

FSDC Industry Exchange Series Webinar on the Launch of Report

**“Careers of Tomorrow: Financial Talents
in the Digital, Sustainable Economy of Hong Kong”**

16 August 2021

Background

- Talents in Hong Kong – whether homegrown or from the Mainland and overseas – are highly competitive. Prudent, trustworthy and depth in sector knowledge are key qualities Hong Kong talents possess.
- Long known for being upbeat and dynamic, the financial services industry will become unprecedentedly fast-evolving. Different developments, from digital transformation, change in client expectation, geopolitical uncertainties, to the lingering impact of the global pandemic, are urging financial institutions – large and small – to reconsider their business models and priorities.
- Noting ESG and FinTech as two of the prominent trends reshaping the future of financial services, the FSDC has prepared this paper with a view to calling for concerted efforts by stakeholders to advance Hong Kong's talent strategy collectively.

Current Status

Hong Kong is one of the leading IFCs and a preferred regional headquarters for many financial institutions

Not difficult to recruit a person but the challenge is often about hiring a 'suitable' one who shares the same vision with the firm

Only when the firm cannot find local talents, it will start looking out for Mainland ones and expatriates, who are usually attracted by Hong Kong

2022-24 Outlook

“

Remain optimistic about Hong Kong as an IFC and its status as the regional talent hub, but are conscious about the keen competition in Asia and globally

”

Majority of the financial institutions interviewed

“

Nearly half of the practitioners feel they are better equipped than others;

tertiary students are less confident, considering themselves similar to others. They will stay in / enter the industry because of:

- Better career prospects
- Better salaries & benefits
- Fast-paced, challenging industry culture

”

Survey result indicated

Methodology

Key trends

Literature review of



20+

talent development studies of Hong Kong, Mainland China and overseas

Employers' perspective

One-on-one interviews and focus group meetings with



20+

C-suites and senior management of financial institutions



10+

representatives of industry associations and professional bodies



10+

HR leaders of financial institutions and seasoned recruiters

Employees' perspective

Survey questionnaire answered by



200

tertiary institution students in Hong Kong across different majors



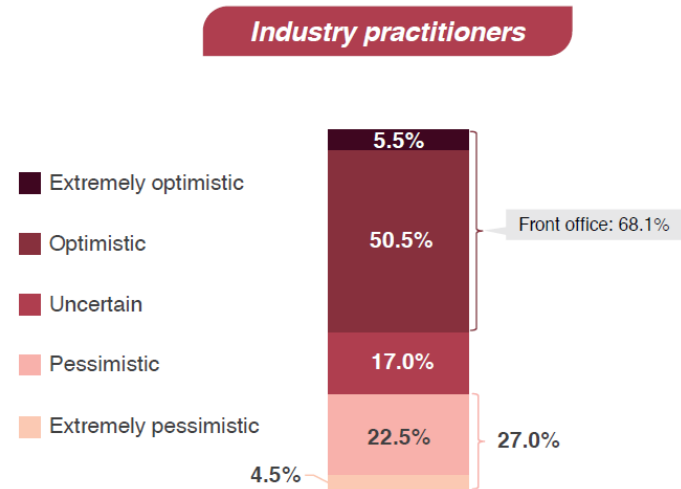
200

incumbent practitioners in Hong Kong's financial services industry

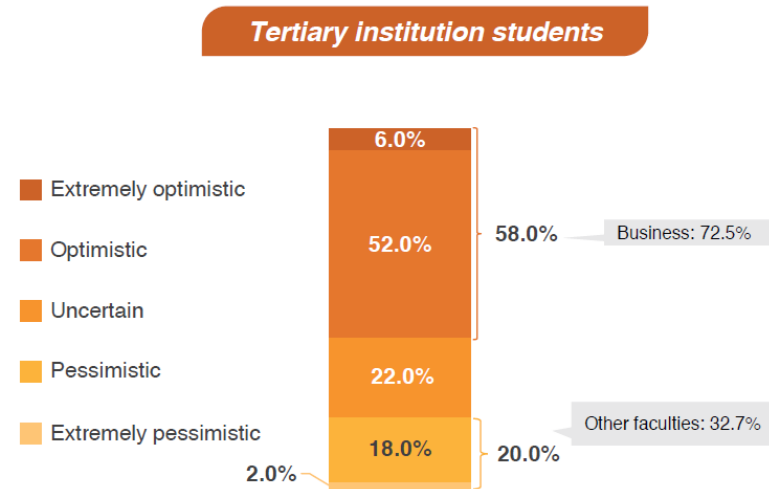
Outlook is generally positive with potential talent gap in specific areas

