



## HOUSE NEWS



**HKIHRM Future Workforce Study 2024**  
**Adapting to Change:**  
**Trends and Challenges in Hong Kong's Employment Landscape**



**Bill Lee**  
Managing Director, Hong Kong,  
Jobsdb by SEEK

**Lawrence Hung**  
President  
Hong Kong Institute of Human Resource Management

## Key Takeaways

- While it is still challenging for employers to fill their vacancies, the challenge has somewhat lessened in 2024. However, such improvement is not equally felt by businesses of various sizes and sectors.
- Digital transformation involving the increased use of artificial intelligence and automation is impacting employers' projected need for manpower. In general, it is expected that demand for job roles in IT/Tech, Sales and Technical Support to increase, while roles involving repetitive tasks may be more susceptible to replacement.
- There is still hesitation by Hong Kong employers to participate in overseas talent admission scheme. Major reasons include more convenience to hire locally, costs concerns and overseas talent not suitable for the available positions.

# HKIHRM Future Workforce Study 2024 Adapting to Change: Trends and Challenges in Hong Kong's Employment Landscape

-- LAWRENCE HUNG, PRESIDENT OF HKIHRM  
-- BILL LEE, MANAGING DIRECTOR, HONG KONG, JOBSDB BY SEEK

As we stand at the crossroads of technological innovation, talent scarcity, and evolving job landscapes, the insights presented in the HKIHRM Future Workforce Study 2024 ("Study") prompt us to embrace adaptability, foresight, and strategic planning. The Study goes beyond mere numbers to delve into the complex forces shaping the future of work in our bustling city. It encourages us to not just observe trends but also to predict, innovate, and take the lead in the realm of workforce management.

The Study, sponsored by Jobsdb by SEEK, highlighted three key trends in Hong Kong's employment landscape. **Firstly**, the market is currently witnessing less difficulties in filling job vacancies with varying implications for businesses of different sizes and industries. **Secondly**, it is revealed that there is a decrease in demand for traditional positions which reflects the impact of technological advancements and automation. **Thirdly**, the Study also uncovered why some local businesses choose not to adopt overseas talent admission schemes and explored ways to incentivise their participation.

### Finding the right people for the jobs – The easing vacancy challenge

While it is still challenging for employers to fill their vacancies, we are seeing some signs of alleviation for such challenge.

The Study reveals that from April to June 2024, only 16% of employers who participated in the Study indicated it was "extremely difficult" to fill vacancies. This represents a notable decrease from 28% in March 2024. Additionally, this 16% figure marks the lowest level we have observed since we commenced tracking this trend in 2022.

Moreover, 23% and 5% of the employers expressed that it was "not that difficult" and "not at all difficult" to fill vacancies. Both figures are the highest since we started conducting this Study in 2022.

However, Lawrence Hung, President of HKIHRM highlighted that this trend of easing is not uniformly experienced across businesses of different sizes and sectors.



**"In the ever-evolving landscape of workforce management, adaptability is indeed the key to overcoming challenges and seizing opportunities. The HKIHRM Future Workforce Study 2024's findings serve as a reminder of the critical importance of a tailored and strategic recruitment approach for organisational success. Aligning recruitment strategies with industry-specific needs is crucial for overcoming obstacles and thriving amidst the competitiveness of the job market."**

- Lawrence Hung  
President, Hong Kong Institute of Human Resource Management

## HOUSE NEWS

He pointed out that smaller businesses (with less than 100 employees) generally have an easier time filling their vacancies due to the greater flexibility of their recruitment processes. 27% and 9% of these businesses stated that it was “not that difficult” or “not at all difficult” to fill their vacancies.

For medium-sized businesses, it is evident that they face greater difficulties in filling their vacancies. 20% of them expressed that recruitment was “extremely difficult”, while 63% expressed that the situation was “quite difficult”. Lawrence explained that medium-sized businesses generally have longer recruitment processes and are facing stiffer competition for similar types of talents from more competitors.

For comparison between sectors, hospitality & catering, property management & real estate development and architecture, engineering & construction are facing the biggest challenges in filling vacancies. This is especially true for employers in the hospitality & catering industry, with 45% and 55% of them expressing that the recruitment situation was “extremely difficult” and “quite difficult”.

Lawrence explained that with the end of COVID, the hospitality & catering industry has resumed normal operation. However, the surge in demand for manpower is not supported by a corresponding increase in labour supply, as employees who previously worked in this sector have already switched fields during the pandemic.

Lawrence emphasised, “In the ever-evolving landscape of workforce management, adaptability is indeed the key to overcoming challenges and seizing opportunities. The Study’s findings serve as a reminder of the critical importance of a tailored and strategic recruitment approach for organisational success. Aligning recruitment strategies with industry-specific needs is crucial for overcoming obstacles and thriving amidst the competitiveness of the job market.”

