

Press Release

For immediate release

Staff Turnover Rate in Second Half of 2015 Slips to 10.4%

*Employees more cautious about changing jobs and
Employers' hiring intentions for first half of 2016 have weakened*

[26 May 2016 – Hong Kong] Hong Kong Institute of Human Resource Management (HKIHRM) revealed the findings of **The Half Yearly Survey on Manpower Statistics in 2015**. An overall average staff turnover rate for the second half of 2015 was 10.4%, down 0.4 percentage point from 10.8% in the first half of 2015. An average job vacancy rate of 6.5% was recorded for the second half of 2015, up 0.5 percentage point from the first half of 2015. Hiring intentions of employers for the first half of 2016 have weakened amid economic woes.

Since 2002, the HKIHRM has administered the half yearly Manpower Statistics Survey to collect data to keep track of Hong Kong's manpower movement for the local labour market. This survey was conducted in February 2016 with 93 companies, covering 118,790 full time salaried employees. Key findings of the survey are as follows:

Staff Turnover Rate and Staff Vacancy Rate (chart 1)

	2015 H2	2015 H1	2014 H2	2014 H1
	percentage (weighted average)			
Staff turnover	10.4%	10.8%	10%	9.1%
Job vacancy	6.5%	6%	5.2%	4.9%

Staff turnover rate in 2015 H2

- The top three sectors with the highest staff turnover rate: (chart 2)
 - construction/property development/real estate (24.8%)
 - business services/professional services (17.3%)
 - retail (15.4%)

- The top three sectors with the lowest staff turnover rate:
 - electricity/gas/petrol (2.1%)
 - transport/services allied to transport (storage) (2.5%)
 - manufacturing (5.7%)
- In terms of employee level, clerical/frontline staff registered the highest turnover rate at 14.2% while the lowest turnover rate was recorded for top/senior management at 3.8%. **(chart 3)**

Job vacancy rate in 2015 H2

- The top three sectors with the highest job vacancy rate: **(chart 2)**
 - retail (14.2%)
 - community/social/personal services (9.7%)
 - construction/property development/real estate (8.6%)
- The top three sectors with the lowest job vacancy rate:
 - business services/professional services (0.8%)
 - electricity/gas/petrol (1.7%)
 - transport/services allied to transport (storage) (2.9%)
- In terms of employee level, clerical/frontline-level staff was recorded the highest job vacancy rate at 7.6% while the lowest job vacancy rate was recorded for supervisory staff and officers at 3.8%. **(chart 3)**

Position Growth/Cut

Second half of 2015

- The net growth in new positions during the second half of 2015 was 4.1%, down 0.7 percentage point from the first half of 2015, and up 1.6 percentage points year on year.
- The top three sectors with the highest net growth in new positions: **(chart 4)**
 - financial services/banking/insurance (8.9%)
 - manufacturing (2.3%)
 - retail (2.2%)
- In terms of employee level, supervisory/officer-level positions registered the highest net growth at 6.7% while positions at clerical/frontline-level had the lowest net growth at 2.5%. **(chart 5)**

Absence Rate
Second half of 2015

Among the 93 participating companies, 70 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 unpaid), emergency leave and casual leave.

- The overall absence rate in the second half of 2015 was 1.7% (weighted average), up 0.3% percentage point from the first half of 2015. **(chart 6)**
- The four sectors with the highest absence rate: **(chart 6)**
 - construction/property development/real estate (2.2%)
 - manufacturing (2.2%)
 - telecommunication (2.0%)
 - electricity/gas/petrol (2.0%)
- In terms of employee level, the supervisory/officer-level staff registered the highest absence rate at 1.3%, compared with 0.8% recorded for top/senior management-level staff, which was the lowest across all staff levels. **(chart 7)**

Hiring Intentions for Second Half of 2015

All 93 participating companies provided data on their hiring intention for the second half of 2015, with results as follows: **(chart 8)**

Hiring Intention	1 st half 2016	2 nd half 2015	1 st half 2015
remain hiring as in previous 6-month period	55.9%	61.2%	59.4%
increase hiring	19.4%	22.3%	26.7%
freeze hiring	18.3%	15.5%	11.6%
reduce hiring	6.5%	1%	2.3%

- Telecommunication; manufacturing; and financial services/banking/insurance were the top 3 sectors with the strongest intention to increase hiring in the first half year of 2016, while retail; wholesale, import/export, trading, distribution; and electricity/gas/petrol were the top 3 sectors with the strongest intention to freeze hiring in the first half year of 2016 **(chart 9)**

Please click the link below for the charts

<https://drive.google.com/folderview?id=0By7fYRr2310RRWJXUkk4SVBranM&usp=sharing>

Conclusion

Mr David Li, President of the HKIHRM, says: “The overall staff turnover for the second half of 2015 showed a slight decline compared with its first half data. It indicates that employees at different job levels were more cautious about changing jobs amid Hong Kong’s economic slowdown and the slight increase in the unemployment rate. New positions in the second half of 2015 registered a growth of 4.1%, a decline of 0.7 percentage point from the first half of 2015, indicating the negative impact of Hong Kong’s economic slowdown on businesses and job growth.

The survey found that some sectors experienced a higher staff turnover rate such as the construction/property development/real estate, business services and retail in the second half of 2015 while industries that saw the biggest growth in new positions included financial services/banking/insurance, manufacturing, retail, and construction/property development/real estate.

According to the findings, the hiring intention of employers for the first half of 2016 registered a decline compared with the second half of 2015. Employers showed a stronger inclination to freeze and reduce hiring and became cautious in their recruitment in view of Hong Kong’s economic slowdown. Only 19.4% of employers reported to increase hiring in the first half of 2016, down 2.9 percentage points from the second half of 2015, while there was a significant increase of employers opting to freeze hiring (18.3%) and reduce hiring (6.5%) in the first half of 2016, compared with the second half of 2015. Industries that reported to increase hiring in the first half of 2016 included telecommunication, manufacturing and financial services/banking/insurance while business sectors such as retail, wholesale, import/export, trading and distribution tended to freeze hiring.

“A drop in Mainland visitor numbers, Hong Kong’s strong currency, volatility of investment markets, slowdown of China’s economic growth and a weak global demand will continue to be among key economic sectors that affect the manpower resources for businesses in tourism, retail, hospitality, accommodation services and export trade. Despite the fact that some industries are facing greater business challenges, Hong Kong’s economic foundation is solid,” concludes Mr Li.

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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>.