



**PRESS RELEASE**

For Immediate Release

**Actual Spending on Training Rises Despite Economic Stagnation  
Upskilling and Reskilling Empower Talent Retention and Succession Planning**

[10 August 2022 – Hong Kong]

**Summary**

- 1. Companies Adjust Upwards Investment in Employee Training and Development**
- 2. Reskilling and Upskilling to Retain Employees and Build Talent Pipeline**
- 3. Digital Training from Virtual Classrooms to Metaverse Ignites Passion for Learning**
- 4. COVID-19 Impacts Employee Training**

Based on the 2021 Training and Development Needs Survey by the Hong Kong Institute of Human Resource Management (HKIHRM), 68% of the responding organisations had a budget earmarked for employee training and development. The survey revealed that the actual spending on training against employee total annual base salaries increased from 1.3% in 2020 to 1.9% in 2021. The training budget against employee total annual base salaries also adjusted upwards from 2.5% to 2.8% from 2020 to 2021.

Furthermore, the average annual training hours per employee in Hong Kong rose to 14.1 in 2021 from 12.9 in 2020. Even though the COVID-19 pandemic had induced sluggish economic recovery, training had enjoyed a revival over the past year.

Conducted from March to May 2022, the 2021 Training and Development Needs Survey covered 116 organisations across 20 business and industry sectors with 74,400 full-time employees approximately. The objective of the annual survey is to identify training and development needs in general, as well as the prevailing training and development areas during the year 2021. The key findings are as follows –



## 1. Companies Adjust Upwards Investment in Employee Training and Development

By business sector, the actual spending on T&D against employee total annual base salaries in 2021 recorded an average of 1.9%. The business services/professional services sector was the only sector which exceeded the average, by a margin of 1 percentage point at 2.9%. The construction/real estate property development sector took second place at 1.9%, with the other sectors lagging behind.

Dr. Chester Tsang, Executive Council Member of the HKIHRM and Co-chairperson of the Learning and Development Committee, commented, “As the labour market was particularly impacted by brain drain due to the exodus of expat and local talents, a remarkable chunk T&D spending went to hiring their replacements and developing them to unleash their full potential.

The great resignation phenomenon is here to stay, organisations are recommended to hike up their investment in T&D to equip their existing talent pool.”

## 2. Reskilling and Upskilling to Retain Employees and Build Talent Pipeline

Of the 102 organisations which provided data in 2021, almost 50% (47%) of them stated that it was very important to reskill and upskill employees. Furthermore, 44% acknowledged that it was quite important to do so. The top 3 benefits of reskilling and upskilling employees were:

1	Prepare for organisation growth (82%)
2	Promote talent retention (65%)
3	Reduce skills gap (55%)

Dr. Barry Ip, Vice President of the HKIHRM and Co-chairperson of the Learning and Development Committee, commented, “The significance of reskilling and upskilling employees had been acknowledged by the vast majority of organisations. As the local talent pool shrinks from factors such as emigration and an aging population, reskilling and upskilling to enable talent retention and succession planning are at the forefront of employers’ mind.”

## 3. Digital Training from Virtual Classrooms to Metaverse Ignites Passion for Learning

The trend of organisations adopting digital learning technology continued to be particularly notable, with 94% of the 109 companies who provided data in 2021 partaking this trend. The figure far exceeded the mean of the past decade (65%), pointing towards the fact that digital training is the future.



The top 3 types of digital learning platforms were:

1	Webinars/virtual classrooms (74%)
2	Training videos (59%)
3	Digital learning portal/e-library (48%)

However, the use of digital tools to deliver training did come with its fair share of challenges. The top 3 challenges were:

1	Less interaction between trainer and staff (57%)
2	Distractions (53%)
3	Lack of networking interaction for participants (48%)

It is also worth keeping in mind that 45% of the companies which responded upped their spending on digital learning in 2021 compared with 2020, indicating the mass appeal of digital learning.

Dr. Tsang said, “As work from home had become a permanent policy for organisations across sectors, with a few of them even allowing employees to work from home for life, digital learning’s popularity was unwavering. Webinars/virtual classrooms were the dominant mode of digital learning, which is highly effective as it facilitates interaction between trainer and staff. Furthermore, new trends in digital training from metaverse to boarding games will unlock new T&D strategies to heighten employees’ interest in learning.”

#### 4. COVID-19 Impacts Employee Training

Of the 109 organisations which provided data in 2021, 81% acknowledged that the delivery of employee training was at least somewhat disrupted by the pandemic. Among all the responding companies, 64% introduced new learning contents in response to the COVID-19 outbreak.

The top 3 new learning contents introduced in response to the COVID-19 outbreak were:

1	Health and safety during COVID-19 (64%)
2	Supporting employees’ mental health (55%)
3	Organising virtual class training (42%)

Dr. Ip said, “Although the pandemic had caused considerable disruption to employee training, it had also led to the creation of new learning contents, equipping staff with useful tools to navigate COVID-19 and emerge better afterwards.”



## Conclusions

“The top 3 training areas for senior management were all in the strategic management category, reflecting that change and innovation topped organisations’ T&D agenda. As the work environment was in a state of flux from factors such as the pandemic and the great resignation,

how to develop company strategies in nimble response was a question the C-suite needed to answer well,” said Dr. Ip.

The top business drivers of employee T&D in 2022 are enhancing leadership and people management competencies and building leadership bench strength and pipeline through talent management. “This reveals that in confronting a labour market that is getting tighter, employers are taking more initiative than ever before to empower current leaders and nurture future leaders within their organisations. This could ensure succession planning, thereby developing companies that can evolve from one generation to the next,” said Dr. Tsang.

Please click [here](#) for the photo of Dr. Chester Tsang, Executive Council Member of the HKIHRM and Co-chairperson of the Learning and Development Committee, and Dr. Barry Ip, Vice President of the HKIHRM and Co-chairperson of the Learning and Development Committee.

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## About HKIHRM

As the most representative HR professional body in Hong Kong, the Hong Kong Institute of Human Resource Management (HKIHRM) has a membership close to 5,200, of whom over 530 are corporate members. Founded in 1977, the HKIHRM aims at enhancing HR professional standards, and increasing the HR profession’s influence. Serving HR practitioners and SMEs, the Institute organises a wide range of professional programmes, including annual conference, seminars, awards programme, and multi-level training. It also provides various membership services, surveys, and an online journal. The HKIHRM is a member of the Asia Pacific Federation of Human Resource Management. <http://www.hkihrm.org>

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