

## Press Release

[for immediate release]

### **Hong Kong Employers Increase Non-Statutory Benefits To Improve Staff Engagement and Promote Work-life Balance** *Employee wellness and engagement high on today's HR management agenda*

[27 April 2016 - Hong Kong] Diverse employee benefits have become indispensable incentives to enhance staff engagement and retention in addition to base pay. Apart from meeting statutory requirements on some general benefits such as leave and retirement protection, employers have put more emphasis on employee wellness by enhancing medical benefits and work-life balance for employees through non-statutory leave and retention initiatives.

According to the **2015 Benefits Survey conducted by the Hong Kong Institute of Human Resource Management (HKIHRM)**, the percentage of organisations providing various kinds of non-statutory leave entitlements to staff has remained stable over the last three years when similar findings were revealed in 2013.

Since 1998 the HKIHRM Benefits Survey has been administered once every three years. The 2015 Benefits Survey was conducted from May to August 2015, polling 210 organisations from 22 industry or business sectors that covered a total of 129,000 full-time salaried employees. As one of the most comprehensive benefits surveys of its kind specific to Hong Kong, **the 142-page survey report covers 30 employee benefit areas including different leave entitlements, retirement schemes, medical benefits, meal benefits, transportation benefits, long-service recognition benefits, accommodation benefits, and staff retention programmes.**

Key findings of the survey are as follows:

#### Provision of Different Kinds of Leave

- The basic/initial **annual leave** entitlement across all employee levels in all the business sectors covered in the survey ranged from 10 days to 19 days on average.
- 58.2% of companies offered sick leave entitlement compliant with the statutory minimum requirement with no exception while 21.1% of employers offered **sick leave** payment higher than the statutory requirement in general (four or more consecutive days at the rate of four-fifths of an employee's ordinary wage).
- 93.7% of employers imposed service requirement for **maternity leave** payment on eligible employees in compliance with the employment ordinance. Among the organisations providing maternity leave, 57.2% offered maternity leave payment in accordance with the statutory requirement (i.e. 80% of 10 weeks of salary) while 42.8% offered benefits better than the statutory requirements.

- 18.7% of employers offered **paternity leave** entitlement better than the statutory requirement (i.e. 3 days of 80% paid leave), with a maximum of 5 days on average granted to eligible employees.
- 42.9% of employers provided **study and examination leave**, with a **maximum entitlement of 5 days on average**. 96.6% of employers granted such leave to eligible employees on a fully paid basis.
- 89% of employers provided other kinds of **non-statutory special leave** to employees, including compassionate leave, marriage leave, family leave and birthday leave. The non-statutory leave maximum entitlement for each category ranged from 1 day to 4 days on average. Of all kinds of special leave provided, **17.6% of employers offered birthday leave to employees, a marked increase of 5.3 percentage points as compared to 12.3% of employers found in the 2012 survey**.

### Medical Benefits

- Major medical benefits offered by employers included clinical (outpatient) benefit (96.2%), hospitalisation benefit (95.7%), dental benefit (59.5%) and medical check-up (47.4%). Compared to the results of the 2012 survey, there was a decrease in the proportion of employers providing medical check-up, dental benefit and clinical (outpatient) benefit. However, the provision for hospitalisation benefit by employers slightly went up to 95.7% from 95.2% in 2012.
- The medical check-up benefit is usually offered to employees in top management. In the survey, **19.2% of employers reported that this benefit was extended to the dependents of eligible employees, up 1.4 percentage points from the previous survey**. The banking/financial services sector recorded the highest percentage of employers providing medical check-up (72.7%).

### Retirement Protection

- The **average retirement age for employees across the 22 industry and business sectors covered in the survey was 62**. 64.2% of employers made delayed retirement arrangements in the form of extending retirement age, extending contracts and offering short-term contracts.
- **All employers in the survey provided Mandatory Provident Fund Scheme to employees** while 11.5% of employers offered new employees the option to join either Occupational Retirement Schemes or MPF Scheme.
- In terms of employer's contribution of MPF Scheme, 62.5% of employers capped the contribution at the statutory 5% while 28.8% reported the employer's MPF contribution was above the mandatory 5% for all employees.

### Long Service Recognition

- 66.2% of employers provided non-cash awards including golden gifts, certificates/trophies/awards/letters of appreciation, gifts/souvenirs and additional leave to long-serving employees. 21.7% of employers provided a service-related cash bonus with the media/publishing sector (40%) reporting the highest percentage of companies that provided this benefit.

