

Section II

Survey Findings

A. Manpower Situation in 2012

Coverage of the Survey

2.1 The survey covered employees in the six sectors of the Beauty, Hairdressing and Cosmetics Industry:

- i) School (Beauty & Hairdressing/Make-up & Nail) [abbreviated as “School”];
- ii) Beauty Centre/Health Centre & Spa [abbreviated as “Beauty Centre”];
- iii) Hairdressing Salon;
- iv) Cosmetic Product Company – Wholesale, Import & Export [abbreviated as “Cosmetic Product Company – WIE”];
- v) Cosmetic Product Company – Retail;
- vi) Nail Salon.

Total Workforce

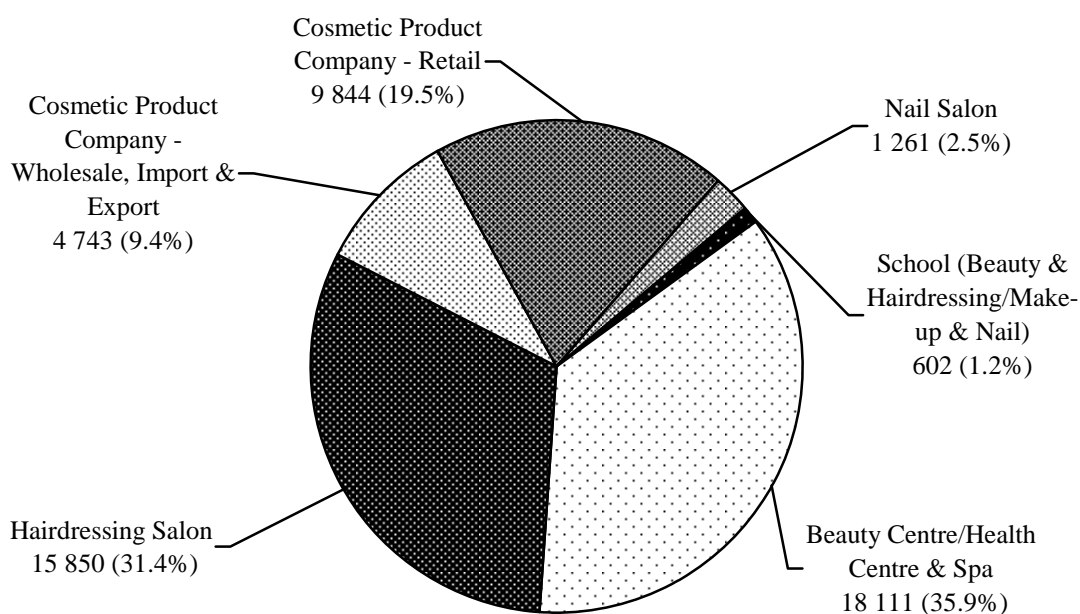
2.2 A total of **58 774** workers were employed in the six sectors of the industry in January 2012. Among them, **50 411 (85.8%)** were technical employees engaged in principal jobs (including 46 075 Direct Employees, 2 389 Freelancers and 1 947 Part-time Employees), and the remaining **8 363 (14.2%)** were non-technical employees engaged in non-principal jobs, similar to the situation in 2010 with percentages of 86.5% and 13.5% respectively. Compared with the 47 591 technical employees in 2010, the 2012 survey recorded an increase of 2 820 employees, recording a growth rate of 5.9% within 2 years.

2.3 Same as the 2010 survey, non-technical employees in general administration, accounting and other supporting jobs have been excluded from all analyses in this report. With due consideration to the peculiarities of the industry, Direct Employees, Freelancers and Part-time Employees were included in this survey so as to fully reflect the manpower situation of the whole industry.

Distribution of Employees

2.4 The survey revealed that the majority of employees (18 111, or 35.9% of the total workforce) were working in Beauty Centre, followed by Hairdressing Salon (15 850, 31.4%), Cosmetic Product Company - Retail (9 844, 19.5%), Cosmetic Product Company – WWIE (4 743, 9.4%), Nail Salon (1 261, 2.5%) and School¹ (602, 1.2%). Distribution of employees by sector is shown in **Figure 1**. Detailed manpower statistics are shown in **Table 1, Section 5**.

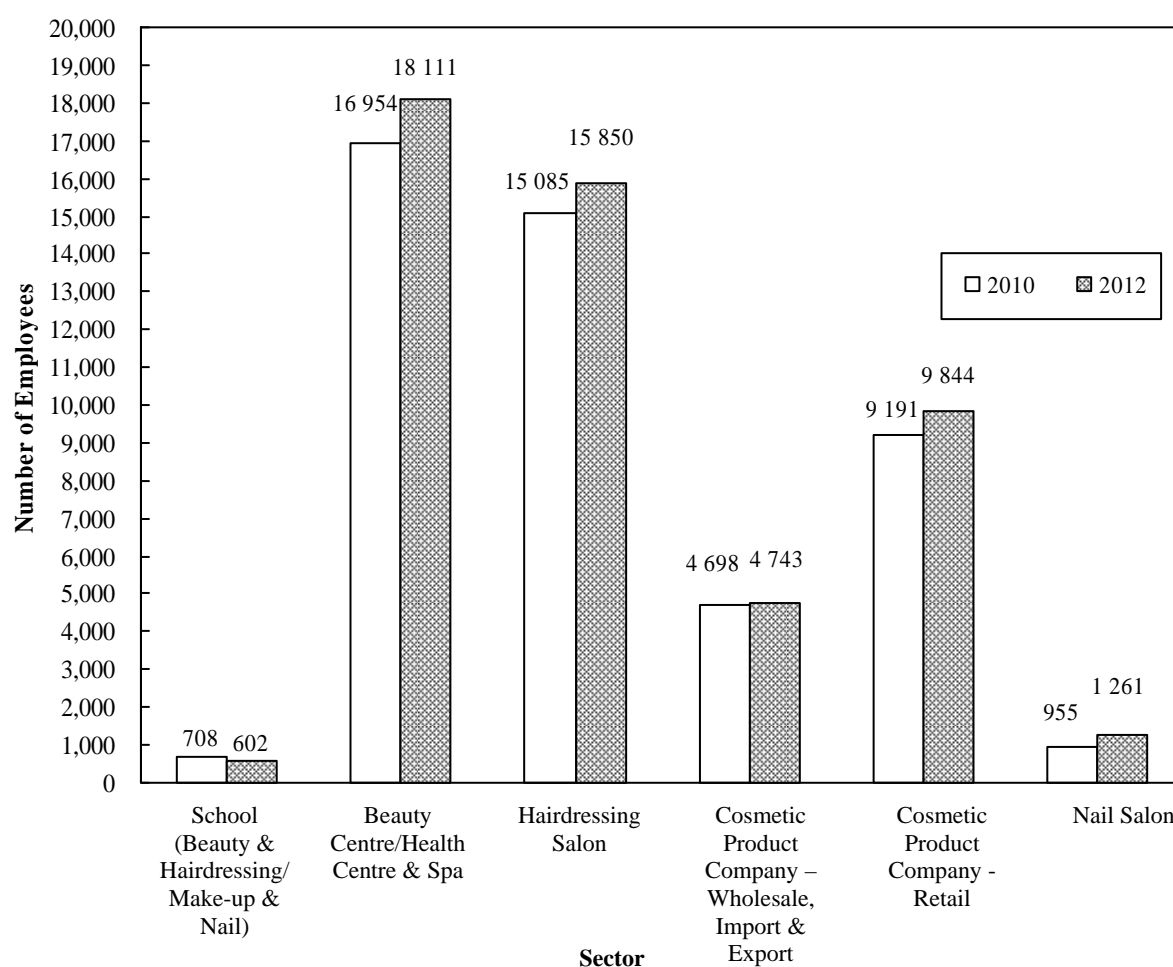
**Figure 1: Distribution of Employees by Sector
(Including Direct Employees, Freelancers and Part-time Employees)
Total : 50 411**



