

Consolidated Summary Report
of the
2007 Manpower Surveys of the Accountancy,
Banking and Finance
and Insurance Industries

This Consolidated Summary Report (Sections I to IV) aims to provide an overview of the manpower supply and demand of the three industries, namely, the Accountancy; Banking and Finance; and Insurance, in the Financial Services Sector, based on the statistics and findings in the manpower surveys undertaken individually on each of these industries. The complete sets of the manpower survey reports may be accessed at the following websites:

Manpower Survey on the Accountancy Industry: <http://actb.vtc.edu.hk>

Manpower Survey on the Banking and Finance Industry: <http://bftb.vtc.edu.hk>

Manpower Survey on the Insurance Industry: <http://intb.vtc.edu.hk>

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SECTION I

BACKGROUND, METHODOLOGY AND COVERAGE OF THE MANPOWER SURVEYS

Background

1.1 Manpower surveys on specific industries are undertaken on a biennial basis by the Training Boards in the Vocational Training Council (VTC). These include, inter alia, the Accountancy, Banking and Finance and Insurance industries. These are performed as part of the responsibilities of the industry-specific training boards appointed by the Government to advise on the manpower development of various industries in support of Hong Kong's economic growth. Each training board comprises a wide cross-section of representatives from the relevant industry, providing a good mix of expertise from enterprises, employers, employees, professional/trade organizations, academics and practitioners, and government bureau and/or departments. Based on the findings of the biennial manpower surveys, individual training board formulates recommendations on the manpower training and development strategies for the relevant industry to meet its short to medium-term manpower supply and demand.

1.2 Previously, the manpower surveys for the accountancy, banking and finance and insurance were undertaken separately and independently. At the request of the FinMan Committee, the three responsible Training Boards have agreed to synchronize the timing of the three manpower surveys, so that a more comprehensive assessment can be made of the human resources situation for the Financial Services Sector as a whole, identifying the extent of mismatch in the manpower demand and supply, projecting the manpower development needs and formulating effective human resources development strategies to support the growth of this sector in Hong Kong. For the purpose of this exercise, the "Financial Services Sector" is defined to include the Accountancy, Banking and Finance and the Insurance industries.

Purpose of the Surveys

1.3 The 2007 Manpower Surveys (MPSs) for these three industries were conducted in the first half of 2007 with the following objectives:

- (i) To assess the manpower and training needs of principal jobs in the Accountancy, Banking and Finance and Insurance industries;
- (ii) To forecast the growth of manpower in the respective industries; and
- (iii) To recommend measures to meet the training needs and manpower demand of the respective industries.

Scope of the Surveys

1.4 The scope of the surveys is given in Table 1 below. Samples were obtained from the total number of establishments in the respective industries using the stratified random sampling method. Through selecting the establishments in this way, the surveys will have sufficient representation of the respective industries. It should also be noted that the effective response rates of the surveys are high because field workers were mobilized to visit establishments to follow up and assist them in the completion of the mailed questionnaires.

Table 1: Scope of the Surveys

Industry	Categories of Establishments/Main Activities (Branches)	Total No. of Establishments	Sample Size of Establishments	Effective Response Rate
Accountancy	4	36 345	1 462	96.2%
Banking and Finance	9	6 740	1 039	91.1%
Insurance	7	2 113	726	94.0%

1.5 To facilitate the assessment of manpower development needs, the main activities or the main types of establishments covered in each industry are categorised into “branches” having regard to the nature of the activities involved, and hence the skills sets required. The branches included in each MPS are summarized as follows:

- (I) Accountancy Industry:
 - (i) All accounting firms;
 - (ii) Some government departments and large subvented organizations;
 - (iii) All commerce and services establishments with 10 or more employees; and
 - (iv) All industrial establishments with 10 or more employees.
- (II) Banking and Finance Industry:
 - (i) Licensed banks, restricted licence banks and local representative offices of foreign banks;
 - (ii) Deposit-taking companies;
 - (iii) Investment and holding companies;
 - (iv) Personal loans, mortgages, instalment credits, finance leasing, factoring and bill discounting companies;
 - (v) Stock and share companies;
 - (vi) Commodity futures and gold bullion brokers/dealers;
 - (vii) Stock, bullion and commodity exchanges and statutory bodies in the banking and finance industry;
 - (viii) Money changers and foreign exchange brokers/dealers; and
 - (ix) Other financial companies.
- (III) Insurance Industry:
 - (i) Life insurers;
 - (ii) General insurers;
 - (iii) Composite insurers;
 - (iv) Brokers;
 - (v) Company agencies – insurance;
 - (vi) Company agencies – alternative distribution; and
 - (vii) Bancassurer.

1.6 The distribution of the samples by branch and by employment size is shown in Appendices 1, 2 and 3.

Coordination Committee

1.7 To ensure that the three MPSs would be synchronized to give an overview of the manpower situation in the Financial Services Sector, a Coordination Committee (CoCom) was set up, comprising the Conveners of the Working Parties of the MPS of the three industries and the professional staff from the C&SD. The CoCom helped design the survey questionnaires, monitor progress, review the survey results and recommend on the compilation of the Consolidated Summary for the Financial Services Sector.

Procedures of the Surveys

Survey Documents

1.8 The questionnaires for the surveys were designed by the Training Boards, taking into consideration the needs of their respective industries. Whereas previously these surveys were conducted separately and independently, a coordinated approach was adopted in the planning of the 2007 MPS for these three industries, through the CoCom. In addition to considering the types of information covered in previous surveys for comparability, the CoCom also considered the commonalities among these industries in the design of the survey questionnaire.

1.9 One week before the fieldwork started, the selected establishments were sent a complete set of survey documents, including a letter from the Chairman of the respective Training Board, the questionnaire, explanatory notes and descriptions of the principal jobs covered in the respective branches. Employers were assured that the data and information collected in the surveys would be handled in strict confidence, and published only in the form of statistical summaries without reference to individual establishments.

Fieldwork

1.10 Fieldwork for the MPSs commenced on 8th January 2007 for completion in two months. During the survey period, interviewing officers of the Census and Statistics Department (C&SD) visited each selected establishment to collect the questionnaire and, where necessary, to assist its completion. However, due to unsatisfactory response rates, the cut-off dates for the fieldwork were extended so as to improve the response rates to enhance the reliability of the survey findings. Data processing was then undertaken by the C&SD, and by early September 2007, the full sets of the tabulations were available for analysis.

Compilation of the Report

1.11 The data and initial analysis were submitted to the respective Training Boards for examination. The findings were refined and the manpower survey reports were prepared. Detailed industry-specific information from the selected establishments included: the number of current employees, number of existing vacancies, employers' forecast of the number of posts in the next twelve months, minimum requirement of education/experience preferred for each job level, income distribution of employees, turnover of employees in the past 12 months, wastage rates, training needs specific to the industries and plans to meet these needs, broken down by branch. Based on the data collected, the Training Boards then projected the future manpower needs both quantitatively and qualitatively, and advised on the necessary strategies for meeting these needs.

