS7, and IS9 are set at the MRPs for World Bank grades GG, GH, and GI, respectively, while levels IS6 and IS8 have interpolated values.
(c) Level IS10. The midpoint is set at the MRP for World Bank grade GI plus 7.5\%.
(ii) Given the size of the NSAS workforce at headquarters, the salary structure and salary increase is based on a custom salary survey conducted biennially by an external consulting firm. A cross section of 15 reputable organizations representing private, government, and international organizations from various industry segments is included in the comparator sample (Appendix 7). ADB
benchmark jobs are matched to corresponding job levels at these organizations based on a job-matching methodology that focuses primarily on the content of each job (i.e., knowledge, competencies, and responsibilities). The midpoints of ADB's salary structure are positioned at the 75th percentile of total cash compensation ${ }^{8}$ of this comparator group..
(iii) For NSAS in field offices, ADB uses the World Bank resident mission salary structure as a proxy for competitive levels of salary in the local market. ${ }^{9}$ Since the World Bank salary structure is positioned at the 75th percentile of total cash compensation, ADB's salary structure by default has the same market positioning. ADB job levels are subsequently mapped to World Bank job grades as in Appendix 4, Table A4.1. Given that the World Bank updates its salary structure on 1 July of each year, while ADB revises its salary structure on 1 January, the World Bank salary structure is updated to reflect pay movement during the intervening period.
14. Overall Salary Increase. ADB adjusts staff salaries by ensuring proper placement in the salary range and to improve ADB's competitiveness in the market through the following:
(i) The overall salary increase proposal is determined based on generally achieving a desired level of parity with the market payline.
(ii) The overall salary increase rate is set at a level higher than the structural increase to enable average salaries of staff to progress toward the midpoint of the range, as represented by the midpoints. Continued use of range midpoints to determine salary increases allow staff with lower salaries to progress more quickly toward the midpoint.
(iii) The overall salary increase matrix is structured to provide larger salary differentiation based on performance (i.e., higher increases for those with exceptional and satisfactory with special recommendation performance ratings) ${ }^{10}$.
(iv) Where applicable, ADB separates the salary increase pool between levels to better align respective salary midpoints and remain competitive in the market.
(v) Promotion increases are set at $6.0 \%$ for all levels and applied to the range midpoint of the level to which the staff member is promoted to allow better salary range positioning at the next level.

## III. 2015 COMPREHENSIVE REVIEW

## A. Purpose

15. The comprehensive review of compensation and benefits policies focused on assessing:
(i) the appropriateness of the current salary methodology; and
(ii) the competitiveness of ADB's compensation, benefits and allowances, and total remuneration.

[^2]16. Using the results of a market study, the consultants were to recommend changes, if necessary to the current salary methodology and/or benefits programs and practices for ADB's consideration.

## B. Scope, Approach, and Methodology

17. The salary review compared ADB's total cash compensation with that of jobs in comparator organizations.
(i) For international staff, the review compared ADB's total cash compensation (salaries, cash allowances and short term bonuses) with that of comparable jobs in (i) six IFIs or international organizations (the European Bank for Reconstruction and Development [EBRD], the Inter-American Development Bank [IDB], the International Monetary Fund [IMF], the Organisation for Economic Cooperation and Development [OECD], the United Nations [UN], and the World Bank); and (ii) the public sector, financial services, and private sector markets in nine ADB member countries (Australia, PRC, France, Germany, Japan, India, Singapore, the UK, and the US).
(ii) For NSAS at headquarters, these comparisons included 15 companies representing public and private companies operating in the Philippines (Appendix 7).
(iii) Given the timetable for the study and the lack of reliable salary data sources in many of ADB's field office locations, only five field offices were included in the market study: the PRC, India, Indonesia, Pakistan, and Viet Nam. Thus, the consultants' findings and recommendations related to the competitiveness of ADB's cash compensation are limited to these five field offices. ADB will continue to periodically review the competitiveness of cash compensation in each of the field office locations that were not included in the market comparisons. However, as the current salary methodology is consistent across all field offices, any findings and recommendations related to the methodology would be deemed applicable across all field offices.
18. To ensure fair cash compensation comparisons, the consultants mapped the job levels for ADB and its comparators for the benchmark jobs in Appendix 5. The levels were matched by mapping ADB job levels to the Towers Watson's global grading system. The consultants also validated the job level equivalence between ADB and the World Bank (Appendix 1, Table A1.1 and Appendix 4, Table A4.1). For NSAS at headquarters, cash compensation comparisons were based on gross salaries, whereas the comparisons in the five field offices were based on salaries net of tax to reflect the actual compensation levels paid by ADB to its staff.
19. The benefits review focused primarily on comparing the value of employer-provided benefits of the different comparator groups with ADB. The benefits valuation provides an estimate of the monetary value of the employer-provided portion of the benefits (i.e., net of staff contributions and out-of-pocket expenses). For ADB and the headquarters comparators, the monetary value of the employer's benefits provisions' was calculated based on a standard set of assumptions and procedures. For the five field office locations, the benefits program valued was the typical practice in each market. The total remuneration values were then calculated as the sum of cash compensation and the total employer-provided benefits. For many of the benefit plans, this estimated value is not meant to represent the actual cost or funding requirement of the benefit or allowance.
20. For data gathering, the consultants reviewed ADB's benefits plan descriptions, current salary administration, and staff data. They interviewed ADB stakeholders and solicited staff feedback through focus groups and a dedicated e-mail address. For headquarters NSAS, the consultants conducted a salary and benefits survey of the 15 local comparator companies in Manila, including the World Bank local office. The five field offices included in the review were selected based on where Towers Watson market data exists. BPMSD provided the consultants with the information gathered from IFIs on their benefits provisions and practices.

## C. Findings

21. A brief summary of the findings is presented in paras. 22-34 and discussed in more detail in Appendixes 1 and 2. The consultants made separate recommendations for salaries and benefits for ADB's consideration. These findings and recommendations were instrumental in formulating the proposals in this paper. The complete set of recommendations and ADB's reply to these is in Appendix 6.

## 1. International Staff

22. Salaries. The midpoints of ADB's IS salary structure were found to be at par with the six IFI and international organization comparators, were highly competitive against the Global General Industry as well as the civil services of the nine countries, and generally competitive against Global Financial Services for the junior to middle levels - only the senior levels fell below the Global Financial Services market pay line.
23. Given the nature of employment of international staff, alignment with other IFIs is key. As ADB has similar mission, job profile, talent sources and compensation management methodology, the World Bank is still viable as a primary comparator. However, as ADB's focus shifts to expand non-sovereign guaranteed operations on account of Midterm Review (MTR) of Strategy 2020, more consideration for pay alignment to private sector may be considered, such as the introduction of a scarce skills premium.
24. Benefits. The employer-provided benefit values for four categories of benefits provided by ADB and the six comparators were compared: (i) security benefits (pension, insurance, sickness and disability benefits, and separation grants); (ii) other international staff benefits (dependency allowance, annual leave, and statutory holidays); (iii) expatriate allowances (home country travel, education assistance, and mobility premium); and (iv) housing allowances and rental subsidies. The comparison across all comparators is based only on the benefit provisions that are applicable to new hires; benefit provisions that apply to a subgroup of existing staff due to grandfathering are not included in the comparisons. The comparisons led to the following observations:
(i) All benefit categories. Based on the aggregate value of the four categories of benefits, ADB ranks third and is above both the median and average values. This is primarily due to the rental subsidy, which is substantially provided by only one other comparator. Without the rental subsidy, ADB's benefits package ranks fourth and is positioned slightly above the median but below the average of the six comparators. The consultants found that special factors make the provision of the rental allowance a necessary allowance that allows ADB to address locationspecific challenges.
(ii) Security benefits. ADB's security benefits (of which pension is the largest share) are well below both the median and average and ranks fifth for this class of benefits. Even though the pension component is comparable, the two major
factors that contributed to this ranking are (i) the separation grant that was discontinued by ADB for staff who joined on and after 1 January 1999 but is still provided by three comparator organizations; and (ii) the provision of some form of compensation for taxes on pension income by other comparators.
(iii) Other international staff benefits. Except for two comparator organizations that provide much more generous dependency allowances, the benefit values for all other international staff benefits categories are more or less similar among all institutions.
(iv) Expatriate allowances. ADB is positioned above the median and average and ranks third in this category, primarily because of the frequency of home country travel (annual at $80 \%$ of economy airfare, whereas others provide this benefit every 2 years at $100 \%$ of economy airfare) and a cost-sharing ratio that is more favorable for education assistance for eligible dependent children.
(v) Housing. Among the comparators, only one other organization provides substantial housing assistance. However, a housing allowance is essential for ADB to attract and retain staff and to address location-specific constraints that its comparators do not face (e.g., limited ability to purchase property and relatively high rental costs for expatriate accommodation).
25. The consultants noted that ADB offers a comprehensive benefits package that is generally competitive with those of the comparators. Staff members have 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 changes under consideration address the need to offer staff more options and some flexibility, balanced with ADB's need to make more effective use of budgetary resources.
26. Total remuneration. ADB's total remuneration is competitive with those of the six comparators. The consultants noted that, with rental subsidy included, on the basis of midpoint comparisons, ADB is ranked second and is positioned above the median and average remuneration.
27. Without the rental subsidy ADB ranks fifth and is positioned slightly below the median and average remuneration on the basis of midpoint comparisons. The consultants indicated that it would be more appropriate to compare the total remuneration package with the housing allowance excluded from the comparison, noting that the rental subsidy is a particular requirement to enable ADB to attract and retain staff. It is a necessary cost of doing business in Manila and helps address location-specific challenges that the comparators do not have to contend with for their international headquarters-based staff.
28. Since ADB's actual average salaries are 7.0\% below the current average midpoints, benefits based on salaries lead to lower values for salary-related benefits (such as pensions and insurance benefits), lowering ADB's total remuneration positioning against the IFI/IO comparators.

## 2. National Staff and Administrative Staff

29. Salaries. The study showed that ADB's cash compensation at headquarters is at par with local comparator companies. ${ }^{11}$ For the five field offices, ADB's cash compensation is

[^3]positioned at the 75th percentile and is essentially the same as the World Bank's. This is expected because the salary structure of all ADB field offices is based on the World Bank salary structure. The study also showed that the market generally provides more variable cash compensation (e.g., bonuses) than ADB.
30. The consultants recommended that ADB continue using its market-based approach for determining salaries to ensure that ADB follows standard market practice and remains competitive in the relevant labor market. For field offices, the current practice of using the World Bank as a market proxy may also be continued, since the comparator group the World Bank surveys is very similar to the companies that ADB would select as comparators. While the World Bank may be used as a proxy for market movements, ADB should regularly check to see if World Bank pay strategies (e.g., comparator criteria, market positioning) continue to be aligned with those of ADB. Further analysis should be done for job levels or functions where better alignment with the market is needed (e.g., national staff level jobs being less competitive than administrative staff level jobs). Where recruitment and/or retention of talent is difficult (e.g., treasury, risk management, information technology), ADB may wish to consider having a mechanism to adjust salaries for these functions.
31. Benefits. The employer-provided benefit values were compared for five categories of benefits provided by ADB and the comparators: (i) security benefits (pension, life and medical insurance, and accidental death and disability insurance); (ii) leave (annual leave, occasional leave, and public holidays); (iii) loans (housing, multipurpose, and car loans); (iv) other benefits (car program, meal allowance, and rice subsidy); and (v) statutory benefits. The comparison was based only on the benefit provisions that are applicable to new hires; benefit provisions that apply to a subgroup of existing staff because of grandfathering were not included in the comparisons.
32. The comparisons found that the overall estimated value of ADB benefits is significantly above the market and is at par with the World Bank. This result is not surprising because ADB extends to NSAS many of the same benefits provided to international staff. These benefit programs are globally competitive and typically more attractive than benefits offered to locally recruited staff by market comparators. ADB generally applies the same set of benefits across locations, even with some field offices with fewer staff. The major benefit programs that are common across all ADB staff categories are the pension plan, leave, medical insurance, and health services. The consultants noted that ADB generally provides benefits better than the market for the following: retirement, health care, annual leave, and loans. ADB is below market for the following: life insurance, leave entitlements that are mandatory in some countries, overtime rates, and car plans (usually for higher-level staff).
33. Total remuneration. When compared to local comparator companies, total remuneration for NSAS in headquarters and in the five field offices is significantly higher. It is primarily the benefit values that contribute to the total remuneration being significantly above market in the five locations studied. Appendix 2 (Tables A2.1-A2.6) shows the comparison of total remuneration of NSAS at headquarters with local comparator companies and in the five field offices with the World Bank and other comparators.
34. The consultants concluded that ADB's total remuneration package for NSAS is at par or better with that of the markets included in the study and above market for benefits. In assessing competitiveness, the consultants advised ADB to consider the total package instead of comparing individual cash and benefit items.

## IV. REVIEW OF ADB'S COMPENSATION SYSTEM

35. ADB proposes to retain the current approach for carrying out annual reviews and adjustments to the salary structure and implementation of salary increases as follows:
(i) apply the market-based approach and position pay at the 75th percentile of cash compensation;
(ii) conduct comprehensive market studies every 5 years, with the next one in 2020; In addition for field office NSAS, to evaluate the total remuneration of field offices not included in the current review against their local comparators during the interim years;
(iii) between comprehensive market studies, for international staff and NSAS in field offices, continue to use the World Bank MRPs as market proxy to set the annual salary structure. While the World Bank MRPs may serve as a proxy for market data for most of the field office locations, ADB will continue to acquire salary data from one or more sources in each location to validate the World Bank MRPs. For headquarters NSAS, continue to increase the salary structure based on market salary increases determined through custom surveys to be conducted every other year and followed by quick salary surveys in the intervening years;
(iv) continue to determine the average overall salary increase flexibly by generally achieving a level of parity with the market payline and with the average overall salary increase rate to be set at a level higher than the average structure to enable salaries of staff to progress within the range;
(v) distribute salary increases based on performance;
(vi) separate the salary increase pool for staff salaries which lag the market to channel more resources to appropriate levels;
(vii) continue to apply salary increases and $6 \%$ promotion increases to the range midpoint;
(viii) consider providing recruitment and/or retention bonuses for specific jobs in certain locations where the labor pool is limited.
36. Based on the results from the comprehensive compensation review, ADB recommends to adopt the following features in its compensation methodology, taking into account some of the consultants' recommendations and comparators' market practice:
(i) In arriving at the 2016 salary structure for international staff, ADB has reflected the consultants' recommendation to use a "fanned" approach in setting the salary ranges where these are wider for the higher levels compared to the lower levels. This allows for salary progression within the grade, where other opportunities for growth, such as promotions, are not available. The range width for levels IS9 and IS10 have both been adjusted to $40 \%$ from $35 \%$ and $25 \%$, respectively;
(ii) To mitigate the market impact on NSAS staff salaries due to drastically fluctuating economies in the Resident Missions, ADB will have a mechanism to make ad hoc, non-pensionable salary payments as temporary relief measure for locations with sudden and severe depreciation of their local currency (50\% or more over a 3 -month period). ADB will consider implementing adjustments without necessarily making such a permanent component of base salary;
37. The consultants' recommendations below will be considered upon further review in 2016:
(i) Introduction of flexibility mechanisms. Introduce flexibility mechanisms which will allow ADB to channel limited resources to those critical jobs and highperforming individuals who are key to delivering the requirements of Strategy 2020. One such mechanism is to provide additional compensation such as skills
premium to recognize the skills needed for critical jobs without necessarily making such elements a permanent component of base salary.
(ii) Number of job levels. As there are overlaps across job levels, the job leveling architecture across staff groups should be reviewed to develop more progressive career paths between international staff and NSAS. If changes are made, then the mapping to the World Bank will need to be revisited. Having fewer job levels may also necessitate widening of the salary ranges. This will allow more flexibility to recognize different skills within a level.
(iii) Midpoint progressions. Consider smoothening midpoint progressions. Consistencies in midpoint progression will cascade to consistencies in starting salaries and promotions. Care must also be taken to allow a differentiation between AS7 (overtime earning level) and NS1 (non-overtime earning level) to minimize pay compression.
(iv) Job level mapping to the World Bank for NSAS. The alignment for ADB level AS6, which is currently mapped to the midpoint of the World Bank's grade GC, was proposed to be changed to include both grades GC and GD. Likewise, NS1, currently mapped to the midpoint of grades GD and GE, was changed to grade GE, and NS7, which is mapped to grade GG+, was changed to grades GG and GH. These recommendations will be considered as part of the ongoing Bankwide Career Management Framework Analysis which is scheduled for completion in 2016.
(v) Pay mix for headquarters NSAS. Subject to the decision by the courts on the tax status of headquarters NSAS, a review of the pay mix together with performance management system to allow part of compensation to be performance based to better align with the talent strategy and support the strategic agenda must be made. There may be tax benefits from incorporating non-base salary components into the package. ${ }^{12}$

## V. PROPOSED SALARY STRUCTURE AND OVERALL SALARY INCREASE FOR 2016

38. 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 overall salary increase is determined by (i) the structure adjustment, (ii) budget neutral salary increase which is offset by comparatio dilution (see glossary), and (iii) a salary increase to be closer to the desired average comparatio for all levels. The overall salary increase and assumed distribution of performance ratings determine the salary increase matrix for each staff category or location. 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. International Staff

39. The salary proposal for international staff effective 1 January 2016 is an overall salary increase of $4.7 \%$. This includes (i) a $2.4 \%$ structural increase and (ii) a budget neutral salary increase of $2.3 \%$. An increase over and above the structure increase is provided to allow salary

[^4]progression along the salary range and inclusion of an additional merit increase for high performers rated exceptional and satisfactory with special recommendation. The average comparatio of levels IS1-IS6 and IS7-IS10 projected to be $94.1 \%$ and $90.4 \%$ respectively, by the end of 2015 , would increase to $96.0 \%$ and $92.0 \%$ respectively after the salary increase on 1 January 2016. The average comparatio for all levels would increase from 92.8\% to 94.9\% (Table 1).
40. For 2016, included in the $4.7 \%$ overall salary increase is an additional salary increase component of $1.0 \%$ required to improve the average comparatio for all levels from 93.9\% targeted at the beginning of 2015 to $94.9 \%$ at the beginning of 2016. The budget neutral salary increase of $2.3 \%$ can be covered by a comparatio dilution component of $1.3 \%$, and an extra dilution of $0.7 \%$ due to expected higher turnover throughout the year. The remaining $0.3 \%$ will be covered by other savings. The combined $0.7 \%$ and $0.3 \%$ covers the $1.0 \%$ additional salary increase to improve the average comparatio. This results in a total budget increase for salaries of international staff in 2016 of $2.4 \%$ (see Table 13), despite the overall salary increase of $4.7 \%$ on 1 January 2016.

Table 1: Overall Salary Increase and Estimated Comparatio for International Staff

| ADB Levels | Confirmed Staff <br> (No.) | Structure Adjustment (\%) | BudgetNeutral Salary Increase Component (\%) | Proposed Overall Salary Increase (\%) | Estimated Comparatio before Overall Salary Increase (\%) | Estimated Comparatio after Overall Salary Increase (\%) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| IS1-IS6 | 785 | 2.5 | 2.3 | 4.7 | 94.1 | 96.0 |
| IS7-IS10 | 194 | 2.0 | 2.2 | 4.7 | 90.4 | 92.0 |
| All Levels | 979 | 2.4 | 2.3 | 4.7 | 92.8 | 94.9 |

IS = international staff.
Source: Asian Development Bank.

## 1. Salary Structure Increase

41. The salary structure increase represents the adjustment or movement of the market payline 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 $2.4 \%$ average salary structure increase for 2016 (Table 2). ${ }^{13}$ The average structure increase of $2.4 \%$ is the percentage increase of the weighted average of the 2016 midpoints of $\$ 170,128$ from the weighted average of the 2015 midpoints of $\$ 166,198$, weighted by the number of confirmed staff as of 1 January 2016.
[^5]Table 2: Salary Structure Increase for International Staff, 2016

| World Bank |  |  |  | ADB |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Grade | MRP as of 1 Jul 2015 (\$) | MRP as of 1 Jul 2016 <br> (\$) | MRP Movement (\%) | ADB <br> Level | Confirmed Staff (No.) | $\begin{gathered} 2015 \\ \text { Midpoint }^{\text {a }} \end{gathered}$ <br> (\$) | $\begin{gathered} 2016 \\ \text { Midpoint }^{\mathrm{a}} \end{gathered}$ <br> (\$) | Midpoint Movement (\%) |
| GE | 84,200 | 87,800 | 4.3 | IS1 | 3 | 83,400 | 86,900 | 4.2 |
|  |  |  |  | IS2 | 19 | 97,100 | 100,900 | 3.9 |
| GF | 111,900 | 116,000 | 3.7 | IS3 | 55 | 110,800 | 114,800 | 3.6 |
|  |  |  |  | IS4 | 220 | 130,900 | 134,600 | 2.8 |
| GG | 151,000 | 154,300 | 2.2 | IS5 | 250 | 151,000 | 154,300 | 2.2 |
|  |  |  |  | IS6 | 238 | 178,400 | 182,500 | 2.3 |
| GH | 205,700 | 210,700 | 2.4 | IS7 | 95 | 205,700 | 210,700 | 2.4 |
|  |  |  |  | IS8 | 48 | 240,900 | 245,600 | 2.0 |
| GI | 276,000 | 280,400 | 1.6 | IS9 | 35 | 276,000 | 280,400 | 1.6 |
|  |  |  |  | IS10 | 16 | 296,700 | 301,400 | 1.6 |
|  |  |  |  | IS1-IS6 | 785 | 149,295 | 153,011 | 2.5 |
|  |  |  |  | IS7-IS10 | 194 | 234,597 | 239,390 | 2.0 |
|  |  |  |  | All Levels | 979 | 166,198 | 170,128 | 2.4 |

ADB = Asian Development Bank, IS = international staff, MRP = market reference point.
${ }^{\text {a }}$ ADB levels IS1 and IS3 are anchored at 99\% of the World Bank grades GE and GF, respectively. ADB levels IS5, IS7, and IS9 are anchored at $100 \%$ of the World Bank grades GG, GH, and GI, respectively. The midpoint for ADB level IS10 is positioned at the MRP of World Bank level GI plus 7.5\%.
Source: Asian Development Bank.
42. Table 3 shows the proposed salary structure for 2016 based on a weighted structure increase of $2.4 \%$ and with the proposed increase in range widths for levels IS9 and IS10 of 40\%.

