

CIMA

Chartered Institute of
Management Accountants

CIMA Pakistan

part qualified salary survey 2011



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Executive summary

This report details the findings of the second annual CIMA part qualified salary survey for Pakistan.

The 2011 CIMA survey reveals that Pakistan respondents are earning on average PKR74,724 in basic monthly salary. However, there is considerable variation, with one-quarter earning under PKR34,999, while two-fifths earn a basic monthly salary of over PKR80,000. Almost one-third are classified by our survey as earning a mid tier basic salary of between PKR35,000 and PKR79,999.

Overall, part qualified students are cautiously optimistic about the business environment for the coming 12 months in Pakistan. Two-fifths expect an increase in the overall profitability of the business in which they work and there is an expected increase in staffing expenditure, with two-fifths anticipating salary increases, one-fifth expecting increased headcount and just one-tenth anticipating salary freezes. At the same time, notable proportions are expecting a recruitment freeze, job cuts, budget cuts and a greater focus on business process/policy changes and regulatory issues.

Part qualified students in Pakistan are more positive about their own futures, with 63% anticipating an increase in personal salary over the next 12 months at an average of 14%. However, with inflation currently running high, in real terms, salary increases will be lower and around half are anticipating a personal salary increase significantly above the current rate of inflation.

The CIMA survey 2011 evidently endorses the fact that the qualification is perceived to be a catalyst for career growth among part qualified students. The CIMA qualification is seen to create career opportunities by 90% of part qualified students, and 88% believe the qualification strengthens the ability to move across all areas of business. The vast majority (92%) perceive the CIMA qualification to strengthen the ability to move internationally.

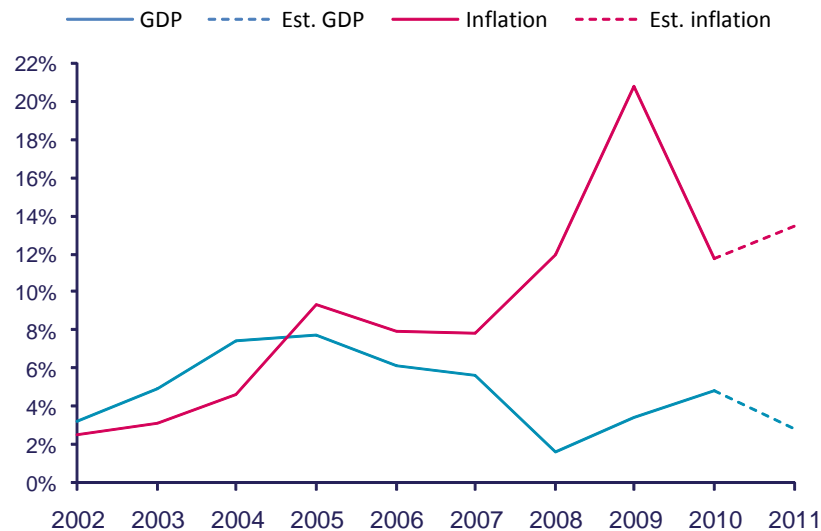
Indeed, the majority (85%) of part qualified students are planning to move job within the next two years, including over two-fifths (44%) within six months. Of those planning to change jobs, a very high proportion (79%) plan to emigrate, with Gulf countries generally preferred – this could be due to cultural affinities – the UAE being by far the most popular destination, followed by Saudi Arabia, Qatar and Australia. In order to retain the best talent, employers in Pakistan will need to ensure that salaries, bonuses, additional benefits and working conditions meet the needs of CIMA part qualified students in a dynamic and competitive international environment.

Economic context

'Following strong year-on-year growth in the early part of the last decade, Pakistan's recovery from the global economic crisis has been hampered by natural disasters and uncertain trading conditions.'

Following strong year-on-year growth in the early part of the last decade, Pakistan's recovery from the global economic crisis has been hampered by natural disasters and uncertain trading conditions.

Figure 1: Pakistan GDP and inflation – forecasted trend



Source: IMF World Economic Outlook October 2010

Since 2007, consumer inflation has been rising steeply while GDP growth has been subdued, and although the GDP estimate for 2010 is more optimistic, much depends on the economic and political conditions being right to support increased growth. While the 2005 earthquake had a huge impact on the Pakistani people, GDP growth remained robust until the global economic crisis in 2007. The floods of 2010 are estimated to have had a much greater economic impact due to significant damage to crops and physical infrastructure. Agriculture is important to Pakistan's economy and export trade, accounting for one-fifth of GDP and employing two-fifths of the workforce.¹

Net foreign investment and world demand for export products remain relatively weak, contributing to a large trade deficit and continuing assistance from global NGOs. However, significant reforms have been made since the millennium, with the liberalisation of trade and investment regimes, the privatisation of utilities, and banking and investment reforms.

