

Summary Findings of 2002 Establishment Survey on Manpower Training and Job Skills Requirements

Introduction

The **2002 Establishment Survey on Manpower Training and Job Skills Requirements** was conducted during the third quarter of 2002 to collect employers' views on manpower training and job skills requirements. Specifically, employers were invited to give views on their future manpower requirements, aspirations and preparation in relation to Hong Kong's economic restructuring and China's accession to the World Trade Organisation (WTO), manpower training and job skills requirements and evaluation of their employees' general performance. A total of 4 186 establishments within a scientifically selected sample were successfully enumerated, constituting a response rate of 90%. The questionnaire was prepared after consulting local academic experts and trade unions/ business associations.

2. A similar survey was conducted in 2000.

Current Manpower Situation

3. About 246 400 establishments, with some 2 152 500 persons engaged as at mid-2002, were reckoned to be within the scope of the survey. Of these, there were about 1 982 600 employees in some 179 000 establishments. Analysed by employment type, the proportions of persons engaged in **full-time permanent**, **full-time non-permanent** and **part-time** jobs were 92.9%, 2.4% and 4.7% respectively.

Recruitment of employees from outside Hong Kong

4. Of the 246 400 establishments, 4.0% had some 41 500 employees recruited from outside Hong Kong. Analysed by country/territory of recruitment, 34.8% of such employees were recruited from **the mainland of China (the Mainland)**, followed by **Japan** (9.2%), **the United Kingdom** (8.3%) and **the United States** (6.9%). On the reasons for recruiting employees from outside Hong Kong, "**employees are sent from headquarters outside Hong Kong**" (31.7%) and "**to serve clients from individual countries/territories**" (29.4%) were commonly cited.

5. On the reasons for not recruiting employees from outside Hong Kong, "**employees with relevant experience and qualifications can easily be recruited in Hong Kong**" (29.5%), "**no need to recruit employees**" (29.2%), and "**employees with local experience preferred due to nature of business**" (27.1%) were commonly cited.

Deployment of persons to work outside Hong Kong

6. Of the 246 400 establishments, 10.6% had some 53 800 persons deployed to work outside Hong Kong. Analysed by country/territory of deployment, 96.3% of such persons were deployed to work in **the Mainland**. On the reasons for deploying persons to work outside Hong Kong, "**for handling business operation outside Hong Kong**" (54.4%), "**Hong Kong persons with job-specific skills**" (29.9%) and "**for training staff outside Hong Kong**" (29.1%) were commonly cited.

7. On the reasons for not deploying persons to work outside Hong Kong, "**no business outside Hong Kong**" (72.4%) and "**employees outside Hong Kong are capable of handling the business operations there**" (12.5%) were commonly cited.

Future Manpower Requirements

8. Analysed by economic sector, increases in the proportion of persons engaged between mid-2002 and mid-2007 were predicted for **wholesale, retail and import/export trades, restaurants and hotels** and for **financing, insurance, real estate and business services**. On the other hand, decreases were predicted for **manufacturing, electricity and gas**, for **community, social and personal services** and for **transport, storage and communications**.

9. Analysed by occupation category, increases in the proportion of persons engaged between mid-2002 and mid-2007 were predicted for **professionals** and **clerks**. On the other hand, decreases were predicted for **elementary occupations** and for **plant and machine operators and assemblers**.

10. Future manpower requirements were expected to shift towards higher education level. Analysed by educational attainment, increases in the proportion of persons engaged between mid-2002 and mid-2007 were predicted for **postgraduate, first degree, sub-degree** and **matriculation** education, while decreases were predicted for **upper secondary** and for **lower secondary and below** education.

Plans to recruit employees from the Mainland over the next 5 years

11. 13.9% of the establishments had plans to recruit employees from the Mainland over the next 5 years. Of these establishments, 42.3% would recruit **professionals** and 22.2% would recruit **managers and administrators**. As to educational attainment, 58.6% preferred to recruit employees with **first degree** and 10.1% preferred to recruit employees with **postgraduate**. On the reasons for recruiting employees from the Mainland over the next 5 years, “**remuneration reason**” (70.1%) was most commonly cited.

