



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

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PRESS RELEASE

For immediate release

Training Budget Remains Stable Learning Technology Sees New Growth Momentum

[1 August 2017 - Hong Kong] Hong Kong companies have continued to invest in employee training and development to respond to changing market demand and as a strategy to attract talent and retain staff.

The Hong Kong Institute of Human Resource Management (HKIHRM) released today findings of the **2016 Training and Development Needs Survey** to reveal changes in the annual employee training and development budget earmarked by Hong Kong employers. The survey found that Hong Kong employers allocated **an average of 3.4% of employees' annual salaries in 2016 as the training and development budget**, the same as in 2015. The 2016 survey was conducted in March and April 2017, polling **103 companies from 18 industry and business sectors covering over 53,000 full-time employees** (*chart 1*). Key findings of the survey are as follows:

Training Budget and Training Hours Remain Stable

71% of the 103 responding companies indicated that a training and development budget had been allocated to training and development in 2016. The amount of the training and development budget was equivalent to an average of 3.4% of employees' annual base salaries in 2016 (*chart 3*). It was the second highest figure in the past decade. Of all business sectors covered in the survey, construction/real estate property development (8.1%), banking/financial services/insurance (5.2%), business services/professional services (4.4%), transport/transport services/logistics (4.4%), retail (3.8%) recorded a training budget percentage higher than the average figure. (*chart 5*)

Training Hours

71 companies provided data on training hours. While the average number of training hours per employee per annum **in 2016 was 18.3 hours** (*chart 7*), slightly down 0.2 hour from 2015, but it remained at a stable level over the past several years.

In terms of business sectors, employees in public utilities/statutory bodies (41.0 hours per

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annum), telecommunication (24.0 hours per annum), banking/financial services/insurance (21.7 hours per annum), and transport/transport services/logistics (19.5 hours per annum) were provided with more training hours than the average figure. (*chart 8*)

Budget Allocation

According to the survey findings, a slightly larger proportion of the training budget was allocated to non-management grade employees (54%) than to those at management level (46%) in 2016 (*chart 9*). A larger proportion of training budget was allocated to non-management staff in most sectors covered in the survey except in manufacturing sector (48%). (*chart 10*)

Key Training Areas - by staff level

For employees at senior management level, training was focused on improving ethics/ conduct/ corporate governance/compliance, and strategic thinking. (*chart 11*)

For employees at middle management/professional level, training was focused on building effective teams, and people management. (*chart 12*)

For employees at supervisory/general/frontline level, training was focused on enhancing knowledge of products and services and customer service. (*chart 13*)

Talent Development Programmes

57% of the 103 responding companies reported that they had talent development programmes in the top three areas of “local/overseas training & development programmes”, “development plans of high potential staff”, “local job rotation/project assignment”.

All responding companies in the public utilities/ statutory bodies, and transport/transport services/logistics sectors had talent development programmes in place. Larger companies (with 1,000 employees or more) were reported to have a higher percentage of talent development programmes in place. (*chart 14*)

Leveraging Internal Training Resources

Training practices that leveraged internal resources were most commonly adopted by companies in 2016 such as on-the-job training (97%), followed by in-house training and development programmes (86%), coaching/ mentoring by internal practitioners (68%), and internal knowledge sharing events (64%). This trend will continue into 2017, as evidenced by the survey findings. Meanwhile, learning technology will see rapid growth of 13 percentage points in 2017, from 48% in 2016, the highest growth rate among the other training practices

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(chart 15). The results also indicate that providing learning technology training programmes by companies has been on a steady upward trend in recent years, with 60% of the responding companies reporting to have learning technology programmes in place. (chart 16)

By business sector, learning technology programmes were more prevalent among companies in sectors including public utilities/statutory bodies (100%), transport services/logistics (83%), banking/financial services/insurance (80%), property management (75%) and telecommunication (75%) in 2016. On the other hand, retail (41%) and construction/real estate property development (17%) were relatively less likely to have such programmes available. (chart 17)

Regarding the types of learning technology training platforms, online training videos was the most commonly used learning technology tool with 65% of respondents using it, followed by webinars/ virtual classrooms training (31%).

Key Business Objectives in Formulating Training Plans in 2017

Enhancing leadership and people management competencies (60%), reinforcing corporate culture to achieve strategic business goals (44%), and building leadership bench strength and pipeline through talent management (43%) were the top three business objectives that would drive the responding companies to formulate their training plans in 2017. (chart 18)

Conclusions

Mr Barry Ip, Co-Chairperson of the HKIHRM's Learning and Development Committee says: "The survey results show that the average budget (3.4%) and number of training hours (18.3 hours) Hong Kong companies invested in employee training and development in 2016 was on par with the levels over the last few years, even though Hong Kong experienced economic uncertainty last year. This indicates that employers recognise the importance of investing in human capital to strengthen productivity and competitiveness, and also as a strategy to attract talent and retain staff.

In terms of the proportions of training budget allocated to different staff levels, the training budget for non-management employees was 8% higher than that for management staff (46%) in 2016. It registered an increase of 5 percentage points compared with the 49% in 2015. This may possibly reflect that, with millennial workers becoming the main stream of Hong Kong's workforce with high tendency to change jobs more frequently, employers need to invest in training to engage and retain them. The phenomenon was also in line with the market situation and business climate in Hong Kong, especially in the retail sector where business competition is fierce. Employers see the need to further enhance the soft skills and customer

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service skills of frontline staff to deliver quality service to stay ahead of competition.”

Mr Chester Tsang, Co-Chairperson of the HKIHRM’s Learning and Development Committee says: “While training practices that leverage internal resources for employee training will continue to be adopted by most companies in Hong Kong, we see significant growth in learning technology, for example online learning, implemented by companies in 2017 at 61%, a rise of 13 percentage points compared with 48% in 2016. Of all the companies surveyed, 60% had technology-enabled learning programmes in place in 2016. It is believed that an increasing number of companies across business and industry sectors will continue to invest resources in learning technology for course delivery and training purposes.

With learning technology becoming an ongoing trend in staff training, companies will leverage online learning tools and programmes to drive gamification. Employers also see multiple advantages of using learning technology such as increasing engagement of younger employees as their learning styles are different from those from previous generations, allowing employees to learn at their own pace at any time without geographical boundaries, especially where employees are stationed in different regions, and facilitating training professionals to collect metrics and big data from training to present return-in-investment analytic information to management among others. These are some of the important factors driving rapid growth of learning technology used by companies in training in near future.”

Please click the below link for viewing or downloading photos and relevant information

<https://goo.gl/zDvYe1>

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About HKIHRM

As a leading human resource professional body in Hong Kong, the Hong Kong Institute of Human Resource Management (HKIHRM), a non-profit making organisation, boasts more than 5,300 members, about 600 of whom are corporate members. Founded in February 1977, the Institute aims at developing, maintaining and enhancing professional standards in HR management, and increasing the perceived value and influence of the HR profession. The Institute organises a wide range of professional purpose-built activities such as multi-level training programmes, conferences and an award programme, and provides services such as conducting surveys and publishing a professional journal. The Institute is commissioned by the Government of the HKSAR as the professional writer to develop and produce the Specification of Competency Standards (SCS) for the Human Resource Management sector under Hong Kong Qualifications Framework. The HKIHRM is a member of the

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