



香港人力資源管理學會

**Hong Kong Institute of Human Resource Management**

*operated by Hong Kong Institute of Human Resource Management Limited*

**For Immediate Release**

**Pay Rise Adjusted Downward to Average 2.9% in 2017**

*Growth in Labour Market Remains Moderate for Rest of the Year*

[15 June 2017 - Hong Kong] The January 2017 Pay Trend Survey conducted by Hong Kong Institute of Human Resource Management (HKIHRM) reveals that **Hong Kong employees received an overall base pay adjustment of 2.9% on average in 2017**, down by 0.6 percentage point when compared to the average pay rise projection of 3.5% released in November 2016. The January 2017 Pay Trend Survey polled 79 companies involving a total of some 111,624 full-time salaried employees. Key findings of the survey are as follows:

**Base Pay Adjustment - January 2017**

Among all companies participating in the survey, 35 responding companies confirmed a base pay adjustment in January 2017, covering a total of 35,136 employees.

- **The overall average base pay adjustment in January 2017 was 2.9%** (weighted average), based on the data provided by the 35 responding companies. This is 0.6 percentage point lower than the figure of 3.5% projected in November 2016. (Chart 1)
- Of the 35 responding companies that made pay adjustments for employees in January 2017, **97.1% reported a pay increase while 2.9% of the responding companies imposed a pay freeze. No company reported a pay cut during the survey period.** (Chart 2)
- In terms of employee number, **83.6% of the employees from the responding companies received a pay increase and 16.4% had pay freeze while no employees received a pay cut.** (Chart 3)
- By staff level, employees at top level received the lowest pay increase of 2.0%, followed by employees at general level (2.9%) and those at senior and middle levels (3.1%). (Chart 4)

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香港銅鑼灣怡和街六十八號一五〇三室

Suite 1503, 15/F., 68 Yee Wo Street, Causeway Bay, Hong Kong.

電話：二八八一五一一三 圖文傳真：二八八一六〇六二

Web Site: <http://www.hkihrm.org> E-mail: [info@hkihrm.org](mailto:info@hkihrm.org) Tel: (852) 2881 5113 Fax: (852) 2881 6062



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- In terms of company size, **small-sized companies (less than 500 employees) awarded an average base pay increase of 4.0%**, a percentage higher than that offered by large corporations (more than 1,000 employees) at 2.7% and medium-sized firms (between 500 and 1,000 employees) at 3.7%. (Chart 5)
- The findings also indicated that there was no significant difference in pay rise level between multinationals (3.0%) and local companies (2.9%).

### **Bonus Payment – January 2017**

Among the 79 companies that participated in the survey, 93.7% reported that they had at least one bonus scheme in place at the time the survey was conducted.

#### Guaranteed Bonus

Among the 79 surveyed companies, 40.5% indicated that they had a guaranteed bonus policy and the **average guaranteed bonus size** offered was **1.01 months of base pay**.

#### Non Guaranteed Bonus

- Among the 79 surveyed companies, 45 companies with a non-guaranteed bonus scheme confirmed that they had made bonus payment to employees during the period between January and February 2017.
- Of all employees eligible for a non-guaranteed bonus scheme, **93.2% were awarded a non-guaranteed bonus**, with the **average bonus size being 1.35 months of base pay**. This is lower than the 1.57 months of base pay recorded in 2015\*.
- In terms of bonus size distribution by staff level, top-level employees received the largest non-guaranteed bonus size of 6.17 months of pay base on average while general-level employees received the smallest bonus size of 1.11 months on average. (Chart 6)

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### Views on Labour Market Outlook in 2017

Of all the 79 companies in the survey that were invited to comment on Hong Kong's labour market outlook in 2017, **54% anticipated growth in the labour market while 11% expected a reduction** (Chart 7).

Anticipation of growth in labour market was more prevalent in the financial services, property development/ management, retail and non-governmental organisation sectors.

### **Conclusion**

The economic headwinds faced by Hong Kong in 2016 have caused employers to take stringent measures to control costs as their top business priority when it comes to budgetary planning. This has resulted in a lower pay level adjustment offered by employers in 2017 than the figure projected by the Institute in November 2016, Mr David Li, President of HKIHRM remarks.

Thanks to steadily increasing numbers of visitors to Hong Kong and the global economy stabilising, various business sectors in Hong Kong, especially those related to consumption and tourism, have seen an uptick in business confidence amid improving consumer spending.

Findings also revealed that employees at small-sized organisations (less than 500 employees) received a higher average pay rise percentage than those at medium-sized and large-sized companies. It is believed that small-sized organisations tend to increase base pay as a staff retention strategy and boost staff morale.

Hong Kong's unemployment rate has continued to improve since the end of 2016. With a relatively low unemployment rate currently standing at 3.2%, Hong Kong's labour market is expected to remain stable for the second half of the year.

Although salary is considered by employees as one of the key factors to motivate and retain staff, employers should also pay attention to non-financial rewards and incentives such as career development opportunities, training opportunities, tailored leave entitlements, and well-being programmes, as well as adopt family-friendly measures and best

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practices to help staff achieve work-life balance to attract and retain talent, says Mr David Li.

Looking forward, Hong Kong employers are more confident about the labour market, and their overall hiring intention for the second half of 2017 is expected to remain positive and steady although we may see some individual companies undergo manpower restructuring to align with their business strategies and respond to market situation, Mr David Li concludes.

*Note: \*2016 January Pay Trend Survey was cancelled, and data are unavailable.*

Please click [here](#) to download relevant charts.

<https://drive.google.com/open?id=0By7fYRr2310ReTVFX0VOazlidFk>

Media Enquiry

Public Relations and Communications Department, HKIHRM

Ada Kwong Tel: (852) 2837 3816

Bernard Wan Tel: (852) 2837 3820

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 around 5,400 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>.

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