

# REPORT ON MANPOWER SITUATION OF THE HONG KONG RETAIL INDUSTRY

## *Salary Trends for 2018*

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# REPORT ON MANPOWER SITUATION OF THE HONG KONG RETAIL INDUSTRY – SALARY TRENDS

## EXECUTIVE SUMMARY

### 1. About the 2018 Salary Survey of Retail Staff

- 1.1 The Hong Kong Retail Management Association conducts the Salary Survey of Retail Staff (“The Survey”) on a yearly basis. The Survey aims to provide a comprehensive overview on the latest salary trends of frontline and managerial staff of the Hong Kong’s retail industry.
- 1.2 The Survey was conducted in July to September 2018; while data covered the period from 1 July 2017 to 30 June 2018.
- 1.3 A total of 82 companies participated in the Survey, involving 4,640 retail outlets with employment of 113,497 staff, representing 42% of local retail workforce (272,111) in Hong Kong.
- 1.4 The Survey covered 3 frontline positions, namely Sales Person, Store Supervisor, and Store Manager, and 2 managerial positions including Area/District Manager and Retail/Operations Manager.
- 1.5 The participating companies were grouped into 10 retail categories.

Details of the retail categories in the Survey were as followed:

Type of Retail Business	No. of Outlets	Total Employment Size
Beauty / Cosmetics	146	1,650
Catering / Food	599	29,811
Department Stores	54	3,535
Electronic & Electrical Appliances / Telecommunications	290	19,175
Fashion & Accessories	707	8,769
Furniture & Home Accessories	74	2,592
Personal Health Care / Drugs Stores	505	8,409
Specialty Stores	87	4,388
Supermarket / Convenience Stores	1,936	28,943
Watch & Jewellery	242	6,225
<b>OVERALL INDUSTRY</b>	<b>4,640</b>	<b>113,497</b>

# ‘Specialty Stores’ sector includes retailers in the business of baby food and wear, flower shop, leisure products retailing, toys, souvenir shop, wine cellar and other specialty stores.

- 1.6 Among the 82 participating companies, 15% were SMEs employing staff of 50 or fewer; and 41% were companies with employment size exceeding 500 persons.

Employment Size (Persons)	No. of Participating Companies	Total % of Participating Companies
50 and below	12	15%
51-100	10	12%
101-200	16	20%
201-500	10	12%
Above 500	34	41%
<b>Total:</b>	<b>82</b>	<b>100%</b>

## 2. Survey Highlights

- 2.1 Around 90% of the participating companies gave salary increase to their Sales Persons in 2018. The rate was higher than that of 87% recorded in 2017.
- 2.2 In 2018, the average salary increase for frontline and managerial staff was 3.9% and 4.3% respectively. The increase level was higher than that of previous year (2017: frontline was 3.7%; managerial staff was 3.6%).
- 2.3 Among all positions, Retail / Operation Managers registered the highest growth rate in average salary at 4.5%, then followed by Store Supervisors at 4.3%.
- 2.4 In 2018, new entry staff for the positions of Sales Persons (5%), Store Supervisors (4%), Area/District Managers (12%) and Retail/ Operation Managers (8%) were offered higher Basic Salaries than that of 2017; while Store Managers (-2%) was lower.
- 2.5 When compared to 2017, the Store Managers recorded a highest increase of 17% in Average Commissions in 2018 then followed by Sales Persons (7%) and Store Supervisors (7%), while Area/District Managers (-7%) and Retail/Operations Managers (-1%) registered a drop.
- 2.6 On Average Guaranteed Bonus in 2018, the Sales Persons (1%), Area/District Managers (13%) and Retail/Operations Managers (8%) registered substantial increase; while Store Supervisors (-7%) and Store Managers (-7%) recorded negative growth.
- 2.7 In 2018, more companies provided their Sales Persons (21%), Store Supervisors (23%) and Store Managers (26%) with 5 Day's Work than previous years. (2017: Sales Persons and Store Supervisors were 18%; Store Managers was 27%)
- 2.8 The Average Age of Frontline Staff was 36.6 in 2018. (2017: 35.3; 2016: 34.6)
- 2.9 The number of frontline vacancies in 2018 was 5,683 with a vacancy rate of 9.9% which was the same as previous year.
- 2.10 The overall staff turnover rate in 2018 (44%) was higher than previous years (2017: 43.6%; 2016: 39.7%; 2015: 43.3%). The industry continued facing difficulties in hiring frontline staff, in particular the Sales Persons remained the most difficult position to recruit.
- 2.11 For the overall industry, the ratio of full-time staff to part-time staff was 80% vs 20%, which was similar to that of 2017. The Catering / Food sector registered the highest percentage of part-time staff at 65% and Watch & Jewellery recorded the lowest at 3%.
- 2.12 About 85% of participating companies hired part-time staff. The average hourly rate for new part-time staff was HK\$49, and for existing staff was in a range from \$48 - \$58. (2017: \$44 - \$54; 2016: \$42.4 - \$53).
- 2.13 Regarding the education background of the new junior sales staff, 79% attained Secondary 5 or below and 21% got Post-Secondary or University qualifications. (2017: 82% vs 18%)