Hong Kong Employment Outlook 2026

Market outlook I AI acceleration | Compensation trends I Talent management | Benefits

Executive summary

Employment outlook

29%

of C-level respondents anticipate headcount reductions with an equal percentage expecting headcount increases. The proportion of C-level anticipating reductions is higher than the proportion of all participants expecting headcount reductions.

A focus on job stability

13%

of respondents reported a career move in 2025, decreasing for the fifth year in a row.

AI acceleration

67%

of respondents say their organisations are adopting AI, with 24% widely adopting AI - three times higher than in 2025

Changes to staff benefits

40%

of C-level, department head and HR respondents expect their organisations to make changes to staff benefits in 2026.

Key takeaways

- The Hong Kong labour market for 2026 has organisations prioritising cost control, productivity, and targeted upskilling over broad-based recruitment.
- C-level respondents generally hold a more conservative position on salary expectations and the overall job market.
- Identifying trustworthy and capable AI solution providers stands out as the primary challenge for organisations implementing AI technologies.
- Amid widespread AI adoption, employees are increasingly required to work smarter – prioritising continuous upskilling, cross-functional collaboration, and adaptability – to remain relevant and capture opportunities in high-value roles.
- Medical benefits and flexible work arrangements are the top employment benefits employers expect changes to.

> *Rapid application of AI across organisations is reshaping work patterns, headcount and the skills required in the workplace. Coupled with the growing importance of non-monetary drivers for talent, employers must carefully balance their cost profile with their ability to attract and retain talents.*

David Siew
Head of People Services, Tax
KPMG China

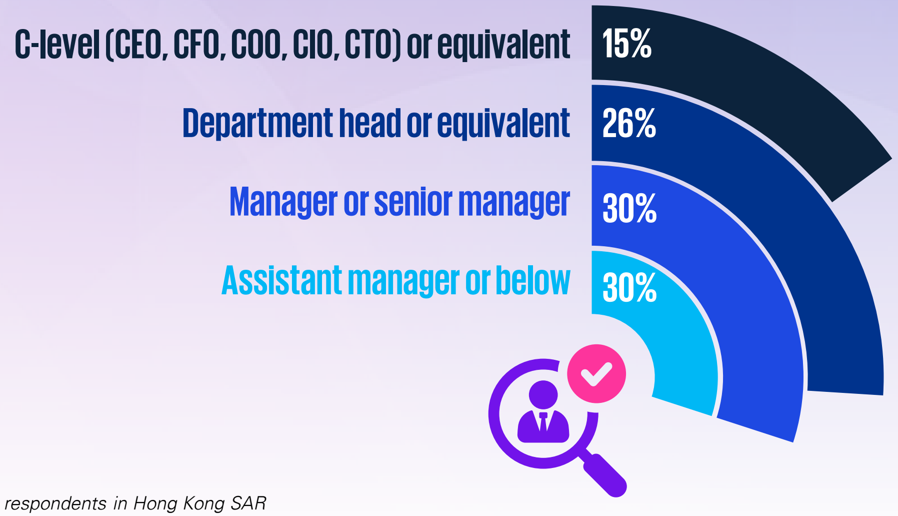
About the survey

This is the tenth annual KPMG Executive Salary Outlook. KPMG commissioned YouGov to conduct an online survey in which 281 business executives and professionals participated.

Conducted between 12 - 25 January 2026, the survey sought perspectives on employment trends and career opportunities in Hong Kong SAR. The research covered the latest headcount expectations, talent trends, Artificial Intelligence (AI) and other relevant topics.

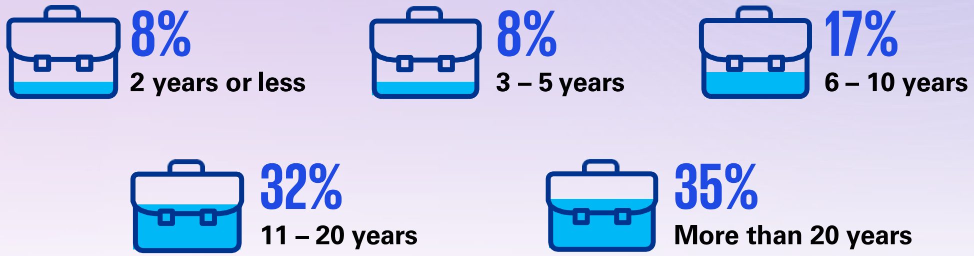
Respondents were drawn from various sectors, including consumer markets, financial services, innovation and technology, professional services, public services, and real estate, with 60% of respondents' organisations being headquartered in Hong Kong. Among the respondents, 41% held leadership positions (15% C-level and 26% department head or equivalent).

Figure 1: Surveyed respondents (by seniority)



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Figure 2: Respondents' years of working experience



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Contents

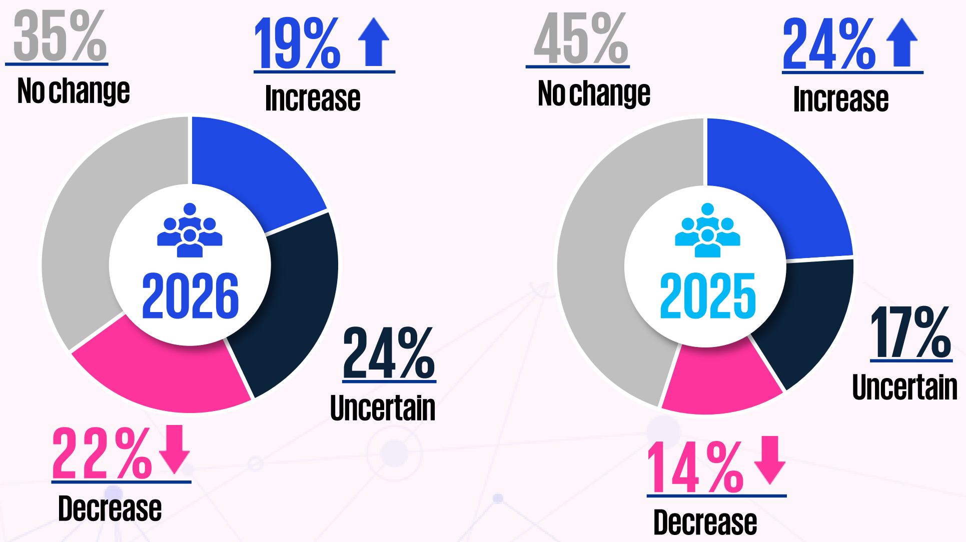
01

Market outlook

Headcount expectations

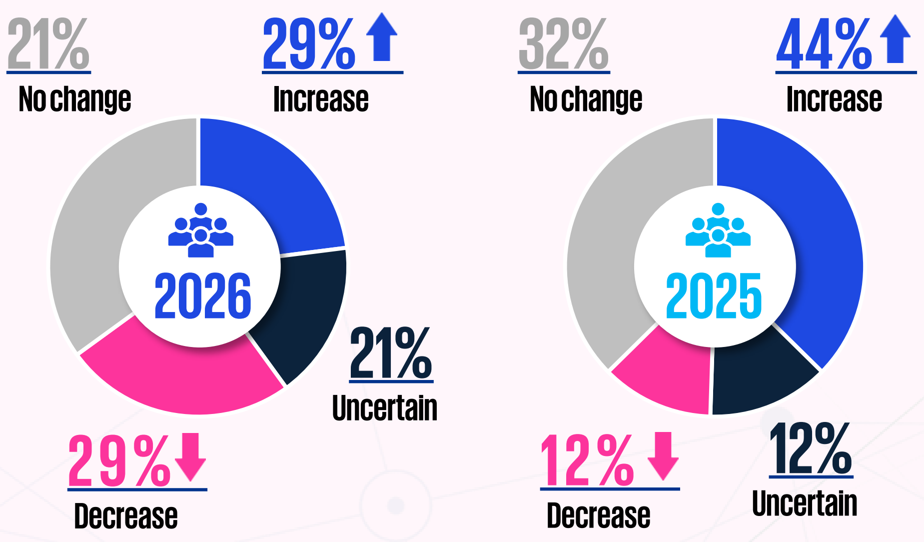
Headcount expectations for 2026 are notably cautious, with only 19% of all participants expecting headcounts to increase — the lowest since 2020 — while 22% anticipate reductions and 24% remain uncertain. Among C-level, there is an equal split between those expecting increases and decreases (29%), and for the first time in recent years, the proportion of C-level anticipating reductions is higher than the proportion of all participants expecting headcount reductions.