Focus Groups

1.12 To help verify, complement and reinforce the findings of the surveys, three focus groups were organized to collect their expert views and comments on the survey results, and to provide additional information on the longer-term business outlook and manpower demand of the respective industries. Each comprised industry leaders, representatives from professional bodies and academics.

Appendix 1

**Accountancy Industry
Distribution of Survey Samples**

	Branch	Employment Size of Establishment	Total No. of Establishments	Sample Size of Establishments	Sampling Fraction
1.	Accounting Firms	1 - 49	1 960	256	0.130
		50 - 499	16	16	1.000
		500 and over	4	4	1.000
			————	1 980	276
2.	Government Departments and Subvented Organizations	34 representative establishments were specified by the Accountancy Training Board on account of their substantial proportion of accounting staff. Employment size varies.	34	34	1.000
3.	Commerce and Services Establishments	10 - 19	16 214	130	0.008
		20 - 99	11 696	279	0.024
		100 - 199	986	93	0.094
		200 - 499	534	143	0.268
		500 and over	300	300	1.000
			————	29 730	945
4.	Industrial Establishments	10 - 19	2 190	29	0.013
		20 - 99	2 065	69	0.033
		100 - 199	195	27	0.138
		200 - 499	108	39	0.361
		500 and over	43	43	1.000
			————	4 601	207
	Total	36 345	1 462		
		=====	=====		

**Banking and Finance Industry
Distribution of Survey Samples**

Branch	Employment Size of Establishments	Total No. of Establishment	Sample Size of Establishments	Sampling Fraction
*1. Banks & Representative offices of foreign banks	1-19	90	27	0.30
	20-49	49	25	0.50
	50-99	22	18	0.80
	100-499	28	28	1.00
	500-999	11	11	1.00
	1 000 & over	19	19	1.00
		<hr/> 219	128	
*2. Deposit-taking companies	1-19	17	17	1.00
	20-49	5	5	1.00
	50-99	3	3	1.00
	100-499	3	3	1.00
		<hr/> 28	28	
3. Investment & holding companies	1-19	3 005	150	0.05
	20-49	54	32	0.60
	50-99	9	9	1.00
	100-499	5	5	1.00
	500-999	2	2	1.00
		<hr/> 3 075	198	
4. Personal loans, mortgages, instalment credits, finance leasing, factoring & bill discounting companies	1-19	435	66	0.15
	20-49	13	13	1.00
	50-99	4	4	1.00
	100-499	1	1	1.00
	1 000 & over	1	1	1.00
		<hr/> 454	85	
5. Stock & share companies	1-19	606	121	0.20
	20-49	82	42	0.50
	50-99	14	14	1.00
	100-499	16	16	1.00
	500-999	1	1	1.00
		<hr/> 719	194	
6. Commodity futures & gold bullion brokers/dealers	1-19	86	73	0.85
	20-49	5	5	1.00
	50-99	1	1	1.00
	100-499	1	1	1.00
		<hr/> 93	80	
7. Stock, bullion & commodity exchanges and statutory bodies in the banking and finance industry	20-49	1	1	1.00
	100-499	2	2	1.00
	500-999	2	2	1.00
		<hr/> 5	5	
8. Money changers & foreign exchange brokers/dealers	1-19	359	126	0.35
	20-49	5	5	1.00
	50-99	2	2	1.00
	100-499	1	1	1.00
		<hr/> 367	134	
9. Financial institutions & financial services, n.e.c.	1-19	1 660	116	0.07
	20-49	83	33	0.40
	50-99	15	16	1.00
	100-499	21	21	1.00
	500-999	1	1	1.00
		<hr/> 1 780	187	
	Total	<hr/> <hr/> 6 740	<hr/> <hr/> 1 039	

* Establishments counted at company level not at branch level.

**Insurance Industry
Distribution of Survey Samples**

Branch	Employment Size of Establishments	Total No. of Establishments	Sample Size of Establishments	Sampling Fraction
1. Life Insurers	Unknown	4	4	1.000
	1-9	5	5	1.000
	10-19	6	6	1.000
	20-49	6	6	1.000
	50-99	3	3	1.000
	100-199	3	3	1.000
	200-499	2	2	1.000
	500 or above	7	7	1.000
		36	36	
2. General Insurers	Unknown	5	5	1.000
	1-9	23	23	1.000
	10-19	20	20	1.000
	20-49	10	10	1.000
	50-99	9	9	1.000
	100-199	9	9	1.000
	200-499	9	9	1.000
	500 or above	1	1	1.000
		86	86	
3. Composite Insurers	Unknown	2	2	1.000
	10-19	1	1	1.000
	20-49	3	3	1.000
	50-99	1	1	1.000
	100-199	3	3	1.000
	200-499	2	2	1.000
	500 or above	5	5	1.000
			17	17
4. Brokers	0 / Unknown	41	41	1.000
	1 - 9	287	72	0.251
	10 and over	93	94	1.000
		421	207	
5. Company Agencies - Insurance	0 / Unknown	24	24	1.000
	1 - 4	564	56	0.099
	5 - 9	50	50	1.000
	>= 10	37	37	1.000
		675	167	
6. Company Agencies - Alternative distribution	0 / Unknown	32	32	1.000
	1 - 9	654	65	0.099
	>= 10	152	76	0.500
	838	173		
7. Bancassurer	1 - 9	2	2	1.000
	>= 10	38	38	1.000
		40	40	
	Total	2 113	726	

SECTION II

QUANTITATIVE ANALYSIS OF SURVEY FINDINGS

Introduction

2.1 The Coordination Committee (CoCom) which was established to oversee the implementation of the three MPSs, has examined the survey reports and concluded that the findings generally reflect the overall picture of the manpower situation in the Financial Services Sector (Sector), and highlight to a large extent its manpower requirements. It should be noted that a new feature was introduced in these MPSs to collect statistics in respect of the manpower of the respondents' subsidiaries/associates in the Mainland, so as to assess the manpower demand for the operations of Hong Kong companies in the Mainland. The response rates to these questions were, however, very low. It was understood that this might be due to difficulties in information flow between the Hong Kong companies and their Mainland branches, which are operated as separate administrative entities. Having examined the manpower statistics collected in this regard, the view was taken that they could not provide a sound basis for any conclusive observation to be made on the respective manpower demand in the Mainland. It was decided, therefore, not to include in the manpower survey reports the summary of statistics of manpower on Mainland activities.

