

SECTION III

CONCLUSIONS

The Survey Findings

3.1 The Training Board has examined the survey findings and agreed that in general they reflect the technical manpower and training situation of the security services industry at the time of the survey. In May 2005, 98 041 technical / professional employees were engaged in the security services industry, representing 2.7% of the 3.57 million working population in Hong Kong. The Training Board observes that although the number of new buildings has decreased significantly in the past 2 years, there is a steady growth in security services employees.

Industry Outlook

3.2 With the gradual recovery of the economy and the completion of new buildings in the years ahead, the Training Board believes that there will still be a steady growth in the security services manpower. The employment situation has improved recently and the unemployment rate has dropped to 5.7% in the second quarter of 2005. The Training Board expects that more security guards may change their jobs within or outside the industry as more job opportunities are available. There will be substantial training demands for both in-service security services personnel and new entrants.

3.3 The existing law requires all new entrants into security work to obtain the security personnel permit (SPP) before they can be engaged. Security companies are also required to provide 16 hours' training to the security employees before they can start to work. As in May 2005, over 253 000 permits were issued. The Training Board observes that the high turnover of over 30 000 security guards per year will continue to require the Commissioner of Police to issue new permits, because many of these permit holders might have either left the industry to join other sectors or retired without cancelling their permits. This explains the reason for the increase in training places, and the variance between the number of security guards employed and the number of permits issued.

3.4 The scaling down of public security services has created more business opportunities for the private sector. This shift has also resulted in the demand for new skills and training. The outbreak of SARS in 2003 and the possible threat of the avian flu had also created a need for crisis handling training for security services employees.

3.5 In the years ahead, the Training Board anticipates that the future development of the West Kowloon Cultural District and the extension of tourism related projects such as the Disneyland, can help stimulate the growth of the security services industry.

Overall Manpower Structure in the Security Services Industry

3.6 The survey reveals that during the survey period, there were 98 041 employees in the security services industry, including 90 922 employees employed by licensed security companies, 6 606 by the Owners Corporations and 513 by the supplementary samples. The data on the manpower, vacancies and forecast growth by job level are summarized as follows:

<u>Job Level</u>	<u>No. of Employees in May 2003</u>	<u>No. of Employees in May 2005</u> (%)#	<u>No. of Vacancies in May 2005</u>	<u>Employers' Forecast of Manpower Growth</u>	<u>Forecast No. of Posts in May 2006</u> (%)*
Managerial/ Professional	1 616	2 188 (35.4)	13	-5	2 196 (-0.2)
Supervisory/ Technician	9 448	12 551 (32.8)	133	83	12 767 (0.7)
Security Guard	79 334	83 302 (5.0)	1 239	-146	84 395 (-0.2)
Total	90 398	98 041 (8.5)#	1 385	-68	99 358 (-0.1)**

(%)# As percentage of increase/decrease in the number of employees as against 2003

(%)* As percentage of the number of posts at the job level

(%)** As percentage of the total number of the posts in the industry

3.7 The distribution of manpower by branch by job level is illustrated in **Table Q**. Details of the number of employees and forecast by branch by principal job are in **Appendix 7**.

Table Q: Distribution of Manpower by Branch by Job Level

<u>Branch</u>	<u>Job Level</u>			<u>Total</u> (%)*
	<u>Managerial/</u> <u>Professional</u>	<u>Supervisory/</u> <u>Technician</u>	<u>Security</u> <u>Guard</u>	
Security Guarding Services	962	7 568	61 865	70 395 (71.8)
Armoured Transportation Services	24	68	515	607 (0.6)
Security Systems Installations/ Maintenance/ Repair/ Design/ Others	854	2 225	59	3 138 (3.2)
Security Guarding Services/ Armoured Transportation Services	4	23	375	402 (0.4)
Security Guarding Services/ Security Systems Installations/ Maintenance/ Repair/ Design/ Others	274	1 417	11 022	12 713 (13.0)
Security Guarding Services/ Armoured Transportation Services/ Security Systems Installations/ Maintenance/ Repair/ Design/ Others	16	579	3 072	3 667 (3.7)
<hr/> <i>Sub-total:</i>	<hr/> 2 134	<hr/> 11 880	<hr/> 76 908	<hr/> 90 922 (92.7)
Owners Corporations	32	602	5 972	6 606 (6.7)
Supplementary Samples	22	69	422	513 (0.5)
<hr/> Total (%)*	<hr/> 2 188 (2.2)	<hr/> 12 551 (12.8)	<hr/> 83 302 (85.0)	<hr/> 98 041 (100)