Figure 3: Headcount expectations from all respondents



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Figure 4: Headcount expectations of C-level respondents

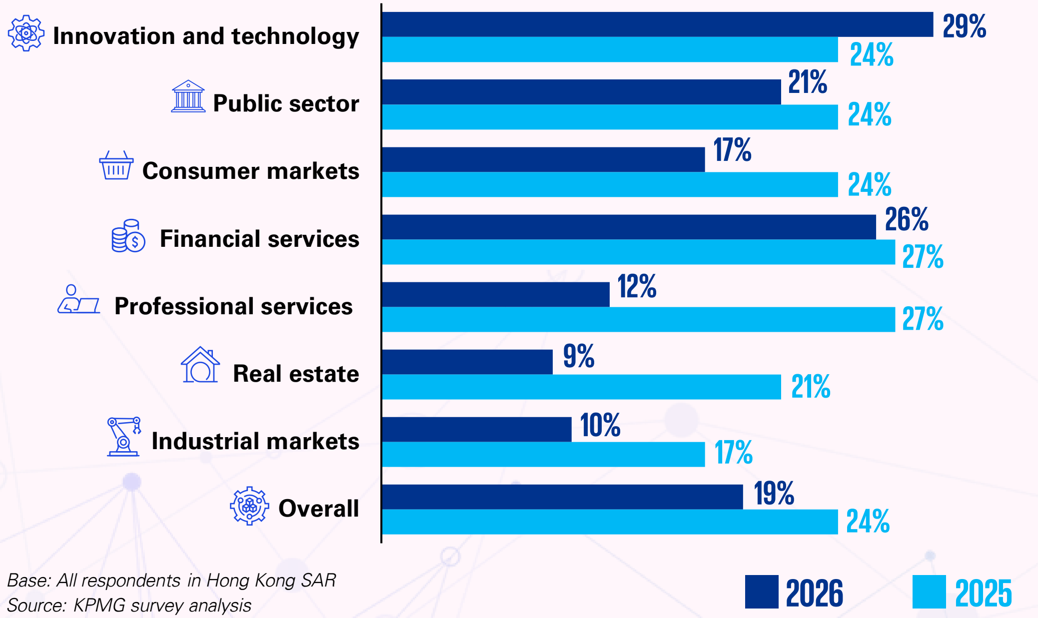


Base: All C-level respondents in Hong Kong SAR
Source: KPMG survey analysis

Headcount expectations across sectors

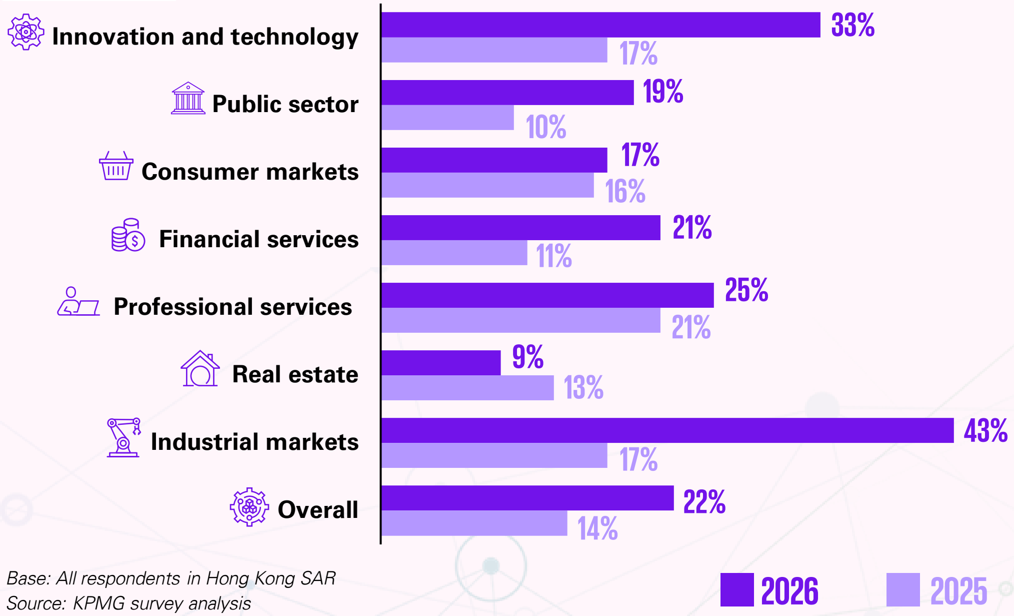
There is a noticeably weakening employment outlook across Hong Kong's sectors, with expectations of headcount contraction increasing across most sectors. 22% of all respondents now expect headcount decreases – a significant rise compared to previous years – while the proportion anticipating headcount increases has fallen across most sectors. This trend reflects mounting caution among employers amid economic uncertainty, cost pressures, and ongoing automation and restructuring efforts.

Figure 5: Respondents expecting headcount increases (by sector)



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Figure 6: Respondents expecting headcount decreases (by sector)



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Headcount expectations across sectors

Consumer markets

The share of respondents expecting headcount increases now matches those anticipating decreases – a shift from last year's net positive of 8% expecting increases. This signals a more cautious stance across the sector. Even so, employers are continuing to hire selectively in roles that advance digital transformation, including e-commerce, logistics, digital marketing and data analytics. Demand also remains strong in compliance and customer-experience functions.

Financial services

This year, the net positive expectation for headcount is 5%, down from 16% last year. Despite Hong Kong's strong equity market performance in 2025, financial institutions remain cautious in their hiring. Organizations are adjusting to market conditions that are challenging to predict, while managing ongoing cost and efficiency pressures.

Innovation and technology

The data reveals notable changes in the sector – a shift from net positive 7% expecting headcount increases in 2025 to a net negative 4% expecting decreases in 2026. We observe organisations selectively expanding specialist teams in areas such as AI, cloud engineering, cybersecurity, and product development, while simultaneously streamlining or consolidating larger, traditional IT teams through automation and process optimization.

Headcount expectations across sectors

Professional services

The data suggests a net negative expectation, with 13% anticipating headcount decreases this year vs. a net positive expectation of 6% expecting increases last year. Hiring will be selective, with demand concentrated in fee-earning and growth areas. Routine back-office and non-billable roles are more likely to face hiring freezes, optimisation, or redeployment.

Public sector

There is a clear shift in growth sentiment with net positive expectations of increases falling to a net 2% of respondents expecting headcount increase in 2026, down from a net 14% in 2025. This more cautious outlook aligns with the direction in the 2026/27 Hong Kong Budget, under which the civil service establishment will be reduced by 2% in each of the coming two financial years, resulting in a cumulative cutback of over 10,000 posts within this term of Government.[1]

Real estate

The real estate sector shows muted headcount expectations for 2026, down from net positive expectations of 8% in 2025. While Hong Kong's office and residential markets are showing signs of gradual recovery, overall market activity remains subdued and cost pressures persist.[2]

Industrial markets

The industrial markets sector in Hong Kong faces a challenging employment outlook for 2026, with a net negative expectation of 33% — the sharpest contraction signal among all sectors. Quarterly Report of Employment and Vacancies Statistics indicated that the number of vacancies in the manufacturing sector fell from 2,751 in 2024 Q1 to 1,802 in 2025 Q1, underscoring weakening hiring demand.[3]

[1] The 2026-27 Budget, The Hong Kong Government , February 2026
[2] Hong Kong's office and housing markets lead recovery after a six-year correction, JLL, December 2025
[3] Quarterly Report of Employment and Vacancies Statistics, Census and Statistics Department, March 2025

Headcount expectations across job functions

Among respondents planning to increase headcount in 2026, the majority are prioritizing hires in sales and fee-earning roles, reflecting a focus on revenue generation and market expansion.

Conversely, respondents expecting to decrease headcount are predominantly from operations and supporting functions, including finance, accounting, HR, and other business operations roles. These areas are experiencing ongoing optimisation and automation initiatives, with organisations seeking greater efficiency and cost control, resulting in either flat or reduced hiring needs for traditional support functions.

Interestingly, headcount expectations for some business operations roles are seeing rising trends at the same time, likely driven by ongoing restructuring efforts as organisations adapt to digital transformation and evolving market needs. Business roles such as project managers and operations analysts are sought after to oversee complex, AI-enabled business processes. Notably, administration and business support roles are expected to be most affected by AI-driven automation in Hong Kong[4], underscoring the impact of technology on workforce planning and the shifting demand for future-ready skill sets.

