

Career Times and CityU Hiring Index (CCHI 2005 base)

Explanatory Notes

1. Aims

The CCHI focuses on trends in hiring and advertising for human resources in Hong Kong's job market. The main purpose of the index is to examine the availability of vacancies in Hong Kong as indicated by the job advertisements published in selected and specialised print media. The compilation of this index is intended to serve the following objectives:

- as economic indices to reflect macro-economic conditions in Hong Kong;
- for decision making by both the government and various industries;
- for individuals who are planning for their own career; and
- for human resources consultants who provide career advice and information.

2. Structure

There are two kinds of hiring index:

- the basic grouping index
- the reference indices

The former is composed of the following sub-indices:

- the standard CCHI index (CCHI) for three different types of position: director, manager and non-managerial
- the advertisement-size-adjusted CCHI index (SCCHI)

The latter re-classified the basic grouping index under 18 industries. There are two reference indices:

- the industry CCHI index (ICCHI)
- the advertisement-size-adjusted industry CCHI index (SICCHI)

3. Classification and weighting

a. The standard CCHI index (CCHI)

The CCHI measures the general hiring trends. However, this index does not indicate the number of jobs available in the job market. Instead, it serves as a trend indicator. If the index goes up, it implies that the number of available jobs is increasing as compared to the base period.

This index is classified into three major groups according to the types of the job:

- director
- manager
- non-managerial

b. The advertisement-size-adjusted CCHI index (SCCHI)

This index is a result of CCHI weighted for the different sizes of advertisements placed for each of the three types of job.

c. The reference indices:

- i. The industry CCHI index (ICCHI)
This is a specialised industry CCHI index with a separate one for each of 18 different industries
- ii. The advertisement-size-adjusted industry CCHI index (SICCHI)
This is a specialised ICCHI index with a separate one for each of 18 different industries, but it is weighted by the size of the advertisements placed.

d. Base week and month for the two indices and the weighting calculation

The base week for the CCHI index series is 20/2/2005–26/2/2005.

The base month for the reference indices is February 2005.

e. Selection of sources of print advertisements and criteria

The following are the sources of print advertisements for compiling all indices:

- *Career Times* (Friday)
- *The Classified Post* (Saturday)
- *Jiu Jik* (Friday)
- *Job Market* (Friday)
- *Jump* (Friday)
- *Recruit* (Friday)

These sources were selected based on the following criteria:

- they have a regular publication date
- they have their own brands
- they cover jobs from all industries and across all levels.

f. Classification of industries

While compiling a CCHI index of the overall job market, separate indices are also put together for 18 different industries so as to gauge the degree of hiring activities in each. The 18 industries are as follows:

- Building & Construction
- Banking & Finance
- Education
- Hotel & Club

- Healthcare & Pharmaceuticals
- Insurance (Agent)
- Information Technology
- Media & Communications
- Manufacturing & Trading
- Executive Search
- Property Developer & Agency
- Retail
- Telecommunications
- Travel & Transportation
- Miscellaneous Industries
- Government
- Non-Profit Making Organisations
- Blind Ads (not showing company logo or name of recruiters)

A CCHI index is also calculated for each job type in each industry. Jobs are separated into three types. They are:

- director
- manager
- non-managerial

g. Index formula

- i. The overall standard CCHI, $H(t)$ at current week t

$$= \frac{\sum q_{t,i}}{\sum q_{0,i}} * 100$$

Where

i is the i th number of advertisements

0 is the base week,

t is the current week,

$\sum q_{0,i}$ is the total number of advertisements in the base week, and

$\sum q_{t,i}$ is the total number of advertisements at week t .

- ii. The standard CCHI, $H(t, d)$ at current week t for the director category:

$$= \frac{\sum q_{t,di}}{\sum q_{0,di}} * 100$$

Where

d_i is the i th number of advertisements in the director category,

0 is the base week,

t is the current week,

$\sum q_{0, di}$ is the total number of advertisements in the director category at base week,
and

$\sum q_{t, di}$ is the total number of advertisements in the director category at week t.