Perceived prospect of financial services industry in Hong Kong in the next 3 years

Fast-evolving development trends posing talent gap

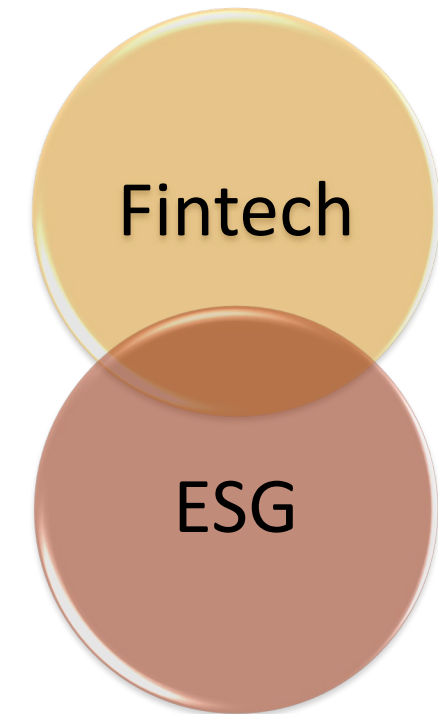


Base (n=200)



Base (n=200)

- 'Business' refers to 'business' and 'economics and finance' faculties
- 'Other faculties' refers to faculties excluding 'business', 'economics and finance', 'science' and 'engineering'



What will Fintech mean to employers and employees?



Robotisation may replace some existing tasks, but can create new needs and new roles too

Pre-requisite being that your skills remain up-to-date

What Employers & Employees think in common

Areas on trend: Big data, cybersecurity, digital marketing

Existing and potential practitioners are increasingly tech savvy and they are keen to keep their knowledge up-to-date

Gaps to fill

Expectation Management:

misconception that all Fintech roles offer high pay and companies offer lax culture

Lost in translation:

the ability to translate tech into application in financial services

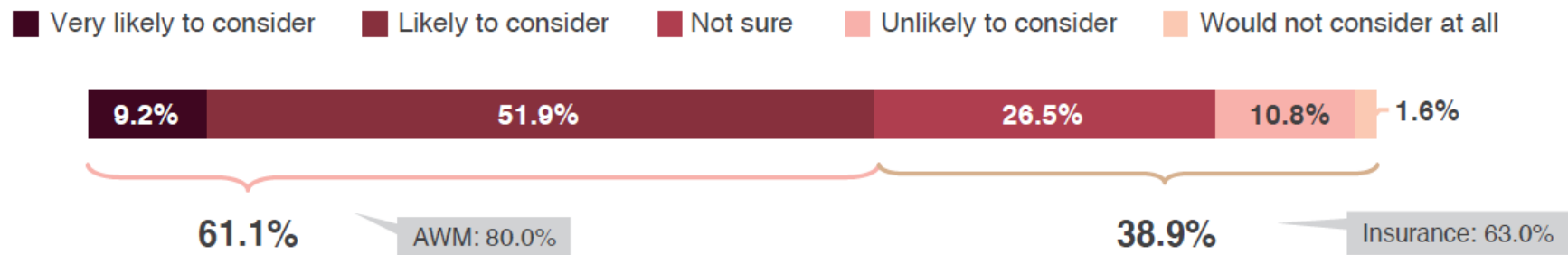
Understanding relative/competitive advantage of Hong Kong:

project management instead of coding and programming

Preference for starting or switching career to Fintech sector

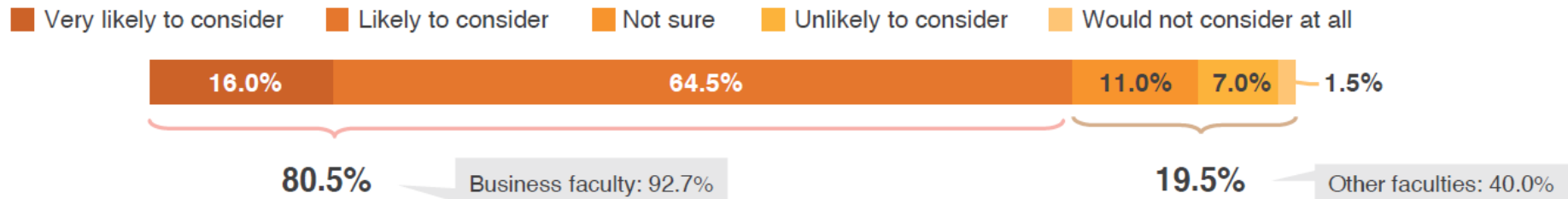
Industry practitioners

Base: those not working in Fintech sector (n=185)



