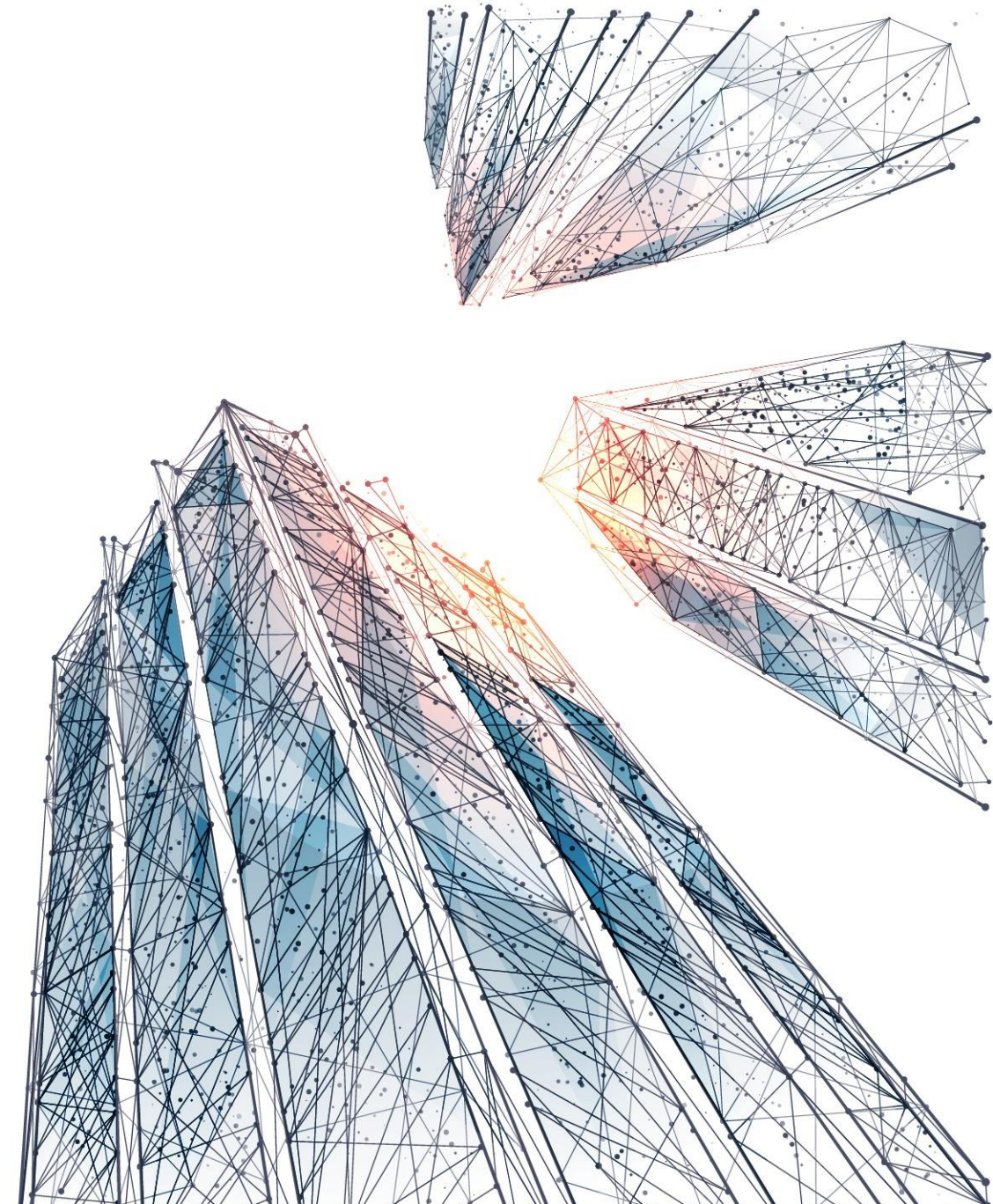


# Nurturing the young talents of today for Hong Kong's financial services industry of tomorrow

*24 August 2023*



# Executive summary

## General observations on the talent landscape in the financial services sector

- The financial services industry has evolved to meet changing global market demand, hence impacting the talent market as well
- Upcoming development opportunities of the GBA and growing interconnectivity among neighbouring cities also affect talent requirements in the financial services sector
- Ageing population, increased employee mobility, and changing career aspirations of the next generation contribute to the new talent landscape.
- Digital transformation heightens demand for tech-savvy professionals in data analytics and cybersecurity, but talent availability and capacity are critical

