

CTHR Recruitment and Salary Trends Survey — Q4 2015



Introduction

About 40% of employers polled in a recent survey intend to recruit more staff this quarter, with the banking and finance sector showing the strongest hiring sentiment, followed by the building and construction industry, according to data gathered for the *CTHR Recruitment and Salary Trends Survey – Q4 2015*.

The majority of employers polled envisage pay rises of 4 to 6% for their staff in 2016, while 30% expect salary increases of 1 to 3%

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Survey Objectives

- To gain an understanding of current hiring sentiments in various industries
- To look at pay trends for 2015 and expected trends for 2016
- To analyse the factors taken into account when pay adjustments and bonuses are considered
- To investigate recruitment challenges and job-match levels
- To gauge employees' satisfaction with training and career opportunities

Methodology

Survey Period: October - November 2015

Sample Size

- 1,215 employees
- 316 employers (80% from middle to senior management levels)

Data Collection

Through an online survey; targeting employers from different industries and employees of different age groups. The data collected is analysed and consolidated by CTHR' in-house research team.

Key Findings

On Recruitment Trends

- Just over 40% of polled employers plan to recruit in Q4, with prospective employers targeting mainly full-time and permanent staff
- The banking and finance industry is showing the strongest hiring sentiment: 75% of respondents in this sector plan to take on more staff in Q4
- Of the employers polled, 80% said they had difficulty finding the right people for some positions

On Salary Trends

- 47% of the polled employers envisage pay rises of 4 to 6% for their staff in 2016
- About 70% of the employers would offer end-of-year or discretionary bonuses
- Of those employers planning to hand out 13th cheques, 59% intended to offer bonuses equivalent to one month's salary

Part 1 – Hiring Intentions

Hiring Robust in Q4, 2015

40% of employers have plans to hire more staff in Q4, 2015

- 33% plan to freeze employment
- 24% do not have recruitment plans
- 3% plan to lay off employees

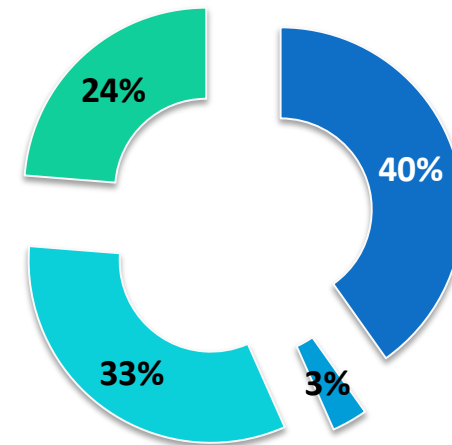
13% Average Increase in Headcount

According to the 127 employers with hiring intentions, the average increase in headcount is 13%.



Employer Hiring Intentions, Q4 2015

- Recruit more staff
- Lay off staff
- Freeze employment
- No plans



Top 5 Industries with Strongest Hiring Intentions

The industries with the strongest hiring intentions are :