Tertiary institution students

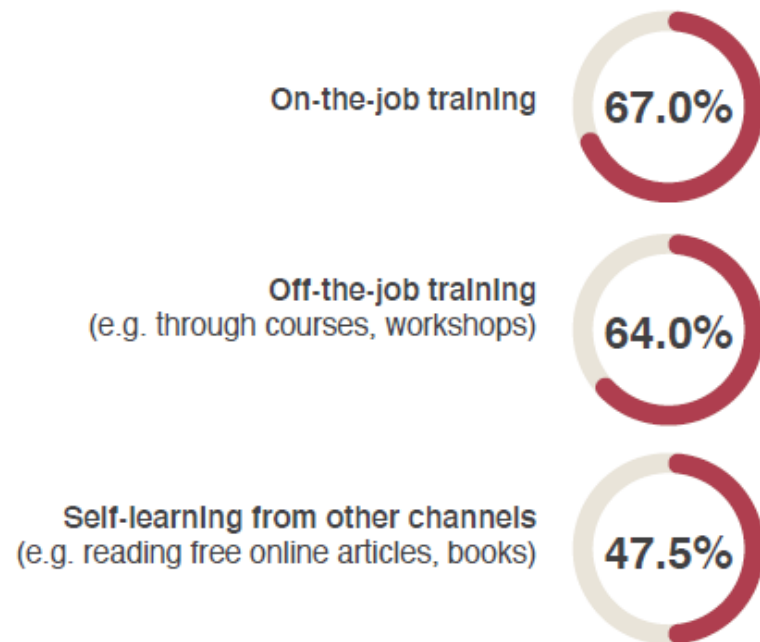
Base: Tertiary institution students (n=200)



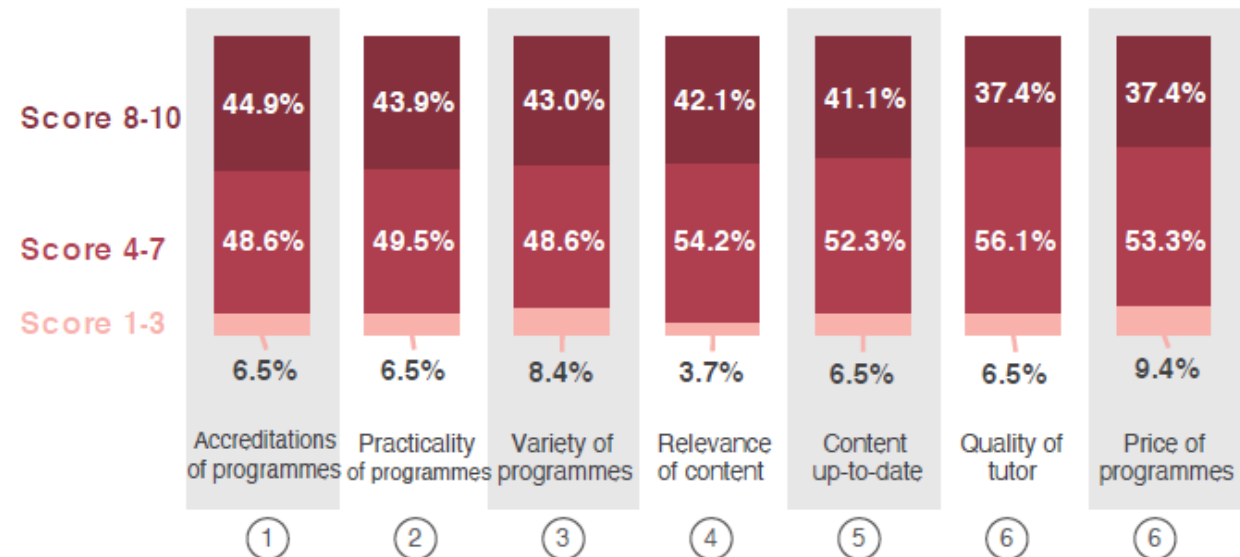
Industry practitioners' preference for Fintech courses

Industry practitioners

Effective ways to improve / acquire new Fintech skills



Fintech training programmes / courses available in HK compared with other major markets'



Base: Industry practitioners who are familiar with courses in HK

What will ESG mean to employers and employees?