Manpower Statistics of the Financial Services Sector

Persons Engaged

2.2 The surveys revealed that 237 050 persons were engaged in the Sector. Each industry in the Sector has its principal jobs at various job levels, and generally speaking, they include the managerial level, supervisory level and clerical levels. Apart from these job levels, the accountancy industry also has Trainer/Teacher job level, the banking and finance industry has Other Supporting Staff job level and the insurance industry has Other Supporting Staff and Agent job levels. The general descriptions of various job levels are summarized as follows:

- (i) **Managerial:** managerial staff engage in functions of planning, developing, modifying and implementing company operation policies and procedures. Examples of principal jobs at this job level are Chief Accountants in the accountancy industry, Branch Operations Managers in the banking and finance industry and Underwriting Managers in the insurance industry;
- (ii) **Supervisory:** supervisory staff generally assist the managers in administering the routine duties of a department/section/unit of the company. Examples of principal jobs at this job level are Audit Supervisors in the accountancy industry, Business Development Officers in the banking and finance industry and Actuarial Officers and Technical Representatives in the insurance industry;

- (iii) Clerical: clerical staff are normally engaged in day to day routine operational activities such as preparing vouchers and documents, data entries and answering customer enquiries. Examples of principal jobs at this job level are Junior Audit Staff in the accountancy industry, Credit/Loan Clerk in the banking and finance industry and Claims Clerks in the insurance industry; and
- (iv) Agent: an insurance agent is a person who holds himself out to advise on or arrange contracts of insurance in or from Hong Kong as an agent or subagent of one or more insurers. He identifies prospective clients to acquire new business and serves existing policyholders.

2.3 The distribution of manpower by industry and by job level is summarized in Table 1 below:

Table 1: Distribution of Persons Engaged

Industry \ Job Level	Managerial	Supervisory	Clerical	Agent	Total (%)*
Accounting Firms	4 228	3 518	7 511	-	15 257 (6.4)
Banking & Finance & Insurance Services	1 069	1 859	1 895	-	4 823 (2.0)
Others	13 120	17 010	39 975	-	70 105 (29.6)
Accountancy	18 417	22 387	49 381	-	90 185 (38.0)
Banks, DTCs & Rep. Offices	14 740	27 595	29 970	-	72 305 (30.5)
Stock & Share Companies	2 018	2 767	5 157	-	9 942 (4.2)
Others	6 720	7 897	5 719	-	20 336 (8.6)
Banking and Finance	23 478	38 259	40 846	-	102 583 (43.3)
Life Insurance	2 096	4 238	1 549	23 579	31 462 (13.3)
General Insurance	2 206	5 029	2 357	3 228	12 820 (5.4)
Insurance	4 302	9 267	3 906	26 807	44 282 (18.7)
Total (%)*	46 197 (19.5)	69 913 (29.5)	94 133 (39.7)	26 807 (11.3)	237 050# (100)

#1 The total figure may be higher than the actual total number of persons engaged, as the 4 823 accounting personnel working in the banking, finance and insurance industries were also captured under both banking and finance and insurance surveys.

#2 The total number of persons engaged in the Sector (237 050) included 8 284 IT personnel (7 225 in the banking and finance industry and 1 059 in the insurance industry) which provided IT services to these 2 industries.

#3 The total number of 237 050 persons engaged excluded 12 409 other supporting staff in the Sector (9 039 in the banking and finance industry and 3 370 in the insurance industry). As the skill sets of these supporting staff are not specific to the Sector, therefore, the manpower information of these other supporting staff were not included in the following analyses.

#4 The 739 Trainer/Teacher engaged in the accountancy industry being less than 1% of total engaged is accounted for in the supervisory job level for simplicity of presentation.

(%)* As percentage of the total persons engaged in the Sector.

2.4 The banking and finance industry, with its 102 583 employees is the largest consisting of 43.3% of total persons engaged in the Sector. There were 90 185 employees (38.0%) in the accountancy industry, and 44 282 persons engaged (18.7%) in the insurance industry.

2.5 With regard to the distribution of manpower by job level, 19.5% were at managerial level, 29.5% supervisory level, 39.7% clerical level and 11.3% were agents in the insurance industry.

Vacancies

2.6 There were a total of 5 497 vacancies in the Sector. Analysis of the vacancies indicates that the Sector as a whole experienced higher vacancy rates for the managerial and supervisory levels versus the clerical level. The surveys revealed that the vacancy rates were high at the insurance agent and supervisory level in the insurance industry at 4.9% and 3.7% respectively. The managerial levels in the banking and finance and accountancy industries also had higher vacancy rates at 2.3% and 2.1% respectively. It can be concluded that there is higher demand for managerial, supervisory level staff and agents in the Sector. The distribution of vacancies in the Sector is summarized in Tables 2A and 2B below:

Table 2A: Distribution of Vacancies

Industry \ Job Level	Managerial (%)*	Supervisory (%)*	Clerical (%)*	Agent (%)*	Total (%)*
Accounting Firms	58 (3.0)	103 (5.4)	420 (21.8)	-	581 (30.2)
Banking & Finance & Insurance Services	3 (0.2)	14 (0.7)	15 (0.8)	-	32 (1.7)
Others	330 (17.2)	234 (12.1)	746 (38.8)	-	1 310 (68.1)
Accountancy	391 (20.4)	351 (18.2)	1 181 (61.4)	-	1 923 (100)
Banks, DTCs & Rep. Offices	442 (24.2)	493 (27.0)	356 (19.5)	-	1 291 (70.7)
Stock & Share Companies	24 (1.3)	31 (1.7)	47 (2.6)	-	102 (5.6)
Others	85 (4.6)	258 (14.1)	92 (5.0)	-	435 (23.7)
Banking and Finance	551 (30.1)	782 (42.8)	495 (27.1)	-	1 828 (100)
Life Insurance	30 (1.7)	212 (12.2)	14 (0.8)	1 305 (74.7)	1 561 (89.4)
General Insurance	25 (1.5)	128 (7.3)	27 (1.5)	5 (0.3)	185 (10.6)
Insurance	55 (3.2)	340 (19.5)	41 (2.3)	1 310 (75.0)	1 746 (100)
Total (%)**	997 (18.1)	1 473 (26.9)	1 717 (31.2)	1 310 (23.8)	5 497 (100)

(%)* As percentage of the total number of vacancies in the same industry.

(%)** As percentage of the total number of vacancies in the Financial Services Sector.

N.B. Statistics of small magnitude are subject to relatively large estimation of errors. They are published for rough reference only and should be interpreted with caution.

Table 2B : Distribution of Vacancy Rates by Industry

Industry \ Job Level		Managerial		Supervisory		Clerical		Agent		Total	(%)#
			(%)#		(%)#		(%)#		(%)#		
Accountancy	No. of Vacancies	391	2.1	351	1.6	1 181	2.4	-	-	1 923	2.1
	No. of Persons Engaged	18 417		22 387		49 381		-		90 185	
Banking and Finance	No. of Vacancies	551	2.3	782	2.0	495	1.2	-	-	1 828	1.8
	No. of Persons Engaged	23 478		38 259		40 846		-		102 583	
Insurance	No. of Vacancies	55	1.3	340	3.7	41	1.0	1 310	4.9	1 746	3.9
	No. of Persons Engaged	4 302		9 267		3 906		26 807		44 282	
Total	No. of Vacancies	997	2.2	1 473	2.1	1 717	1.8	1 310	4.9	5 497	2.3
	No. of Persons Engaged	46 197		69 913		94 133		26 807		237 050	

$$(\%)# \text{ Vacancy Rate} = \frac{\text{Number of vacancies at the job level}}{\text{Total number of employees at the job level}} \times 100\%$$

Manpower Demand

2.7 The total manpower demand in the Sector in 2007 is defined as the number of employees plus the number of vacancies is 242 547. The distribution of the manpower demand by industry and by job level is summarized in Table 3.