Table 3: Salary Structure for International Staff Effective 1 January 2016

| ADB Level | $\mathbf{2 0 1 6}$ Minimum <br> $(\$)$ | $\mathbf{2 0 1 6}$ Midpoint <br> $(\$)$ | $\mathbf{2 0 1 6}$ Maximum <br> $(\$)$ | Range Spread <br> $(\%)$ |
| :---: | :---: | :---: | :---: | :---: |
| IS1 | 79,000 | 86,900 | 94,800 | 20 |
| IS2 | 87,700 | 10,900 | 114,000 | 30 |
| IS3 | 97,700 | 114,800 | 131,900 | 35 |
| IS4 | 114,600 | 134,600 | 154,700 | 35 |
| IS5 | 128,600 | 154,300 | 180,000 | 40 |
| IS6 | 152,100 | 182,500 | 212,900 | 40 |
| IS7 | 175,600 | 210,700 | 245,800 | 40 |
| IS8 | 204,700 | 245,600 | 286,600 | 40 |
| IS9 | 233,700 | 280,400 | 327,200 | 40 |
| IS10 | 251,200 | 301,400 | 351,700 | 40 |

$\overline{\mathrm{ADB}}=$ Asian Development Bank, IS = international staff.
Source: Asian Development Bank.
43. Typically, average salaries relative to the weighted midpoints of salary structure (comparatio) for all levels targeted at the beginning of the year tend to drop during the year. This comparatio dilution happens because salaries of departing staff tend to be higher than those of new hires relative to the midpoints, and newly promoted staff tend to be paid salaries closer to the lower end of the salary range of the grade level to which they have been promoted. Thus the comparatio at the end of year is lower than at the beginning. It is projected that, during 2016, the average comparatio for all levels will fall below the $94.9 \%$ average target set at the beginning of 2016 to $93.6 \%$ by yearend.
44. The current system allows ADB the flexibility to set the overall 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 is projected at $92.8 \%$ for 31 December 2015 but remains far below 100.0\% of the market payline (represented by the salary midpoints). In setting the proposed overall salary increase, other factors are taken into account, such as salary budget costs for resource allocation priorities, and budgetary considerations.
45. Table 4 shows the structure increase and overall salary increase at the beginning of the year compared to the end of the previous year, and number of confirmed staff. Also shown is the actual average salary, weighted midpoints of the salary structure and comparatio for international staff at the beginning and end of each year. The average salary is the ratio of total payroll over the number of confirmed staff in the beginning and end of each year. Similarly, the weighted midpoints of the salary structure is the weighted average of the level midpoints weighted by the number of confirmed staff at each level. The average salary at the end of each year increased by the overall salary increase for the following year results in the average salary for the beginning of the following year. The weighted midpoints of the salary structure at the end of each year increased by the structure increase for the following year results in the weighted midpoints for the beginning of the following year.
46. The average salary declines from the beginning of the year to the end of the year reflecting salary dilution. Salary dilution within the year occurs because staff who depart have higher average salary and new hires on average receive lower salary. The weighted midpoints of salary structure at the beginning of the year or at the end of the year have increased over the years due to structural increase and change of average levels. Average salary at the beginning of the year or at the end of year have increased over the years, reflecting the increase of weighted midpoints of salary structure and change of actual comparatio. The comparatio has been increasing slowly in five years by $2.6 \%$ from $90.2 \%$ at the end of 2010 to $92.8 \%$ at the end of 2015.

Table 4: Historical Comparatio Information for All International Staff, 2010-2015

| Year | Structure Increase <br> (\%) | Overall Salary Increase (\%) | Confirmed Staff (No.) | as of 1 January |  |  | as of 31 December |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Average Salary (\$) | Weighted Midpoints of Salary Structure (\$) | Overall Actual/ Target Comparatio (\%) | Average Salary (\$) | Weighted Midpoints of Salary Structure (\$) | Overall Actual Comparatio (\%) |
| 2010 |  |  |  |  |  |  | 135,535 | 150,252 | 90.2 |
| 2011 | 1.7 | 3.3 | 858 | 139,949 | 152,807 | 91.6 | 139,241 | 152,180 | 91.5 |
| 2012 | 2.0 | 2.9 | 915 | 143,252 | 155,231 | 92.3 | 143,216 | 155,605 | 92.0 |
| 2013 | 1.9 | 3.2 | 943 | 147,897 | 158,603 | 93.2 | 145,984 | 158,094 | 92.3 |
| 2014 | 2.0 | 3.1 | 959 | 150,478 | 161,201 | 93.3 | 149,645 | 162,084 | 92.3 |
| 2015 | 2.3 | 4.0 | 963 | 155,716 | 165,856 | 93.9 | 154,186 | 166,198 | 92.8 |
| $2016{ }^{\text {a }}$ | 2.4 | 4.7 | 979 | 161,451 | 170,128 | 94.9 |  |  |  |

${ }^{\text {a }} 31$ December 2015 figures are projections.
Source: Asian Development Bank.

## 2. Overall Salary Increase

47. The overall salary increase in 2016 of $4.7 \%$ is the percentage increase of (a) the target comparatio of $94.9 \%$ times (b) the weighted midpoints of the salary structure of 1 January 2016 of $\$ 170,128$ over (c) the average salary of confirmed staff on 31 December 2015 of $\$ 154,186$.

And this amount of (a) times (b) equals to the expected average salary on 1 January 2016 of \$161,451.
48. The overall salary increase of $4.7 \%$ is considered reasonable because ADB staff's average comparatio for all levels after the overall salary increase would be at $94.9 \%$. Even for international staff at levels IS1-IS6, the comparatio after the proposed overall salary increase would only be at $96.0 \%$. Appendix 8 (Table A8.1) shows the 10-year historical comparison of the structure adjustment and overall salary increase for the World Bank and ADB. The World Bank's overall salary increase in FY2016 is $4.6 \%$ and its average comparatio is at $97 \%$.
49. Table 5 shows the average annual structure adjustment, overall salary increase, inflation, and real overall salary increase for international staff from 2012 to 2016.

Table 5: Average Annual Salary Increase for International Staff, 2012-2016 (\%)

| Year | Structure Increase | Overall Salary <br> Increase | US <br> Inflation Rate ${ }^{\text {a }}$ | Real Overall Salary <br> Increase |
| :--- | :---: | :---: | :---: | :---: |
| 2012 | 2.0 | 3.9 | 2.1 | 1.8 |
| 2013 | 1.9 | 3.2 | 1.5 | 1.7 |
| 2014 | 2.0 | 3.1 | 1.6 | 1.5 |
| 2015 | 2.3 | 4.0 | 0.1 | 3.9 |
| 2016 | 2.4 | 4.7 | 1.1 | 3.6 |
| Average | 2.1 | 3.8 | 1.3 | 2.5 |

${ }^{a}$ Data from the International Monetary Fund's International Financial Statistics.
Source: Asian Development Bank.

## B. National Staff and Administrative Staff

## 1. Salary Structure Increase

50. 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.
51. The current structure increase for NSAS at headquarters is based on an annual survey of local comparators in Manila. The consultants conducted a salary survey of ADB's comparators in Manila (Appendix 7). ${ }^{14}$ Based on the results of the survey, a weighted average salary structure increase of $4.0 \%$ when compared with the 2015 midpoints is being proposed for NSAS at headquarters for 2016.
52. 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. ${ }^{15}$ The proposed structure adjustments

[^6]for each of the field offices are shown in Appendix 9, which results in an overall structure adjustment of all field offices of $6.0 \%$ for 2016 . It should be noted that the salary structures for NSAS in all locations are based on net salaries (net of income tax) whereas those for Japan, Philippines, ${ }^{16}$ and the United States (US) continue to reflect gross salaries ${ }^{17}$.
53. Table 6 shows the salary structure increase for NSAS at headquarters for 2016, which results in a weighted structure increase of $4.0 \%$.

Table 6: Salary Structure Increase for National Staff and Administrative Staff at Headquarters, 2016

| ADB Level | Confirmed Staff (No.) | 2015 Midpoint <br> (P) | 2016 Midpoint <br> (P) | Midpoint Movement (\%) |
| :---: | :---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 |  | 512,000 | 517,100 | 1.0 |
| AS2 |  | 575,000 | 580,800 | 1.0 |
| AS3 | 7 | 696,400 | 703,400 | 1.0 |
| AS4 | 177 | 825,700 | 834,000 | 1.0 |
| AS5 | 275 | 1,016,500 | 1,047,000 | 3.0 |
| AS6 | 218 | 1,257,800 | 1,320,700 | 5.0 |
| AS7 | 174 | 1,504,200 | 1,579,400 | 5.0 |
| National Staff |  |  |  |  |
| NS1 | 129 | 1,681,500 | 1,765,600 | 5.0 |
| NS2 | 143 | 1,858,800 | 1,951,700 | 5.0 |
| NS3 | 123 | 2,249,600 | 2,362,100 | 5.0 |
| NS4 | 50 | 2,867,200 | 2,895,900 | 1.0 |
| NS5 | 9 | 3,550,200 | 3,585,700 | 1.0 |
| NS6 | 1 | 4,398,100 | 4,442,100 | 1.0 |
| All AS | 851 | 1,135,714 | 1,178,843 | 3.8 |
| All NS | 455 | 2,064,028 | 2,151,433 | 4.2 |
| All | 1,306 | 1,459,131 | 1,517,685 | 4.0 |

ADB = Asian Development Bank, AS = administrative staff, NS = national staff.
Source: Asian Development Bank.
54. Table 7 shows the proposed salary structure for NSAS at headquarters for 2016 using the same salary range spread that has been used since 2013.

[^7]Table 7: Salary Structure for National Staff and Administrative Staff at Headquarters Effective 1 January 2016

| ADB Level | 2016 Minimum <br> $(P)$ | $\mathbf{2 0 1 6}$ Midpoint <br> $(P)$ | 2016 Maximum <br> $(P)$ | Range Spread <br> $(\%)$ |
| :---: | :---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 397,800 | 517,100 | 636,500 | 60 |
| AS2 | 446,800 | 580,800 | 714,900 | 60 |
| AS3 | 530,900 | 703,400 | 876,000 | 65 |
| AS4 | 629,400 | 834,000 | $1,038,500$ | 65 |
| AS5 | 775,600 | $1,047,000$ | $1,318,500$ | 70 |
| AS6 | 978,300 | $1,320,700$ | $1,663,100$ | 70 |
| AS7 | $1,148,700$ | $1,579,400$ | $2,010,200$ | 75 |
| National Staff |  |  |  |  |
| NS1 | $1,284,100$ | $1,765,600$ | $2,247,200$ | 75 |
| NS2 | $1,419,400$ | $1,951,700$ | $2,484,000$ | 75 |
| NS3 | $1,687,200$ | $2,362,100$ | $3,037,000$ | 80 |
| NS4 | $2,068,500$ | $2,895,900$ | $3,723,300$ | 80 |
| NS5 | $2,561,200$ | $3,585,700$ | $4,610,200$ | 80 |
| NS6 | $3,172,900$ | $4,442,100$ | $5,711,200$ | 80 |

ADB = Asian Development Bank, AS = administrative staff, NS = national staff.
Note: Salary structure reflects gross salaries. Source: Asian Development Bank.
55. The proposed salary structure, effective 1 January 2016 for each ADB field office, is shown in Appendix 10; the weighted structure increase for each field office is shown in Appendix 9 (Table A9.1).

## 2. Overall Salary Increase

56. Similar to the proposed overall salary increase for international staff, the aoverall salary increase for NSAS is set higher than the structure increase to allow salaries to progress along the salary range and reward staff for proficiency and performance.
57. For NSAS at headquarters, the proposed overall salary increase is $7.0 \%$, which includes a structure adjustment component of $4.0 \%$, which is the budgeted salary increase and a budgetneutral salary increase component of $3.0 \%$ that will be absorbed within the existing real budget envelope for 2016. 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. As ADB's compensation aims to establish average salaries at 97.0\% comparatio, the overall salary increase will be set higher than the structural increase to reach the targeted comparatio and achieve better alignment of actual salaries to the market. For 2016, included in the $7.0 \%$ overall salary increase is an additional budget-neutral salary increase component of $3.0 \%$. The proposed overall salary increase of $7.0 \%$ will result in an overall compartio of $97.0 \%$ at the beginning of 2016.
58. Table 8 shows the structure adjustment, the proposed overall salary increase, and the resulting comparatio before and after the salary increase.

Table 8: Overall Salary Increase and Estimated Comparatio for National Staff and Administrative Staff at Headquarters, 2016

| ADB Levels | Confirmed Staff (No.) | Structure Adjustment (\%) | BudgetNeutral Salary Increase Component (\%) | Proposed Overall Salary Increase (\%) | Estimated Comparatio before Overall Salary Increase (\%) | Estimated Comparatio after Overall Salary Increase (\%) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| All Levels | 1,306 | 4.0 | 3.0 | 7.0 | 91.1 | 97.0 |

ADB = Asian Development Bank.
Source: Asian Development Bank.
59. Table 9 shows the average annual structure adjustment, overall salary increase, inflation, and real overall salary increase for NSAS at headquarters from 2012 to 2016.

Table 9: Average Annual Overall Salary Increase for National Staff and Administrative Staff at Headquarters, 2012-2016 (\%)

| Year | Structure Increase | Overall Salary <br> Increase | Inflation Rate $^{\text {a }}$ | Real <br> Overall Salary <br> Increase |
| :--- | :---: | :---: | :---: | :---: |
| 2012 | 2.3 | 6.0 | 3.2 | 2.8 |
| 2013 | 2.9 | 5.0 | 2.9 | 2.1 |
| 2014 | 4.0 | 7.6 | 4.2 | 3.4 |
| 2015 | 4.5 | 7.6 | 1.9 | 5.7 |
| 2016 | 4.0 | 7.0 | 3.4 | 3.6 |
| Average | 3.5 | 6.6 | 3.1 | 3.5 |

${ }^{\text {a }}$ Data from the International Monetary Fund's International Financial Statistics.
Source: Asian Development Bank.
60. For all field offices combined, the proposed overall salary increase is $7.0 \%$ which includes a structure adjustment component of $6.0 \%$, which is the budgeted salary increase; and a budget-neutral salary increase component of $1.0 \%$. 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 2015 exchange rates. Appendix 9 (Table A9.1) shows the proposed overall salary increase, the structure adjustment component (the budgeted salary increase), and the budget-neutral salary increase component for each field office which results in an overall average comparatio of $97.7 \%$.
61. Appendix 9 (Table A9.2) shows the average annual structure adjustment, overall salary increase, inflation, and real overall salary increase for each field office from 2012 to 2016.
62. Table 10 shows the average annual structure adjustment, overall salary increase, inflation, and real overall salary increase for NSAS in field offices from 2012 to 2016.

Table 10: Average Annual Overall Salary Increase for National Staff and Administrative Staff in Field Offices, 2012-2016 (\%)

| Year | Structure Increase | Overall Salary <br> Increase | Inflation Rate ${ }^{\text {a }}$ | Real <br> Overall Salary <br> Increase |
| :--- | :---: | :---: | :---: | :---: |
| 2012 | 8.5 | 12.8 | 4.8 | 8.0 |
| 2013 | 3.8 | 6.3 | 4.6 | 1.7 |
| 2014 | 7.0 | 8.3 | 3.8 | 4.5 |
| 2015 | 4.4 | 7.0 | 2.9 | 4.1 |
| 2016 | 6.0 | 8.0 | 3.4 | 3.6 |
| Average | 5.9 | 3.9 | 4.4 |  |

${ }^{2}$ Data from the International Monetary Fund's International Financial Statistics.
Source: Asian Development Bank.

## C. Performance-Based Overall Salary Increase Distribution

63. Salary increases awarded in 2016 to individual staff will continue to be based on their performance and applied as a percentage of the midpoint of the staff member's level. Individual pay increases are based entirely on individual performances. Staff do not receive an automatic increase or an automatic cost-of-living adjustment.
64. The salary increase matrixes will be linked to 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 overall 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 ${ }^{18}$.
65. A split salary increase matrix may be warranted, depending on the difference in comparatios of staff levels relative to their midpoints.

## VI. BENEFITS

66. The 2015 review concluded that ADB's benefits are generally competitive with those of the comparators, and compare favorably with practices of global companies in Asia and the Pacific, Europe, and the US. The rationalization of benefits from $1997^{19}$ to $2000^{20}$ with significant

[^8]changes in $2005^{21}$ to ensure the sustainability of the pension and medical insurance plans and in $2010^{22}$ for IS and $2011^{23}$ for NSAS have resulted in a benefits package that is still comparable overall to those of the IFI and/or international organization comparator group. Overall for international staff, ADB ranks third in terms of the aggregate worth of employer-provided benefits. This favorable position results mainly from ADB's housing allowance, which with the exception of one other comparator that provides a substantial housing benefit, is unique among comparators and is well justified due to limited accommodation options, high rents, and limited viable alternatives to renting in Manila. Excluding housing allowance, ADB's benefits values ranked fourth and fell below the average and was slightly above the median of the comparator group.
67. Four broad groups of benefits (security, expatriate benefits, other benefits, and housing allowance) were reviewed and its ranking differs for each of the four benefit categories. ADB ranks low for security benefits (ranking fourth and is well below the median and average of the comparators). Expatriate benefits are well positioned, ranking third, which is above the median and average of comparators. For other benefits, ADB is ranked fifth and is below the median and average of comparators. The chart below shows the value of employer-provided benefits for ADB and its comparators. ADB is shown on the left side of the chart based on salary midpoints ( $100 \%$ comparatio) and on the right side based on average salaries ( $93.0 \%$ comparatio or $7.0 \%$ below the market).

Figure 1: Aggregate Value of Employer-Provided Benefits for ADB and its Comparators


Source: Towers Watson.

[^9]68. As part of the 2015 review, the consultants made recommendations with respect to the benefits package to improve its attractiveness with relatively minimal budget implications while reducing administrative costs and providing staff with flexibility and options (Appendix 6).
69. Table 11 outlines the current benefits and proposed changes and the rationale for introducing these changes. Management will issue administrative orders and appropriate implementation guidelines with an effective date of 1 January 2016.

Table 11: Recommended Benefit Changes

| Benefit Plan | Current | Proposed | Rationale for Change |
| :--- | :--- | :--- | :--- |
| Leave: parental <br> leave/adoption leave | Included in sick leave | Provide a separate leave <br> benefit of 5 days for parental <br> and adoption leave, which has <br> to be utilized within 6 months <br> of event | To align with market practice, <br> although still lower than best <br> practice in advanced economies |
| Leave: Non-secular <br> floating holiday | Not provided | 1 day per year to be used as <br> an option against the <br> Occasional Absence <br> entitlement | To recognize diversity and align <br> with market practice |
| Leave: corporate- <br> sponsored volunteer <br> day | Not provided | 1 day per year requiring <br> certification | To reflect responsible corporate <br> practice and encourage <br> volunteerism |
| Dependency <br> allowance for <br> international staff | \$600 per year per <br> eligible child | \$1,000 per year per eligible <br> child | To update amount as this has <br> remained static for more than <br> 2 |
| Emergency travel decades |  |  |  |


| Benefit Plan | Current | Proposed | Rationale for Change |
| :---: | :---: | :---: | :---: |
|  |  | For ADB offices in Manila, Frankfurt, Sydney, Tokyo, and Washington, DC ${ }^{\text {b }}$ : <br> $75 \%$ of cost of tuition and expenses up to $65 \%$ of school country limit, and <br> $75 \%$ of World Bank Group subsistence grant for room and board <br> Transition to be implemented evenly over 4 years with the proposed change to be fully effective in 2020 <br> Beginning with the academic year starting in 2016, $80 \%$ of the difference in the current and proposed benefit will be provided. This will reduce to $60 \%$, $40 \%$, and $20 \%$ of the difference in 2017, 2018, and 2019, respectively, with the proposed change effective in 2020. |  |
| Education outside duty station schools (tertiary) | Post-secondary education for dependent children up until age 24 <br> $75 \%$ of cost of tuition and expenses up to $55 \%$ of school country limit, and <br> Flat rate allowance of $45 \%$ of school country limit | 4 years of post-secondary education for dependent children up until age 24 <br> $75 \%$ of cost of tuition and expenses up to $65 \%$ of school country limit, and <br> $75 \%$ of World Bank Group subsistence grant for room and board (university) <br> Transition to be implemented evenly over 4 years with the proposed change to be fully effective in 2020. <br> Beginning with the academic year starting in 2016, $80 \%$ of the difference in the current and proposed benefit will be provided. This will reduce to $60 \%$, $40 \%$ and $20 \%$ of the difference in 2017, 2018, and 2019, respectively, with the proposed change effective in 2020. | To reflect a fairer cost-sharing arrangement between staff and ADB <br> To align with comparator practice <br> To be more equitable |


| Benefit Plan | Current | Proposed | Rationale for Change |
| :---: | :---: | :---: | :---: |
|  |  | Beyond 4 years of postsecondary education <br> Discontinued beginning January 2020 <br> Education assistance to be phased out as follows: <br> Beginning with the academic year starting in 2016, 80\% of the current benefit will be provided. This will reduce to $60 \%, 40 \%$, and $20 \%$ of the current benefit in 2017, 2018, and 2019, respectively. |  |

${ }^{\text {a }}$ Includes Pacific Subregional Office in Suva, Fiji.
${ }^{\mathrm{b}}$ Benefit to be provided in secondee locations will be determined on a case-to-case basis. ADB = Asian Development Bank. Source: Asian Development Bank.
70. The benefit changes will be effectively cost neutral (Table 12.).