1. Banking and Finance
2. Building and Construction
3. Information Technology
4. Education
5. Hotel and Catering

Top 5 Industries with Strongest Hiring Intentions



Percentage Increase in Staff

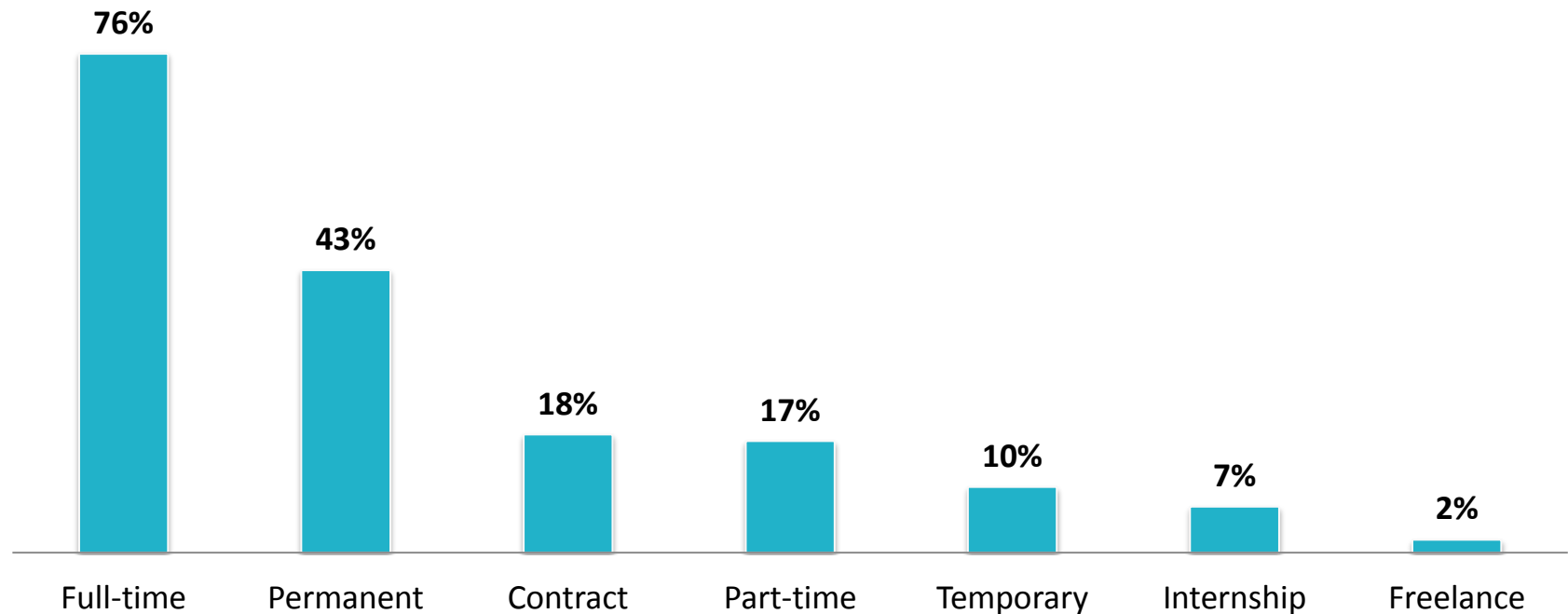
	Industry	% of Employers with Hiring Plans	% Increase in Staff (Median)
1.	Banking and Finance	75%	10%
2.	Building, Construction and Architecture	71%	5%
3.	IT and E-Business	60%	10%
4.	Education and Training	56%	8%
5.	Hotel and Catering	48%	6%

Terms of Employment

In terms of employment type, 76% of employers plan to recruit “Full Time” employees.

“Permanent” employees came second at 43%.