Bill Lee, Managing Director of Jobsdb by SEEK in Hong Kong, elaborated that the challenges in hiring are exacerbated by long working hours, uncompetitive salaries, and the need for work during non-business hours for frontline positions.

However, he noted that the government has recently introduced the “Re-employment Allowance Pilot Scheme (REA Scheme)”, which supports middle-aged and unemployed individuals to re-enter the workforce through the offering of job vacancies in various industries and government subsidies. This helps unleash this potential labour force to fill the current labour gap.

### Emerging jobs and disappearing jobs - the decrease in demand for traditional positions

While automation has been a constant factor affecting the employment landscape, the rise of artificial intelligence’s use in everyday work has

brought the issue of automation to the forefront again. The Study projected that there will be 0.2% decrease in demand for manpower in large businesses as larger enterprises have more resources to adopt automation and efficiency enhancement measures, while smaller businesses face a harder time to implement such arrangements.

In terms of the demand for manpower projections for 2028 across various sectors, the Study anticipated a projected growth of +8.4% in architecture, engineering, and construction sector driven by upcoming mega infrastructure projects such as “The Northern Metropolis” and “Kau Yi Chau Artificial Island”. Additionally, the trading sector and property management & real estate development sector are forecasted to experience growth rates of +6.4% and +4.9% respectively.

With the advent of further automation and artificial intelligence and their potential in streamlining work processes, some sectors are predicted to undergo contraction. These include a -4.5% contraction in logistics & transportation sector, -3.1% in retail & wholesale sector and -0.6% in telecom, multimedia & technology sector.

The demand for manpower across different job roles also varies under the impacts of automation and artificial intelligence. 33% of the employers who participated in the Study believed that there would be increasing demand for IT manager, programmer, software engineer and cloud engineer, while 16% of them believed that demand for sales manager, shop manager, sales supervisor / executive would also increase.

Lawrence highlighted that 71% of businesses anticipate a decrease in Admin/Clerical positions in the future, while 10% plan to increase these roles. This reflects the automation potential in administrative roles, allowing companies to enhance efficiency through technology, potentially leading to a decrease in the demand for such positions.

Bill explained that while automation reduces demand for roles that are responsible for repetitive tasks, it would also encourage employees engaged in these tasks to upskill or reskill themselves to utilise AI and become “gatekeepers” within organisations to help review the work done by AI.

While smaller businesses may face difficulties in adopting new technologies, Bill observed that as this new wave of digital transformation catches on, more and more opportunities will become available for these smaller businesses to leverage technology in their business operations.

Bill added, “As we witness the transformative impact of automation and technological advancements on the job market, the call for innovation and upskilling becomes more urgent. Organisations that embrace technology and innovation will be better positioned to thrive in the evolving employment landscape.”



**“As we witness the transformative impact of automation and technological advancements on the job market, the call for innovation and upskilling becomes more urgent. Organisations that embrace technology and innovation will be better positioned to thrive in the evolving employment landscape.”**

- Bill Lee  
Managing Director, Hong Kong, Jobsdb by SEEK

## HOUSE NEWS

### Help from outside – the current situation of recruiting overseas talent via talent admission schemes

While the employment landscape in Hong Kong remains challenging for employers, the Study discovered that only 28% of the employers applied for talent admission schemes in 2023, while 61% opting not to do so.

The primary reasons for eschewing these schemes include “more straightforward to recruit locally” (43%), “cost considerations” (26%), and “non-local talents not suitable for our job” (22%).

Among those employers who expressed that it is more straightforward for them to recruit locally, 96% of them are in trading sector, while 88% of them are in the retail & wholesale sector. Bill explained that these sectors often require their employees to be more well-versed in the local market dynamics, thus their preference to prefer recruiting locally.