Table 3: Distribution of Manpower Demand in 2007

Industry \ Job Level	Managerial	Supervisory	Clerical	Agent	Total (%)**
Accounting Firms	4 286	3 621	7 931	-	15 838 (6.5)
Banking & Finance & Insurance Services	1 072	1 893	1 910	-	4 855 (2.0)
Others	13 450	17 244	40 721	-	71 415 (29.5)
Accountancy (%)*	18 808 (20.4)	22 738 (24.7)	50 562 (54.9)	-	92 108 (38.0)
Banks, DTCs & Rep. Offices	15 182	28 088	30 326	-	73 596 (30.3)
Stock & Share Companies	2 042	2 798	5 204	-	10 044 (4.1)
Others	6 805	8 155	5 811	-	20 771 (8.6)
Banking and Finance (%)*	24 029 (23.0)	39 041 (37.4)	41 341 (39.6)	-	104 411 (43.0)
Life Insurance	2 126	4 450	1 563	24 884	33 023 (13.6)
General Insurance	2 231	5 157	2 384	3 233	13 005 (5.4)
Insurance (%)*	4 357 (9.5)	9 607 (20.9)	3 947 (8.6)	28 117 (61.0)	46 028 (19.0)
Total (%)**	47 194 (19.5)	71 386 (29.4)	95 850 (39.5)	28 117 (11.6)	242 547 (100)

(%)* As percentage of the total manpower demand in the same industry.

(%**)* As percentage of the total manpower demand in the Financial Services Sector.

Forecast of Manpower Demand in the Next 12 Months

2.8 Based on employers' projection, the forecast of manpower demand in the Sector in the next 12 months is 245 380, compared with the manpower demand of 242 547 in 2007 as listed in Table 3, representing an increase of 2 833 persons or a forecast manpower growth rate of 1.2% for 2008. Among the three industries, the insurance industry is projected to have the largest manpower growth rate of 4.4%, whereas the rates for the accountancy industry and the banking and finance industry are estimated to be about 0.8% and 0.1% respectively. Table 4 below shows the manpower demand forecast for 2008 in the Sector, breakdown by industry and by job level.

Table 4: Forecast of Manpower Demand in the Next 12 Months

Industry \ Job Level	Managerial	Supervisory	Clerical	Agent	Manpower Demand forecast for 2008 (%)*	Manpower Demand in 2007	Manpower Growth (%)**
Accounting Firms	4 338	3 668	8 107	-	16 113 (6.6)	15 838	275 (1.7)
Banking & Finance & Insurance Services	1 074	1 891	1 939	-	4 904 (2.0)	4 855	49 (1.0)
Others	13 516	17 343	40 934	-	71 793 (29.3)	71 415	378 (0.5)
Accountancy	18 928	22 902	50 980	-	92 810 (37.9)	92 108	702 (0.8)
Banks, DTCs & Rep. Offices	15 189	28 056	30 224	-	73 469 (29.9)	73 596	-127 (-0.2)
Stock & Share Companies	2 058	2 837	5 218	-	10 113 (4.1)	10 044	69 (0.7)
Others	6 850	8 204	5 880	-	20 934 (8.5)	20 771	163 (0.8)
Banking and Finance	24 097	39 097	41 322	-	104 516 (42.5)	104 411	105 (0.1)
Life Insurance	2 129	4 521	1 572	26 797	35 019 (14.3)	33 023	1 996 (6.0)
General Insurance	2 230	5 187	2 385	3 233	13 035 (5.3)	13 005	30 (0.2)
Insurance	4 359	9 708	3 957	30 030	48 054 (19.6)	46 028	2 026 (4.4)
Total (%)*	47 384 (19.3)	71 707 (29.2)	96 259 (39.2)	30 030 (12.3)	245 380 (100)	242 547	2 833 (1.2)

(%)* As percentage of the total forecast manpower demand for 2008 in the Financial Services Sector.

(%)** Manpower growth rate calculated was based on 2007 manpower demand and 2008 projection.

Minimum Education/Qualification Requirement of Employees by Job Level

2.9 Most employers surveyed in the Sector preferred their employees at managerial and supervisory levels to possess a higher level of education and/or professional qualifications as shown in Table 5 below. 87.0% of managerial staff possessed professional qualifications or university degrees or above. 39.5% of supervisory staff possessed similar qualifications and 29.5% possessed higher diploma/associate degree or equivalent. 80.3% of clerical staff possessed matriculation/secondary 5 or equivalent. The distribution of employees in each education/qualification requirement by job level is summarized in Table 5.

Table 5 : Minimum Education/Qualification Requirement of Employees by Job Level

Education/ Qualification Job Level	Professional Qualification (%)*	University Degree or Above (%)*	Higher Diploma/ Associate Degree or equivalent (%)*	Diploma/ Higher Cert./ Certificate or equivalent (%)*	Matriculation/ Secondary 5 or equivalent (%)*	Below Secondary 5 (%)*	Not Applicable/ Unspecified@ (%)*	Total (%)*
Managerial	10 808 (23.4)	29 360 (63.6)	623 (1.4)	109 (0.2)	16 (-)	- (-)	5 281 (11.4)	46 197 (100)
Supervisory	1 559 (2.2)	26 088 (37.3)	20 577 (29.5)	9 383 (13.4)	5 111 (7.3)	- (-)	7 195 (10.3)	69 913 (100)
Clerical	9 (-)	6 248 (6.6)	2 248 (2.4)	6 748 (7.2)	75 551 (80.3)	487 (0.5)	2 842 (3.0)	94 133 (100)
Agent	63 (0.2)	959 (3.6)	235 (0.9)	1 646 (6.2)	17 058 (63.6)	- (-)	6 846 (25.5)	26 807 (100)
Total	12 439	62 655	23 683	17 886	97 736	487	22 164	237 050

@ New job categories were grouped into the “others” category in each of the surveys and the minimum education/qualification of such jobs cannot be meaningfully reclassified for presentation. In addition, out of the 22 164 employees, 14 518 employees (about 6% of the 237,000 persons engaged) did not report their minimum education/qualification and were labeled as “Unspecified”.

(%)* As percentage of the total number of employees at the same job level.

Minimum Year(s) of Experience Required of Employees

2.10 The range of the length of working experience required of employees varies in the Sector. Generally speaking, employers preferred managerial staff to have a minimum of 5 to 10 years or more of working experience in their respective industries. Supervisory staff would require a minimum of 2 to 5 years of working experience in their respective industries and clerical staff, 3 years or less working experience. Insurance agents would require 2 years or less working experience. Table 6 shows the minimum year(s) of experience required of employees in the Sector.

Table 6 : Minimum Requirement of Year(s) of Experience Preferred, Breakdown by Job Level

Job Level	Minimum Requirement of Year(s) of Experience
Managerial	5 – 10 years
Supervisory	2 – 5 years
Clerical (i) Accountancy (ii) Banking and Finance (iii) Insurance	Less than 3 years 1 year or less 1 – 2 years
Insurance Agents	2 years or less

Staff Turnover in the Past 12 Months

2.11 Staff turnover is defined as the total number of employees having left their companies in the specific period of time. The staff turnover statistics by industry and by job level are shown in Table 7 below.