Hiring Plans (Employment Type) for Q4, 2015

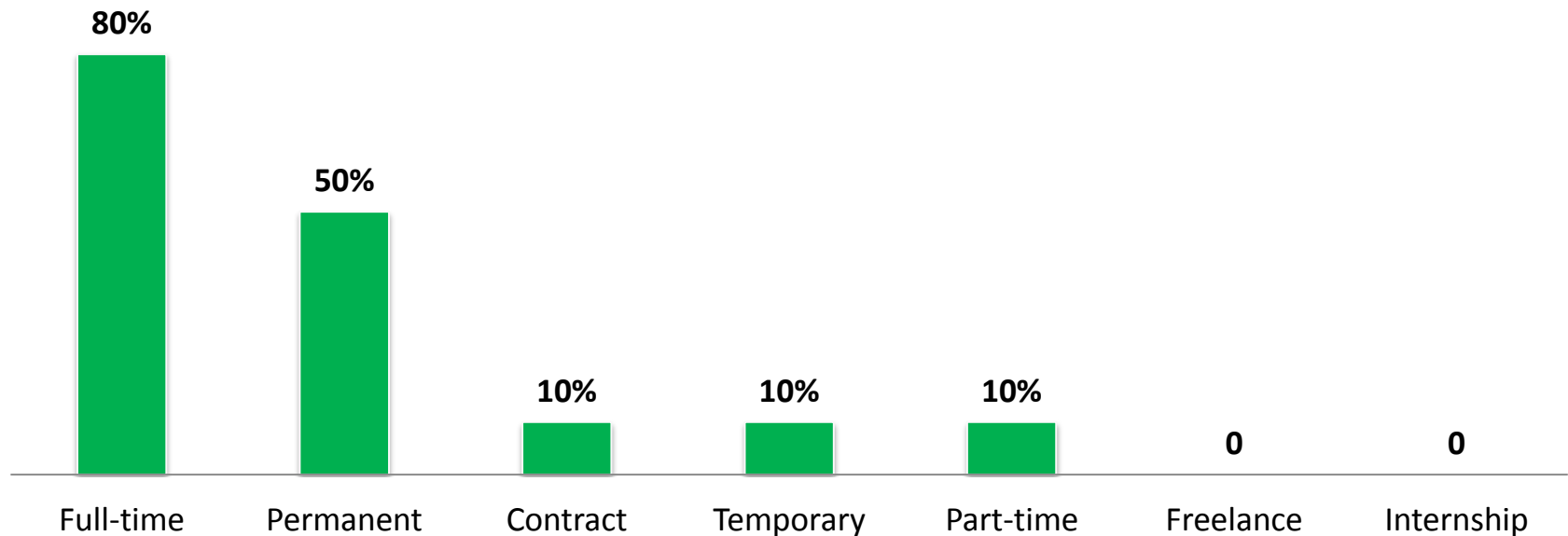


A Mere 3% of Employers have Lay-off Plans

3% of employers plan to lay-off employees in Q4, 2015

- the decrease in staff numbers average at 11.5%
- full time and permanent employees are the main targets of lay-off plans

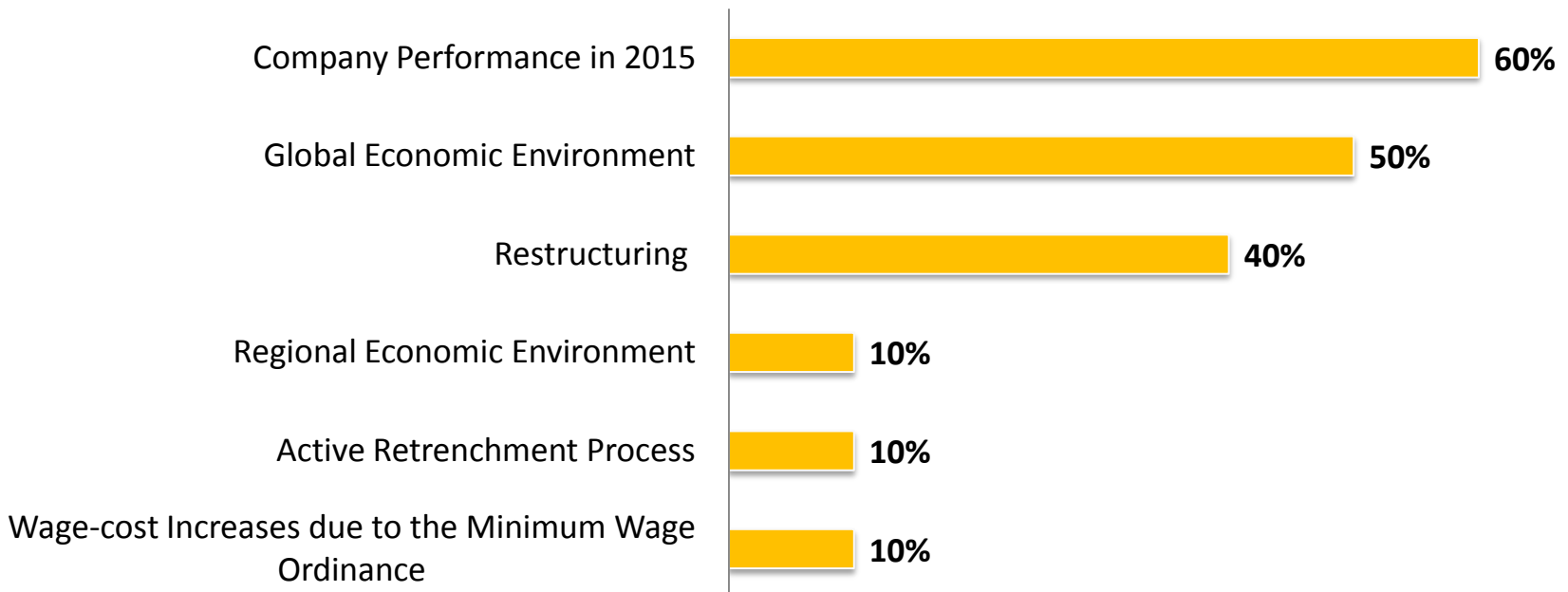
Lay-off Plans (Employment Type, Q4 2015)



Performance is Key

The main reasons cited for cutting staff in Q4 was “Individual Company Performance in 2015” (60%) and the “Global Economic Environment” (50%), followed by “Restructuring” (40%).

