Average pay hike forecast at +2.2% for 2024, marking a 0.6 percentage points rebound from 2023. “Building & Construction”, “Food and Beverage” and “Fintech (Non-cryptocurrency)” industries expected to witness the highest salary growth.

62% of companies provided bonuses in the past 12 months, similar to last year. 36% offered guaranteed bonuses, up by 13 percentage points year-on-year.

Nearly 70% of surveyed employers reported difficulties in recruitment, citing the main reason as “Difficult to Recruit Capable Talent”.

Enterprises strive to attract talent by implementing work-life balance measures, such as increased installation of “Entertainment/ physical fitness facilities at workplace” and adoption of a “4/4.5-day Working Days Per Week”.

Enterprises actively seek talent beyond Hong Kong, with 63% considering the hiring of Mainland professionals and 60% considering overseas talents. These figures reflect a year-on-year increase of 9 percentage points and 5 percentage points, respectively.

Only 8% of the surveyed companies believe that the AI adoption will reduce their recruitment needs. On the contrary, more than half of the companies that have adopted AI say that their demand for talent will increase as a result.

(16 November 2023, Hong Kong) JobsDB, the leading employment marketplace by SEEK, commissioned an independent research agency in Q3 2023 to survey 407 corporations across 41 industries in Hong Kong regarding their projections for the upcoming year’s hiring plans, as well as compensation and benefit packages for employees. The findings reveal that
employers are anticipating an average pay increase of +2.2% next year, reflecting a rebound of 0.6 percentage points compared to the +1.6% in 2023.

The industries with the highest salary increments are undergoing a significant reshuffling. The top three industries projected to have the highest salary growth rates in the upcoming year are “Building & Construction” (+4.4%), “Food and Beverage” (+4.2%), and “FinTech (Non-cryptocurrency)” (+3.9%). In contrast, the “Information Technology” industry, which has consistently held the top two positions in the past three years, has dropped to ninth place this year with a +3.0% increase. Looking ahead to the labour market trends in the coming year, over 35% of respondents express optimism, indicating a slight increase of 3 percentage points compared to 2023.

30% of Employers Aim to Expand Workforce Next Year
“Difficult to Recruit Capable Talent” Impede Hiring Plans

According to the survey findings, 30% of employers indicate plan to expand their full-time workforce in the first quarter of the coming year, marking a 4-percentage-point increase compared to Q1 2023. Meanwhile employers intending to reduce their full-time staff remain at 4%, suggesting a continued demand for full-time employees in the upcoming year. The report further highlights that 20% of employers plan to hire full-time retail salespersons, making it the occupation with the highest anticipated demand for full-time positions.

The survey also reveals that 69% of the surveyed employers acknowledge challenges in recruitment, with the top three reasons being “Difficult to Recruit Capable Talent” (60%), “Raised Expectations for Salary and Benefits” (58%), and “Difficulty in Recruiting Experienced Talent” (48%).

Bill Lee, Managing Director of JobsDB Hong Kong, said, “As the labour market rebounds this year, there has been an uptick in job applications compared to the previous year. However, numerous employers continue to face challenges in hiring, indicating a skills mismatch in Hong Kong’s workforce. We have noticed that hirers are using different methods to expand their talent pool, but they should also invest resources immediately and provide more skills training opportunities for current employees. Additionally, employers can implement internship programs to nurture new talents from within and gradually fill the functional needs within the company. When employees perceive that the company is investing in their growth, it not only elevates morale but also fosters a sense of belonging and reduces turnover rates.”

The survey report reveals that 56% of local surveyed companies hired fresh graduates in the past twelve months as a valuable addition to their workforce. This indicates a growing propensity among companies to invest in manpower and resources to train and cultivate young professionals in the workplace.

Employers Enhance Work-life Balance Benefits and Hire Part-Time Employees to Bridge Labour Gaps

Employers are adopting diverse strategies to attract top talent. Over half (51%) of surveyed businesses prioritise “Attractive Salary / Compensation” as the cornerstone of their attraction strategy, closely trailed by “Promotion of Work-life Balance” (29%) and “Good Working
Environment / Facilities” (29%). Furthermore, the commitment towards fostering work-life balance continues to gain traction with notable increases seen in certain benefits. For example, the inclusion of “Entertainment/ physical fitness facilities at workplace” has risen by 8 percentage points annually, while the adoption of "4/4.5-day Working Days Per Week" has increased by 6 percentage points annually.

