

I want  
to **acquire**  
specialised skills to  
develop my career

We want  
**our study**  
to be relevant  
to our future career

I want  
to **continue learning**



Enhancing  
the Quality of our  
Home-grown  
Talent

# Chapter 3

## Enhancing the Quality of our Home-grown Talent



**3.1** While we should identify ways to replenish our shrinking workforce, ***the SCPP believes that sustainable economic development should not rely solely on an ever expanding labour force.*** This is particularly true in Hong Kong where we cannot grow our workforce indefinitely because of constraints such as land and housing. Businesses should be encouraged to move up the value chain through, for example, job redesign and automation. We should also enhance the productivity of our labour force, particularly our young generation, who are Hong Kong's future.

### Concerns about Manpower Quality, Skills Mismatch and Social Mobility

**3.2** Hong Kong has always been competing on the strength of its people. Our adaptability, flexibility and can-do spirit have helped drive our economy forward. Until recently, we prided ourselves on the quality of people produced by our education and training system. But as Mainland cities such as Beijing, Shanghai, Guangzhou and Shenzhen have all opened up to business, Hong Kong's competitive advantage as the window to the Mainland has diminished. There appears to be doubt on whether we are as competitive as before. Questions have been raised about whether we can continue to produce quality people for Hong Kong to stay competitive along with the Mainland's increasing integration with the international economy.

**3.3** While our economy is almost in full employment, the unemployment rate for youths aged 15-24 remained relatively high at 9.7% in 2012, compared to the overall average of 3.5%. The figure has yet to take into account the estimated some 30 000 youths who are not engaged in employment, education or training. At the same time, some trades (e.g. construction, aircraft maintenance, shipping and elderly care services) are struggling to recruit new blood, even though these jobs offer reasonably promising remuneration and prospects. It is clear that a labour mismatch exists in some sectors. This hampers our social and economic development.

**3.4** Our investment in education has seen the proportion of people aged 15-64 with post-secondary qualifications rising, from 14.8% in 2001 to 27.3% in 2011. Better qualifications have heightened the expectations of our young job seekers. But higher education attainment has not paid off financially for some of them. For young persons aged 20-29 in full-time employment, the median monthly income remained basically the same at around \$10,000 in the past decade. When adjusted for a cumulative inflation rate of more than 10%, earnings have actually declined over the past decade. Some young adults have become discouraged by the lack of opportunity for upward social mobility.



**3.5** Prolonged unemployment, non-rewarding jobs or limited career prospects breed disappointment and frustration amongst our younger generations. ***The SCPP considers that –***

- (a) we should tackle this issue through diversifying our economic base;
- (b) our education and training should better prepare our young people to transit from school to work;
- (c) we should revive the value of vocational education as a viable alternative to heavily academic routes; and
- (d) we should continue to promote continuing learning.

## Diversifying our economic base

**3.6** The Economic Development Commission established by the Chief Executive in January 2013 has identified four industry clusters (viz. Transportation; Convention and Exhibition Industries and Tourism; Manufacturing Industries, Innovative Technology and Cultural and Creative Industries; and Professional Services) with potential that may provide new growth opportunities while building on Hong Kong's strengths. Diversifying our economic base can increase job diversity and enhance career prospects for our young people.

**3.7** If the four clusters are where Hong Kong should direct its efforts, we should address the skills matching issue at the outset. This is to ensure that we have people of the right calibre to drive forward Hong Kong's development and that we can equip our young people with the skills needed by our economy, and our people can realise their potential so as to attain higher quality of living. As a start, ***the SCPP considers that we should develop a more elaborate manpower projection system to assess in a more timely and objective way, the types of talent and skill needed to grow and develop the four industry clusters.*** We can then match the projected manpower needs against the potential supply and decide how the identified manpower gap could be met. Such a system can be applied to other key economic sectors and trades as well.

## Education and training

**3.8** Development of one's potential starts with education. Over the years, improvements have been made to our primary and secondary education which laid the foundation for our young people to pursue further education and training. For this consultation document, we shall focus on the three areas of –

- (a) post-secondary education;
- (b) vocational education; and
- (c) continuing education.

These are more immediately related to the nurturing of quality manpower.



### Post-secondary education

**3.9** In the past decade, post-secondary education rapidly expanded in the self-financing sector, mainly for the sub-degree programmes. More post-secondary programmes have helped meet the growing aspirations of young people for higher studies. But, the declining secondary student population is beginning to spread to the post-secondary population sector. Secondary school graduates will be offered with more post-secondary education opportunities, partly attributable to the decline in student population<sup>1</sup>. The types of post-secondary programmes that best suit these students and Hong Kong need to be carefully deliberated and planned.