2.5 Compared with the survey in 2010, Nail Salon recorded the highest manpower growth (306, +32%), followed by Cosmetic Product Company - Retail (653, +7.1%), Beauty Centre (1 157, +6.8%), Hairdressing Salon (765, +5.1%) and Cosmetic Product Company - WIE(45, +1%). On the other hand, School recorded a decline (106, -15%). Manpower growth by sector is shown in **Figure 2**. Detailed comparison of the manpower statistics between 2010 and 2012 is shown in **Table 2, Section 5**.

¹ School Sector: Private training institutes/schools and non-profit making training institutes were also covered.

Figure 2: Distribution of Employees in 2010 and 2012 by Sector



2.6 Distribution of employees by sector (including Freelancers and Part-time Employees) is shown in **Table 1**:

Table 1 : Distribution of Employees by Sector

Sector	Direct Employees	Freelancers	Part-time Employees
1. School (Beauty & Hairdressing/Make-up & Nail)	415	30	157
2. Beauty Centre/Health Centre & Spa	17 122	462	527
3. Hairdressing Salon	13 230	1 812	808
4. Cosmetic Product Company – Retail	9 532	1	311
5. Cosmetic Product Company – Wholesale, Import & Export	4 611	36	96
6. Nail Salon	1 165	48	48
	46 075	2 389	1 947

2.7 Compared with the survey in 2010, the number of Freelancers and Part-time Employees recorded a significant increase of 86.3% (+1 107) and 39.6% (+552) respectively. As for the number of Direct Employees, only a slight increase (2.6%, +1 161) was recorded.

2.8 By sector, Nail Salon recorded a 25.1 % growth in the number of Direct Employees, but the growth rate was obviously lower than in 2010, showing a slowdown in the business. Besides, Cosmetic Product Company - Retail, Beauty Centre and Cosmetic Product Company – WIE also recorded a slight growth in the number of Direct Employees. However, School recorded a significant decrease, with a drop of 27.8%.

2.9 The survey also revealed that in 2012, there were 2 389 Freelancers, representing a marked increase of 1 107 compared with the survey in 2010. By sector, the manpower growth was most obvious in Hairdressing Salon. Among all sectors, only Cosmetic Product Company - Retail recorded a decrease in the number of Freelancers.

2.10 In 2012, there were 1 947 Part-time Employees, representing an increase of 552 compared with the survey in 2010. The growth was most obvious in Cosmetic Product Company - Retail, followed by Hairdressing Salon. Among all sectors, only Cosmetic Product Company – WIE recorded an obvious drop in the number of Part-time Employees.

2.11 The distribution of principal jobs with most employees is as follows:

Job Titles	Number of Employees*			
	2010		2012	
1. Senior Beautician and Beautician	10 543	(22.2%) [#]	10 957	(21.7%) [#]
2. Senior Hair Stylist and Hair Stylist	8 950	(18.8%) [#]	9 825	(19.5%) [#]
3. Beauty Adviser (Counter) and Hair Care Adviser	6 843	(14.4%) [#]	6 719	(13.3%) [#]
4. Hairdressing Assistant	4 844	(10.2%) [#]	4 697	(9.3%) [#]
5. Sales Representative	1 563	(3.2%) [#]	1 528	(3%) [#]
6. Body Therapist	1 186	(2.5%) [#]	1 370	(2.7%) [#]
	33 929	(71.3%)[#]	35 096	(69.6%)[#]
(Total Number of Employees)	(47 591)	(100%)	(50 411)	(100%)

(*: Including Direct Employees, Part-time Employees and Freelancers;

