

Consolidated Summary Report
of the
2017 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 demand and supply of three industries, namely, 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 Sector: <http://www.vtc.edu.hk/hqip/mpsac2017.pdf>

Manpower Survey on the Banking and Finance Industry: <http://www.vtc.edu.hk/hqip/mpsbf2017.pdf>

Manpower Survey on the Insurance Industry: <http://www.vtc.edu.hk/hqip/mpsin2017.pdf>

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SECTION I

MAJOR SURVEY FINDINGS & RECOMMENDATIONS

Major Survey Findings

1.1 The manpower demand of the Financial Services Sector (the Sector) has increased by 12.7% between 2015 and 2017. The increase in demand is an indication of sector growth and a confirmation of the positive outlook of the Sector as indicated in the 2015 manpower survey. Particularly, agents experienced the highest growth of 68.0% in the insurance industry and the major reason for the growth is due to business expansion. Managerial level positions experienced the growth of 14.2% versus that of supervisory positions reporting a growth of 7.1%. The growing need for the provision of high-end services was probably a reason for the higher demand for managerial level positions over the past couple of years. On the other hand, clerical level positions reported a slight decline of 1.4% which might be due to automation and computerization (para. 3.9 – Table 3 & para. 3.10 – Diagram 3).

1.2 At the time of the survey which was held in the first quarter of 2017, the financial market was full of uncertainties though the business environment was less volatile than the previous few years. This might lead to a conservative projection of 2019 manpower demand by employers. Employers of the accountancy sector, the banking and finance industry and insurance industry projected a steady manpower demand growth of 0.4%, 0.9% and 2.5% in manpower demand respectively (para. 3.11 - Table 4).

1.3 The minimum years of experience required for employees of the Sector at all levels remained the same as that reported in the 2015 survey. Employers preferred managerial staff to have a minimum of five to ten years or more of working experience while supervisory staff would require a minimum of two to six years of working experience in their respective industries. Clerical personnel were normally required to have less than three years of working experience. (para. 3.13 – Table 7).

1.4 The majority of employees at the job levels of “Managerial” and “Supervisor/Officer” ranged from 35 to 50 years old whereas over 38% of clerical staff were below 35. (para. 3.15 – Table 9).

1.5 Staff turnover for 2016 was 11.1% for the Sector which is lower than the 11.8% turnover rate reported for 2014 in the 2015 manpower survey. (para. 3.16 – Table 10).

1.6 “Lack of candidates with relevant experience and training” and “Working conditions/remuneration package could not meet recruits’ expectations” remained to be the two top reasons reported for recruitment difficulties as reported by respondents of the Sector (para. 3.18 – Table 11).

1.7 The survey findings revealed that there should be sufficient fresh graduates to satisfy employers’ demand for positions requiring fresh degree or sub-degree graduates. This was supported by only 2.3% of total cases of recruitment difficulties reported “insufficient supply of graduates in relevant disciplines from tertiary institutions” as the reason for recruitment difficulties (para. 3.18 – Table 11 & para. 3.20 – Table 13A&B).

1.8 Meetings held with various industry practitioners in the third quarter of 2017 indicated that despite uncertainties over the timing and pace of interest rate rises in the United States and the economic growth of Mainland China, the steady growth in manpower demand as shown in the survey findings is considered to be consistent with the actual economic situation in Hong Kong where the labour market is basically stable and supported by a modest growth in the local economy.

Recommendations

1.9 Having studied the results of the manpower surveys and the views of the working parties, the Training Boards have made a number of recommendations to improve the manpower demand and supply of 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

1.10 Staff training needs to be treated as an investment rather than cost and training programmes should aim at improving organisational agility – that is, if a workforce has the relevant skills, they could better cope with the fast changing business environment. It is recommended that manpower plan and staff progression paths should be developed together with appropriate training to better equip company personnel with the ability to capture business opportunities when they arise.

1.11 The 2017 manpower surveys asked the employers to identify important training topics for different job levels (para. 3.22 – Table 14). While the order of importance might differ amongst the three industries in the Sector at various job levels, some common topics were observed.

1.12 For managerial level training, topics such as Principles & Practice of Management, Strategic Management, Risk Management, Problem Solving & Decision Making were considered to be important by respondents. Training Boards were of the view that such preferences indicated the importance of management skills in making business decision and strategic management skills in developing business strategies and achieving profitable growth. Managers or potential Managers are advised to equip themselves with such skills for career advancement.

1.13 For supervisory level training, technical knowledge such as Updates of Accounting Standards, Anti-Money Laundering Compliance and General / Life Insurance were considered important training topics by employers. In consideration of the growth in persons engaged at this level over the past two years, this could indicate that employers perceived the need for more in depth knowledge in such areas by their supervisory level staff.

1.14 For clerical level training, generic skills such as language and communication skills and information systems application skills were considered to be important due to the technology advancement and the growing trend in using IT to improve work processes.

1.15 The Survey revealed that establishments in the Sector would sponsor their staff to take training courses provided by external course providers. It is encouraging to note that

the 2017 training budget for most establishments in the Sector would remain the same as that for 2016 with some establishments reporting an increase in their training budget. The willingness of the Sector to invest in employee training will help Hong Kong retain financial talents and sustain its position as an international financial services centre.

1.16 Regardless of industries, Professional Examination serves as a basic requirement to ensure the professional standard of practitioners and to protect the interests of the public. In addition to the active participation in CPD Programmes, practitioners are strongly encouraged to acquire various professional qualifications to further strengthen their professional knowledge to receive positive recognition from employers.

1.17 The majority of establishments considered that the most effective way to encourage employers to provide training to their employees was the reimbursement of course fees or provision of subsidy to employers. It is suggested that both employers and practitioners should consider participating in training programmes eligible for government subsidies, for instance, those registered under the Continuing Education Fund and Skills Upgrading Scheme Plus. On the other hand, the Vocational Training Council also offers services to help employers organise their training schemes. For example, the New Technology Training Scheme provides financial assistance to local companies up to a maximum of 50% of the training cost for their employees to be trained in new technologies. The Scheme covers various types of training mode including overseas training courses or industrial attachment, local training courses, and tailor-made local training courses/ industrial attachments for individual companies.

Strategies to Attract and Retain Talents

1.18 In view of the volatility of the market and after taking staff attrition into consideration, the Training Boards have projected additional manpower demand for the Sector to be 23 000 for the next 24 months (para. 3.19 – Table 12). Thus, it is essential that employers should contemplate plans and strategies to retain talents amidst the global competition for talents in the Financial Services Sector. In this regard, the following strategies are recommended.

1.19 Employers are more than happy to recruit graduates with a certain amount of working experience and preferably relevant working experience so that employers do not need to spend much time to train. In this connection, there is room for training institutions and the industry to collaborate in such a way that practical and updated industry knowledge would be incorporated into the curricula. On the other hand, employers should seriously consider offering attachment opportunities for students. Industrial attachment programmes enable students to experience real-life workplace challenges through attachment to different organisations. The programme can facilitate students' transition from study to work by developing their team work spirit, problem solving abilities, practical skills, and appropriate work attitudes and value. Through the programme, employers can identify the right talent for future full-time employment and also source suitable candidates to meet the seasonal or part-time manpower needs.

1.20 The fact that establishments of the Sector encountered difficulty in recruiting personnel might be due to keen competition with other companies and entities of other business sectors. In order to retain staff with good performance and maintain competitiveness of the business, establishments are suggested that an effective talent management system should be developed to provide employees with a clear career

development plan and opportunities for career advancement.

1.21 Employers play an important role in attracting and retaining talents of the Sector by planning the career path of their employees. Employees will be better motivated if clear messages and specific guidelines on the route of training and development as well as the promotion path can be conveyed to them. The provision of a better prospect to personnel of the Sector would be an effective way to attract and retain talents.

1.22 As per the findings of the Survey, a competitive remuneration package and a good working condition were also crucial for attracting personnel to join the company.

Conclusion

1.23 The uncertainties of the business outlook of the Sector have affected the manpower demand projections of the survey respondents in the next 24 months. After analyzing the survey findings, the Training Boards accept that the findings have reflected the manpower and training situation of the Sector. To sustain Hong Kong as an international financial centre, concerted efforts should be made by employers, training institutes and the government in developing appropriate policies to retain and train financial talents for the Sector.