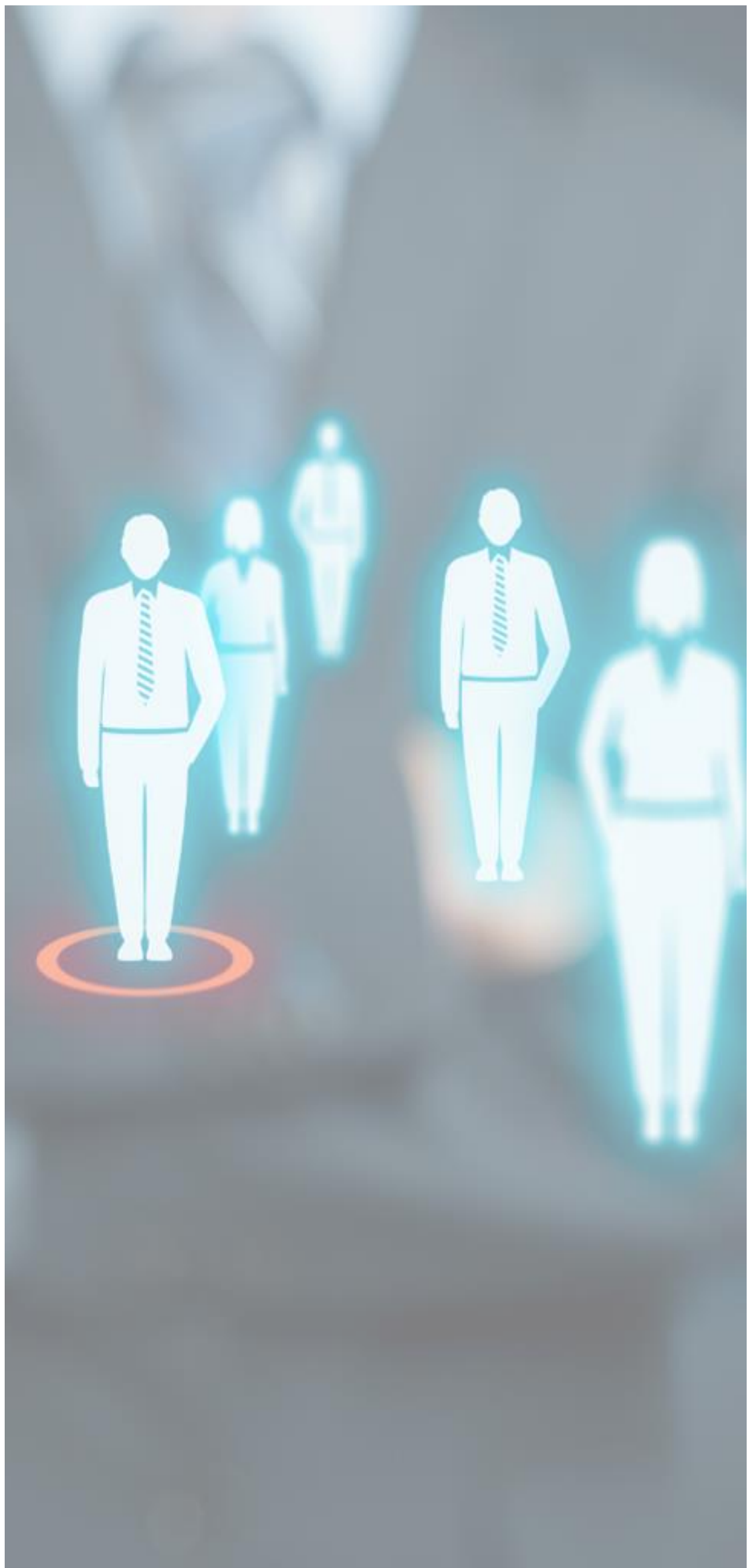
Comparing all the talent admission schemes, the “Immigration Arrangements for Non-local Graduates” (“IANG”) is the most popular one among employers, preferred by 58% of the interviewed employers. Bill pointed out that these candidates, having received education in Hong Kong, possess a solid understanding of the local culture and work environment, facilitating their seamless integration into the workforce.

Businesses recognise several benefits of recruiting non-local talents, including their ability to “filling skill gaps in local talent pool” (65%) and “relief of labour shortage” (63%). Moreover, 39% of companies perceive the technical skills of non-local talents as “extremely competitive”, with an additional 34% considering them “quite competitive”. By recruiting non-local talents, companies can expand their talent pool and enhance competitiveness further.

The Study also shed light on the main challenges faced by non-local talents in Hong Kong, namely accommodation (67%), adapting to local work habits (67%), and language barriers (55%). To facilitate their integration into the work environment, employers primarily offer subsidy in housing/rental (39%) and organise cultural integration activities or events (36%). Companies also look to the government for support, particularly in providing advice on visa extension processes (69%) and detailed immigration & talent admission information (55%), thereby facilitating the smooth integration of more non-local talents to enhance the overall work experience and retention rates.

Both Lawrence and Bill believed that Survey results indicated that Hong Kong employers still generally prioritise hiring local talents, with the employment of foreign talent primarily aimed at filling skills gaps. For local employees to maintain their advantage and competitiveness, they should stay attuned to the market’s needs, maintain a lifelong learning mindset, and continuously upskill and acquire new skills, enabling themselves to adapt to the rapidly changing market conditions.

-END-



The copyright of all articles published on the HR Journal belongs to the Hong Kong Institute of Human Resource Management (HKIHRM). No part of these articles may be reproduced, stored, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission from the HKIHRM. The HKIHRM does not accept any liability for any views, opinions or advice expressed by writer and interviewees of the articles. The contents of the HR Journal do not necessarily reflect the views or opinions of the HKIHRM or the members of the HKIHRM and no liability is accepted in relation thereto.



Copyright © Hong Kong Institute of Human Resource Management. All Rights Reserved

Hong Kong Institute of Human Resource Management

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

Tel : (852) 2837-3826 / 2837-3828 | Email : pr@hkihrm.org | Website : www.hkihrm.org

