

For Immediate Release

Overall Average Staff Turnover Rate at 10.2% in First Half of 2016

Employers' Hiring Intention for Second Half of 2016 Remains Positive

[20 October 2016 – Hong Kong] The Hong Kong Institute of Human Resource Management (HKIHRM) revealed the findings of **The Half Yearly Survey on Manpower Statistics in 2016**. An overall average staff turnover rate for the first half of 2016 was 10.2%, with a fall of 0.2 percentage point from 10.4% in the second half of 2015 while an average job vacancy rate of 5.2% was recorded for the first half of 2016, a drop of 1.3 percentage points from the second half of 2015. The hiring intention of the majority of companies remained positive for the second half of 2016 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. A total of 110 companies participated in the survey conducted in July 2016, covering 134,951 full-time employees.

Key findings of the survey are as follows:

Staff Turnover and Job Vacancy (chart 1)

	2016 H1	2015 H2	2015 H1
	Percentage (weighted average)		
Staff turnover	10.2%	10.4%	10.8%
Job vacancy	5.2%	6.5%	6%

Staff turnover rate in 2016 H1

- The top three sectors with the highest staff turnover rate: **(chart 2)**
 - Business services/professional services (20.6%)
 - Retail (19.1%)
 - Construction/Property development/Real estate (17.8%)
- The top three sectors with the lowest staff turnover rate:
 - Community/Social/Personal Services (6%)
 - Electricity/Gas/Petrol (2.5%)
 - Transport/Service allied to transport (storage) (2.3%)
- In terms of employee level, clerical/frontline staff recorded the highest turnover rate at 13.1% while the lowest turnover rate was recorded for top/senior management at 3.8%. **(chart 3)**

Job vacancy rate in 2016 H1

- The top three sectors with the highest job vacancy rate: **(chart 2)**
 - community/social/personal services (10.2%)
 - retail (10.1%)
 - construction/property development/real estate (7.8%)
- The top three sectors with the lowest job vacancy rate:
 - electricity/gas/petrol (2.7%)
 - telecommunication (2.6%)
 - transport/services allied to transport (storage) (1%)
- In terms of employee level, clerical/frontline staff recorded the highest job vacancy rate at 6.1% while top/senior management registered the lowest job vacancy rate at 1.5%. **(chart 3)**

Position Growth/Cut

First half of 2016

- The net growth in new positions for the first half of 2016 was 1.8%, down 2.3 percentage points when compared with the second half of 2015, and down 3 percentage points year on year.
- The top three sectors with the highest net growth in new positions: **(chart 4)**
 - financial services/banking/insurance (8.4%)
 - business services/professional services (3.4%)
 - construction/property development/real estate (2.3%)
- In terms of employee level, positions for middle management/non-managerial professionals recorded the highest net growth at 2.1% while positions at top/senior management level had the lowest net growth at 1.6%. **(chart 5)**

Absence Rate

First half of 2016

Among the 110 participating companies, 91 companies provided data on staff absence. In the survey, “absence” is defined as unscheduled absences 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 first half of 2016 was 2.3%, 0.4 percentage point higher than the second half of 2015, and 1.0 percentage point higher year on year.
- The top five sectors with the highest absence rate: **(chart 6)**
 - construction/property development/real estate (2.8%)
 - transport/services allied to transport (storage) (2.8%)
 - electricity/gas/petrol (2.8%)

- manufacturing (2.5%)
- community/social/personal services (2.2%)
- In terms of employee level, the clerical/frontline staff recorded the highest absence rate at 2.1%, compared with supervisory/officer at 1.3%, middle management/non managerial professionals at 1.2% and top/senior management at 0.8%. **(chart 7)**

Hiring Intention for Second Half of 2016

Among the 110 participating companies, all of them provided data on their hiring intention for the second half of 2016, with results as follows: **(chart 8)**

Hiring Intention	2nd half 2016	1st half 2016	Change
remain hiring as in previous 6-month period	60%	55.9%	up 4.1 percentage points
increase hiring	17.3%	19.4%	down 2.1 percentage points
freeze hiring	15.5%	18.3%	down 2.8 percentage points
reduce hiring	7.3%	6.5%	up 0.8 percentage points

60% of the companies indicated to maintain hiring in the second half of 2016 at a level similar to that in the first half of 2016, with a higher percentage recorded in sectors including community/social/personal services; construction/property development/real estate; and transport/services allied to transport (storage).

By business sector, telecommunication; business services/professional services; and electricity/gas/petrol were the top three sectors with the strongest intention to increase hiring in the second half year of 2016, while wholesale, import/export, trading, distribution; retail; and financial services/banking/insurance were the top three sectors with the strongest intention to freeze hiring in the second half year of 2016 **(chart 9)**

Conclusion

Mr David Li, President of the HKIHRM, says, “Hong Kong’s economy has shown a slow growth rate since the beginning of 2016. Individual industries, such as banking, retail, import/export, trading, and travel-related industries have begun to adjust headcount to ride through the economic slowdown. Although there have been no mass layoffs, employers remain cautious about hiring, and tend to resort to natural attrition. The survey results indicated that the vacancy rate and turnover rate in the second half of 2016 dropped from the first half of 2015, reflecting a reduction in job vacancies and a downward trend for the local economy. Local employees had a lower inclination for job change.”

As for the hiring tendency, the number of employers planning to increase hiring in the second half of 2016 reduced compared with the first half of 2016 whereas there was a slight increase in the number of employers who would reduce hiring. “Though Hong Kong’s overall unemployment rate for the first nine months of 2016 stayed at a low level of 3.4%, economic uncertainties such as China’s slowing of economy, local and overseas consumer confidence, trade performance, potential US interest rate hike will likely affect Hong Kong’s economic growth in 2016, companies’ investment confidence, and the employment outlook in the first half of 2017,” says Mr Li.

Please click [here](#) to download the charts

Media Enquiry

Public Relations and Communications Department, HKIHRM

Mr Bernard Wan/Mr Daniel Pang

Tel: (852) 2837 3820 / 2837 3826

Fax: (852) 2881 6062

Email: 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 5,500 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>.