SECTION II

BACKGROUND, METHODOLOGY AND COVERAGE OF THE MANPOWER SURVEYS

Background

2.1 Manpower surveys on specific industries are undertaken by the Training Boards of the Vocational Training Council (VTC). These include, inter alia, the accountancy sector, banking and finance industry and insurance industry. These are performed as part of the responsibilities of 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 relevant industry, providing a good mix of expertise from enterprises, employers, employees, professional/trade organisations, academics and practitioners, and government bureaux and/or departments. Based on the findings of the manpower surveys, individual training board formulates recommendations on manpower training and development strategies for relevant industry to meet its short to medium-term manpower supply and demand.

2.2 Since the manpower surveys in 2007, 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 about the human resources situation for the Sector as a whole, identifying possible mismatch in manpower demand and supply, projecting the manpower development needs and formulating effective human resources development strategies to support the Financial Services Sector in Hong Kong. For the purpose of this exercise, the "Financial Services Sector" (the Sector) is defined to include the accountancy sector, banking and finance industry and insurance industry.

Purpose of the Surveys

2.3 The 2017 Manpower Surveys (MPSs) for these three industries were conducted in the first half of 2017 with the following objectives:

- (i) To assess the manpower and training needs of principal jobs in the accountancy sector, banking and finance industry and insurance industry;
- (ii) To forecast the growth of manpower in respective industries;
and
- (iii) To recommend measures to meet the training needs and manpower demand of respective industries.

Scope of the Surveys

2.4 The scope of the surveys is given in the table below. Samples were obtained from the total number of establishments in respective industries using the stratified random sampling method. The effective response rate of the surveys remained high (85.7% to 94.7%) because Members of Training Boards and Working Parties had taken initiatives in liaising with respective establishments and fieldworkers from the Census and Statistics Department had been mobilised to visit establishments to follow up and assist them in the completion of the mailed questionnaires.

Scope of the Surveys

Industry	Categories of Establishments / Main Activities (Branches)	Total No. of Establishments			Sample Size of Establishments			Effective Response Rate
		2015	2017	Change	2015	2017	Change	2017
Accountancy	4	40 184	40 572	1.0%	1 552	1 569	1.1%	92.2%
Banking and Finance	10	7 564	8 522	12.7%	1 127	1 154	2.4%	85.7%
Insurance	7	3 242	3 355	3.5%	764	786	2.9%	94.7%

2.5 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 summarised as follows:

- (I) Accountancy Sector:
 - (i) Accounting firms;
 - (ii) Major government departments, non-governmental organisations and statutory bodies;
 - (iii) Commerce and services establishments with ten or more employees; and
 - (iv) Industrial establishments with ten 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 and related companies;
 - (v) Securities brokerage firms;
 - (vi) Commodity futures (including financial futures) and precious metals 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;
 - (ix) Investment advisory / asset management companies; and
 - (x) 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) Bancassurers

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

Procedures of the Surveys

Survey Documents

2.7 The questionnaires of the surveys were designed by the Training Boards, taking into consideration the needs of their respective industries. In addition to considering the types of information covered in previous surveys for comparability, the three Training Boards also considered the commonalities among these industries when designing the survey questionnaire.

2.8 One week before the start of the fieldwork, 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 making reference to individual establishments.

Fieldwork

2.9 Fieldwork of the MPSs commenced on 9 January 2017 for completion in two months. During the survey period, an officer from the Census and Statistics Department (C&SD) will contact the sampled establishment to answer any questions and collect the completed questionnaire for data processing. In order to have more establishments, particularly those bigger ones, to respond to the survey, the fieldwork period took longer than two months. Upon completion of fieldwork, data processing was then undertaken by the C&SD, and by September, a full set of the tabulations was available for analysis.

Compilation of the Report

2.10 The data and initial analysis were prepared by the respective Working Parties and submitted to the respective Training Boards for examination. The findings were studied and the manpower survey reports were prepared. Detailed industry-specific information from selected establishments included: the number of current personnel, number of existing vacancies, employers' forecast of the number of posts in the next 24 months, minimum requirement of education/experience preferred for each principal job/job level, turnover of personnel in the past twelve months, wastage rates and training needs specific to the industries etc, 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.

Appendix 1

Accountancy Sector Distribution of Survey Samples

Branch	Employment Size of Establishment	Total No. of Establishments	Sample Size of Establishments	Percentage to Total No. of Establishments
Accounting Firms	1 - 49	2 717	274	10.1%
	50 - 499	22	22	100%
	500 and over	6	6	100%
		<u>2 745</u>	<u>302</u>	
Government Departments, Non-governmental Organisations and Statutory Bodies	34 representative establishments were specified by the Accountancy Training Board on account of their substantial proportion of accounting staff. Employment size varies.	<u>41</u>	<u>41</u>	100%
Commerce and Services Establishments	10 - 19	17 962	110	0.6%
	20 - 99	13 400	199	1.5%
	100 - 199	1 218	100	8.2%
	200 - 499	613	176	28.7%
	500 and over	408	408	100%
		<u>33 601</u>	<u>993</u>	
Industrial Establishments	10 - 19	2 330	54	2.3%
	20 - 99	1 574	72	4.6%
	100 - 199	139	26	18.7%
	200 - 499	97	36	37.1%
	500 and over	45	45	100%
		<u>4 185</u>	<u>233</u>	
	Total	<u>40 572</u>	<u>1 569</u>	

Appendix 2

Banking and Finance Industry Distribution of Survey Samples

Branch	Employment Size of Establishments	Total No. of Establishments	Sample Size of Establishments	Percentage to Total No. of Establishments
#1. Licensed banks	1-19	22	22	100%
	20-49	34	34	100%
	50-99	22	22	100%
	100-499	41	41	100%
	500-999	9	9	100%
	1000 & Above	23	23	100%
	Sub-total	151	151	
#2. Restricted license banks	1-19	11	11	100%
	20-49	5	5	100%
	50-99	1	1	100%
	100-499	3	3	100%
	500-999	1	1	100%
	1000 & Above	1	1	100%
	Sub-total	22	22	
#3. Representative offices of foreign banks	1-19	48	48	100%
	Sub-total	48	48	
#4. Deposit-taking companies	1-19	11	11	100%
	20-49	3	3	100%
	50-99	1	1	100%
	100-499	1	1	100%
	Sub-total	16	16	
5. Investment & holding companies	1-19	994	99	10.0%
	20-49	29	10	35.0%
	50-99	12	12	100%
	100-499	3	3	100%
	Sub-total	1 038	124	
6. Personal loans and related companies	1-19	994	99	10.0%
	20-49	34	27	80.0%
	50-99	8	8	100%
	100-499	3	3	100%
	Sub-total	1 039	137	
7. Securities brokerage firms	1-19	459	55	12.0%
	20-49	73	26	35.0%
	50-99	18	18	100%
	100-499	15	15	100%
	Sub-total	565	114	
8. Commodity futures & precious metals brokers / dealers	1-19	184	85	46.0%
	20-49	24	22	90.0%
	50-99	5	5	100%
	Sub-total	213	112	
9. Stock, bullion & commodity exchanges and statutory bodies in the banking and finance industry	20-49	1	1	100%
	500-999	2	2	100%
	1000 & Above	2	2	100%
	Sub-total	5	5	
10. Money changers & foreign exchange brokers / dealers	1-19	863	104	12.0%
	20-49	11	11	100%
	50-99	6	6	100%
	100-499	1	1	100%
	Sub-total	881	122	
11. Investment advisory/ asset management companies	1-19	957	77	8.0%
	20-49	129	32	25.0%
	50-99	23	23	100%
	100-499	23	23	100%
	1000 & Above	2	2	100%
	Sub-total	1 134	157	

Branch	Employment Size of Establishments	Total No. of Establishments		Percentage to Total No. of Establishments
12. Other financial companies	1-19	3 269	82	3.0%
	20-49	91	14	15.0%
	50-99	21	21	100%
	100-499	22	22	100%
	500-999	5	5	100%
	1000 & Above	2	2	100%
	Sub-total	3 410	146	
Total		8 522	1 154	
# 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	Percentage to Total No. of Establishments
1. Life Insurers	All	49	49	100%
2. General Insurers	All	91	94*	100%
3. Composite Insurers	All	19	19	100%
4. Brokers	1-9	607	110	18.1%
	10 & over	139	142*	100%
	Sub-total	746	252	
5. Company Agencies - Insurance	1-4	1 097	111	10.1%
	5-9	69	55	79.7%
	10 & over	28	28	100%
Sub-total	1 194	194		
6. Company Agencies - Alternative distribution	1-4	703	56	8.0%
	5-9	254	20	7.9%
	10 & over	263	66	25.1%
Sub-total	1 220	142		
7. Bancassurer	1-9	-	-	-
	10 & over	36	36	100%
	Sub-total	36	36	
Overall Total		3 355	786	

* Including newly discovered cases.

