Modest rise projected for Hong Kong salaries in 2018, amid stronger-than-expected GDP growth

- Hong Kong salary increase projected at 4.1% for 2018, one point higher than actual rate in 2017
- The Life Sciences industry expects the highest increase, at 4.4%
- Voluntary turnover rate falls to 17.1%, demonstrating Hong Kong employers’ increased ability to retain talent

Hong Kong, 17 November 2017—Aon, a leading global professional services firm providing a broad range of risk, retirement, and health solutions, has shared the latest trends in compensation and total rewards at its Aon & Radford Annual Rewards Conference 2017 Hong Kong.

A stable economy in 2017 coupled with small improvements to the business landscape in Hong Kong has translated to optimism when it comes to salary increases in the market. The workforce will see a modest growth of 4.1% in their salaries in 2018, one point higher than the actual average in this year, according to the Aon 2017 Total Compensation Measurement (TCM) Study Hong Kong.

Key insights from the Aon 2017 TCM Study Hong Kong are:

- Overall salary budget allocations and bonuses are expected to remain aligned across employee levels, at 4.1% to 4.2%.

- Variable pay-outs (as a proportion of fixed pay) remain steady reflecting stable business performance in 2017.

- Life Sciences will see the biggest jump in salaries of 4.4%, a result of superior business performance across the industry and a fierce talent war that has created an increased focus on retaining good existing talent.

- Following a challenging year for Transportation, Logistics, and Shipping Services, these industries are expected to see a salary increase rate of just 3.4%, the lowest projection for 2018.

- For the third year, base salaries and total compensation packages for top executives (Director level and above) remain higher in Shanghai than Hong Kong.

- Only 0.7% of employers project a salary freeze in 2018, less than half the number this year.
Tzeitel Fernandes, Managing Director of Aon Hewitt Hong Kong, says: “While organisations may often perceive unmet pay expectations as the reason for employee turnover, employees are considering all aspects of their jobs and rewards as a whole when choosing to stay in an organisation or accepting a new offer of employment. As Hong Kong prepares for stronger business performance in 2018, organisations must be more creative and innovative than ever in their compensation practices in order to retain their best. Monetary incentives in isolation are not adequate enough. What differentiates progressive organisations is their use of non-monetary incentives including providing opportunities for career advancement, supporting learning and development, and timely and public recognition for a job well done, that enables them to motivate and retain their talent.”

<< END >>

About Aon
Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance. For further information on our capabilities and to learn how we empower results for clients, please visit https://apac.aonhewitt.com

Media Contact
Jini Pillai
T: +65 6313 7111
M: +65 8133 8523
E: jini.pillai@Aonhewitt.com