



Executive Salary Outlook 2023

Chinese Mainland Insights

Employment Trends Survey

May 2023

KPMG Executive Search and Recruitment Services



Foreword



David Siew
Partner
People Services
KPMG China

In 2022, we observed more conservative recruitment activity within traditional industries, while strong growth momentum was seen in emerging technology fields such as new energy vehicles, advanced materials, intelligent manufacturing, biomedicine, chips, semiconductors, artificial intelligence and big data despite the effects of the pandemic.

Increased hiring activity expected – p.5-7

The employment market in the Chinese Mainland is expected to be active in 2023. 40% of C-level and HR respondents are expecting staff numbers at the Chinese Mainland operations of their organisations to increase in 2023. Highlighting that economic bounce-back is a key theme, the survey finds that headcount increases are focusing on frontline staff such as sales, fee earners and client relations roles.

Upward trend in expectations around salary– p.8-13

Fewer respondents from the Chinese Mainland (26%) changed jobs in 2022; down from the previous year (34%). This perhaps reflects employers' retention actions and the relatively higher average salary increment of 13% received after a salary review in 2022. Respondents from the Chinese Mainland also expect prospective new employers to offer a reasonably high salary [increment].

Attractive remuneration package – p.14-19

Nearly three-quarters (72%) ranked the 'salary and compensation package' as the top push factor for a job change. Offering an attractive compensation package is important to attract and retain talent. However, the survey finds that in terms of the benefits most desired by respondents (e.g., housing benefits and share-based awards) – less than half were offered such benefits by their employers. Chinese Mainland employers should therefore consider tailoring the compensation package based on the needs of the specific talent they are targeting.

Greater Bay Area (GBA) opportunities – p.20-21

The further development of the GBA is expected to allow Chinese Mainland employers to tap into a wider talent pool. 73% of respondents from the Chinese Mainland and Hong Kong would consider relocating between different GBA cities or to the region to pursue job opportunities. 'Better career and industry prospects' is the prime motivation to make such a move, while the innovation and technology industry was perceived to generate the most jobs in the GBA over the coming years.

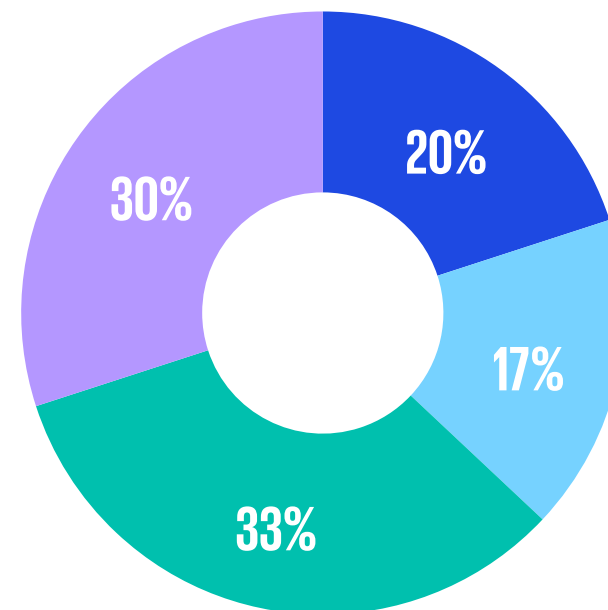
About the Survey

This is the seventh annual KPMG Executive Salary Outlook. KPMG commissioned YouGov to conduct an online survey in which 1,327 business executives and professionals participated. Among these, 682 respondents work in the Chinese Mainland or have a home base there and 645 respondents work or have a home base in Hong Kong (SAR).

Conducted between 3 and 15 January 2023, the survey sought professional perspectives on the employment market and career opportunities in the Chinese Mainland, also taking into account their views on the opportunities offered by the Greater Bay Area (GBA). The research covered areas including latest headcount expectations, salary outlook, and other talent trends.

It should be noted that while the survey was being conducted, the reopening of the border between the Chinese Mainland and Hong Kong (SAR) was announced after three years of pandemic-related restrictions. This may have affected the degree of optimism observed in respondents that took the survey after this announcement.

Respondents were drawn from a variety of sectors, including innovation and technology, financial services, industrial markets, professional services and consumer markets. Among the respondents, 37% held leadership positions (20% C-level and 17% department head or equivalent).



- C-level or equivalent
- Department Head or equivalent
- Manager or Senior Manager
- Assistant Manager or below

Base: All respondents in the Chinese Mainland
Source: KPMG survey analysis

682

Business executives
from the Chinese
Mainland participated in
the 2023 KPMG
Employment Trends
Survey

Key Takeaways



Outlook



Expectations for headcount increases with higher demand for fee earners



Competition for talent to remain strong



Increased salary expectations when making career move



Opportunities



Broaden access to talent pool and proactively engage with talent



Respond to 'Push' and 'Pull' priorities among key talent



Offer compensation and benefits that resonate with employees and candidates



Invest in upskilling to fill the skills gap across different levels of the organisation

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Headcount Outlook

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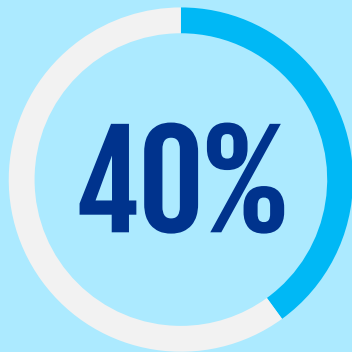
Benefits Outlook