SECTION III

SURVEY FINDINGS

Introduction

3.1 The three Training Boards have examined the survey report of the respective industry and concluded that the findings could generally reflect the overall picture of the manpower situation in the Sector, and highlighted to a large extent its manpower requirements. Comments made by Members of Training Boards and Working Parties were incorporated in the 2017 surveys, such as the views of employers on the importance of different types of training and also the views on the possible incentives to the provision of training programmes by employers.

Manpower Statistics of the Financial Services Sector

Persons Engaged in 2017 Survey

3.2 The surveys revealed that there was a total of 346 571 persons engaged in the Sector in 2017 with 82 594 at managerial level, 106 755 at supervisory level, 100 267 at clerical level and 56 955 insurance agents.

3.3 The principal jobs of each industry in the Sector are classified into three levels: the managerial level, supervisory level and clerical level for analysis and comparison purposes. In addition to these major job levels, the accountancy sector has a 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 the various job levels are summarised 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 sector, Branch Operations Managers in the banking and finance industry and Underwriting Managers in the insurance industry;
- (ii) **Supervisory:** supervisory staff generally assist 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 and Trainers/Teachers in the accountancy sector, Business Development Officers in the banking and finance industry and Actuarial Assistants and Claims Supervisors 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 sector, Securities and Futures Assistants/ Clerks 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 / herself 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 or she identifies prospective clients to acquire new business and serves existing policy holders.

3.4 The distribution of manpower by industry and by job level is summarised in Table 1 below:

Table 1: Distribution of Persons Engaged

Industry \ Job Level	Managerial	Supervisory	Clerical	Agent	Total (%)*
Accountancy Firms	8 771	5 575	8 920	-	23 266 (6.7%)
Banking & Finance and Insurance Services	3 003	1 766	1 771	-	6 540 (1.9%)
Others**	15 147	17 439	41 855	-	74 441 (21.5%)
Accountancy	26 921	24 780	52 546	-	104 247# (30.1%)
Banks, DTC and Rep. Offices	31 065	40 145	27 127	-	98 337 (28.4%)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	8 076	10 703	5 406	-	24 185 (7.0)
Others***	8 858	14 205	8 403	-	31 466 (9.1%)
Banking and Finance	47 999	65 053	40 936	-	153 988 (44.4%)
Life Insurance	4 002	6 047	3 002	54 626	67 677 (19.5%)
General Insurance	3 672	10 875	3 783	2 329	20 659 (6.0%)
Insurance §	7 674	16 922	6 785	56 955	88 336 (25.5%)
Total (%)	82 594 (23.8%)	106 755@ (30.8%)	100 267 (28.9%)	56 955 (16.4%)	346 571^ (100%)

The total figure may be higher than the actual total number of persons engaged, as those 6 540 accounting personnel working in the banking, finance and insurance industries were also captured under both banking and finance and insurance surveys.

^ The total number of 346 571 persons engaged excluded 8 298 other supporting staff in the Sector (6 672 in the banking and finance industry and 1 626 in the insurance industry). As the skill sets of these supporting staff are not specific to the Sector, the manpower information of these other supporting staff was not included.

@ The 854 Trainers/Teachers engaged in the accountancy sector and 11 037 Technical Representatives in the insurance industry are accounted for in the supervisory job level for the simplicity of presentation.

Others ** - include some government departments and large non-governmental organisations, commerce and services and industrial establishments with ten or more employees and exclude establishments providing banking and finance and insurance services.

Others*** - include investment and holding companies; personal loans and related companies; commodity futures and precious metals brokers/dealers; stock, bullion and commodity exchanges and statutory bodies in the banking and finance industry; money changers and foreign exchange brokers/dealers and other financial companies.

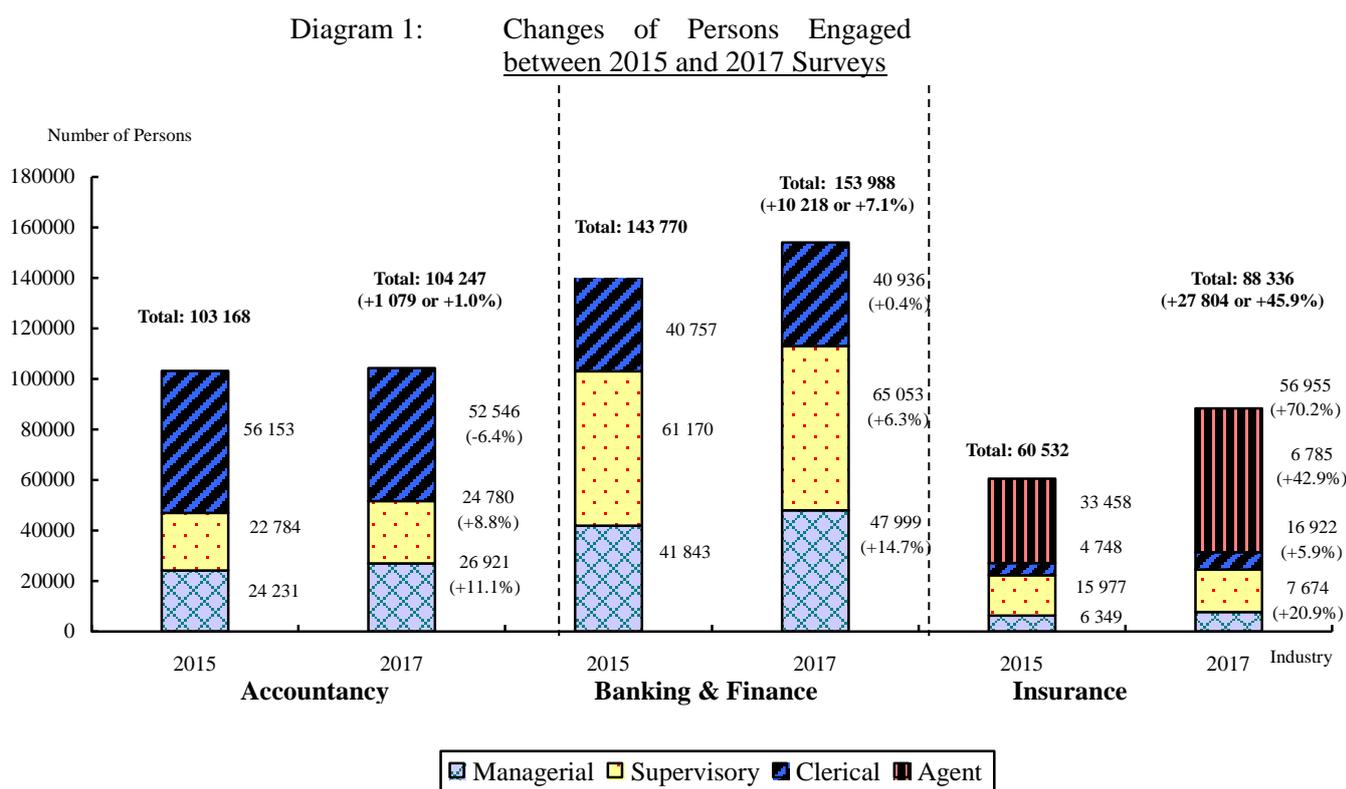
(%)* Percentage of the total persons engaged in the Sector may not equal 100% due to rounding.

§ For the insurance industry: Readers should note that for technical representatives, only those with more than 50% of their daily job duties that are directly related to insurance will be included in the survey. Therefore, the total number of technical representatives reported by sampled companies might be different from the figure as recorded by the Insurance Agents Registration Board (IARB). Concerning insurance agents, there exists a certain number of inactive agents. This fills the gap as reported by respondents and the figure as recorded by the IARB.

Comparison of Persons Engaged between the 2015 and 2017 Surveys

3.5 Total persons engaged in the Sector have increased by 39 101 or 12.7% between 2015 and 2017 as detailed in Diagram 1.