### Retention Initiatives

- 77.1% of companies provided **education subsidies** (excluding any training offered directly by the company). The average maximum subsidy entitlement across various employee levels was HK\$17,110. Some business sectors reported a high proportion of companies providing education subsidies for employees such as hi tech/IT (88.9%), social/community services (87.5%), hospitality/tourism/leisure (87.5%) and retail (85%).
- A **retention bonus**, ranging from 1.2 to 3.5 months of salary across various employee levels from general/supporting staff to top management, is provided by employers. The estate/property management sector recorded the highest percentage of companies (50%) providing this benefit, followed by business services, insurance, and oil/chemicals/energy sectors (all at 33.3%).

### Work-life Balance Initiatives

- A large proportion of companies have recognised the importance of work-life balance initiatives and measures as a tool to enhance employee wellness and engagement and to retain staff. **83.7% of companies reported they provided work-life balance initiatives.**
- Of all the work-life balance initiatives covered in the survey, a **five-day work week was mostly adopted by employers, with 89.7% of organisations practicing this policy.** Some other work-life balance measures have seen a marked increase in popularity among employers since the 2012 survey. These included flexible working hours (28.2%), part-time work (27.2%), employee assistance programmes (26.4%) and working from home (19%).

### Benefits for Employees Stationed in Mainland China

- 26.7% of responding companies had employees stationed in Mainland China. 52.9% and 15.7% of employers provided **China allowance** and **hardship allowance** respectively. Both items saw a drop in percentage points from the 2012 survey. The allowance entitlement for employees at various levels ranged from 13.1% to 17.1% of annual base salary.
- Industry and business sectors that reported to have employees stationed in Mainland China were mainly related to professional & consultancy services at 30%, followed by retail at 21.1%, manufacturing at 18.8%, construction/property development at 15.8%, high-tech/IT at 11.1% and banking/financial services at 10%.

### Conclusion

**Mr David Li, President of the HKIHRM** says: “The stable percentage in leave entitlement provision to employees reflects that employers have recognised the importance of employee well-being and work-life balance as key strategies to improve employee engagement, loyalty and retention. A marked increase in company numbers is seen to offer birthday leave and have medical and dental benefits extended to the dependents of eligible employees. This illustrates the fact that employers are making greater commitment to adopting family-friendly measures to proactively respond to the global trend and support the government’s drive to promote such initiatives in the workplace.”

“The survey is intended to provide benchmarks for industry reference. Although it is understood that base pay is an important factor in retaining staff, employers can always consider different types of employee benefit which can tailor for the work-life balance and specific needs of employees, such as their family commitment, study and career development plans, as well as a pursuit of personal interests. We are happy to see more innovative benefits offered by employers to address the wellbeing and healthcare needs of employees. The survey revealed that the

medical check-up benefit is usually offered to employees in top management. However, trends show that provision of medical check-up benefits by organisations is becoming an important measure to enhance employee engagement and help retain staff. Employers may consider offering employees at all levels flexible medical check-up schemes that cater for the needs of staff at different age stages and genders. When employees notice that their employers make efforts to tie in with their career and personal needs, they will show stronger loyalty and be more willing to excel themselves in their work. Employee engagement and enthusiasm can always be the keys to corporate success,” concludes **Mr David Li**.

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#### **Media Enquiry**

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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. 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>.

## Appendix 附錄

### Provision of Statutory Leave Entitlements for Employees 僱員獲享法定假期

Leave category 假期類別	Equal to statutory requirements 符合法定要求	Better than statutory requirements 優於法定要求
Sick leave 病假	58.2%	21.1%
Maternity leave 產假	57.2%	42.8%
Paternity leave 待產假	80.4%	18.7%

Base = 210 organisations from 22 industry or business sectors in the 2015 survey

基數 = 210 家來自 22 個不同行業的機構 (2015 年度調查)

### Provision of Non-Statutory Leave Entitlements for Employees 僱員獲享非法定假期

Leave entitlement category 假期類別	Percentages of surveyed organisations in offering different leave entitlements 提供假期受訪機構百分比		
	2009	2012	2015
Compassionate leave 恩恤假	98%	93.6%	94.7%
Marriage leave 婚假	85%	85.8%	88.8%
Study & examination leave 進修及考試假	46.3%	47.2%	42.9%
Family leave 家庭假	7.8%	19.6%	18.7%
Birthday leave 生日假	5.9%	12.3%	17.6%
Voluntary service leave 義工服務假	3.9%	10.8%	10.2%
Community service leave 社會服務假	3.9%	8.8%	7.0%
Graduation leave 畢業假	N/A	1.5%	1.1%

No of participating organisations:

175 organisations in 2009; 229 organisations in 2012; and 210 organisations in 2015

受訪機構數目:

2009 年 175 家機構; 2012 年 229 家機構; 2015 年 210 家機構