Greater Bay Area Opportunities

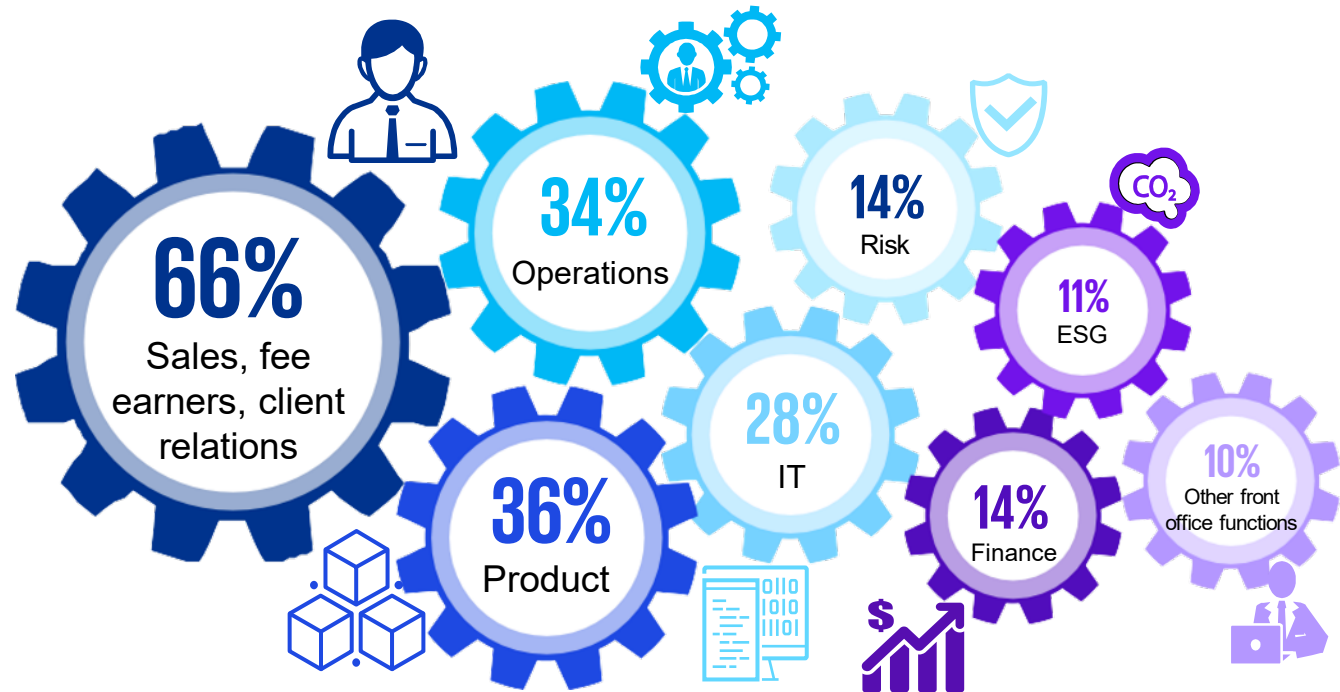


2023 Headcount Outlook

Expectations for increased headcounts are strong as businesses focus on revenue generating roles, product development and operational candidates.



of C-level and HR respondents are expecting headcount increases at their organisation in 2023



Base: C-level and HR respondents in the Chinese Mainland who are expecting an increased headcount at their organisation in 2023

Respondents were invited to choose more than one answer

Source: KPMG survey analysis

2023 Headcount Outlook

Positive intentions among C-level and HR respondents suggest a robust growth in the employment market over the year ahead.








Our C-level and HR respondents – who typically have better insights into planned hiring activities – are more optimistic in their headcount outlook across the majority of sectors.

David Siew

Partner, People Services, KPMG China



	C-level and HR expecting headcount increases	All respondents expecting headcount increases
 Innovation and technology Demand for talent involved in digitalisation and artificial intelligence remains strong	50%	38%
 Financial services Focus on fee earning positions	36%	33%
 Industrial markets Positive development outlook in new energy / EV / semiconductor / bio-pharma / high-tech sectors	39%	28%
 Professional services Sector development depends on economic outlook and demand for outsourcing by corporates	47%	34%
 Consumer markets Demand for operational staff expected to be strong as the economy rebounds	23%	25%

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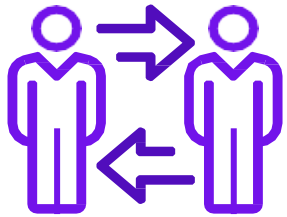
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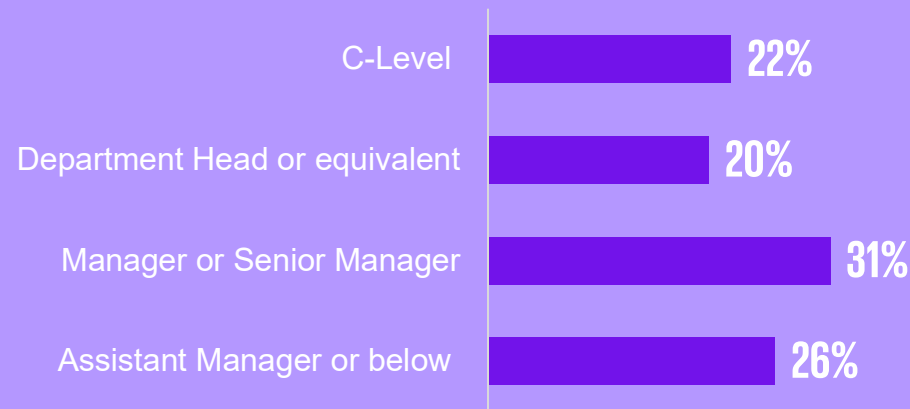
Challenges Amid Turbulent Times – Less Active Job Seekers

Job movement was down in 2022 compared to the previous year, with C-level and Department Heads less active in taking on new roles than the Senior Manager or below levels.