Table 12: Estimated Increase (Decrease) of Benefit Proposals in 2016

|  | Increase (Decrease) |
| :--- | :---: |
| Item | $(\$ \mathbf{0 0 0})$ |
| Dependency Allowance | 0.48 |
| Education Assistance | $(0.70)$ |
| Preschool Allowance | 0.16 |
| Total | $\mathbf{( 0 . 0 6 )}$ |

Source: Asian Development Bank.
71. In 2016, ADB will be conducting a holistic review of the SRP, the Group Medical Insurance Plan (GMIP) and Post-Retirement Group Medical Insurance Plan (PRGMIP) which will be submitted to the Board as part of the salary paper tentatively in November 2016. An advisory task force comprising Board members, the Staff Council, the AFE-ADB, management, and independent external experts will be appointed, one for SRP and one for the GMIP/PRGMIP to complete the review by end of Q2 2016. The task forces will present options and recommendations to Management.
72. National Staff and Administrative Staff. There will be no changes in the benefit allowances for NSAS given that the 2015 review concluded that ADB's benefits are significantly better than those provided by local comparator companies at headquarters and in field offices. This is primarily because ADB and other IFIs provide many of the same benefit programs to its NSAS that are given to international staff, with the exclusion of expatriate benefits and allowances and are as such designed to be globally competitive whereas the local comparators provide benefits that are locally competitive. Changes to leave policy and emergency travel as provided in Table 11 will also be applicable to NSAS.
73. When compared to the local general industry market practice, ADB's benefits in all field office locations evaluated and at headquarters are above market in the areas of retirement, medical coverage, post-retirement medical coverage, annual leave, and loans.

## VII. RECRUITMENT AND RETENTION

74. ADB recruits from its member countries highly qualified and experienced professionals with international exposure to join as international staff and for each of its field offices, national staff and administrative staff from nationals of the duty station country. ADB seeks to attract staff from multinational companies, the finance sector, IFIs, international organizations, the public sector, and the academia. Candidates for 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.
75. ADB's recruitment and retention experience for international staff and NSAS is presented in Appendix 12. In line with the Midterm Review of Strategy 2020, the skills audit and human resources 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.
76. For NSAS at headquarters, 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.
77. ADB expects to be able to recruit the staff needed for 2016 based on the proposed 2016 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.

## IX. BUDGET EFFECT

78. 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 2016 over the corresponding figures in 2015. The overall increase in the salary budget will be used to fund increases in salaries and other salary-related personnel actions, such as confirmations and promotions. The amount being requested in 2016 to fund the overall salary increase consists of the salary structure adjustment component, which reflects market price movement. The proposed overall salary increase in excess of the structure adjustment which includes salary-related personnel actions such as confirmation increase and promotion increase is offset by terminated staff salaries being higher than newly appointed staff, and is accordingly by and large budget neutral. Table 13 shows the total estimated cost of the 2015 and 2016 overall salary increase proposals by staff category.
79. It should be noted that the gross salary increase for 2016 is estimated at $\$ 7.0$ million, before adjusting for the currency exchange impact of the US dollar against local currencies at headquarters and in field offices. Accounting for the currency exchange impact will result in a budget effect of $\$ 4.7$ million, which includes $\$ 3.9$ million for international staff, $\$ 0.1$ million for NSAS at headquarters (from P44 to P46 = \$1), and $\$ 0.7$ million for NSAS in field offices. ${ }^{24}$
[^10]Table 13: Cost of Overall Salary Increase Proposals

| Item | 2016 |  |  |  | 2015 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | IS | $\begin{gathered} \text { HQ } \\ \text { NSAS } \end{gathered}$ | $\begin{gathered} \text { FO } \\ \text { NSAS } \end{gathered}$ | Total | IS | $\begin{gathered} \text { HQ } \\ \text { NSAS } \end{gathered}$ | $\begin{gathered} \text { FO } \\ \text { NSAS } \end{gathered}$ | Total |
| Salary Increase ${ }^{\text {a }}$ (\$ million) | 3.9 | 1.9 | 1.2 | 7.0 | 3.7 | 1.0 | 0.4 | 5.1 |
| Salary Increase (\% of salary) | 2.4 | 4.0 | 6.0 | 3.0 | 2.3 | 4.5 | 4.4 | 2.2 |
| Salary-Related Benefits ${ }^{\text {b }}$ (\$ million) | 0.9 | 0.4 | 0.3 | 1.6 | 0.8 | 0.2 | 0.1 | 1.1 |

$\mathrm{FO}=$ field office, $\mathrm{HQ}=$ headquarters, $\mathrm{IS}=$ international staff, NSAS = national staff and administrative staff.
${ }^{\text {a }}$ Includes promotion and confirmation increases as well as other salary-related personnel actions. Gross salary increase for 2016 is estimated at $\$ 7.0$ million, before adjusting for the currency exchange impact of the US dollar against local currencies at headquarters and in field offices. Accounting for the currency exchange impact will result in a budget effect of $\$ 4.7$ million, which includes $\$ 3.9$ million for international staff, $\$ 0.1$ million for NSAS at headquarters (from P44 to P46 = $\$ 1$ ), and $\$ 0.7$ million for NSAS in field offices.
${ }^{\text {b }}$ Calculated as $23.43 \%$ of salary increase ( $23 \%$ for the Staff Retirement Plan and the balance of $0.43 \%$ for insurance benefits).
Source: Asian Development Bank.
80. The $\$ 7.0$ million salary increase represents $1.1 \%$ of the estimated proposed 2016 budget and the $\$ 1.6$ million for salary-related benefit costs represents $0.3 \%$ of the 2016 budget. Appendix 11 shows the 10-year history (2006-2015) of the ratio of staff salaries and benefits to IAE. Based on the 2015 midyear estimate, staff salaries and benefits are expected to represent about $60.6 \%$ of IAE ( $45.9 \%$ for international staff and $14.7 \%$ for NSAS), which is lower than the figure of $61.3 \%$ in 2014 (47.5\% for international staff and 13.8\% for NSAS).
81. The proposed benefit changes will be effectively cost-neutral.

## IX. RECOMMENDATIONS

82. The President recommends that the Board approves effective 1 January 2016:
(i) the adoption of new features of the compensation methodology as discussed in para. 36;
(ii) for international staff the 2016 salary structure as shown in Table 3 and an overall salary increase of $4.7 \%$, which includes a structure adjustment component of $2.4 \%$ and a budget-neutral salary increase of $2.3 \%$ to allow salary progression and merit increases for high performers;
(iii) for NSAS at headquarters, the 2016 salary structure as shown in Table 7 and an overall salary increase of $7.0 \%$, which includes a structure adjustment component of $4.0 \%$ and a budget-neutral salary increase component of $3.0 \%$ to allow salary progression and merit increases for high performers; and
(iv) for NSAS in field offices, the 2016 salary structures as shown in Appendix 10 and an overall salary increase of $7.0 \%$, which includes a structure adjustment component of $6.0 \%$ and a budget-neutral average salary increase component of $1.0 \%$; the corresponding figures for each field office are shown in Appendix 9 (Table A9.1).
83. The President also recommends the endorsement of benefit changes as provided in paras. 66-69 effective 1 January 2016.
84. Upon approval of the recommendations in paras. 82 and 83, the costs will be reflected in the 2016 budget proposal to be discussed and considered by the Board in December 2015.

## 2015 COMPREHENSIVE REVIEW INTERNATIONAL STAFF

1. The 2015 comprehensive review and its market surveys assessed the level and market positioning of ADB's compensation and benefits programs relative to the relevant markets in which it competes for staff. This appendix presents the results of the market surveys carried out by the consulting firm and the conclusions that can be drawn from them. It provides (i) an analysis of total cash compensation (i.e., base salaries), (ii) an overview of the analyses of benefits and total remuneration (i.e., cash compensation and benefits combined), and (iii) discusses location factors and other considerations that provide the framework for ADB's compensation and benefits programs. ${ }^{1}$

## A. Cash Compensation

## a. Surveying the market - Selecting comparators

2. The consulting firm's market survey encompassed a set of relevant and representative countries, sectors and organizations which are as follows:
(i) A representative set of six international financial Institutions (IFIs) and international organizations that (a) recruit from the same international markets for staff with similar skills, and (b) have employment characteristics and requirements similar to those of ADB: the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IADB), the International Monetary Fund (IMF), the Organisation for Economic and Co-operation and Development (OECD), the World Bank, and the United Nations (UN).
(ii) Private sector employers ${ }^{2}$ in (a) the Asia and Pacific region (represented by Australia, India, Japan, the People's Republic of China, and Singapore); (b) the European region (represented by France, Germany, and the United Kingdom); and (c) the United States (US).

## b. Benchmarking jobs and job matching

3. The job families or occupational groups that are covered in the survey data were determined on the basis of their relevance to ADB. Occupations that are clearly irrelevant to ADB, such as those in sales, are excluded from the data, as are financial sector positions for which compensation is largely tied to profit-based bonuses (such as brokers and traders).
4. Valid compensation comparisons across organizations depend on correctly determining the equivalence of benchmark jobs and aligning the grades containing those jobs to enable comparability between the duties and responsibilities, authority, accountability for results, and the qualifications and experience needed to perform the specified duties in a fully satisfactory manner. ${ }^{3}$ In order to ensure that the market comparisons were as accurate as possible, the

[^11]consulting firm analyzed ADB's general level descriptions and position descriptions for 91 benchmark positions (see Appendix 5)

Table A1.1: International Staff Job Grade Equivalencies

| ADB Level | World <br> Bank | IMF | IDB | UN | EBRD | OECD |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| IS1 | GE | A10 | $7 / 8$ | P1 | 5 | A1 |
| IS2 | GE/GF | A11 | 7 | P2 | 5 | A2 |
| IS3 | GF | A12 | 5 | P3 | 6 | A3 |
| IS4 | GF/GG | A13 | 4 | P4 | 6 | A4 |
| IS5 | GG | A14 | 3 | P5 | 7 | A4/A5 |
| IS6 | GG/GH | A15/B1 | 2 | D1 | 7 | A5 |
| IS7 | GH | B2 | 1 | D2 | 8 | A6 |
| IS8 | GH/GI | B3 | 1 | D2 | 8 | A7 |
| IS9 | GI | B4 | - | ASG | 8 | S2 |
| IS10 | GI+ | B5 | E1 | USG | 9 | S3 |

ADB = Asian Development Bank, EBRD = European Bank for Reconstruction and Development, IDB = Inter-American Development Bank, IMF = International Monetary Fund, OECD = Organisation for Economic Co-operation and Development, UN = United Nations.
Source: Towers Watson.

## c. Collecting Total Cash Compensation Data

5. Total cash compensation in the private sector can include three components: (a) base salaries, (b) variable pay (i.e., annual performance bonuses), and (c) long-term incentives (e.g., various forms of deferred compensation, such as stock options, that depend on the medium- or long-term performance of the firm). The survey took into account the first two components.
6. Compensation levels in the private sector were measured at the 75 th percentiles.
7. Since private sector compensation was reported in the survey on a gross, pretax basis. For consistency with ADB's net-of-tax salaries and the net-of-tax compensation of the comparators, the private sector compensation was netted down on the basis of each country's 2015 income tax schedule, assuming typical deductions, credits, and adjustments to income.
8. Compensation paid in currencies other than US dollars was converted to US dollars on the basis of the exchange rate effective 31 March 2015. The table below shows ADB midpoints, average pay and salary ranges versus global financial services general industry and private sector. The midpoints of ADB's IS salary structure were found to be highly competitive against the Global General Industry as well as the civil services of the nine countries, and generally competitive against Global Financial Services for the junior to middle levels - only the senior levels fell below the Global Financial Services market pay line.

Figure A1.1 ADB Midpoints, Average Pay and Salary Ranges versus Different Comparators


Source: Towers Watson

## d. Market Positioning

9. Each employer determines the level at which it wishes to position its payline against the market in which it competes for talent. Leading companies that want to recruit the best and brightest typically set their market position at or above the 75th percentile of their industry. For IFIs and international organizations, the market payline is typically set at about the 75th percentile to allow these organizations to be able to recruit from as wide a geographical labor market pool as possible, and to have representation from as many of their respective member countries as they can.
10. The overall comparisons, averaging the results across ADB's ten levels, are presented as a weighted average of the grade-by-grade differences in which the weights are the distribution of international staff by level as of 1 January 2015. The consulting firm reaffirmed the realignment of the ADB and World Bank grades conducted in 2010, which has been adopted by ADB in the intervening years.
11. Tables A1.2 and A1.3 compares ADB's 2015 salary range midpoints and average cash compensation with the average level of the range midpoints and market reference points of the six IFI comparators. Overall, ADB's policy line for levels IS1-IS10 is very closely aligned with that of the comparators. The current $7.0 \%$ difference between actual ADB salaries and ADB's range midpoints lowers ADB's average cash compensation below that of the comparators with the overall weighted average shortfall amounts to $-3.2 \%$, which can be considered at par with the comparators.

Table A1.2: ADB and IFI/IO Comparators' Salary Range Midpoints/MRPs

| ADB Level | ADB <br> Range Midpoints | IFI/IO Comparators' Midpoints/MRPs |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | A | B | C | D | E | F | Average |
| IS1 | 83,400 | 95,815 | 84,200 | 71,829 | 57,445 | 96,710 | 72,513 | 79,752 |
| IS2 | 97,100 | 102,083 | 98,050 | 71,829 | 84,445 | 110,580 | 88,814 | 92,634 |
| IS3 | 110,800 | 129,431 | 111,900 | 98,487 | 104,959 | 126,380 | 110,480 | 113,606 |
| IS4 | 130,900 | 147,746 | 131,450 | 98,487 | 120,571 | 144,950 | 130,744 | 128,991 |
| IS5 | 151,000 | 167,921 | 151,000 | 140,695 | 130,841 | 172,440 | 150,825 | 152,287 |
| IS6 | 178,400 | 194,226 | 178,350 | 140,695 | 141,111 | 195,500 | 172,158 | 170,340 |
| IS7 | 205,700 | 217,484 | 205,700 | 207,340 | 159,596 | 225,090 | 179,949 | 199,193 |
| IS8 | 240,900 | 217,484 | 240,850 | 207,340 | 170,971 | 250,540 | 179,949 | 211,189 |
| IS9 | 276,000 | 284,785 | 276,000 | 207,340 | 201,650 | 285,620 | 204,631 | 243,338 |
| IS10 | 296,700 | 352,086 | 317,400 | 297,681 | 228,702 | 328,960 | 221,731 | 291,093 |
| Weighted Average | 166,054 | 95,815 | 84,200 | 71,829 | 57,445 | 96,710 | 72,513 | 161,062 |

$\overline{\mathrm{ADB}}=$ Asian Development Bank, IFI = international financial institution, MRP = market reference point. Source: Asian Development Bank.

Table A1.3: Comparison of Current ADB Range Midpoints and the Combined IFI/IO Comparators' Range Midpoints or Market Reference Points

| ADB Level | ADB Range Midpoints (\$) | ADB Average Cash Compensation <br> (\$) | Comparators' Average Midpoints or MRPs (\$) | Difference between ADB midpoints and IFIs/IOs (\%) | Difference between ADB average cash and IFIs /IOs (\%) |
| :---: | :---: | :---: | :---: | :---: | :---: |
| IS1 | 83,400 | 80,403 | 79,752 | 4.6 | 0.8 |
| IS2 | 97,100 | 89,414 | 92,634 | 4.8 | (3.5) |
| IS3 | 110,800 | 105,101 | 113,606 | (2.5) | (7.5) |
| IS4 | 130,900 | 125,852 | 128,991 | 1.5 | (2.4) |
| IS5 | 151,000 | 144,445 | 152,287 | (0.8) | (5.1) |
| IS6 | 178,400 | 167,032 | 170,340 | 4.7 | (1.9) |
| IS7 | 205,700 | 187,507 | 199,193 | 3.3 | (5.9) |
| IS8 | 240,900 | 213,717 | 211,189 | 14.1 | 1.2 |
| IS9 | 276,000 | 249,202 | 243,338 | 13.4 | 2.4 |
| IS10 | 296,700 | 286,476 | 291,093 | 1.9 | (1.6) |
| Weighted Average | 166,054 | 155,925 | 161,062 | 3.1 | (3.2) |

( ) = negative, $\mathrm{ADB}=$ Asian Development Bank, IFI = international financial institution, MRP = market reference point.
Source: Asian Development Bank.

## B. Staff Benefits and Allowances

12. In assessing the international competitiveness and market positioning of ADB's overall compensation package, total remuneration (i.e., cash compensation and benefits), the value of ADB's benefits and total remuneration are compared with the corresponding compensation
elements of the six comparators. These organizations are considered the most relevant comparators, as all IFIs and international organizations share a need to provide a benefits package that is independent from national social security systems and safety nets, and that incorporates financial assistance focused on staff members' long-term employment in expatriate status.
13. The consulting firm's comparative analysis of benefits covered ADB's principal international staff benefit programs and allowances, and the benefits and allowances of the comparators. ${ }^{4}$ The benefits were grouped in the following four categories: Security benefits. These provide income protection upon retirement and separation from employment and in the event of death, sickness, or long-term disability. ${ }^{5}$
(ii) Family allowances. These include spouse, child, and dependency allowances, and paid time-off (holidays and annual/vacation leave).
(iii) Expatriate allowances. These include home leave travel and allowances, children's education, and general expatriate or mobility allowances.
(iv) Housing (rental) allowances.
14. With the exception of paid time-off, these benefits and allowances usually involve direct employer expenditures, and often involve employee contributions or payments.
15. The consulting firm's analysis focused on employer-provided benefit values, which measure the value that employees receive from benefit plans and allowances. The benefit values are derived from the design of the benefit plans and represent the worth of benefits to employees, not the cost of benefits to employers. It is important to bear this distinction in mind.
16. In order to focus on differences in the benefit design and to compare the benefit values on a consistent basis, the consulting firm developed a valuation model that applied a common set of demographic, economic, actuarial, and cost assumptions for all organizations. The benefit value comparisons are based only on the benefit provisions that are applicable to new hires.
17. Table A1.4 provides the aggregate employer-provided value of all benefits for the three levels and single and married staff as a whole for ADB and the comparators. Totals are shown without and with housing allowances.
[^12]
## Table A1.4: Comparison of Aggregate Employer-Provided Benefit Values of ADB and the IFI/IO Comparators

(\% of net salary)

| Benefit/Allowance Group | Benefit Values |  | ADB Over <br> (Under) |
| :--- | :---: | :---: | :---: |
| Comparators |  |  |  |
| Security benefits | 21.0 | Comparator | 30.5 |
| Family allowances and paid time-off <br> Expatriate allowances | 17.1 | 20.5 | $(4.5)$ |
| Subtotal | 21.9 | 19.3 | $2.4)$ |
| Housing allowances | $\mathbf{6 5 . 0}$ | $\mathbf{7 0 . 3}$ | $\mathbf{( 5 . 3 )}$ |
| $\quad$ Total | 17.7 | 0.8 | 16.9 |

( ) = negative, ADB = Asian Development Bank.
Source: Asian Development Bank.
18. On an overall basis, the benefit comparisons indicate the following:
(i) The value of ADB's security benefits-core benefits available to all staff-is lower than that of the comparators by about $4.5 \%$ of net salary.
(ii) The value of ADB's family allowance and paid time off-benefits available to all staff-is lower than that of the comparators by about $3.4 \%$ of net salary.
(iii) The value of ADB's expatriate allowances-benefits available only to expatriate staff-is higher than that of the comparators by about $2.6 \%$ of net salary.
(iv) The combined value for ADB of these three groups of benefits and allowances is lower than that of the comparators by about $5.3 \%$ of net salary.
(v) The value of ADB's housing allowance is significantly higher than that of the comparators by about $16.9 \%$ of net salary, as most comparators do not provide this benefit.
(vi) The value of all ADB's benefits and allowances across the four categories, including housing, is higher than that of the comparators by about $11.6 \%$ of net salary.
19. Security benefits. There are two significant security benefit differences between ADB and the comparators:
(i) The largest difference involves retirement (and disability) benefits, which are, in most cases, largely provided through retirement plans. All of the comparators make a provision to offset some or all of the effects of taxation on retirement benefits either by grossing up the remuneration on which the benefits are determined or by reimbursing taxes payable on the benefits. By contrast, ADB's retirement benefits are based on net-of-tax salaries, and there is no provision to offset any taxes payable on staff retirement plan benefits.
(ii) A number of the comparators provide payments upon separation to all staff, without regard to the reason for their separation. These are typically based on length of service and are intended to provide assistance with costs associated with resettling after long periods of employment. ADB provided a similar benefit up to the end of 1998, but it eliminated it at that time for future hires.
20. Family allowances and paid time off. The main difference between ADB and the comparators involves family allowances. ADB's spouse and children's allowances are
essentially the same as those of the World Bank, IMF, and IADB, whereas the other comparators provide significantly larger allowances.
21. Expatriate allowances. There are three main distinctions in expatriate allowances:
(i) ADB's home country travel has a higher value than the corresponding benefits of the comparators mainly because ADB provides travel allowances more frequently. ADB's education allowances have a higher value than the corresponding benefits of the comparators because its cost-sharing ratio is slightly more favorable to staff than those of a number of the comparators.
(ii) Two of the comparators provide relatively large general expatriate allowances. One comparator provides this allowance throughout employment which is paid in addition to home leave and education benefits. The other comparator phases out the allowance over 10 years and is provided in lieu of home leave and education benefits. ADB does not have a comparable allowance.
22. Housing: Housing accounts for the largest difference between ADB and the comparators. Setting aside housing assistance, the value of ADB's benefits is about $5.3 \%$ lower than the average value of the benefits of the comparators. With housing included, the value of ADB's benefits is about $11.6 \%$ higher than the average value of the benefits of the comparators. Only one of the comparators provides housing assistance to staff at grade and salary levels corresponding to ADB levels IS3-IS10.
23. There are special factors that make the provision of housing assistance necessary for ADB. The price of rental accommodation in Manila is significant, and the relatively limited availability of suitable rental properties-particularly properties of an international standard that meet staff requirements of safety and security and are within reasonable commuting distance of ADB headquarters and schools-gives landlords a strong bargaining position.
24. Moreover, the Manila real estate market is subject to certain constraints that are not present in the locations of the comparators. Non-Filipinos are not permitted to purchase land, which limits the possibility of home ownership to condominiums. However, purchases in the condominium market pose substantially greater risks in Manila than in the cities in which the comparators are located or, generally, in large metropolitan areas in developed countries. These include a highly uncertain resale market (i.e., there is a risk that staff may not be able to recover their capital on a timely basis when they leave the organization or retire) and exposure to significant long-term exchange rate risks on capital tied up in Manila housing. As a result, most staff remain in the rental market.
25. In light of these considerations, the consulting firm concluded that the provision of housing assistance (i) is a requirement that is unique for ADB among the comparators, (ii) is essential to supporting recruitment and retention, and (iii) could be regarded as a cost of doing business in Manila. Accordingly, the consulting firm regards it as more appropriate to compare and assess the competitiveness and market position of ADB's benefits (and total remuneration) with housing assistance excluded from the calculations.