ESG per se is cross-disciplinary and so should the mix of talents at financial institutions

Regulatory push and client demand are making ESG mainstream

What Employers & Employees think in common

Knowledge of ESG regulations and integrated analysis are hard skills in need

Communication and stakeholder management skills are crucial

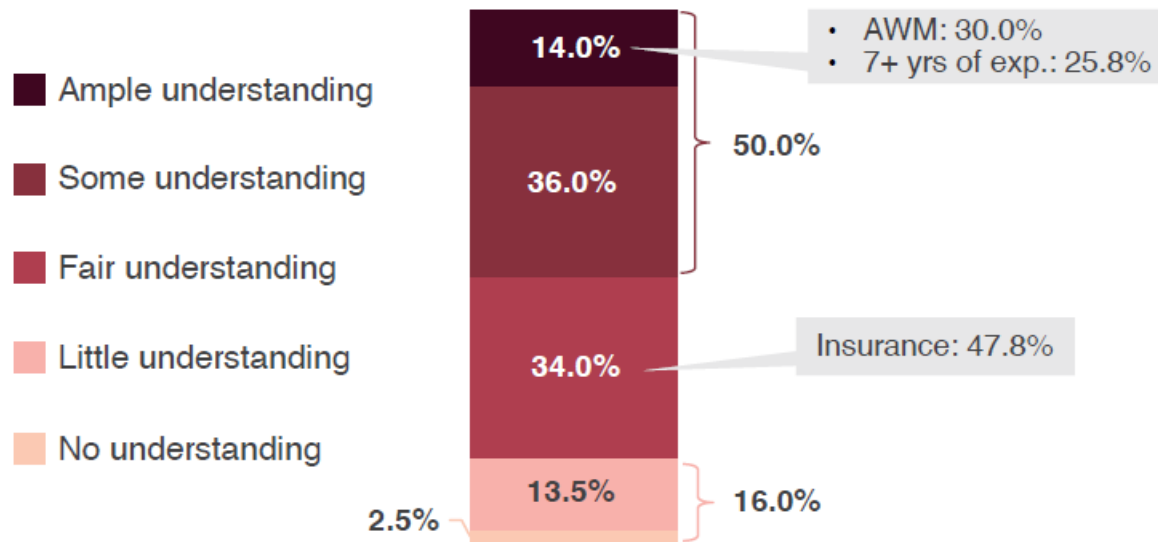
Gaps to fill

Insufficient understanding of ESG and of its implications

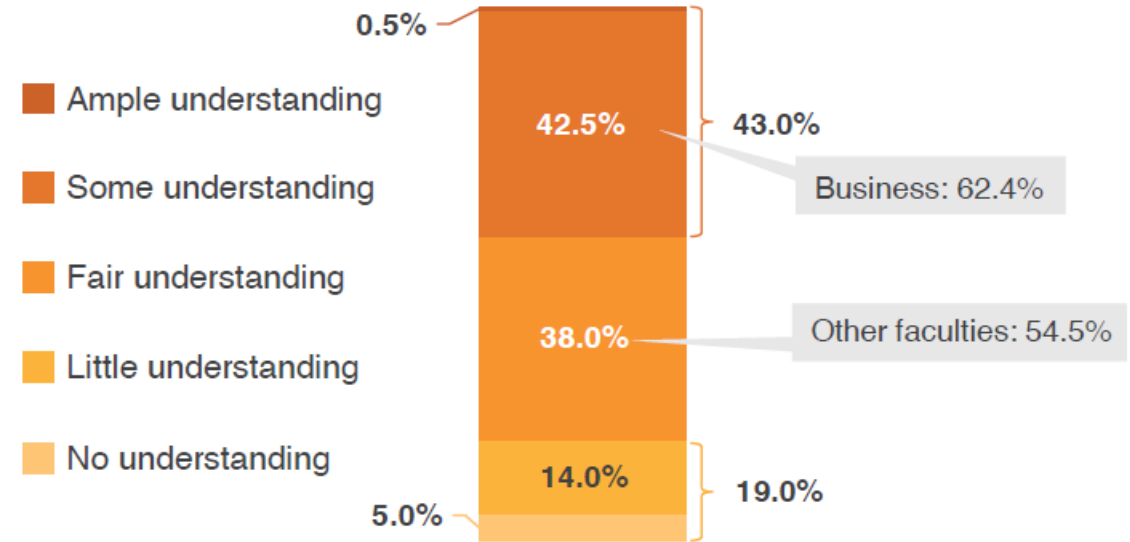
Misconception that the talent demand will not increase significantly