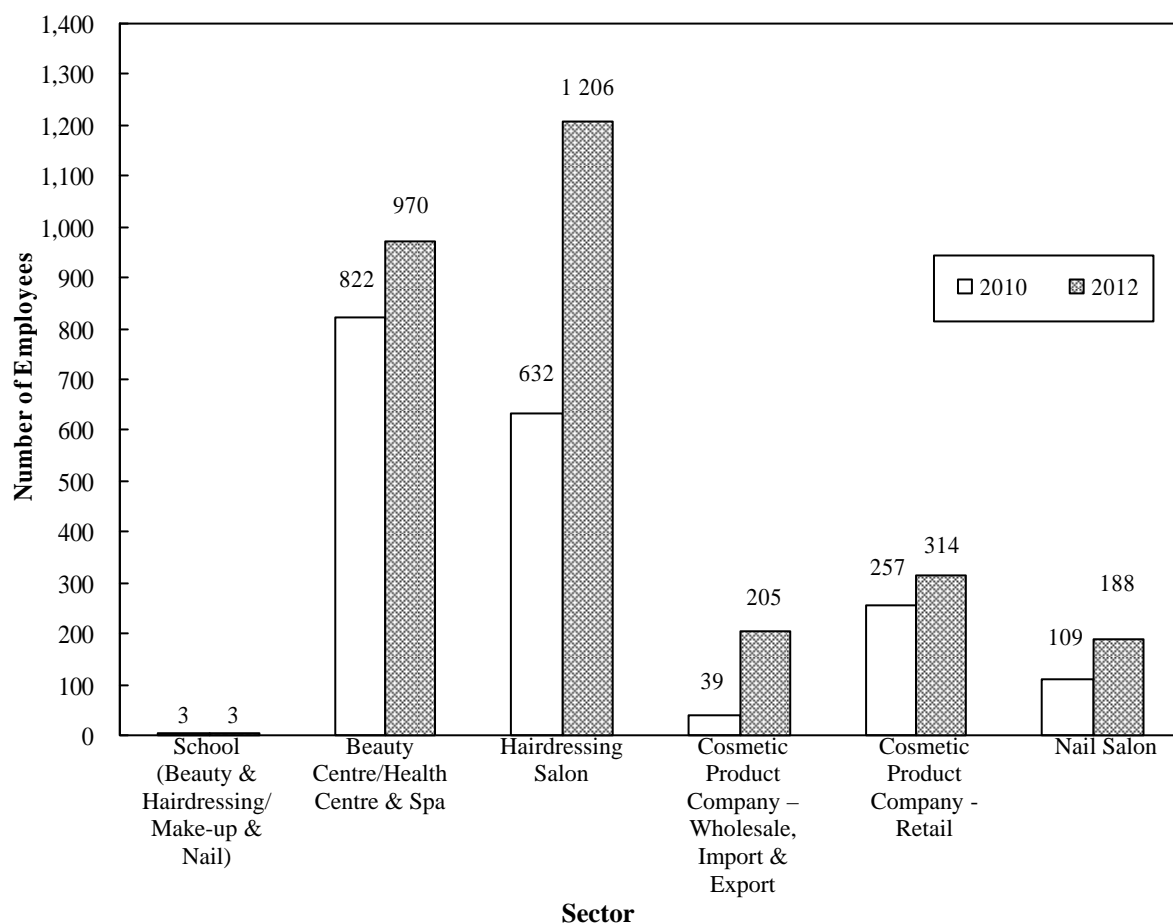
#: Percentage over the total number of employees)

2.12 The percentage of the abovementioned employees in principal jobs over the total workforce was similar to that of 2010, with varying degree of growth/decline. The highest growth (up 184, +15.5%) was recorded in Body Therapist, followed by Senior Hair Stylist and Hair Stylist (up 875, +9.8%). On the other hand, the greatest decrease was recorded in the post of Hairdressing Assistant (down 147, -3%), followed by Sales Representative (down 35, -2.2%). Indeed, Hairdressing Assistant was among the most difficult to fill, according to the majority of Hairdressing Salon owners.

Existing Number of Vacancies

2.13 At the time of the survey, employers reported 2 886 vacancies, representing 5.9% of the existing 48 961 posts (including posts for Direct Employees and vacancies). Compared with 2010, there were 1 024 more vacancies. By sector, Hairdressing Salon had the most vacancies (1 206), followed by Beauty Centre (970 vacancies). Comparison of the number of vacancies by sector between 2010 and 2012 is shown in **Figure 3**.

Figure 3: Number of Vacancies in 2010 and 2012 by Sector



2.14 Vacancies of principal jobs are summarised below:

Job Titles	Number of Vacancies	Percentage over Total Vacancies
1. Hairdressing Assistant	856	29.7%
2. Beautician	654	22.7%
3. Hair Stylist	272	9.4%
4. Beauty Adviser (Counter)	232	8.0%
5. Manicurist/Pedicurist	126	4.4%
6. Beauty Assistant	89	3.1%
Sub-total	2 229	77.2%
Total Number of Vacancies	(2 886)	(100%)

Number of Existing Trainees

2.15 A total of 91 trainees were employed in the six sectors. Hairdressing Salon had the largest number of trainees (42), followed by Nail Salon (30). Compared with 2010, the number of trainees increased by 35.

B. Forecast of Manpower Demand

Employers' Forecast of Manpower Demand by January 2013

2.16 Employers forecast that by January 2013 there would be 48 824 posts (excluding posts for Freelancers and Part-time Employees), representing a slight decrease of 137 posts compared with 2012. By sector, Hairdressing Salon and Beauty Centre would cut 105 and 51 posts respectively. On the other hand, there would be 30 and 2 new posts offered by Nail Salon and School. A comparison of the manpower forecast between 2012 and 2013 is summarised in **Table 2**.

**Table 2: Employers' Forecast of Manpower by Sector
(by January 2013)**

Sector	Number of Employees in January 2012 (a)	Number of Vacancies in January 2012 (b)	Total Number of Posts in Jan 2012 (a + b)	Employers' Forecast in January 2013	Increase/ Decrease (%)
1. School (Beauty & Hairdressing/Make-up & Nail)	415	3	418	420	0.5%
2. Beauty Centre/Health Centre & Spa	17 122	970	18 092	18 041	-0.3%
3. Hairdressing Salon	13 230	1 206	14 436	14 331	-0.7%
4. Cosmetic Product Company - Wholesale, Import & Export	4 611	205	4 816	4 816	0%
5. Cosmetic Product Company - Retail	9 532	314	9 846	9 833	-0.1%
6. Nail Salon	1 165	188	1 353	1 383	2.2%
	46 075	2 886	48 961	48 824	-0.3%

2.17 In terms of number of posts, significant change is recorded in the following principal jobs:

Job Titles	Increase/Decrease in Number of Posts
Senior Beautician	-34
Beautician	-25
Hairdressing Assistant	-73
Nail Artist	+30