Reasons for Reducing Headcount in Q4, 2015



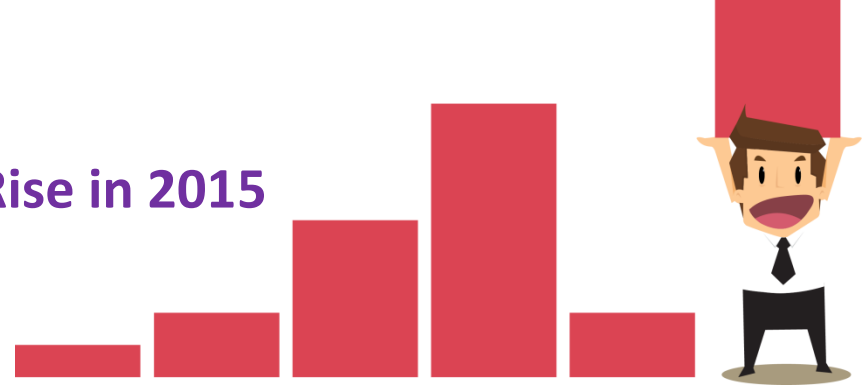
Employment Freeze

- The retail industry tops the list when it comes to employment freezes, with a substantial 57% of surveyed employers stating they would not employ any staff
- This is followed by the travel and transportation sector (46%) and manufacturing and trading (45%), human resources management and media and communications (both 43%), and the property sector (40%)



Part 2 – Pay Review

70% of Employees to Receive Pay Rise in 2015



Among 316 employers

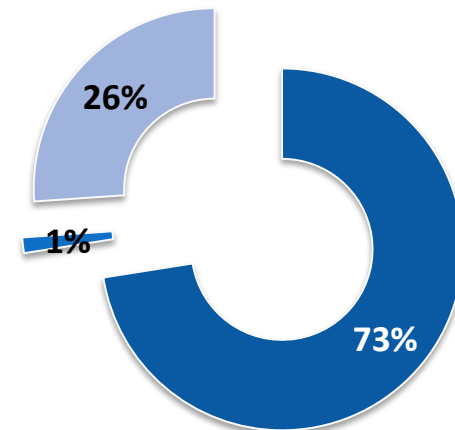
- 53% offered pay increases of 4 to 6% in 2015
- 10% offered no increase at all

Among 1,215 employees

- 73% received a pay rise with a median of 5%
- 26% had no change in their salaries
- 1% whose salaries decreased suffered a median salary cut of 10%

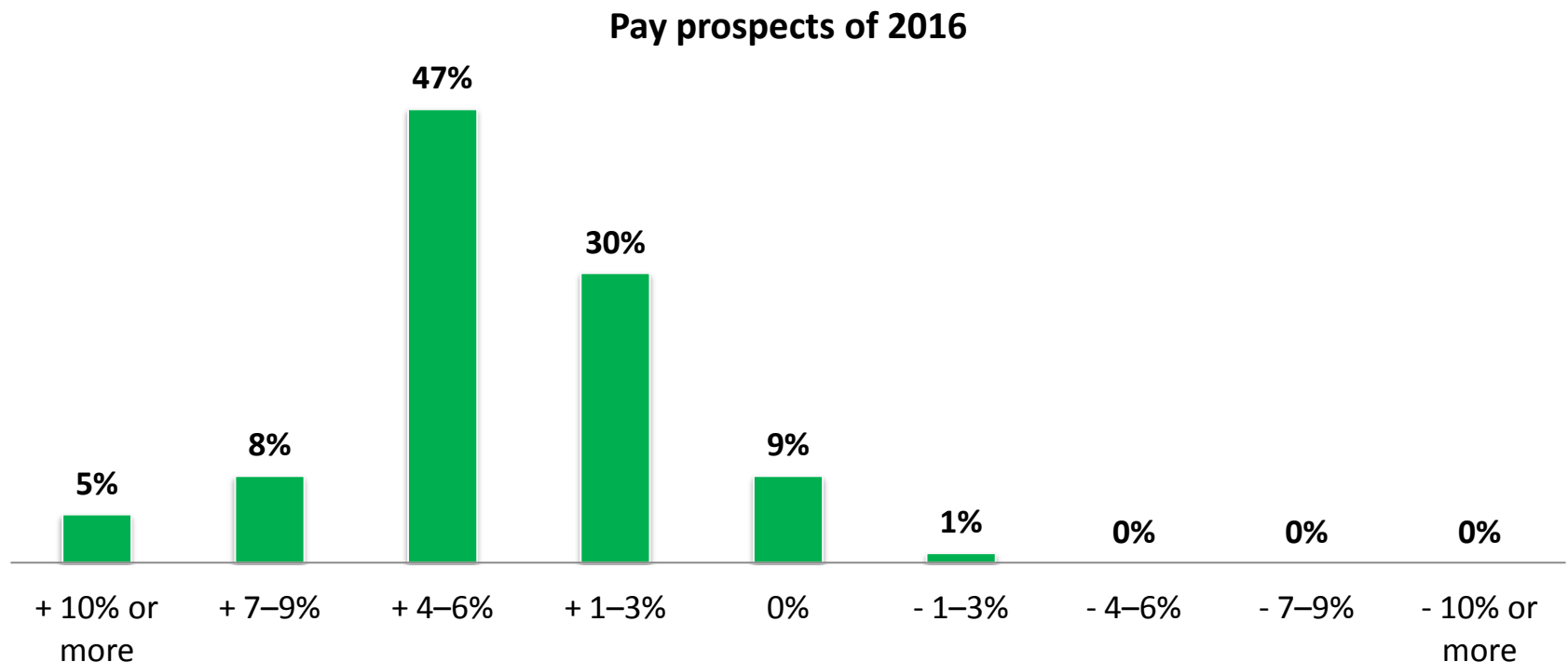
2015 Salary Adjustment (Employees)