Understanding of the ESG job market in Hong Kong

Industry practitioners



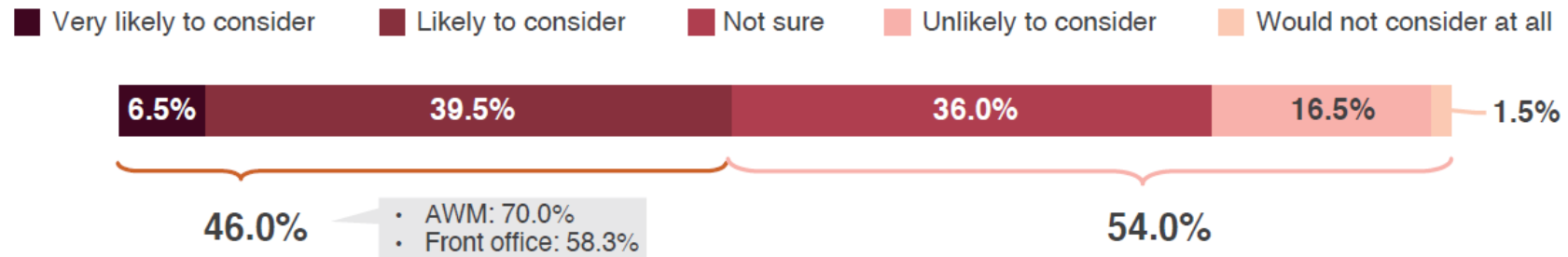
Tertiary institution students



Preference for starting or switching career to ESG sector

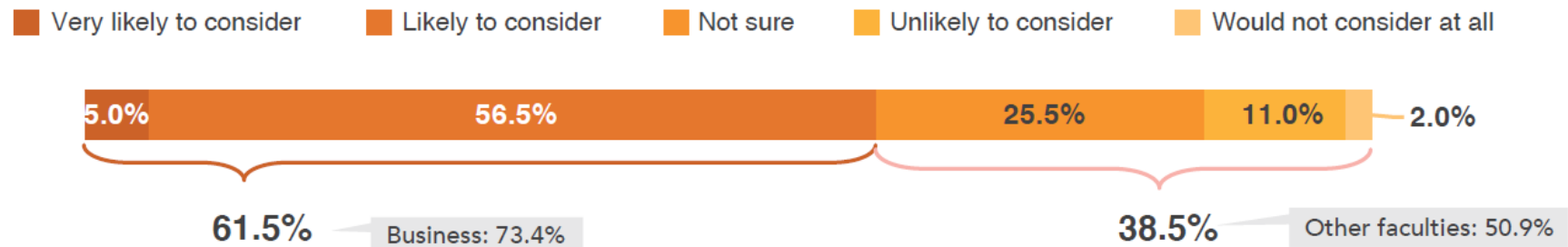
Industry practitioners

Base: n=200



Tertiary institution students

Base: Tertiary institution students (n=200)



Recommendations

Recommendations: Groom, Retain and Attract

	Undergraduates	Junior	Middle to senior management
Overall	#1: To develop and update the core competency map for different sectors		
	#2: To coordinate and evaluate internship and apprenticeship programmes	#3: To facilitate Hong Kong professionals' overseas and Mainland placement through subsidy support	
Fintech	#4: To incentivise private Fintech enterprises to participate in curriculum development and application	#6: To expand CEF reimbursable courses to cover more professional training in Fintech and ESG	
ESG	#5: To introduce ESG courses as compulsory learning in finance-related disciplines		

Recommendation 1: To develop and update the core competency map for different sectors

- Hong Kong needs a core competency map for a more holistic planning of talent development. With a full-embracing, updated core competency map, incumbent and aspiring practitioners can more easily develop necessary capabilities throughout different stages of their careers in Hong Kong; also, training institutions can better plan and implement their curriculum.
- While the Qualifications Framework launched by the Education Bureau (“EDB”) laid out in detail the competencies needed in various functional areas within some particular financial sector (such as banking and insurance) – ranging from the knowledge in the subject area, the applications, to the professional attitude expected, such specifications of competencies are not available for other key financial services sectors, such as asset and wealth management.