26% of respondents
changed job in 2022
(2021: 34%)

Changed job in 2022



Base: All respondents in the Chinese Mainland
Source: KPMG survey analysis



Rising inflation, hawkish monetary policies, and geopolitical issues created many uncertainties on economic growth. That made individuals less active in seeking out a job change in 2022.

Angus Leung

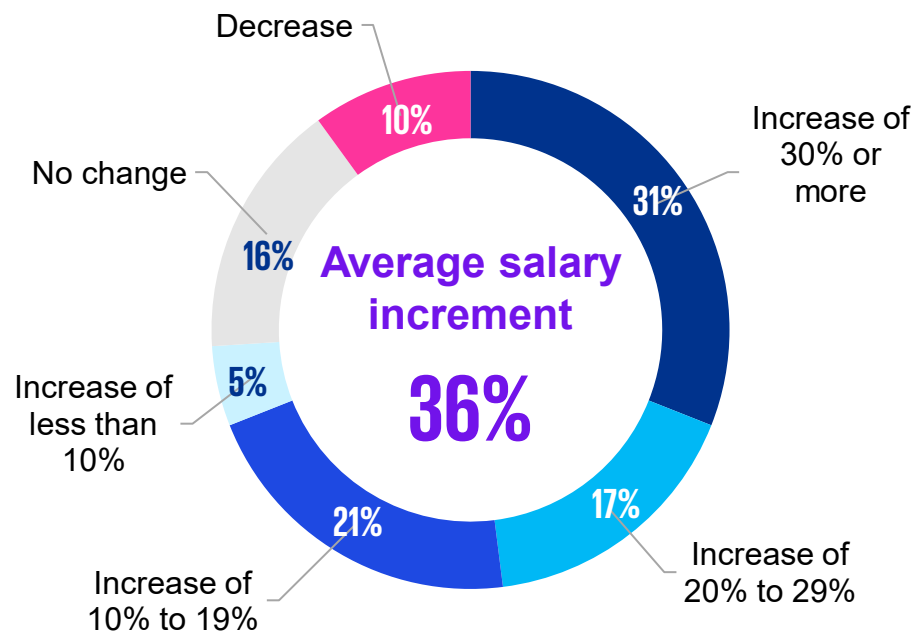
Director, Executive Search and Recruitment,
KPMG China



Salary Change

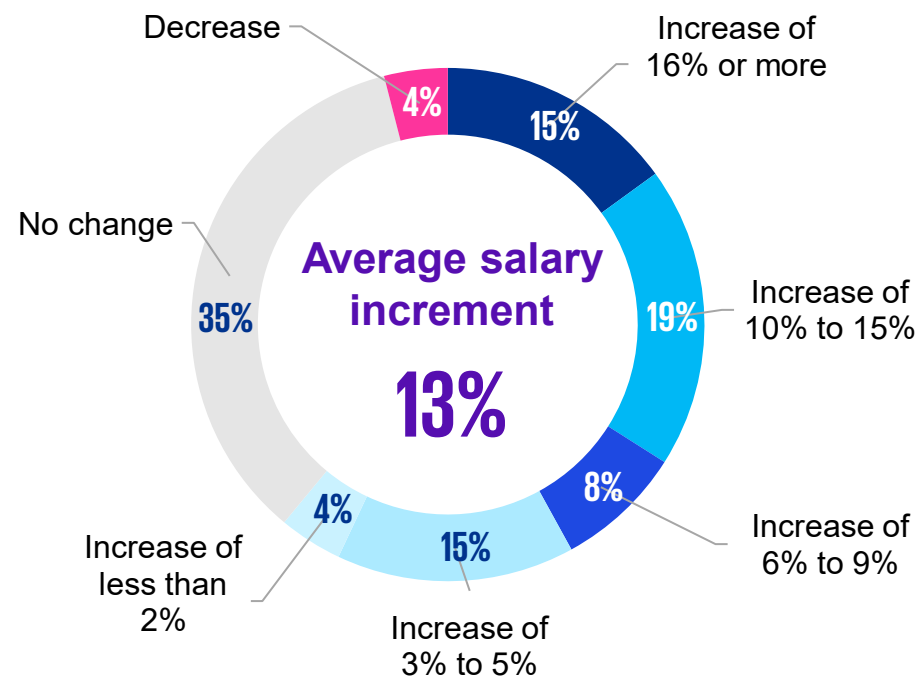
Salary increments after a job change or a salary review remain at elevated levels – highlighting efforts by employers to attract and retain talents.