* As percentage of the total number of employees

Vacancies

3.8 There were 1 385 vacancies (1.4% of the total number of posts) at the time of survey, higher than the rate of 0.9% in 2003 (see **Figure 7**). Of the 1 385 vacancies, there were 1 239 vacant posts (representing 1.5% of the number of posts in the level) at the security guard level. 133 vacancies (or 1.0%) were at the supervisory/technician level and only 13 vacancies (or 0.6%) at the managerial/professional level. The number of vacancies by branch by job level is presented in **Table R**.

**Table R: Number of Vacancies
by Branch by Job Level**

<u>Branch</u>	<u>Job Level</u>			<u>Total (%)*</u>
	<u>Managerial/ Professional</u>	<u>Supervisory/ Technician</u>	<u>Security Guard</u>	
Security Guarding Services	1	82	848	931 (75.5)
Armoured Transportation Services	-	-	-	-
Security Systems Installations/ Maintenance/ Repair/ Design/ Others	10	35	-	45 (6.7)
Security Guarding Services/ Armoured Transportation Services	-	1	1	2 (1.5)
Security Guarding Services/ Security Systems Installations/ Maintenance/ Repair/ Design/ Others	1	8	219	228 (15.3)
Security Guarding Services/ Armoured Transportation Services/ Security Systems Installations/ Maintenance/ Repair/ Design/ Others	-	7	105	112 (1.0)
Owners Corporations	-	-	64	64
Supplementary Samples	1	-	2	3
Total	13	133	1 239	1 385
(%)*	(0.9)	(9.6)	(89.5)	(100)
Number of Vacancies in 2003	4	77	712	793
(%)*	(0.5)	(9.7)	(89.8)	(100)

* As percentage of the total number of vacancies

Employers' Forecast of Manpower Growth for May 2006

3.9 Employers forecast that the total number of posts would be 99 358 by May 2006. When the actual growth rate (4.1% per annum) is compared with the forecast growth rate of 1.4% in 2003, the forecast decrease in 0.1% appears to be again conservative.

Manpower Projection for 2006 to 2008

3.10 The Training Board has adopted the Labour Market Analysis (LMA) approach to project the manpower of the industry in the next three years. Tables S, T and U illustrate the manpower projection from 2006 to 2008 by job level. Detailed analysis of the projection methodology is presented in **Appendix 16**.

Table S: Manpower Projection at the Managerial / Professional Level from 2006 to 2008

Year	Actual Manpower		Projected Manpower		Total Projected Manpower
	67.5% of manpower for private and public residential flats	32.5% of manpower for non-residential flats	67.5% of manpower for private and public residential flats	32.5% of manpower for non-residential flats	
2005	1 486	715	-	-	-
2006F	-	-	1 502	723	2 225 (1.1%)*
2007F	-	-	1 517	730	2 247 (1%)**
2008F	-	-	1 532	737	2 269 (1.0%)***

* as percentage increase / decrease of the projected manpower over the actual manpower in 2005

** as percentage increase / decrease of the projected manpower over the projection of 2006

*** as percentage increase / decrease of the projected manpower over the projection of 2007

Table T: Manpower Projection at the Supervisory / Technician Level from 2006 to 2008

Year	Actual Manpower		Projected Manpower		Total Projected Manpower
	67.5% of manpower for private and public residential flats	32.5% of manpower for non-residential flats	67.5% of manpower for private and public residential flats	32.5% of manpower for non-residential flats	
2005	8 562	4 122	-	-	-
2006F	-	-	8 656	4 167	12 823 (1.1%)*
2007F	-	-	8 742	4 209	12 951 (1.0%)**
2008F	-	-	8 829	4 251	13 080 (1.0%)***

* as percentage increase / decrease of the projected manpower over the actual manpower in 2005

** as percentage increase / decrease of the projected manpower over the projection of 2006

*** as percentage increase / decrease of the projected manpower over the projection of 2007

Table U: Manpower Projection at the Security Guard Level from 2006 to 2008

Year	Actual Manpower		Projected Manpower		Total Projected Manpower
	67.5% of manpower for private and public residential flats	32.5% of manpower for non-residential flats	67.5% of manpower for private and public residential flats	32.5% of manpower for non-residential flats	
2005	57 065	27 476	-	-	-
2006F	-	-	57 693	27 778	85 471 (1.1%)*
2007F	-	-	58 270	28 056	86 326 (1.0%)**
2008F	-	-	58 853	28 337	87 190 (1.0%)***