In the medium term, key considerations are the rates of inflation and unemployment, keeping fiscal and trade deficits under control, the stability of political and social elements

¹ US Department of State, Bureau of South and Central Asian Affairs, <http://www.state.gov/r/pa/ei/bgn/3453.htm#econ>. Accessed May 2011.

and the pace of recovery and reconstruction following the floods. Several million jobs were lost or affected in the aftermath of the floods, and rising food prices and demand for manufactures are putting continued pressure on inflation. However, fiscal and monetary measures need to be carefully balanced against weakened growth, risks to security and social unrest.

Main findings

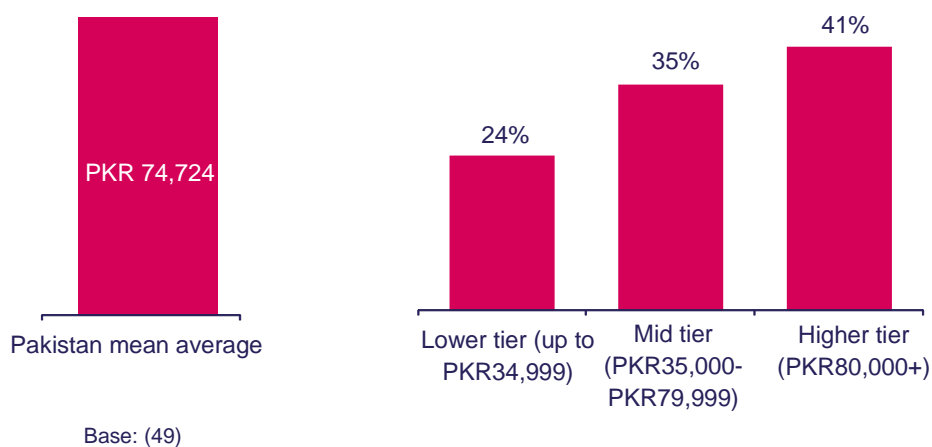
Overview of remuneration packages

Survey shows a significant proportion of part qualified students earning a higher tier salary

The 2011 CIMA survey reveals that Pakistan respondents are earning on average PKR74,724 in basic monthly salary. However, there is considerable variation, with one-quarter earning under PKR34,999, while two-fifths earn a basic monthly salary of over PKR80,000. Almost one-third are classified by our survey as earning a mid tier basic salary of between PKR35,000 and PKR79,999.

'The 2011 CIMA survey reveals that Pakistan respondents are earning on average PKR74,724 in basic monthly salary.'

Figure 2: Monthly remuneration and salary tier



In addition to the basic salary, the benefits most widely received by part qualified students in Pakistan are:

- healthcare,
- company car/allowance,
- bonus,
- study leave.

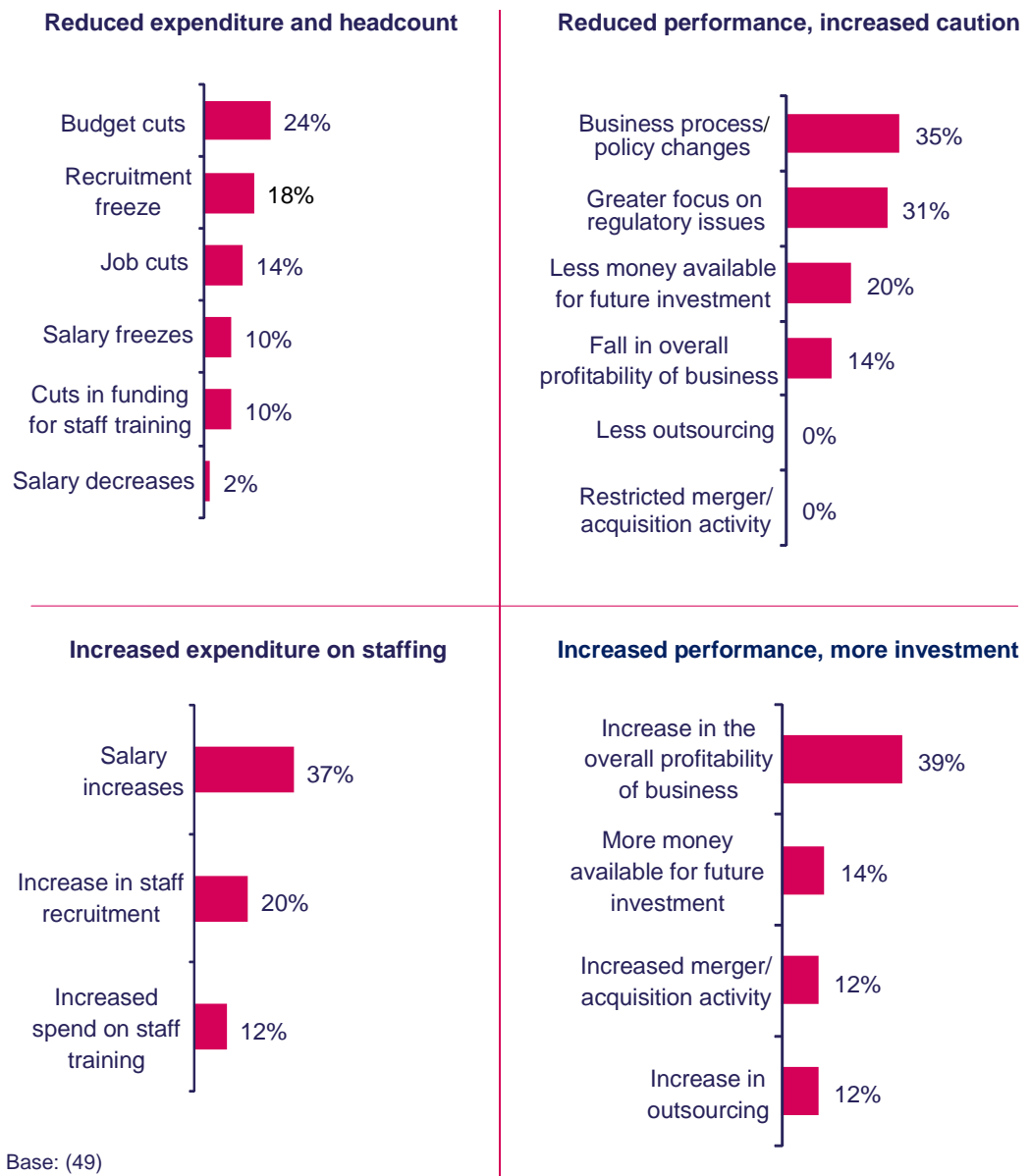
Satisfaction with current pay and conditions