After job change



Base: All respondents in the Chinese Mainland that **changed jobs in 2022**
Source: KPMG survey analysis
Note: Average salary increment is the mean of respondents with salary increment
















After salary review



Base: All respondents in the Chinese Mainland that **stayed with the same employer**
Source: KPMG survey analysis
Note: Average salary increment is the mean of respondents with salary increment

Average Salary Change in 2022 by Sector

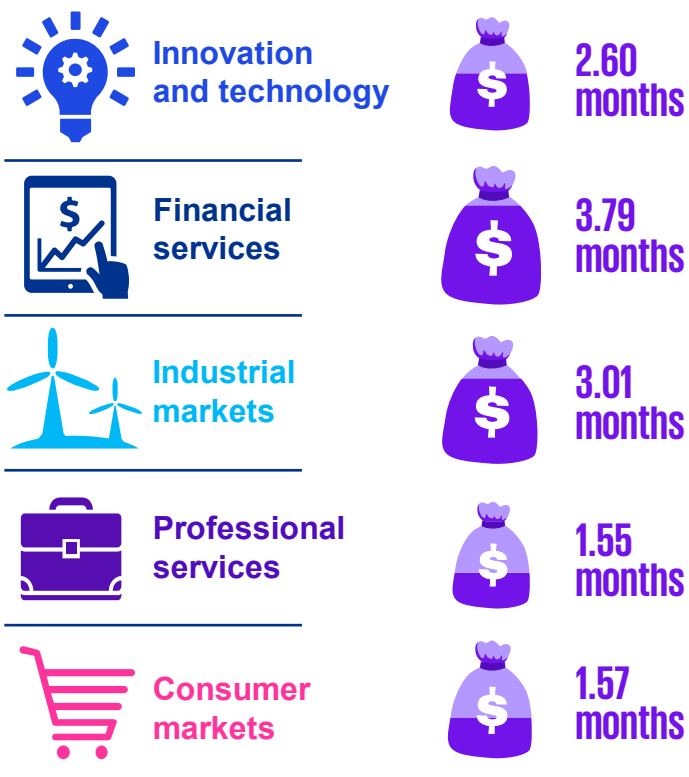
Given the elevated salary increments after changing jobs observed in 2022, there is expected to be continuous upward pressure on remuneration levels to attract and retain talent.

	Job Change	Salary Review
 Innovation and technology	 38%	 14%
 Financial services	 46%	 15%
 Industrial markets	 27%	 10%
 Professional services	 42%	 16%
 Consumer markets	 20%	 16%

Note: Average salary increment is the mean of respondents with salary increment

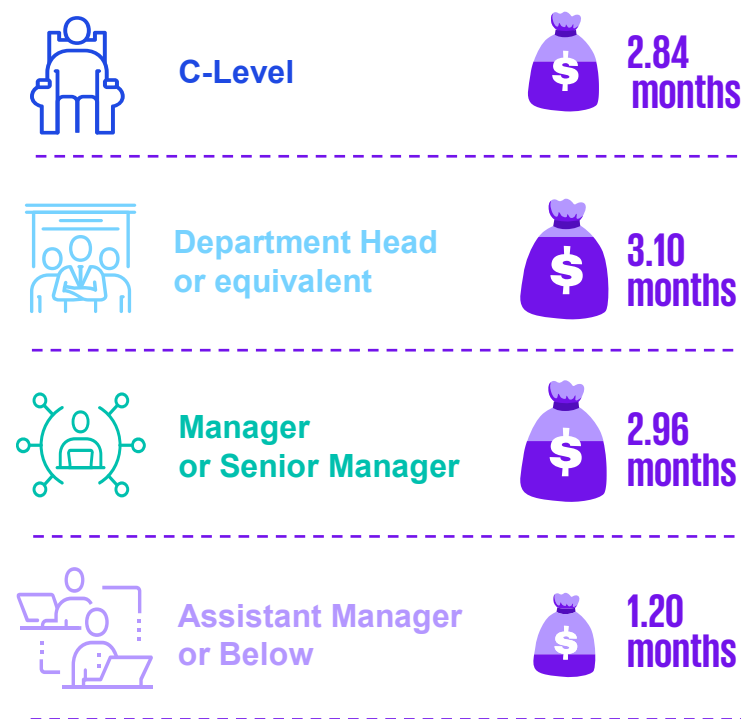
Average Bonus Payout in 2022

Short-term incentive payments remained prevalent in the Chinese Mainland over the past year – with 67% receiving a bonus (unchanged from 2021).



Overall average:

2.44 months



In 2022, 26% of the Manager or Senior Manager level and 51% of Assistant Manager or below level did not receive a bonus.