## Recommendations

### **It's a People Business: Enhancing students' command of soft skills and fostering a growth mindset**

- (i) Soft skills training to be added as an elective or foundational subject for university and secondary students
- (ii) Fostering a growth mindset through a taste of real-life working environment to further amplify students' potential; Budget for a Career Tasting Programme to be administered by a designated organisation

### **Investing for the future: Cultivating a diverse environment**

- (iii) Coordinating efforts among key industry players to provide scholarships for students with diverse backgrounds to study abroad
- (iv) Programme aimed at diversifying student pool, focusing on students from international markets

### **Paint the right picture, and promote it**

- (v) Promoting Hong Kong's universities, as well as internship/job opportunities for young professionals

### **Look no further: Collaborate and nurture together with our neighbours**

- (vi) GBA campuses of Hong Kong universities to work closely with Hong Kong stakeholders in programme construction.

# Methodology

## Literature review



**30+**

*talent development studies and talent trend reports across Hong Kong, Mainland China and overseas*

## Qualitative study



*A combination of one-on-one in-depth interviews and focus group discussions*



**20+**

*C-suites, senior management HR leaders of financial institutions and seasoned recruiters*



**10+**

*educators and career office professionals in tertiary institutions and secondary schools*

## Quantitative study



*An online questionnaire-based study*



**200+**

*aspiring and incumbent professionals in the Hong Kong financial services industry (with less than three years of working experience)*



**250+**

*students enrolled full-time in a local tertiary institution*

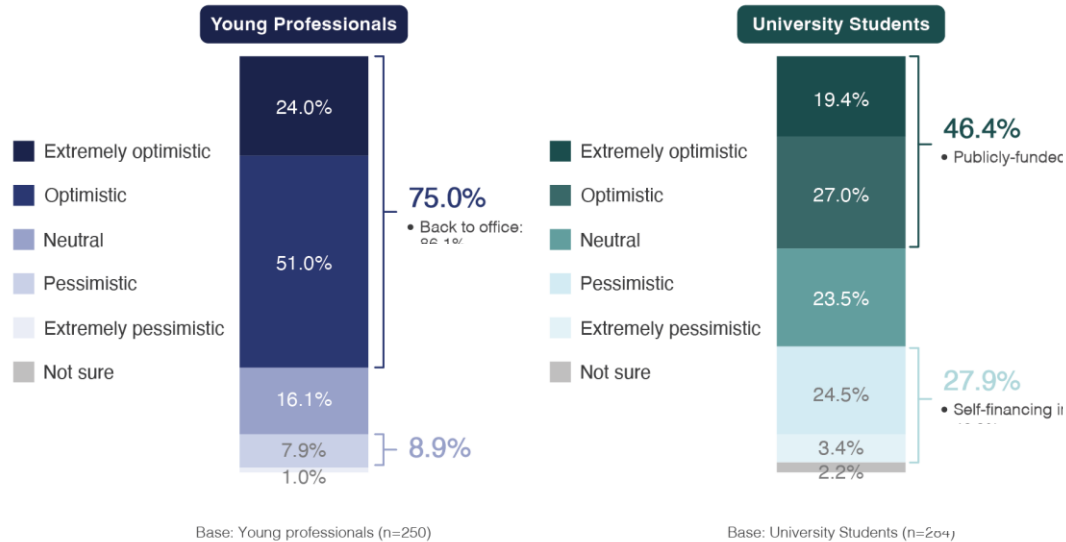
**Disclaimer:** The survey results presented in this report are based on a limited-sample survey distributed, with data collected by a paid service provider appointed by the FSDC. Numerical results shown are weighted to improve representativeness



# The current talent market landscape in Hong Kong's financial services sector

- 75% of young practitioners are “extremely optimistic” or “optimistic” about the industry; in contrast, <46% of the tertiary students shared the same view
- Almost half of them expressed interest in joining and were considering the financial services industry among their top three preferred industries to kick-start their career upon graduation
- Interviewees associated the industry with better career prospects, development opportunities, and more attractive remuneration packages compared to other industries in Hong Kong