[4] Hong Kong employers brace for disruption as AI hits admin roles hardest, Hong Kong Business, January 2026

02

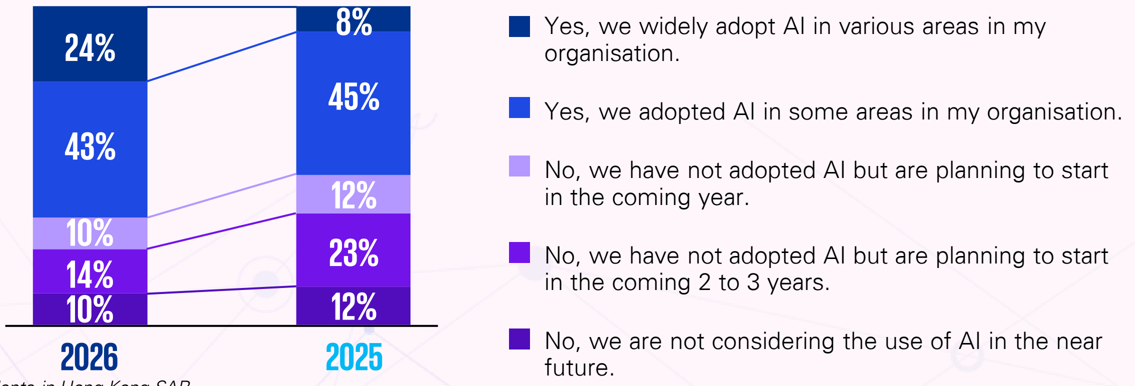
AI acceleration

Application of AI

AI adoption is accelerating across Hong Kong's business landscape, with the proportion of organisations widely deploying AI rising from 8% in 2025 to 24% in 2026. This acceleration reflects a broader trend of organisations shifting from experimental pilot projects to widespread adoption into their core operations. Our survey shows that AI understanding and application have now emerged as the most crucial skill across all sectors and seniority levels. Hong Kong's workforce increasingly recognises that strong AI literacy is no longer optional — it's important to staying relevant, competitive and effective in the market.

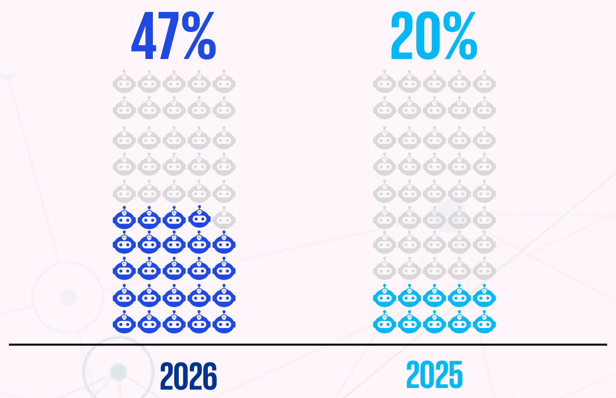
Compared to last year, the areas showing the biggest uplift in Generative AI adoption over the past 12 months are IT, product development, and finance and accounting, reflecting the growing importance of AI across both technical and business-critical domains as companies continue to integrate advanced tools into their workflows.

Figure 7: Adoption of AI in Hong Kong over the past 12 months



Base: All respondents in Hong Kong SAR
Note: Numbers may not add up to 100% due to rounding
Source: KPMG survey analysis

Figure 8: Core elements in workplace – understanding and application of AI



Case study – Application of AI to streamline invoice processing

Background

The client faced significant cost pressures and operational inefficiencies due to a heavily manual, non-standard invoice processing system. This resulted in poor data quality and heightened compliance risk amid complex international regulations.

At the same time, the client was undertaking an Enterprise Resource Planning (ERP) transformation and needed invoice processing to be aligned and streamlined.

How did we help?

KPMG designed an AI-enabled invoice processing solution, drawing on cross-functional expertise in ERP, finance transformation and AI implementation.

We used deep learning and intelligent document processing, with Python-based models to automate and optimise invoice processing. A SaaS application was deployed to automate the Accounts Payable process end-to-end, including a Proof of Value using client data and an internal approvals workflow. External regulatory checks were integrated to support compliance.

Value delivered

- The solution reduced operational costs by 80%, increased invoice processing speed, and enhanced decision-making through improved data quality.
- It strengthened compliance with international regulatory standards, lowering the risk of penalties and protecting the client's global reputation.
- The work also supported the client's ERP transformation, enabling a smoother transition and helping to future-proof core finance operations.

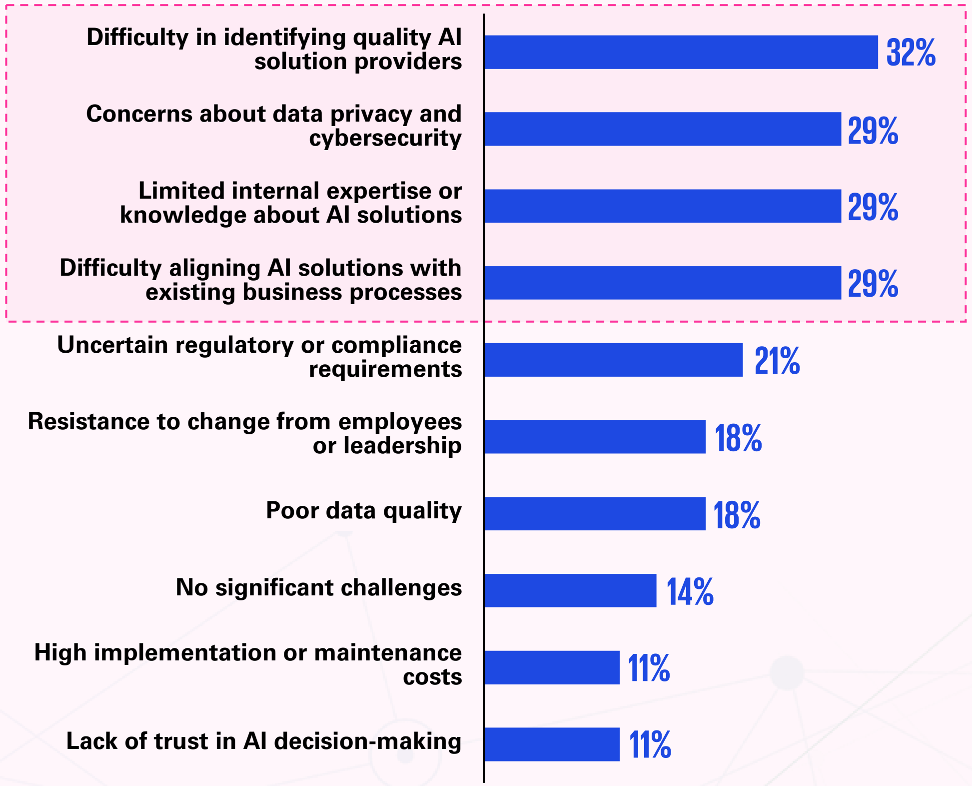
Navigating the barriers to AI adoption

Hong Kong organisations face four primary challenges when integrating AI technologies into their workflows. The most frequently cited obstacle is difficulty in identifying quality AI solution providers, with 32% of respondents highlighting the challenge of distinguishing reputable vendors from an increasingly crowded market. This aligns with the recent KPMG Global tech report 2026[5], which shows that organisations are prioritizing rigorous due diligence and governance frameworks when selecting AI vendors, with one third (36 percent) planning to enhance data sovereignty audits across their partnership ecosystems.

Three other challenges follow closely, each cited by 29% of respondents:

1. **Concerns about data privacy and cybersecurity** are cited by 29% of participants. The need for strong data governance, security controls, and compliance measures to mitigate risks associated with AI deployment is critical. As AI adoption accelerates, it is imperative for organisations to establish robust processes that not only support governance and innovation but also provide clear evidence of due diligence to both external and internal stakeholders. Organisations must therefore be able to articulate their governance actions and demonstrate adherence to Trusted AI principles – including security, privacy, and explainability – across the entire AI lifecycle.

Figure 9: Challenges when integrating AI



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

[5] Global Tech Report 2026: Navigating the new technology landscape, KPMG, January 2026

Navigating the barriers to AI adoption

2. **Limited internal expertise or knowledge about AI solutions**, indicating a skills gap within organisations. This is further supported by KPMG Global tech report 2026[5], where 53% of their surveyed organisations still lack the talent needed to bring their digital transformation plans to life. Skill gaps that were manageable during pilot phases pose a greater risk as organisations move to full-scale implementation.

