PRESS RELEASE

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HKIHRM Calls on the Government to Formulate Holistic Population Policy to Tackle Labour Shortage

The Hong Kong Institute of Human Resource Management (HKIHRM) has recently submitted recommendations to the Chief Executive pertaining to the upcoming policy address to tackle Hong Kong's acute manpower crunch, by developing a holistic population policy and a comprehensive blueprint to attract talent.

Tackling Acute Labour Shortage

Hong Kong has launched the Labour Importation Schemes to target manpower deficits, primarily in the construction and transport sectors. The HKIHRM believes that the policy should be extended to the service industries such as retail, healthcare, and hospitality. The Government should also establish an industry-led mechanism to respond timely to employer needs.

Mr Lawrence Hung, President of HKIHRM, said "We believe regional cooperation within the 'One-Hour Living Circle' in the Greater Bay Area (GBA) can make a significant difference. The Government can consider simplifying the process for workers to commute daily between Hong Kong and the mainland, such as streamlining immigration clearance with automated channels, as well as extending operation hours at border check points. More public healthcare support is also needed for Hong Kong residents working in the GBA". Mr Hung highlighted Macau has set a positive example for Hong Kong, where demonstrating how the approval of additional non-resident workers eased labour shortages and boosted hotels and other related industries back to operation at full capacity. It is believed that a similar approach could potentially benefit Hong Kong's labour market.

Developing a Talent Blueprint

According to a survey¹ conducted in May 2023 among members of the Institute, 85% of companies faced significant challenges in filling vacancies with suitable talent in the past six months. Furthermore, nearly 60% were dissatisfied with the effectiveness of talent admission schemes. To avoid lengthy processing times and complex procedures of the talent admission schemes, 48% of companies found it easier to recruit locally.

"With reference to the policies in other regions, Hong Kong could consider extending the visa validity under the talent schemes, or even giving preferential treatment to talent working in certain sectors. The Government could also provide talent apartments, following examples in mainland China, to attract talent. Most importantly, the Government should release data on the outcomes of various talent schemes for evaluation in due course." Mr Hung remarked.

¹ HKIHRM Quick Poll on Talent Shortage & Talent Admission Schemes (May 2023). https://www.hkihrm.org/imgs/content/20230609015547_48_file_tc.pdf

The "Future Workforce Study" conducted recently by HKIHRM gathered over 900 responses, with aims of identifying the gaps in employers' expectation regarding the reskilling and upskilling of employees and examining the significance of lifelong learning in the era of technology. This research findings can assist the Government in understanding the trends of the future workforce and developing a comprehensive talent blueprint to address manpower shortage in the long run.

Equipping Our Youth and Upskilling the Workforce

While labour import can provide immediate answers to Hong Kong's manpower shortage, a sustainable solution requires tapping into the city's untapped talent pool. In this regard, the HKIHRM suggests a range of measures that can be implemented in the near future.

Internships are of great importance to both young graduates and employers. The HKIHRM proposes a mandatory 6 to 12 months internship as a completion requirement for the undergraduate degrees funded by University Grants Committee. Additionally, there is potential to expand the internship opportunity to the GBA. The Government can also consider offering subsidies for small and medium enterprises and connecting them with students, while providing financial support for students from under-privileged backgrounds.

In terms of lifelong learning, the Institute recommends the Government to improve the Continuing Education Fund (CEF) scheme by broadening the network of the service providers, enriching the choice of courses, and streamlining the application procedures. The Government may also consider prioritising accreditation and allocating more generous subsidies to courses that align with skills required in the "Eight Centres" outlined in the 14th Five-Year Plan, as well as the 51 professions listed on the Talent List.

Furthermore, Hong Kong can unleash the unrealised potential of ethnic minorities by strengthening support to the community. Promoting cultural diversity and inclusion in the workplace will also contribute to making the city a more appealing destination for global talent.

Vision Needed for a Shifting Population

In the long run, Hong Kong is facing a significant demographic shift, due to the factors such as a record-low fertility rate, the recent wave of outbound immigration, and a shrinking and aging workforce. The situation may be compounded if companies turn to other cities for talent or even relocate their regional headquarters elsewhere.

Looking ahead, HKIHRM urges the Government to develop a holistic population strategy with centrally orchestrated policies to ensure sustainable growth. This process can begin with a white paper incorporating views from diverse stakeholders. "We recommend a multi-pronged approach for policies covering family planning, immigration, work-life balance, and childbirth incentives. Pronatalist measures and more affordable housing will lower barriers for childrearing and encourage relocation by non-local talent," Mr Hung explained.

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Media Enquiry

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About Hong Kong Institute of Human Resource Management

As the most representative HR professional body in Hong Kong, the Hong Kong Institute of Human Resource Management (HKIHRM) has a membership close to 5,000, of whom around 520 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.

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