

PRESS RELEASE

Survey Records a 2.1% Pay Rise in early 2020 and an Uncertain Employment Outlook

[24 July 2020 - Hong Kong] The January 2020 Pay Trend Survey by the Hong Kong Institute of Human Resource Management (HKIHRM) indicated an average base pay adjustment of 2.1%. Covering a total of 110,200 full-time employees, the survey featured 67 participating companies during March and April this year. Key findings of the survey are as follows:

Base Pay Adjustment in January 2020

For the 28 companies which provided pay adjustment figures in January 2020, the overall average salary adjustment was 2.1% (weighted average), indicating a cautious sentiment in the midst of economic uncertainty. 52,874 employees in total were covered. The table below shows the details:

| Base Pay Adjustment | Percentage of Companies (N=28) |
|----------------------------|---------------------------------------|
| Pay increase | 89.3% |
| Pay freeze | 10.7% |
| Pay decrease | 0.0% |

The overall average base-pay increase in January 2020 recorded a dip of 1.6 percentage points, compared with last year's 3.7%.

In terms of employee numbers, 63.7% of the employees received a pay raise while 36.3% experienced a pay freeze.

Bonus Policy

A total of 49 companies with a non-guaranteed bonus scheme confirmed their bonus payment during January/February 2020. For 95.8% of the eligible employees awarded a non-guaranteed bonus, the average bonus size was 1.89 months of salary and bigger than the corresponding figure of 1.54 in 2019. The table below provides a summary of the average non-guaranteed bonus paid for staff across the ranks:

| Career Level | Non-Guaranteed Bonus (Months of Pay) (N=49) |
|----------------------------------|--|
| General (<\$451,001) | 1.41 |
| Middle (\$451,001 - \$934,000) | 2.22 |
| Senior (\$934,001 - \$1,666,000) | 2.70 |
| Top (>\$1,666,000) | 5.86 |

Business and Manpower Outlook

Among the 66 companies which stated their employment outlook for 2020, only 1.5% of the companies forecasted that their business will perform better than in 2019 while 65.2% expected that their business will take a turn for the worse. 10.6% projected that their business will perform the same as in 2019 while the remaining 22.7% held no opinion.

| Business Outlook for 2020 | Percentage of Companies (N=66) |
|----------------------------------|---------------------------------------|
| Worse than 2019 | 65.2% |
| Better than 2019 | 1.5% |
| Remain the same as 2019 | 10.6% |

A mere 9.1% planned to increase hiring while over 60% intended to freeze or cut headcount this year. Details are included in the table below:

| Manpower Outlook for 2020 | Percentage of Companies (N=66) |
|----------------------------------|---------------------------------------|
| Increase headcount | 9.1% |
| Freeze headcount | 40.9% |
| Reduce headcount | 22.7% |
| Hard to say | 27.3% |

Among the companies which indicated that they will reduce hiring in 2020, 66.7% of those did not intend to replace the reduced headcount while 60.0% planned to delay hiring or restructure/rearrange manpower.

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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) has a membership of around 5,300, of whom over 500 are corporate members. Founded in February 1977 as a non-profit organisation, HKIHRM aims at developing, maintaining and enhancing professional standards in HR management, as well as increasing the value and influence of the HR profession. HKIHRM organises a wide range of professional programmes, including multi-level training, conferences and exhibitions and an awards programme. It also provides various membership services, conducts surveys, and publishes an official journal. 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>