## C. Total Remuneration

26. Total remuneration comparisons combine the results of the comparisons of cash compensation and the employer-provided benefit values presented above. Table A1.3 compares ADB's salary range midpoints and average salary with the corresponding range
midpoints and MRPs of the comparators. Totals are again shown without and with housing allowances. Figure A1.2 shows

Table A1.5: Comparison of Total Remuneration of ADB (Midpoints) and the
IFI/IO Comparators ${ }^{\text {a }}$

| Remuneration Element | Total Remuneration (\$'000) |  |  | Differences (\%): |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | ADB <br> Midpoints | ADB <br> Average Salary | Comparators' Midpoints | ADB Midpoints Over (Under) Comparators' Midpoints | ADB Average Salary Over (Under) Comparators' Midpoints |
| Cash Compensation (Salaries) | 166.1 | 155.9 | 161.1 | 3.1 | (3.2) |
| Security benefits | 43.1 | 41.2 | 49.1 | (12.2) | (16.2) |
| Family allowances and paid time-off | 28.4 | 27.0 | 33.0 | (13.9) | (18.4) |
| Expatriate allowances | 36.4 | 36.4 | 31.0 | 17.1 | 17.1 |
| Subtotal: Benefits | 107.9 | 104.5 | 113.2 | (4.7) | (7.7) |
| Tax Reimbursement | 0.0 | 0.0 | 8.2 | (100.0) | (100.0) |
| Subtotal: Total Remuneration | 274.0 | 260.4 | 282.4 | (3.0) | (7.8) |
| Housing allowances | 29.3 | 29.3 | 1.2 | 2,305.5 | 2,305.5 |
| Total: Benefits with Housing | 137.2 | 133.8 | 114.4 | 20.0 | 17.0 |
| Total: Total Remuneration | 303.3 | 289.7 | 283.6 | 6.9 | 2.2 |

( ) = negative, ADB = Asian Development Bank.
a The table is based on based on ADB's midpoints and average salary and the corresponding midpoints or market reference points of the comparators.
Source: Asian Development Bank.
Figure A1.2 Comparison of Total Remuneration


Source: Asian Development Bank.
27. With housing allowances excluded, the estimated monetary value of ADB's total remuneration package is at par with that of the comparators. The inclusion of housing raises the
estimated monetary value of ADB's total remuneration package above that of the comparators by $6.9 \%$.
28. The outcome of the total remuneration comparisons differ significantly when they are based on the average salary of ADB staff, rather than the salary range midpoints since ADB's actual salaries are positioned $7.0 \%$ below the midpoints. The estimated monetary value of ADB's total remuneration package, with housing allowances excluded, is $7.8 \%$ lower than that of the comparators. With housing included, ADB's total remuneration, based on actual average salaries, is $2.2 \%$ higher than that of the comparators.

## C. Other Considerations

29. Apart from direct market comparisons of ADB's compensation and benefits, a number of other factors can have an impact of the effectiveness of compensation and benefits in supporting the recruitment and retention of staff.
30. It is a widely accepted principle among international organizations that they need to offer a premium over and above national compensation levels in order to induce prospective employees to leave their home countries and make their careers, often for an extended period of 15-25 years, with the organizations. These incentives are an acknowledgement that such extended periods of expatriation have continuing costs, some of which are quantifiable and some of which are intangible, for their staff members and their families. ${ }^{6}$ The international organizations providing such premiums have generally concluded that added compensation in the range of $10.0 \%-20.0 \%$ of salary is needed for an effective expatriation incentive.
31. ADB has not, to date, explicitly provided such an expatriate premium, and its continuing ability to attract and to retain high-quality staff suggests that such a premium is not needed at this time, provided (i) ADB positions its base salaries (and benefits) at levels that are attractive and fully competitive with those of national markets and other IFIs and international organizations, and (ii) it continues to provide a rental subsidy as part of expatriate benefits.
32. The location of ADB's headquarters in Manila has both advantages and disadvantages for its employment and staffing strategies. The opportunity to work and live in, or close to, the developing member countries that ADB serves is a comparative advantage for many staff over the US- and Europe-based IFIs and international organizations. However, ADB faces a number of location-specific challenges that place it at a disadvantage relative to the other IFIs and international organizations that are located in major metropolitan areas in Europe or the US.
33. These disadvantages, which cannot be solved just by providing higher compensation, include (i) professional isolation (ADB's location makes it difficult to maintain active involvement in professional networks or direct interaction with colleagues in other banking and development agencies); (ii) lack of spouse employment opportunities (the general inability of staff members' spouses to secure employment in Manila eliminates a second family income, and results in frustration and career stagnation due to extended periods of unemployment and inability of the spouse to pursue his or her profession); and (iii) for some staff, the difficulties associated with

[^13]living and working in a developing country (e.g., added health risks and security concerns). These factors can place ADB at a competitive disadvantage as compared with other IFIs and international organizations, but this disadvantage can be offset, to some extent, by making ADB's compensation and benefits competitive with those of other markets.

## 2015 COMPREHENSIVE REVIEW NATIONAL STAFF AND ADMINISTRATIVE STAFF

1. This appendix presents the results of the market surveys carried out by the consulting firm, Towers Watson, and ascertains the competitiveness of the headquarters national staff and administrative staff (NSAS) and selected field office NSAS compensation and benefits programs. The review provides a basis for the Asian Development Bank (ADB) to determine the continuing appropriateness of those programs and recommends changes in compensation policy deemed to be necessary. The appendix reports on the analysis of total cash compensation (i.e., base salaries and cash allowances) and provides an overview of the analyses of benefits and total remuneration (i.e., cash compensation and benefits combined).
2. For a market survey to provide an appropriate basis for assessing the competitiveness of ADB's compensation, a set of relevant and representative employment sectors, comparators, and job families need to be selected. NSAS are recruited from the countries in which they are based, hence the comparators selected are local employers, from the financial and nonfinancial sector, including both the private and public sectors in each of the locations surveyed.
3. The survey incorporated compensation data from Towers Watson's proprietary databases in the locations surveyed. The survey data covers 15 employers at headquarters and for the five selected field offices. In the field offices, in addition to the Towers Watson database, the survey incorporated compensation data from the Birches Group. ${ }^{1}$
4. The job families covered in the survey data were determined on the basis of their relevance to ADB. Occupations such as those in sales and those largely tied to profit-based bonuses (such as brokers and traders) were excluded. Valid compensation comparisons across organizations depend on correctly determining the equivalence of benchmark jobs and aligning the grades containing those jobs. This was undertaken by comparing the duties and responsibilities, authority, accountability for results, and qualifications and experience needed to perform the specified duties for the selected benchmark positions. To make the market comparisons as accurate as possible, the consulting firm analyzed ADB's general level descriptions and position descriptions for 41 benchmark positions (Appendix 5, Table A5.2).

## A. Cash Compensation

6. The compensation taken into account in the market comparisons also needs to be defined on a comparable basis. Comparing ADB salaries with base salaries does not reflect the compensation offered to staff in other organizations, as organizations in the private sector include variable pay. Thus, total cash compensation for the comparators included base pay, fixed allowances, variable pay, and the value of in-kind benefits that other employers provide and ADB does not (e.g., meal allowance, car programs, rice subsidy, allowances for access to fitness facilities, mobile phones, company products, etc.).
7. Comparator compensation was reported in the survey on a gross, pre-tax basis. For consistency with ADB's net-of-tax salaries for the five field offices, comparator compensation was netted down on the basis of each country's 2015 income tax schedule, assuming typical

[^14]deductions, credits, and adjustments to income. ${ }^{2}$ For headquarters NSAS, compensation was compared on a gross basis.
8. Each employer determines the level at which it wishes to position its payline against the market in which it competes for talent. Leading companies that recruit top talent typically set their market position at or above the 75th percentile of their industry. The ADB payline is positioned at the 75 th percentile of the comparator group, which is the standard practice amongst international financial institutions and international organizations.

## B. Benefits

9. The comparison across all comparators was based only on the benefit provisions that are applicable to new hires; benefit provisions that apply to a subgroup of existing staff because of grandfathering were not included in the comparisons. With the exception of paid time-off, these benefits and allowances usually involve direct employer expenditures and employee contributions or payments. The benefits were grouped into four categories:
(i) Security benefits. These provide income protection (a) upon retirement and separation from employment; and (b) in the event of death, sickness, or longterm disability. ${ }^{3}$
(ii) Paid time off. This includes annual leave, occasional leave, and public holidays.
(iii) Loans. These include employer-sponsored housing loans, multipurpose loans, and car loans.
(iv) Statutory benefits. These include benefits provided through a country's social security program.
10. The consulting firm's analysis focused on employer-provided benefit values, which measure the value that employees receive from benefit plans and allowances. The benefit values are derived from the design of the benefit plans and represent the worth of benefits to employees, not the cost of benefits to employers. In order to focus on differences in the benefit design and to compare the benefit values on a consistent basis, the consulting firm developed a valuation model that applied a common set of demographic, economic, actuarial, and cost assumptions for all organizations.

## C. Total Remuneration

11. Total remuneration comparisons combine the results of the comparisons of cash compensation and the employer-provided benefit values presented above. These estimates serve as an indicative relative measure of the value of the total remuneration packages of ADB and the comparators and need to be interpreted with caution. The benefit values are based on valuation of benefit designs using a large number of demographic, economic, and actuarial assumptions, and the actual utilization of some individual benefits varies widely among staff. For this reason, the indicated monetary value of total remuneration for ADB and the comparators should be regarded as a relative measure between the organizations and not as a firm estimate of the absolute level of remuneration for either ADB or the other organizations.

[^15]D. ADB 2015 Headquarters National Staff and Administrative Staff Total Remuneration Compared With Comparators' Total Remuneration
12. Table A2.1 compares ADB's 2015 headquarters NSAS total remuneration with the 15 comparators. Overall, ADB's total cash compensation is positioned below that of the comparators while its benefits are significantly higher, resulting in a total remuneration package $18.2 \%$ higher than that of the comparators.

Table A2.1: Comparison of Total Remuneration of Headquarters National Staff and Administrative Staff and the Comparators

| Remuneration Element | Total Remuneration (P’000) |  | ADB Over (Under) Comparators (\%) |
| :---: | :---: | :---: | :---: |
|  | ADB | Comparators' Average |  |
| Cash Compensation |  |  |  |
| Base pay | 1,362.8 | 1,096.0 | 24.3 |
| Other cash payments | 26.3 | 422.6 | (93.8) |
| Total Cash | 1,389.1 | 1,518.6 | (8.5) |
| Benefits |  |  |  |
| Statutory benefits | 0.0 | 34.9 | (100.0) |
| Loans | 152.3 | 22.1 | 589.6 |
| Paid time off | 206.8 | 129.8 | 59.3 |
| Security benefits | 549.9 | 239.2 | 129.9 |
| Total Benefits | 909.0 | 426.0 | 113.4 |
| Total Remuneration | 2,298.1 | 1,944.6 | 18.2 |

( ) = negative, ADB = Asian Development Bank.
Source: Asian Development Bank.
13. Table A2.2 to Table A2.6 compares ADB's cash compensation, benefits, and total remuneration with the World Bank and the 15 comparator groups for the following field offices: India, Indonesia, Pakistan, PRC and Vietnam.
14. ADB's total cash, benefits, and total remuneration for the five field offices are at par with the World Bank. However when comparing ADB and the comparator group's cash compensation India, Pakistan and the PRC are at par while Vietnam and Indonesia are significantly higher, ADB's total remuneration package for all the five field offices is positioned significantly higher, because ADB's benefit values are higher in each of the locations surveyed. ADB provides the same benefits to NSAS that it provides to international staff (with the exception of expatriate benefits). These benefits are designed to be globally competitive, whereas the comparators surveyed at headquarters and in the field offices typically provide benefits that are designed to be locally competitive.

Table A2.2: Comparison of Remuneration of ADB India Resident Mission National Staff and Administrative Staff, the World Bank, and the Comparators

| Remuneration Element | Total Remuneration (\$'000) |  |  | Differences (\%) |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | ADB | World Bank | General Industry Average | ADB Over (Under) World Bank | ADB Over (Under) General Industry |
| Cash Compensation |  |  |  |  |  |
| Base pay | 32.1 | 33.0 | 23.4 | (2.8) | 37.1 |
| Other cash payments | 0.0 | 0.0 | 8.5 | 0.0 | (100.0) |
| Total Cash | 32.1 | 33.0 | 31.9 | (2.8) | 0.6 |
| Benefits |  |  |  |  |  |
| Statutory benefits | 0.0 | 0.0 | 1.1 | 0.0 | (100.0) |
| Loans | 2.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paid time off | 4.9 | 4.9 | 3.6 | (0.7) | 34.0 |
| Security Benefits | 12.1 | 14.7 | 2.5 | (17.1) | 387.7 |
| Total Benefits | 19.1 | 19.6 | 7.2 | (2.3) | 163.2 |
| Total Remuneration | 51.2 | 52.6 | 39.1 | (2.6) | 30.7 |

() = negative, ADB = Asian Development Bank.

Source: Asian Development Bank.
Table A2.3: Comparison of Total Remuneration of ADB Indonesia Resident Mission National Staff and Administrative Staff, the World Bank, and the Comparators

| Remuneration Element | Total Remuneration (\$'000) |  |  | Differences <br> (\%) |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | ADB | World Bank | General Industry Average | ADB Over (Under) World Bank | ADB Over (Under) General Industry |
| Cash Compensation |  |  |  |  |  |
| Base pay | 36.2 | 37.9 | 27.3 | (4.6) | 32.8 |
| Other cash payments | 0.0 | 0.0 | 3.9 | 0.0 | (100.0) |
| Total Cash | 36.2 | 37.9 | 31.2 | (4.6) | 16.2 |
| Benefits |  |  |  |  |  |
| Statutory benefits | 0.0 | 0.0 | 3.3 | 0.0 | (100.0) |
| Loans | 2.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paid time off | 5.5 | 5.6 | 4.5 | (2.5) | 22.6 |
| Security Benefits | 13.4 | 15.9 | 4.7 | (15.2) | 188.2 |
| Total Benefits | 21.6 | 21.5 | 12.5 | 0.8 | 74.3 |
| Total Remuneration | 57.8 | 59.4 | 43.7 | (2.6) | 32.8 |

( ) = negative, ADB = Asian Development Bank.
Source: Asian Development Bank.

Table A2.4: Comparison of Total Remuneration of ADB Pakistan Resident Mission National Staff and Administrative Staff, the World Bank, and the Comparators

| Remuneration Element | Total Remuneration (\$'000) |  |  | Differences <br> (\%) |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | ADB | World Bank | General Industry Average | ADB Over (Under) World Bank | ADB Over (Under) General Industry |
| Cash Compensation |  |  |  |  |  |
| Base pay | 34.5 | 36.6 | 24.7 | (5.6) | 39.8 |
| Other cash payments | 3.2 | 2.2 | 12.3 | 0.0 | (73.7) |
| Total Cash | 37.7 | 38.8 | 37.0 | (2.5) | 2.1 |
| Benefits |  |  |  |  |  |
| Statutory benefits | 0.0 | 0.0 | 0.2 | 0.0 | (100.0) |
| Loans | 4.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paid time off | 5.2 | 5.4 | 3.4 | (3.5) | 55.2 |
| Security Benefits | 13.3 | 16.0 | 4.6 | (16.7) | 186.4 |
| Total Benefits | 22.8 | 21.4 | 8.2 | 6.6 | 179.3 |
| Total Remuneration | 60.5 | 60.2 | 45.2 | 0.8 | 34.1 |

( ) = negative, ADB = Asian Development Bank.
Source: Asian Development Bank.
Table A2.5: Comparison of Total Remuneration of ADB People's Republic of China Resident Mission National Staff and Administrative Staff, the World Bank, and the Comparators

| Remuneration Element | Total Remuneration (\$'000) |  |  | Differences <br> (\%) |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | ADB | World Bank | General Industry Average | ADB Over (Under) World Bank | ADB Over (Under) General Industry |
| Cash Compensation |  |  |  |  |  |
| Base pay | 68.6 | 72.2 | 53.1 | (5.0) | 29.0 |
| Other cash payments | 1.1 | 0.0 | 18.5 | 0.0 | (93.8) |
| Total Cash | 69.7 | 72.2 | 71.6 | (3.4) | (2.7) |
| Benefits |  |  |  |  |  |
| Statutory benefits | 0.0 | 0.0 | 15.6 | 0.0 | (100.0) |
| Loans | 2.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paid time off | 10.4 | 10.7 | 7.6 | (2.9) | 37.5 |
| Security Benefits | 21.4 | 25.2 | 3.9 | (15.0) | 447.3 |
| Total Benefits | 34.2 | 35.9 | 27.1 | (4.8) | 26.2 |
| Total Remuneration | 103.9 | 108.1 | 98.7 | (3.9) | 5.3 |

( ) = negative, ADB = Asian Development Bank.
Source: Asian Development Bank.

## Table A2.6: Comparison of Total Remuneration of ADB Viet Nam Resident Mission

 National Staff and Administrative Staff, the World Bank, and the Comparators| Remuneration Element | Total Remuneration (\$’000) |  |  | Differences <br> (\%) |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | ADB | World Bank | General Industry Average | ADB Over (Under) World Bank | ADB Over (Under) General Industry |
| Cash Compensation |  |  |  |  |  |
| Base pay | 40.0 | 41.7 | 25.6 | (3.9) | 56.7 |
| Other cash payments | 0.0 | 0.0 | 5.6 | 0.0 | (100.0) |
| Total Cash | 40.0 | 41.7 | 31.2 | (3.9) | 28.6 |
| Benefits |  |  |  |  |  |
| Statutory benefits | 0.0 | 0.0 | 3.2 | 0.0 | (100.0) |
| Loans | 3.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paid time off | 6.1 | 6.2 | 2.9 | (1.8) | 107.9 |
| Security Benefits | 14.7 | 16.8 | 2.4 | (12.9) | 501.3 |
| Total Benefits | 24.2 | 23.0 | 8.5 | 5.0 | 183.0 |
| Total Remuneration | 64.2 | 64.7 | 39.7 | (0.7) | 61.8 |

## OVERVIEW OF THE WORLD BANK'S COMPENSATION METHODOLOGY

1. The revised compensation methodology for international staff approved by the Asian Development Bank (ADB) Board of Directors in 2015 reaffirmed the appropriateness of ADB continuing to reference the World Bank as its principal comparator for international staff and national staff and administrative staff in the field offices. ${ }^{1}$ 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. ${ }^{2}$
2. Step 1: Surveying the market and selecting comparator organizations. The World Bank's salary structure for Washington, DC-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. ${ }^{3}$
3. Step 2: Job matching and collecting total cash compensation data. Job matching reviews are conducted to reflect changes in 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 <br> Grades | ADB Levels | Data Source Weighting |
| :--- | :--- | :--- |
| GE to GH | IS1 to IS8 | $33 \%$ for the US public sector (US civil service <br> $60 \%$, Federal Reserve 40\%) and 67\% for the <br> private sector (50\% industrial sector, $50 \%$ <br> financial sector) |
| World Bank <br> grade GI | IS9 and IS10 | $50 \%$ public sector and 50\% private sector |

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

[^16]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 the World Bank's FY2016 (1 July 2015-30 June 2016), its structure adjustment was $2.7 \%$. 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 that are totally performance based. The SMI and SPA are calculated using the following methods:
(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 FY2016, the SMI for the World Bank is $0.2 \%$.
(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 FY2016, the SPA for the World Bank is $1.7 \%$.
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.

## MAPPING OF ADB NATIONAL STAFF AND ADMINISTRATIVE JOB LEVELS TO WORLD BANK GRADES

Table A4.1: ADB National Staff and Administrative Staff Job Grade Equivalencies with World Bank Grades

| ADB Level | World Bank |
| :---: | :---: |
| AS1 | GA |
| AS2 | GA |
| AS3 | GB |
| AS4 | GB |
| AS5 | GC |
| AS6 | GC |
| AS7 | GD |
| NS1 | GD/GE |
| NS2 | GE |
| NS3 | GF |
| NS4 | GF |
| NS5 | GG |
| NS6 | GG |
| NS7 | GG+ |

ADB = Asian Development Bank; AS = administrative staff; NS = national staff.
Source: Towers Watson.