3.6 The banking and finance industry had the largest number of employees at 153 988 constituting 44.4% of the total number of persons engaged in the Sector. This industry has also reported the second largest increase of 10 218 persons or 7.1% when compared with 2015. The insurance industry had 88 336 personnel and constituted 25.5% of the total number of persons engaged in the Sector. This industry has reported the largest increase of 27 804 persons or 45.9% when compared with 2015. The accountancy sector had the number of employees at 104 247 constituting 30.1% of the total number of persons engaged in the Sector. Persons engaged have increased by 1 079 persons or 1.0% between 2015 and 2017.



Vacancies

3.7 There were a total of 7 086 vacancies in the Sector, representing an increase of 780, i.e. 12.4% from 6 306 vacancies reported in 2015. An analysis of vacancies in Table 2B indicates that the Sector as a whole experienced a relatively higher vacancy rate for agents versus the managerial, supervisory and clerical levels. The distribution of vacancies in the Sector is summarised in Tables 2A and 2B below:

Table 2A: Distribution of Vacancies by Industries

Industry \ Job Level	Managerial (%)*	Supervisory (%)*	Clerical (%)*	Agent (%)*	Total (%)*
Accountancy Firms	109 (6.8%)	126 (7.9%)	818 (51.0%)	-	1 053 (65.6%)
Banking & Finance and Insurance Services	12 (0.7%)	54 (3.4%)	6 (0.4%)	-	72 (4.5%)
Others	57 (3.6%)	199 (12.4%)	223 (13.9%)	-	479 (29.9%)
Accountancy	178 (11.1%)	379 (23.6%)	1 047 (65.3%)	-	1 604 (100.0%)
Banks, DTC and Rep. Offices	679 (23.3%)	880 (30.2%)	420 (14.4%)	-	1 979 (67.8%)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	48 (1.6%)	319 (10.9%)	42 (1.4%)	-	409 (14.0%)
Others	178 (6.1%)	205 (7.0%)	147 (5.0%)	-	530 (18.2%)
Banking and Finance	905 (31.0%)	1 404 (48.1%)	609 (20.9%)	-	2 918 (100.0%)
Life	118 (4.6%)	270 (10.5%)	168 (6.6%)	1 619 (63.1%)	2 175 (84.8%)
General	36 (1.4%)	252 (9.8%)	78 (3.0%)	23 (0.9%)	389 (15.2%)
Insurance	154 (6.0%)	522 (20.4%)	246 (9.6%)	1 642 (64.0%)	2 564 (100.0%)
Total (%)**	1 237 (17.5%)	2 305 (32.5%)	1 902 (26.8%)	1 642 (23.2%)	7 086 (100.0%)

(%)* As a percentage of the total number of vacancies in the same industry and the total may not equal 100% due to rounding.

(%)** As a percentage of the total number of vacancies in the Financial Services Sector and the total may not equal 100% due to rounding.

N.B. Statistics of small magnitude are subject to a 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 Industries

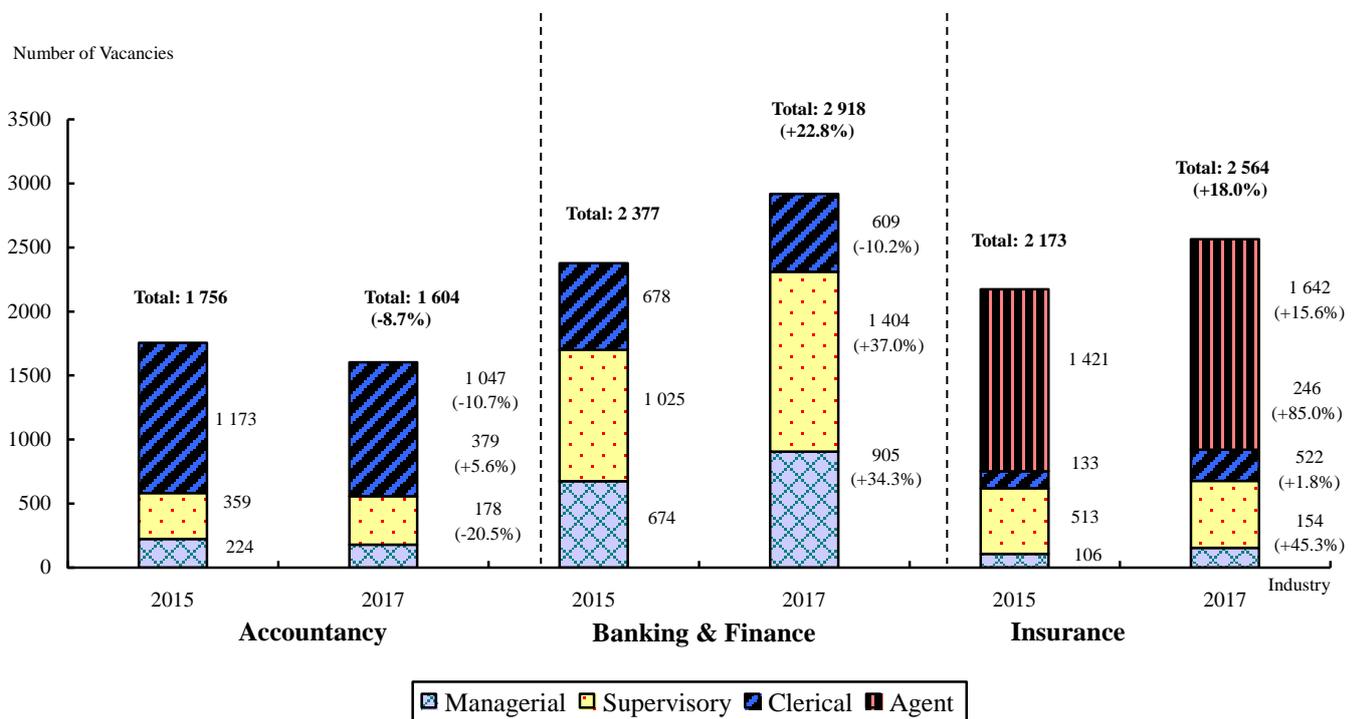
Level Industry	Job	Managerial	(%)#	Supervisory	(%)#	Clerical	(%)#	Agent	(%)#	Total	(%)#
Accountancy	No. of Vacancies	178		379		1 047		-		1 604	
	No. of Persons Engaged	26 921	0.7%	24 780	1.5%	52 546	2.0%	-	-	104 247	1.5%
Banking and Finance	No. of Vacancies	905		1 404		609		-		2 918	
	No. of Persons Engaged	47 999	1.9%	65 053	2.2%	40 936	1.5%	-	-	153 988	1.9%
Insurance	No. of Vacancies	154		522		246		1 642		2 564	
	No. of Persons Engaged	7 674	2.0%	16 922	3.1%	6 785	3.6%	56 955	2.9%	88 336	2.9%
Total	No. of Vacancies	1 237		2 305		1 902		1 642		7 086	
	No. of Persons Engaged	82 594	1.5%	106 755	2.2%	100 267	1.9%	56 955	2.9%	346 571	2.0%

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

Comparison of Vacancies between 2015 and 2017 Surveys

3.8 The banking and finance industry and insurance industry each experienced vacancy increases of 22.8% and 18.0% respectively, while accountancy sector experienced a drop of 8.7% with the supervisory level jobs reporting the largest increment for the accountancy sector and the banking and finance industry. For the insurance industry, clerical level jobs reported the largest increment. The comparison of the distribution of vacancies by job levels in the three industries between 2015 and 2017 Surveys is shown in Diagram 2.

Diagram 2: Distribution of Vacancies between 2015 and 2017 Surveys



Manpower Demand

3.9 The total manpower demand, which is defined as the number of personnel plus the number of vacancies, has increased by 39 881 or 12.7% between 2015 and 2017. The distribution of manpower demand by industry and by job level is summarised in Table 3.