3. 29% of respondents struggle to **align AI solutions with existing business processes**, reflecting operational friction and the necessity for process redesign and cross-functional collaboration.

[5] Global Tech Report 2026: Navigating the new technology landscape, KPMG, January 2026

As AI becomes integral to business, the challenge now lies not in technology but in managing a hybrid workforce of humans and machines

Stanley Sum
Partner, Head of Technology
KPMG China

Case study – Strengthening AI governance and risk management to drive competitive advantage

Challenge

A major healthcare company aimed to advance administrative automation with GenAI and automated doctor recommendations.

However, rapidly evolving AI regulations in key local and international markets (China, the EU, and the US) created challenges around privacy, bias, and compliance.

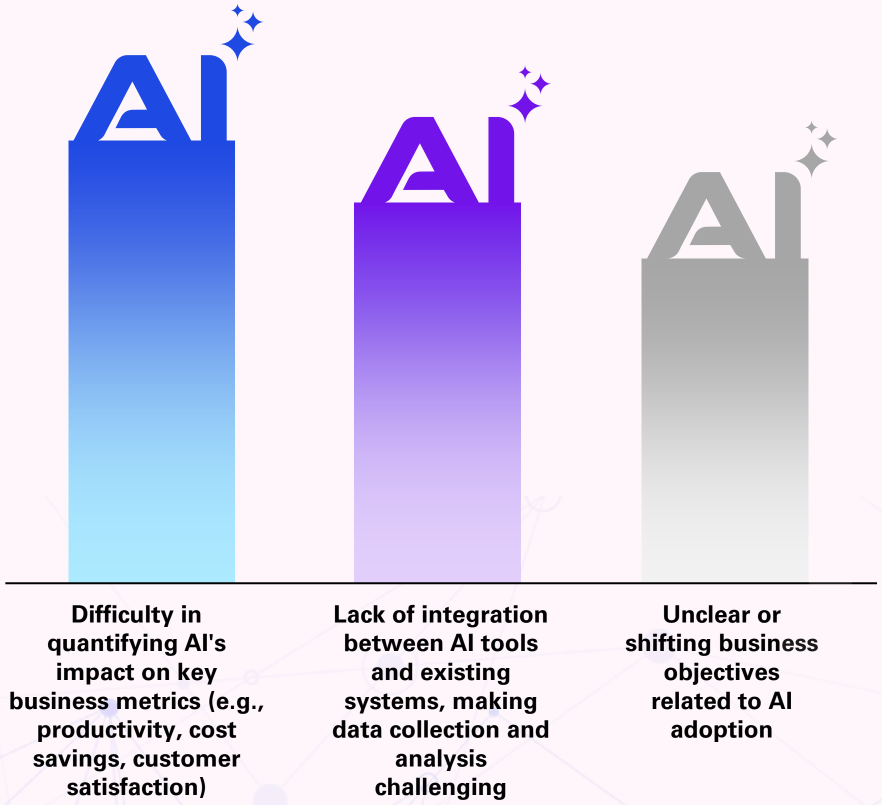
Existing compliance teams and Privacy Impact Assessments were insufficient to ensure ongoing alignment with regulatory requirements.

Value delivered

KPMG developed a tailored AI governance framework, establishing core principles, oversight structures, and clear policies for AI lifecycle management. This approach transformed AI deployment practices, fostered responsible AI usage, and increased business unit confidence. Ultimately, it strengthened the company's reputation and competitive advantage.

Barriers to demonstrating ROI

Top 3 barriers to demonstrating return on investment (ROI) from AI tools across business operations



Difficulty in quantifying AI's impact on key business metrics is ranked as the most significant barrier to demonstrating ROI by respondents. Organisations struggle to measure AI's effect on productivity, cost savings, and customer satisfaction in a clear, objective way. This challenge often arises because AI-driven improvements can be indirect or spread across multiple functions, making it hard to attribute value to specific tools or projects. The recent KPMG Global tech report 2026[5] showed that 55% of tech executives struggle to demonstrate and communicate the value of AI to stakeholders and shareholders.

For AI projects, traditional measures of ROI are not sufficient. KPIs need to be tailored to the realities of AI, including metrics for indirect value, holistic impact, and longer-term returns for organisations to effectively communicate progress and success.

More than one-fifth of organisations also cite unclear or shifting business objectives as a barrier. Without stable and clearly defined AI objectives, measuring ROI becomes challenging because benchmarks shift or disappear.

Despites the various difficulties for demonstrating ROI, over two third of CEOs globally anticipate return on AI investment in one-to-three years[6].

[5] Global Tech Report 2026: Navigating the new technology landscape, KPMG, January 2026
[6] KPMG 2025 Global CEO Outlook, KPMG, October 2025

03

Compensation trends

Career moves: 2025 retrospect

The percentage of respondents reporting a career move in the prior year has been in decline since 2020, when 29% of respondents reported changing jobs – a period marked by heightened workforce mobility.

The percentage in 2025 across major industries was at similar levels, including in IT, the public sector, consumer markets and financial services.

Aligning with general expectations, career moves are observed more frequently among more junior and middle management levels compared to that of Department Head and C-level.

2025 **13%** **of respondents reported a career move in 2025**

Figure 10: respondents reporting a career move over the past 6 years

2025	2024	2023	2022	2021	2020
13%	14%	15%	23%	27%	29%

Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Figure 11: career move in 2026 by seniority

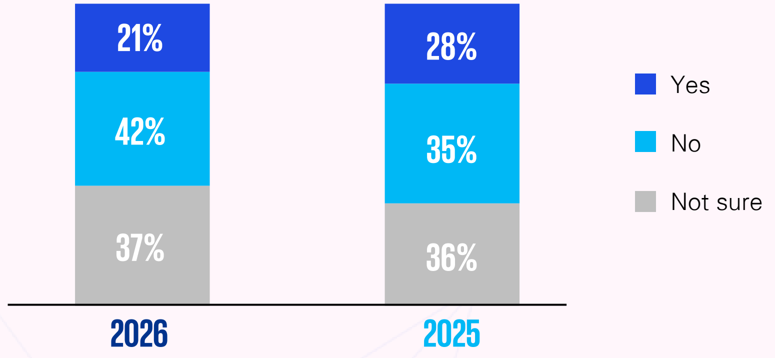
C-level	**5%**
Department head or equivalent	7%
Senior manager or manager	14%
Assistant manager or below	20%

Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Career moves: 2026 outlook

21% of respondents will actively seek a change of employer in 2026

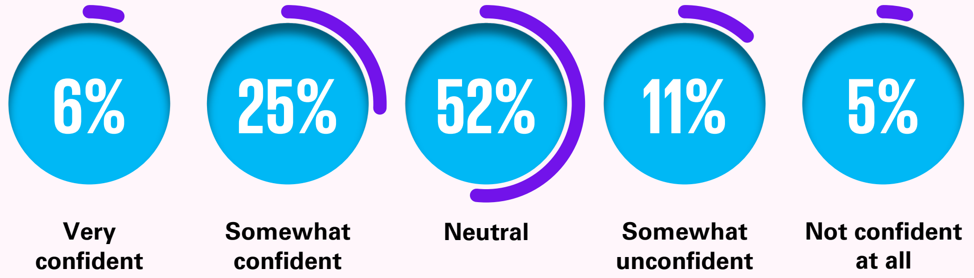
Figure 12: Respondents who will actively seek a change of employer in 2026 compared to 2025 (first half of the year)



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

This year, participants are less likely to seek a change, with the majority opting to stay put or are unsure about their plans. This aligns with the more cautious headcount outlook and perhaps reflects the overall economic uncertainty.

Figure 13: Respondents' confidence in securing a new role



Base: All respondents in Hong Kong
Note: Numbers may not add up to 100% due to rounding
Source: KPMG survey analysis

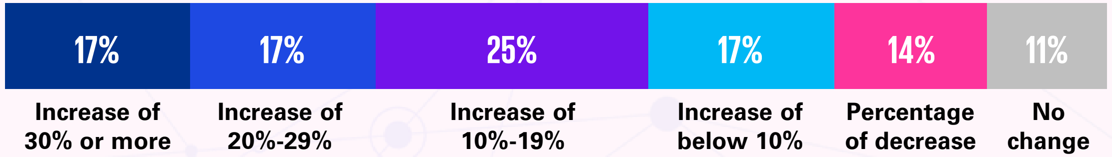
31% of the respondents are very/somewhat confident on their prospects of securing a new role which meets their expectations.