FSDC's Recommendations

- **The Industry Training Advisory Committees set up by the EDB may consider widening the scope to cover other sectors within financial services and update it on a regular basis.**
- The use of interactive tool with progressing routes and guidance may be considered to make the content more easily digestible by readers (references can be drawn from the Skills Framework for Financial Services developed by the Institute of Banking & Finance Singapore et al.).

Recommendation 2: To coordinate and evaluate internship and apprenticeship programmes

- With a well-functioning internship and apprenticeship mechanism, companies can recoup their investments over time by enjoying lower recruitment cost and a better skill and cultural fit, if interns / apprentices are hired for regular employment upon their graduation.
- Each year, the financial services industry of Hong Kong provides no fewer than hundreds of internship and apprenticeship positions. The amplex of such programmes, to a certain extent, demonstrates the value of internships and apprenticeships to the firms; but, at the same time, one may question as to whether all of these offerings are necessarily effective – or, how one differentiates from the other.

FSDC's Recommendations

- **The Financial Services and the Treasury Bureau (“FSTB”) may consider being the coordinator, or delegating a body, to systematise the offerings of the internship and apprenticeship programmes in the financial services industry that are run solely or jointly by the Government (and its agencies).**
- The FSTB may consider providing subsidies to participating employers up to 75% of the honorarium paid to interns in the coordinated internship and apprenticeship programme to encourage the private sector’s participation. Such subsidies are in line with other talent cultivation initiatives including the Pilot Programme to Enhance Training for the Insurance Sector and the Asset and Wealth Management Sector.

Recommendation 3: To facilitate Hong Kong professionals' overseas and Mainland placement through subsidy support

- The need for international exposure will become more eminent in the years to come. In addition to the depth of knowledge, firms are expecting their staff to be armed with better breadth of knowledge – particularly, in terms of their global and Mainland perspectives.
- In order to navigate the changing international environment where non-local stakeholders, politics, cultural differences and others will increasingly impact business outcomes, professionals who aspire to become future leaders should be given adequate opportunities to update their international exposures.

FSDC's Recommendations

- **The FSTB may consider launching an Internationalised Talent Programme, under which Hong Kong financial institutions can tap subsidy support (for rental and insurance expenses, for instance) to offer their local staff placement opportunities outside of the city.**
- To qualify for the Programme, staff participants need to commit to return to Hong Kong for work for a period of time after the placement and be subject to penalties where such commitment is not honoured.
- As a start, the Programme can be operated on a pilot basis so as to assess the effectiveness and control the budget.

Recommendation 4: To incentivise private Fintech enterprises to participate in curriculum development and application

- The important ability of ‘applying’ what is learnt at school to the actual work context can best be boosted if private Fintech enterprises and practitioners can be given a bigger role in the design of relevant tertiary education curriculum. While there are already a number of self-financed Fintech master programmes taught by experienced practitioners, universities may consider extending the practice to undergraduate courses.
- It is of equal significance for enterprises to contribute resources to allow practical application – for example by opening short-term or part-time placement for students to learn from the actual working environment (e.g., in the firms’ laboratories or offices). To encourage such contribution, establishing public-private partnerships will be conducive to such efforts.

FSDC’s Recommendations

- **The University Grants Committee (“UGC”) may consider advising its funded universities to add private sector participation into Fintech-related curriculum design.**
- Seasoned practitioners can be invited to participate in the curriculum design and, where appropriate, in the teaching process.
- **The FSTB may consider introducing monetary incentives for Fintech firms which are selected (by UGC-funded universities) as curriculum development partners and have offered placement opportunities to university students.**
- The subsidy amount can be subject to the number of placements such firms offer on a monthly or project basis.