Table 3: Distribution of Manpower Demand in 2017

Industry	Managerial	Supervisory	Clerical	Agent	Total (%)**
Accountancy Firms	8 880	5 701	9 738	-	24 319 (6.9%)
Banking & Finance and Insurance Services	3 015	1 820	1 777	-	6 612 (1.9%)
Others	15 204	17 638	42 078	-	74 920 (21.2%)
Accountancy (%)*	27 099 (25.6%)	25 159 (23.8%)	53 593 (50.6%)	-	105 851 (29.9%)
Banks, DTC and Rep. Offices	31 744	41 025	27 547	-	100 316 (28.4%)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	8 124	11 022	5 448	-	24 594 (7.0%)
Others	9 036	14 410	8 550	-	31 996 (9.0%)
Banking and Finance (%)*	48 904 (31.2%)	66 457 (42.4%)	41 545 (26.5%)	-	156 906 (44.4%)
Life Insurance	4 120	6 317	3 170	56 245	69 852 (19.8%)
General Insurance	3 708	11 127	3 861	2 352	21 048 (6.0%)
Insurance (%)*	7 828 (8.6%)	17 444 (19.2%)	7 031 (7.7%)	58 597 (64.5%)	90 900 (25.7%)
Total (%)**	83 831 (23.7%)	109 060 (30.8%)	102 169 (28.9%)	58 597 (16.6%)	353 657 (100.0%)

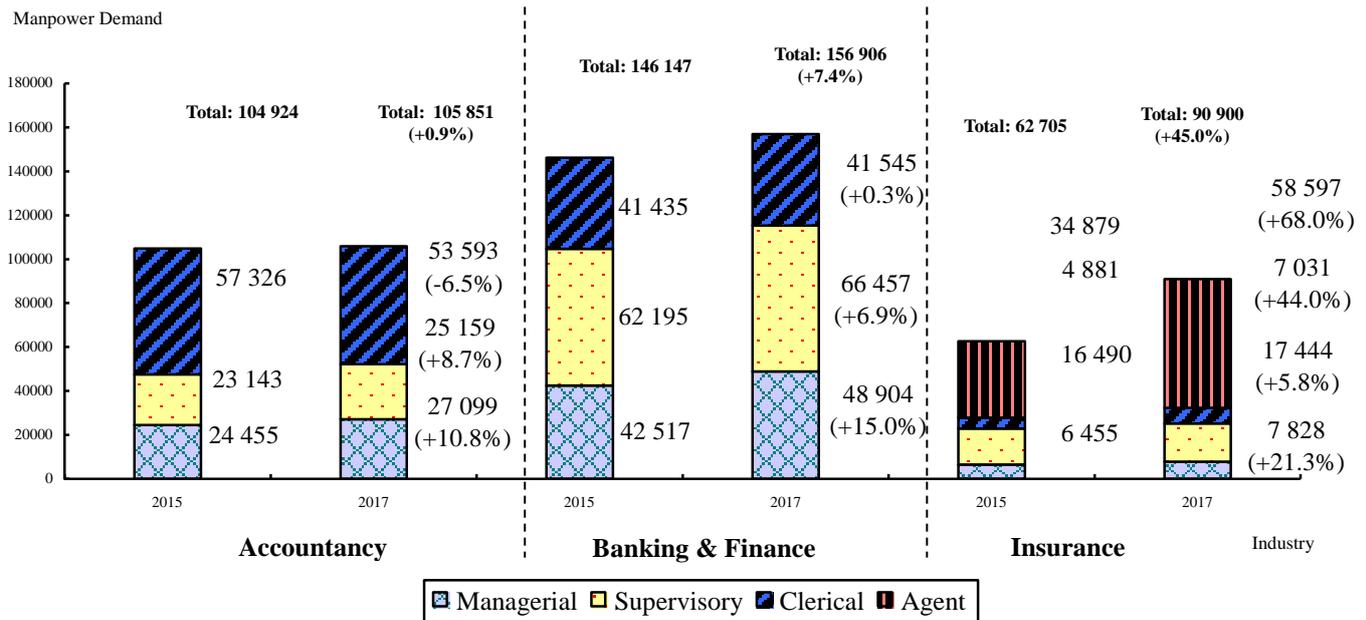
(%)* As a percentage of the total manpower demand in the same industry and the total may not equal 100% due to rounding.

(%)** As a percentage of the total manpower demand in the Financial Services Sector and the total may not equal 100% due to rounding.

Comparison of Manpower Demand between 2015 and 2017 Surveys

3.10 All three industries reported an increase in manpower demand. A comparison of manpower demand between 2015 and 2017 Surveys is shown in Diagram 3.

Diagram 3: Comparison of Manpower Demand between 2015 and 2017 Surveys



Forecast of Manpower Demand in the Next 24 Months

3.11 Based on employers' projection, manpower is forecasted to increase by 4 104 or 1.2% for the Sector in the next 24 months. Employers of the accountancy sector, the banking and finance industry and insurance industry projected a growth of 0.4% and 0.9% and 2.5% respectively. Table 4 below shows the manpower demand forecast for the Sector in the next 24 months, broken down by industry and by job level.

Table 4: Forecast of Manpower Demand in the Next 24 Months

Industry	Managerial	Supervisory	Clerical	Agent	Manpower Demand Forecast for 2019 (%)*	Manpower Demand in 2017	Forecasted Manpower Growth (%)**
Accountancy Firms	8 890	5 785	10 005	-	24 680 (6.9%)	24 319	361 (1.5%)
Banking & Finance and Insurance Services	3 017	1 822	1 779	-	6 618 (1.8%)	6 612	6 (0.1%)
Others	15 210	17 661	42 095	-	74 966 (21.0%)	74 920	46 (0.1%)
Accountancy	27 117	25 268	53 879	-	106 264 (29.7%)	105 851	413 (0.4%)
Banks, DTC and Rep. Offices	32 261	41 493	27 716	-	101 470 (28.4%)	100 316	1 154 (1.2%)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	8 130	11 093	5 426	-	24 649 (6.9%)	24 594	55 (0.2%)
Others	9 074	14 592	8 539	-	32 205 (9.0%)	31 996	209 (0.7%)
Banking and Finance	49 465	67 178	41 681	-	158 324 (44.3%)	156 906	1 418 (0.9%)
Life Insurance	4 151	6 428	3 162	58 149	71 890 (20.1%)	69 852	2 038 (2.9%)
General Insurance	3 756	11 298	3 877	2 352	21 283 (5.9%)	21 048	235 (1.1%)
Insurance	7 907	17 726	7 039	60 501	93 173 (26.0%)	90 900	2 273 (2.5%)
Total (%)*	84 489 (23.6%)	110 172 (30.8%)	102 599 (28.7%)	60 501 (16.9%)	357 761 (100.0%)	353 657	4 104 (1.2%)

(%)* As a percentage of the total forecasted manpower demand for 2019 in the Financial Services Sector and the total may not equal 100% due to rounding.

(%)** Manpower growth rate was based on 2017 manpower demand and 2019 projection and the total may not equal 100% due to rounding.

Minimum Education/Professional Qualification Requirement of Personnel by Job Level

3.12 Most employers surveyed in the Sector preferred their personnel at managerial and supervisory levels to possess a higher level of education as shown in Table 5 below. The survey revealed that 63.4% of managerial staff should possess university degrees, 44.3% of supervisory staff should possess university degrees and 21.2% of them should possess sub-degree or equivalent. 52.4% of clerical staff should possess senior secondary or equivalent. Regarding professional qualification as shown in Table 6, it was found that 60.5% of managerial staff and 19.3% of supervisory staff and 12.0% of clerical staff should possess professional qualification, while the percentage for agents was relatively low. The distribution of the minimum education requirement and professional qualification requirement by job level is summarised in Tables 5 and 6.

Table 5 : Minimum Education Requirement of Personnel by Job Level

Job Level	Postgraduate: Higher Degrees (e.g. Master Degree) or equivalent (%)*	First Degree or equivalent (%)*	Sub-degree: AD/HD/PD/ High Cert or equivalent (%)*	Senior Secondary: Secondary 4-6, Dip., HKDSE, DVE/ FD/ Yi Ji Dip. or equivalent (%)*	Junior Secondary; Secondary 1-3 or equivalent (%)*	Unspecified@ (%)*	Total (%)*
Managerial	6 639 (8.0%)	52 380 (63.4%)	4 536 (5.5%)	153 (0.2%)	- -	18 886 (22.9%)	82 594 (100.0%)
Supervisory	724 (0.7%)	47 314 (44.3%)	22 593 (21.2%)	12 623 (11.8%)	10 (<0.1%)	23 491 (22.0%)	106 755 (100.0%)
Clerical	39 (<0.1%)	10 606 (10.6%)	19 463 (19.4%)	52 574 (52.4%)	1 008 (1.0%)	16 577 (16.5%)	100 267 (100.0%)
Agent	- -	110 (0.2%)	358 (0.6%)	19 825 (34.8%)	- -	36 662 (64.4%)	56 955 (100.0%)
Total	7 402	110 410	46 950	85 175	1 018	95 616	346 571

@ Respondents who did not disclose information concerning minimum education requirements were labeled as “Unspecified”. Caution should be taken when analysing the job level of Agent in view of the relatively high percentage of unspecified responses.

