



**PRESS RELEASE**

For Immediate Release

[10 July 2024 – Hong Kong]

**New Strategies for Talent Retention: Training Budget Reaches New Heights  
Industries Spotlight on Professional Customer Service Training**

**Summary**

- 1. Employee Training and Development Budget Reaches a New High**
- 2. Focusing on Customer Service Training to Navigate Post-Pandemic Operations**
- 3. Utilising Online Learning Technologies for Flexible Training Solutions**
- 4. Prioritising Leadership Development in 2024 for Sustainable Talent Growth**

Based on the 2023/2024 Training and Development Needs Survey conducted by the Hong Kong Institute of Human Resource Management (HKIHRM), 75% of the responding companies had a budget earmarked for employee training and development. The survey revealed that the actual spending on training against employee total annual base salary increased from 2.6% in 2022 to 3.8% in 2023. The training budget against employee total annual base salary also adjusted upwards from 3.6% to 4.3% from 2022 to 2023.

Furthermore, the average annual training hours per employee in Hong Kong remained stable, reaching 17.3 hours in 2023, similar to the figures in 2022. This indicates that businesses recognise the necessity of investing resources in employee training and development to enhance their professional skills, especially in the post-pandemic recovery period when industries are striving to regain momentum.

Conducted from March to May 2024, the 2023/2024 Training and Development Needs Survey covered 108 companies across 20 business and industry sectors with 65,800 full-time employees approximately. The objective of the annual survey is to identify training and development needs in general, as well as the prevailing training and development areas during the year 2023. The key findings are as follows –

**1. Employee Training and Development Budget Reaches a New High**

The budget on training and development against total annual base salary in 2023 recorded an average of 4.3%, marking the highest ratio since 2019.

The actual spending on training and development against employee total annual base salary in 2023 recorded an average of 3.8%. The ratios of certain industries exceeded the average, the banking/financial services sector topped the list with a ratio of 6.2%, followed by the manufacturing sector at 5.8%, and the hotel/ hospitality/ tourism related services sector at 4.2%.

Dr Chester Tsang, Executive Council Member and Chairperson of the Learning and Development Committee of HKIHRM, commented, “As we gradually return to normalcy and business activities regain momentum, organisations are faced with the need for additional manpower to meet the growing



demands. The remarkable surge in actual spending on training and development across various sectors in the post-pandemic era serves as a testament to companies' heightened commitment to allocating substantial resources for the purpose of upskilling and reskilling employees. This strategic investment aims not only to attract and nurture fresh talent but also to fortify the existing talent pool, ensuring the sustained competitiveness of organisations in the face of dynamic market changes.”

## 2. Focusing on Customer Service Training to Navigate Post-Pandemic Operations

The hotel/ hospitality/ tourism related services sector exhibited a notable commitment to training and development, with 4.2% of actual spending on training and development against employee total annual base salary. This represented an increase of 2.9 percentage points compared to the previous year, placing the sector among the top three sectors in terms of investment in employee growth.

In terms of budget allocation for training and development between management and non-management levels, the hotel/ hospitality/ tourism related services sector allocated the highest proportion of its budget towards non-management employees, standing at 79% (compared to the average of 63% for non-management employees). This marked an increase of 26 percentage points from the previous year's allocation of 53%.

### Top 3 Training Areas for Non-Management Grade:

1	Working with Others – Communication / Interpersonal Skills
2	Customer Service
3	Health & Safety

Dr Tsang stated that the survey highlights the willingness of the hotel/ hospitality/ tourism related services sector, along with other industries, to allocate increased resources towards training frontline employees, particularly in customer service. With society gradually returning to normalcy in 2023, including the lifting of mask mandates, relaxation of social distancing measures, and the resumption of international travel, the hotel/ hospitality/ tourism related services sector in Hong Kong is poised to fully restore its operations. However, the sector faces the challenge of a skilled manpower shortage, as many individuals who were previously employed in the sector have pursued alternative careers during the pandemic. Therefore, companies must attract new talent and individuals with limited sector experience to fill this talent gap. To support their smooth transition into these roles, employers are investing additional resources in training to ensure these employees acquire the necessary skills and knowledge while fostering a sense of belonging.