Base: All respondents in the Chinese Mainland
Source: KPMG survey analysis

Expected Salary Increment for a Career Move in 2023

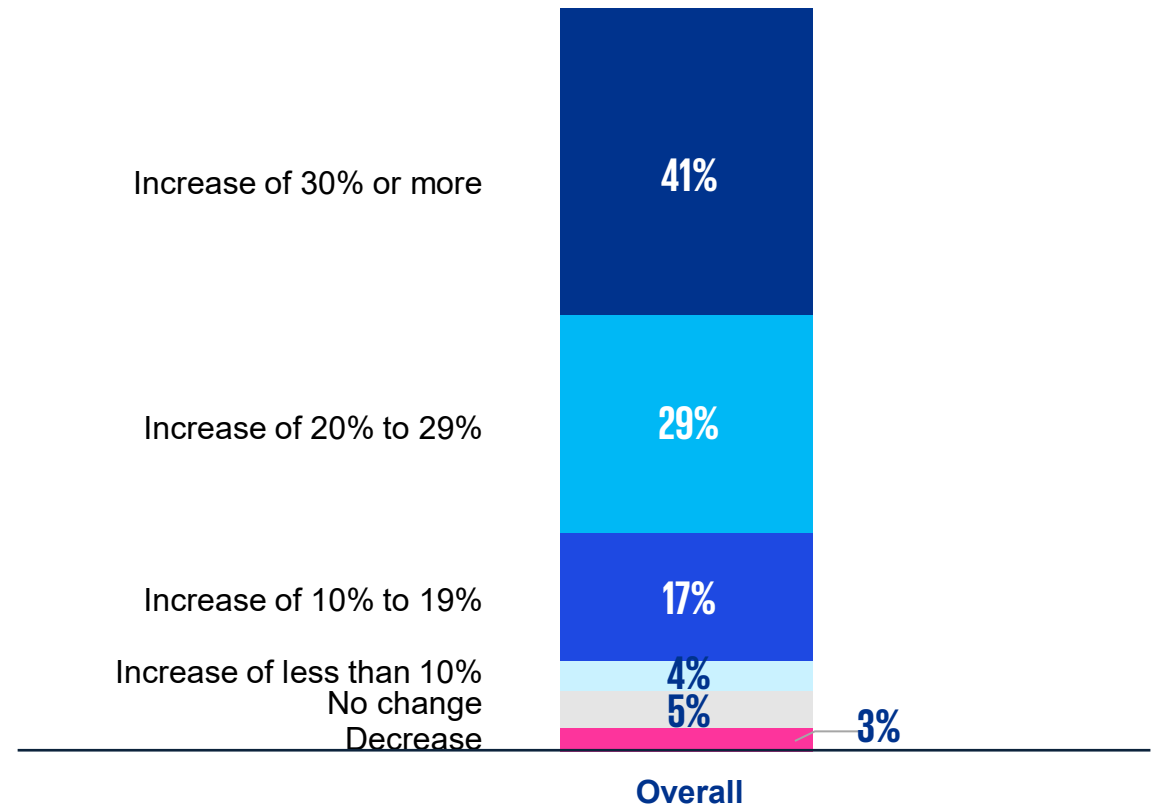
Across all grades, business executives and professionals have high salary expectations when changing jobs.



In the Chinese Mainland, the expectation for a salary increment is broadly the same across all sectors and all levels. Seven in ten respondents expect an increase of 20% or more when making a career move in 2023.

Kitty Lu

Director, Executive Search and Recruitment,
KPMG China



Base: All respondents in the Chinese Mainland
Source: KPMG survey analysis

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Top Drivers for Seeking New Job Opportunities

Employers should obtain a holistic view on the motivations of existing employees to seek out new job opportunities, while understanding the key features that will attract the right candidates from outside the organisation.

PUSH FACTORS

Salary and compensation package	72%
Career progression and promotion	69%
Work flexibility and work-life balance	42%
Learning and development opportunities	28%
Job security	19%
Workload and work pressure	18%
Organisational culture	18%
Convenience/flexible work location	16%

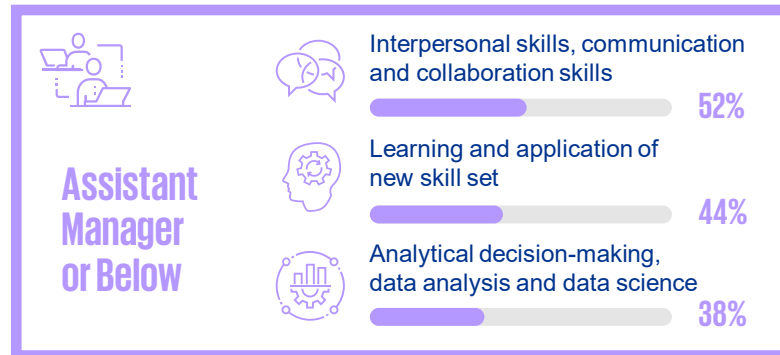
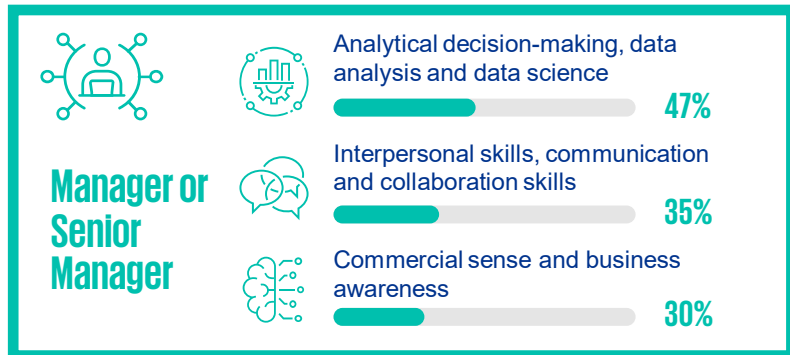
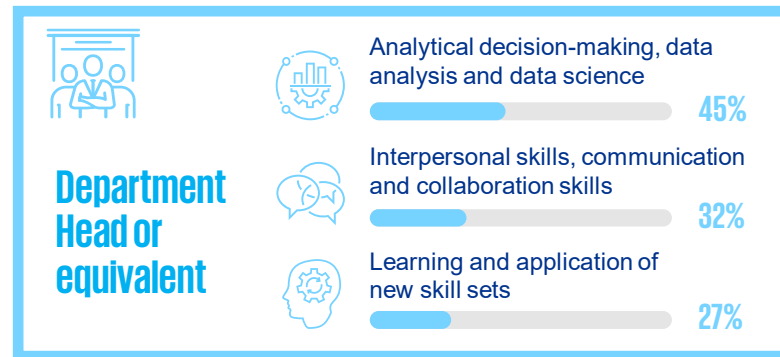
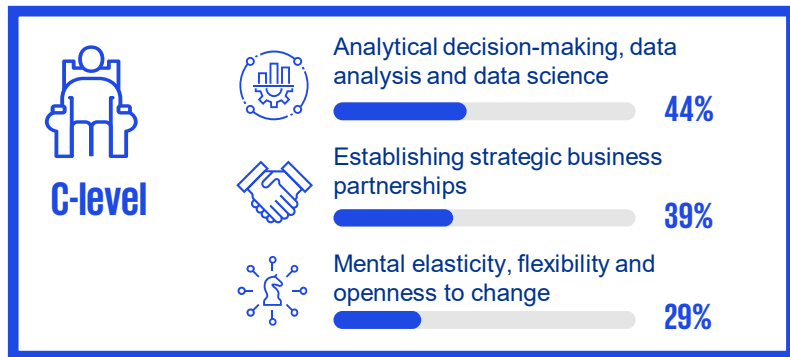
PULL FACTORS

