



HR e-Journal

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Key Takeaways

- Education and the simplification of Hong Kong Government-led talent admission schemes is key to the HR function making more use of the initiative.
- To help fill Hong Kong's talent gap, more focus could be placed on encouraging overseas students that graduate from Hong Kong's universities to seek employment in the city.
- In addition to providing "big picture" HR perspectives, HKIHRM Annual Conference and Exhibition took a deep-dive into solving some of Hong Kong's current and future talent opportunities and challenges.
- While opportunities to use AI technologies in the HR environment continue to proliferate, it is important that HR practitioners ensure follow ethical and responsible best practices.
- In their role future-proofing the talent needs of their organisations, the HR function could be at the forefront of recruiting qualified and capable talent from Hong Kong's pool of ethnic minorities.

HKIHRM Survey Shines a Spotlight on Hong Kong's Prevailing Talent Issues

----- ANDY LUK

While Hong Kong is not alone in facing post-pandemic talent shortages, staffing issues have been exacerbated due to talent outflow and employees' expectations of higher salaries and a desire for a better work-life balance.

With nearly three in four Hong Kong companies reporting they are struggling with a shortage of talent, the Hong Kong Government has responded with the introduction of a series of talent admission schemes designed to attract talent for different industries and professional fields to Hong Kong. To gain insights into employer's awareness about the various talent admission schemes and the talent challenges they are facing, the Hong Kong Institute of Human Resource Management (HKIHRM) surveyed 164 companies operating across different industry sectors. "We want to help our members by assessing the level of understanding of the various talent admission schemes," explains Andy Luk, HKIHRM Vice-President.

According to the survey findings, Hong Kong companies have implemented diverse measures to address talent shortages. Offering better pay packages is the first choice for 67% of the respondent companies seeking to attract and retain talent, followed by strengthening staff engagement 52%, and accepting less qualified or experienced recruits 48%. The survey also revealed that companies are facing a challenge with staff turnover with 57% of respondents reporting that staff turnover is higher than 2022, 28% reporting that staff turnover has remained similar to 2022 and 15% reporting that staff turnover is lower than 2022. When it came to filling vacancies with the right talents in the previous six months, 32% of respondents reported it had been extremely difficult, 53% quite difficult and 15% not too difficult.

On the topic of utilising the various talent admission schemes, only 37% of the responding companies indicated that they had already done so. The top three talent admission schemes favoured by respondents include Immigration Arrangements for Non-local Graduates (IANG) 79%, Admission Scheme for Mainland Talents and Professionals (ASMTP) 44% and the Quality Migrant Admission Scheme (QMAS) 26%. In reply to the question of how effective have these talent admission schemes been in alleviating the labour shortage problem that your organisation or industry is currently facing, 2% reported "very effective", 20% "quite effective" and 36% "not so effective". Twenty-two per cent reported "not at all effective". Reasons for not leveraging the schemes to hire talent(s) from the mainland and overseas included, more straightforward to recruit locally 48%, processing time too long 23%, too much paperwork 18%, application process too complicated 18% and recruitment processes too stringent 15%.

Asked how likely it would be for their organisation to leverage the various talent admission schemes to hire talent(s) from the Mainland and overseas to work in Hong Kong, 14% of respondents stated very likely, 30% quite likely and 28% not so likely. Meanwhile 11% of respondents stated they were very unlikely to leverage the various talent admission schemes to hire talent(s) from the Mainland and overseas to work in Hong Kong.



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“In a competitive labour market, companies that don’t leverage their flexible work arrangements are doing themselves a disadvantage, with Millennial and Gen Z job candidates in particular expecting to work from home, the remote and flexible work arrangements an employer offers can often be the deal breaker.”

