



## PRESS RELEASE

[For immediate release]

### Hong Kong Employees Enjoy 3.5% Pay Rise Highest Since Pandemic

[20 October 2022 – Hong Kong] Hong Kong employees received an average salary increase of 3.5% in 2022, hitting the highest level since the COVID-19 outbreak, according to the survey findings released today by the Hong Kong Institute of Human Resource Management (HKIHRM).

HKIHRM's 2022 Pay Trend Survey collected data from 178 companies on pay adjustment and bonus incentives provided for employees in the period between January and September this year. The companies that participated in the survey spanned 12 business sectors, employing a total of around 120,700 full-time salaried employees. Below are the survey's key findings:

#### **Base Pay Adjustment in 2022**

According to the pay adjustment data provided by the participating companies, the **base pay adjustment** for 2022 was **3.5%** (weighted average). After deducting the **1.9%** rise in the **Composite Consumer Price Index** from January to August 2022, the **real base pay adjustment** stood at **1.6%**.

- Among the responding companies which provided data on pay adjustment, 96% offered a pay increase, while 4% froze their employees' pay.
- Among the employees of these companies, an overwhelming majority of 98.3% enjoyed a pay rise, whereas only 1.7% saw a wage freeze.
- In 2022, small-sized companies (those with fewer than 500 employees) provided the biggest pay rise at an average of 3.9%, while large-sized companies (with more than 1,000 employees) offered the smallest pay rise at 3.4%. Of medium-sized companies (with an employee size between 500 and 1,000), staff pay increased by 3.6% on average.
- In terms of employee level, senior-level staff received the largest pay adjustment at 3.8%, while top-level staff were slightly behind at 3.7%.



Regarding the major factors that companies took into account in pay adjustment, business performance continued to remain at the top of the list. Compared with 2021, “pay adjustments offered by competitors/other companies in the market” moved up one place to rank second, whereas “employees’ individual performance” stayed at the third place.

### **Bonus Payments in 2022**

#### *Guaranteed Bonus*

- Among the companies which provided data on guaranteed bonus payments this year, 42.8% indicated they had guaranteed bonus schemes for staff.
- The average size of guaranteed bonus was 1.09 months of base pay – slightly above the level of 1.01 months in previous years.

#### *Non-Guaranteed Bonus*

- Among the companies which provided the non-guaranteed bonus data, 92.9% reported that they offered non-guaranteed bonus to their employees.
- Among all the employees of these companies, only 71% were eligible for a non-guaranteed bonus plan. For those employees awarded a non-guaranteed bonus, the average size of the bonus was 1.57 months of base pay.
- In terms of employee level, the average size of non-guaranteed bonus received by top-level staff was 3.29 months of base pay, which exceeded the average amounts of senior-level, middle-level, and general staff at 2.37, 1.71, and 1.32 months of base pay, respectively.

### **Pay Adjustment Projection for 2023**

Among the 117 companies which provided projection data for 2023, 68% forecast a pay rise next year, while 12% expected staff pay to freeze. The remaining 20% had yet to conduct a forecast.

For employees who are expected to enjoy pay increases in 2023, the average projected pay adjustment was 3.6% upward.



## **Commentary**

Commenting on the survey findings, HKIHRM President Lawrence Hung noted that the average increase of 3.5% in employee pay this year to some extent reflects business sentiment has started to improve while Hong Kong is easing off quarantine and isolation requirements. He pointed out that talent outflow and high staff turnover have been forcing employers to offer more attractive and generous pay and benefit packages in a bid to acquire and retain suitable talents.

“Competition for high performing talents in the market has never been so fierce. We expect the uptrend in staff pay to continue next year,” Hung remarked.

He added, “remuneration aside, when selecting jobs employees are increasingly concerned with work-life balance, family-friendly workplace policies and the company’s commitment to social responsibility. HR professionals can play a leading role in pushing organisations to focus more on these aspects in formulating their recruitment strategies.”

Wary of the highly uncertain global economic outlook, Hung warned that with the ongoing interest hikes in major economies, the risk of recession is looming large. “Hong Kong companies should be more cautious about business planning and heighten preparedness for imminent economic headwinds,” Hung concluded.

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

## **Media Enquiry**

Corporate Communications & Marketing Department  
Ms Coco Lee / Ms Claudia Yu  
Tel: (852) 2837 3880/26 Email: [pr@hkihrm.org](mailto:pr@hkihrm.org)

## **About HKIHRM**

As the most representative HR professional body in Hong Kong, the Hong Kong Institute of Human Resource Management (HKIHRM) has a membership close to 5,200, of whom over 530 are corporate members. Founded in 1977, the HKIHRM aims at enhancing HR professional standards, and increasing the HR profession’s influence. Serving HR practitioners and SMEs, the Institute organises a wide range of professional programmes, including annual conference, seminars, awards programme, and multi-level training. It also provides various membership services, surveys, and an online journal. The HKIHRM is a member of the Asia Pacific Federation of Human Resource Management. [www.hkihrm.org](http://www.hkihrm.org)