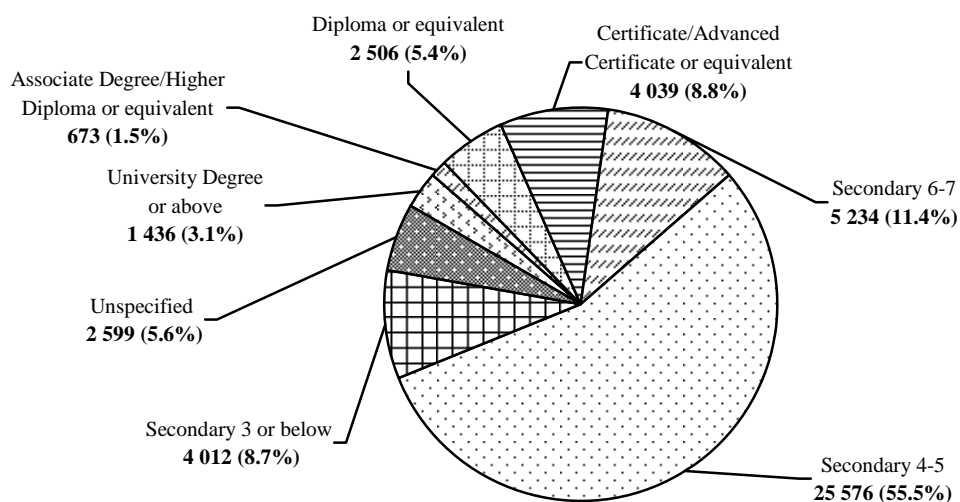
C. Recruitment Requirement

Preferred Level of Education

2.18 The survey revealed that employers preferred 55.5% of Direct Employees to have attained education level at Secondary 4-5, 8.7% at Secondary 3 or below, and 11.4% at Secondary 6-7. Distribution of preferred level of education of employees is shown in **Figure 4(a)**. Detailed statistics are shown in **Table 3(a)**, **Section 5**.

2.19 Compared with the 2010 survey, employers had higher expectations on employees' education level. In 2010, employers preferred 45.3% of their Direct Employees to have attained education level at Secondary 4-5, and would accept 20.6% of employees to be at Secondary 3 or below. However, in 2012, they would expect a higher percentage of employees (55.5%) with education level at Secondary 4-5 and a lower percentage of employees (8.7%) at Secondary 3 or below.

Figure 4(a): Preferred Education of Employees in 2012



Actual Level of Education

2.20 Similar to the situation in 2010, the majority of employees (55.6%) have attained education level at Secondary 4-5, followed by Secondary 3 or below (11.7%). An obvious change was found in the “Secondary 3 or below” category, which dropped from 17.8% to 11.7%. On the other hand, the total number of employees with Certificate/Advanced Certificate or equivalent rose from 4.3% to 8.5%. Detailed statistics are given in **Table 3(b)**, **Section 5**.