Salary review upon career move: 2025 retrospect

In 2025, 75% of respondents who made a career change saw a salary increment, representing a 9-percentage-point increase from 66% in 2024.

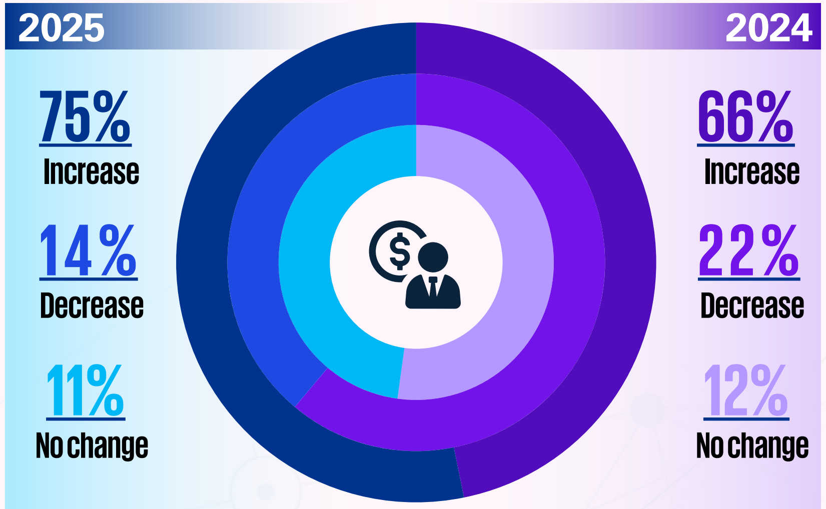
75% of respondents who made a career move in 2025 saw a salary increment

Figure 14: percentage of change in salary upon career change in 2025



Base: All respondents in Hong Kong that changed jobs in 2025
Note: Numbers may not add up to 100% due to rounding
Source: KPMG survey analysis

Figure 15: net change in salary upon career change from 2024 to 2025

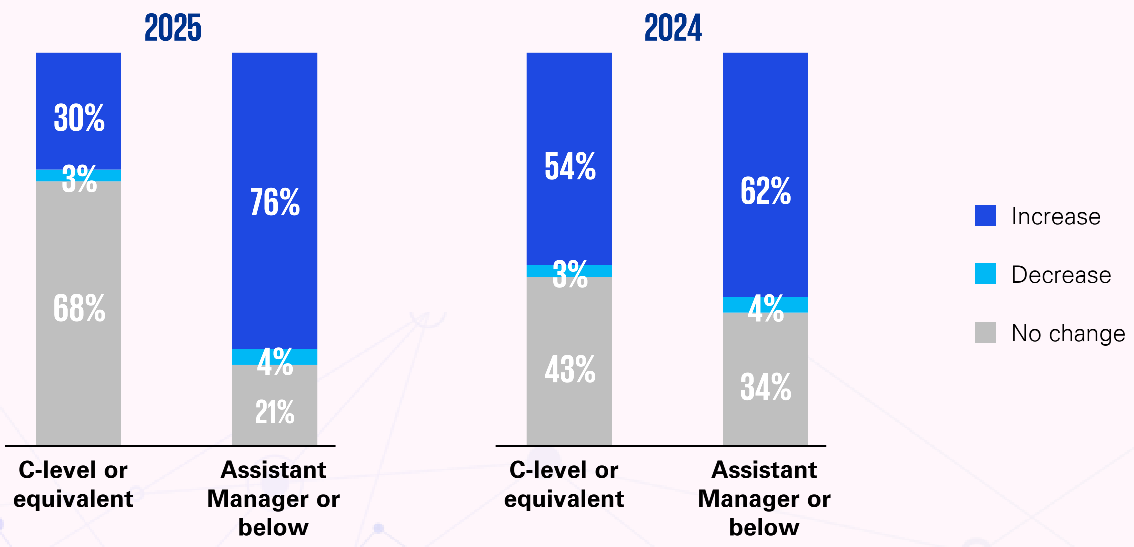


Base: All respondents in Hong Kong that changed jobs in 2025 / 2024
Source: KPMG survey analysis

Salary review for non-movers: 2025 retrospect

In 2025, 63% of respondents who remained with the same employer received a salary increase – broadly in line with 2024's level of 62%. Around half reported an increment of 5% or less, consistent with government data showing a Nominal Wage Index increase of 3.3% and Real Wage Index increase of 1.8% as of September 2025[7].

Figure 16: Salary change following review



Base: C level or equivalent and Assistant Manager or below respondents who stayed with the same employer
Note: Numbers may not add up to 100% due to rounding
Source: KPMG survey analysis

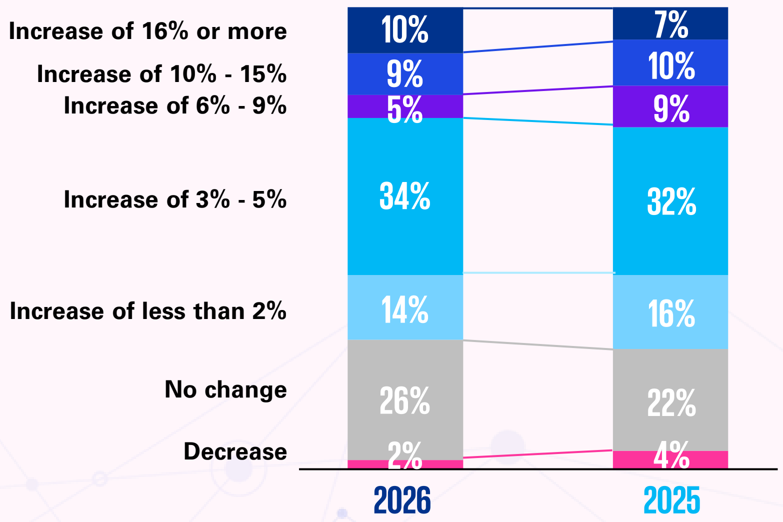
Last year, over three quarters of respondents at Assistant Manager or below saw an increase in salary. However, less than a third of C-level respondents saw an increase in salary and significantly less C-level respondents saw a pay rise year on year (30% in 2025 vs. 54% in 2024).

[7] Wage and payroll statistics for September 2025, Census and Statistics Department, 29 December 2025

Salary change for non-movers: 2026 outlook

Around 4% more respondents expect no change in salary in 2026 compared with 2025

Figure 17: Expected salary change with the same employer in 2026



Base: All respondents in Hong Kong who stayed with the same employer
Source: KPMG survey analysis

In 2026, most respondents expect either no change or an increase of up to 5% in salary, aligning with Census and Statistics Department's statistics released in September 2025[7]. Expectations this year are a bit softer than last year with slightly more expecting no change or an increase of up to 5% (74% in 2026 vs. 70% in 2025).

Respondents from IT and Financial Services are more optimistic about salary increases than those in other sectors. This may reflects the strong momentum in Hong Kong's IPO market and the growing demand for AI and technology-driven capabilities.

[7] Wage and payroll statistics for September 2025, Census and Statistics Department, 29 December 2025

Expected bonus: 2026 outlook

48% of respondents expect no change in bonus payment, reflecting softer expectations compared with 2025 (44%)

Figure 18: Level of change expected

Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

04

Talent management

Talent engagement

Employee engagement levels

60% 2026

54% 2025

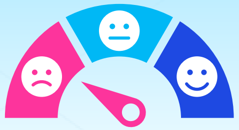
Employee engagement has risen year on year (60% in 2026 vs. 54% in 2025), suggesting that employees may feel more comfortable staying with their employers.

Observations – year-on-year trends:

Consumer markets

Stable year-on-year growth in satisfaction levels

Public sector



Lower engagement levels

A wide spread in engagement levels highlights the need to balance change-management efforts with maintaining strong employee engagement

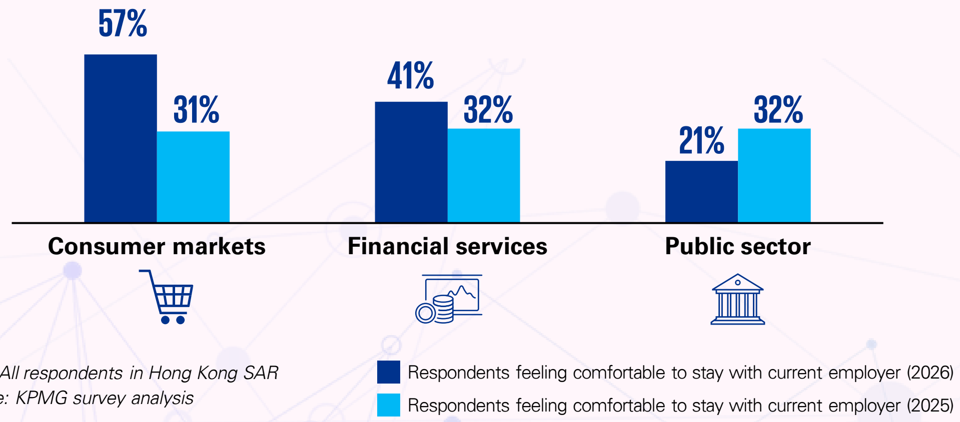
Talent engagement

Overall, 36% of respondents feel comfortable to continue working for their current employer.