## The perceived prospect of HK's financial services industry in the next 5 – 10 years



## Reasons of joining/ not joining financial services industry



# Navigating the opportunities and challenges

## Growing trend of global competition for talent

- Increase in global mobility as employees move to different countries to take up roles or gain international experience
- Increasing adoption of technology and new business models leading to a change in skills required, hence companies dedicated resources to attract top talent (e.g ESG and fintech) and to upkill and reskill their employees

## Gaps to fill to cement Hong Kong's role as a regional talent hub

- The impact of pandemic-induced relocation of skilled workers and expatriates, the changes in career aspirations and work motivations of the younger generation
- High turnover rates and the need to compete in an increasingly global talent market with more attractive compensation packages, opportunities for skill development and career advancement, and a positive work environment
- Addressing the skills gap between local talent and employer demands for the industry's long-term success



# In the eyes of employers (C-Suites, senior management, recruiters) – critical skills for young professionals to excel in the financial services industry

## Technical Skills

- Knowledge of financial industry / activities
- Understanding of financial services environment and regulations
- Technical skills (financial knowledge & qualifications) are basic pre-requisite to work in the front office; middle and back-office roles have relatively fewer requirements
- Some positions require specific skills beyond basic financial qualifications & language skills (e.g coding skill is a must for traders)

## Soft Skills

- Proficient language skills
- Communication skills
- Problem-solving skills
- Proactiveness and willingness to learn
- **Soft skills prevail among other competencies**, as employers do not expect fresh graduates and young professionals with sophisticated financial knowledge

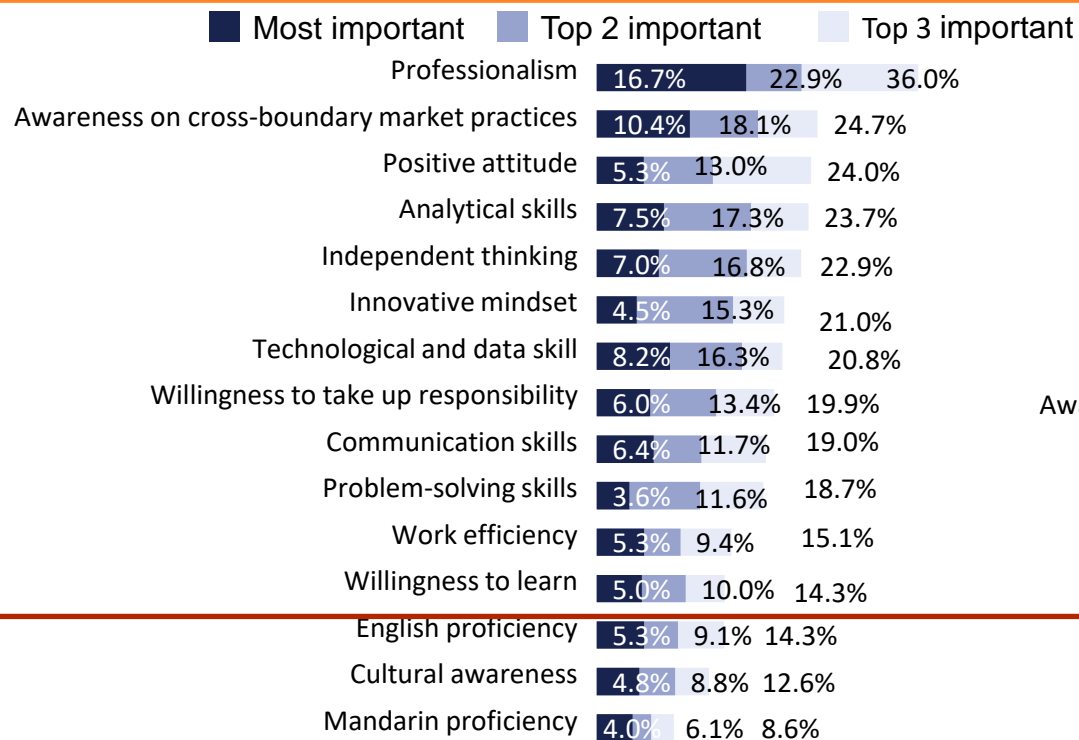
## Local graduates are more ready in hard skills

- Current education curricula across Hong Kong's tertiary institutions are able to provide students with a basic understanding of the industry and fundamental financial knowledge
- A clear need to help local students build and further polish their soft skills to be more prepared for full employment

# In the eyes of young professionals and university students – critical skills for young professionals to excel in the financial services industry