(%)* As a percentage of the total number of personnel at the same job level and the total may not equal 100% due to rounding.

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

Table 6 : Minimum Professional Qualification Requirement
of Personnel by Job Level

Job Level	Professional Qualification Required (%)*	Professional Qualification Not Required (%)*	Unspecified@ (%)*	Total
Managerial	20 935 (60.5%)	7 224 (20.9%)	6 436 (18.6%)	34 595 (100.0%)
Supervisory	8 347 (19.3%)	26 414 (61.0%)	8 567 (19.8%)	43 328 (100.0%)
Clerical	7 108 (12.0%)	46 813 (78.9%)	5 410 (9.1%)	59 331 (100.0%)
Agent	97 (0.2%)	20 667 (36.3%)	36 191 (63.5%)	56 955 (100.0%)
Total	36 487	101 118	56 604	194 209[^]

@ Respondents who did not disclose information concerning minimum professional qualification requirements were labeled as “Unspecified”. Caution should be taken when analysing the job level of Agent in view of the relatively high percentage of unspecified responses.

(%)* As a percentage of the total number of personnel at the same job level and the total may not equal 100% due to rounding.

[^] The 2017 Survey of the Banking and Finance Industry did not collect the information regarding the requirement of professional qualifications.

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

Minimum Requirement of Year(s) of Experience of Personnel

3.13 The range of the length of working experience required at various job levels varies among the three industries within the Sector. Employers preferred managerial staff to have a minimum of five to ten years or more of working experience in their respective industries. Supervisory staff would require a minimum of two to ten years of working experience in their respective industries and clerical personnel were normally required to have less than three years of working experience. Insurance agents would require less than one year to two years of working experience. Table 7 shows the minimum year(s) of experience required in the Sector.

Table 7 : **Minimum Requirement of Year(s)
of Experience by Job Level**

Job Level	Minimum Requirement of Year(s) of Experience
Managerial (i) Accountancy (ii) Banking and Finance (iii) Insurance	6 years to less than 10 years Over 5 years to 10 years Over 5 years to 10 years
Supervisory (i) Accountancy (ii) Banking and Finance (iii) Insurance	3 years to less than 6 years Over 5 years to 10 years Over 2 years to 5 years
Clerical (i) Accountancy (ii) Banking and Finance (iii) Insurance	Less than 3 years 1 year to 2 years 1 year to 2 years
Insurance Agents	Less than 1 year to 2 years

Distribution of Employees by Average Monthly Income Range

3.14 Table 8 shows the distribution of employees by average monthly income range at different job levels in the Sector. It should be noted that it is not the intention of the survey to collect information on the income of financial services personnel and the following income data only serves to cross-check the reliability of manpower data at various job levels. In addition, as a certain number of respondents did not provide the required data, readers should be mindful of this when they interpret the findings in Table 8.

Table 8: Number of Employees by Average Monthly Income Range by Job Level

Job Level	Number of Employees										
	Below \$8,000 (%)*	\$8,000 to \$10,000 (%)*	\$10,001 to \$20,000 (%)*	\$20,001 to \$30,000 (%)*	\$30,001 to \$40,000 (%)*	\$40,001 to \$60,000 (%)*	\$60,001 to \$80,000 (%)*	\$80,001 to \$100,000 (%)*	Above \$100,000 (%)*	Unspecified@ (%)*	Total (%)**
Managerial	-	-	222	4 814	9 462	16 457	14 241	4 267	5 742	27 389	82 594
	-	-	(0.3%)	(5.8%)	(11.5%)	(19.9%)	(17.2%)	(5.2%)	(7.0%)	(33.2%)	(100.0%)
Supervisory	153	249	13 908	41 173	13 400	3 544	835	397	706	32 390	106 755
	(0.1%)	(0.2%)	(13.0%)	(38.6%)	(12.6%)	(3.3%)	(0.8%)	(0.4%)	(0.7%)	(30.3%)	(100.0%)
Clerical	84	2 525	61 652	5 280	867	294	-	-	-	29 565	100 267
	(0.1%)	(2.5%)	(61.5%)	(5.3%)	(0.9%)	(0.3%)	-	-	-	(29.5%)	(100.0%)
Insurance Agent	333	-	6	219	42	95	26	-	4	56 230	56 955
	(0.6%)	-	(<0.1%)	(0.4%)	(0.1%)	(0.2%)	(<0.1%)	-	(<0.1%)	(98.7%)	(100.0%)
Total	570	2 774	75 788	51 486	23 771	20 390	15 102	4 664	6 452	145 574	346 571
(%)**	(0.2%)	(0.8%)	(21.9%)	(14.9%)	(6.9%)	(5.9%)	(4.4%)	(1.3%)	(1.9%)	(42.0%)	(100.0%)

@ Respondents who did not disclose information concerning average monthly income range were labeled as “Unspecified”.

(%)* As a percentage of the total number of personnel at the same job level and the total may not equal 100% due to rounding.

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

Distribution of Employees by Average Age Range

3.15 Table 9 shows the distribution of personnel by average age range at different job levels. The majority of the personnel at the job levels of “Managerial” and “Supervisor/Officer” ranged from 35 to 50 years old whereas over 38% of clerical staff were below 35. However, as a certain number of respondents did not provide the required data, readers of this report should be mindful of this when they interpret the findings in Table 9.

Table 9: Number of Employees by Average Age Range by Job Level

<u>Job Level</u>	<u>Number of Employees</u>				<u>Total (%)**</u>
	<u>Below 35 (%)*</u>	<u>35 - 50 (%)*</u>	<u>Over 50 (%)*</u>	<u>Unspecified@ (%)*</u>	
Managerial	4 148 (5.0%)	40 554 (49.1%)	8 467 (10.3%)	29 425 (35.6%)	82 594 (100.0%)
Supervisory/ Officer	25 991 (24.3%)	38 025 (35.6%)	2 679 (2.5%)	40 060 (37.5%)	106 755 (100.0%)
Clerical	38 390 (38.3%)	26 529 (26.5%)	2 312 (2.3%)	33 036 (32.9%)	100 267 (100.0%)
Insurance Agent	126 (0.2%)	4 903 (8.6%)	23 (<0.1%)	51 903 (91.1%)	56 955 (100.0%)
Total (%)**	68 655 (19.8%)	110 011 (31.7%)	13 481 (3.9%)	154 424 (44.6%)	346 571 (100.0%)

@ Respondents who did not disclose information concerning average age range were labeled as “Unspecified”.

(%)* As a percentage of the total number of personnel at the same job level and the total may not equal 100% due to rounding.

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

Staff Turnover in the Past Twelve Months

3.16 Staff turnover is defined as the total number of personnel who have left the companies in a specified period of time. The staff turnover statistics by industry and by job level are shown in Table 10 below.

Table 10 : Number of Personnel Resigned
in the Past Twelve Months by Job Level

Job Level Industry		Managerial	(%)#	Supervisory	(%)#	Clerical	(%)#	Agent	(%)#	Total	(%)#
		Accountancy	Persons Resigned	1 044		1 828		5 167		-	
No. of Persons Engaged	26 921		(3.9%)	24 780	(7.4%)	52 546	(9.8%)	-	-	104 247	(7.7%)
Banking and Finance	Persons Resigned	3 408		9 839		7 017		-		20 264	
	No. of Persons Engaged	47 999	(7.1%)	65 053	(15.1%)	40 936	(17.1%)	-	-	153 988	(13.2%)
Insurance	Persons Resigned	423		1 155		1 103		7 333		10 014	
	No. of Persons Engaged	7 674	(5.5%)	16 922	(6.8%)	6 785	(16.3%)	56 955	(12.9%)	88 336	(11.3%)
Total	Persons Resigned	4 875		12 822		13 287		7 333		38 317	
	No. of Persons Engaged	82 594	(5.9%)	106 755	(12.0%)	100 267	(13.3%)	56 955	(12.9%)	346 571	(11.1%)

$$(\%)# \text{ Staff turnover rate} = \frac{\text{Number of personnel resigned in a specified period of time}}{\text{Total number of personnel on the reference date}} \times 100\%$$

3.17 In the past twelve months, 38 317 personnel left their companies for various reasons, such as resignation, further studies, emigration and retirement, etc, which has increased by 2 062 or 5.7% from 36 255 in 2015. The overall staff turnover rate was 11.1% for the Sector. The results showed that staff turnover was the highest in the banking and finance industry which was 13.2%, followed by the insurance industry which was 11.3% whereas the percentage of the accountancy sector was 7.7%.