Concurrently, the Hong Kong Government is actively promoting campaign for the hospitality industry, and the Employees Retraining Board is planning to provide training programmes for frontline employees in the hospitality and catering sector to meet industry demands.

Dr Tsang remarked, “In the first four months of 2024, visitor arrivals to Hong Kong have doubled compared to the same period last year. As the tourism industry recovers, the sector is leveraging continuous training to enhance the capabilities of its employees, enabling them to provide outstanding and professional services that meet customer expectations. This will enable companies to stand out in a



competitive market environment, bring more opportunities to the tourism industry, establish a better reputation, and attract more business and leisure travellers to Hong Kong.”

### **3. Utilising Online Learning Technologies for Flexible Training Solutions**

The pandemic has brought significant changes in training and development, leading to the emergence of a new normal. For four consecutive years, over 90% of companies have embraced digital learning programmes, with the figure reaching to 91% in 2023.

In terms of digital learning tools, 76% of surveyed companies in 2023 utilised webinars or virtual classrooms for employee training and development. Digital learning portal / e-learning library and training videos ranked second and third, with adoption level of 51% and 50% respectively. These three tools consistently topped the list in the previous year. Notably, the utilisation of artificial intelligence recorded a substantial increase, rising from 5% in 2022 to 17% in 2023.

The survey also delved into the adoption of generative artificial intelligence (generative AI) in the workplace for the first time. Among the 107 companies that provided data, generative AI was widely adopted, with 77% of the surveyed companies allowing its use in the workplace. This adoption took place through personal means in 49% of the companies, while 28% of them provided generative AI tools to their employees. Concerns regarding cybersecurity and copyright / legal risks were identified as the primary challenges when implementing generative AI in the workplace.

### **4. Prioritising Leadership Development in 2024 for Sustainable Talent Growth**

In recent years, businesses have been grappling with a significant challenge: talent shortage. To address this issue and retain top talent, companies must implement measures that not only boost employee satisfaction, but also reduce turnover rates and ensure the continuous development of their talent pool. By doing so, they can enhance their overall competitiveness in the market.

Surveyed companies prioritised three specific areas of focus for their training initiatives in 2024: leadership development (53%), succession planning (44%), and identifying and addressing skills gaps (41%).

Dr Tsang believes that leadership training can enhance employees’ professional skills and foster innovative thinking in the highly competitive job market. It also provides employees with development and advancement opportunities, thereby increasing their satisfaction and loyalty, while promoting the long-term growth of the organisation. Additionally, many industries face challenges with high turnover rates. Dr Tsang suggests that companies need to develop comprehensive succession planning strategies, such as identifying and nurturing potential successors in advance to ensure smooth transitions. Furthermore, companies should assess employees’ skill levels and provide relevant training and development programmes to bridge any skill gaps. This approach allows new hires to receive foundational training and existing employees to undergo advanced training, enabling them to adapt to ever-changing market demands.



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### **Conclusions**

Dr Tsang emphasised, “In today’s competitive business environment, companies must continuously innovate to maintain a competitive edge. Training is not a one-time event but a long-term investment. Therefore, companies should develop comprehensive training and development plans, offering flexible training modalities to provide employees with the necessary opportunities for growth and development. This will enhance and reshape employees’ professional skills and solidify and expand the talent pool.”

Please click [here](#) for the photos of Dr Chester Tsang, Executive Council Member and Chairperson of the Learning and Development Committee of HKIHRM, and the media briefing.

-END-

2023

### Summary of Findings 重點概要



#### COMPANIES' INVESTMENT IN EMPLOYEE TRAINING AND DEVELOPMENT

企業在僱員培訓及發展的資源投放

% of companies budgeted for training  
提供培訓預算的企業比率

75%

Average Actual Spending on training & development budget  
as a % of total annual base salary  
培訓及發展實際開支佔員工全年整體基本薪酬的百分比