Career progression and promotion	62%
Work flexibility and work-life balance	49%
Job satisfaction	43%
Stability	25%
Opportunities for learning and development	24%
Employer branding	24%
Convenience/flexible work location	16%
Overseas working opportunities	15%
Comprehensive medical and insurance coverage	13%

Base: All respondents in the Chinese Mainland
Respondents were invited to choose more than one answer
Source: KPMG survey analysis

Learning and Development – Most Desired Skills by Seniority

Although the skills and knowledge requirements for each seniority level may be different, analytical decision-making, data analysis and data science appear to be a critical need across all levels.



Investment in upskilling at different levels should address the pressing concerns that organisations may have about the skills gap.

Angus Leung

Director, Executive Search and Recruitment, KPMG China

Base: All respondents in the Chinese Mainland
Respondents were invited to choose more than one answer
Source: KPMG survey analysis

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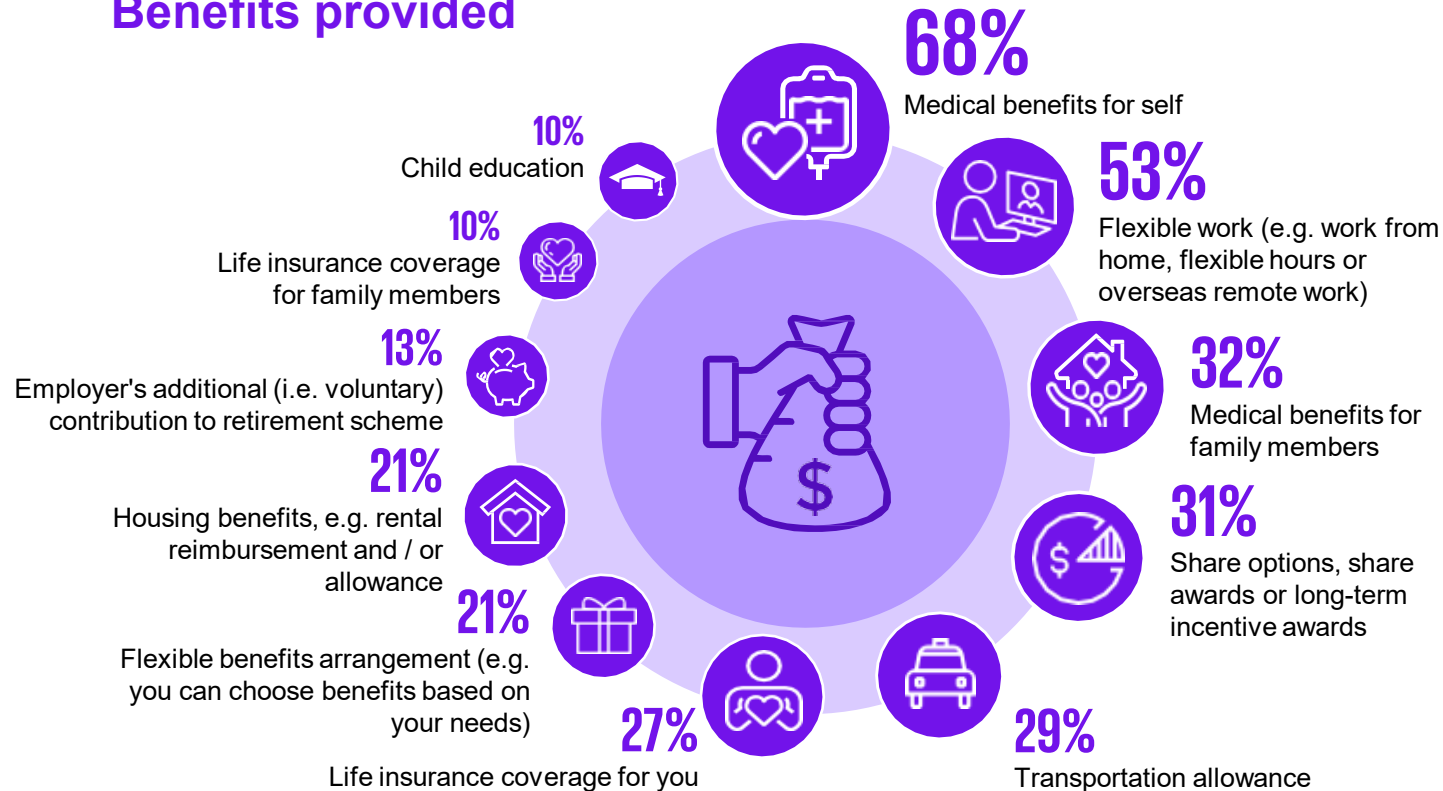
Greater Bay Area Opportunities



Compensation and Benefits

With the salary and compensation package being ranked as the top push factor for a job change, employers should understand what talents desire in order to offer competitive packages.