To retain valuable talent, businesses are going above and beyond, with a striking 78% of the surveyed companies implementing “Special Retention Measures”. The most common approaches used to retain employees include offering pay raises (44%) and enhancing benefits (33%, with an annual increment of 11 percentage points). These findings indicate an escalating willingness among companies to invest in the salaries and benefits of their existing workforce, substantially bolstering their overall allure and nurturing employee allegiance.

In response to the challenges of recruiting full-time employees, employers are considering alternative approaches, such as increasing the hiring of part-time staff. The percentage of businesses planning to expand their part-time workforce in the first quarter of the upcoming year has witnessed a notable year-on-year surge of 7 percentage points, standing at 22%. The main drivers behind this trend include “Hiring Part-time/ Temporary Staff for Flexible Work Arrangement” (43%), “Difficulty in Recruiting Qualified Full-time Candidates” (39%), and “Saving Staff Cost” (33%). Remarkably, the option of "Difficulty in Recruiting Qualified Full-time Candidates" has surpassed "Saving Staff Cost" for the first time in the past 3 years, indicating the growing significance of this recruitment challenge.

Local Companies Outpace MNCs in Talent Recruitment
Growing Trend of Hiring Non-local Professionals

Despite a momentary resurgence, the economy has yet to fully recover to pre-crisis levels in the post-pandemic period. Distinct recruitment strategies are being pursued by companies of varied magnitudes. The survey highlights the proactive recruitment stance of local companies, surpassing the multinational counterparts. Notably, 34% of local enterprises are poised to expand their workforce in the first quarter of 2024. Conversely, multinational corporations, potentially influenced by a subdued global economic landscape, exhibit a more cautious approach, with a mere 19% planning for manpower expansion, while a majority (58%) intend to maintain current staffing levels.

In addition to local talent, enterprises are proactively exploring non-local talent. An impressive 63% of the surveyed companies show a deliberate intention to engage mainland talent, representing a substantial 9-percentage-point increase compared to the previous year, with a particular emphasis on non-managerial roles. Similarly, 60% of the surveyed firms voice a discerning interest in recruiting overseas talent, reflecting a 5-percentage-point increase from the previous year, mainly targeting middle management roles in their international recruitment endeavours.

The report further highlights that 8% of the surveyed companies have strategic plans to relocate a portion of their operations to different regions. While mainland China (48%) and Singapore (33%) remain the preferred locales, Singapore's percentage has experienced a decline of 4 points compared to previous years. Notably, Macau has emerged as a new contender, securing the third spot at 21%. The departments most earmarked for relocation
include “Planning and Strategic” (28%), “Production” (28%), and “Customer Services” (27%), indicating a growing trend of enterprises not merely considering overseas translocation, but also exploring the prospect of shifting specific business functions to operate within the Greater Bay Area.

**Rising Manpower Demand in AI-Adopting Enterprises**

**Call the Need for Augmented Employer-Led Training Initiatives**

The dialogue surrounding artificial intelligence (AI) has remained vibrant throughout the year, with many people worrying that AI will replace human jobs. However, the survey reflects that only 8% of the surveyed companies believe that the AI adoption can reduce recruitment needs. More than 70% of the surveyed companies believe that the emergence of AI will not affect the recruitment needs of the company. In fact, more than half (54%) of the companies that have adopted AI say that they tend to hire more employees after introducing AI, defying previous expectations. Furthermore, the report underscores three significant challenges encountered by enterprises in AI implementation, namely “Lack of Experience in Communicating with AI” (48%), “Concerns about Data Privacy and Ethics” (37%), and “Cost of Implementation” (35%).

**Bill Lee** added, “With an enriched comprehension and interaction with Generative AI, a gradual expansion of its application in the corporate market is anticipated. However, AI has certain limitations in areas such as emotional understanding, decision-making, flexibility, and creativity in this stage. These limitations make it improbable for AI to fully supplant specific job roles. Instead, it will transform the skills and job requirements of employees, shifting their role from producers to adept ‘gatekeepers’ of AI technology. Employers should invest in AI upskilling programs and provide relevant skill enhancement courses to facilitate employee adaptation to the evolving technology. It is also crucial for employers to establish AI usage guidelines and ethical frameworks to ensure the safe and responsible utilisation of AI by employees.”

- END –


**About JobsDB by SEEK**

JobsDB is the leading employment platform in Hong Kong and Thailand, helping people live more fulfilling and productive working lives and helping organisations succeed. It is a subsidiary of SEEK, a diverse group of companies comprised of a strong portfolio of online employment, educational, commercial and volunteer businesses. SEEK is listed on the Australian Securities Exchange and has a strong presence across the APAC region, including six Asian markets – Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, and Thailand – through the JobsDB and JobStreet brands. SEEK attracts over 500 million visits a year in Asia.

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