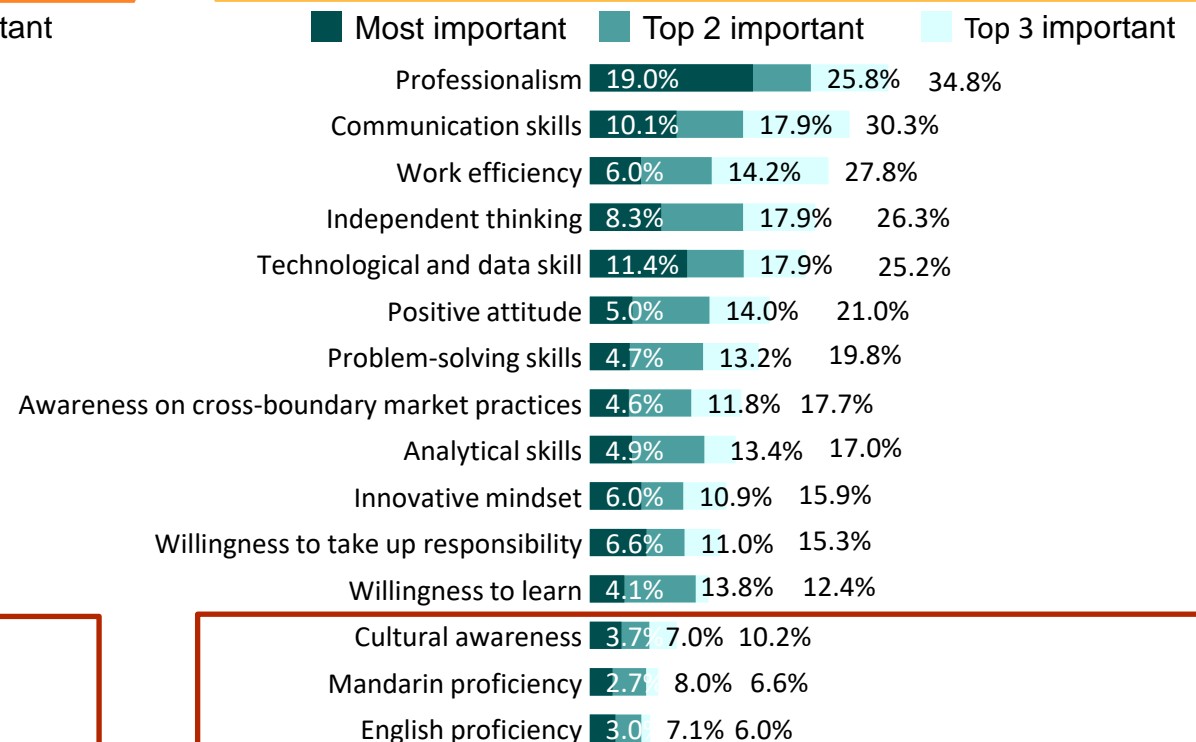
- ~68% of young professionals think they are ready to work full-time in the financial sector; attribute to their digital proficiency and the rise of internship programmes
- Divergent perspectives on essential attributes between experienced professionals and new entrants
- Lowest percentage ranked “language proficiency (English and Mandarin)” and “cultural awareness” as the key criteria for talent in the workplace, despite their importance according to experienced practitioners

## Young professionals



Base: Young professionals (n=250)

## University students



Base: University students (n=284)

# Recommendations



# Recommendation – It's a people business: Enhancing students' command of soft skills and fostering a growth mindset



## Recommendation 1: Soft skills training as an elective subject at university level and as a curriculum segment in secondary schools

- Potentially be included **within the 'Other Learning Experiences' category** under the existing secondary curriculum
- Universities can **collaborate with industry partners** to provide students with **real-world examples and insights** into the skills required for success in different professions
- Assess the effectiveness of soft skills learning
  - Self-assessment, peer assessment, instructor assessment, rubrics, portfolios



## Recommendation 2: Fostering a growth mindset to further amplify students' potential; The Government to consider setting aside a budget for a Career Tasting Programme (CTP)