Employee intention to stay is increasing within consumer markets (57%) and financial services (41%), whereas retention in the public sector may wane (21%). This trend highlights growing, sector-specific challenges in attraction and retention. While commercial sectors grapple with hiring slowdowns, economic uncertainty, and talent competition, the public sector needs to critically evaluate how to offer compelling reasons for individuals to join and remain a part of the workforce.

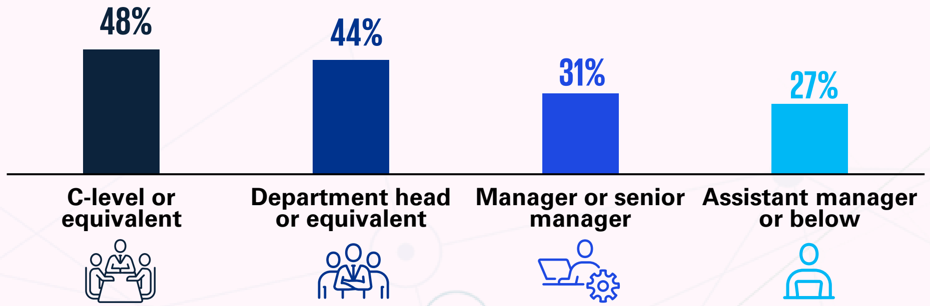
Respondents at C-level or department head level are generally more comfortable to stay with their current employer compared to those at junior levels. Early career employees face uncertainty, limited advancement visibility and stronger pull from external opportunities – highlighting a growing generational and seniority based fracture in workforce commitment. Organisations should develop targeted strategies to address disparities and foster a more cohesive and committed workforce across all levels of experience.

Figure 19: respondents feeling comfortable to stay with current employer for now



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Figure 20: respondents feeling comfortable to stay with current employer – C-level vs junior level



Base: All respondents in Hong Kong SAR
Source: KPMG survey analysis

Talent retention

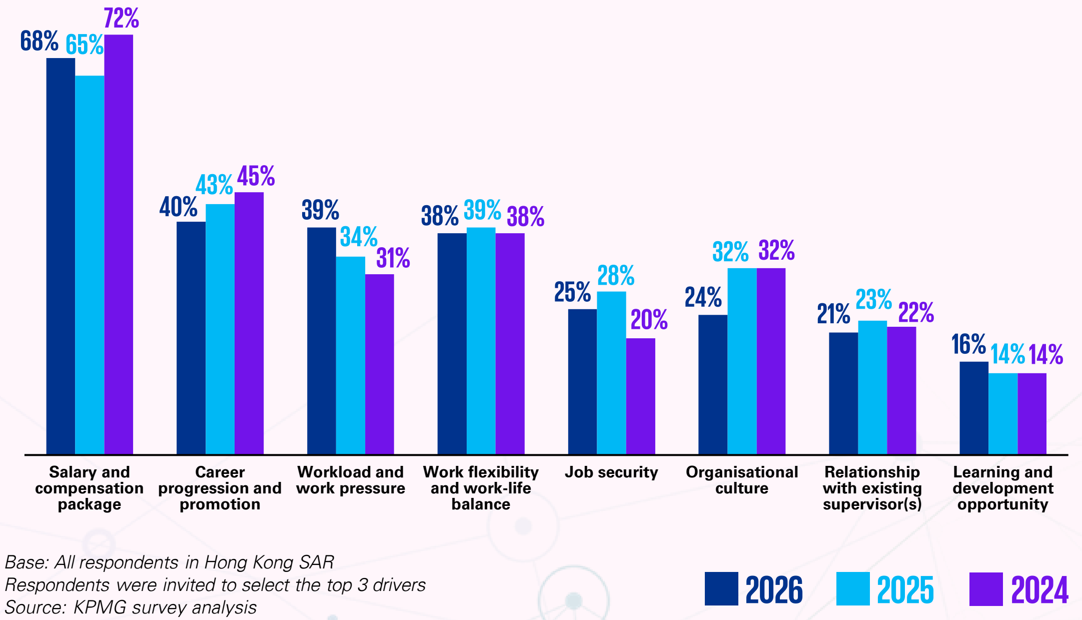
In 2026, workload and work pressure has overtaken work flexibility, rising to the third most-cited driver for seeking new job opportunities. Since 2023, compensation package, career progression, and work flexibility have consistently remained the top drivers for employees who intend to switch jobs.

The rise of workload and work pressure as drivers of job change suggests greater levels of employee burnout. This has likely been exacerbated by businesses adapting to the economic environment with ongoing workforce optimization efforts, which have resulted in roles being consolidated.

Meanwhile, the proportion of employees leaving their organisations for career progression or promotion has declined, suggesting more limited opportunities and a growing preference for employment stability amid an evolving economic landscape.

In addition, organisational culture is receiving less priority, likely because rising workloads and pressures are pushing employees to focus more on day-to-day demands and job stability than on cultural factors. This shift is most pronounced among junior respondents, only 8% of whom ranked culture as a priority, compared with 40% at the Department Head level.

Figure 21: Drivers for seeking new job opportunities



Base: All respondents in Hong Kong SAR
Respondents were invited to select the top 3 drivers
Source: KPMG survey analysis

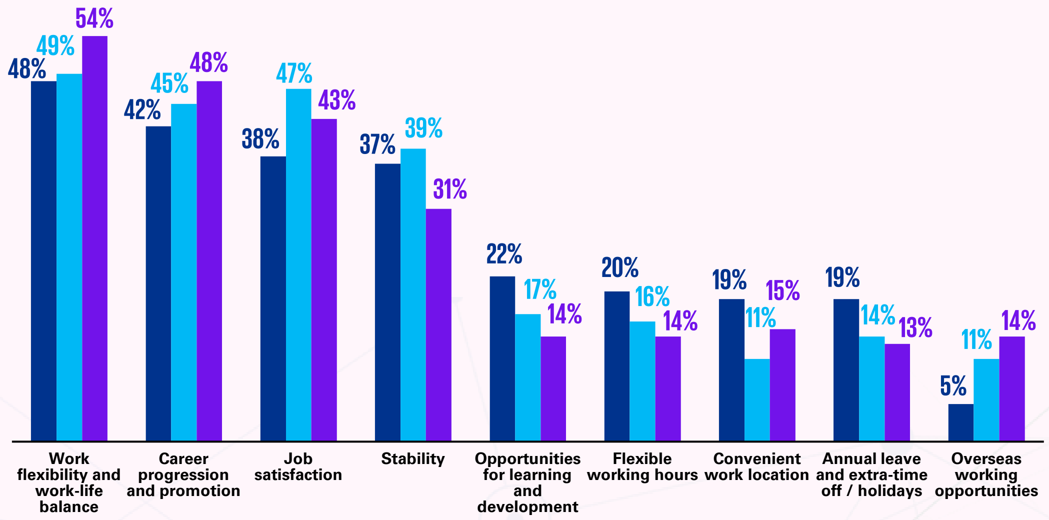
Talent attraction

Work flexibility, career progression, and job satisfaction continue to stand out as the top three non-monetary factors that employees prioritise when considering new opportunities. However, job satisfaction has experienced a decline, dropping from 47% last year to just 38% this year, reflecting the preference for stability.

Recent job attraction trends reveal a notable shift in employee preferences toward stability and practicality. Interest in overseas working opportunities has dropped by 6 percent, reflecting a shift from international mobility in favor of local stability.

Conversely, the importance of learning and development opportunities, flexible working hours, convenient work location, annual leave, and extra time off have increased by 5 percent, 4 percent, 8 percent and 5 percent respectively, highlighting a growing preference for roles that support work life balance, including offered learning support, flexibility, reduced commute times, and extra leave days.