Benefits provided

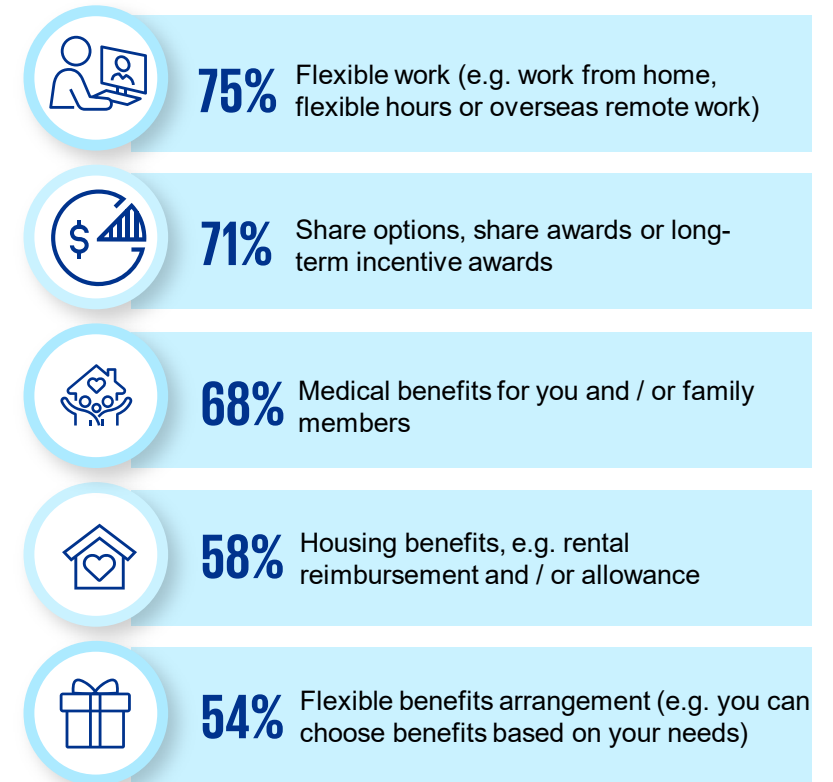


Base: All respondents in the Chinese Mainland with a full-time job

Respondents were invited to choose more than one answer

Source: KPMG survey analysis

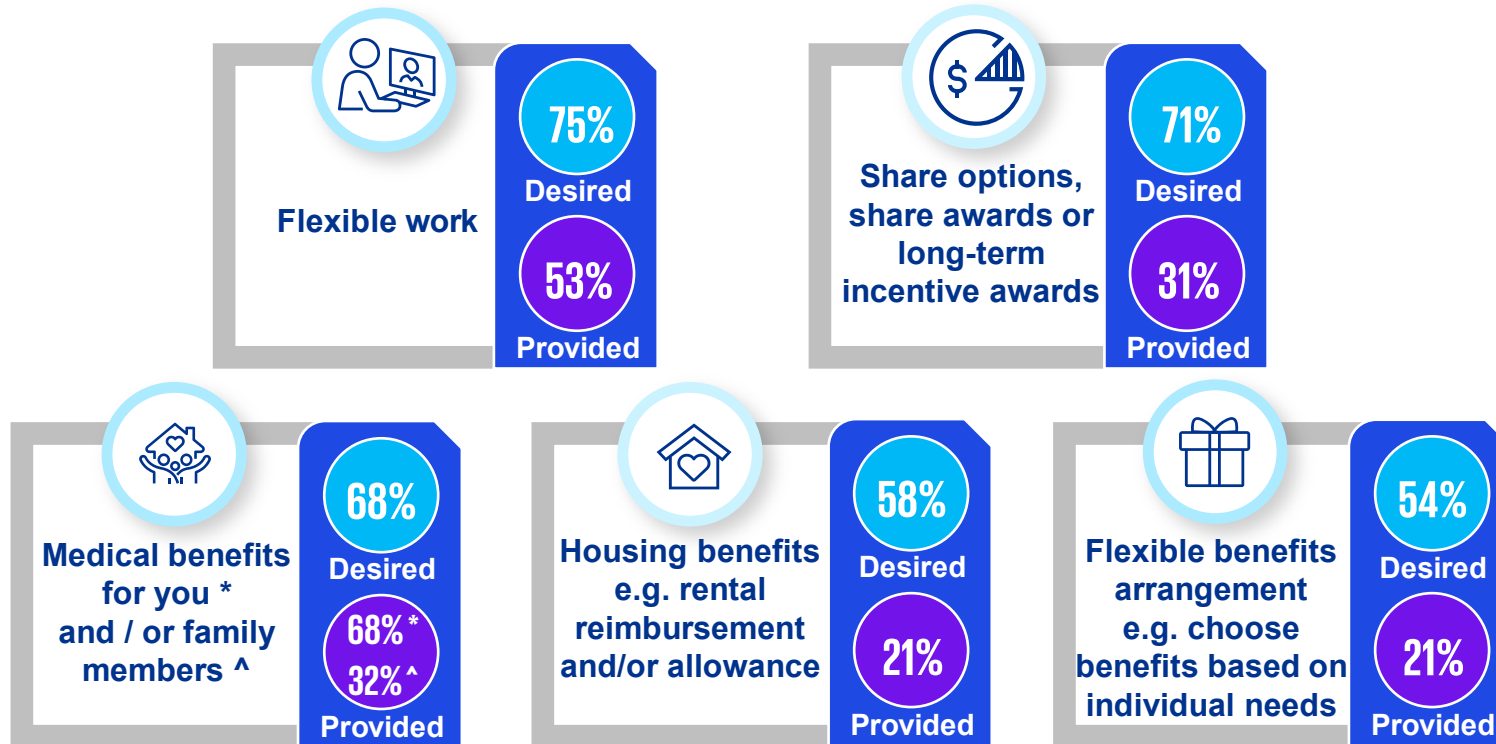
Most desired benefits



Note: Benefits that were selected by less than 50% respondents were not included in this analysis

Benefits Outlook – Most Desired Benefits

Opportunities for employers – Talents in the Chinese Mainland desire flexible work and share-based compensation the most, however many employers are not providing these currently.



Compensation packaging is a way for employers to differentiate themselves and demonstrate a commitment to employee welfare, while helping to retain and attract much-needed talent.

Gabriel Ho

Director, People Services, KPMG China

Base: All respondents in the Chinese Mainland with a full-time job

Respondents were invited to choose more than one answer

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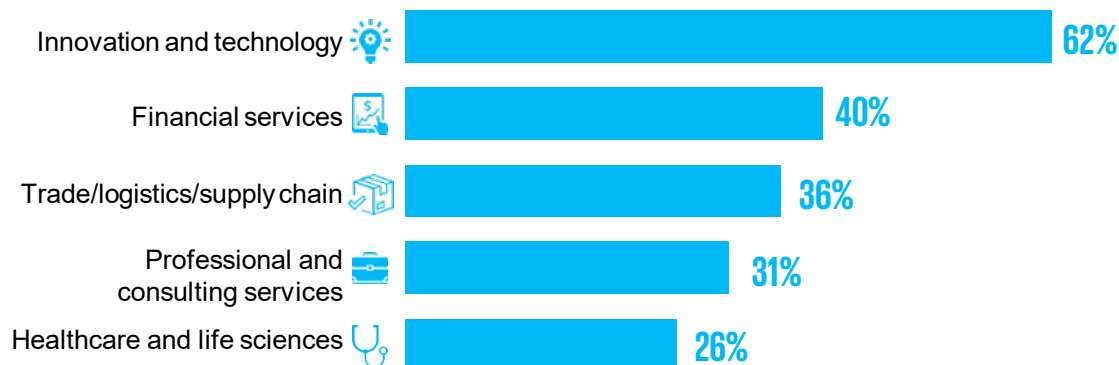
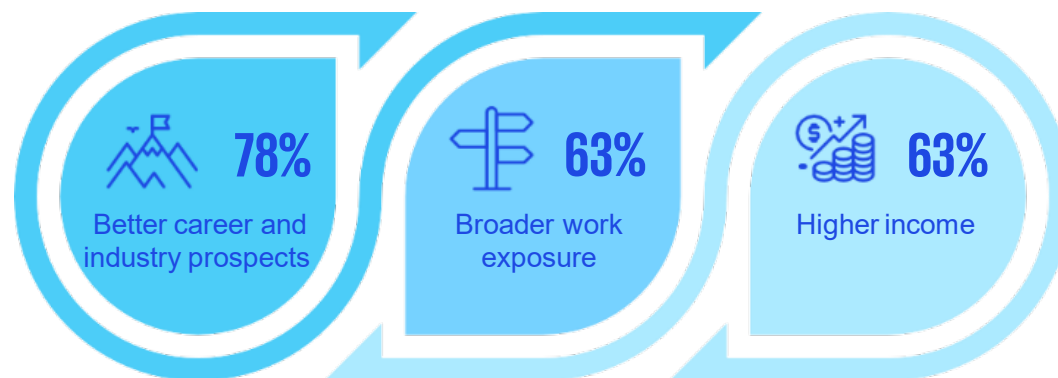


Greater Bay Area Opportunities

The GBA offers extensive opportunities for companies and talent to develop. Talents in the Chinese Mainland and Hong Kong (SAR) are willing to move to GBA cities due to better prospects and work exposure.



73%
are willing to
relocate for work
within or to the
Greater Bay Area



Career prospects and higher income are key motivations for talent to consider relocation within the Greater Bay Area. Companies should have a mobility policy in place to encourage skilled personnel to move and work in different cities. Subsidies may need to be offered to staff as incentives, including housing and transportation allowances and additional medical insurance.

Kitty Lu

Director, Executive Search and Recruitment, KPMG China



Base: All respondents in the Chinese Mainland and Hong Kong SAR

Respondents were invited to choose more than one answer

Source: KPMG survey analysis

Contact Us

Hong Kong Executive Salary Outlook 2023

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Seventh Edition



English



Chinese



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Talent acquisition



Workforce mobilisation



Attract and retain



Compliance with laws

Delivered through our specialisms



Tax



Immigration



Recruitment



Reward



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