With average basic monthly earnings of PKR74,724, 51% of part qualified students in Pakistan are satisfied with their earnings.

Expectations for future pay and conditions

Part qualified students are cautiously optimistic about the business environment for the coming 12 months in Pakistan. Two-fifths expect an increase in the overall profitability of the business in which they work, and there is an expectation of increased expenditure on staffing: two-fifths anticipate salary increases, while just one-tenth anticipate salary freezes. One-fifth are expecting an increase in staff recruitment, while a similar proportion are expecting a recruitment freeze, and one in seven expect job cuts. Additionally, one-quarter of part qualified students anticipate that in the coming 12 months budget cuts will be implemented within their employing organisation. There will be a greater focus on business process/policy changes and regulatory issues, which are expected by one-third of part qualified students.

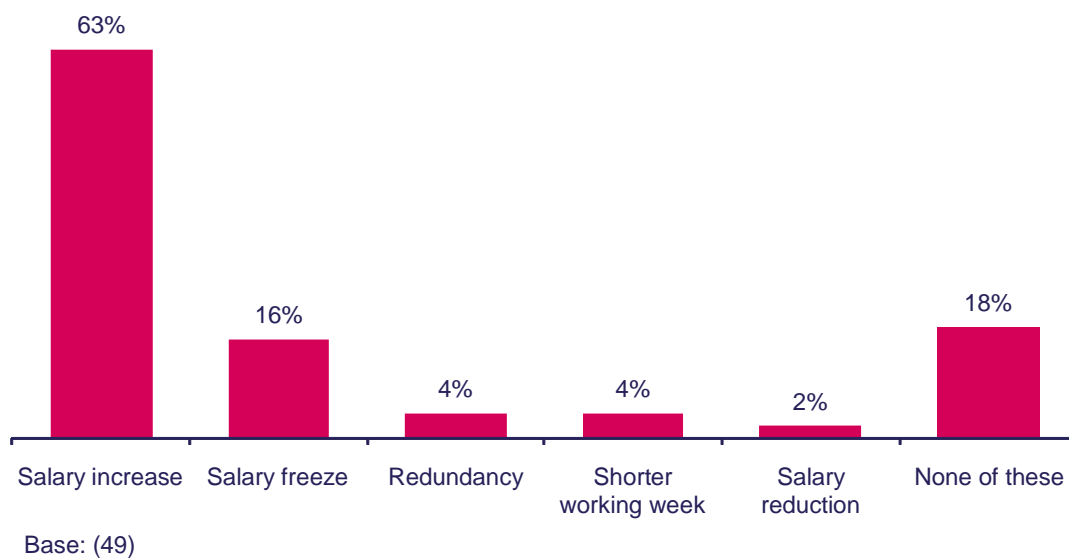
Figure 3: Expectations for the business environment



Positive business sentiment in Pakistan's economic activity is also reflected in expectations for personal salaries, but to much a greater extent. While 37% of part qualified students are expecting salary increases across the board within their employing businesses, there is much greater optimism in terms of their personal salaries, with 63% anticipating an increase in personal salary over the next 12 months. This is compared to just one in six who are expecting their salary to be frozen over the next 12 months.