- Andy Luk, Vice President of the HKIHRM and Co-chairperson of 2023 Annual Conference Organising Committee

Commenting on the survey findings, Luk said the survey highlighted several important factors for consideration. “It is regrettable there is not better understanding amongst HR practitioners about the way they can make use of the different talent admission schemes,” Luk says. However, he qualified his observation by pointing out that some HR practitioners find the processes to navigate the different talent admission scheme application requirements can be complex and time consuming. “Many HR practitioners are simply too busy to spend the time necessary to familiarise themselves with the different schemes,” Luk adds. Communication and education could help to simplify the processes. For example, it could help HR practitioners if the various talent schemes were made accessible through one portal. Luk also suggests that collaboration to bring government bodies, job boards and recruiters together could help organisations to make use of the talent admission schemes instead of focusing on talent availability in the local market.

Against a backdrop of a talent-squeezed market, to help to address Hong Kong’s talent shortages, Luk suggests that a more concerted effort could be made to encourage overseas students that graduate from Hong Kong’s universities to remain in the city. “Our universities are highly ranked globally and attract top students, but in many cases graduates use Hong Kong as a springboard to apply for jobs in other places,” Luk noted. While graduates can apply for a two-year work visa upon graduation, the high cost of accommodation remains an obstacle for many graduates who may wish to remain in Hong Kong.

Annual conference explored new realities

Centred on the theme "Blueprint for Success: The Rise of Talent in Hong Kong", in addition to providing topical insights pertinent to the HR profession, distinguished speakers and subject matter expert panel members at the HKIHRM Annual Conference and Exhibition discussed various ways that could help to solve some of Hong Kong’s talent management challenges. Highlighting how

the conference spanned every aspect of the HR function, from thought-provoking sessions and engaging networking opportunities to insights from industry experts, conference participants were provided with useful insights and takeaways they could implement or adapt to their own circumstances, noted Luk, Co-chairperson of the HKIHRM 2023 Annual Conference and Exhibition Organising Committee. For example, across the post-pandemic HR landscape, HR practitioners were provided with suggestions on ways to maintain a robust employee value proposition (EVP) and ensure it delivers its objectives.

Referring to the presentation made by Dr Allan H. Church, Co-Founder and Managing Partner Maestro Consulting, LLC, who is widely recognised as a thought leader in the field of talent management, without referring to Hong Kong specifically, informed attendees that research shows many organisations are missing an employee engagement opportunity by the flexible work arrangements they offer. “In a competitive labour market, companies that don’t leverage their flexible work arrangements are doing themselves a disadvantage,” Luk notes. With Millennial and Gen Z job candidates in particular expecting to work from home, the remote and flexible work arrangements an employer offers can often be the deal breaker.

Conference attendees also learned from Dr Church’s research that empathetic leadership styles which took shape during the COVID-19 pandemic are consistently demonstrated shifting back to pre-pandemic leadership as ways of working. “As HR practitioners we need to remind ourselves that authentic, empathetic leadership are the pillars that support a healthy work culture” Luk commented.

While opportunities to use AI in HR presents exciting opportunities, conference attendees were given insights about the various

challenges overreliance on AI can pose. Luk says it is important for HR practitioners to be aware that AI tools have limitations. For instance, AI models learn through training data algorithms, which can lead to assessment and hiring bias, especially when the training data way we set it up contain bias, for instance, towards race, gender or age, may have unconscious bias. The message, Luk notes, is for HR practitioners to ensure that they leverage AI technologies smartly and responsibly.

With Diversity, Equity and Inclusion (DE&I) increasingly seen as essential elements in organisational tool kits, Sudesh Thevasenabathy, VP, Head of Diversity, Equity and Inclusion Asia Manulife International Limited delivered presentation outlining the policies, and practices that ensure different groups or individuals of different backgrounds are culturally and socially accepted and integrated into the workplace. Describing the presentation as “thought provoking”, Luk suggests organisations are missing an opportunity to recruit qualified and capable talent from Hong Kong’s pool of ethnic minorities. He added that HR practitioners could place themselves at the forefront of workplace diversity efforts, acting as agents of change for the betterment of the organisation and the community. Citing Thevasenabathy, Luk says, diversity is not a topic that is exclusive to a designated person or corporate function, “everyone owns diversity.”

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