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Employers are facing significant challenges talent matching. This article considers some of the key findings in KPMG's Executive Salary Outlook 2024 and the implications for talent attraction and retention in the year ahead.

Employment Trends Survey 2024 – C-suite headcount expectations show optimism despite softer overall hiring sentiment

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Resilient headcount expectations among C-level personnel

In 2023, Hong Kong (SAR)'s economy was poised to stage a recovery following the relaxation of pandemic restrictions, and hiring activity remained brisk in the first half of the year. While overall sentiment is softer moving into 2024, this year's Hong Kong Executive Salary Outlook shows that over 80% of C-level respondents expect to either maintain or expand their workforces during the year, suggesting that there is still a significant need in the market for high-quality professionals who can drive results.

In the face of global headwinds, many Hong Kong-based enterprises are focusing on growing their revenue streams. As a result, from the perspective of job functions, headcount expectations are strongest for salespersons, fee earners and client relationship personnel, reflecting the impact that these roles have on the bottom line.

Job seekers are active, but many are not landing roles

In 2023, 43% of respondents sought career moves, but only 15% landed new roles, representing a three-year low in the proportion of respondents reporting job changes. This suggests challenges around enterprises failing to match talents with job positions and candidates lacking the specific skills sought. To address this issue, employers can consider investing in training existing staff to retain talents and

accessing additional recruitment channels to find new candidates.

Moving into 2024, 39% of respondents say they are looking to make career moves in the first half of the year, representing an increase over the prior year despite softer market conditions. Career move activity is expected to be particularly active in fields such as innovation and technology and professional services; and to meet the needs of the market, some professionals looking for new roles may need to upskill.

Last year's survey indicated that candidates had high expectations of salary increases upon career moves. This year's survey shows that candidates' salary expectations upon career moves have moderated, with a raise of 10% to 19% being the most common expectation in 2024, compared to 20% to 29% in the prior year. These figures suggest that in 2024, employers will be in a better position to hire talents without paying over the odds.

Talent matching remains challenging

According to the survey, in 2023, virtually all (97%) of C-level and HR respondents faced hiring challenges, and 63% found such challenges unmanageable. In the face of these issues, organisations should explore and expand

¹ Unemployment and underemployment statistics for October - December 2023, Press Release, The Government of the Hong Kong Special Administrative Region

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their talent sourcing channels. To this end, enterprises can consider enlisting the support of external recruiters, which can leverage sector-specific expertise and wide talent pools to deliver high-quality candidates.

To fill talent gaps, in 2023, 48% of Hong Kong-based respondents say they hired candidates from the Chinese Mainland, and nearly one-third (31%) hired from overseas. Given Hong Kong’s low unemployment rate and skills shortage, talent pools in the Chinese Mainland and overseas will continue to prove crucial in 2024.

In the context of retaining and attracting top talent, employers may consider strengthening their compensation and benefits packages on top of salary packages. The 2024 survey found that flexible work and housing benefits (e.g., rental reimbursement) are highly desired by candidates; and fortunately for enterprises, these be provided without necessarily increasing costs.

This year’s survey also found that there continues to be a gap between expectations for long-term incentive awards and the actual inclusion of such benefits in remuneration packages, with the discrepancy being greater among C-level respondents. Enterprises can consider including long-term rewards in their packages in order to attract top talents and incentivise performance.

Employers should continue exploring and expanding recruitment channels, and candidates should keep a finger on the pulse of the market to keep track of which skills enterprises are searching for.



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