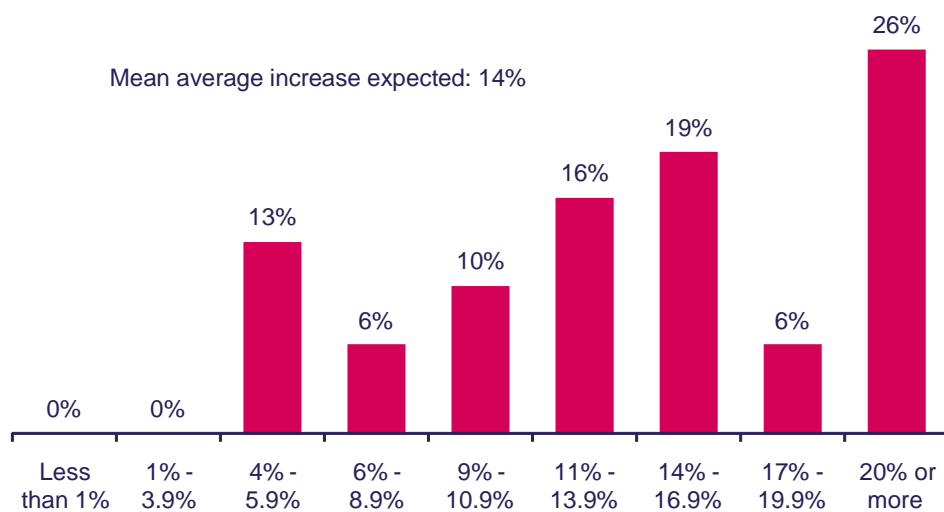
'Part qualified students are cautiously optimistic about the business environment in general, but they are much more optimistic about their personal salaries, with 63% anticipating an increase in salary over the next 12 months.'

Figure 4: Expectations for personal salary and job security



The average salary increase will be 14% over the next 12 months. However, there is considerable variation. Of the six in ten expecting an increase in salary, a little under one-third expect an increment of less than 11%. With inflation currently running at above 10% (and at significantly higher levels in 2008 and 2009), they will see no increase in real terms. A further two-fifths are expecting an increase in personal salary in the range of 11% to 19.9%, and one in four are expecting an increase of over 20%. Overall, about half are likely to see a salary increase that provides a significant increase above inflation.

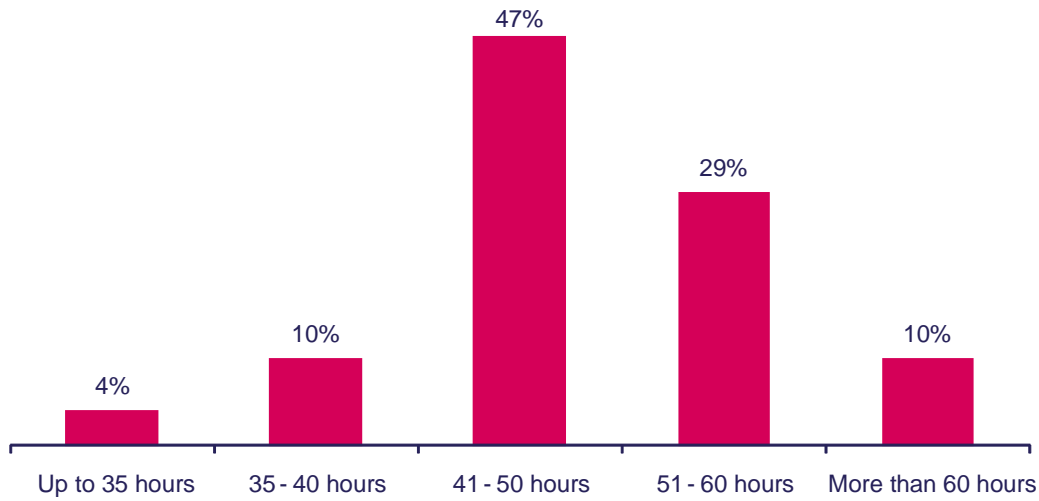
Figure 5: Expectations for increase in personal salary



Base: All those expecting a salary increase over the next 12 months (31)

Compared with other (mainly European) markets, there is a culture of long hours for part qualified students in Pakistan. Currently, one-half of part qualified students in Pakistan typically work 41–50 hours per week, while another two-fifths typically work over 50 hours per week.