Recruitment Difficulties

3.18 The reasons of recruitment difficulties given by employers were mainly “Lack of candidates with relevant experience and training” and “Working conditions/ remuneration package could not meet recruits’ expectations” which accounted for 38.1% and 46.6% of the cases of recruitment difficulties. The reasons of recruitment difficulties were more or less the same as previous surveys. Other reasons included the general labour shortage in Hong Kong, requirement of specific language skills, etc. The analysis of recruitment difficulties experienced in the Sector by reason and by job level is summarised in Table 11 below.

Table 11 : Recruitment Difficulties in the Past Twelve Months

Job Level \ Reason	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	17 (5.2%)	1 (0.3%)	204 (63.0%)	96 (29.6%)	2 (0.6%)	2 (0.6%)	2 (0.6%)	324 (100.0%)
Supervisory	35 (5.6%)	19 (3.0%)	296 (47.4%)	196 (31.4%)	11 (1.8%)	11 (1.8%)	56 (9.0%)	624 (100.0%)
Clerical	59 (4.2%)	34 (2.4%)	394 (28.1%)	802 (57.2%)	6 (0.4%)	10 (0.7%)	96 (6.9%)	1 401 (100.0%)
Total (%)**	111 (4.7%)	54 (2.3%)	894 (38.1%)	1 094 (46.6%)	19 (0.8%)	23 (1.0%)	154 (6.6%)	2 349@ (100.0%)

Other reasons include “work place too far from home”, “lack of candidates with positive working attitude” and “lack of candidates with relevant knowledge”, etc.

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

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

@ Reasons of recruitment difficulties for agents were excluded in Table 11 as the figures were not captured in the survey.

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

Manpower Demand of the Financial Services Sector

3.19 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 of the Sector in the next 24 months would be about 370 000 (347 000 + 23 000) persons. Table 12 shows the total manpower requirements by industry and by job level.

Table 12 : Total Manpower Requirements of the Financial Services Sector in the next 24 months

Industry \ Job Level	Managerial		Supervisory		Clerical		Agent		Total	
	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement
Accountancy	26 921	1 347	24 780	1 027	52 546	1 941	-	-	104 247	4 315
Banking and Finance	47 999	2 787	65 053	5 600	40 936	4 541	-	-	153 988	12 928
Insurance	7 674	342	16 922	1 043	6 785	349	56 955	4 350	88 336	6 084
Total	82 594	4 476	106 755	7 670	100 267	6 831	56 955	4 350	346 571 Say 347 000	23 327 Say 23 000

Manpower Supply in the Financial Services Sector

3.20 Based on the manpower projections for next 24 months made by the Training Boards (about 23 000 as shown in Table 12 of para. 3.19) and taking into account the education / qualification requirements of various job levels preferred by employers in the three industries, about 10 314 personnel with degree or sub-degree qualifications would be required. According to the information provided by the University Grants Committee of Hong Kong (UGC), the Vocational Training Council (VTC) and course providers running courses related to accountancy, banking and finance, and insurance, the estimated number of graduates with degree or sub-degree qualifications in related areas in 2017/2018 and 2018/2019 is shown in Table 13B. Concerning the estimated employers' demand for manpower with degree or sub-degree qualifications in the three industries, the data are listed in Table 13A.

Table 13A: Demand for Local Graduates of the Accountancy Sector, Banking and Finance Industry and Insurance Industry

Manpower Demand Industry	Employers' Demand for Personnel with Degree or Sub-degree Qualifications		
	Degree	Sub-degree	Total
Accountancy	1 927	742	2 669
Banking and Finance	4 778	2 029	6 807
Insurance	537	301	838
Total	7 242	3 072	10 314

Table 13B: Supply of Local Graduates of Accountancy, Finance, Business Administration, Insurance and Related Disciplines

Manpower Supply Discipline	Estimated Number of Graduates			
	Degree		Sub-degree#	
	2017/18	2018/19	2017/18	2018/19
Accountancy and related disciplines	2 535	2 406	447	329
Finance, Business Administration and related disciplines	3 362	3 295	473	283
Insurance and related disciplines	1 996	1 895	473	283

Note: The Training Board wrote to course providers requesting for their estimated number of degree and sub-degree graduates in 2017/18 and 2018/19. The figure does not represent the total manpower supply in the industry as overseas graduates are not included and only 41.4% of the course providers replied. The estimated number of graduates reported by these course providers has been included in the figures shown in Table 13B. Users of the survey findings should note that the data collected might not be comprehensive.

Readers should note that not all sub-degree graduates would enter the job market immediately after graduation. Quite a number of those graduates would opt for further study.

3.21 As shown in Table 12 of para. 3.19, the projected additional manpower requirements for the next 24 months are about 23 000. In addition to those local graduates with degree and sub-degree qualifications who might join the Sector, graduates of overseas universities as well as those from other disciplines of studies, and secondary school graduates might also join the three industries. These graduates will be new blood to the Sector. On the other hand, the Sector is in need of experienced people to take up managerial and supervisory positions. Employers are encouraged to provide comprehensive training programmes for fresh graduates to equip them with the appropriate skills to carry out their job duties, whilst succession planning strategies are also important for employers to groom good quality and high potential staff for advancement to senior management level and develop a pool of talents for senior positions.

Training Needs in the Financial Services Sector

3.22 In the 2017 Survey, employers were asked to give ideas on the training types / topics which were important to manpower development in the three industries. The top five types / topics of training mostly chosen by respondents for various job levels in the industry are summarised in Table 14.

Table 14: Topics of Training for Manpower Development

Topics of Training Job Level	Accountancy	Banking and Finance	Insurance
Managerial	Updates of Accounting Standards	Compliance of Various Ordinances	General Insurance
	Financial Accounting	Anti-Money Laundering Compliance	Law Relating to Insurance
	Strategic Management	Risk Management	Problem Solving and Decision Making
	Coaching & Counseling	Fund Management	Life Insurance
Supervisory	Accrued-based Accounting	Securities & Futures Regulation	Principles & Practice of Management
	Updates of Accounting Standards	Anti-Money Laundering Compliance	General Insurance
	Financial Accounting	Financial Markets Operations	Law Relating to Insurance
	Time Management	Compliance of Various Ordinances	Marketing/Selling Skills
	Performance Management	Securities & Futures Regulation	Life Insurance
Clerical	Financial Management	Communication Skills	Financial Planning
	Information Systems Application Skills	Anti-Money Laundering Compliance	General Insurance
	Updates of Accounting Standards	Information Systems Application Skills	IT Enabling Systems
	Cross-exposure to Other Accounting Functions	Putonghua	Effective Communication Skills
	Financial Accounting	Anti-Corruption Regulations	Use of Computer
Agents	English Writing	Communication Skills	Spoken English
	n/a	n/a	Financial Planning
			Agency Building and Development
			Principles & Practice of Management
			Strategic Management
			Marketing Management
			Risk Management
			Leadership
			Team Building
			Life Insurance
			MPF
Retirement Planning			
Marketing/Selling Skills			

3.23 In general, employers considered training topics such as Principles & Practice of Management, Strategic Management, Risk Management Problem Solving & Decision Making, etc should be offered to managerial staff, while more trade-related training topics such as Updates of Accounting Standards, Anti-Money Laundering Compliance and General / Life Insurance should be offered to supervisors in their respective industries. For clerical staff, generic skills such as language and communication skills and information systems application skills were considered to be important.

Incentives to Encourage Employers to Provide their Personnel with Training

3.24 In the 2017 Survey, employers were also requested to suggest the possible incentives to encourage establishments to provide their personnel with training. Survey findings revealed that effective ways to encourage employers to provide their personnel with training were “Reimbursement of course fees to employers”, “Provision of subsidy to employers” and “Government loan/grant to employers” in the accountancy sector and the banking and finance industry. The 2017 Survey of the Insurance Industry did not collect this piece of information.