## JOB FAMILIES AND BENCHMARK JOBS

Table A5.1: International Staff

## Audit

1. Audit Young Professional
2. Audit Specialist
3. Senior Audit Specialist
4. Principal Audit Specialist
5. Auditor General

## Budget and Management Services

6. Budget Young Professional
7. Budget Specialist
8. Budget Management Specialist
9. Senior Budget Management Specialist
10. Principal Budget Management Specialist
11. Director, Facilities \& Asset Management/Institutional Services Division
12. Director General, Budget Personnel \& Management Systems
13. Principal Director, Office of

Administrative Services
14. Deputy Director General

## Capital Markets

15. Investment Specialist, Capital Markets
16. Senior Investment Specialist, Capital Markets
17. Principal Investment Specialist, Capital Markets

## Corporate Strategy/Secretariat

18. Planning \& Policy Specialist
19. Associate Secretary, Comp Rev Panel
20. Principal Planning \& Policy Development
21. Associate Secretary, Comp Rev Panel
22. Director, Strategy Planning, Policy, and Interagency Relations Division
23. The Secretary

## Country/Region Operations

24. Senior Sector Specialist (Director

General, Regional Department)

## Economics

25. Economist
26. Principal Economist
27. Assistant Chief Economist
28. Chief Economist

Financial Control
29. Young Professional Financial Control
30. Financial Control Specialist
31. Senior Financial Control Specialist
32. Principal Financial Control Specialist
33. Director, Financial Control (Assistant Controller)
34. Director, Office of the Auditor General
35. Director, Office of Anticorruption and Integrity
36. Controller

## General Human Resources

37. Human Resources Young Professional
38. Human Resources Specialist
39. Senior Human Resources Specialist
40. Principal Human Resources Specialist
41. Director, Human Resources
(Compensation \& Benefits/Training)
42. Director, Human Resources

## Human Resources

43. Deputy Director General, Budget, Personnel, and Management Systems Department

## Information Technology

44. Office of Information Systems and

Technology Young Professional
45. Office of Information Systems and

Technology Specialist
46. Senior Information Systems and

Technology Specialist
47. Principal Information Technology Specialist
48. Director, Information Technology
49. Principal Director, Information

Technology

## Legal

50. Legal Young Professional
51. Attorney
52. Counsel
53. Senior Counsel
54. Principal Counsel
55. Assistant General Counsel
56. Director, Legal (Assistant General Counsel)
57. General Counsel

## Office of Compliance Review

58. Secretary, Compliance

Public Relations \& Communications
59. Media Relations Young Professional
60. Media Relations Specialist
61. Senior Media Relations Specialist
62. Head, Media \& Communications Unit
63. Director, Media and Communications

## Portfolio Management

64. Senior Portfolio Management Specialist
65. Principal Portfolio Management Specialist

## Procurement

66. Procurement Specialist
67. Principal Procurement Specialist

## Project Finance

68. Investment Specialist, Infrastructure
69. Senior Investment Specialist, Infrastructure
70. Principal Investment Specialist, Infrastructure

## Risk

71. Risk Young Professional
72. Risk Management Specialist
73. Risk Specialist
74. Risk Management Specialist
75. Senior Risk Management Specialist
76. Principal Risk Management Specialist
77. Director, Credit Risk
78. Head Office of Risk Management

## Sector Specialist

79. Young Professional, Sector Specialist
80. Sector Specialist
81. Senior Sector Specialist
82. Senior Sector Specialist (Principal

Specialist, Regional Department)
83. Senior Sector Specialist (Director, Regional Department)
84. Senior Sector Specialist (Advisor, Regional Department)
85. Senior Sector Specialist (Deputy

Director General, Regional Department)
Treasury
86. Treasury Young Professional
87. Treasury Specialist
88. Senior Treasury Specialist
89. Principal Treasury Specialist
90. Assistant Treasurer
91. Treasurer

## Table A5.2: Headquarters National Staff and Administrative Staff

## Accounting

1. Financial Control Assistant
2. Senior Financial Control Assistant
3. Financial Control Analyst
4. Associate Financial Control Officer

## Administrative Services

5. Evaluation Assistant
6. Logistics Management Assistant (Printing)
7. Secretariat Assistant
8. Senior Evaluation Assistant
9. Senior Operations Assistant (Hybrid Secretarial)
10. Associate Commercial Services

Administrator (Food Services)
11. Executive Assistant
12. Associate Facilities Planning \&

Management Office (Engineering)
13. Operations Assistant

## Audit

14. Auditor
15. Senior Audit Officer

## Corporate Affairs/Communication

16. Communications Assistant (Digital)
17. Communications Officer

## Finance

18. Senior Financing Partnerships Officer

Fund Management
19. Senior Treasury Assistant
20. Associate Treasury Analyst
21. Treasury Officer
22. Senior Treasury Officer

## Human Resources

23. Senior Human Resource Assistant
24. Associate Human Resources Analyst
25. Senior Human Resources Officer

Information Technology
26. Information Technology

Administrator/Analyst (Systems
Administration)
27. Senior Information Technology Officer (ERP Applications)

## Legal

28. Senior Legal Operations Assistant

## Modeling, Forecasting, and Economic Analysis

29. Economics \& Statistics Analyst
30. Economics Officer

## Project/Program Management

31. Associate Operations Analyst
32. Project Analyst
33. Associate Investment Officer
34. Associate Project Officer

Purchasing
35. Procurement Assistant
36. Senior Procurement Assistant
37. Associate Procurement Analyst
38. Procurement Officer

Risk Management
39. Risk Management Analyst
40. Senior Risk Management Officer

Strategic Planning/Corporate Development
41. Senior Strategy and Policy Officer

## ADB'S REPLY TO CONSULTANTS' RECOMMENDATIONS

## 2015 Comprehensive Review of the Asian Development Bank's Compensation and Benefits Policies <br> Recommendations of the Consultant (Towers Watson)

A. Market Positioning

| Item |  | Recommendations |  |  | ADB's Reply to Recommendations |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | International Staff | Field Office NSAS | Headquarters NSAS |  |
| 1 | Market positioning target | Continue to reference the 75th percentile of the market, which is the pay target typically utilized by IFIs and/or international organizations. In addition, it will position ADB well in relation to the local markets in which it operates, and will allow ADB to attract the caliber of people it requires. |  |  | ADB accepts this recommendation. |
| 2 | World Bank as proxy for market data | Continue to use World Bank MRPs for the time being. | While the World Bank may serve as a proxy for market data for most locations, consider referencing local markets as well. | Not applicable. | ADB accepts this recommendation. |
| 3 | Regular validation of World Bank MRPs | A comprehensive market assessment may be conducted at intervals of 3-5 years. |  | Not applicable. | ADB accepts this recommendation. |
| 4 | Job level mapping to the World Bank | No changes. | Include World Bank's Level GD for AS6, exclude World Bank's Level GD for NS1, and consider blend of World Bank Levels GG/GH for NS7 in lieu of GG+. | Not applicable. | This will be considered upon further review in 2016. |

B. Salary Setting and Adjustment

| Item |  | Recommendations |  |  | ADB's Reply to Recommendations |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | International Staff | Field Office NSAS | Headquarters NSAS |  |
| 5 | Flexibility in managing staff salaries | Continue to use salary ranges, not a step-rate system. At present, staff salaries are managed using comparatio control, which draws employees' pay to the center, or midpoint, of the salary structure regardless of their specific circumstances. By relaxing the rules on comparatio control while still managing within the overall budget, limited resources may be channeled to critical jobholders and high-performing individuals. Several approaches may be considered: <br> - Establishing function-specific salary structures; <br> - Setting reference points within a single salary structure to differentiate critical jobs; and <br> - Providing skills premiums not loaded to base salary while continuing to manage base salary under a single salary structure. <br> In field offices, consider flexibility in salary structures (and headcount budgeting) for certain roles at the interface between national staff and international staff. Owing to the size of field offices (in terms of the number of employees), it may be impractical to develop salary structures per function. The consultant recommends that ADB treats exceptions on a case-by-case basis and establishes a mechanism for review, control, and approval of exception cases. |  |  | Functional pay can be divisive, administratively burdensome, and may present difficulties for staff to take assignments in different roles or for staff to consider moving from a nonoperations position to an operations position and viceversa. <br> Skills premium could be considered. |
| 6 | Number of job levels | As there were overlaps across job levels, the job leveling architecture across staff groups should be reviewed to develop more progressive career paths between international staff and NSAS. If changes are made, then the mapping to the World Bank will need to be revisited. Having fewer job levels may also necessitate widening of the salary ranges. This will allow more flexibility to recognize different skills within a level. |  |  | This will be considered in the next salary paper in 2016. |
| 7 | Range spread | A review of international staff range spread is recommended. Most companies set their salary ranges using a fanned approach where salary ranges at the higher levels are wider compared to salary ranges at the lower level. | No changes recom | nded. | ADB accepts this recommendation. |
| 8 | Midpoint progressions | Consider smoothening midpoint progressions. Consistencies in midpoint progression will cascade to consistencies in starting salaries and promotions. Care must also be taken to allow a differentiation between AS7 (overtime earning level) and NS1 (non-overtime earning level) to minimize pay compression. |  |  | If ADB considers reducing the number of levels, as recommended by the consultants, this would be considered. |
| 9 | Promotion increases | Distinguish promotion increases on account of an increase in job scope as opposed to a promotion in recognition of years of |  |  | Promotion increases at the |


| Item | Recommendations |  |  | ADB's Reply to Recommendations |
| :---: | :---: | :---: | :---: | :---: |
|  | International Staff | Field Office NSAS | Headquarters NSAS |  |
|  | service without a cha should be prioritized f job with larger scope offering fewer promotion Should a review of th this would likewise ha opportunities of staff. | job scope. P se who have higher grade. but providing mber of job lev impact on th | on increases essed to a new hould consider ncreases. implemented, otion | lower levels were increased and are more uniformly applied at all levels. |

## C. Total Remuneration

| Item |  | Recommendations |  |  | ADB's Reply to Recommendations |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | International Staff | Field Office NSAS | Headquarters NSAS |  |
| 10 | Pay mix | Review pay mix together with performance management system to allow part of compensation to be performance based, which would better align with the talent strategy and support the strategic agenda. In some markets, like the Philippines, there may be tax benefits from incorporating non-base salary components into the package. |  |  | ADB will consider this recommendation subject to the decision by the courts on the tax status of headquarters NSAS. |
| 11 | Retirement age | Extend the retirement age beyond 60, which would align with the growing trend among IFIs to extend the retirement age to support retention of key talent. However, if performance management concerns are not addressed, nonperforming individuals will remain in place. |  |  | To be considered by the SRP Advisory Task Force. |
| 12 | Contributions to the SRP | Reintroduce mandatory contributions to the SRP, which would allow for topping up of retirement benefits on a more formal basis. This will inform staff that preparing for retirement is a joint responsibility between ADB and staff. Care in introducing such a feature should be taken, especially in those countries where mandatory contributions may not be typical practice. |  |  | To be considered by the SRP Advisory Task Force. |
| 13 | Medical coverage | Provide options for medical coverage. Extend choice to staff in terms of geographical and types of coverage as well as selection of qualified dependents. |  |  | To be considered by the GMIP <br> Advisory Task Force. |
| 14 | Dental and vision coverage | Enhance dental and vision coverage to possibly include prescription glasses and contact lenses. |  |  | To be considered by the GMIP Advisory Task Force. |
| 15 | Sick leave and disability arrangements | Integrate sick leave with short-term and long-term disability arrangements. This will provide salary continuance in the case of medical leave for extended periods. ADB may consider shifting long-term disability benefits prior to retirement from the SRP into an insurance arrangement. |  |  | To be considered by the SRP <br> Advisory Task Force. |
| 16 | Insurance arrangements | Review current insurance arrangement to determine if it continues to be cost-efficient. |  |  | To be considered by the GMIP Advisory Task Force. |


| Item |  | Recommendations |  |  | ADB's Reply to Recommendations |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | International Staff | Field Office NSAS | Headquarters NSAS |  |
| 17 | Flexible benefits | Introduce a flexible benefits concept, which would further enhance competitiveness even under a budget-neutral scenario. Such a program would allow staff to choose from a range of options more suited to their family status and life stage. The enhanced flexibility allows personalized choices, engaging staff and facilitating allocation of underutilized benefits. |  |  | ADB will consider this recommendation. |
| 18 | Expatriate allowances and housing allowance | Consider <br> introducing mobility allowance by bundling expatriate allowances (e.g., home country travel, educational assistance, housing allowance, etc.) into one amount to address individual circumstances. | Not applicable. | Not applicable. | This recommendation is not being considered at this time. The eligibility conditions for each benefit program are clear and reflect ADB's need-based benefits system. |
| 19 | Total remuneration communication | Enhance communica ADB's total remuner staff failed to appreci recommends that co remuneration be furt | tion. The survey tion is competitiv ate this. Thus, the munications rela er strengthened | arly indicated that with the market, yet onsultant d to total reinforce its value. | ADB accepts this recommendation. |

## D. Other Recommendations

| Item |  | Recommendations |  |  | ADB's Reply to Recommendations |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | International Staff | Field Office NSAS | Headquarters NSAS |  |
| 28 | Spousal employment | Explore possibility of spousal employment with other international organizations in Manila. | While the World Bank may serve as a proxy for market data for most locations, consider referencing the local market as well. | Not applicable. | ADB accepts this recommendation and will endeavor to initiate discussion with other international organizations in Manila. |

ADB = Asian Development Bank, GMIP = Group Medical Insurance Plan, IFI = international financial institution, MRP = market reference point, NSAS = national staff and administrative staff, SRP = Staff Retirement Plan.
Source(s): \{please provide source(s)\}.

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

| No. | Company Name | Category | Line of <br> Business | Headquarters | Total No. <br> of Staff |
| :---: | :--- | :--- | :--- | :--- | ---: |
| 1 | Accenture, Inc. | Private | Services | United States | $>1,000$ |
| 2 | Citibank, N.A. | Private | Finance | United States | $>1,000$ |
| 3 | Development Bank of the Philippines | Public | Finance | Philippines | $>1,000$ |
| 4 | Globe Telecoms | Private | Service/Utilities | Philippines | $>1,000$ |
| 5 | HSBC Group | Private | Finance | United Kingdom | $>500$ |
| 6 | International Rice Research Institute | Public | Supranational | Philippines | $>1,000$ |
| 7 | Nestle Philippines, Inc. | Private | Consumer | Switzerland | $>1,000$ |
| 8 | Petron Corporation | Private | Oil | Philippines | $>1,000$ |
| 9 | Procter \& Gamble, Philippines | Private | Consumer | United States | $>1,000$ |
| 10 | San Miguel Corporation | Private | Consumer | Philippines | $>1,000$ |
| 11 | Sun Life Assurance Company of Canada | Private | Finance | Canada | $>500$ |
| 12 | United Laboratories, Inc. | Private | Pharmaceutical | Philippines | $>1,000$ |
| 13 | United States Embassy | Public | Embassy | United States | $>1,000$ |
| 14 | World Bank, Manila Office | Public | Supranational | International | $<500$ |
| 15 | World Health Organization | Public | Supranational | International | $<500$ |

> = greater than, < = less than.
Source: Towers Watson's Salary Survey Report.

ADB AND WORLD BANK INTERNATIONAL STAFF SALARY STRUCTURE AND SALARY INCREASE (2007-2016) AND EFFECT OF EXCHANGE RATE AND PHILIPPINES CONSUMER PRICE INDEX ON STAFF EXPENSES AS A PERCENTAGE OF SALARY

Table A8.1: ADB and World Bank International Staff Salary Structure and Overall Salary Increase (2007-2016)
(\%)

| Calendar Year | Structure Adjustment |  | Overall Salary Increase |  | Comparatio |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | ADB | World Bank | ADB | World Bank | ADB | World Bank |
| 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 |
| 2016 | 2.4 | 2.7 | 4.7 | 4.6 | 94.9 | 97.0 |
| Compounded Growth Rate | 29.1 | 28.0 | 49.9 | 48.3 |  |  |
| Compounded Annual Growth Rate | 2.6 | 2.5 | 4.1 | 4.0 |  |  |

Table A8.2: Effect of Exchange Rate and Philippines Consumer Price Index on Staff Expenses as a Percentage of Salary ${ }^{\text {a }}$

| Year | Average Salary (Including Promotion Increases) (\$) | Amount Spent in Manila Starting at 40\% of Pay in 2006 <br> (\$) | Annual Staff Share of Rent (\$) | Staff Share of Primary/ Secondary Education (\$) | Total (\$) | Amount Spent in Manila as \% of Pay (\%) | $\qquad$ | $\begin{gathered} \text { CPI } \\ \text { Philippines }{ }^{\text {b }} \\ (\%) \\ \hline \end{gathered}$ | Salary Increase (\%) | Amount Spent in Manila Starting at 40\% of Pay in 2006 <br> (P) | $\qquad$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2006 | 95,206 | 42,319 | 11,361 | 5,887 | 59,566 | 63 | 49.01 | 6.2 | 6.1 | 2,074,036 | 556,794 |
| 2007 | 101,061 | 53,429 | 14,109 | 6,211 | 73,750 | 73 | 41.23 | 2.9 | 6.2 | 2,202,627 | 581,632 |
| 2008 | 106,973 | 47,701 | 12,704 | 6,554 | 66,958 | 63 | 47.52 | 8.3 | 5.9 | 2,266,503 | 603,614 |
| 2009 | 115,156 | 53,139 | 13,378 | 6,915 | 73,432 | 64 | 46.18 | 4.2 | 7.7 | 2,453,726 | 617,752 |
| 2010 | 121,432 | 58,407 | 14,450 | 7,297 | 80,154 | 66 | 43.78 | 3.8 | 5.5 | 2,556,782 | 632,562 |
| 2011 | 128,779 | 60,530 | 14,491 | 7,699 | 82,720 | 64 | 43.85 | 4.6 | 6.1 | 2,653,940 | 635,337 |
| 2012 | 136,055 | 67,691 | 14,677 | 8,124 | 90,492 | 67 | 41.01 | 3.2 | 5.7 | 2,776,021 | 601,890 |
| 2013 | 142,790 | 64,553 | 13,025 | 8,571 | 86,150 | 60 | 44.38 | 3.0 | 5.0 | 2,864,854 | 578,064 |
| 2014 | 147,600 | 65,969 | 13,337 | 9,044 | 88,350 | 60 | 44.73 | 4.1 | 4.9 | 2,950,800 | 596,544 |
| 2015 | 151,000 | 66,778 | 13,179 | 9,543 | 89,500 | 59 | 46.00 | 1.7 | 5.8 | 3,071,782 | 606,245 |
| Annual Increase (\%) | 5.3 | 5.2 | 1.7 | 5.5 | 4.6 | -0.6 | (0.7) | 4.0 | 5.8 | 4.5 | 0.9 |

() = negative, CPI = consumer price index, $\mathrm{P}=$ Philippine peso.
${ }^{\text {a }}$ This illustrative example is based on the following assumptions:
(i) The salary increase is the approved annual overall 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 the average median gross rent in each calendar year.
${ }^{\mathrm{b}}$ Average annual inflation data from the National Statistics Office of the Philippines.
Source: Asian Development Bank.

## PROPOSED FIELD OFFICE STRUCTURE ADJUSTMENT, OVERALL SALARY INCREASE, AND COMPARATIO FOR 2016 AND SUMMARY OF FIELD OFFICE AVERAGE ANNUAL SALARY INCREASE AND CONSUMER PRICE INDEX (2012-2016)

Table A9.1: Proposed Field Office Structure Adjustment, Overall Salary Increase, and Comparatio

| Regional Department/ Field Office Location | Confirmed Staff (No.) | Structure Adjustment Component (\%) | Budget <br> Neutral <br> Salary <br> Increase <br> Component <br> $(\%)$ | Proposed Overall Salary Increase (\%) | Estimated <br> Comparatio <br> before <br> Salary <br> Increase <br> $(\%)$ | Estimated <br> Comparatio <br> after <br> Salary <br> Increase <br> $(\%)$ | Salary Currency | $\begin{gathered} \text { Exchange } \\ \text { Rate }^{\mathrm{a}} \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Central West Asia |  |  |  |  |  |  |  |  |
| Afghanistan | 19 | 5.2 | 0.8 | 6.0 | 91.3 | 97.0 | \$ | 1.00 |
| Armenia | 6 | 0.0 | 2.1 | 2.1 | 96.9 | 98.9 | AMD | 482.00 |
| Azerbaijan | 6 | 10.0 | 1.4 | 11.4 | 86.4 | 97.0 | AZN | 1.05 |
| Georgia | 6 | 6.6 | 0.1 | 6.7 | 92.6 | 98.8 | GEL | 2.35 |
| Kazakhstan | 8 | 0.0 | 6.1 | 6.1 | 90.5 | 96.0 | T | 240.52 |
| Kyrgyz Republic | 10 | 6.5 | 0.1 | 6.6 | 93.1 | 99.2 | \$ | 1.00 |
| Pakistan | 37 | 0.0 | 2.1 | 2.1 | 97.3 | 99.3 | PRs | 104.02 |
| Tajikistan | 13 | 2.2 | 0.1 | 2.3 | 95.6 | 97.8 | \$ | 1.00 |
| Turkmenistan | 4 | 5.4 | 0.1 | 5.5 | 97.2 | 102.5 | \$ | 1.00 |
| Uzbekistan | 15 | 1.9 | 0.1 | 2.0 | 97.9 | 99.9 | \$ | 1.00 |
| East Asia |  |  |  |  |  |  |  |  |
| PRC | 49 | 7.8 | 0.2 | 8.0 | 88.5 | 96.0 | CNY | 6.39 |
| Mongolia | 16 | 9.5 | 0.1 | 9.6 | 92.4 | 101.3 | \$ | 1.00 |
| Pacific |  |  |  |  |  |  |  |  |
| Australia | 9 | 2.6 | 0.1 | 2.7 | 100.0 | 102.7 | A\$ | 1.39 |
| Fiji | 16 | 0.6 | 1.4 | 2.0 | 99.6 | 101.6 | F\$ | 2.15 |
| PNG | 11 | 5.0 | 0.1 | 5.1 | 93.2 | 97.9 | K | 2.81 |
| Timor-Leste | 4 | 0.0 | 2.0 | 2.0 | 101.1 | 103.1 | \$ | 1.00 |
| South Asia |  |  |  |  |  |  |  |  |
| Bangladesh | 43 | 15.1 | 2.5 | 17.6 | 78.6 | 94.0 | Tk | 77.79 |
| Bhutan | 2 | 13.6 | 0.1 | 13.7 | 100.1 | 113.9 | Nu | 66.15 |
| India | 61 | 3.3 | 1.6 | 4.9 | 92.4 | 97.0 | Rs | 66.15 |
| Nepal | 36 | 7.8 | 2.2 | 10.0 | 87.0 | 96.0 | NRs | 105.79 |
| Sri Lanka | 32 | 9.7 | 2.9 | 12.6 | 85.0 | 96.0 | SLRs | 134.35 |
| Southeast Asia |  |  |  |  |  |  |  |  |
| Cambodia | 24 | 7.5 | 0.1 | 7.6 | 93.4 | 100.5 | \$ | 1.00 |
| Indonesia | 38 | 3.7 | 0.8 | 4.5 | 91.8 | 96.0 | Rp | 14,012.00 |
| Lao PDR | 20 | 8.8 | 0.1 | 8.9 | 91.6 | 99.7 | \$ | 1.00 |
| Myanmar | 4 | 10.1 | 0.1 | 10.2 | 97.4 | 107.3 | \$ | 1.00 |
| Thailand | 11 | 2.5 | 0.1 | 2.6 | 95.0 | 97.5 | B | 35.85 |
| Viet Nam | 38 | 8.1 | 0.1 | 8.2 | 88.7 | 96.3 | \$ | 1.00 |
| Representative Offices |  |  |  |  |  |  |  |  |
| Germany | 3 | 0.0 | 2.0 | 2.0 | 113.6 | 115.9 | $€$ | 0.89 |
| Japan | 3 | 0.0 | 2.0 | 2.0 | 122.2 | 124.6 | ¥ | 121.71 |
| United States | 3 | 3.1 | 4.5 | 7.6 | 89.2 | 96.0 | \$ | 1.00 |
| Total/Average ${ }^{\text {b }}$ | 547 | 6.0 | 1.0 | 7.0 | 91.1 | 97.7 |  |  |

