



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

*Operated by Hong Kong Institute of Human Resource Management Limited*

*Units 1810-15, 18/F, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong*

*T: (852) 2881 5113 F: (852) 2881 6062 E: info@hkihrm.org W: www.hkihrm.org*

30 December 2020

The Hon Paul Chan Mo Po, GBM, GBS, MH, JP  
Financial Secretary  
Government Secretariat  
25/F, Central Government Offices  
2 Tim Mei Avenue, Tamar  
Hong Kong

Dear Financial Secretary,

### **Consultation on 2021-22 Budget**

The Hong Kong Institute of Human Resource Management (“HKIHRM”; “Institute”) would like to thank you for giving us the opportunity to share our opinions on the 2021-22 Budget Consultation.

The views the HKIHRM presented at the consultative meeting on 23 December 2020 are consolidated below for consideration by the Financial Secretary and relevant policy secretaries.

#### **1 Create employment**

- 1.1. Besides stemming the sharp rise of unemployment, it is important to generate employment for the speedy recovery of Hong Kong’s economy. Therefore, the HKIHRM welcomes the launch of the Job Creation Scheme under the second round of the Anti-epidemic Fund.
- 1.2. Providing 30,000 time-limited job opportunities for people with different skill sets and academic qualifications, the Job Creation Scheme will enable them to reintegrate into the labour market and contribute to it.



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

*Operated by Hong Kong Institute of Human Resource Management Limited*

*Units 1810-15, 18/F, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong*

*T: (852) 2881 5113 F: (852) 2881 6062 E: info@hkihrm.org W: www.hkihrm.org*

- 1.3. The tourism industry has been dealt a heavy blow by COVID-19, with the laid off workforce in dire need of help. While we appreciate the Government's forthcoming launch of relief measures worth almost \$600 million tailored for the industry, the measures should cast a wider net by benefitting the hotel and airline sectors as well.
- 1.4. This November saw tourist arrivals to Hong Kong plunging by 99.8% year on year. As the airline industry is unlikely to rebound soon due to the persistent COVID-19 situation, the Institute recommends allocating a budget for retraining unemployed workforce, to facilitate their transition to employment in other less impacted sectors.
- 1.5. Low-income families are particularly affected by their breadwinners' unemployment. We advise the Government to create more jobs tailored for the many underprivileged who have lost their employment from COVID-19. Tax relief measures can also be provided to those who are between jobs, for them to survive these wintry times.

## **2. Mitigate youth unemployment**

- 2.1. Between August and October, the unemployment rate for workforce aged 20 to 24 reached 19.7%, starkly contrasting with the average unemployment rate of 6.4%. This indicates the need to place particular emphasis on alleviating youth unemployment.
- 2.2. Thus the Institute welcomes the upcoming launch of the Greater Bay Area Youth Employment Scheme, which will offer 2,000 openings and encourage companies to recruit university graduates from Hong Kong to work in GBA's mainland cities.
- 2.3. It is uplifting that the Home Affairs Bureau will launch a funding scheme worth \$100 million to subsidise over 10 NGOs, for the implementation of youth entrepreneurship projects. Involving nearly 200 youth startups, the scheme will benefit 4,000 youths.
- 2.4. For Hong Kong's development to be sustainable, it is imperative to go green. We trust that the 4,000 openings for youths, generated by the environmental



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

*Operated by Hong Kong Institute of Human Resource Management Limited*

*Units 1810-15, 18/F, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong*

*T: (852) 2881 5113 F: (852) 2881 6062 E: info@hkihrm.org W: www.hkihrm.org*

projects to be launched over the next few years, will enhance Hong Kong's competitiveness in the global race for going green.

### **3. Overcome workplace challenges in the new normal**

- 3.1. According to findings in the 2020 HKIHRM topical study "Survey on HR Challenges in the New Normal", 54% of the responding organisations reported that productivity had deteriorated due to work from home arrangements. Furthermore, 66% of the responding companies said that ensuring suitable tools and technology are available can mitigate challenges arising from work from home arrangements.
- 3.2. As working from home will remain popular post-COVID, the Government is advised to subsidise employers in obtaining the technology necessary for boosting remote work productivity.
- 3.3. 40% of the responding organisations stated that their staff morale had worsened compared with pre-COVID-19 times. This calls for the Government to allocate subsidies to employers for implementing mental wellbeing programmes, to freshen up staff morale for a positive and productive workplace.

### **4. Promote talent retention**

- 4.1. According to the Institute's 2020 Pay Trend Survey findings, the average salary increment for Hong Kong employees was 1.4%, the lowest in a decade. Furthermore, 63% of the responding companies said that they had yet to conduct the pay adjustment projection for 2021.
- 4.2. This restrained approach towards salary adjustment suggests that companies across the sectors are tightening their grip on budgets. We recommend the Government to launch a relief measure similar to the two rounds of the Employment Support Scheme, to provide timely monetary support to organisations for talent retention.

We hope the above views and suggestions will be useful for formulating the



香港人力資源管理學會  
Hong Kong Institute of Human Resource Management  
*Operated by Hong Kong Institute of Human Resource Management Limited*  
Units 1810-15, 18/F, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong  
T: (852) 2881 5113 F: (852) 2881 6062 E: [info@hkihrm.org](mailto:info@hkihrm.org) W: [www.hkihrm.org](http://www.hkihrm.org)

2021/2022 Budget.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Margaret Cheng', written in a cursive style. The signature is positioned above the printed name and title.

Margaret Cheng  
President