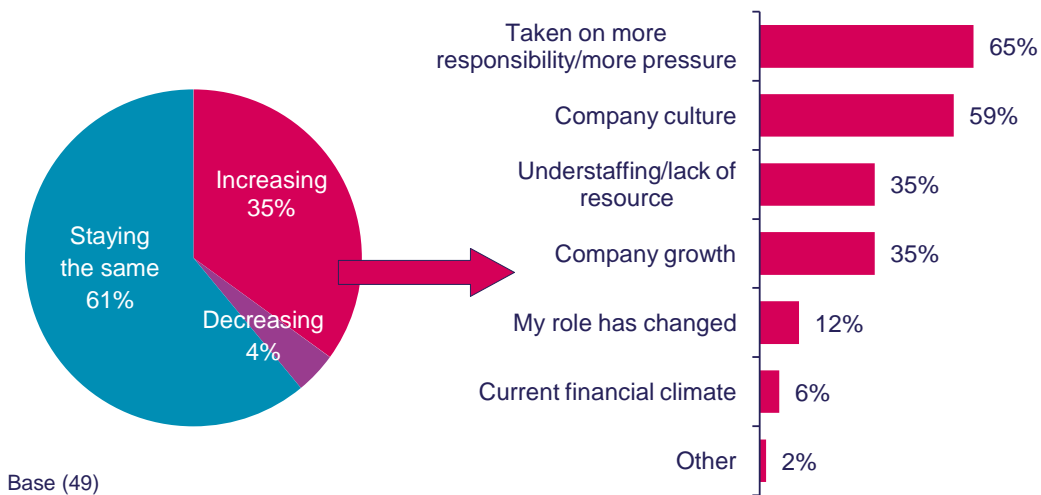
Figure 6: Hours worked in a typical week



Base: 2011 (49)

While three-fifths of part qualified students expect their working hours to remain the same, just over one-third anticipate an increase in their working hours. The primary reason for increased working hours is related to career growth – taking on more responsibility, followed by business-environment factors such as company culture – and to a lesser extent, company growth and understaffing.

Figure 7: Expectations for working hours and reasons for any increase



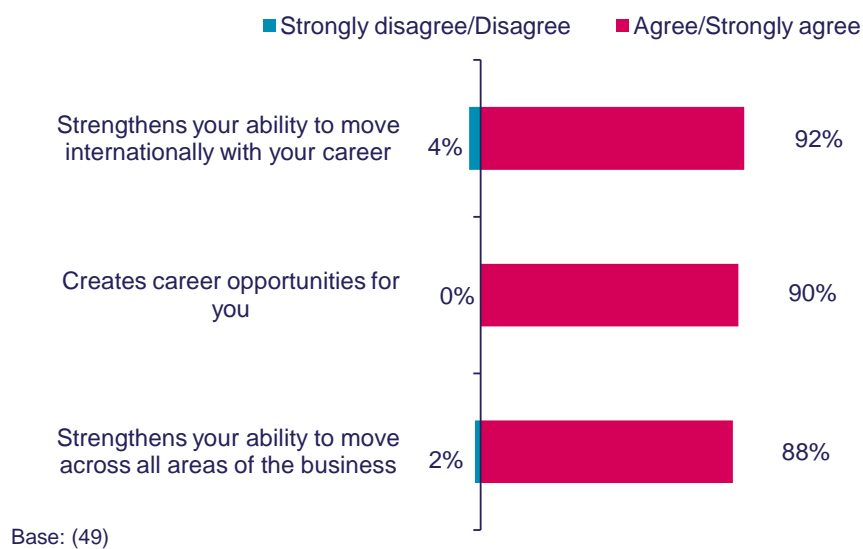
Base (49)

Base: All those expecting an increase in working outside normal hours (17*)
 *Caution low base, under 30

Improving employability and opportunities

There is a high level of agreement that the CIMA qualification enables employment internationally (92%). Furthermore, there are similarly high levels of agreement that the qualification enables movement across all areas of business (88%) and more generally that the qualification creates career opportunities (90%), highlighting the fact that the CIMA qualification is perceived to be a catalyst for career growth among part qualified students.

Figure 8: Attitudes towards the CIMA qualification



The majority of part qualified students (85%) are planning to move job within the next two years, and over two-fifths within six months. Furthermore, of those planning to change jobs, a high proportion (79%) plan to emigrate.