12. On the reasons for not recruiting employees from the Mainland over the next 5 years, “**employees can easily be recruited in Hong Kong**” (33.0%), “**no need in business operation**” (29.7%) and “**employees with local experience preferred due to nature of business**” (28.8%) were commonly cited.

Plans to deploy persons to work in the Mainland over the next 5 years

13. 16.3% of the establishments had plans to deploy persons to work in the Mainland over the next 5 years. Of these establishments, 72.4% would deploy **managers and administrators** and 23.7% would deploy **professionals**. As to educational attainment, 57.7% would deploy persons at **first degree**. On the reasons for deploying persons to work in the Mainland over the next 5 years, “**for training staff in the Mainland**” (38.4%) was commonly cited.

14. On the reasons for not deploying persons to work in the Mainland over the next 5 years, “**no business in the Mainland**” (63.9%) was most commonly cited.

Aspirations and Preparation in Relation to Hong Kong’s Economic Restructuring and China’s Accession to WTO

Business prospects

15. On business prospects over the next 5 years, 19.6% of the establishments were “**optimistic**”, and another 1.2% were “**very optimistic**”. By contrast, 28.4% of the establishments were “**pessimistic**”, and another 6.7% were “**very pessimistic**”.

Impact on business turnover

16. On the impact of Hong Kong's economic restructuring and China's accession to WTO on business turnover over the next 5 years, 15.9% of the establishments predicted "**some increase**", and another 1.7% predicted "**significant increase**". By contrast, 26.3% of the establishments envisaged "**some decrease**", and another 15.4% envisaged "**significant decrease**". Analysed by economic sector, 6.9% of the establishments in **manufacturing, electricity and gas** anticipated an increase in business turnover over the next 5 years, while 23.9% of the establishments in **financing, insurance, real estate and business services** anticipated an increase. As to the other sectors, 10.2% to 18.0% of the establishments anticipated an increase.

Current investment in the Mainland

17. 16.8% of the establishments reported to have investment in the Mainland. Most of these establishments had investment projects in **manufacturing** (61.4%), followed by **import/export** (19.0%) and **retail** (11.0%).

New business opportunities brought about by China's accession to WTO

18. 30.7% of the establishments expected that China's accession to WTO would bring about new business opportunities while 62.6% did not think so. Analysed by economic sector, establishments in **construction** and in **financing, insurance, real estate and business services** generally held a more sanguine view, with 38.5% and 35.7% respectively anticipating greater business opportunities.

Implications for Hong Kong's business environment upon China's accession to WTO

19. As regards the business environment in Hong Kong over the next 5 years, both opportunities and challenges were perceived by the establishments. These establishments were particularly concerned about the following 3 areas:

- (a) Face keener competition from enterprises in the Mainland;
- (b) Need to better understand the market and changes in investment environment in the Mainland; and
- (c) More companies to relocate their business operations to the Mainland.

Measures that would be adopted to cope with the various changes

20. To cope with the various changes arising from Hong Kong's economic restructuring and China's accession to WTO, the establishments were asked to indicate what measures they would adopt over the next 5 years. Their top 3 choices of measures were:

- (a) Increase the use of IT within the company;
- (b) Focus on the core business and reduce the peripheral business with lower value-added; and
- (c) Upgrade the skills of existing staff.

Manpower Training and Job Skills Requirements

Training plans and training budget

21. Of those establishments having employees, 13.1% and 11.2% respectively reported to have training plans and training budget for their employees. Analysed by size of establishment, the large establishments were generally more conscious of devising training plans for their employees than the medium and small establishments.

Plans to increase training for upgrading the knowledge and skills of employees

22. Of those establishments having employees, 29.1% would increase training so as to upgrade the knowledge and skills of their employees. 37.0% would allow their employees to attend training courses during office hours; and 11.7% had evaluated the performance of their employees after attending training courses.

Preferred type of skills to be enhanced

23. Analysed by occupation category, the establishments preferred their managers and administrators to focus on enhancement of **management skills**, their professionals and associate professionals on **IT skills** and their clerks and their service workers and shop sales workers on **language skills**.

Preferred training modes

24. As regards the modes of training, **self-learning** was most preferred, followed by **extra-mural courses** and **in-house training**.

Evaluation of Employees' Performance

25. Employers generally gave positive ratings on their employees' **overall performance**. Generally speaking, employers considered that **professionals** out-performed other occupation categories.