Table 7 : Number of Resignees
in the Past 12 Months by Job Level

Industry \ Job Level		Managerial	(%)#	Supervisory	(%)#	Clerical	(%)#	Total	(%)#
Accountancy	No. of Resignees	1 334	(7.2)	2 543	(11.4)	6 014	(12.2)	9 891	(11.0)
	No. of Persons Engaged	18 417		22 387		49 381		90 185	
Banking and Finance	No. of Resignees	2 562	(10.9)	4 168	(10.9)	5 910	(14.5)	12 640	(12.3)
	No. of Persons Engaged	23 478		38 259		40 846		102 583	
Insurance	No. of Resignees	168	(4.0)	1 063	(11.5)	485	(12.4)	1 716	(9.8)
	No. of Persons Engaged	4 302		9 267		3 906		17 475	
Total	No. of Resignees	4 064	(8.8)	7 774	(11.1)	12 409	(13.2)	24 247	(11.5)
	No. of Persons Engaged	46 197		69 913		94 133		210 243	

$$(\%)# \quad \text{Staff turnover rate} = \frac{\text{Number of resignees in a specific period of time}}{\text{Total number of employees in a specific period of time}} \times 100\%$$

Note: The staff turnover rate of agents was not shown in Table 7 because data received was considered to be not representative as most large insurance companies did not provide agent resignation figures.

2.12 During the past 12 months, 24 247 employees had left their companies for various reasons, such as resignation, further studies, emigration and retirement, etc. The overall staff turnover rate was 11.5% for the Sector. The figures indicate that staff turnover is highest for the banking and finance industry at 12.3% followed by the accountancy industry at 11% and insurance industry at 9.8%.

2.13 Some members of the industries who participated in the focus groups discussion had expressed their view that the actual staff turnover rates might be higher in individual industries than those reflected in the MPSs, given the recovery of the economy and the tight labour market towards the latter part of 2007.

Recruitment Difficulties

2.14 The reasons of recruitment difficulties given by employers were mainly “Working conditions/ remuneration package could not meet recruits’ expectations” and “Lack of candidates with relevant experience and training” which accounted for 43.7% and 38.9% of the cases of recruitment difficulties. Other reasons included the requirement of special language skills and seasonal factor, etc. The analysis of recruitment difficulties experienced in the Sector by reason and by job level is summarized in Table 8 below.

Table 8 : Recruitment Difficulties in the Past 12 Months

Reason Job Level	General Labour Shortage in Hong Kong (%)*	Insufficient Graduates in Relevant Disciplines from Tertiary Institutions (%)*	Lack of Candidates with Relevant Experience and Training (%)*	Working Conditions/ Remuneration Package Could Not Meet Recruits’ Expectations (%)*	Lack of Candidates with Good Language Capabilities - English (%)*	Lack of Candidates with Good Language Capabilities - Putonghua (%)*	Other Reasons (%)*	Total (%)*
Managerial	95 (16.2)	43 (7.3)	261 (44.5)	181 (30.9)	3 (0.5)	2 (0.4)	1 (0.2)	586 (100)
Supervisory	49 (5.9)	8 (1.0)	306 (37.0)	447 (54.1)	10 (1.2)	3 (0.4)	3 (0.4)	826 (100)
Clerical	137 (8.1)	36 (2.1)	625 (37.1)	747 (44.4)	21 (1.3)	3 (0.2)	115 (6.8)	1 684 (100)
Agent	8 (6.8)	6 (5.1)	58 (49.6)	29 (24.8)	7 (6.0)	4 (3.4)	5 (4.3)	117 (100)
Total (%)**	289 (9.0)	93 (2.9)	1 250 (38.9)	1 404 (43.7)	41 (1.3)	12 (0.4)	124 (3.8)	3 213 (100)

(%)* As percentage of the total number of cases of recruitment difficulties at the same job level.

(%)** As percentage of the total number of cases of recruitment difficulties in the Financial Services Sector.

Number of Internal Promotions in the Financial Services Sector

2.15 It is a general trend that senior positions were promoted from within the organization. Internal promotion opportunities also serve as the incentives to attract and retain talents in the companies. The three MPSs revealed that 28.9% of internal promotions were from supervisor to manager and 63.1% were from clerk to supervisor. Table 9 below shows the distribution of internal promotions by industry and by job level.

**Table 9 : Distribution of Internal Promotions
by Industry and by Job Level**

Job Level \ Industry	From Manager to Senior Manager (%)*	From Supervisor to Manager (%)*	From Clerk to Supervisor (%)*	From Others to Clerk (%)*	From Agent to Unit Manager/ Agency Supervisor (%)*	From Unit Manager/ Agency Supervisor to Agency Manager (%)*	From Agency Manager to Agency Director/ Senior Agency (%)*	Total (%)*
Accountancy	246 (10.8)	475 (20.8)	1 508 (66.2)	50 (2.2)	- (-)	- (-)	- (-)	2 279 (100)
Banking and Finance	- (-)	840 (36.9)	1 397 (61.5)	37 (1.6)	- (-)	- (-)	- (-)	2 274 (100)
Insurance	- (-)	58 (28.7)	95 (47.0)	10 (5.0)	34 (16.8)	1 (0.5)	4 (2.0)	202 (100)
Total (%)**	246 (5.2)	1 373 (28.9)	3 000 (63.1)	97 (2.0)	34 (0.7)	1 (-)	4 (0.1)	4 755 (100)

(%)* As percentage of the total internal promotions in the same industry.

(%)** As percentage of the total internal promotions in the Financial Services Sector.

Manpower Demand of the Financial Services Sector

2.16 Having regard to the survey findings, the projections of manpower demand using the Labour Market Analysis Model where appropriate and the staff attrition factor, the three Training Boards have projected that the manpower demand in the Sector for 2008 would be about 253 000 (237 000+16 000) employees. Table 10 shows the total manpower requirements by industry and by job level.

Table 10 : Total Manpower Requirements of the Financial Services Sector for 2008

Industry \ Job Level	Managerial		Supervisory		Clerical		Agent		Total	
	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement
Accountancy	18 417	642	22 387	866	49 381	1 709	-	-	90 185	3 217
Banking and Finance	23 478	1 457	38 259	2 329	40 846	2 903	-	-	102 583	6 689
Insurance	4 302	150	9 267	1 052	3 906	127	26 807	4 774	44 282	6 103
Total	46 197	2 249	69 913	4 247	94 133	4 739	26 807	4 774	237 050 Say 237 000	16 009 Say 16 000

Manpower Supply of the Financial Services Sector

2.17 Based on the manpower projections for 2008 made by the Training Boards (about 16 000 as shown in Table 10) and taking into account the education/qualification requirements of the various job levels preferred by employers in the three industries, about 6 170 employees with degree or sub-degree/associate degree qualifications would be required. According to the information provided by the University Grants Committee of Hong Kong (UGC), Hong Kong Institute of Vocational Education (IVE) and course providers running courses related to accountancy, banking and finance, and insurance, which had been accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), the estimated number of graduates with degree or sub-degree/associate degree qualifications in the related areas in 2008 would be 7 055. It would appear that, quantitatively, the supply of degree and sub-degree/associate degree graduates should be sufficient to meet the market demand. The estimated employers' demand for and supply of manpower with degree or sub-degree/associate degree qualifications in the three industries are listed in Tables 11A and 11B respectively.

