

PRESS RELEASE

For immediate release

HKIHRM Urges HKSAR Government to Invest in Talent Development Blueprint

[6 February 2023 – Hong Kong] The Hong Kong Institute of Human Resource Management (HKIHRM) welcomed the initiatives of the Chief Executive proposed in the 2022 Policy Address, and we are calling on the Government to develop a talent blueprint that adequately meets the manpower needs of multinational companies (MNCs) and small and medium enterprises (SMEs) at high, medium, and entry-level. The HKIHRM proposes that investments be made in strengthening Hong Kong’s attractiveness as a career development hub for overseas talents, optimising the existing pool of workforce, and enhancing young graduates’ employability.

Hong Kong as a Career Development Hub

The 2022 Policy Address’s new measures on competing for talents will undoubtedly attract skilled professionals to top positions in major corporations, but the talent needs of SMEs should also be attended to. Both MNCs and SMEs would like to hire overseas candidates to fill up vacancies, whereas it is often difficult for SMEs to offer highly competitive packages, especially considering the high housing costs in Hong Kong.

“Owing to resource limitations, SMEs, a sector that constitutes 98% of the city’s business establishments, have little access to overseas talents; government-led tax incentives and housing subsidies could remedy the situation,” observed Lawrence Hung, President of the HKIHRM, “On the one hand, the Government needs to recognise that the current talent attraction schemes may not address the most pressing issues of those companies. On the other hand, it should encourage and incentivise SMEs to look outside of Hong Kong, if and when local candidates cannot fill the labour shortage.”

The HKIHRM welcomes the "Hello Hong Kong" global scale publicity campaign that reaches out to tell the good stories of Hong Kong to the world. The Institute is looking forward to Government’s initiatives in inviting political, business, and social influencers to come for the promising opportunities and Hong Kong’s connectivity with the Mainland. This campaign could also attract overseas talent to explore Hong Kong as the hub for the next stage of their career development.

Optimising Existing Talent Pool

Further to the HKIHRM’s policy address submission, Hong Kong is behind many of the developed economies in terms of optimizing its manpower resources. The Institute recommends the following initiatives to stimulate workforce participation and help expand career options for the population:

- (1) **Narrowing gender pay gap:** As the largest employer in Hong Kong, the Government can mandate a “gender pay gap” disclosure requirement in the tendering documents as part of the selection criteria for publicly funded projects. Even the requirement ratio may not be the same in every sector, the tenderer will find a way to improve this ration if this is one of the selection criteria for government projects. In a long run, we believe the whole economy will benefit with more female re-joining the market workforce.
- (2) **Loosening Continuous Education Fund (CEF) policies:** Since inception of CEF in 2002, the WFSFAA has only approved 721,209 claims over the past 20 years. To ensure effective implementation of the scheme and countenance self-advancement of citizens, the Government should mindfully review the policy hindrances. In particular, the HKIHRM proposes to allow parents and grand-parents to transfer their CEF entitlements to their children and grand-children, while propelling service providers in generating courses that match the learning needs of the population.
- (3) **Re-employing retirees:** With 29% of the Hong Kong population being 60 years old or above, the HKIHRM urges the Government to unleash the potential of retirees and address the high insurance cost associated by the re-hiring of retirees, thus harnessing a higher level of labor participation and optimisation of Hong Kong’s existing workforce.

Young Talent Development

Attracting and retaining talents is one of the major challenges for employers. The HKIHRM has interviewed several members who concurred to start the “scouting” process as early as the junior undergraduate year, and internships are regarded as one of the best ways to avoid expectation mismatch.

Hence, the HKIHRM is recommending the Government to consider leveraging its influence via the University Grant Committee to enact mandatory internships for at least one full semester. Some industry specific programmes such as medicine, hotel and accounting that are governed by their respective professional bodies already have similar requirements. We are of the view that the same arrangement can be applied to non-industry specific studies as their prospective careers are too broad. Having solid work experiences will help students navigate their career paths. Since this change will inevitably lead to a surge in demand for internship places, the Government can consider diverting the funding from the Job Creation Scheme, which is now targeting at industries affected by COVID-19, to subsidise SMEs in offering internship opportunities.

With COVID-19 restrictions steadily easing, economic activities will gradually resume, and the shortage of manpower will be more prevalent. The Government must ramp up its efforts in increasing Hong Kong’s appeal to talents, optimising our existing talent pool, and grooming our young people.

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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>