* as percentage increase / decrease of the projected manpower over the actual manpower in 2005

** as percentage increase / decrease as of the projected manpower over the projection of 2006

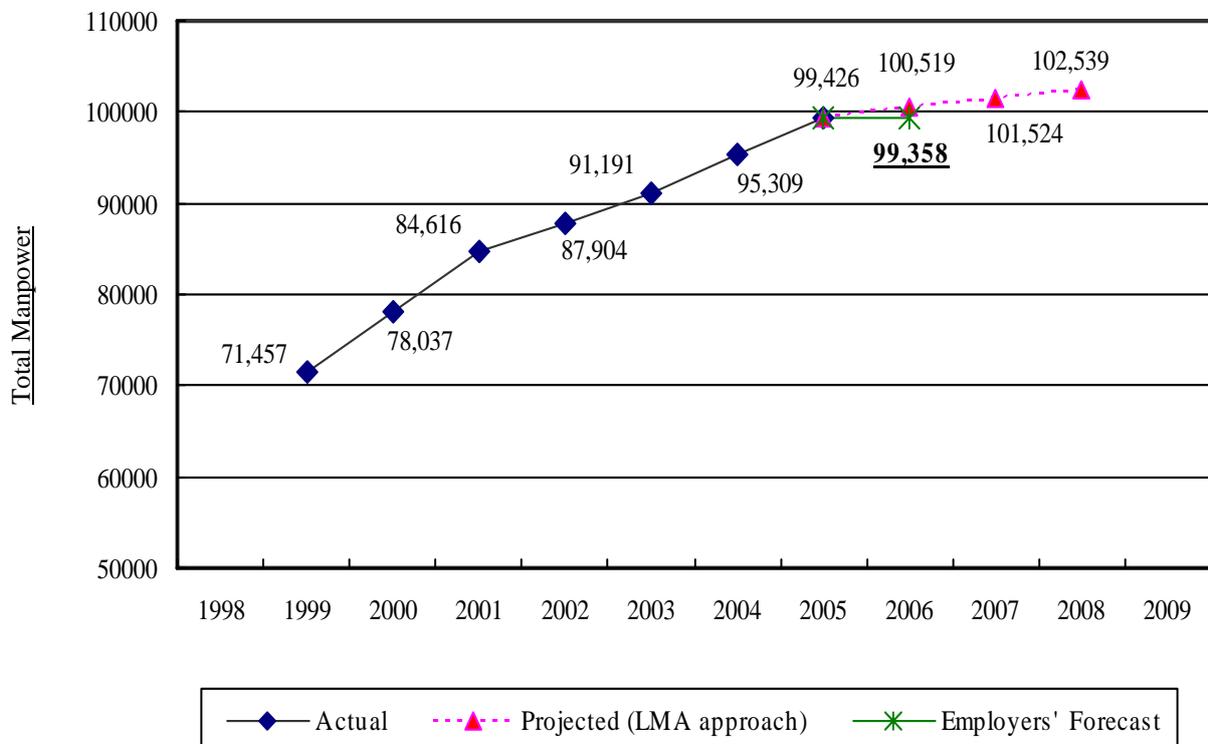
*** as percentage increase / decrease as of the projected manpower over the projection of 2007

3.11 The total manpower projection for the industry is the aggregation of the projected manpower for the three job levels as presented below and in **Figure 18**:

Year	Actual Manpower	Employers' Forecast (at the time of the survey)	Projected Manpower
2005	99 426	-	-
2006F	-	99 358 (-0.1%)*	100 519 (1.1%)*
2007F	-	-	101 524 (1.0%)**
2008F	-	-	102 539 (1.0%)***

- * as percentage increase / decrease of the projected manpower over the actual manpower in 2005
- ** as percentage increase / decrease as of the projected manpower over the projection of 2006
- *** as percentage increase / decrease as of the projected manpower over the projection of 2007

Figure 18: Actual and Projected Manpower for the Security Services Industry for 2006 and 2008



Promotion Pattern

3.12 The survey reveals that 904 posts (or 0.9% of the total number of employees) were filled by internal promotion, with 62 posts from supervisory to managerial/professional level and 842 posts from security guard to supervisory/technician level. The Training Board observes that employers were more willing to promote their staff due to the gradual recovery of the economy. The Training Board encourages employers to provide more promotion opportunities and upgrading training to their employees for career development and progression.