- Received a pay rise
- Received a pay cut
- No change



Expected Pay Trends for 2016: 4 – 6%

The majority of employers polled (47%) envisage pay rises of 4 to 6% for their staff in 2016, while 30% expect salary increases of 1 to 3%; 8.5% envisage increases of 7 to 9%.

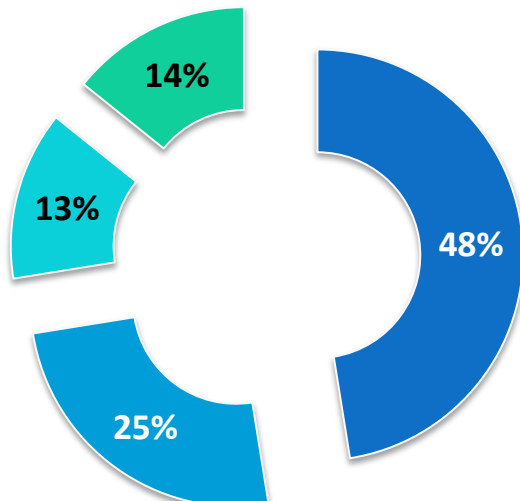


Bonuses on Offer

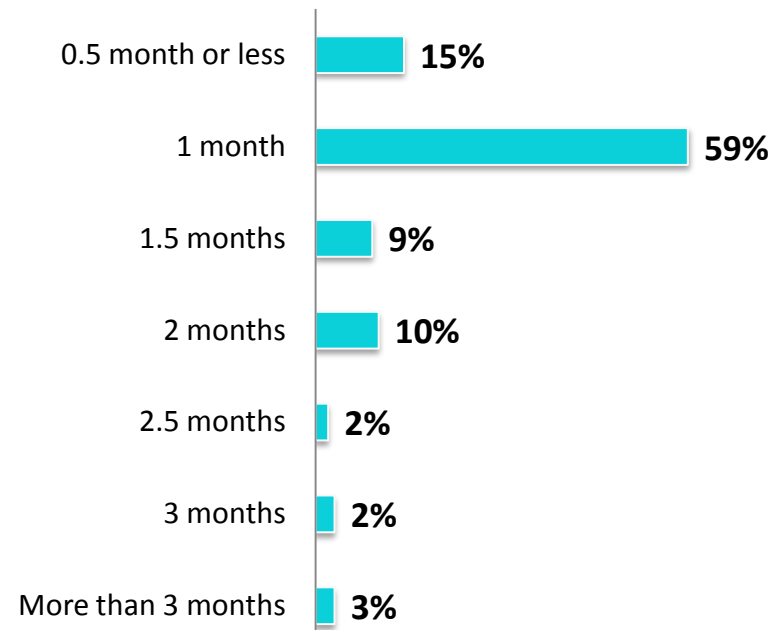
- About 73% employers would offer end-of-year or discretionary bonuses. Most would hand these out to almost all employees, but 25% would only give them to selected employees.
- Of those employers planning to hand out 13th cheques, most (59%) intended to offer bonuses equivalent to one month's salary

Year-end or Discretionary Bonuses Distributed (Employers)