Recommendation 5: To introduce ESG courses as compulsory learning in finance-related disciplines

- As shown in our stakeholder engagement survey, ESG has yet been given sufficient attention as desired in school training, although universities are considered having an important role in equipping students with the knowledge based on industry needs.
- At the same time, employers – including the largest players in the financial services industry – are already on the move in expanding their ESG headcounts; and the momentum is expected to grow. If Hong Kong continues to adopt a laissez faire approach, the city will likely find itself in a disadvantaged position in the war for ESG talent.

FSDC's Recommendations

- **Universities may consider introducing ESG courses as compulsory credits for undergraduates with a major in business-related subjects (e.g. business administration, economics, finance and accounting).**
- Where students have developed an interest in the subject matter through the foundation course, they can choose to take more advanced / specialised training in this regard.
- Given ESG is such a broad topic that covers different industries, there may not be a one-size-fits-all approach in the introduction of such ESG courses; and that universities are suggested to develop the curriculum with the focus on areas which are relevant to their respective schools of students.

Recommendation 6: To expand CEF reimbursable courses to cover more professional training in Fintech and ESG

- Continuing Education Fund (“CEF”) is a scheme offered by the Government to subsidise adults with learning aspirations to pursue continuing education and training. Yet based on our study of the latest list of eligible courses, the domain remains insufficient in covering emerging topics such as Fintech and ESG.
- Another obstacle for subsidy uptake is on the mode of delivery. In view of the pandemic, CEF course providers are allowed to deliver only a maximum of 70% of the total approved teaching hours of their courses on an online platform. Providers who fail to do so are required to arrange make-up classes, arrange deferment for learners to the next cohort, or refund learners – making the process additionally difficult for both course providers and learners.

FSDC's Recommendations

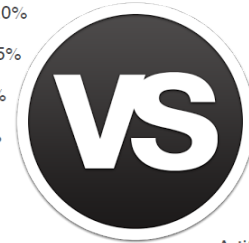
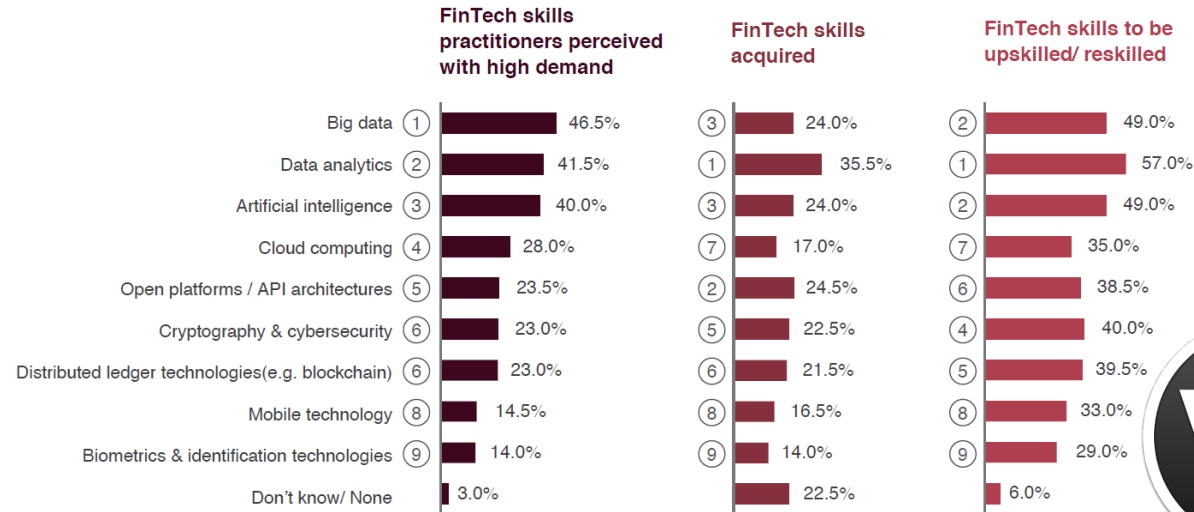
- **The Labour and Welfare Bureau (“LWB”) may consider injecting further flexibility to the course and operational framework of the CEF in a timelier manner.**
- Flexibility may be injected by allowing better transparency in the course provider application framework and allowing fully-online courses to be eligible where appropriate.