3.8%

Average number of annual training hours  
per employee  
僱員全年人均培訓時數

17.3

Hours  
小時

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2023

### Summary of Findings 重點概要



#### ACTUAL SPENDING ON T&D AGAINST EMPLOYEE TOTAL ANNUAL BASE SALARY – BY BUSINESS SECTOR

培訓實際開支佔員工全年整體基本薪酬的分佈 – 按行業劃分



Hotel / Hospitality / Tourism related services

酒店／款待／旅遊服務

2022

1.3%

Average  
平均  
2.6%

2023

4.2%

Average  
平均  
3.8%

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2023

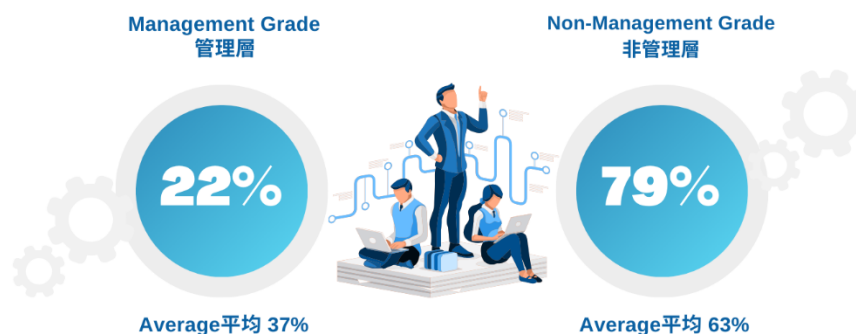
### Summary of Findings 重點概要



#### BUDGET ALLOCATION FOR MANAGEMENT AND NON-MANAGEMENT STAFF 管理層及非管理層職級的培訓預算分配



Hotel / Hospitality / Tourism related services  
酒店／款待／旅遊服務



The figures may not aggregate precisely to 100%, owing to the mathematical effects of rounding.  
數據因採用四捨五入方式計算，故其累計總和可能無法完全等同於百分之一百。

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2023

### Summary of Findings 重點概要



#### MAJOR TRAINING AREAS FOR EMPLOYEES AT DIFFERENT STAFF LEVELS 不同職級僱員的主要培訓範疇

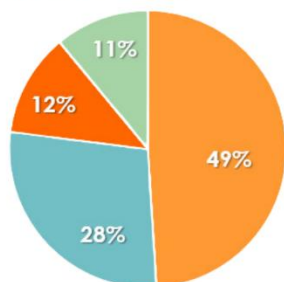


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2023

### Summary of Findings 重點概要

#### GENERATIVE AI FOR WORK 利用生成式AI工作



- Yes - personal resources 有 - 私人資源
- Yes - provided by employer 有 - 僱主提供
- No - not allowed for work 否 - 公司不允許
- Not sure 不確定

#### TOP 3 CHALLENGES 面對的挑戰

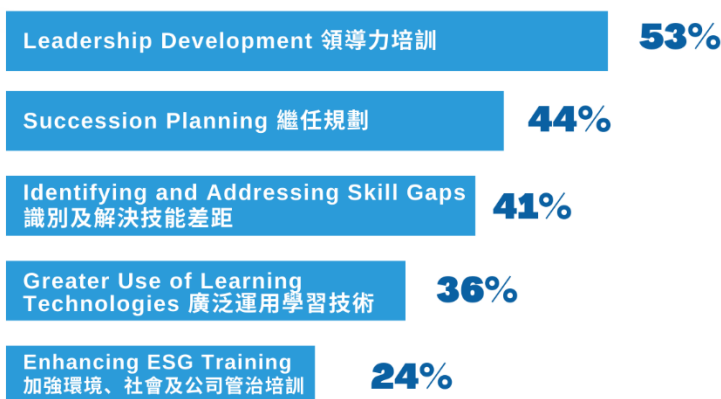
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- 1** Cybersecurity risks associated with generative AI tools 與生成人工智能工具相關的網絡安全風險 **66%**
  - 2** Copyright and legal exposure 版權和法律風險 **58%**
  - 3** Lack of expertise & knowledge to implement 缺乏實施所需的專業知識和技能 **43%**

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2023

### Summary of Findings 重點概要

#### 2024 LEARNING & DEVELOPMENT PRIORITIES 2024年培訓及發展重點



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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 which around 500 are corporate members. Founded in 1977, the HKIHRM aims at enhancing HR professional standards, and increasing the HR profession's influence. Serving HR practitioners, corporations 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.

<http://www.hkihrm.org>