**3.10** *The SCPP acknowledges the importance of liberal and broad-based education in preparing our young people for a knowledge-based economy. Yet, it remains a challenge for the post-secondary sector to train up our young people with skills and knowledge that can meet the fast-changing economic needs.* This calls for greater collaboration between employers and education institutions in curriculum design and workplace experience for students. It also requires more career counselling in schools to help students make career choices that are right for them.

**3.11** Another challenge is the perception in the community, particularly in the business sector and amongst employers, that the quality of our post-secondary graduates is declining. Two of the more common areas of concern are language and communication skills. This perception is only partly true. We are convinced that good graduates from local institutions are still very good, and that the best may even be better than before. They are also more internationally oriented, as about one in four students in publicly-funded institutions take part in exchange programmes of various forms.

**3.12** But as Hong Kong's economy has expanded over the years and is now one of the world's most service-intensive economies, we need many more graduates with good language and communication skills, maturity and sophistication to serve a wide range of clients, on top of a global perspective and good work ethics. This is an area where further efforts will be required of our institutions.



### Vocational education

**3.13** While employers in vocational trades with good pay and promotion prospects (such as the aviation and construction industries) are complaining about a chronic manpower shortage, some young people are disillusioned and frustrated that they cannot find jobs that suit their talents after academic study. The community's prevailing focus on traditional academic pursuits, while welcome, may not work to the advantage of all our students. ***The SCPP considers that Hong Kong is in need of a fundamental change in mindset towards career options for the young generation.*** More should be done to inspire interest in vocational education among young people and, equally importantly, their parents to help them better understand the career and progression prospects that a vocational job can offer.

<sup>1</sup> By 2015, almost 70% of the relevant age cohorts will be able to receive post-secondary education.



**3.14** Vocational education and training not only supports our economic development. It helps our youngsters pursue wider and meaningful employment, and provides valuable credentials and articulation opportunities with multiple entry and exit points. Vocational education and training offers an alternative to the traditional academic route and should not be regarded or perceived as a second-rate option.

**3.15** While a mindset change is crucial, other changes are also required. The existing apprenticeship scheme, a product of the 1970s, may need to be reviewed and enhanced. Employers should be involved more deeply in technical and vocational education to ensure that what is taught is relevant and useful in the workplace. For example, sandwich programme schemes with longer workplace experience built into classroom learning can be expanded. There should also be a stronger link between vocational courses, licensure in the trades and the Qualifications Framework (QF) to facilitate further education and career progression. Students are in need of better educational and career advice as early as they are pursuing secondary education.

## Continuing learning, training and retraining

**3.16** In this fast changing and globalised era, continuing education, training and retraining are particularly important for an individual's personal development and for enhancing labour force productivity for the benefit of the economy.

**3.17** The QF, established in May 2008, enables learners at all levels and all disciplines to gain a clear idea of possible progression pathways so they can better plan for their personal development. The Continuing Education Fund (CEF), established in June 2002, subsidises adults with learning aspirations to pursue continuing education and training courses. The Employees Retraining Board was set up in 1992 to provide retraining courses to improve the quality of our labour force, particularly the less well educated.

**3.18** The continuing learning and retraining system, nonetheless, has to be further strengthened. For instance, there should be better collaboration between course providers and employers on curriculum design and on providing recognition from the relevant trades.



# Chapter 3

## Enhancing the Quality of our Home-grown Talent

Your views sought



### Diversifying our economic base

- Shall we conduct more elaborate manpower projection studies to assess the types of talent/skill required, particularly for the four industry clusters identified, to drive the economy forward?

### Post-secondary education

- How can we facilitate a closer alignment of post-secondary education with our economic needs through increased collaboration between employers and education institutions?
- What more can be done to improve and sustain the quality of our post-secondary graduates, including graduates from sub-degree programmes?

### Vocational education

- What could be done to inspire interest and instil a change in mindset in relation to vocational education among young people and their parents?
- How can the Government and employers revive the value of vocational education and increase acceptance of technical and craftsmanship type of jobs in the community?

### Continuing education

- How can we, building on the QF and CEF, further promote continuing learning?

### Links for further information

Report on Manpower Projection to 2018  
[www.lwb.gov.hk/report/mp2018\\_en.pdf](http://www.lwb.gov.hk/report/mp2018_en.pdf)

University Grants Committee  
[www.ugc.edu.hk](http://www.ugc.edu.hk)

Qualifications Framework  
[www.hkqf.gov.hk/](http://www.hkqf.gov.hk/)

Vocational Training Council  
[www.vtc.edu.hk/html/tc/](http://www.vtc.edu.hk/html/tc/)

Employees Retraining Board  
[www.erb.org/](http://www.erb.org/)

Continuing Education Fund  
[www.sfaa.gov.hk/cef/](http://www.sfaa.gov.hk/cef/)