- iii. The standard CCHI, $H(t, m)$ at current week t for the manager category:

$$= \frac{\sum q_{t, mi}}{\sum q_{0, mi}} * 100$$

Where

m_i is the i th number of advertisements in the manager category,

0 is the base week,

t is the current week,

$\sum q_{0, mi}$ is the total number of advertisements in the manager category in the base week, and

$\sum q_{t, mi}$ is the total number of advertisements in the manager category at week t.

- iv. The standard CCHI, $H(t, n)$ at current week t for non-managerial category:

$$= \frac{\sum q_{t, ni}}{\sum q_{0, ni}} * 100$$

Where

n_i is the i th number of advertisements in the non-managerial category,

0 is the base week,

t is the current week,

$\sum q_{0, ni}$ is the total number of advertisements in the non-managerial category at base week, and

$\sum q_{t, ni}$ is the total number of advertisements in the non-managerial category at week t.

- v. The advertisement-size-adjusted CCHI index (SCCHI).

The fixed-weighted Laspeyres formula, which is the weighted arithmetic mean based on the fixed value-based weights of the 18 industries in terms of size of advertisements for the base period, is adopted for the index calculation:

$$\begin{aligned}
 \text{SCCHI}(t,0) &= \sum q_{t,i} p_{0,i} / \sum q_{0,i} p_{0,i} * 100 \\
 &= (\sum q_{t,i} / \sum q_{0,i}) \sum w_{0,i} * 100
 \end{aligned}$$

where

SCCHI (t,0): Advertisement-size-adjusted CCHI index which is compiled using the fixed weighted Laspeyres formula at current period t compared with base week 0.

0 : the base week,

t : the current week t,

$Q_{t,i}$: size (area) of advertisements in industry i at current week t.

$Q_{0,i}$: size (area) of advertisements in industry i at base week.

$p_{0,i}$: quantity of advertisements in industry i at base week.

$W_{0,i}$: value-based weight of industry i in terms of size of advertisement at base week.

vi. The Industry CCHI index (ICCHI)

This index is basically calculated in the same way as the standard CCHI. The only difference is that advertisements in the sample are first classified into 18 categories according to their industry. Then for each industry, a standard CCHI is computed. Therefore, there are 18 sub-indices, one for each industry.

vii. The advertisement-size-adjusted industry CCHI index (SICCHI)

This index is basically calculated in the same way as SCCHI. The only difference is that an index is calculated for each industry. In total, there are 18 sub-indices, one for each industry.

viii. Publication

The indices will be released on the fifth working day following the week in which hiring activities were monitored.

In order to protect the companies involved in the advertisements, no indication of the names of the companies will be released.

Periodic retroactive revisions of published CCHI indices and reference indices are implemented twice a year in April and October, and once a year in October respectively. Apart from these periodic retroactive revisions, the indices will be revised immediately if a large enough error is found in the published indices.

h. Publishing Institutions

The CCHI index series are published by both *Career Times* (CT) and the Unit for Chinese Management Development (UCMD), City University of Hong Kong.

Career Times, responsible for collating data for the hiring index, is an English-language recruitment weekly for business executives. It has been published by Hong Kong Economic Times Limited every Friday since 1997. With an average circulation of 90,000 copies per issue, it is currently the market leader in quality job postings. An online version at www.careertimes.com.hk was launched in 1999. With thousands of corporate openings available every week, it is one of the leading recruitment portals in Hong Kong.

UCMD is a research unit located at the City University of Hong Kong. One of its main objectives is to conduct and promote research projects for the benefit of local community. In this endeavour of developing the CCHI index series, it is charged with the responsibility of designing a proper and valid methodology.

Media, consultants and researchers are welcome to use the CCHI and the reference indices. While using the indices, please adopt the following quotation formats:

(Long form In English)	<i>Career Times</i> and CityU Hiring Index
(Short form in English)	CCHI
(In Chinese)	<i>Career Times</i> 及城大招聘指數