



PRESS RELEASE

For Immediate Release

**HKIHRM Urges HKSAR Government to Fill Talent Gaps
amid Exodus of Human Capital**

[11 October 2022 – Hong Kong] The Hong Kong Institute of Human Resource Management (HKIHRM) urges the Government to address overarching human capital and youth development issues in the forthcoming Policy Address. In a recent submission to the Chief Executive, HKIHRM put forward an array of measures aimed to enlarge Hong Kong’s manpower pool and narrow the talent gaps by way of fostering an environment more conducive to the employment of the youth, females and young-olds.

Filling Talent Gaps

For global talents, despite the recent relaxation of inbound travel restrictions, Hong Kong remains a less preferred workplace vis-à-vis other commercial hubs such as Singapore. HKIHRM believes cessation of all border control and quarantine measures on in-bound travels is essential for Hong Kong’s economic recovery and restoring its attractiveness to expatriates as well as those who have recently relocated elsewhere.

“We are burning the candle on both ends. International talents have chosen to stay away from Hong Kong and the talent gaps are further widening due to emigration. The loss of human capital has made it difficult for local organisations across different sectors to maintain optimal manpower resources, not to mention building a talent pipeline for future development,” observed HKIHRM President Lawrence Hung.

“On the one hand, the Government needs to do more to motivate women to partake in gainful employment. On the other hand, it should set an example to the private sector by taking the lead in re-employing more young-olds in suitable capacities to draw on their experience, expertise and wisdom,” suggested Mr Hung.

Last year, Hong Kong’s labour force participation rates between men and women were around 65% and 48%, respectively. HKIHRM considers it appropriate for the Government to have a policy objective for boosting the female labour force participation to a level, at least on par with other economies such as Singapore (64%), Japan (77%) and South Korea (64%). HKIHRM also urges the Government to look into the gender pay gap issue as it is a deterrent to female employment. Hong Kong may take reference from the UK, where employers with a headcount of 250 or more are compulsory to report relevant gender pay gap information of their organisations.

As regards re-employment of retired persons, one of the major concerns of employers in the private sector is the cost implications for taking out staff insurance. The HKIHRM will be in contact with the Labour Department and the Insurance Authority to see what can be done to allay employers’ concerns.



Youth Development Blueprint: the “Future-of-Work” Index

On promoting youth development, a survey by the Hang Seng University of Hong Kong found that over 70% of high school students thought they might end up in a job that was not yet in existence. For this reason, HKIHRM is planning to compile a “Future-of-Work” index on a yearly basis, with a view to furnishing up-to-date market information in support of employment of young people.

The Institute has high hopes that the index will be useful to various stakeholders. “First and foremost, the index can give students a clearer picture of the evolving trends of the job market, helping them make informed choices in their academic studies. As for employers, the index can be used as a reference for manpower planning and formulation of staff development, academic engagement and training programmes. We also envisage that with the index, vocational and higher education institutions can better understand new developments in the employment market and their regular programme review,” explained Mr Hung.

Rise of Young “Slashers” Calls for Review of “418 Rule”

As the “gig economy” continues to expand swiftly in Hong Kong, the number of young self-employed persons, especially the so-called “slashers”, is expected to rise correspondingly. Given this new development, HKIHRM appeals to the Government for a review of the existing labour legislation with a view to ensuring it can meet the needs of today’s and tomorrow’s new employment modes. “We believe modernising the Employment Ordinance’s “418 Rule” is crucial for improving employment protection for self-employed persons including slashers,” remarked Mr Hung.

“Moreover, the Government may consider using the public purse to support the MPF contributions of self-employed persons, whose monthly income is less than \$7,100. One possibility is to top up their MPF contributions by 5% of their relevant income in a manner akin to employers paying for employees,” suggested Mr Hung.

Training in New MPF Requirements

In view of the ongoing major reform to the regime governing MPF Schemes, HKIHRM will offer training to have HR practitioners geared up for new requirements relating to the abolition of the offsetting arrangement and execution of the proposed Designated Savings Accounts (DSA) along with the Government’s 25-year subsidy scheme.

He concluded by emphasising that Hong Kong faces many acute human capital issues. The Government must act fast to halt manpower outflow and bolster support for the business community in nurturing and competing for the talents of whom Hong Kong is in dire need to drive economic growth and social development.

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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. www.hkihrm.org/