Figure 9: Proportion planning to move job, to emigrate*

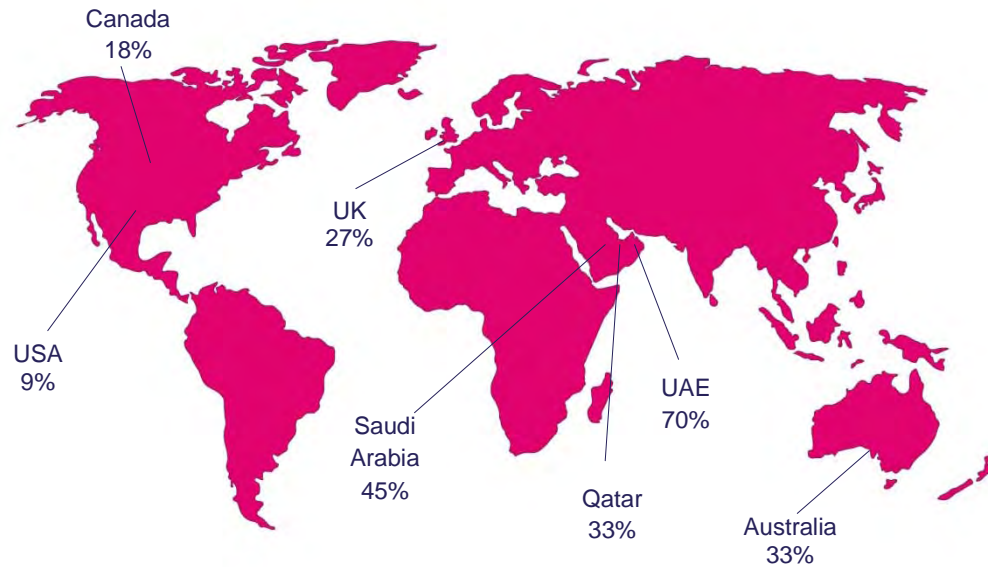
Planning to move job:



*Figures may not sum to 100% due to rounding

Among those seeking employment overseas, Gulf countries are generally preferred – this could be due to cultural affinities – with the UAE being by far the most popular destination, followed by Saudi Arabia, Qatar and Australia.

Figure 10: Planned migration destinations

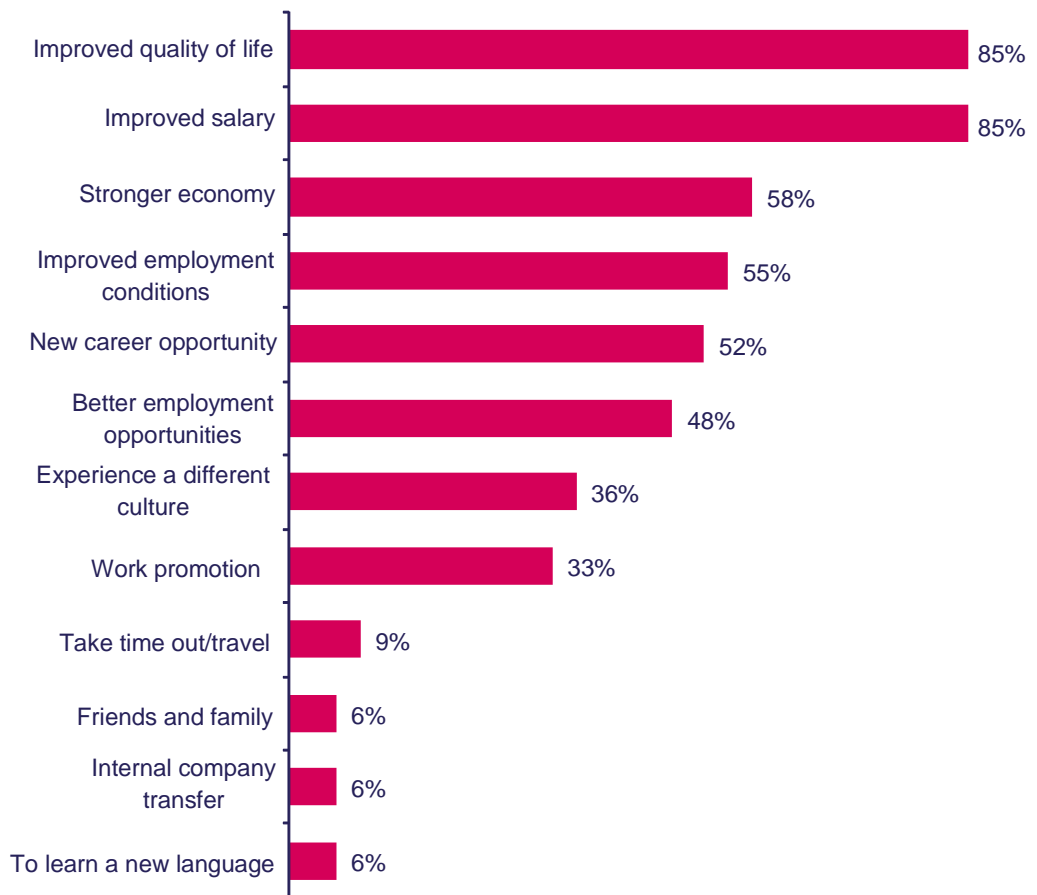


Base: All those planning to move to another country within the next two years (33)

Attracting candidates and retaining employees

In 2011, improved quality of life (85%) and an improvement in salary (85%) were the key reasons for migrating overseas, followed by a stronger economy (58%) and improved employment conditions (55%).