■ To All Employees
■ To Selected Employees
■ No Bonus
■ Not sure



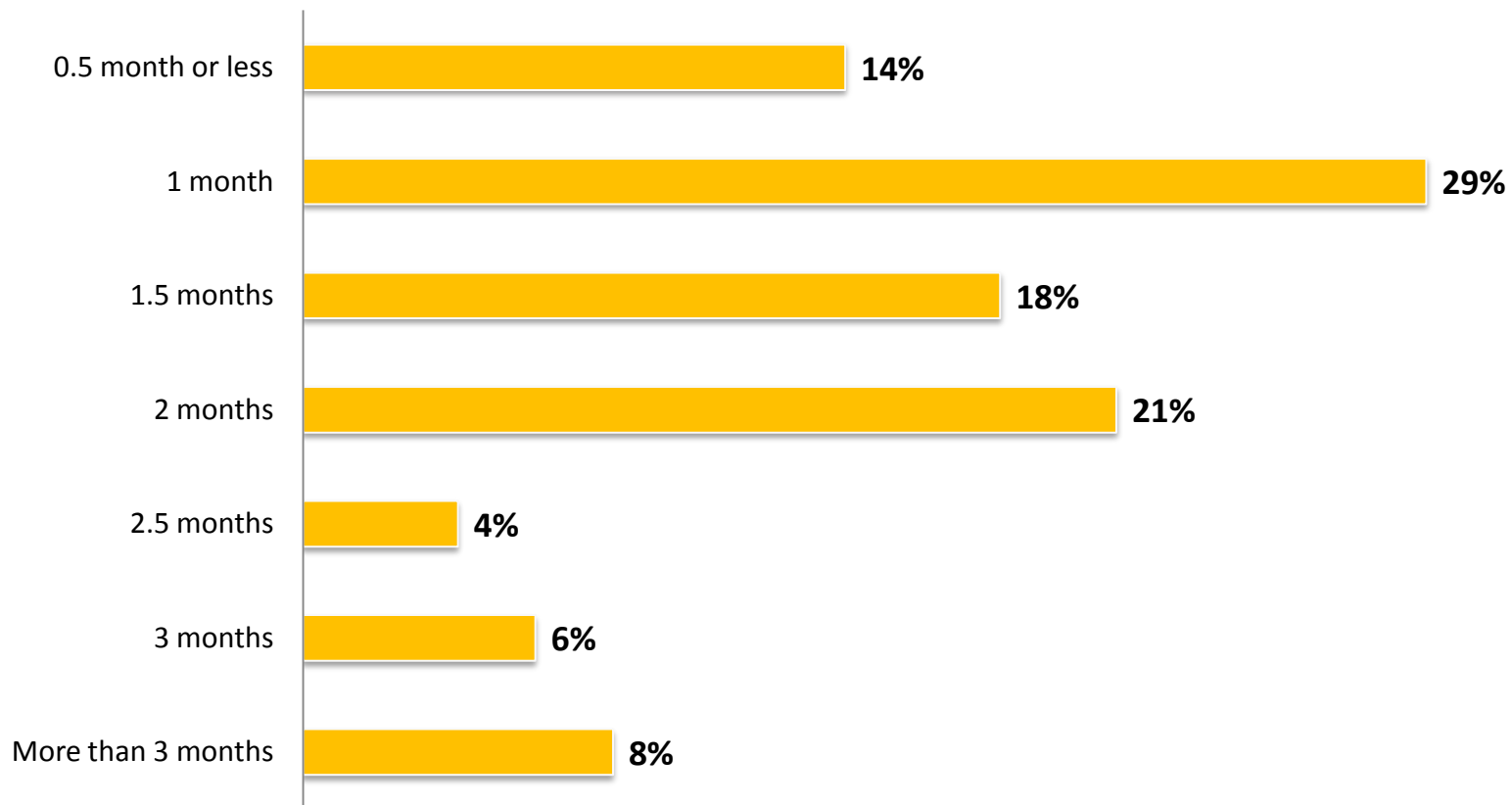
Year-end or Discretionary Bonuses Distributed (Employers)



Expected Bonuses on Offer

About 29% of the polled employees expected year-end of discretionary bonuses equivalent to a month's pay