Figure 22: Non – monetary factors for employees



Base: All respondents in Hong Kong SAR
Respondents were invited to select the top 3 drivers
Source: KPMG survey analysis

2026 2025 2024

Talent attraction – different emphasis among levels

Assistant managers or below place significantly greater emphasis on convenient work location compared to the overall average. Specifically, 27% of assistant managers or below cited convenient work location as a top-three job feature, compared to 11% last year.

The disparity between C-levels and junior employees is also observed among job satisfaction and employer branding, where only 25% and 27% of assistant manager or below cite these as the top-three job features respectively.

The fact that early career employees are increasingly prioritizing practical considerations, such as convenient work locations, over cultural factors reflects a shift in generational attitudes. In our post-COVID era, where technological advancements have proven the feasibility of flexible work arrangements, it is imperative for organisations to adopt strategic and tailored approaches to talent attraction. A clearly articulated Employer Value Proposition has become more crucial than ever in distinguishing an organisation from its competitors. To enhance engagement and foster a supportive work environment, companies should align their cultural initiatives with practical benefits that resonate with the talent they wish to attract.

Talent attraction – learning opportunities and upskilling

The survey results highlight that, in the context of Hong Kong's evolving industries—especially within financial services—candidates are placing heightened importance on employers who offer robust learning and development opportunities. As technological advancements such as fintech and AI integration reshape the business landscape, continuous upskilling has become essential for career sustainability.

Career versatility also emerges as a key consideration, with employees increasingly seeking roles that provide pathways to broaden their skills and gain cross-functional experience. This focus on adaptability reflects a desire for long-term resilience amid industry disruption. Employers that invest in structured learning programs and support career agility are therefore more likely to stand out and attract top talent in Hong Kong's competitive job market.

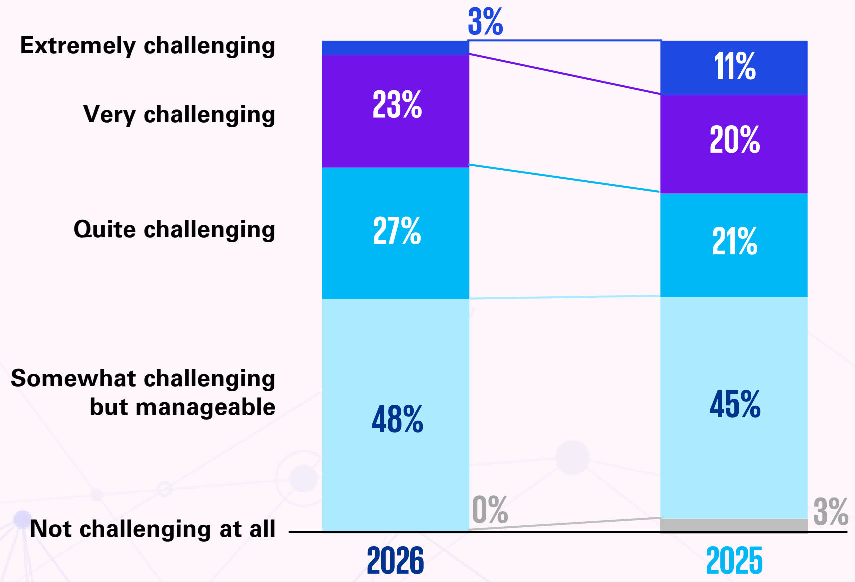
In Hong Kong's rapidly evolving job market, driven by relentless technological advancements, securing top talent is becoming ever more dependent on providing comprehensive and future-proof learning and development opportunities. Learning programs should focus on expanding individuals' technical capabilities while fostering a growth mindset that promotes continuous learning, proactive change management, and the ability to effectively navigate ambiguity. It is imperative for organisations to critically evaluate and strategically refine their learning offerings to ensure they support long-term career adaptability and professional resilience.

Puipui Yau
Associate Director, People and Change
KPMG China

Talent sourcing

While hiring the right talent remains a challenge for all HR and C-level respondents, the proportion experiencing "extremely challenging" conditions has dropped from 11% in 2025 to just 3% in 2026. This suggests that although hiring remains a challenge, the most severe difficulties in hiring talent are less common.

Figure 23: Challenges in securing the right talent



Base: All C-level and / or HR respondents in Hong Kong

Talent sourcing

Organisations primarily seek overseas talent to address specialised skill gaps, fill leadership roles with global experience, and support international business expansion. Sales & Marketing (43%), technology/IT (37%), operations & supply chain (28%), and research & development (24%) are the top functions requiring overseas talent. This aligns closely with the Hong Kong government's latest talent list[8], which prioritises professions in business support, innovation, and technology for immigration facilitation under the GEP, ASMTP, and QMAS schemes. The focus on these sectors underscores Hong Kong's commitment to strengthening its position as a global business hub and innovation leader by attracting high-calibre professionals in critical areas of growth. Recruitment efforts are most heavily focused on the Chinese Mainland, followed by the UK, USA, and other regions. This highlights a strategic approach to talent acquisition that aims to drive growth and competitiveness in key markets.

Figure 24: Functions or departments that need talents from overseas

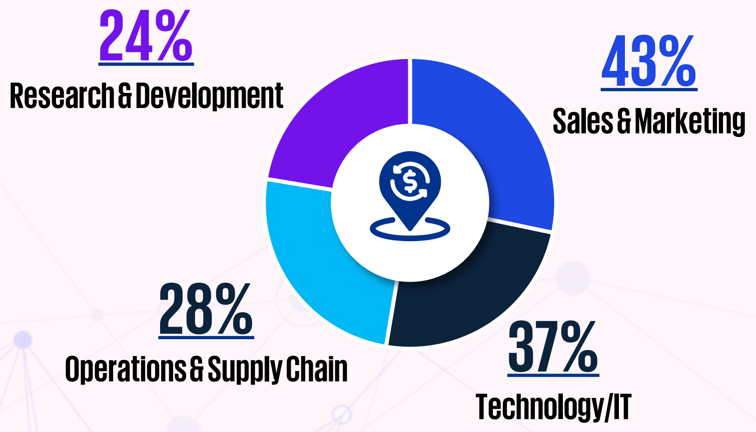
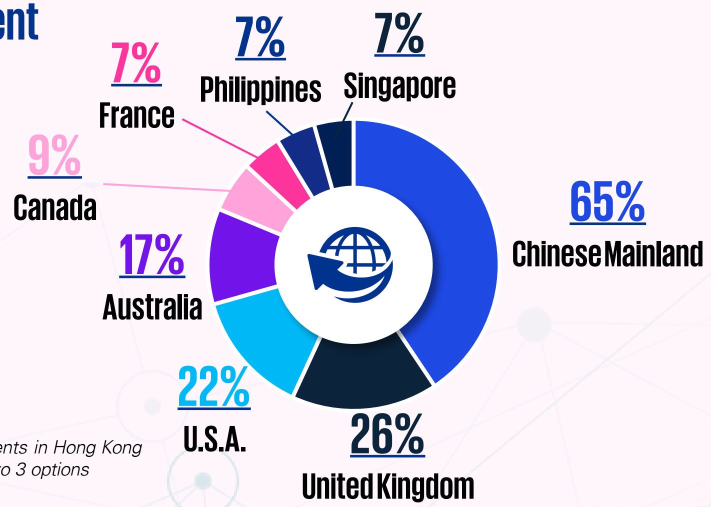


Figure 25: Geographical regions most frequently targeted for overseas recruitment



Base: All C-level and / or HR respondents in Hong Kong
Respondents were able to select up to 3 options
Source: KPMG survey analysis

[8] Talent List Hong Kong, Hong Kong SAR government

Talent sourcing

Organisations that source talent from overseas need to recognise that cross-border immigration and tax issues are significantly more complex than those faced by local employees. To remain compliant and structure employment arrangements effectively for international hires, careful advance planning is critical. By proactively tackling these challenges and offering strong support around visa and tax compliance and planning, organisations can more effectively retain key leadership talent from abroad while reducing associated risks.

Isabel Liu
Director, People Services, Tax
KPMG China

Technological advancements have made flexible and remote work arrangements possible, with candidates seeking employers who offer robust digital infrastructure and formal policies that support hybrid or remote work. Employers that visibly commit to employee health and provide genuine flexibility through technology and supportive practices are now seen as more attractive.

Given that increasingly more organisations are adopting a hybrid work arrangement, commuter arrangements between Hong Kong and other GBA cities have been increasing.

There is a growing trend of mobility opportunities within the Greater Bay Area (GBA), with employees increasingly splitting their work between Hong Kong—either through business trips or remote arrangements—and other GBA cities while remaining under GBA employment for cost control purposes.