Figure 11: Reasons for migrating



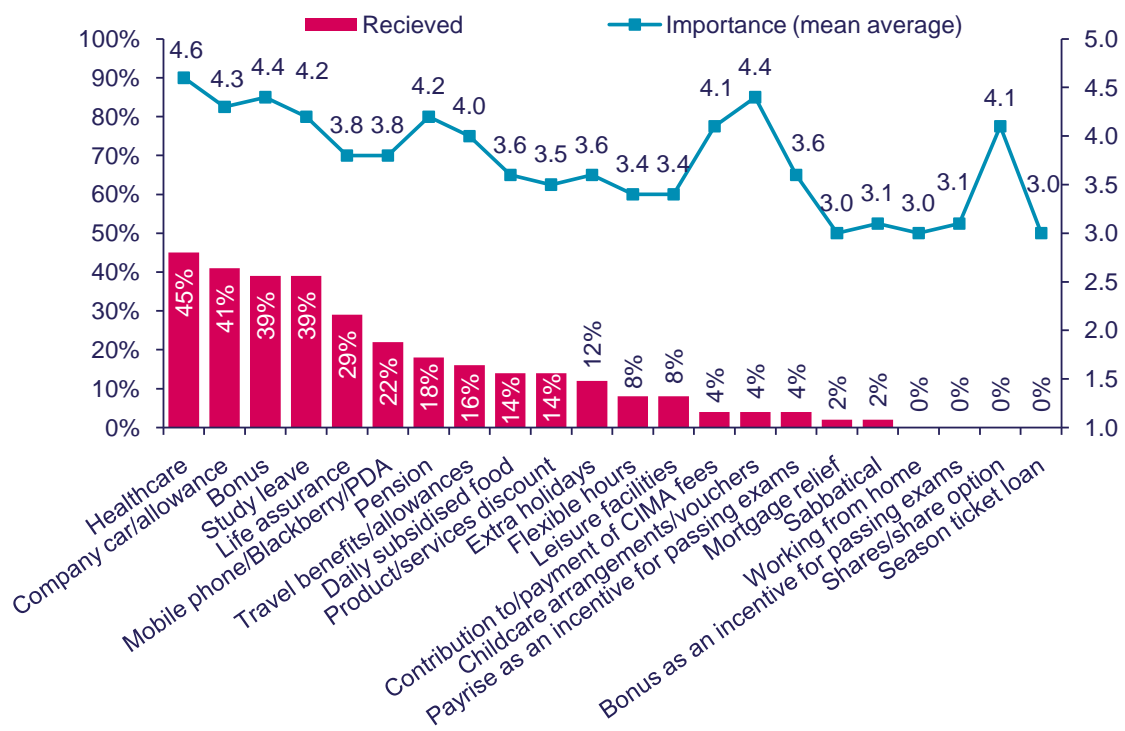
Base: All those planning to move to another country within the next two years (33)

Although only 24% cite additional benefits as a key motivator in employment, the benefits package is an important part of remuneration. All the benefits we looked at are important for students; i.e. all benefits scored 3 or more out of 5 on an importance scale.

Three of the top four benefits desired are also the most widely provided benefits, although not necessarily in the same order. The most desired benefits are healthcare, bonus, pay rise as an incentive for passing exams and company car/allowance, scoring 4.6, 4.4, 4.4 and 4.3 out of 5 respectively on our importance rating scale. However, the most frequently provided benefits are healthcare (45%), company car/allowance (41%), bonus (39%) and study leave (39%). In general, there seems to be a higher importance placed on individual benefits relative to the proportions receiving those benefits.

As improved quality of life is a major motivator for part qualified students wanting to move overseas, we could infer from these findings that employers in Pakistan may benefit in terms of retaining talented candidates by making the additional benefits package more internationally competitive.

