

**For Immediate Release**

**Overall Average Staff Turnover Rate at 10.5% in Second Half of 2016**

*Employers' Hiring Intention for First Half of 2017 Remains Positive*

[28 March 2017 – Hong Kong] The Hong Kong Institute of Human Resource Management (HKIHRM) revealed the findings of **The Second Half Yearly Survey on Manpower Statistics in 2016**. An overall average staff turnover rate for the second half of 2016 was 10.5%, a marginal increase of 0.3 percentage point from 10.2% in the first half of 2016. The job vacancy rate in the second half of 2016 rose 1.4 percentage points to 6.6% from 5.2% in the first half of 2016. On hiring intention for the first six months of 2017, the majority of companies remained positive despite economic uncertainties.

Since 2002, the HKIHRM Survey on Manpower Statistics has been collecting data to track manpower movement in Hong Kong's labour market. The HKIHRM conducted the half yearly manpower statistics survey in February 2017, involving a total of 76 companies that covered 102,425 full-time employees.

Key findings of the survey are as follows:

**Staff Turnover Rate and Job Vacancy Rate** (chart 1)

	2016 H2	2016 H1	2015 H2	2015 H1
	percentage (weighted average)			
Staff turnover	<b>10.5%</b>	<b>10.2%</b>	<b>10.4%</b>	<b>10.8%</b>
Job vacancy	<b>6.6%</b>	<b>5.2%</b>	<b>6.5%</b>	<b>6%</b>

**Staff turnover rate in second half of 2016** (chart 2)

- The top three sectors with the highest staff turnover rate:
  - Construction/Property development/Real estate (18.2%)
  - Retail (13.4%)
  - Business services/Professional services (11.5%)
- The top three sectors with the lowest staff turnover rate:
  - Manufacturing (6.4%)
  - Electricity/Gas/Petrol (2.6%)
  - Transport/Services allied to transport (storage) (2.0%)
- In terms of employee level, clerical/frontline staff recorded the highest turnover rate in the second half of 2016 at 14.2% while the lowest turnover rate was recorded for top/senior management at 4.0%. (chart 3)

#### Job vacancy rate in second half of 2016 (chart 2)

- The top three sectors with the highest job vacancy rate:
  - Retail (12%)
  - Business services/Professional services (11.5%)
  - Community/Social/Personal Services (10.8%)
- The top three sectors with the lowest job vacancy rate:
  - Electricity/Gas/Petrol (2.4%)
  - Transport/Services allied to transport (storage) (1.9%)
  - Financial services/Banking/Insurance (1.8%)
- In terms of employee level, clerical/frontline staff recorded the highest job vacancy rate in the second half of 2016 at 7.7% while top/senior management registered the lowest job vacancy rate at 2.1%. (chart 3)

#### Position Growth/Cut in second half of 2016 (chart 4)

- The net growth in new positions for the second half of 2016 was 0.5%, down 1.3 percentage points when compared with the first half of 2016.
- The top three business sectors with the highest net growth in new positions:
  - Financial services/Banking/Insurance (6.8%)
  - Manufacturing (4.3%)
  - Electricity/Gas/Petrol (1.8%)
- In terms of employee level, positions for middle management/non-managerial professionals recorded the highest net growth in the second half of 2016 at 1.3% while positions at clerical/frontline level had the lowest net growth at 0.3%. (chart 5)

#### Absence Rate in second half of 2016 (chart 6)

Among the 76 participating companies in the survey, 57 companies provided data on staff absence. In the survey, “absence” is defined as unscheduled absence of one or more than one day including sick leave (paid or no paid), emergency leave, and casual leave.

- The overall absence rate in the second half of 2016 was 2.1%, 0.2 percentage point lower than the first half of 2016, and 0.4 percentage point higher from a year earlier.
- The top four business sectors with the highest absence rate:
  - Construction/Property development/Real estate (2.5%)
  - Transport/Services allied to transport (storage) (2.2%)
  - Electricity/Gas/Petrol (2.2%)
  - Financial services/Banking/Insurance (2.1%)

- In terms of employee level, the clerical/frontline staff recorded the highest absence rate at 2.8%, compared with supervisory/officer at 1.6%, middle management/non managerial professionals at 1.2% and top/senior management at 0.8%. (*chart 7*)

**Hiring Intention Projected for First Half of 2017** (*chart 8*)

All the 76 participating companies in the survey provided data on their hiring intention projected for the first half of 2017, with results as follows:

<b>Hiring Intention</b>	<b>1<sup>st</sup> half 2017 (projected fig.)</b>	<b>2<sup>nd</sup> half 2016 (projected fig.)</b>	<b>Change</b>
remain hiring as in previous 6-month period	72.4%	60%	up 12.4 percentage points
increase hiring	15.8%	17.3%	down 1.5 percentage points
freeze hiring	7.9%	15.5%	down 7.6 percentage points
reduce hiring	3.9%	7.3%	down 3.4 percentage points

72.4% of the companies indicated to maintain hiring in the first half of 2017 at a level similar to that in the second half of 2016, an increase of 12.4 percentage points from the second half of 2016.

By business sector, business services/professional services (40%); financial services/banking/insurance (33.3%); and telecommunication (25%) were the top three sectors with the strongest intention to increase hiring in the first half of 2017, while manufacturing, and business services/professional services, and retail were among the sectors that will freeze hiring in the first half of 2017. Only 3.9% of the employers surveyed will reduce hiring in the first six months of 2017.

Please click the link below for downloading the charts and portrait of HKIHRM's President, Mr David Li.

<https://drive.google.com/drive/folders/0By7fYRr2310RTIJfQ2IzYzZaOTA>

**Conclusion**

Mr David Li, President of the HKIHRM, says, “Hong Kong’s unemployment rate has remained at the level of 3.3% since the end of 2016, which can be regarded as full employment, with the employment situation steadily improving since the end of 2016, especially in sectors such as property and real estate, retail and tourism-related industries.

According to the HKIHRM’s latest Manpower Statistics Survey findings, retail and business services/professional services were among the highest in terms of turnover rate and job vacancy rate in the second half of 2016, indicating a fluid employment market. Employers’ hiring intention in the first

half of 2017 remains stable. Individual industries such as business services/professional services, and financial services/banking/insurance show the strongest hiring intention in the first half of 2017. Only a small fraction of the employers surveyed (3.9%) indicated they will reduce hiring in the first half of 2017. In general, employers are fundamentally optimistic about Hong Kong's labour market situation which will remain steady in the near term. Job seekers will face a keen competition in finding employment when new graduates enter the job market in the coming months. Looking ahead, external uncertainties surrounding Hong Kong's economy such as the pace of US interest rate hikes and trade protectionism will continue to affect consumer sentiment, business confidence, and employment outlook in Hong Kong.

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### **About HKIHRM**

As the most representative professional human resource institute in Hong Kong, the Hong Kong Institute of Human Resource Management (HKIHRM), a non-profit making organisation, has more than 5,500 members, with about 600 of whom are corporate members. Founded in February 1977, the Institute aims at developing, maintaining and enhancing professional standards in HR management, and increasing the perceived value and influence of the HR profession. The Institute organises a wide range of professional activities such as multi-level training programmes, conferences and an award programme, and provides services such as conducting surveys and publishing a professional journal. The Institute is commissioned by the Government of the HKSAR as the professional writer to develop and produce the Specification of Competency Standards (SCS) for the Human Resource Management sector under Hong Kong Qualifications Framework. The HKIHRM is a member of the Asia Pacific Federation of Human Resource Management which is one of the continental federations under the World Federation of People Management Associations. For more information, please visit our website at <http://www.hkihrm.org>.