Appendix

Fintech skills perceived demand and supply

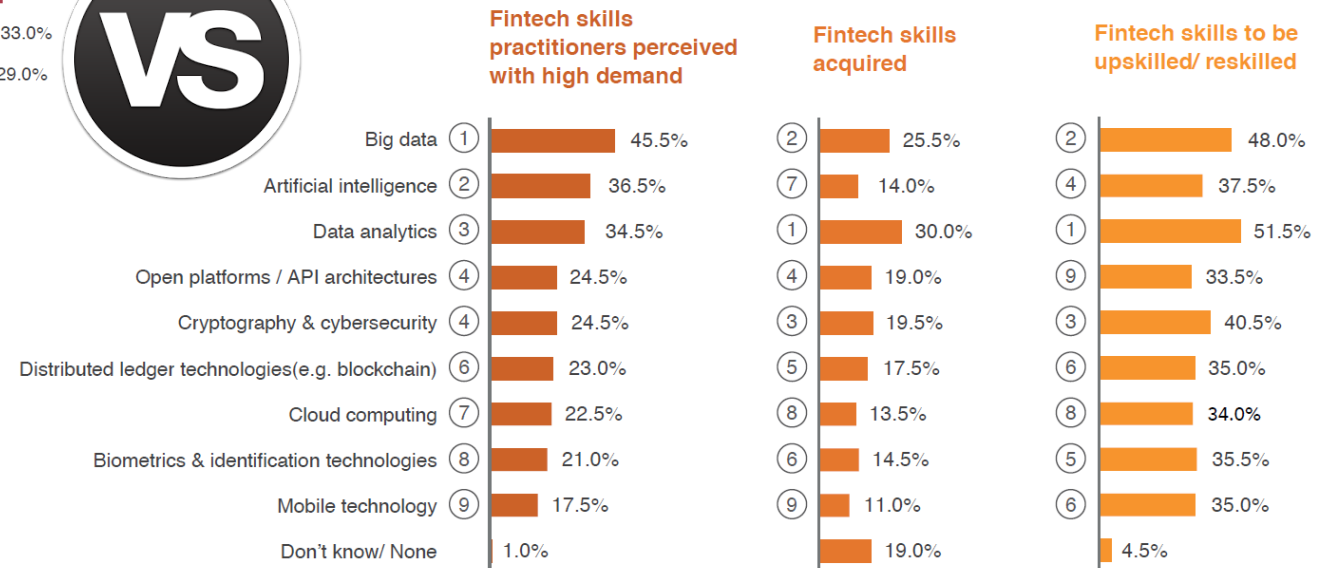
Industry practitioners

Base (n=200)



Tertiary institution students

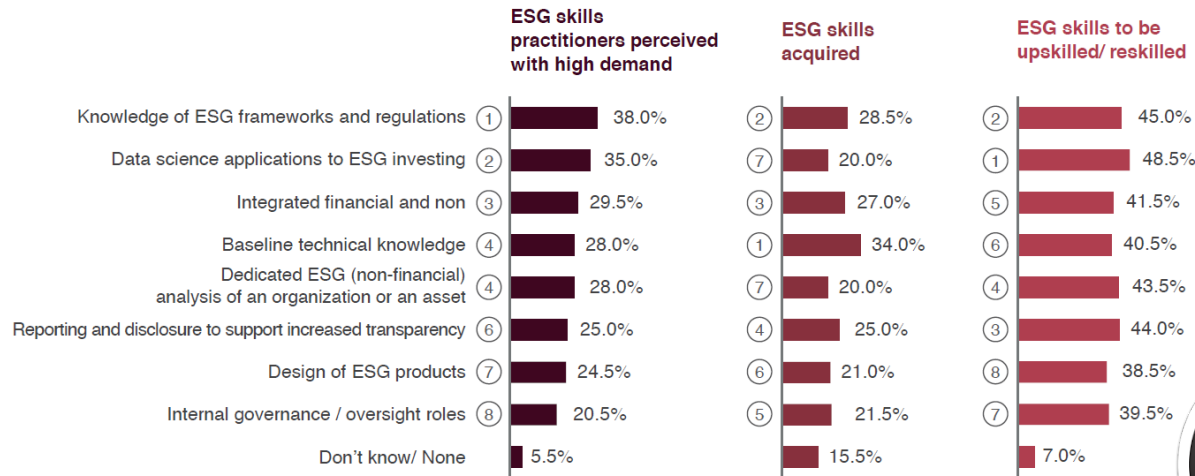
Base (n=200)



ESG skills perceived demand and supply

Industry practitioners

Base (n=200)



Tertiary institution students

Base (n=200)