[^17]Table A9.2: Summary of Field Office Average Annual Overall Salary Increase and Consumer Price Index ${ }^{\text {a }}$ in Salary Currency (2012-2016)

| $\begin{gathered} \text { ADB } \\ \text { Field Office } \\ \text { Location }^{\mathrm{a}} \\ \hline \end{gathered}$ | Average Annual Structure Increase (\%) | Average Annual Overall Salary Increase (nominal) $\qquad$ (\%) | Average Annual $C P{ }^{b, c}$ (\%) | Average Annual Overall Salary Increase (real) (\%) |
| :---: | :---: | :---: | :---: | :---: |
| Indonesia | 3.1 | 4.7 | 5.8 | (1.1) |
| Kyrgyz Republic | 3.9 | 7.3 | 6.8 | 0.5 |
| India | 4.5 | 8.2 | 7.4 | 0.8 |
| Germany | 0.6 | 2.0 | 1.2 | 0.8 |
| Australia | 2.2 | 3.1 | 2.2 | 0.9 |
| Nepal | 7.0 | 9.6 | 8.5 | 1.1 |
| Papua New Guinea | 5.4 | 7.0 | 5.2 | 1.8 |
| Fiji | 1.9 | 4.3 | 2.5 | 1.8 |
| Japan | (3.2) | 3.2 | 0.8 | 2.4 |
| Pakistan | 7.5 | 9.9 | 7.2 | 2.7 |
| Kazakhstan | 6.2 | 9.8 | 6.5 | 3.3 |
| Thailand | 1.9 | 5.4 | 1.5 | 3.9 |
| Timor-Leste | 5.3 | 5.2 | 1.3 | 3.9 |
| Armenia | 5.8 | 8.4 | 3.8 | 4.6 |
| Cambodia | 4.1 | 5.9 | 1.3 | 4.6 |
| Azerbaijan | 6.1 | 7.6 | 2.8 | 4.8 |
| USA | 4.6 | 6.1 | 1.3 | 4.8 |
| Georgia | 5.0 | 7.3 | 2.0 | 5.3 |
| Uzbekistan | 4.9 | 7.7 | 1.3 | 6.4 |
| Afghanistan | 5.7 | 7.8 | 1.3 | 6.5 |
| Bangladesh | 9.7 | 13.5 | 6.8 | 6.7 |
| Sri Lanka | 8.1 | 11.5 | 4.5 | 7.0 |
| PRC | 7.8 | 9.3 | 2.1 | 7.2 |
| Lao PDR | 6.9 | 8.6 | 1.3 | 7.3 |
| Vietnam | 8.8 | 10.3 | 1.3 | 9.0 |
| Turkmenistan | 4.4 | 10.8 | 1.3 | 9.5 |
| Tajikistan | 9.2 | 11.5 | 1.3 | 10.2 |
| Mongolia | 10.9 | 12.6 | 1.3 | 11.3 |
| Average ${ }^{\text {d }}$ | 5.9 | 8.3 | 3.9 | 4.4 |

( ) = negative, ADB = Asian Development Bank, PRC = People's Republic of China, CPI = consumer price index, ERO = European Representative Office, Lao PDR = Lao People's Democratic Republic, NARO = North American Representative Office, PLCO = Pacific Liaison and Coordination Office, SPSO = South Pacific Subregional Office.
${ }^{\text {a }}$ Excluded Bhutan and Myanmar as offices in these locations were established only in 2015.
${ }^{\text {b }}$ Data from the International Monetary Fund's International Financial Statistics.
c Locations where the salary currency is United States dollars since 2012 use the United States CPI. Salary currency in Kyrgyz Republic was only converted to United States dollars in 2015.
${ }^{d}$ In USD. The CPI increase in local currency reflects exchange rate movement over the 5 year period
Source: Asian Development Bank.

## PROPOSED FIELD OFFICE SALARY STRUCTURES EFFECTIVE 1 JANUARY 2016

CENTRAL WEST ASIA
Table A10.1: Afghanistan Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | :---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 12,000 | 15,600 | 19,200 | 60 |
| AS2 | 13,800 | 17,900 | 22,100 | 60 |
| AS3 | 15,400 | 20,400 | 25,400 | 65 |
| AS4 | 17,200 | 22,800 | 28,400 | 65 |
| AS5 | 19,600 | 26,500 | 33,300 | 70 |
| AS6 | 21,700 | 29,300 | 36,900 | 70 |
| AS7 | 26,300 | 36,100 | 46,000 | 75 |
| National Staff |  |  |  |  |
| NS1 | 30,300 | 41,600 | 53,000 | 75 |
| NS2 | 34,200 | 47,000 | 59,900 | 75 |
| NS3 | 40,200 | 56,300 | 72,400 | 80 |
| NS4 | 47,500 | 66,500 | 85,500 | 80 |
| NS5 | 55,100 | 77,200 | 99,200 | 80 |
| NS6 | 60,800 | 85,100 | 109,400 | 80 |
| NS7 | 66,900 | 93,600 | 120,400 | 80 |
| AS |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.2: Armenia Resident Mission
(AMD per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| 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 |
| National Staff |  |  |  |  |
| 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 A10.3: Azerbaijan Resident Mission
(AZN per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | :---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 15,200 | 19,700 | 24,300 | 60 |
| AS2 | 16,200 | 21,100 | 25,900 | 60 |
| AS3 | 18,000 | 23,800 | 29,700 | 65 |
| AS4 | 19,800 | 26,300 | 32,700 | 65 |
| AS5 | 21,700 | 29,300 | 36,900 | 70 |
| AS6 | 24,000 | 32,400 | 40,800 | 70 |
| AS7 | 28,400 | 39,000 | 49,700 | 75 |
| National Staff |  |  |  |  |
| NS1 | 32,400 | 44,600 | 56,700 | 75 |
| NS2 | 36,500 | 50,200 | 63,900 | 75 |
| NS3 | 43,600 | 61,100 | 78,500 | 80 |
| NS4 | 51,000 | 71,400 | 91,800 | 80 |
| NS5 | 59,600 | 83,500 | 107,300 | 80 |
| NS6 | 66,400 | 92,900 | 119,500 | 80 |
| NS7 | 73,000 | 102,200 | 131,400 | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.4: Georgia Resident Mission
(GEL per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 24,800 | 32,300 | 39,700 | 60 |
| AS2 | 29,200 | 38,000 | 46,700 | 60 |
| AS3 | 31,500 | 41,700 | 52,000 | 65 |
| AS4 | 33,800 | 44,800 | 55,800 | 65 |
| AS5 | 37,300 | 50,300 | 63,400 | 70 |
| AS6 | 42,900 | 57,900 | 72,900 | 70 |
| AS7 | 47,800 | 65,700 | 83,700 | 75 |
| National Staff |  |  |  |  |
| NS1 | 54,000 | 74,300 | 94,500 | 75 |
| NS2 | 60,300 | 82,900 | 105,500 | 75 |
| NS3 | 74,600 | 104,400 | 134,300 | 80 |
| NS4 | 86,200 | 120,700 | 155,200 | 80 |
| NS5 | 108,900 | 152,400 | 196,000 | 80 |
| NS6 | 115,900 | 16,300 | 208,600 | 80 |
| NS7 | 127,500 | 178,500 | 229,500 | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.5: Kazakhstan Resident Mission
(T per year)

| Level | Minimum | Midpoint | Maximum | Range <br> 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 |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.6: Kyrgyz Republic Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 9,500 | 12,300 | 15,200 | 60 |
| AS2 | 9,800 | 12,800 | 15,700 | 60 |
| AS3 | 10,500 | 13,900 | 17,300 | 65 |
| AS4 | 11,500 | 15,200 | 19,000 | 65 |
| AS5 | 11,700 | 15,800 | 19,900 | 70 |
| AS6 | 13,300 | 17,900 | 22,600 | 70 |
| AS7 | 15,200 | 20,900 | 26,600 | 75 |
| National Staff |  |  |  |  |
| NS1 | 17,300 | 23,800 | 30,300 | 75 |
| NS2 | 19,300 | 26,600 | 33,800 | 75 |
| NS3 | 22,100 | 31,000 | 39,800 | 80 |
| NS4 | 25,900 | 36,200 | 46,600 | 80 |
| NS5 | 29,400 | 41,200 | 52,900 | 80 |
| NS6 | 32,600 | 45,700 | 58,700 | 80 |
| NS7 | 35,900 | 50,300 | 64,600 | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.7: Pakistan Resident Mission
(PRs per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | ---: |
| Administrative Staff |  |  |  |  |
| AS1 | 581,000 | 755,000 | 930,000 | 60 |
| AS2 | 732,000 | 952,000 | $1,171,000$ | 60 |
| AS3 | 735,000 | 960,000 | $1,213,000$ | 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 |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.8: Tajikistan Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 8,400 | 10,900 | 13,400 | 60 |
| AS2 | 9,400 | 12,200 | 15,000 | 60 |
| AS3 | 10,200 | 13,500 | 16,800 | 65 |
| AS4 | 11,700 | 15,500 | 19,300 | 65 |
| AS5 | 13,000 | 17,600 | 22,100 | 70 |
| AS6 | 14,300 | 19,300 | 24,300 | 70 |
| AS7 | 16,900 | 23,300 | 29,600 | 75 |
| National Staff |  |  |  |  |
| NS1 | 19,300 | 26,600 | 33,800 | 75 |
| NS2 | 21,700 | 29,900 | 38,000 | 75 |
| NS3 | 25,500 | 35,700 | 45,900 | 80 |
| NS4 | 29,000 | 40,600 | 52,200 | 80 |
| NS5 | 33,100 | 46,300 | 59,600 | 80 |
| NS6 | 36,200 | 50,700 | 65,200 | 80 |
| NS7 | 39,800 | 55,700 | 71,600 | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.9: Turkmenistan Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 8,800 | 11,400 | 14,100 | 60 |
| AS2 | 11,100 | 14,400 | 17,800 | 60 |
| AS3 | 12,800 | 17,000 | 21,100 | 65 |
| AS4 | 14,100 | 18,700 | 23,300 | 65 |
| AS5 | 15,300 | 20,700 | 26,000 | 70 |
| AS6 | 16,400 | 22,200 | 27,900 | 70 |
| AS7 | 18,500 | 25,500 | 32,400 | 75 |
| National Staff |  |  |  |  |
| NS1 | 21,600 | 29,700 | 37,800 | 75 |
| NS2 | 24,700 | 34,000 | 43,200 | 75 |
| NS3 | 30,700 | 43,000 | 55,300 | 80 |
| NS4 | 35,900 | 50,300 | 64,600 | 80 |
| NS5 | 42,900 | 60,100 | 77,200 | 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. |  |  |  |  |

Table A10.10: Uzbekistan Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | :---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 7,800 | 10,200 | 12,500 | 60 |
| AS2 | 8,500 | 11,100 | 13,600 | 60 |
| AS3 | 9,700 | 12,900 | 16,000 | 65 |
| AS4 | 10,600 | 14,100 | 17,500 | 65 |
| AS5 | 11,700 | 15,800 | 19,900 | 70 |
| AS6 | 13,600 | 18,300 | 23,100 | 70 |
| AS7 | 15,500 | 21,300 | 27,100 | 75 |
| National Staff |  |  |  |  |
| NS1 | 18,300 | 25,100 | 32,000 | 75 |
| NS2 | 20,900 | 28,800 | 36,600 | 75 |
| NS3 | 25,900 | 36,300 | 46,600 | 80 |
| NS4 | 30,200 | 42,300 | 54,400 | 80 |
| NS5 | 36,000 | 50,400 | 64,800 | 80 |
| NS6 | 40,900 | 57,300 | 73,600 | 80 |
| NS7 | 45,000 | 63,000 | 81,000 | 80 |
| AS =administrative staff, NS = national staff. |  |  |  |  |
| Source: Asian Development Bank. |  |  |  |  |

## EAST ASIA

Table A10.11: People's Republic of China Resident Mission
(CNY per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 97,500 | 126,700 | 156,000 | 60 |
| AS2 | 109,200 | 142,000 | 174,700 | 60 |
| AS3 | 124,500 | 164,900 | 205,400 | 65 |
| AS4 | 142,300 | 188,600 | 234,800 | 65 |
| AS5 | 159,800 | 215,700 | 271,700 | 70 |
| AS6 | 181,800 | 245,400 | 309,100 | 70 |
| AS7 | 231,600 | 318,500 | 405,300 | 75 |
| National Staff |  |  |  |  |
| NS1 | 271,000 | 372,600 | 474,300 | 75 |
| NS2 | 310,300 | 426,700 | 543,000 | 75 |
| NS3 | 416,100 | 582,600 | 749,000 | 80 |
| NS4 | 514,200 | 719,900 | 925,600 | 80 |
| NS5 | 684,100 | 957,700 | $1,231,400$ | 80 |
| NS6 | 766,900 | $1,073,700$ | $1,380,400$ | 80 |
| NS7 | 843,600 | $1,181,100$ | $1,518,500$ | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.12: Mongolia Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 9,200 | 11,900 | 14,700 | 60 |
| AS2 | 10,200 | 13,300 | 16,300 | 60 |
| AS3 | 11,200 | 14,800 | 18,500 | 65 |
| AS4 | 12,300 | 16,300 | 20,300 | 65 |
| AS5 | 14,500 | 19,600 | 24,700 | 70 |
| AS6 | 15,600 | 21,000 | 26,500 | 70 |
| AS7 | 18,400 | 25,300 | 32,200 | 75 |
| National Staff |  |  |  |  |
| NS1 | 21,400 | 29,400 | 37,500 | 75 |
| NS2 | 24,400 | 33,600 | 42,700 | 75 |
| NS3 | 30,000 | 42,000 | 54,000 | 80 |
| NS4 | 33,900 | 47,400 | 61,000 | 80 |
| NS5 | 46,100 | 64,500 | 83,000 | 80 |
| NS6 | 50,900 | 71,300 | 91,600 | 80 |
| NS7 | 56,000 | 78,400 | 100,800 | 80 |
| AS = administrative staff NS $=$ national staff |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

## PACIFIC

Table A10.13: Pacific Liaison and Coordination Office
(A\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 33,800 | 44,000 | 54,100 | 60 |
| AS2 | 36,900 | 48,000 | 59,000 | 60 |
| AS3 | 38,900 | 51,600 | 64,200 | 65 |
| AS4 | 43,000 | 57,000 | 71,000 | 65 |
| AS5 | 45,800 | 61,800 | 77,900 | 70 |
| AS6 | 49,500 | 66,800 | 84,200 | 70 |
| AS7 | 56,500 | 77,700 | 98,900 | 75 |
| National Staff |  |  |  |  |
| NS1 | 64,100 | 88,100 | 112,200 | 75 |
| NS2 | 71,600 | 98,400 | 125,300 | 75 |
| NS3 | 80,700 | 113,000 | 145,300 | 80 |
| NS4 | 90,600 | 126,900 | 163,100 | 80 |
| NS5 | 104,100 | 145,700 | 187,400 | 80 |
| NS6 | 116,100 | 162,600 | 209,000 | 80 |
| NS7 | 127,700 | 178,800 | 229,900 | 80 |
| AS |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.14: Pacific Subregional Office in Suva, Fiji
(F\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 16,800 | 21,900 | 26,900 | 60 |
| AS2 | 18,800 | 24,500 | 30,100 | 60 |
| AS3 | 20,200 | 26,800 | 33,300 | 65 |
| AS4 | 22,600 | 30,000 | 37,300 | 65 |
| AS5 | 24,600 | 33,200 | 41,800 | 70 |
| AS6 | 27,200 | 36,700 | 46,200 | 70 |
| AS7 | 31,900 | 43,800 | 55,800 | 75 |
| National Staff |  |  |  |  |
| NS1 | 38,300 | 52,700 | 67,000 | 75 |
| NS2 | 44,900 | 61,700 | 78,600 | 75 |
| NS3 | 60,000 | 84,000 | 108,000 | 80 |
| NS4 | 71,900 | 100,600 | 129,400 | 80 |
| NS5 | 81,900 | 114,600 | 147,400 | 80 |
| NS6 | 95,700 | 134,000 | 172,300 | 80 |
| NS7 | 105,300 | 147,400 | 189,500 | 80 |
| AS $=$ adminstrative staff NS $=$ national |  |  |  |  |

[^18]Source: Asian Development Bank.

Table A10.15: Papua New Guinea Resident Mission
(K per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 22,500 | 29,200 | 36,000 | 60 |
| AS2 | 26,100 | 3,900 | 41,800 | 60 |
| AS3 | 28,500 | 37,800 | 47,000 | 65 |
| AS4 | 31,800 | 42,200 | 52,500 | 65 |
| AS5 | 35,900 | 48,500 | 61,000 | 70 |
| AS6 | 41,900 | 56,600 | 71,200 | 70 |
| AS7 | 50,900 | 70,000 | 89,100 | 75 |
| National Staff |  |  |  |  |
| NS1 | 60,400 | 83,100 | 105,700 | 75 |
| NS2 | 70,000 | 96,200 | 122,500 | 75 |
| NS3 | 85,700 | 120,000 | 154,300 | 80 |
| NS4 | 106,600 | 149,200 | 191,900 | 80 |
| NS5 | 136,100 | 190,500 | 245,000 | 80 |
| NS6 | 143,100 | 200,300 | 257,600 | 80 |
| NS7 | 157,400 | 220,300 | 283,300 | 80 |
| ASt |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.16: Timor-Leste Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> 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 | 12,900 | 17,700 | 22,600 | 75 |
| National Staff |  |  |  |  |
| NS1 | 15,000 | 20,600 | 26,300 | 75 |
| NS2 | 17,100 | 23,500 | 29,900 | 75 |
| NS3 | 21,000 | 29,400 | 37,800 | 80 |
| NS4 | 26,100 | 36,600 | 47,000 | 80 |
| NS5 | 35,200 | 49,300 | 63,400 | 80 |
| NS6 | 39,400 | 55,200 | 70,900 | 80 |
| NS7 | 43,400 | 60,800 | 78,100 | 80 |
| AS = administrative staff, NS = national staff. |  |  |  |  |
| Source: Asian Development Bank. |  |  |  |  |

## SOUTH ASIA

Table A10.17: Bangladesh Resident Mission
(Tk per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 505,000 | 657,000 | 808,000 | 60 |
| AS2 | 591,000 | 768,000 | 946,000 | 60 |
| AS3 | 739,000 | 979,000 | $1,219,000$ | 65 |
| AS4 | 851,000 | $1,127,000$ | $1,404,000$ | 65 |
| AS5 | $1,081,000$ | $1,459,000$ | $1,838,000$ | 70 |
| AS6 | $1,179,000$ | $1,592,000$ | $2,004,000$ | 70 |
| AS7 | $1,620,000$ | $2,228,000$ | $2,835,000$ | 75 |
| National Staff |  |  |  |  |
| NS1 | $1,993,000$ | $2,741,000$ | $3,488,000$ | 75 |
| NS2 | $2,367,000$ | $3,255,000$ | $4,142,000$ | 75 |
| NS3 | $2,668,000$ | $3,735,000$ | $4,802,000$ | 80 |
| NS4 | $4,036,000$ | $5,651,000$ | $7,265,000$ | 80 |
| NS5 | $4,224,000$ | $5,913,000$ | $7,603,000$ | 80 |
| NS6 | $5,316,000$ | $7,442,000$ | $9,569,000$ | 80 |
| NS7 | $5,847,000$ | $8,186,000$ | $10,525,000$ | 80 |
| AS, |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.18: Bhutan Resident Mission
(Nu per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 245,000 | 319,000 | 392,000 | $60 \%$ |
| AS2 | 281,000 | 365,000 | 450,000 | $60 \%$ |
| AS3 | 297,000 | 394,000 | 490,000 | $65 \%$ |
| AS4 | 332,000 | 440,000 | 548,000 | $65 \%$ |
| AS5 | 348,000 | 47,000 | 592,000 | $70 \%$ |
| AS6 | 378,000 | 510,000 | 643,000 | $70 \%$ |
| AS7 | 404,000 | 556,000 | 707,000 | $75 \%$ |
| National Staff |  |  |  |  |
| NS1 | 450,000 | 619,000 | 788,000 | $75 \%$ |
| NS2 | 495,000 | 681,000 | 866,000 | $75 \%$ |
| NS3 | 541,000 | 758,000 | 974,000 | $80 \%$ |
| NS4 | 577,000 | 808,000 | $1,039,000$ | $80 \%$ |
| NS5 | 638,000 | 893,000 | $1,148,000$ | $80 \%$ |
| NS6 | 680,000 | 952,000 | $1,224,000$ | $80 \%$ |
| NS7 | 749,000 | $1,048,000$ | $1,348,000$ | $80 \%$ |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.19: India Resident Mission
(Rs per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | ---: |
| Administrative Staff |  |  |  |  |
| AS1 | 386,000 | 502,000 | 618,000 | 60 |
| AS2 | 453,000 | 589,000 | 725,000 | 60 |
| AS3 | 509,000 | 675,000 | 840,000 | 65 |
| AS4 | 606,000 | 803,000 | $1,000,000$ | 65 |
| AS5 | 687,000 | 927,000 | $1,168,000$ | 70 |
| AS6 | 836,000 | $1,128,000$ | $1,421,000$ | 70 |
| AS7 | $1,068,000$ | $1,469,000$ | $1,869,000$ | 75 |
| National Staff |  |  |  |  |
| NS1 | $1,308,000$ | $1,798,000$ | $2,289,000$ | 75 |
| NS2 | $1,546,000$ | $2,126,000$ | $2,706,000$ | 75 |
| NS3 | $1,829,000$ | $2,560,000$ | $3,292,000$ | 80 |
| NS4 | $2,796,000$ | $3,915,000$ | $5,033,000$ | 80 |
| NS5 | $3,838,000$ | $5,373,000$ | $6,908,000$ | 80 |
| NS6 | $4,740,000$ | $6,636,000$ | $8,532,000$ | 80 |
| NS7 | $5,214,000$ | $7,300,000$ | $9,385,000$ | 80 |
| AS |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.20: Nepal Resident Mission
(NRs per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 640,000 | 832,000 | $1,024,000$ | 60 |
| AS2 | 762,000 | 991,000 | $1,219,000$ | 60 |
| AS3 | 783,000 | $1,038,000$ | $1,292,000$ | 65 |
| AS4 | 937,000 | $1,242,000$ | $1,546,000$ | 65 |
| AS5 | $1,011,000$ | $1,365,000$ | $1,719,000$ | 70 |
| AS6 | $1,121,000$ | $1,514,000$ | $1,906,000$ | 70 |
| AS7 | $1,309,000$ | $1,800,000$ | $2,291,000$ | 75 |
| National Staff |  |  |  |  |
| NS1 | $1,546,000$ | $2,126,000$ | $2,706,000$ | 75 |
| NS2 | $1,783,000$ | $2,452,000$ | $3,120,000$ | 75 |
| NS3 | $2,196,000$ | $3,075,000$ | $3,953,000$ | 80 |
| NS4 | $2,638,000$ | $3,693,000$ | $4,748,000$ | 80 |
| NS5 | $3,189,000$ | $4,464,000$ | $5,740,000$ | 80 |
| NS6 | $3,716,000$ | $5,203,000$ | $6,689,000$ | 80 |
| NS7 | $4,088,000$ | $5,723,000$ | $7,358,000$ | 80 |

[^19]Source: Asian Development Bank.