In response to the influx of cross-border talent from Mainland China, Hong Kong is also seeing the establishment of new international schools designed to accommodate these growing needs, further supporting the integration and retention of talent across the region.

Case study – One-stop support for newly established Hong Kong company

Background

The client recently established a new holding company in Hong Kong and urgently needed to relocate senior executives to build management presence and local operations. Seamless planning and execution were essential to bring executives to Hong Kong and ensure the client achieved its commercial objectives.

How we helped?

We developed a phased immigration strategy tailored to the client's urgent timeline, enabling key senior executives to expedite relocation and establish management presence and local operations. This approach was adopted into a long-term plan covering visa renewals, permanent residency, and both local and cross-border tax complexities. Our end-to-end support included visa application assistance, employment structuring, compensation, and benefits design, as well as tax advisory and compliance.

Value delivered

- Accelerated establishment of management presence and operational substance in Hong Kong
- Streamlined visa pathways and relocation process for senior executives
- Ensured compliance with local and cross-border immigration, employment, and tax requirements
- Integrated long-term immigration and tax planning for executives

Change of Key Performance Indicators (KPI) in 2025

Given a clear shift to human-centric, sustainable and strategy linked metrics over activity-based ones, organisations must clearly define and cascade KPIs across all levels – so that employees understand what each KPI means to them personally and how their daily actions directly influence them. It is also important to establish robust tracking systems and continuously review and refine their KPIs to maintain a strong alignment with strategic business goals.

Most common changes to KPI

Increased emphasis on quantitative KPIs (e.g., sales targets, productivity, efficiency, cost reduction)

Increased emphasis on qualitative KPIs (e.g., innovation, collaboration, adaptability, problem-solving)

Greater focus on employee experience (e.g., engagement, well-being, inclusion, satisfaction

Shift towards personalised or role-specific KPIs (tailored to individual roles, responsibilities, or career paths

KPIs aligned with organisational values and strategy (e.g., ESG goals, company culture, sustainability, diversity)

Less common changes to KPI

05

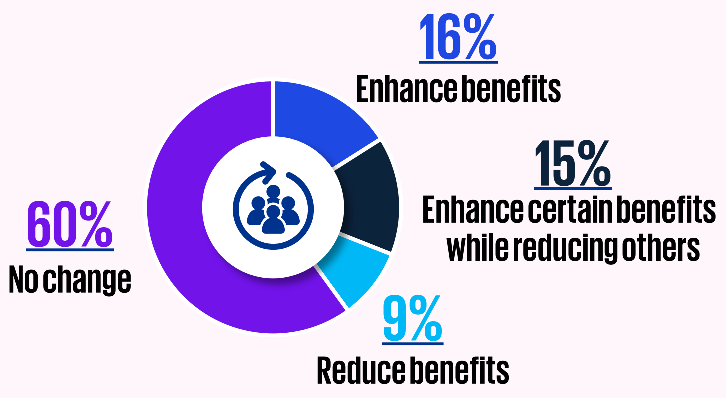
Benefits

Changes to staff benefits

We asked C-level, department heads, and HR professionals about their plans for staff benefits this year.

40% expect their organisations to change the benefits they offer in 2026, with nearly one-third planning to enhance or rebalance staff benefits.

Figure 26: Changes to employee benefits



Base: C-level, department heads, and HR professionals respondents in Hong Kong
Source: KPMG survey analysis

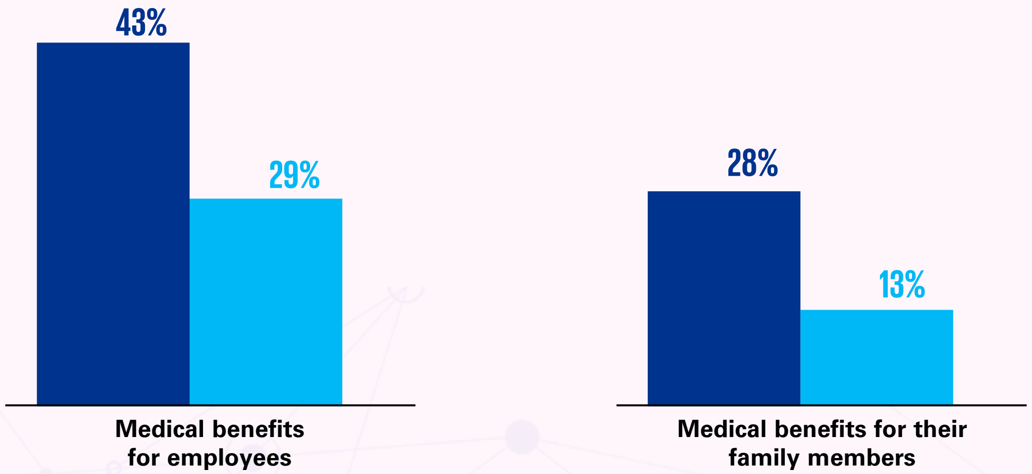
The most common types of benefits they expect to change in 2026 include :

- Medical benefit for employees and family members
- Flexible work arrangements
- Flexible benefits arrangements
- Employer's additional contributions to retirement scheme

Medical benefits

Medical benefits are among the most common types of benefits that respondents anticipate their organisations to reshape this year.

Figure 27: Expect changes to medical benefits



Base: C-level, department heads, and HR professionals respondents in Hong Kong
Respondents who expect their organisations to change benefits this year may select up to three types of benefits they anticipate will be revised.
Source: KPMG survey analysis

Enhance | Reduce

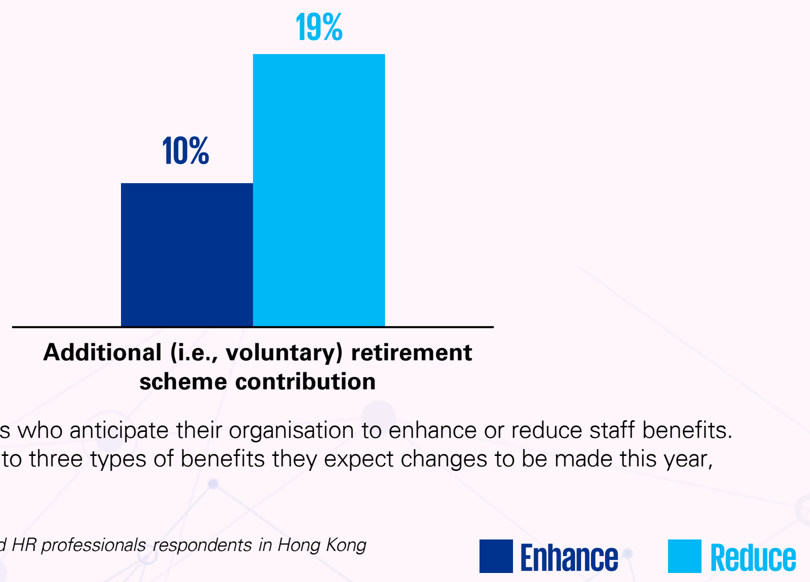
> *Organisations are facing pressure to keep their medical benefits competitive amid rising medical costs. As a result, many are looking to enhance or rebalance their medical benefits to deliver better value and provide a better fit for employees.*
>
> *When exploring benefit solutions offered in the market, organisations should also consider the tax implications as they can vary significantly even when different arrangements offer similar benefits.*

Gabriel Ho
Director, People Services, Tax
KPMG China

Retirement benefits

Organisations are evaluating their broader rewards strategy and making changes to benefits offered to employees. Retirement benefits, such as additional (voluntary) contributions to retirement schemes, are among the benefits that respondents indicated they expect their organisation to reshape this year.

Figure 28: Respondents anticipating changes to retirement benefits



*Feedback from respondents who anticipate their organisation to enhance or reduce staff benefits. Respondents may select up to three types of benefits they expect changes to be made this year, respectively.

Base: C-level, department heads, and HR professionals respondents in Hong Kong
Source: KPMG survey analysis

In general, Hong Kong offers attractive tax treatment on retirement scheme benefits. Given that additional employer retirement scheme benefits are often subject to vesting, and tax advantages are more favourable to employees with longer tenure, these benefits can be effective tools for talent retention.

Feedback from respondents reflects that organisations may be rebalancing spend on additional retirement scheme contributions in an uncertain economic environment and under cost pressure. However, organisations may consider more flexible approaches, such as structuring discretionary additional employer contributions which are adjusted in line with business performance.

06

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- Talent admissions
- Investment visas

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Publication no.: 1768277656065

Publication date: April 2026