Estimated Percentage of Training to be Provided by External Course Providers in the Next Twelve Months

3.25 The 2017 Survey revealed the percentage of training to be provided by external course providers in the next twelve months. In the accountancy sector and the banking and finance industry, the majority of establishments would have less than 50% of their training programmes to be provided by external course providers. On the contrary, for the insurance industry, except the clerical staff and insurance agents, the majority of establishments would plan to outsource more than 50% of their training programmes from external course providers. The detailed figures are shown in Table 15.

Table 15: Estimated Percentage of Training Provided by External Course Providers in the Next Twelve Months

Job Level	Percentage of External Training	Percentage of Establishments*		
		Accountancy	Banking and Finance	Insurance
Managerial	0% - 49%	81.9%	75.4%	42.1%
	>49% - 100%	18.1%	24.6%	57.9%
Supervisory	0% - 49%	90.8%	78.0%	32.5%
	>49% - 100%	9.2%	22.0%	67.5%
Clerical	0% - 49%	93.0%	81.9%	59.6%
	>49% - 100%	7.0%	18.1%	40.4%
Agent	0% - 49%	-	-	64.7%
	>49% - 100%	-	-	35.3%

Note: Establishments which did not sponsor personnel to attend external training programmes might not provide their personnel with in-house training as this Survey did not ask for this piece of information.

* The summation of percentage may not equal 100% due to rounding.

Comparison of Training Budget in 2017 and Training Expenses in 2016

3.26 Table 16 shows the training expenses and training budgets of establishments in 2016 and 2017. The majority of establishments indicated that their training budgets in respect of in-house training and external training for 2017 would remain the same as those of 2016.

Table 16: Comparison of Training Budgets in 2017
and Training Expenses in 2016

Changes of Training Budgets in 2017 compared to Training Expenses in 2016	Percentage of Establishments*					
	Accountancy		Banking and Finance		Insurance	
	In-house Training	External Training	In-house Training	External Training	In-house Training	External Training
No Change	94.5%	94.1%	85.7%	84.8%	93.7%	91.9%
Increase	0.5%	0.9%	2.5%	3.3%	1.9%	3.7%
Decrease	<0.1%	<0.1%	0.1%	0.1%	0.1%	0.1%
Unspecified	5.0%	5.0%	11.7%	11.7%	4.4%	4.4%

* Total percentage may not equal 100% due to rounding.

SECTION IV

CONCLUSIONS

Business Outlook

4.1 As a major international financial centre, Hong Kong is noted for its sound financial infrastructure, high regulatory standards and a trusted legal regime as well as the advantage of business-friendly environment and low taxation. It is therefore Hong Kong being globally recognised as a leading asset management, banking and insurance hub resulting in a vast resource of financial expertise. Despite the challenging and volatile business environment, Hong Kong is still one of the most competitive cities which provides a wide range of financial products and services with a high degree of liquidity to local and international investors.

4.2 The business outlook of the financial services sector is difficult to predict due to the complex and rapidly varying economic conditions in some countries, such as uncertainties over the timing and pace of interest rate rises in the United States, the Brexit, the future growth of the economy of the Mainland and the normalisation of the balance sheet by the Federal Reserve. All these factors might lead to the conservative projection of the 2019 manpower demand by respondents.

4.3 The manpower situation of the accountancy sector is relatively stable as reflected from the survey respondents that a sustained and steady manpower demand is expected in the coming two years. Owing to the change in the business model and advancement in technology, there is a noticeable change in business processes and the ways that accounting information is captured to improve the efficiency and effectiveness of business operations. With the help of digitalisation of business transactions, some of the accounting processes could be automated and the repetitive job tasks might also be eliminated. Apart from providing conventional assurance services and traditional services in auditing, accounting, taxation and company secretarial, CPA firms have been expanding their service scope to better serve their clients. On the other hand, due to tighter rules and regulations imposed by regulatory bodies, accounting personnel will play a more significant role in providing clients with compliance and regulatory advice.

4.4 In order to cope with the challenges for Hong Kong to develop as an innovative powerhouse, financial technology (FinTech) is the major driving force. Banking and finance practitioners in Hong Kong are required to face those challenges to expedite the FinTech development while at the same time addressing the compliance issues due to the tightened regulatory requirements. Notwithstanding this, Hong Kong, as an international financial centre with a stable financial system as well as a regulatory system of international standard, could be fully capable of turning those challenges into opportunities. With the support of the Government formulating directive strategies and providing necessary resources to the industry, a more conducive environment for advancing technology development could be created. In addition, Hong Kong already has an excellent information and communications technology infrastructure. The availability of skilled staff is of utmost important for the development of FinTech. Good people are the key to FinTech development. The government, financial organisations, and tertiary institutions should work

together to nurture a professional workforce that can bring the industry to the next higher level. Concerning the Belt and Road Initiative, Hong Kong plays a key role as a capital raising centre while it will also be benefited from the Bond Connect scheme that Chinese sovereign financial bodies and private commercial organisations can gain access to international capital.

4.5 Insurance Authority (IA) as a new insurance regulator independent of both the Government and the industry has replaced the Office of the Commissioner of Insurance (OCI) to regulate insurance companies with effect from 26 June 2017. It is expected that the IA will modernise the regulatory regime of the insurance industry in order to facilitate the continuous development of the industry, while at the same time maintaining the market stability and protecting the interests of the policy holders. For insurance practitioners, they are going to pay more attention to issues related to compliance and the use of technology to enhance business communication and customer relationship. In this connection, the application of insurance technology (InsurTech) has plenty of room for development. Insurance companies are investing in robotics and process automation with a view to improving the operational efficiency and becoming more customer-centric as well as achieving innovation and digital transformation.

Impacts on Manpower Development and Requirements

4.6 The manpower development and requirements of the financial services sector are subject to different stages of the economic cycle as well as fiscal policies. These include:

- (i) The Belt and Road Initiative has been an accelerated movement toward regional economic integration and will contribute to the development of the entire financial services sector. With financial professionals who have relevant knowledge and experience in addition to the advantage of its sound legal structure, Hong Kong is well positioned to become the leading financial and risk management centre for the region;
- (ii) A new Qualification Programme (QP) being introduced by the HKICPA will be implemented in June 2019. The new QP will have an increased emphasis on developing and assessing higher-order enabling skills such as problem solving, critical and lateral thinking which are considered important skillsets for successful accountants. In addition, accounting is actually a language of business and is very important in all businesses. There are a number of famous entrepreneurs possessing an accounting qualification but eventually they pursued their career in other professions. Students should be educated about the diversified career opportunities arising from studying accounting;
- (iii) FinTech, compliance and asset management are important areas in the banking and finance industry. Under the Enhanced Competency Framework (ECF) led by the Hong Kong Monetary Authority, certification programmes will be introduced for

various streams of professional work in the banking sector over the next few years, including anti-money laundering, counter-financing of terrorism, cybersecurity, credit risk management, risk management and compliance, treasury management, and retail wealth management. In this connection, it is expected that the demand for related CPD programmes for banking and finance practitioners will be significantly increased in coming years and the competencies of banking and finance practitioners are expected to be enhanced so as to keep abreast of the latest development;

- (iv) In addition to law related to insurance, insurance practitioners need to pay more attention to data privacy and the use of IT and big data to generate business. On the other hand, specialised general insurance knowledge like marine insurance and employee benefits also needs to be acquired by the practitioners; and
- (v) In order to enhance talent training for the insurance sector and the asset and wealth management sector, the government has initiated pilot programmes with a view to attracting new blood and enhancing the professional competency of these two sectors. The pilot programmes include the initiatives of public education programme, internship programme and financial incentive scheme for professional training. Particularly for insurance sector, there is a training allowance for Work & Learn Programme. The Work & Learn Programme under the Pilot Programme to Enhance Talent Training for Insurance Sector of the Government and the Young Insurance Executive Development Programme of Hong Kong Federation of Insurers target at the public, students and existing in-service practitioners, with a view to increasing participants' awareness of the wide range of career opportunities and the career paths in the insurance industry. In this connection, the industry should work closely with course providers so that quality pre-employment and in-service training programmes could be developed. In the long run, an insurance degree programme could help train up talents for the industry.