

Tokyo, Japan
March 2015

1. Current economic and political situations in the country

Economy and labour market situations

Gross Domestic Product

In 2014, Hong Kong's Gross Domestic Product (GDP) growth was 2.3% in real terms over 2013.

Inflation

Inflation remained stable. For 2014 as a whole, the inflation rate was 4.4%. The figure was 4.1% in Jan 2015.

Unemployment Rate

Unemployment rate averaged at a low level of 3.2% in 2014, sustaining a state of nearing full employment.

Economic Forecast

In the face of internal and external challenges, the GDP growth for 2015 is forecasted at 1%-3%.

Manpower Trends – Employee Turnover, Job Vacancies and Job Growth

According to the Half Yearly Survey on Manpower Statistics - First Half Year 2014 conducted by the Hong Kong Institute of Human Resource Management (HKIHRM), the overall average staff turnover rate in H1 2014 was 9.1%, 2.4 percentage points lower than H2 2013 (11.5%).

The weighted average job vacancy rate in H1 2014 was 4.9%, 0.05 percentage point lower than H2 2013 (4.95%).

The net growth in new positions during H1 2014 was 1.4% (weighted average).

The survey covered a total of 86 companies with 130,840 employees.

Pay Trend

According to the HKIHRM 2014 Pay Trend Survey which covered 101 companies from 17 sectors with some 137,000 full-time salaried employees, employers continued to be prudent in their pay strategies for 2015 considering some possible economic impact globally.

Base Pay Adjustment in 2014

The overall average base pay adjustment was 4.3% (weighted average), 0.1 percentage point lower than the figure recorded for the same period in 2013 (4.4%).

The Institute conducted a follow-up survey in February 2015 to capture adjustments during the period Jan-Feb 2015.

Bonus Payment for 2014

The overall average guaranteed bonus size was 1.01 months of base pay. The overall average size of non-guaranteed bonus was 1.62 months of base pay.

Updates on Minimum Wages

Mainland China

In 2014, 19 cities in China raised their minimum wage levels at an average of 14.1%. 23 provinces have revised their wage benchmarks.

Hong Kong

The statutory minimum wage level will increase to HK\$32.5 per hour, effective from 1 May 2015. This is close to the range of HK\$30-HK\$32 which was indicated as more acceptable in a member poll conducted by the Institute in June 2014.

2. HR challenges

HR profession in Hong Kong is facing the following challenges:

Standard Working Hours

The government's Standard Working Hours Committee set up a taskforce to study the survey reports on standard working hours. The taskforce proposed to narrow the scope of discussion to some areas, including implementing standard working hours in some sectors first, setting salary benchmarks and establishing tripartite working groups in different sectors.

Paternity Leave

The legislation on paternity leave came into effect on 27 February 2015. Male employees can enjoy three days' paternity leave at 80% pay if certain preconditions are satisfied.

3. HKIHRM projects and initiatives

Qualifications Framework and Life-long Learning

Recognising the importance of life-long learning, the Institute supports the Qualifications Framework Secretariat in the formation of the Cross-Industry Training Advisory Committee (CITAC) for Human Resource Management. The CITAC for HRM was established in July 2014. The President and some Executive Council members of the Institute joined and took active roles on its sub-committees. The Institute is committed to the setting up of a Qualifications Framework for HR professionals, which will provide useful benchmarks for their career development.

HR Excellence Awards

The HR Excellence Awards 2014 concluded successfully with the presentation ceremony held on 28 November 2014. A total of 12 awards were presented to recognise organisations and individuals who have achieved business success through outstanding people management strategies and practices.

Pay Trend Seminar

The Pay Trend Seminar was successfully held on 30 October 2014. Apart from reporting the results of the Institute's Pay Trend Survey, the seminar provided an overview of economic trends, the latest market data as well as strategies and practices on compensation and benefits.

HKIHRM Annual Conference and Exhibition

The HKIHRM's 34th Annual Conference and Exhibition held on 7 - 8 October 2014 was a huge success. The two-day conference brought more than 40 renowned speakers across the public and private sectors from various countries. A free exhibition and a new symposium were held concurrently, featuring around 50 reputable service providers. The event reached new heights with a record-breaking number of over 2,000 delegates and visitors.

ATD – HKIHRM Post-Conference Sharing Session

In November 2014, the Institute organised the Association for Talent Development (ATD) – HKIHRM Post-Conference Sharing Session which attracted some 100 HR professionals who were training specialists. Speakers from renowned companies presented the latest trends and the best practices in the global training arena. Highlights of the ATD 2014 International Conference and Exposition held in Washington DC were featured through Webinar.

International and Mainland Collaborations

The HKIHRM and the Chartered Institute of Personnel and Development from the UK signed a second Memorandum of Understanding in October 2014 to step up collaboration between the two leading HR professional bodies.

The HKIHRM joined the annual Two-shore Four-place ER Conference held in Taipei in October 2014. Its representatives spoke at the event and made very fruitful exchanges on different HR topics with the participants. It is a well-established platform for HR professional bodies in the Mainland, Hong Kong, Macau and Taiwan to foster closer ties. The HKIHRM will host the conference this year in Hong Kong.

4. HKIHRM membership

As of March 2015, the HKIHRM had more than 5,400 members, with about 600 of whom being corporate members.

David Li
President
Hong Kong Institute of Human Resource Management