Table 11A: Demand for Local Graduates of Accountancy, Banking and Finance and Insurance

Manpower Demand Industry	Employers' Demand for Employees with Degree or Sub-degree/Associate Degree Qualifications		
	Degree	Sub-degree/ Associate Degree	Total
Accountancy	1 167	523	1 690
Banking and Finance	2 099	1 246	3 345
Insurance	523	612	1 135
Total	3 789	2 381	6 170

Table 11B: Supply of Local Graduates of Accountancy, Finance, Business Administration, Insurance and related Disciplines

Manpower Supply Discipline	Estimated Number of Graduates in 2007/2008		
	Degree	Sub-degree/ Associate Degree	Total
Accountancy and related disciplines	643	2 584	3 227
Finance, Business Administration and related disciplines	2 019	1 673	3 692
Insurance and related disciplines	136	-	136
Total	2 798	4 257	7 055

2.18 As shown in Table 10, the projected additional manpower requirements for 2008 are about 16 000. Apart from the estimated 7000 local graduates with degree and sub-degree/associate degree qualifications who might join the Sector, graduates of overseas universities as well as those from other disciplines of studies, and thousands of secondary 5 graduates might also join the three industries. It would appear that there should be no lack of fresh graduates for the Sector. More importantly, the Sector is in need of experienced people to take up managerial and supervisory positions. Employers should be prepared to provide comprehensive training programmes for fresh graduates to equip them with the appropriate skills to carry out their job duties.

Training Needs in the Financial Services Sector

2.19 The three MPSs also asked employers for their staff training plans in the next 12 months. Based on the feedbacks from employers, it is estimated that the Sector would need 3 675 245 trainee hours for their 245 380 employees for 2008. Given the higher demand for manpower at the supervisory and managerial levels, it would be important to provide appropriate training programmes to employees at clerical levels to help improve the manpower situation. The estimated trainee hours required for individual industries are summarized in Table 12.

Table 12: Estimated Trainee Hours in the Next 12 Months by Industry

Industry	Estimated Trainee Hours and Manpower Demand for 2008	Estimated Trainee Hours	Estimated Manpower Demand for 2008	Trainee Hours per Employee
Accountancy		1 153 453	92 810	12.4
Banking and Finance		1 703 143	104 516	16.3
Insurance		818 649	48 054	17.0
Total		3 675 245	245 380	15.0

2.20 Each employee is estimated to require on average 15 trainee hours for 2008. Specific areas of training required include “basic job-related knowledge”, “general management knowledge”, “generic skills” and “acquisition of professional qualifications”. Course providers could develop the training programmes for employees in specific industries with reference to the topics reported by employers in the three MPSs. Details of the topics of training required were summarized in the manpower survey report of the individual industry.

2.21 The qualitative analyses of relevant manpower statistics are summarized in Section III based on the projected business outlook of the three industries for the next few years.

SECTION III

QUALITATIVE ANALYSIS OF SURVEY FINDINGS AND BUSINESS OUTLOOK

An Overview

3.1 The business outlook of industries not only serves as an indicator of the business activities of the economy, but also gives insight on the trend of human resources development in future. To ensure that the manpower training and development strategies recommended are effective to the industry, members of the three Training Boards were requested to advise on the business outlook of their respective industries. Three focus group discussions were organized to collect views from leading market practitioners on the business outlook of the three industries. In view of the economic recovery of Hong Kong and the sustained economic growth of China, the Training Boards hold the view that the business outlook of the Financial Services Sector (Sector) in Hong Kong would continue to be prosperous in the next few years.

The Development of the China Market

3.2 Hong Kong and Mainland China have signed the Supplement VI of the Closer Economic Partnership Arrangement (CEPA) shortly before the 10th Anniversary of the establishment of the HKSAR. Since the implementation of the first phase of CEPA in early 2004 and with the continuing co-operations in trade in goods, services and investment facilitation under the CEPA, some services sectors such as accounting, banking, securities, insurance and legal services, etc. have established their networks and developed their business in the Mainland. The introduction of various kinds of Renminbi financial services in Hong Kong, the implementation of the Qualified Foreign Institutional Investor (QFII) and the Qualified Domestic Institutional Investor (QDII) schemes are expected to enhance the flow of funds between Hong Kong and the Mainland. Thus, there will be a high demand for financial services as well as financial services professionals to provide consultancy services, in particular in capital financing and merger and acquisition.

3.3 The strategies in the National 11th Five-Year Plan have also lent support to the Sector in Hong Kong. With the evolution of financial systems in the Mainland, such as the speeding up of the development of direct financing, securities and futures markets as well as the bond market, it is expected that the financial markets of Hong Kong and the Mainland will complement each other, and through the co-operation of the financial markets in the 2 regions, the operation efficiency will be enhanced.

3.4 With regard to investment business, fund management companies in the Mainland are allowed to set up branches in Hong Kong. The registration time frame for securities firms in the Mainland to set up branches in Hong Kong has also been relaxed. The entrance of securities firms from the Mainland to the financial markets in Hong Kong will also lead to a high demand for banking and finance personnel, in particular for personnel working in stock and share companies, commodity futures companies and investment companies, etc.

3.5 The development of the Securities Sector will be promising. The Securities Sector involves “Human Capital”, “Financial Capital” and “IT Platform”. Hong Kong is and will continue to be an ideal intermediary for Mainland firms to access the global markets. Hong Kong will be developed as a fund raising hub for Mainland enterprises. Hong Kong has a sound legal system, efficient communication networks and professional banking and finance personnel with multi-language skill providing it with the advantage over other financial markets in providing capital financing services to the Mainland.

3.6 According to Supplement IV of the CEPA, the minimum capital requirement of banks in Hong Kong for the purpose of investing in banks in the Mainland has further been relaxed. The definition of “Bank in Hong Kong” has also been revised. These changes are expected to benefit banking and financial institutions which are interested to develop their business in the Mainland.

Impacts on Human Resources Development

3.7 The development of China market definitely brings plenty of business development opportunities to Hong Kong people. The three manpower surveys showed the vacancy rates and the recruitment difficulties encountered by employers in the 12 months prior to the fieldwork of the manpower surveys. It can be concluded that there were mismatches of manpower supply and demand at various job levels in the three industries which were evidenced by the relatively high vacancy rates, in particular for managerial and supervisory positions in the Sector. Employers are advised to take note of the situation of manpower mismatches before formulating effective human resources development strategies.