Figure 4(b) : Actual Education of Employees in 2012

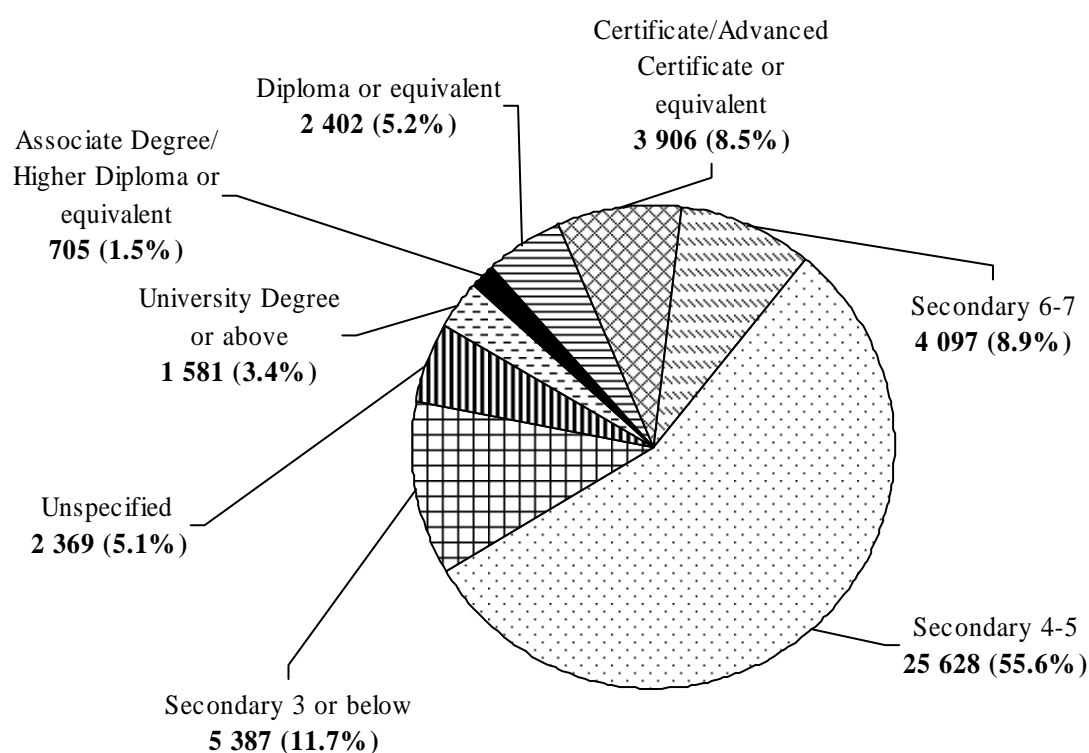
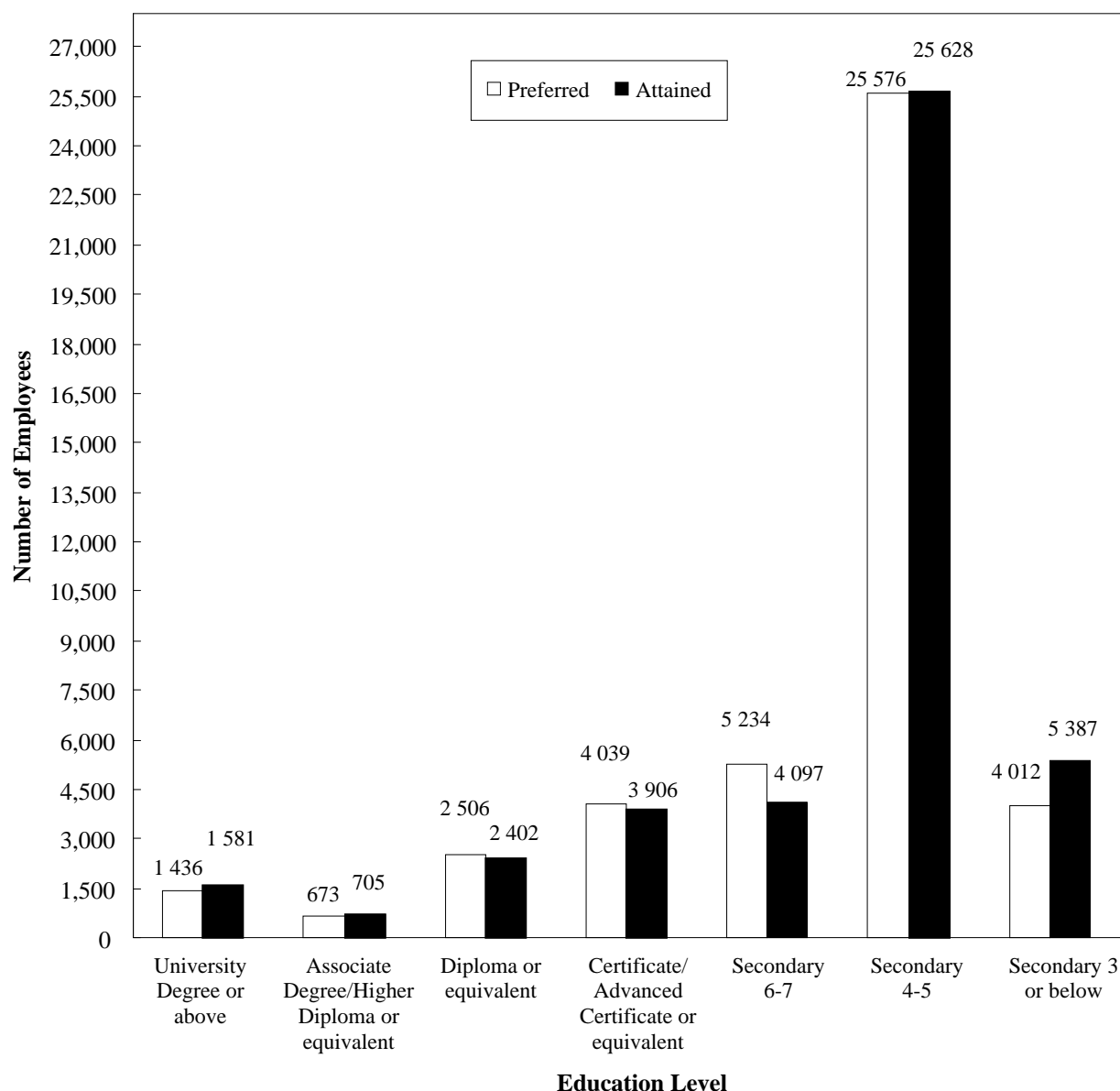


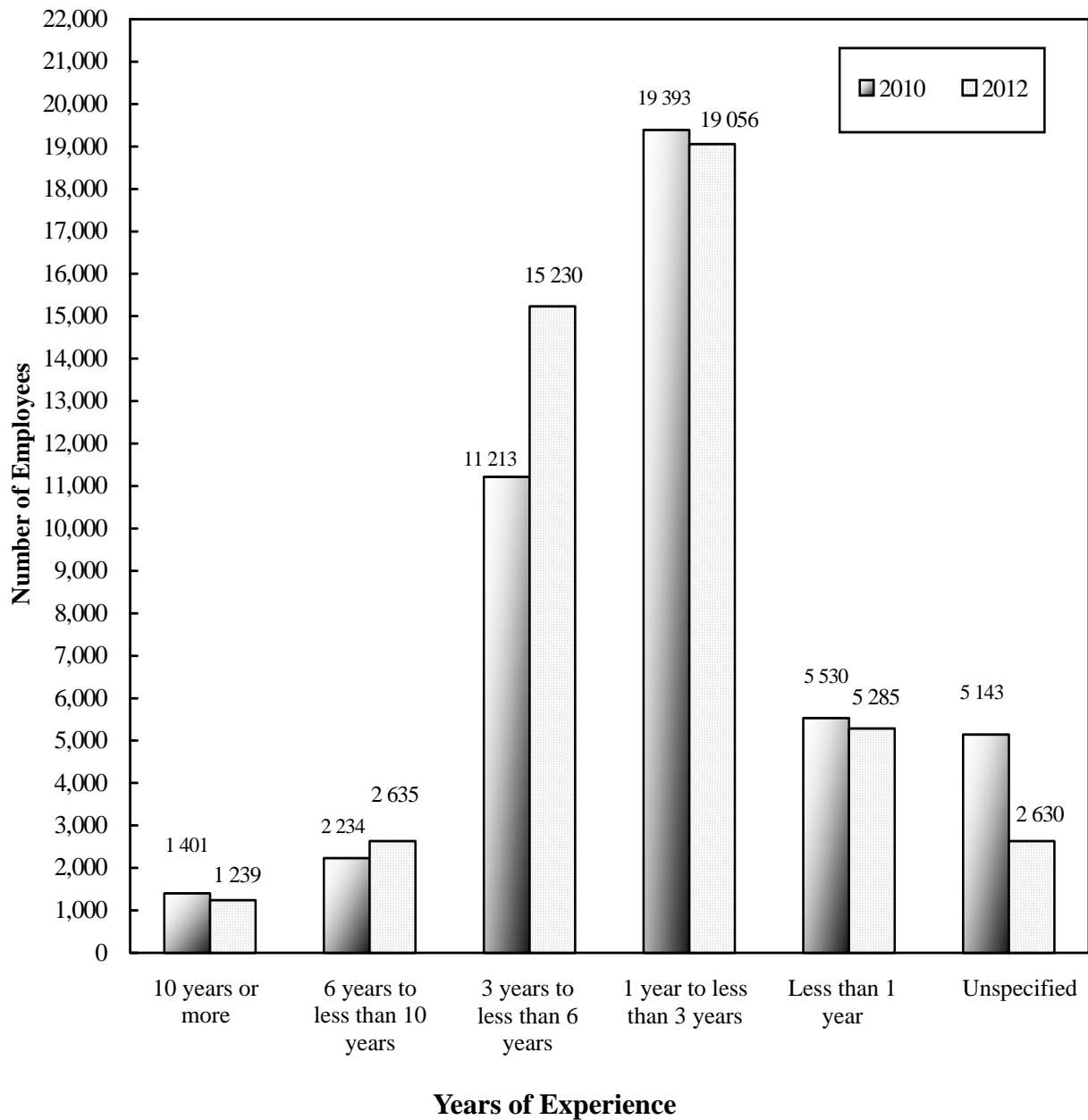
Figure 5 : Preferred and Actual Education of Employees in 2012