Staff Turnover in the Past 12 Months

3.13 The Training Board observes that there is a consistently high turnover of security services personnel in the past few years, with 30 893 employees leaving in the past 12 months (see **Table H(i)**). Of these employees, the security guard level has the highest turnover of 28 489 employees (or 33.7% of the number of posts) leaving and 29 620 joining as new recruits (see **Table H(ii)**). Same as in the 2003 survey, many respondents reported that the main reasons were long working hours, unattractive salary and lack of candidates with relevant experience and training (see **Table I**). The Training Board therefore urges employers to provide more in-house training or sponsor their employees for outside training.

Employers' Preferred Educational Level of Employees

3.14 Similar to the findings in the 2003 survey, the Training Board notes that employers generally preferred their employees at the managerial/professional level to have professional qualification or degree (895 employees or 40.9%). For supervisory/technician level, most employers preferred their employees to have Secondary 4/5 (6 906 employees or 55%) and for security guard level, secondary 3 or below standard of education (72 041 employees or 86.5%) (see **Table J** and **Appendix 10**).

Employers' Preferred Period of Experience of Employees

3.15 Most employers preferred their employees at both the managerial/professional level and supervisory/technician level to possess 3 to 6 years of experience (912 employees or 41.7% and 6 853 employees or 54.6%) and their employees at the security guard level to have less than 1 year of experience (42 654 employees or 51.2%) (see **Table K** and **Appendix 11**). When compared with 2003, employers tend to accept their employees to have less experience at the managerial/professional level (see **Figure 13**).

Employers' Preferred Vocational Qualification

3.16 The survey reveals that most employers preferred their employees at the managerial/professional level to possess technical certificates, certificates of security trainers' courses and be qualified members of major security associations. For supervisors and security guards, employers preferred their employees to possess certificates of recognized security training and relevant trade tests and technical certificates for technicians (see **Table L and Appendix 12**). The Training Board encourages employers to continue to support their employees for relevant training.

Provision of Training

3.17 The survey reveals that employers had provided only 1 826 in-house training places to their employees in the past 12 months. The Training Board notes that employers tend to outsource their training. For external training, employers would subsidize 20 519 employees for external training in the next 12 months. Among the 20 519 external training places, 4 458 (or 21.7%) will be for security training and 13 666 (or 66.6%) will be for other types of training (see **Figure 17, Table P and Appendix 15**).

Wastage

3.18 During the past 12 months, 2 114 security services personnel were reported to have either left the field, emigrated, retired or started their own business as shown in **Table H(i)**. The annual wastage of 2 114 persons represents 2.1% of the total workforce in 2005. However, it is expected that the wastage rate should be much higher if the 16 142 personnel who left their employment for unknown reasons were taken into account. Out of 16 142 staff leaving for unknown reasons, 14 905 were at security guard level. Based on the survey results on the wastage rates, the annual wastage is shown as follows:

<u>Job Level</u>	<u>No. of Employees as at May 2005</u>	<u>No. of Employees leaving the industry</u>	<u>Wastage Rate (%)*</u>
Managerial/Professional	2 188	32	1.5
Supervisory/Technician	12 551	134	1.1
Security Guard	83 302	1 948	2.3
	<hr/>	<hr/>	
	98 041	2 114	

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

Security Guard Training Courses

3.19 As there is no requirement for security guards employed by Owners Corporations to receive any basic security training, the Training Board considers that these security personnel also need proper training and therefore encourages Owners Corporations to sponsor them to attend training courses under the Recognition Scheme and Skills Upgrading Scheme. The Training Board also considers that the substantial training demand for new recruits will continue because of the high staff turnover of security guards.

3.20 The survey reveals that employers tend to outsource security training and plan to subsidize 20 519 employees for different types of training in the next 12 months, including 4 458 for courses under the Recognition Scheme, and 13 666 for other types of training. The list of security services training courses recognized by the SGSIA for having met the standard can be downloaded from the web-site at www.vtc.edu.hk/cpdc.

3.21 The Training Board notes that the training demand for other skills is substantial and recommends course providers to organize suitable training courses and encourage employers to sponsor their employees to undergo training under the government subsidized Skills Upgrading Scheme.