Mismatch of Manpower Supply and Demand

3.8 Analysis of the vacancy situation of the Sector showed that there were manpower mismatches which may be due to the lack of manpower with sufficient working experience or the necessary skills to fill the vacancies. While it is expected that clerical level vacancies can be filled easily, filling of the vacancies at the supervisory and managerial levels is expected to take longer time, and require more efforts and at higher costs. Discussions with the focus group members further revealed that in the accountancy industry, there were manpower mismatches at supervisory level more specifically for non-governmental organizations (NGOs) which require its accounting staff to possess special skills in handling their accounts.

3.9 Feedbacks suggested that for the banking and finance industry, there was manpower mismatch in that candidates who were well experienced in the technical trades did not possess the relevant soft skills such as leadership and managerial skills, etc. to take on management roles. Supervisors with 3 to 5 years of experience were in high demand and staff in this category can change jobs easily to move to higher ranks and better remuneration packages.

3.10 For the insurance industry, it is noted that supervisors were in high demand which also indicates that there may be insufficient number of eligible clerical level staff to fill the supervisory positions. No manpower mismatch was identified for entry level positions as students from various disciplines and employees from other industries can easily join the insurance industry where openings are always available in the sale of insurance products. It should however be noted that all insurance intermediaries need to pass the Insurance Intermediaries Qualifying Examination under the Insurance Authority to obtain their license prior to practice.

Mobility of Manpower Across the Border

3.11 On the mobility of manpower across the border, feedbacks from employers suggest a growing tendency for them to engage local hire for their Mainland operations. On the other hand, some employers have considered importing manpower from the Mainland to fill the vacancies in Hong Kong. Consideration for both aspects is summarized as follows:

- (i) There are differences in the financial accounting standards and financial market operating practices in Hong Kong and the Mainland, and the skills sets possessed by the financial services personnel in these two places are different;
- (ii) Domestic consideration would be of concern to Hong Kong financial services personnel in their decision to take up jobs in the Mainland, e.g. education for their children, social life for the families, etc. On the other hand, Mainland personnel coming to work in Hong Kong would have to adjust to the differences in business cultures, environment, practices, and the legal and financial systems; and
- (iii) In view of the rapid changes in the business environment, some Hong Kong employees were concerned that their career advancement could be jeopardized by their secondment to the Mainland.

Changes in Skill Levels and Occupation Mix

3.12 Following the development of the Mainland market as well as the economic boom in Hong Kong, the skill set of manpower should be modified/changed in order to meet the market needs.

3.13 The role of banks and insurance companies in Hong Kong has also changed over the past years. In addition to providing traditional banking services, banks have increasingly engaged in the marketing of financial advisory services, asset management services, investment advisory services, insurance and investment-linked products. Similarly, insurance companies have actively participated in risk management, asset management, financial planning and investment advice businesses.

3.14 In the insurance industry, more officers (in particular technical representatives) are employed to promote various insurance products and services, investment-linked products, financial planning and asset management services. As mentioned in the 2007 Insurance Manpower Survey Report (Section III, paragraph 3.14), there is a trend that the manpower of life insurance agents has decreased at all levels. These reductions occur probably because the life insurance industry has been undergoing a consolidation process heading for a higher degree of expertise and versatility, especially in financial planning and investment-linked products. It is also possible that many life insurance agents have switched to the banking field because many banks are now selling insurance products, in particular investment-linked insurance products. Banks have been aggressively expanding their sales force by recruiting experienced life insurance practitioners with the relevant marketing skills.

Desirable Attributes of the Human Resources for the Financial Services Sector

3.15 As the nature of business, products and services in the various industries evolve personnel working in each industry are required to possess not only trade-specific skills and knowledge, but also knowledge on the trading practices of the related trades.

3.16 For the accountancy industry, apart from traditional accounting, auditing and taxation knowledge, accounting personnel need to broaden their exposures and upgrade their skills in the financial management services, investment advisory services and professional advisory services on capital financing, etc. Furthermore, language skills such as Putonghua and English, information systems application skills and interpersonal skills are the desirable attributes of accounting personnel.

3.17 With regard to the banking and finance industry, good knowledge on business ethics, appropriate working attitude, effective communication skills, presentation skills, language skills, good product knowledge, appropriate professional qualifications and licenses acquired for specific business activities were the most wanted attributes of banking and finance personnel. In addition, short-term workshops and case discussions could help employees exchange views and share experience in handling difficult cases. Furthermore, secondment of employees to overseas branches could help employees establish their network and increase their exposure in the banking and finance industry.

3.18 For the insurance industry, the desirable attributes of insurance practitioners are good understanding of insurance principles and concepts, sound product knowledge and good sales and marketing skills. Good interpersonal communication skill is also important. With the opening up of the Mainland market, knowledge about the market and proficiency in Putonghua are also important. Due to the convergence and maturity of the insurance market, customers are becoming more sophisticated. They will look for more transparency of transactions and quality advice, especially on financial planning and investment. Thus, qualified financial planners and investment advisers would be in great demand. Cross-discipline knowledge is also very important. Well-trained and experienced professionals at the executive and management level, with global vision and exposure to international business will be in demand. Expertise in specialized markets such as high-end technology, financial planning, asset management, investment and retirement planning will be necessary.

3.19 To ensure and enhance the professional standard of insurance intermediaries so as to protect the interests of the insuring public, it is necessary for all insurance intermediaries to pass the Insurance Intermediaries Qualifying Examination (IIQE) under the Insurance Authority as a condition of registration or authorization. This served to improve the basic insurance knowledge of manpower in the insurance industry. As reported by the Institute of Professional Education And Knowledge (PEAK) Examination Centre (i.e. the Examination Body of the IIQE), on average about 100 000 candidates took the six IIQE papers every year.

3.20 Insurance intermediaries, their chief executives/responsible officers and technical representatives are required to comply with the requirements of the Continuing Professional Development (CPD) Programme under the Insurance Intermediaries Quality Assurance Scheme (IIQAS) implemented by the Insurance Authority. The objective of implementing the CPD Programme is to ensure that insurance intermediaries will continue to possess professional competence and standard in providing advice and service to the policyholders and potential policyholders. Insurance intermediaries are required to earn 10 CPD hours every year.

3.21 With the growing involvements in Types 1, 4 and 9 of the Securities and Futures Commission (SFC) regulated activities by insurance brokers, company agencies and bancassurers, course providers should be proactive in coping with the rising training needs.

3.22 In view of Hong Kong's close tie with the Mainland and the accelerated opening up of the Mainland insurance market, education/training institutions should develop appropriate training programmes and seminars/workshops to help insurance professionals cope with the rapidly changing business environment.

Way Forward

3.23 With reference to the business outlook and the trend of the human resources development, the Training Boards have made recommendations on the manpower training and development strategies for the Financial Services Sector. Details of the recommendations are summarized in Section IV.

SECTION IV

RECOMMENDATIONS

Major Findings in the Surveys

4.1 Business outlook for the Financial Services Sector (Sector) is positive with expected growth in manpower demand. Increased manpower demand will intensify the vacancy situation, especially at the supervisory and management levels, if appropriate staff training and development is not provided to equip staff at the more junior levels with the skills necessary for promotion.