Table A10.21: Sri Lanka Resident Mission
(SLRs per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 941,000 | $1,223,000$ | $1,506,000$ | 60 |
| AS2 | $1,022,000$ | $1,328,000$ | $1,635,000$ | 60 |
| AS3 | $1,280,000$ | $1,696,000$ | $2,112,000$ | 65 |
| AS4 | $1,433,000$ | $1,899,000$ | $2,364,000$ | 65 |
| AS5 | $1,525,000$ | $2,059,000$ | $2,593,000$ | 70 |
| AS6 | $1,924,000$ | $2,597,000$ | $3,271,000$ | 70 |
| AS7 | $2,398,000$ | $3,297,000$ | $4,197,000$ | 75 |
| National Staff |  |  |  |  |
| NS1 | $2,900,000$ | $3,988,000$ | $5,075,000$ | 75 |
| NS2 | $3,403,000$ | $4,679,000$ | $5,955,000$ | 75 |
| NS3 | $4,350,000$ | $6,090,000$ | $7,830,000$ | 80 |
| NS4 | $5,567,000$ | $7,794,000$ | $10,021,000$ | 80 |
| NS5 | $7,228,000$ | $10,119,000$ | $13,010,000$ | 80 |
| NS6 | $9,270,000$ | $12,978,000$ | $16,686,000$ | 80 |
| NS7 | $10,196,000$ | $14,275,000$ | $18,353,000$ | 80 |
| AS administrative |  |  |  |  |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

## SOUTHEAST ASIA

Table A10.22: Cambodia Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | ---: |
| Administrative Staff |  |  |  |  |
| AS1 | 7,300 | 9,500 | 11,700 | 60 |
| AS2 | 8,500 | 11,100 | 13,600 | 60 |
| AS3 | 9,100 | 12,100 | 15,000 | 65 |
| AS4 | 10,600 | 14,000 | 17,500 | 65 |
| AS5 | 11,100 | 15,000 | 18,900 | 70 |
| AS6 | 13,000 | 17,600 | 22,100 | 70 |
| AS7 | 16,900 | 23,200 | 29,600 | 75 |
| National Staff |  |  |  |  |
| NS1 | 20,000 | 27,500 | 35,000 | 75 |
| NS2 | 23,100 | 31,800 | 40,400 | 75 |
| NS3 | 29,900 | 41,900 | 53,800 | 80 |
| NS4 | 35,200 | 49,300 | 63,400 | 80 |
| NS5 | 45,100 | 63,200 | 81,200 | 80 |
| NS6 | 51,600 | 72,300 | 92,900 | 80 |
| NS7 | 56,900 | 79,600 | 102,400 | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.23: Indonesia Resident Mission
(Rp per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | $96,515,000$ | $125,469,000$ | $154,424,000$ | 60 |
| AS2 | $117,759,000$ | $153,087,000$ | $188,414,000$ | 60 |
| AS3 | $125,267,000$ | $165,979,000$ | $206,691,000$ | 65 |
| AS4 | $152,522,000$ | $202,091,000$ | $251,661,000$ | 65 |
| AS5 | $173,639,000$ | $234,412,000$ | $295,186,000$ | 70 |
| AS6 | $216,179,000$ | $291,841,000$ | $367,504,000$ | 70 |
| AS7 | $263,303,000$ | $362,041,000$ | $460,780,000$ | 75 |
| National Staff |  |  |  |  |
| NS1 | $318,668,000$ | $438,169,000$ | $557,669,000$ | 75 |
| NS2 | $374,034,000$ | $514,297,000$ | $654,560,000$ | 75 |
| NS3 | $537,311,000$ | $752,235,000$ | $967,160,000$ | 80 |
| NS4 | $669,056,000$ | $936,679,000$ | $1,204,301,000$ | 80 |
| NS5 | $934,746,000$ | $1,308,645,000$ | $1,682,543,000$ | 80 |
| NS6 | $1,065,306,000$ | $1,491,428,000$ | $1,917,551,000$ | 80 |
| NS7 | $1,171,836,000$ | $1,640,571,000$ | $2,109,305,000$ | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.24: Lao People's Democratic Republic Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 6,200 | 8,100 | 9,900 | 60 |
| AS2 | 6,900 | 9,000 | 11,000 | 60 |
| AS3 | 7,500 | 9,900 | 12,400 | 65 |
| AS4 | 8,200 | 10,900 | 13,500 | 65 |
| AS5 | 9,000 | 12,100 | 15,300 | 70 |
| AS6 | 9,800 | 13,200 | 16,700 | 70 |
| AS7 | 11,500 | 15,800 | 20,100 | 75 |
| National Staff |  |  |  |  |
| NS1 | 13,700 | 18,800 | 24,000 | 75 |
| NS2 | 15,900 | 21,800 | 27,800 | 75 |
| NS3 | 22,100 | 31,000 | 39,800 | 80 |
| NS4 | 28,300 | 39,600 | 50,900 | 80 |
| NS5 | 39,800 | 55,700 | 71,600 | 80 |
| NS6 | 48,400 | 67,800 | 87,100 | 80 |
| NS7 | 53,300 | 74,600 | 95,900 | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

Table A10.25: Myanmar Resident Mission
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS1 | 7,100 | 9,200 | 11,400 | 60 |
| AS2 | 8,100 | 10,500 | 13,000 | 60 |
| AS3 | 8,900 | 11,800 | 14,700 | 65 |
| AS4 | 9,900 | 13,100 | 16,300 | 65 |
| AS5 | 11,600 | 15,700 | 19,700 | 70 |
| AS6 | 12,800 | 17,300 | 21,800 | 70 |
| AS7 | 14,800 | 20,300 | 25,900 | 75 |
| National Staff |  |  |  |  |
| NS1 | 16,700 | 22,900 | 29,200 | 75 |
| NS2 | 18,500 | 25,400 | 32,000 | 75 |
| NS3 | 21,000 | 29,400 | 37,800 | 80 |
| NS4 | 23,100 | 32,300 | 41,600 | 80 |
| NS5 | 26,800 | 37,500 | 48,200 | 80 |
| NS6 | 29,400 | 41,200 | 52,900 | 80 |
| NS7 | 32,400 | 45,300 | 58,300 | 80 |
| AS = administrative staff, NS = national staff. |  |  |  |  |
| Source: Asian Development Bank. |  |  |  |  |

Table A10.26: Thailand Resident Mission

| (B per year) |  |  |  |  |
| :---: | ---: | ---: | ---: | :---: |
| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| Administrative Staff |  |  |  |  |
| AS1 | 286,000 | 372,000 | 458,000 | 60 |
| AS2 | 358,000 | 465,000 | 573,000 | 60 |
| AS3 | 417,000 | 552,000 | 688,000 | 65 |
| AS4 | 522,000 | 692,000 | 861,000 | 65 |
| AS5 | 623,000 | 841,000 | $1,059,000$ | 70 |
| AS6 | 781,000 | $1,055,000$ | $1,328,000$ | 70 |
| AS7 | 911,000 | $1,252,000$ | $1,594,000$ | 75 |
| National Staff |  |  |  |  |
| NS1 | $1,108,000$ | $1,523,000$ | $1,939,000$ | 75 |
| NS2 | $1,305,000$ | $1,794,000$ | $2,284,000$ | 75 |
| NS3 | $1,926,000$ | $2,697,000$ | $3,467,000$ | 80 |
| NS4 | $2,884,000$ | $4,037,000$ | $5,191,000$ | 80 |
| NS5 | $3,414,000$ | $4,779,000$ | $6,145,000$ | 80 |
| NS6 | $3,971,000$ | $5,559,000$ | $7,148,000$ | 80 |
| NS7 | $4,368,000$ | $6,115,000$ | $7,862,000$ | 80 |

AS = administrative staff, $\mathrm{NS}=$ national staff.
Source: Asian Development Bank.

Table A10.27: Viet Nam Resident Mission (\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | ---: | ---: |
| Administrative Staff |  |  |  |  |
| AS1 | 9,300 | 12,100 | 14,900 | 60 |
| AS2 | 10,000 | 13,000 | 16,000 | 60 |
| AS3 | 11,600 | 15,400 | 19,100 | 65 |
| AS4 | 13,400 | 17,700 | 22,100 | 65 |
| AS5 | 15,400 | 20,800 | 26,200 | 70 |
| AS6 | 17,900 | 24,100 | 30,400 | 70 |
| AS7 | 22,600 | 31,100 | 39,600 | 75 |
| National Staff |  |  |  |  |
| NS1 | 28,300 | 38,900 | 49,500 | 75 |
| NS2 | 34,000 | 46,700 | 59,500 | 75 |
| NS3 | 47,900 | 67,000 | 86,200 | 80 |
| NS4 | 55,600 | 77,800 | 100,100 | 80 |
| NS5 | 70,500 | 98,700 | 126,900 | 80 |
| NS6 | 90,100 | 126,200 | 162,200 | 80 |
| NS7 | 99,100 | 138,800 | 178,400 | 80 |

AS = administrative staff, NS = national staff.
Source: Asian Development Bank.

## REPRESENTATIVE OFFICES

Table A10.28: European Representative Office
(€ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | :---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS4 | 30,600 | 40,600 | 50,500 | 65 |
| AS5 | 3,300 | 43,600 | 54,900 | 70 |
| AS6 | 3,300 | 50,400 | 63,400 | 70 |
| AS7 | 40,900 | 56,200 | 71,600 | 75 |
| National Staff |  |  |  |  |
| 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 A10.29: Japan Representative Office ${ }^{\text {a }}$
( $¥$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | ---: | ---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| 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 |
| National Staff |  |  |  |  |
| NS1 | $6,139,000$ | $8,441,000$ | $10,743,000$ | 75 |
| NS2 | $6,617,000$ | $9,098,000$ | $11,580,000$ | 75 |
| NS3 | $8,932,000$ | $12,505,000$ | $16,078,000$ | 80 |

AS = administrative staff, NS = national staff.
${ }^{\text {a }}$ Gross salary structure.
Source: Asian Development Bank.

Table A10.30: North American Representative Office ${ }^{\text {a }}$
(\$ per year)

| Level | Minimum | Midpoint | Maximum | Range <br> Spread (\%) |
| :---: | :---: | :---: | :---: | :---: |
| Administrative Staff |  |  |  |  |
| AS4 | 40,100 | 53,144 | 66,200 | 65 |
| AS5 | 45,500 | 61,425 | 77,400 | 70 |
| AS6 | 51,000 | 68,796 | 86,700 | 70 |
| AS7 | 56,300 | 77,441 | 98,500 | 75 |
| National Staff |  |  |  |  |
| NS1 | 66,800 | 91,819 | 116,900 | 75 |
| NS2 | 77,200 | 106,197 | 135,100 | 75 |
| NS3 | 101,400 | 141,960 | 182,500 | 80 |

AS = administrative staff, NS = national staff.
${ }^{\text {a }}$ Gross salary structure.
Source: Asian Development Bank.

## RATIO OF STAFF SALARIES AND BENEFITS TO INTERNAL ADMINISTRATIVE EXPENSE

(\%)


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

1. 2006-2014: actual data; 2015: 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 A12.1-A12.6 present the recruitment and retention experience of the Asian Development Bank (ADB) for international staff. The main points are as follows:
(i) Recruitment rate. For the 10-year period 2006-2015, the highest recruitment rate was $16.0 \%$ in 2010. The highest recruitment percentage ( $20.5 \%$ ) of women was also recorded in 2010 (Table A12.1). The annualized recruitment rate for 2015 is $8.5 \%$. As in previous years, ADB's newly recruited staff in 2015 have primarily come from the private sector (47.5\%) and government agencies (23.0\%) with the rest coming from other international organizations, from within ADB (promotions from national staff positions), and academia (Table A12.2).
(ii) Rejection rate. The annualized rejection rate for 2015 of $11.1 \%$ is lower than the average rejection rate from 2006 to 2014 of $12.0 \%$ (Table A12.3). The average rejection rate for women is greater than that for men for the period from January 2006 to August 2015. The main reasons for rejection of job offers were related to family or spouse employment (45.9\%) and salary-related (41.0\%) concerns (Table A12.4). During the first 8 months of 2015, six candidates rejected the ADB offer primarily because of family reasons and job-related concerns.
(iii) Termination rate. The staff termination annualized rate of $7.4 \%$ for 2015 is lower than the average termination rate of 8.8\% during 2006-2014 (Table A12.5).
(iv) Voluntary resignation rate. The staff voluntary resignation annualized rate of $2.2 \%$ for 2015 is lower than the average termination rate of 3.3\% for 2006-2014 (Table A12.5). Table A12.6 shows that in the first 8 months of 2015, 16 staff resigned voluntarily, six of whom for salary or career-related reasons, and five for other reasons (e.g., return to parent organization, department and/or division management, and job content). During the first 8 months of 2015, four of the 10 women international staff voluntarily resigned for salary or career-related reasons. 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 A12.1: Recruitment of International Staff

|  | Staff as of $\mathbf{1}$ January |  | No. of Staff Hired |  | Recruitment Rates (\%) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year | All Staff | Women | All Staff | Women | All Staff | Women |
| 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 | 1,083 | 375 | 77 | 22 | 7.1 | 5.9 |
| $2015^{\text {a }}$ | 1,074 | 371 | 61 | 18 | 5.7 | 4.9 |

a Data as of 31 August 2015.
Source: Asian Development Bank.

Table A12.2: Recruitment Source

| Year |  | Recruitment Source |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | International Organization | Private Sector | Academia | Government Agency | National Staff (ADB) | Total |
| 2007 | All | 13 | 51 | 5 | 27 | 3 | 99 |
|  | Regional | 6 | 20 | 4 | 22 | 3 | 55 |
| 2008 | All | 11 | 62 | 4 | 35 | 3 | 115 |
|  | Regional | 6 | 34 | 4 | 24 | 3 | 71 |
| 2009 | All | 19 | 53 | 7 | 35 | 5 | 119 |
|  | Regional | 6 | 28 | 4 | 27 | 5 | 70 |
| 2010 | All | 15 | 94 | 7 | 24 | 8 | 148 |
|  | Regional | 6 | 54 | 4 | 16 | 8 | 88 |
| 2011 | All | 19 | 52 | 4 | 37 | 6 | 118 |
|  | Regional | 12 | 21 | 2 | 27 | 6 | 68 |
| 2012 | All | 18 | 50 | 2 | 24 | 9 | 103 |
|  | Regional | 9 | 27 | 1 | 18 | 9 | 64 |
| 2013 | All | 18 | 43 | 2 | 20 | 8 | 91 |
|  | Regional | 10 | 24 | 1 | 10 | 8 | 53 |
| 2014 | All | 11 | 33 | 4 | 27 | 2 | 77 |
|  | Regional | 5 | 20 | 2 | 18 | 8 | 47 |
| $2015{ }^{\text {a }}$ | All | 14 | 29 | 2 | 14 | 2 | 61 |
|  | Regional | 7 | 15 | 1 | 14 | 1 | 38 |

ADB = Asian Development Bank.
${ }^{\text {a }}$ Data as of 31 August 2015.
Source: Asian Development Bank.

Table A12.3: Rejection of Job Offers

|  | Total Offers |  | No. of Rejections |  | Rejection Rates (\%) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year | All Staff | Women | All Staff $^{\text {a }}$ | Women | All Staff | Women |
| 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 | 89 | 28 | 10 | 5 | 11.2 | 17.9 |
| $2015^{\text {b }}$ | 81 | 23 | 6 | 1 | 7.4 | 4.3 |

${ }^{\text {a }}$ Excludes one candidate whose offer was withdrawn when it lapsed.
${ }^{\mathrm{b}}$ Data as of 31 August 2015.
Source: Asian Development Bank.
Table A12.4: Reasons for Rejections of Job Offers

| Reason |  | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | $2015{ }^{\text {a }}$ | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Salary-related ${ }^{\text {b }}$ | All Staff | 6 | 7 | 9 | 10 | 7 | 3 | 3 | 2 | 1 | 1 | 49 |
|  | Women | 2 | 0 | 3 | 4 | 2 | 3 | 1 | 0 | 0 | 0 | 15 |
| Family reasons and spouse employment | All Staff | 4 | 10 | 10 | 9 | 3 | 7 | 7 | 6 | 4 | 3 | 63 |
|  | Women | 3 | 2 | 2 | 1 | 1 | 3 | 4 | 4 | 2 | 1 | 23 |
| Security and living conditions in Manila | All Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|  | Women | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Job-related $^{\text {c }}$ | All Staff | 2 | 3 | 1 | 0 | 0 | 3 | 1 | 3 | 5 | 2 | 20 |
|  | Women | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 3 | 3 | 0 | 9 |
| Total | All Staff | 12 | 20 | 20 | 19 | 10 | 13 | 11 | 11 | 10 | 6 | 132 |
|  | Women | 5 | 3 | 5 | 5 | 3 | 7 | 6 | 7 | 5 | 1 | 47 |

[^20]Table A12.5: Termination Rates

| Year | Voluntary Resignations ${ }^{\text {a }}$ |  |  |  |  |  | Other Terminations |  |  |  | Total Terminations |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Staff as of 1 January All |  | AllStaff | Termination <br> Rates (\%) <br> All |  |  | All <br> Staff Women |  | Termination Rates (\%) All Staff Women |  | $\begin{gathered} \text { All } \\ \text { Staff } \end{gathered}$ | WomenTermination <br> Rates (\%) <br> All <br> Staff Women |  |  |
|  | Staff | Women |  | Women | Staff | Women |  |  |  |  |  |  |  |  |
| 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 | 1,083 | 375 | 30 | 8 | 2.8 | 2.1 | 55 | 18 | 5.1 | 4.8 | 85 | 26 | 7.8 | 6.9 |
| $2015{ }^{\text {b }}$ | 1,074 | 371 | 16 | 10 | 1.5 | 2.7 | 37 | 13 | 3.4 | 3.5 | 53 | 23 | 4.9 | 6.2 |

${ }^{\text {a }}$ The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.
${ }^{\text {b }}$ Data as of 31 August 2015.
Source: Asian Development Bank.
Table A12.6: Reasons for Voluntary Resignations ${ }^{\text {a }}$

| Year | Personal or Family ${ }^{\text {b }}$ <br> All |  | Salary- or CareerRelated ${ }^{\text {C }}$ All |  | Others ${ }^{\text {d }}$ |  | Reasons Not Divulged by Staff |  | Total |  | Ratio ofVoluntaryResignationstoTerminationsAll |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Staff | Women | Staff | Women | Staff | Women | Staff | Women | Staff | Women | Staff | Women |
| 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 | 11 | 4 | 6 | 2 | 8 | 1 | 5 | 1 | 30 | 8 | 35.3 | 30.8 |
| $2015{ }^{\text {e }}$ | 3 | 2 | 6 | 4 | 5 | 3 | 2 | 1 | 16 | 10 | 30.2 | 38.5 |

${ }^{a}$ The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.
${ }^{\text {b }}$ Includes the situation in the Philippines, spouse employment, and/or children's education.
${ }^{\text {c }}$ Includes better career prospects elsewhere and lack of professional opportunities.
${ }^{\text {d }}$ Includes return to parent organization, department, and/or division management and job content.
${ }^{e}$ Data as of 31 August 2015.
Source: Asian Development Bank.

