

## PRESS RELEASE

### For Immediate Release

## Overall Average Staff Turnover Rate at 11.2% in Second Half of 2017

*Employers' Hiring Intention Sees Improvement for First Half of 2018*

[19 April 2018 – Hong Kong] The Hong Kong Institute of Human Resource Management (HKIHRM) revealed the findings of **The Second Half Yearly Survey on Manpower Statistics in 2017**. An overall average staff turnover rate in the second half of 2017 was 11.2%, a decrease of 1.1 percentage points from 12.3% in the first half of 2017. The job vacancy rate in the second half of 2017 stood at 7.9%, up 1.4 percentage points from the first half of 2017. On hiring intention for the first six months of 2018, the majority of responding companies (67.6%) expected the hiring level to remain at the same level as in the second half of 2017.

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 2018, involving a total of 74 companies that covered 88,313 full-time employees.

Key findings of the survey are as follows:

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

	2017 H2	2017 H1	2016 H2	2016 H1
	<b>percentage (weighted average)</b>			
Staff turnover	<b>11.2%</b>	<b>12.3%</b>	<b>10.5%</b>	<b>10.2%</b>
Job vacancy	<b>7.9%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>5.2%</b>

### Staff turnover rate in second half of 2017 (chart 2)

- The top three sectors with the highest staff turnover rate:
  - Construction/Property development/Real estate (20.4%)
  - Business services/Professional services (15.7%)
  - Retail (14.2%)
  
- The top three sectors with the lowest staff turnover rate:
  - Transport/Services allied to transport (storage) (2.8%)

- Manufacturing (4.1%)
- Financial Services/ Banking/ Insurance (6.2%)
- In terms of employee level, clerical/frontline staff saw the highest turnover rate in the second half of 2017 at 15.9% while the lowest turnover rate was recorded for top/senior management at 3.6%. (*chart 3*)

**Job Vacancy Rate in second half of 2017** (*chart 2*)

- The top three sectors with the highest job vacancy rate:
  - Retail (20.8%)
  - Construction/ Property development/ Real estate (9.2%)
  - Community/ Social/ Personal Services (8.5%)
- The top three sectors with the lowest job vacancy rate:
  - Telecommunication (1.9%)
  - Transport/Services allied to transport (storage) (2.0%)
  - Wholesale, Import/ Export, Trading, Distribution (3.0%)
- In terms of employee level, clerical/frontline staff saw the highest job vacancy rate in the second half of 2017 at 11.0% while top/senior management registered the lowest job vacancy rate at 2.3%. (*chart 3*)

**Position Growth/Cut in second half of 2017** (*chart 4*)

- The net growth in new positions for the second half of 2017 was 2.6%, up 0.2 percentage point when compared with the first half of 2017.
- The top three business sectors with the highest net growth in new positions:
  - Financial services/ Banking/ Insurance (6.9%)
  - Construction/ Property development/ Real estate (4.9%)
  - Retail (3.8%)
- In terms of employee level, positions for clerical/ frontline level saw the highest net growth in the second half of 2017 at 2.9% while positions at top/ senior management level had the lowest net growth at 1.3%. (*chart 5*)

**Absence Rate in second half of 2017** (*chart 6*)

Among the 74 participating companies in the survey, 61 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 2017 was 2.4%, same as the first half of 2017, and 0.3 percentage point higher from a year earlier.
- The top four business sectors with the highest absence rate:
  - Construction/ Property development/ Real estate (2.7%)

- Transport/ Services allied to transport (storage) (2.6%)
  - Community/ Social/ Personal services (2.3%)
  - Manufacturing (2.3%)
- In terms of employee level, clerical/frontline staff recorded the highest absence rate at 3.1%, compared with supervisory/officer level at 2.1%, middle management/non managerial professional level at 1.4% and top/senior management at 0.8%. (chart 7)

**Overall Hiring Intention Projected in first half of 2018** (chart 8)

All the 74 participating companies in the survey provided data on their hiring intention projected for the first half of 2018, with results as follows:

<b>Overall Hiring Intention</b>	<b>1<sup>st</sup> half 2018 (projected fig.)</b>	<b>2<sup>nd</sup> half 2017 (projected fig.)</b>	<b>Change</b>
To remain hiring as in previous 6-month period	67.6%	68.8%	down 1.2 percentage points
To increase hiring	20.3%	13.8%	up 6.5 percentage points
To freeze hiring	10.8%	12.5%	down 1.7 percentage points
To reduce hiring	1.4%	5%	down 3.6 percentage points

67.6% of the companies indicated to maintain hiring in the first half of 2018 at a level similar to that in the second half of 2017 while the number of companies that expressed to increase hiring surged 6.5 percentage points from the second half of 2017, indicating a stronger demand for manpower. Only 1.4% of the employers surveyed would reduce hiring in the first six months of 2018.

By business sector, construction/ property development/ real estate (44.4%); financial services/ banking/ insurance (33.3%); and telecommunication (33.3%) were the top three sectors with the strongest intention to increase hiring in the first half of 2018, while financial services/ banking/ insurance; transport/ services allied to transport (storage) and wholesale, import/export, trading, distribution were among the sectors that would freeze hiring in the first half of 2018.

**Conclusion**

Mr David Li, President of the HKIHRM, says, “Hong Kong’s unemployment rate has remained at a record low level of 2.9% since the end of 2017, indicating a full employment situation. We see that job vacancies continued to increase throughout 2017, amidst a downward trend of employment rate. Hong Kong employers are experiencing a tight labour market due to a shrinking workforce and the tendency of junior staff changing jobs frequently, and some

business sectors such as retail and construction encounter difficulties in finding staff to fill positions to meet development needs.

According to the findings, the overall hiring intention of employers across many business sectors in the first half of 2018 is projected to remain stable, with 20.3% of companies indicating to increase staff headcount in the first half of 2018, up 6.5 percentage points compared to 13.8% in the second half of 2017. Companies that reported a hiring freeze and a reduction in hiring in the first half of 2018 saw a drop in percentage, compared to the second half of 2017. Hong Kong employers may continue to face an employee-led labour market and will have to put in more efforts and come up with innovative measures to recruit and retain staff.

Looking ahead, external uncertainties surrounding Hong Kong's economy such as the escalating trade dispute between the US and China may affect business sentiment and employment outlook in Hong Kong in the near term.”

Please click the link [here](#) for viewing or downloading related charts for reference.

### **Media Enquiry**

Public Relations and Communications Department, HKIHRM

Mr Bernard Wan/ Ms Ada Kwong

Tel: (852) 2837 3820 / 2837 3816

Fax: (852) 2881 6062

Email: [pr@hkihrm.org](mailto:pr@hkihrm.org)

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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 5,200 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>.