4.2 The survey findings revealed that there should be sufficient fresh graduates to satisfy employers' demand for positions requiring degree or sub-degree qualifications (Tables 11A and 11B). This is supported by that only 2.9% of total cases of recruitment difficulties reported "insufficient supply of graduates in relevant disciplines from tertiary institutions" as the reason (Table 8 Section II).

4.3 The higher vacancy rates for positions at the supervisory and managerial levels indicated that there was higher demand for supervisors and managers in the Sector (Table 2B Section II--the vacancy rates increased from 1.8% at clerical level to 2.1% and 2.2% at supervisory and managerial levels). The situation was particularly acute in the insurance industry with a 3.7% vacancy rate reported at the supervisory level.

4.4 Supervisory and managerial level positions generally require a minimum of 2 to 10 years of working experience with appropriate supervisory/management skills (Table 6 Section II) and fresh graduates were not able to fill these positions.

4.5 It is a general trend that employers would try to fill the supervisory and managerial positions with suitable employees through internal promotions. Table 9 Section II shows that 63.1% of supervisory positions were filled through internal promotions from clerical positions and 28.9% of managerial positions were filled through internal promotions from supervisory positions. These suggest that the manpower at the clerical and supervisory levels may still lack the necessary skills for progression to the next level positions. This observation was shared by the focus groups.

Recommendations

4.6 Having studied the results of the manpower surveys and the views of the focus groups, the Training Boards have made a number of recommendations to improve the manpower supply and demand for the accountancy, banking and finance and insurance industries in the Sector. These include strategies for manpower training and development, and for attracting and retaining talents.

Strategies for Manpower Training and Development

4.7 The surveys have identified three major areas of training required by employees, they are “Basic Job-related Knowledge”, “General Management Knowledge” and “Generic Skills”. The training demands for “Basic Job-related Knowledge” of each industry are summarized and listed in descending order of importance as follows:

- (i) Accountancy Industry
 - Financial Accounting;
 - Cost and Management Accounting;
 - Auditing;
 - Tax Compliance and Planning; and
 - Business Law.

- (ii) Banking and Finance Industry
 - Financial Markets Operations;
 - Securities and Futures Regulations;
 - Enhancing Quality Customer Services;
 - Financial Risk Management; and
 - Long Term Insurance.

- (iii) Insurance Industry
 - General Insurance;
 - Law Relating to Insurance;
 - Life Insurance;
 - Financial Planning; and
 - Investment Planning.

4.8 While the “Basic Job-related Knowledge” training requirements differ among the three industries, there are training topics in the “General Management Knowledge” and “Generic Skills” areas common to all three industries. The common topics are summarized and listed in descending order of importance as follows:

- (i) General Management Knowledge
 - Principles of Management;
 - Human Resources Management;
 - Risk Management;
 - Marketing Management;
 - Strategic Management;
 - Quality Management; and
 - Supervisory Management.

(ii) Generic Skills

Putonghua;
Marketing/Selling Skills;
English Written Skills;
English Oral Skills;
Interpersonal Skills;
Information Systems Application Skills; and
Presentation Skills.

4.9 New entrants and relatively inexperienced personnel should equip themselves with the basic principles and basic job-related knowledge and skills. In-service and relatively experienced personnel should upgrade their trade specific, general management and generic knowledge and skills continuously to cope with the developments in the industries and to meet the increasing demand for higher level job skills and knowledge in the present day business environment.

4.10 To meet the demand at the executive and management level, for well-trained and experienced professionals with global vision and exposure to international financial business, it is recommended that employers and tertiary institutions should strive to work together to provide the necessary training, especially in specialized markets such as asset management, financial planning, investment consultancy, insurance on high-end technology.

4.11 Employers should encourage and provide assistance to employees to pursue professional qualifications and fulfill licensing requirements. Tertiary institutions and training organizations in Hong Kong should offer a wider spectrum of training programmes, including courses on capital financing, investment advisory services, asset management, financial planning, sales and marketing skills, communication skills, language skills, etc. for the training of both in-service personnel and prospective employees of this Sector.

4.12 Employers and employees should be aware that professional development has become a lifelong learning process. Practitioners are recommended to upgrade themselves continuously for satisfying customer needs and taking up the challenges of competition under the complex business environments nowadays. On the other hand, employers should develop and provide more in-house training considering the high demand for supervisory and managerial staff, it would be important that appropriate supervisory and management training be provided at appropriate levels to equip staff for promotion into the next job level. They should also make good use of services provided by external course providers and encourage and facilitate employees to take external training courses to supplement in-house training.

4.13 Conferences and seminars are recommended to be organized regularly. The objectives are to provide a forum for financial services personnel at different levels to share valuable experiences and skills, and to discuss issues concerning the development of the respective professions. Seminars targeted at junior personnel and/or students of tertiary institutions should also be organized. They should include topics related to the career development and prospects in the Sector. Furthermore, conferences and seminars aimed at improving communication and understanding between Hong Kong and Mainland are also recommended.

4.14 The Government should provide resources to support education and training in financial services (e.g. through the Continuing Education Fund and the Skills Upgrading Scheme, etc.). Employees are recommended to apply for these subsidies when taking relevant education and training courses to help develop their careers.

Strategies to Attract and Retain Talents

4.15 Having recruited new entrants with desirable attributes, employers should provide appropriate training and development programmes to help them carry out their job duties effectively and efficiently, and more importantly, to help them develop. In consideration of the higher vacancies at the supervisory and management levels and that there may not be sufficient eligible staff from the lower levels to fill such vacancies, it is important that employers should formulate strategies and plans to attract and retain talents. In this regard, the following strategies are recommended:

- (i) Employers are recommended to develop career progression pathways for their employees who should be provided with sufficient information and encouragement in this respect. This could help motivate staff to build a career in the industry and contribute to its development. Staff should be given support in upgrading their knowledge, skills and professional qualifications, through a lifelong learning process, which ultimately would help their career advancement;
- (ii) In addition to the provision of a reasonably attractive remuneration package, employers are recommended to institute systems for recognition of performance which should be linked to career advancements; and
- (iii) To improve the manpower supply situation, particularly in the sales and agency areas of the insurance industry which suffers a high vacancy rate of 4.9% (Table 2B Section II), public perception on the industry will need to be improved. The insurance industry could organize more career conferences/seminars for students in universities, post-secondary institutions such as the Hong Kong Institute of Vocational Education (IVE) and secondary schools, as well as for their parents, so that they can have a better understanding of the insurance industry and the career prospects therein. The roles of the practitioners, such as financial planners, asset management practitioners, investment and independent financial advisers, should be promoted to enhance the professional image of the industry. These could help attract new recruits to the industry.

Conclusion

4.16 With the significant economic growth of Hong Kong and the Mainland, and the positive business outlook of the Sector, the Training Boards are of the view that a concerted effort should be made by employers, persons engaged in the industry, education and training institutions, and the Government, in rolling out appropriate policies and strategies in meeting the training and development needs of the Sector, and in enhancing the quality of its manpower. This is paramount for Hong Kong to sustain its status as an international financial centre.