## B. Headquarters National Staff and Administrative Staff

2. Tables A12.7-A12.13 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 A12.7 provides a summary of the offers made and accepted from January 2006 to August 2015. Of the 97 offers made in the first 8 months of 2015, 86 (69 administrative staff and 17 national staff) were accepted (Table A12.8). However, the acceptance rate of $88.7 \%$ is lower than the average acceptance rate of $92.8 \%$ during 2006-2014. Moreover, the annualized recruitment rate of $9.6 \%$ for 2015 is higher than the average recruitment rate of 7.4\% during 2006-2014. From January 2006 to August 2015, the majority of recruited NSAS came from the private sector (80.2\%) and government agencies (11.6\%) and the rest from international organizations and the academe (Table A12.9).
(ii) Rejection rate. Table A12.10 shows the rejection rates from January 2006 to August 2015. The rejection rate of $10.3 \%$ during January-August 2015 is higher than the average rejection rate of $6.4 \%$ during 2006-2014.
(iii) Termination rate. Table A12.11 shows the termination rates from January 2006 to August 2015. The annualized termination rate of $3.9 \%$ is the lowest since 2006 and is also lower than the average termination rate of $6.3 \%$ during 2006-2014. However, the highest number of terminations (143) for the period was recorded in 2013, the majority of which was because of early retirement (59.4\%), voluntary resignation (17.5\%), and normal retirement (13.3\%). Terminations from January 2006 to August 2015 were mainly because of retirement, voluntary resignations, and ADB-initiated separations (Table A12.12).
(iv) Voluntary resignation rate. The annualized voluntary resignation rate of $1.4 \%$ for 2015 is lower than the average voluntary resignation rate of $1.8 \%$ during 2006-2014. Table A12.13 shows that in the first 8 months of 2015, 13 staff resigned voluntarily- $46.2 \%$ for personal or family reasons.

Table A12.7: Recruitment Experience

| Year | No. of Staff as of 1 <br> January | Number of $^{\text {Offers }^{\text {a }}}$ | No. of Staff <br> Hired $^{\mathrm{b}}$ | Acceptance <br> Rate (\%) | Recruitment <br> Rate (\%) |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 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 | 1,336 | 105 | 95 | 90.5 | 7.1 |
| $2015^{\text {c }}$ | 1,349 | 97 | 86 | 88.7 | 6.4 |

[^21]Table A12.8: Recruitment by Staff Category

|  |  | Number of Staff $^{\mathrm{a}}$ |  |  |  |  |  |  |  |  |  |
| :--- | :---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Category | Level | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | $2015^{\mathrm{b}}$ |
| Administrative Staff | AS3 | 6 | 11 | 7 | 8 | 14 | 8 | 4 | 4 | 5 | 4 |
|  | AS4 | 33 | 56 | 44 | 47 | 57 | 51 | 56 | 30 | 60 | 48 |
|  | AS5 | 2 | 5 | 7 | 4 | 5 | 4 | 6 | 1 | 5 | 5 |
|  | AS6 | 4 | 5 | 6 | 7 | 8 | 8 | 6 | 4 | 5 | 8 |
|  | AS7 | 8 | 7 | 12 | 14 | 19 | 9 | 8 | 1 | 3 | 4 |
| National Staff | NS1 | 0 | 0 | 0 | 0 | 0 | 3 | 12 | 8 | 10 | 3 |
|  | NS2 | 14 | 15 | 8 | 16 | 26 | 17 | 9 | 4 | 5 | 3 |
|  | NS3 | 1 | 2 | 0 | 1 | 7 | 1 | 4 | 0 | 1 | 7 |
|  | NS4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
|  | NS5 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 2 |
| Total |  | 68 | 101 | 84 | 97 | 136 | 102 | 105 | 52 | 95 | 86 |

AS = administrative staff, NS = national staff.
${ }^{\text {a }}$ Includes all candidates who accepted offers made during the year.
${ }^{\mathrm{b}}$ Data as of 31 August 2015.
Source: Asian Development Bank.
Table A12.9: Recruitment by Source ${ }^{\text {a }}$

| Year | Private Sector (\%) | International Organization (\%) | Government Agencies (\%) | Academe (\%) |
| :---: | :---: | :---: | :---: | :---: |
| 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 | 81.1 | 2.1 | 16.8 | 0.0 |
| $2015{ }^{\text {b }}$ | 80.2 | 7.0 | 11.6 | 1.2 |
| Includes all candidates who accepted offers made during the year. <br> Data as of 31 August 2015. <br> Source: Asian Development Bank. |  |  |  |  |

Table A12.10: Rejection of Job Offers

| Year | No. of <br> Offers | No. of <br> Rejections | Rejection <br> Rates <br> $(\%)$ |
| :---: | :---: | :---: | :---: |
| 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 | 105 | 8 | 7.6 |
| $2015^{\text {a }}$ | 97 | 10 | 10.3 |
| Data as of 31 August 2015. |  |  |  |
| Source: Asian Development Bank. |  |  |  |

Table A12.11: Termination Rates

|  | No. of Staff <br> as of 1 | Voluntary Resignations $^{\text {a }}$ |  | Other Terminations |  | Total Terminations |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Year | January | No. of Staff | Rate (\%) | No. of Staff | Rate (\%) | No. of Staff | Rate (\%) |
| 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 | 1,336 | 28 | 2.1 | 46 | 3.4 | 74 | 5.5 |
| $2015^{\text {a }}$ | 1,349 | 13 | 1.0 | 22 | 1.6 | 35 | 2.6 |

${ }^{a}$ The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.
${ }^{\mathrm{b}}$ Data as of 31 August 2015.
Source: Asian Development Bank.

Table A12.12: Reasons for Terminations

| Termination Reasons | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 ${ }^{\text {a }}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Voluntary resignation ${ }^{\text {b }}$ | 19 | 37 | 25 | 21 | 18 | 15 | 17 | 25 | 28 | 13 |
| Retirement | 18 | 16 | 25 | 23 | 21 | 27 | 25 | 105 | 43 | 16 |
| Normal | 14 | 8 | 13 | 9 | 9 | 19 | 17 | 19 | 4 | 5 |
| Early | 4 | 7 | 12 | 14 | 11 | 8 | 6 | 85 | 38 | 11 |
| Incapacity | 0 | 1 | 0 | 0 | 1 | 0 | 2 | 1 | 1 | 0 |
| Fixed-term expiration | 2 | 0 | 2 | 1 | 1 | 1 | 2 | 1 | 1 | 2 |
| ADB-initiated separation | 3 | 4 | 5 | 6 | 6 | 12 | 11 | 8 | 0 | 1 |
| Misconduct | 2 | 3 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 0 |
| Non-confirmation | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 0 |
| Death | 2 | 0 | 3 | 0 | 0 | 1 | 0 | 1 | 0 | 2 |
| III health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Special separation package | 0 | 0 | 7 | 28 | 0 | 0 | 0 | 0 | 0 | 0 |
| Enhanced separation program | 73 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change to international staff category | 2 | 0 | 0 | 2 | 3 | 2 | 2 | 2 | 1 | 1 |
| Total | 122 | 72 | 67 | 81 | 50 | 61 | 59 | 143 | 74 | 35 |

ADB = Asian Development Bank.
a Data as of 31 August 2015.
b 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 A12.13: Reasons for Voluntary Resignations ${ }^{\text {a }}$

| Reason | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | $2015{ }^{\text {b }}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Salary- or careerrelated | 6 | 13 | 6 | 4 | 4 | 4 | 5 | 10 | 14 | 5 |
| Migration | 4 | 13 | 4 | 10 | 6 | 4 | 1 | 1 | 2 | 0 |
| Personal or family | 9 | 11 | 13 | 6 | 8 | 6 | 10 | 13 | 7 | 6 |
| Not provided by staff | 0 | 0 | 2 | 1 | 0 | 1 | 1 | 1 | 5 | 2 |
| Total voluntary resignations | 19 | 37 | 25 | 21 | 18 | 15 | 17 | 25 | 28 | 13 |
| Total terminations | 122 | 72 | 67 | 81 | 50 | 61 | 59 | 143 | 74 | 35 |
| Ratio of voluntary resignations to total terminations | 15.6 | 51.4 | 37.3 | 25.9 | 36.0 | 24.6 | 28.8 | 17.5 | 37.8 | 37.1 |
| Total number of staff | 1,227 | 1,170 | 1,200 | 1,220 | 1,235 | 1,325 | 1,384 | 1,424 | 1,336 | 1,349 |
| Ratio of voluntary resignations to number of staff | 1.5 | 3.2 | 2.1 | 1.7 | 1.5 | 1.1 | 1.2 | 1.8 | 2.1 | 1.0 |

${ }^{\mathrm{a}}$ The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.
${ }^{\text {b }}$ Data as of 31 August 2015.
Source: Asian Development Bank.

## C. Field Office National Staff and Administrative Staff

3. Tables A12.14 to A12.20 present the recruitment and retention experience for field office NSAS. The main points are as follows:
(i) Recruitment rate. Table A12.14 provides a summary of the offers made and accepted from January 2007 to August 2015. Of the 27 offers made in the first 8 months, 24 were accepted- 12 for administrative staff positions and 12 for national staff positions (Table A12.15). As in previous years, most of the staff recruited came from the private sector (Table A12.16).
(ii) Rejection rate. The average rejection rate from January 2007 to August 2015 is 10.2\%. (Table A12.17).
(iii) Termination rate. Tables A12.18 shows the termination rate of local staff in field offices from January 2007 to August 2015, while Table A12.19 shows the reasons for the termination. The annualized termination rate of $4.8 \%$ in 2015 is lower than the average termination rate of $7.3 \%$ during 2007-2014. The terminations were mainly because of retirement and voluntary resignations.
(iv) Voluntary resignation rate. Table A12.20 shows that the main reasons for voluntary resignations were personal or family concerns and salary- or careerrelated issues.

Table A12.14: Recruitment Experience

| Year | No. of Staff as of <br> 1 January | No. of <br> Offers $^{\text {a }}$ | No. of Staff <br> Appointments $^{\text {a }}$ | Acceptance <br> Rate $(\%)$ | Appointment <br> 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 | 550 | 40 | 40 | 100.0 | 7.3 |
| $2015^{\text {b }}$ | 567 | 27 | 24 | 88.9 | 4.2 |
| ancludes local staff fin the representative offices and all candidates who accepted offers made during the year. |  |  |  |  |  |
| b Data as of 31 August 2015. |  |  |  |  |  |
| Source: Asian Development Bank. |  |  |  |  |  |

Table A12.15: Recruitment by Staff Category

|  |  | No. of Staff $^{\text {a }}$ |  |  |  |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Item | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | $2015^{\text {b }}$ |  |
| Administrative Staff | 26 | 29 | 22 | 34 | 25 | 27 | 19 | 20 | 12 |  |
| National Staff | 29 | 28 | 36 | 36 | 46 | 36 | 18 | 20 | 12 |  |
| Total | 55 | 57 | 58 | 70 | 71 | 63 | 37 | $\mathbf{4 0}$ | $\mathbf{2 4}$ |  |

${ }^{\text {a }}$ Includes all candidates who accepted offers made during the year.
${ }^{\mathrm{b}}$ Data as of 31 August 2015.
Source: Asian Development Bank.
Table A12.16: Recruitment by Source ${ }^{\text {a }}$

| 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 | 87.5 | 5.0 | 5.0 | 2.5 |
| $2015{ }^{\text {b }}$ | 50.0 | 8.3 | 37.5 | 4.2 |
| Includes all candidates who accepted offers made during the year. <br> Data as of 31 August 2015. <br> Source: Asian Development Bank. |  |  |  |  |

Table A12.17: Rejection of Job Offers

| Year | No. of <br> Offers | No. of <br> Rejections | Rejection <br> Rates <br> $(\%)$ |
| :---: | :---: | :---: | :---: |
| 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 | 40 | 0 | 0.0 |
| $2015^{\text {a }}$ | 27 | 3 | 11.1 |
| Data as of 31 August 2015. |  |  |  |
| Source: Asian Development Bank. |  |  |  |

Table A12.18: Termination Rates

| Year | No. of Staff as of 1 January | Voluntary Resignations ${ }^{\text {a }}$ |  | OtherTerminations |  | 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 | 550 | 15 | 2.7 | 8 | 1.5 | 23 | 4.2 |
| $2015{ }^{\text {b }}$ | 567 | 8 | 1.4 | 10 | 1.8 | 18 | 3.2 |

${ }^{2}$ The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.
${ }^{\text {b }}$ Data as of 31 August 2015.
Source: Asian Development Bank.

Table A12.19: Reasons for Terminations

| Reason | 2007 | $\mathbf{2 0 0 8}$ | $\mathbf{2 0 0 9}$ | $\mathbf{2 0 1 0}$ | $\mathbf{2 0 1 1}$ | $\mathbf{2 0 1 2}$ | $\mathbf{2 0 1 3}$ | $\mathbf{2 0 1 4}$ | $\mathbf{2 0 1 5}^{\text {a }}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Voluntary resignation |  |  |  |  |  |  |  |  |  |

${ }^{2}$ Data as of 31 August 2015.
${ }^{\text {b }}$ 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 A12.20: Reasons for Voluntary Resignations ${ }^{\text {a }}$

| Reason | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | $2015^{\text {b }}$ |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Salary- or career-related | 16 | 13 | 8 | 8 | 9 | 4 | 8 | 8 | 2 |  |
| Migration | 1 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 0 |  |
| Personal or family | 12 | 21 | 12 | 6 | 11 | 8 | 9 | 5 | 5 |  |
| Not provided by staff | 2 | 3 | 1 | 0 | 4 | 1 | 0 | 1 | 1 |  |
| Total voluntary resignations | 31 | 37 | 21 | 14 | 24 | 13 | 19 | 15 | 8 |  |
| Total terminations | 39 | 42 | 29 | 28 | 36 | 30 | 33 | 23 | 18 |  |
| Ratio of voluntary resignations <br> to total terminations | 79.5 | 88.1 | 72.4 | 50.0 | 66.7 | 43.3 | 57.6 | 65.2 | 44.4 |  |
| Total number of staff |  |  |  |  |  |  |  |  |  |  |

[^22]
[^0]:    ${ }^{1}$ Grounded in the mandate set out in the Agreement Establishing the Asian Development Bank the Charter). Section 6 of Article 34 of the Charter which states:
    "In appointing the officers and staff, the President shall, subject to the paramount importance of securing the highest standards of efficiency and technical competence, pay due regard to the recruitment of personnel on as wide a regional geographical basis as possible."

[^1]:    ${ }_{3}$ ADB. 2010. Our People Strategy. Manila.
    ${ }^{3}$ ADB. 2008. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008-2020. Manila.
    ${ }_{5}^{4}$ ADB. 2014. Midterm Review of Strategy 2020 Action Plan. Manila.
    ${ }^{5}$ Tea Session was held on 19 August 2015
    ${ }^{6}$ Two advisory task forces comprising Board members, Staff Council, the Association of Former Employees of ADB, management, and independent external experts will be appointed, one for the review of the SRP and one for the GMIP/PRGMIP and will present recommendations to management by the end of Q2 2016.
    ${ }^{7}$ Towers Watson, an internationally recognized human resources consulting firm.

[^2]:    ${ }^{8}$ Total cash consists of base salary, bonuses, and fixed allowances plus equivalent cash value of those benefits not provided by ADB
    9 The only exception is the Japan Representative Office, which is based on the Towers Watson market compensation data for Tokyo (Towers Watson Global 50 Remuneration Planning Report).
    ${ }^{10}$ For 2015, the four performance ratings are exceptional, satisfactory with special recommendation, satisfactory, and unsatisfactory. In 2016, a new rating will be introduced between satisfactory and unsatisfactory to provide higher performance differentiation.

[^3]:    ${ }^{11}$ Cash compensation comprises basic salary, cash allowances and short term bonuses.

[^4]:    ${ }^{12}$ ADB pays headquarters NSAS gross salaries. There is a pending court decision to determine whether ADB headquarters NSAS will be required to pay taxes on their income. In such event, the definition of salary base and non-taxable allowances would be introduced to mitigate impact on the overall cash compensation.

[^5]:    ${ }^{13}$ The World Bank's 2015 (FY2016) headquarters compensation review is a result of a comprehensive market review under their multiyear review process.

[^6]:    ${ }^{14}$ 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.
    ${ }^{15}$ 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

[^7]:    Monetary Fund's International Financial Statistics, the Asian Development Bank Economics Research and Regional Cooperation Department and the Reserve Bank of Australia-are used.
    ${ }^{16}$ On the basis for now that tax is payable on Filipino employees' salaries.
    ${ }^{17}$ Due to income tax regulations of the United States and Japan, worldwide individual income is taxable. Therefore salary scale for staff in these locations is calculated in gross salaries.

[^8]:    ${ }^{18}$ Starting 2016, a fifth performance category will be introduced for performance levels below satisfactory, yet not satisfactory. This rating will be included under the satisfactory budget of $65 \%$.
    ${ }^{19}$ These included (i) changing the housing assistance scheme, (ii) abolishing severance pay, (iii) ending the dependency allowance for parents and parents-in-law, (iv) limiting the covered number of dependent children to three, and (v) rationalizing airfares to $85 \%$ of full economy for home country and education travel.
    ${ }^{20}$ These included (i) abolishing per diem allowances for home country travel time exceeding 1 day; (ii) eliminating the surface transportation allowance; (iii) reducing the lump sum component of the education benefits; (iv) eliminating education placement travel; (v) providing education benefits from age 5 instead of age 3; (vi) eliminating duty station education assistance for private tutorial fees, transportation expenses, and school supplies; (vii) reducing the subsidy for the life insurance premium from 2 -year salary to 1 -year salary coverage; and (viii) reducing the premium subsidy for the Group Medical Insurance Plan (GMIP) from $80 \%$ to $75 \%$.

[^9]:    ${ }^{21}$ These were (i) introducing a new pension scheme effective 1 October 2006 for new staff, which would have lowered the ADB revealed contribution rate from $26.5 \%$ of payroll to $17.0 \%$ of payroll, (ii) lowering the reimbursement rate for the GMIP from $80 \%$ to $75 \%$ for retirees, (iii) introducing a single rental ceiling and fixing the cost-sharing percentage at $60 \%$ for ADB and $40 \%$ for staff (later adjusted to $65 \%$ ADB and $35 \%$ staff), and (iv) reducing the airfare entitlement from $85 \%$ to $80 \%$ of full economy fare for home country and education travel.
    ${ }^{22}$ These included domestic partner eligibility for benefits, introduction of a rental allowance scheme and automatic enrollment, and early withdrawal of discretionary benefits.
    ${ }^{23}$ These included annualized salary paid over 12 months to NSAS at headquarters, higher overtime rates, changes to dependency allowance, changes to annual leave encashment, higher multipurpose loan amount, and changes to housing loan for NSAS at headquarters.

[^10]:    ${ }^{24}$ Total staff salaries in 2016, including the cost for the proposed new staff positions, is projected to increase 3.4\% or $\$ 8$ million. See Proposed Budget of the Asian Development Bank for 2016.

[^11]:    ${ }^{1}$ The surveys were carried out by Towers Watson, an internationally known human resources consulting firm.
    ${ }^{2}$ The private sector survey incorporated compensation data from Towers Watson's proprietary databases which covered about 53,024 employers and about 390,250 employees
    ${ }^{3}$ As important as correct job and grade alignment is for valid compensation comparisons, establishing job and grade equivalencies among organizations is not easy. It necessarily involves a degree of judgment, because organizations structure work and define jobs differently, and they usually place different internal values on various aspects of jobs.

[^12]:    ${ }^{4}$ Benefits that were omitted generally have minimal or no employer-provided value and would not affect the overall results of the comparisons. Omitted benefits include maternity and paternity leave, emergency travel, long-term care insurance fully paid by employees, and loans.
    ${ }^{5}$ Only generally payable separation benefits were included. Indemnities for loss of a job for reasons of redundancy or reductions in force are not included.

[^13]:    ${ }^{6}$ The generalized costs of expatriation that justify payment of the premium are distinct from the specific expenditures (e.g., children's education, housing, and periodic home country travel) that expatriate staff members incur as a result of the organizations' location or to maintain a certain level of contact with their home countries. Most of the organizations that provide a general expatriation premium also provide allowances targeted at specific locationbased expenditures. Some international organizations provide only targeted allowances of this type.

[^14]:    ${ }^{1}$ The Birches Group is a global human resource consulting firm. It provides access to an extensive compensation and benefits database of public and private organizations worldwide to its clients, which comprise primarily multinational companies, government organizations, nongovernment organizations, and international organizations.

[^15]:    ${ }^{2}$ For purposes of the total cash compensation comparisons, net-of-tax compensation is set in all cases at the estimated level of a single taxpayer without children.
    ${ }^{3}$ Only generally payable separation benefits were included. Indemnities for loss of a job for reasons of redundancy or reductions in force are not included.

[^16]:    ${ }^{1}$ Except for the Japan Representative Office. Market data for this office is based on the Towers Watson market compensation data for Tokyo.
    ${ }^{2}$ Historical analyses have shown that the US market has been consistently competitive internationally. Every 3 years, the US salary scale is compared against the composite French and German market paylines to assess its international competitiveness.
    ${ }^{3}$ The Hay Group, McLagan Partners, and Towers Watson are compensation survey consulting firms.

[^17]:    PRC = People's Republic of China, Lao PDR = Lao People's Democratic Republic, PNG = Papua New Guinea.
    ${ }^{\text {a }}$ Data as of 31 August 2015.
    ${ }^{b}$ in USD
    Source: Asian Development Bank.

[^18]:    AS = administrative staff, NS = national staff.

[^19]:    AS = administrative staff, NS = national staff.

[^20]:    a Data as of 31 August 2015.
    ${ }^{\mathrm{b}}$ Includes low salary, receipt of better offer, and non-transferability of pension.
    ${ }^{\text {c }}$ Includes broader job requirement, job assignment preference, and higher entry-level position. Source: Asian Development Bank.

[^21]:    ${ }^{\text {a }}$ Includes formal offers and informal offers (only where the candidates declined).
    ${ }^{\mathrm{b}}$ Includes all candidates who accepted offers made during the year.
    ${ }^{\text {c }}$ Data as of 31 August 2015.
    Source: Asian Development Bank.

[^22]:    ${ }^{a}$ The number of voluntary resignations from 2005 have been restated to exclude staff who are eligible for early retirement benefits.
    b Data as of 31 August 2015.
    Source: Asian Development Bank.