Preferred Working Experience

2.21 The survey found that 41.3% of Direct Employees in various sectors were required to possess 1 to 3 years of relevant working experience, and 33.1% to possess 3 to 6 years of experience. Compared with the percentages of 43.2% and 25% in 2010, employers preferred more of their employees (rose by 8.1%) to possess 3 to 6 years of relevant working experience. Detailed statistics are given in **Table 4(a), Section 5**.

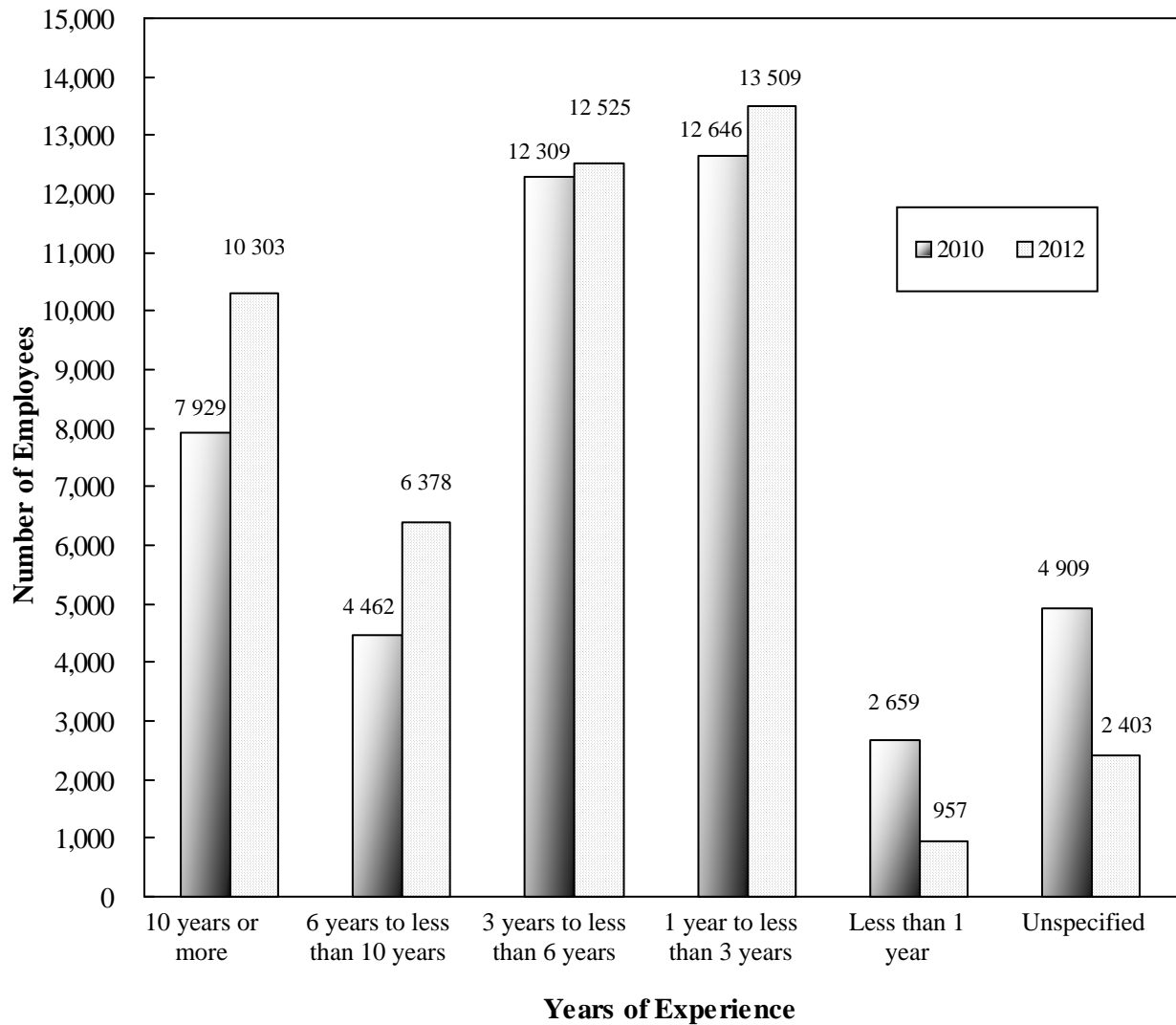
Figure 6: Preferred Years of Working Experience of Employees in 2010 and 2012



Actual Working Experience

2.22 Employers only required 29.3% of their Direct Employees in various sectors to possess 1 to 3 years of relevant working experience, which was very close to the result of 28.2% obtained in the 2010 survey. The number of experienced employees was on the rise. Those who possessed 6 to less than 10 years, and 10 years or more relevant working experience increased by 3.9% and 4.7% respectively, which indicated that more experienced employees joined and stayed in relevant trades. Detailed statistics are given in **Table 4(b), Section 5.**

