



香港人力資源管理學會

Hong Kong Institute of Human Resource Management*operated by Hong Kong Institute of Human Resource Management Limited*

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Ms Doris Ho, JP
Head, Policy and Project Co-ordination Unit
Chief Secretary for Administration's Private Office
The Government of the Hong Kong Special Administrative Region
26/F Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

(by post and email)

Dear Ms Ho

HKIHRM Submission on Population Policy Consultation

On behalf of the Hong Kong Institute of Human Resource Management (HKIHRM), I would like to extend my gratitude to you for hosting a focus group for HKIHRM members on 7 January 2014 on population policy consultation. Judging by the participants' encouraging responses, we believe that they found it a valuable opportunity to voice out the challenges faced by HR professionals in sourcing talent and propose measures to solve the problems.

The Institute would like to send the attached submission for consideration by the Steering Committee on Population Policy, which has incorporated views and opinions expressed by participants of the focus group, as well as the Institute's Executive Council. For any further information, please contact Ms Alison Wong, Manager – Public Relations and Communications on

Yours sincerely

Francis Mok
President

Hong Kong Institute of Human Resource Management

Enc – HKIHRM submission on population policy consultation

Submission on Population Policy Consultation by Hong Kong Institute of Human Resource Management

In discussing the future direction of population policy in Hong Kong, it is imperative to examine the issues the city is facing from an employment perspective. Below gives some views on the manpower issues and suggestions on measures to address them.

Manpower issues - quality and quantity of human capital

1) *Mismatch between education policies and actual labour market needs*

- It is observed that the number of university graduates was increasing in the last decade, and more young people are receiving higher education. Added to this is a new category of tertiary institute graduates – associate degree holders, the positioning of their academic qualification has yet to be defined.
- All these young people have greater expectations on their career development, believing that they should be able to take up higher-level jobs. In fact, the belief that better career prospects could only be achieved by attaining higher academic qualifications prevails in the society, resulting in young people narrowing their career choices and having bias on manual work even though some posts are professional in nature such as engineering (eg air craft repair technicians) and construction (eg engineers at construction sites). The situation has been worsened by parents' conventional belief that their children would better not to take up manual work.
- In the local labour market where many sectors are still labour-intensive, the number of jobs for tertiary education graduates has not been increasing in proportion, thus resulting in many graduates falling into a dilemma – they have to but are unhappy about taking up lower-level jobs.
- Some vocational training institutes, which have been effective for many years in helping their students to develop jobs skills, seem to have diverted from their primary goal when they organise degree courses to compete for students with academic institutes.
- Some new joiners of the labour market, who have no idea of how to map out their career path or cannot find a suitable job, perform poorly and leave their job very frequently. This poses greater challenges to employers when their employees are still not employable. Much effort has to be put on improving their jobs skills and work attitude, thus draining corporate resources and affecting productivity.

2) *Need to better utilise existing human capital*

- Some job categories are being faded out because of new development in their sectors or technological advancement, eg secretary, receptionist and office assistant. For people whose job skills have become obsolete in the labour market, well-designed training should be provided to assist them in career transition.

- Recently, there were news reports about an increasing number of emigrants who are managers and professionals. Some HR professionals reflected there is such a trend, albeit not being serious. Brain drain will certainly be a problem for Hong Kong when it is moving towards a knowledge-based economy.
- Although the silver-haired group is one of the targets in an effort to unleash potential workforce, there are practical problems to solve. For instance, some companies find difficulties in securing medical insurance coverage for the elder employees. There is also concern about work safety. Besides, age discrimination is commonly seen in the labour market.

3) Labour import arrangements

- For sectors with actual labour import needs, ie, sectors which have to hire people with special job skills not available in Hong Kong, the work permit procedures and conditions are not user-friendly, for instance, very short-term and sometimes complicated.
- Considering the low number of workers approved to work in Hong Kong under the existing labour import schemes, there are calls to examine the approval mechanisms.

Proposed measures to address human capital issues

With an aim to addressing the above-mentioned issues, the HKIHRM proposes the following measures for consideration:

Education policies

To ensure that the quality and quantity of human capital can tie in with Hong Kong's development needs, it is advised that:

- 1) the existing education policies to be reviewed to ensure that people with different competencies will receive appropriate education and training to better utilise their talent. More importantly, the direction of vocational training should be well-defined with the primary aim that vocational education will not compete with normal education on academic study.
- 2) closer collaborations between educational institutes and employers could be made so that students can design their own career paths at an earlier stage. For instance, secondary students can learn more about different sectors' roles and importance in Hong Kong through, say, talks by respective sectors. This can form some kinds of informal learning in addition to textbook knowledge.
- 3) the importance of vocational training should be emphasised and there should be a mindset change which enables the general public to recognise the equal importance of technical jobs. An enhancement on the Qualifications Framework programme may help to highlight career development paths of different professions.

Work-related practices

To better utilise the existing human capital, more work-related measures should be encouraged to target different workforce groups, including but not limited to:

- 1) family-friendly practices for female workers such as flexible work arrangements (eg flexi-hours, work from home), re-employment training for women who have left the labour market for a period of time, child-care services, and changes in work culture (eg avoid long working hours);
- 2) measures to encourage the elder people to stay in the workforce: support for enterprises (especially SMEs) to secure medical insurance coverage easier and at lower costs for elder employees, government's lead to postpone employees' retirement age so that the private sector can follow suit; and the elimination of age discrimination in hiring.

Brain drain and labour import

It is advised that on one hand, the brain drain problem should be solved to ensure valuable talent will stay in Hong Kong for continuous contribution. On the other hand, it is necessary to consider labour import to a certain extent because of the fact that some sectors are facing severe labour shortage despite continued effort in hiring from the local labour market.

- 1) Measures should be taken to attract Hongkongers who have emigrated.
- 2) More flexibility on work permit should be allowed, eg allowing a longer validity period for short-term work permit and simplifying the renewal procedures.
- 3) The labour import approval mechanisms have to be re-examined to ensure they cater for actual needs, instead of under political influence.

While advocating the above measures on addressing human capital issues, the HKIHRM will also endeavour to promote relevant measures among the HR professionals, encouraging them to review their companies' existing workflow and make necessary changes, uncover alternate employment modes and formulate sensible people management strategies with an aim to unleashing the full potential of their companies' workforce.