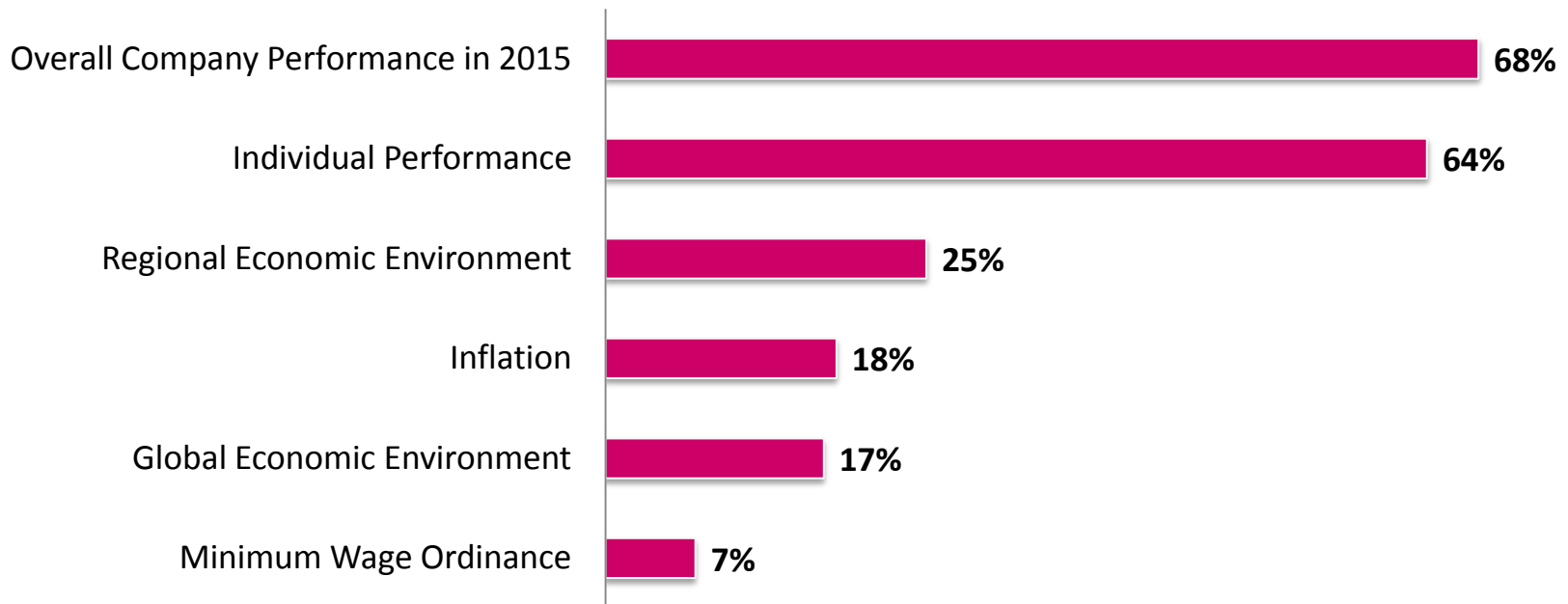
Year-end or Discretionary Bonuses Received (Employees)



Factors Considered

The two main factors taken into account by employers when considering pay adjustments and bonuses were the company's overall performance in 2015 (68% of employers), followed by individual performance (64%).