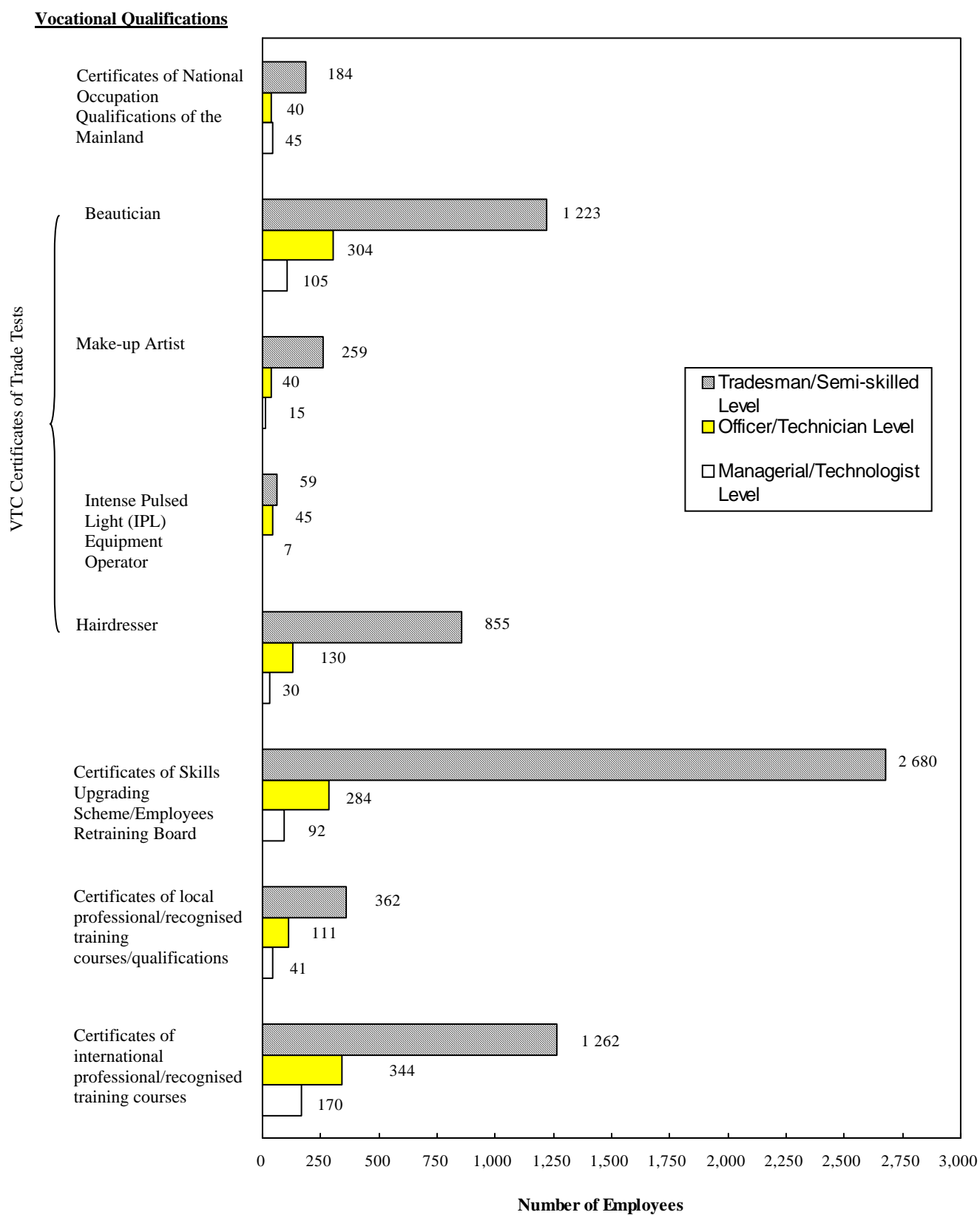
Figure 7: Working Experience of Employees in 2010 and 2012



Preferred Vocational Qualifications

2.23 The survey found that the majority of employers preferred their Direct Employees to possess certificates of Skills Upgrading Scheme/Employees Retraining Board (35.2%), followed by certificates of international professional/recognised training courses (20.4%). Types of preferred vocational qualifications of employees are shown in **Figure 8**. Detailed statistics are given in **Table 5(a), Section 5**.

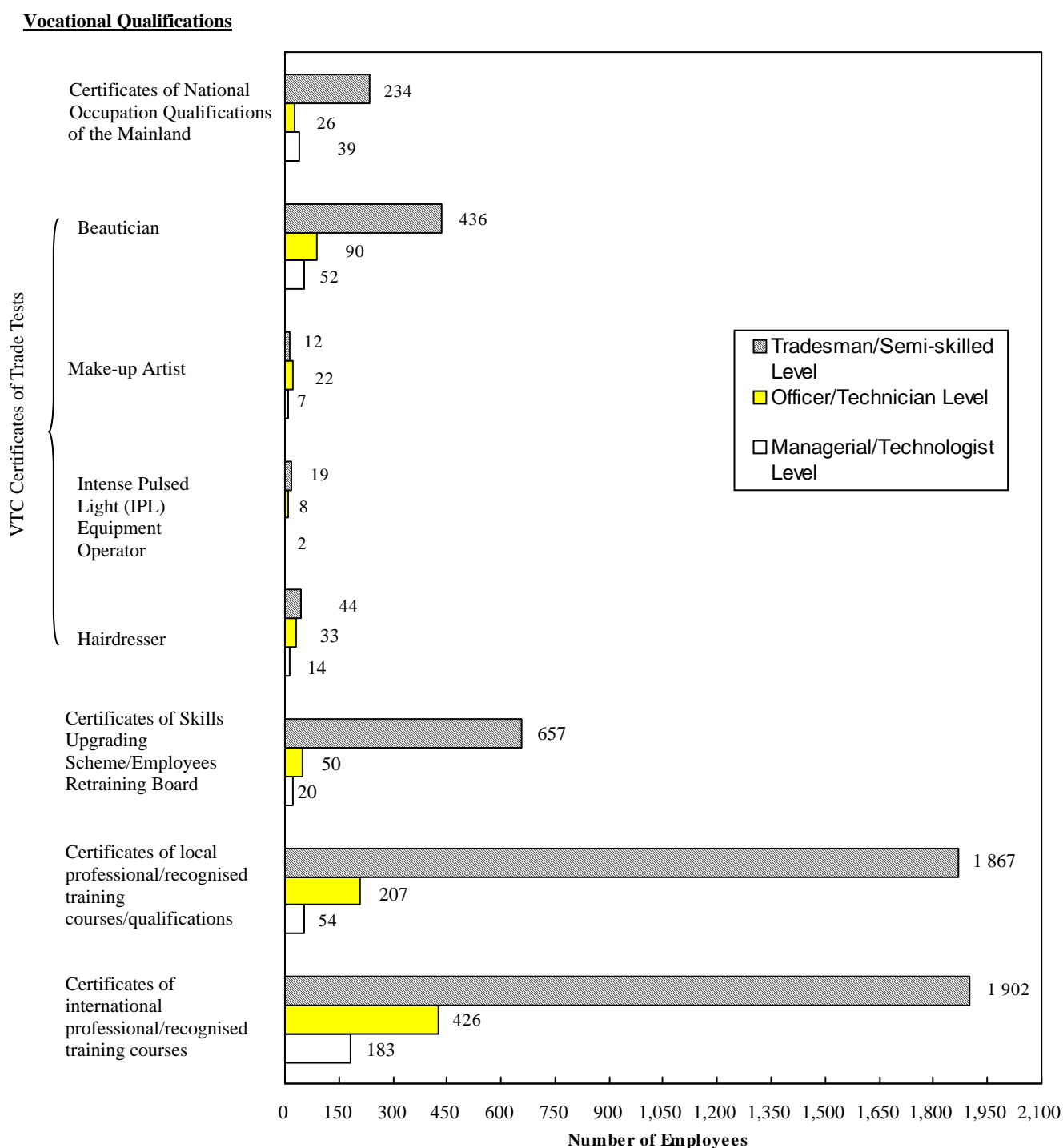
Figure 8 : Preferred Vocational Qualifications of Employees



