

PRESS RELEASE

[For immediate release]

Hong Kong Employees' Pay Rise for 2019 Increases Slightly by 0.4 percentage point

Companies adopt a cautious stance to pay increment for 2020 amid economic slowdown

[31 October 2019 - Hong Kong] Against a backdrop of rising unemployment, economic uncertainties and social activities in 2019, Hong Kong employees are reported to have received an average pay rise of **3.6% in 2019**, a moderate increase from 3.2% last year, according to the **2019 Pay Trend Survey** findings revealed by the **Hong Kong Institute of Human Resource Management (HKIHRM)** today.

The Institute conducted the **2019 Pay Trend Survey** in August and September 2019 to track the trends for pay adjustment, bonus incentives and benefits offered to employees during the period between January and September 2019. The survey covered 94 companies from 15 different major business sectors involving about 145,000 full-time employees. Key findings of the survey are as follows:

Base Pay Adjustment in 2019

After netting out the inflation rate of 2.8% from January to August 2019, the real base pay adjustment amounted to 0.8%.

- Based on the data provided by the surveyed companies, the overall base pay adjustment in 2019 was 3.6% (weighted average).
- Of the 90 responding companies, 95.6% offered a pay rise in 2019, 3.3% implemented a pay freeze, while 1.1% reported a pay decrease.
- The proportion of employees who received a pay rise in 2019 was 84.9% and 15.1% experienced a pay freeze.
- In 2019, medium-sized companies (500 to 1,000 staff) offered a slightly higher pay rise of 4.0%, higher than that of 3.7% for small-sized companies (fewer than 500 staff) and 3.6% for large companies (more than 1,000 staff) respectively.
- For pay adjustment according to employee level, middle level employees benefited from the highest pay adjustment of 3.8% while that for top level employees saw the lowest increment

at a mere 2.1%.

As the survey reveals, the top five factors that affected employers' decisions on pay adjustment in 2019 in order of importance included company performance, individual performance, business unit performance, market pay adjustments, and Hong Kong's economic conditions.

Bonus Payments in 2019

Guaranteed Bonus

- Companies provided data on bonus payments in 2019. Among them, 44.7% reported that they had a guaranteed bonus scheme during the survey period.
- The average size of a guaranteed bonus was 1.01 months of base pay, which is the same as last year, indicating the size of bonus has remained at a stable level over the past several years.

Non-Guaranteed Bonus

- Companies provided data on non-guaranteed bonus payments. Among them, 94.7% reported that they implemented a non-guaranteed bonus scheme during the survey period, a slight drop of 1.4 percentage points compared with last year.
- Among all the surveyed employees, 81.4% were covered by a non-guaranteed bonus plan. For eligible employees who were awarded this incentive, the average size of a non-guaranteed bonus was 1.56 months of base pay, a moderate improvement from last year.
- In terms of the size of non-guaranteed bonus by employee level, top level staff were rewarded with the highest amount (6.74 months of base pay), followed by senior level staff (2.37 months of base pay), middle level staff (1.44 months of base pay) and general level staff (1.37 months of base pay).

Projected Pay Adjustment in 2020

Close to half of the responding companies (47.8%) indicated that they had not worked out the projected pay adjustment for 2020. Another 51.1% forecast implementing a pay increase in 2020. Only 1.1% of the responding companies reported that a pay freeze would be exercised. Among those companies that provided data on base pay adjustment projection from January to April 2020, the average pay rise for 2020 would be a weighted average of 3.0%.

Conclusions

Lawrence Hung, HKIHRM's Vice President, says, "The average pay rise remains stable at 3.6% in 2019. In the midst of global economic uncertainties, Chinese-American trade war, and local social activities, the city's employment landscape has been impacted. Under these

circumstances, transparent communication on any changes in business or cost-control strategies is always vital. This allows employees across the board a solid grasp of their work objectives to align with business needs. To give recognition to outstanding employees and boost staff morale, companies are encouraged to evaluate staff performance more comprehensively with a systematic and effective approach.

To respond nimbly to the changing business and economic environment, companies can take a close look at their organisational structure and work flow to cater to the deployment of contingency or alternative workforce. In addition, employees should upskill themselves, especially on the digital front, and expand their network to prepare for their next big break and mitigate the risk of unemployment.”

Please click [here](#) for the photos of **Mr. Lawrence Hung, Vice President of HKIHRM.**

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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 close to 5,300, of whom about 600 are corporate members. Founded in 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 activities, including multi-level training programmes, conferences & exhibitions and an awards programme. It also provides various membership services, conducts professional surveys, and publishes an official journal. 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>.