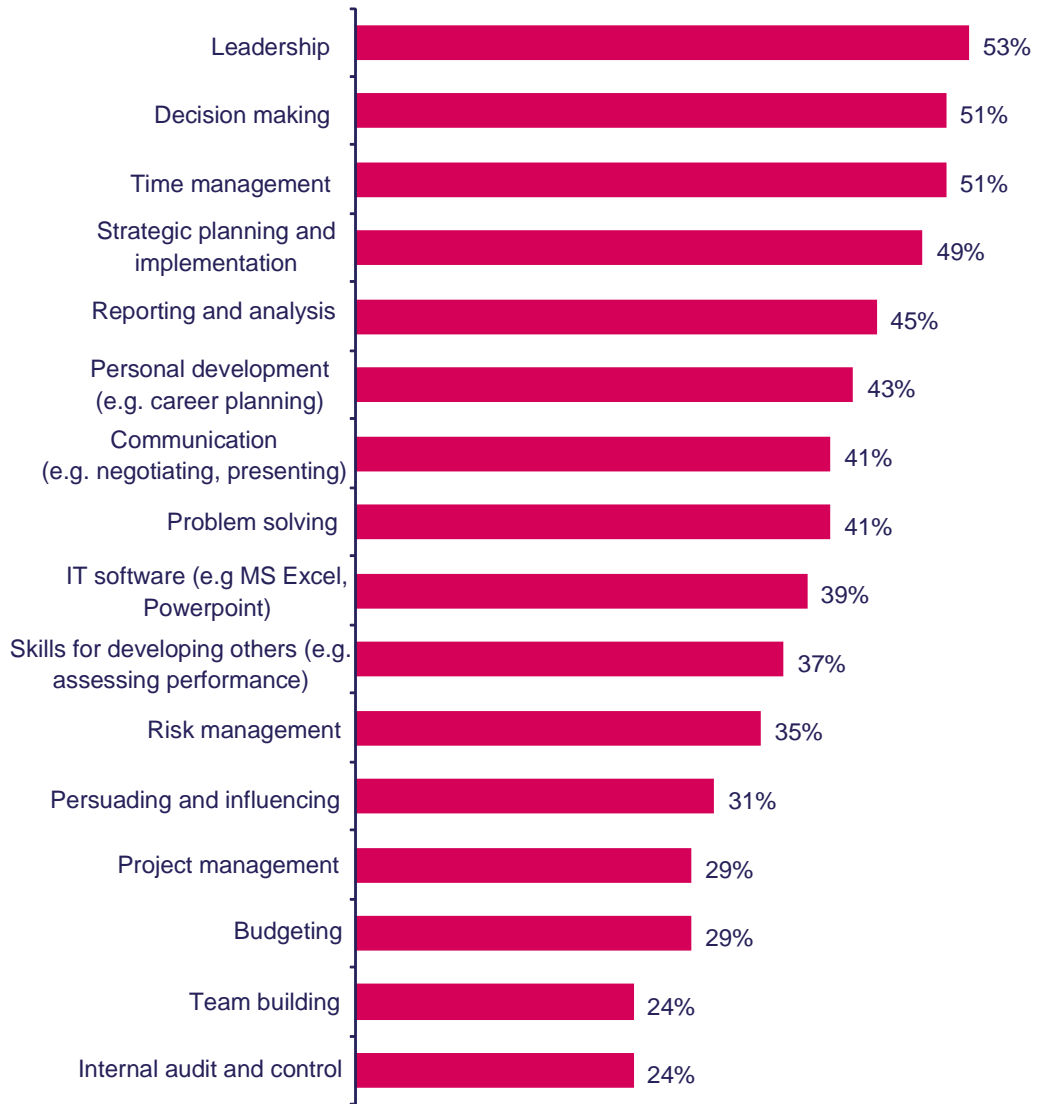
Figure 12: Additional benefits received versus importance



Lowest base (all answering) Sabbatical, Working from home (42)

Skill sets that part qualified students in Pakistan most commonly wish to develop over the coming 12 months are leadership, decision making and time management.

Figure 13: Skill sets part qualified students wish to develop



Base (49)

A good working environment, followed by promotion prospects and job security, are the key motivators for three-fifths, two-fifths and one-third of part qualified students in the workplace respectively.

Perhaps surprisingly, other potential motivators such as financial reward and benefits package are cited by just one-third and one-quarter of respondents respectively.

Figure 14: Motivators in employment



Base: (49)

One word to describe...management accounting

Part qualified students were asked to use one word to describe what management accounting means to them personally. The words below show the most popular responses, with the size of font denoting frequency of mention.

Figure 15: Words used to describe management accounting



Appendix

Technical information

Survey responses were collected by CIMA among active part qualified students between 2 and 20 February 2011, via an online survey. The data was analysed and reported by an independent specialist consultancy.

Just over 13,000 part qualified CIMA students were selected and invited to participate in the international study which covers 15 markets. Within the study period 2,121 responded internationally, including 49 from Pakistan.

The response data presented in this report has been weighted to reflect the profile of CIMA part qualified students by market. All base numbers quoted in Figures report the lowest unweighted base i.e. the number of responses.

Further information

For further information on technical matters relating to this survey, contact yourvoice@cimaglobal.com

For further country specific analysis and reports, visit CIMA MY JOBS at <http://myjobs.cimaglobal.com>

Acknowledgements

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