Considerations for Salary Adjustment/ Bonuses



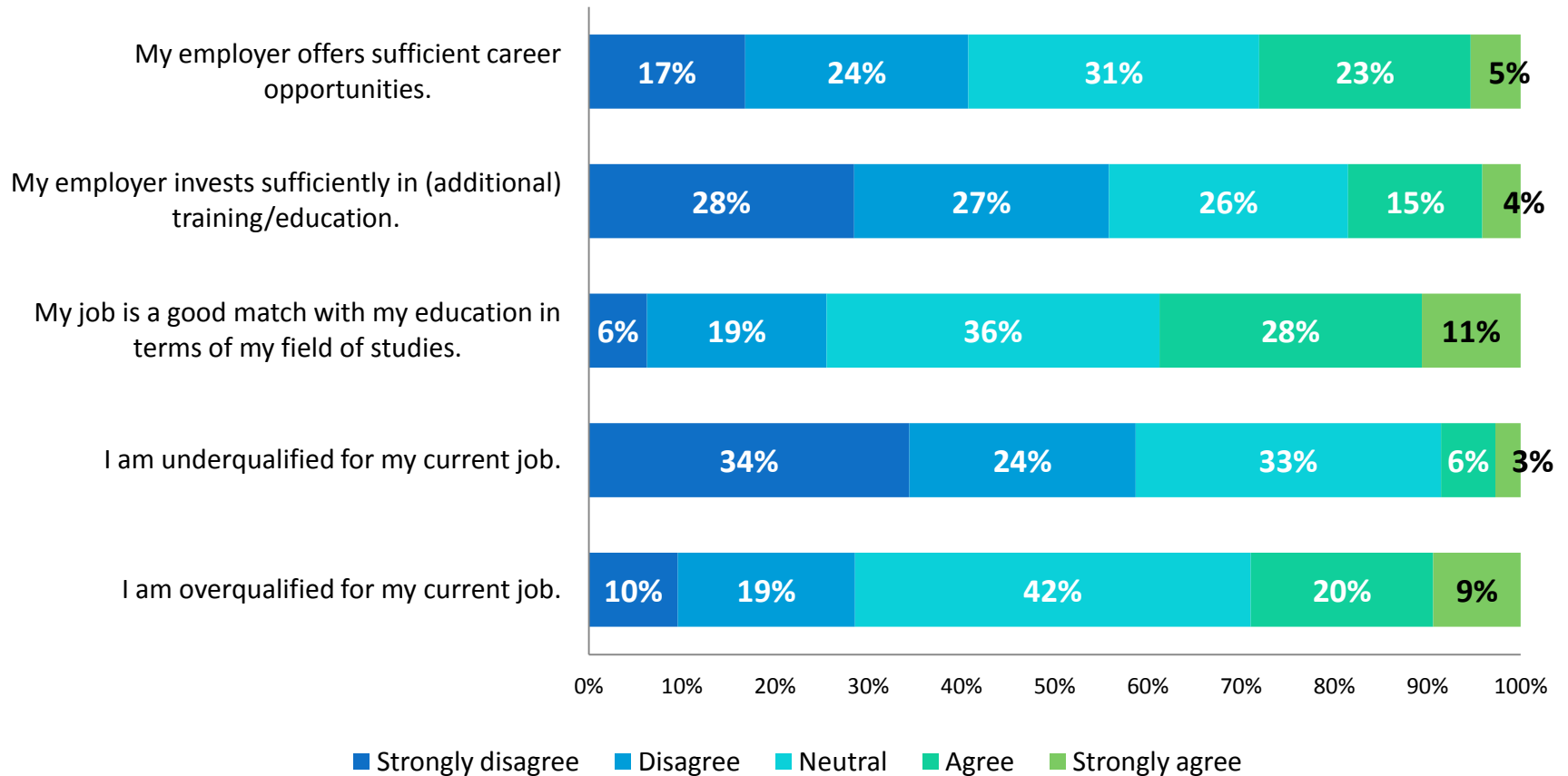
The Right Talent

A surprising 80% of the employers interviewed found it difficult to find the right people for some positions, with the greatest challenge being the recruitment of non-managerial staff and entry level employees.



Call for Training

Employees were not particularly impressed with their on-the-job training opportunities, almost 56% disagreeing, or strongly disagreeing their employer invested sufficiently in additional training or education.



Recommendations

1. Employers should full advantage of their employees' knowledge and skills and focus on opening up opportunities for those who feel overqualified in their current jobs.
2. Employers may consider offering additional training or educational opportunities, which will increase staff morale and job satisfaction.
3. Jobseekers should take note of employers' difficulties in finding the right people for some positions, particularly in non-managerial and entry-level positions.

Conclusion

Recruitment sentiment is currently high in industry sectors such as banking and finance, and building and construction, but others, such as manufacturing and trading, are lagging far behind.

Most employers find it difficult to find the right people for some positions, while many employees feel their jobs are not a good match with their education in terms of study field and they do not have enough advancement opportunities.

Human resources professionals are advised to keep an eye on the latest labour market trends to strike a balance between the needs of the new generation and the interests of the company.

About CTHR Recruitment & Salary Trends Survey – Q4 2015

Our *CTHR Recruitment & Salary Trends Survey – Q4 2015* aims to provide insights into Hong Kong employers' hiring intentions and pay adjustment in the fourth quarter. This survey will also feature recruitment of different career levels and positions, exploring which are the positions for employers to recruit. At the same time, it also features on skills match between job nature and employees' qualifications.

A total of 316 employers across at least 15 industries and 1,215 employees spanning a wide range of sectors responded to this survey, conducted in October-November 2015. Of the employers, 81% were at middle and senior management level .

About CTHR

CTHR was established in 2009. Its mission is to provide the latest market information for human resources (HR) professionals, including daily news, salary indexes, survey and research findings, case studies, employment laws and regulations, HR specialist blogs, and exclusive features.

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