Actual Vocational Qualifications

2.24 The survey showed that 39.2% of the Direct Employees currently possessed certificates of international professional/recognised training courses, followed by certificates of local professional/recognised training courses (33.2%). 72.9% employees at Tradesman/Semi-skilled level already possessed these certificates, which indicated the importance of such qualifications to these employees. Actual vocational qualifications of employees are shown in **Figure 9**.

Figure 9: Actual Vocational Qualifications of Employees



D. Manpower Training and Development

Training Needs

2.25 On top of the above vocational qualifications, the majority of employers considered that employees should receive various types of training, including Management Skills, Generic Skills and Language Skills in the next 12 months. Among these three training areas, Customer Services Skill was in greatest demand, followed by Sales & Marketing Skill, Putonghua and Spoken English. In terms of job level, Tradesman, Semi-skilled workers and Technicians were considered the target groups for training. Detailed statistics are given in **Table 6, Section 5**.

Recruitment Difficulties

2.26 Out of the 2 678 companies conducting recruitment exercise during the survey period, 2 011 (75.1%) reported that they encountered recruitment difficulties. The situation was most acute in the Hairdressing Salon, followed by Beauty Centre. The main reasons were “High expectation on working conditions/remuneration package from recruits”, “Long working hours” and “Lack of candidates with relevant experiences”. Detailed statistics are given in **Table 7(a) and (b), Section 5**.

Staff Turnover

2.27 Employers reported that 9 633 employees had left in the past 12 months, representing 19.1% of the total number of posts. In terms of job level, the highest turnover was reported in Tradesman/Semi-skilled workers (8 273 or 85.9%). In terms of sector, the highest turnover was recorded in Hairdressing Salon (3 843 or 39.9%), followed by Beauty Centre (3 494 or 36.3%) and Cosmetic Product Company - Retail (1 571 or 16.3%).

Wastage of Employees

2.28 Over the past 12 months, 9 633 employees left their posts, and 8 799 were recruited, of whom 6 921 were with related experience. In other words, 2 712 experienced employees had left the industry, representing 5.1% of the total technical employees (53 297, vacancies included) in 2012. Detailed statistics are given in **Table 8(a), Section 5**.

2.29 The survey also invited employers to provide information about the number of employees leaving their posts and new recruits with relevant experiences in the past 12

months. Information provided and the annual wastage rate are given in **Table 3**. “Wastage Rate” is defined as employees leaving their current jobs and taking up positions in a different industry, or establishing a different type of business, or leaving by reason of emigration, repatriation or retirement.

Table 3: Wastage in the Past 12 Months by Sector

Sector	Number of Leaving Employees (a)	Number of New Recruits with Relevant Experiences (b)	Number of Wastage (c=a-b)	Total Number of Employees[@] (d)	Wastage Rate* (%) (c/d)
1. School (Beauty & Hairdressing/Make-up & Nail)	65	15	50	605	8.3*
2. Beauty Centre/Health Centre & Spa	3 494	2 923	571	19 081	3*
3. Hairdressing Salon	3 843	2 362	1 481	17 056	8.7*
4. Cosmetic Product Company - Retail	1 571	961	610	10 158	6*
5. Cosmetic Product Company - Wholesale, Import & Export	433	493	-60	4 948	-1.2*
6. Nail Salon	200	134	66	1 449	4.6*
Total⁺ :	9 633	6 921	2 712	53 297	5.1[#]

@ Include the number of Direct Employees, Freelancers, Part-time Employees and Vacancies

* percentage over the total number of employees in the sector

percentage over the total number of employees in the industry

+ Include Bridal Salon and Television & Entertainment Company related to the beauty care industry

Income Distribution

2.30 “Total monthly income” includes basic salary, overtime pay, other allowances, commission and bonus. **Figure 10** shows the income distribution of the whole industry. Compared with the 2010 survey, employees’ salaries continued to rise with the introduction of the Statutory Minimum Wage. The majority of employees earned an average monthly income of \$10 001 to \$13 000, which was close to the income median published by the C&SD. Since this is a survey on manpower needs of the industry rather than a salary survey, the information obtained is for reference purpose only.

Figure 10: Salary Range of Direct Employees in 2010 and 2012 by Sector