- **Growth mindset** can be fostered through giving young talents a taste of **real-life working environment**
- **A financial sector-focused CTP** can be administered by a designated organisation, which will arrange company visits to financial institutions in Hong Kong and other GBA cities;
  - **More structured and frequent** initiatives
  - Incorporate **mentorship**, encompassing traditional and reverse mentoring, into the programme.
  - Incorporate **training modules on critical aspects** such as compliance and risk management
  - Potential implementation
    - As a continuum of the Set Sail for GBA – Scheme for Financial Leaders of Tomorrow Programme launched in 2021 and 2023
    - Under the latest structure of the Citizenship and Social Development subject for secondary students, which mandates that secondary schools provide students with an opportunity to participate in Mainland study tours during the three years at the senior secondary level

# Recommendation – Investing for the future: Cultivating a diverse environment



**Recommendation 3: The Government to provide – or to coordinate efforts among key industry players who would be willing to provide – scholarship for students with diverse backgrounds to study abroad**

- The **public sector** could be **more forthcoming**
- Create a **new scholarship programme** or potentially **revising The Hong Kong Scholarship for Excellence Scheme**, to benefit a wider range of students and address the shortage of highly sought-after talent
- An **agreed commitment** between the scholarship-giver and the receivers
- Explore partnerships between public and private sectors
  - Participants on both sides yield positive publicity, preferential access to a deep pool of talented students
  - Scholarship recipients can **widen the scope of work they would be eligible for** in the city, both public and private



**Recommendation 4: The Government to design and/or sponsor a programme aimed at diversifying student pool, focusing on students from international markets**

- Existing incoming scholarship programmes targeting mostly postgraduate students, a **more diverse programme** could **benefit a wider range of students**
- **Include an agreement with such incoming international talent** such that students graduating with scholarships would be willing to stay and work in Hong Kong for a certain number of years

# Recommendation – Paint the right picture and promote it



## Recommendation 5: The Government to dedicate specific efforts towards promoting Hong Kong's universities, as well as internship/job opportunities for young professionals

- Invest Hong Kong and/or other relevant departments of the Government, should strengthen its **promotional efforts among secondary schools and students in other markets**
- Some of the actionable and potential initiatives that can be explored:
  - **Develop a Talent Network:** Partnering with reputable high schools in targeted markets and create a talent pipeline that brings highly skilled individuals to study tertiary education in Hong Kong
  - **Showcase Success Stories:** Highlighting achievements of individuals and companies who have thrived in Hong Kong and the Greater China region, to inspire others to follow in their footsteps
  - **The Power of Networking:** Organising networking events in other markets with helps of Hong Kong successful professionals, who was educated in other cities with a strong network with education institutions
- The Government can play a role in fostering a more equitable and appealing internship landscape, such as offering financial incentives

## Recommendation –

# Look no further: Collaborate and nurture together with our neighbour



### Recommendation 6: GBA campuses of Hong Kong universities to work closely with Hong Kong stakeholders in programme construction

- Owing to a number of high-tech companies in GBA, Hong Kong universities can play role in nurturing this talent by **providing high-quality education and training that meets the needs of the GBA's job market**
- Establish **joint academic programmes and research collaborations** between Hong Kong campuses and campuses in other GBA cities
- Offer **internships and job placements in the GBA**, allowing students to gain practical experience and establish connections with potential employers

# Appendix

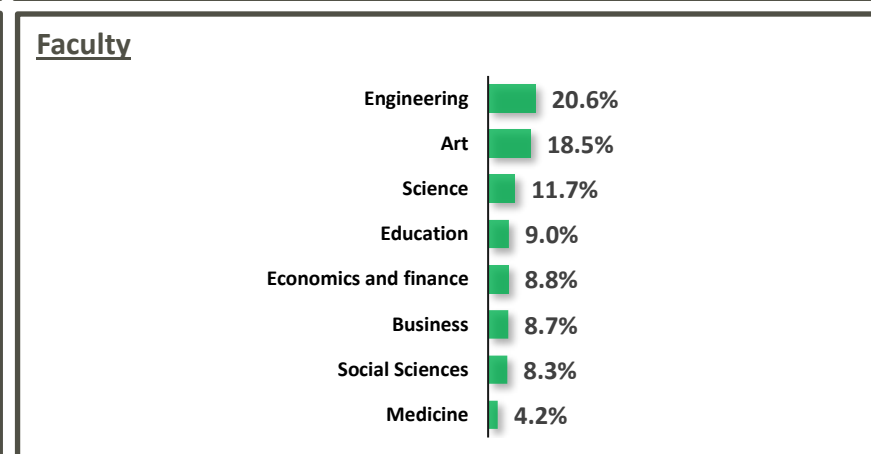
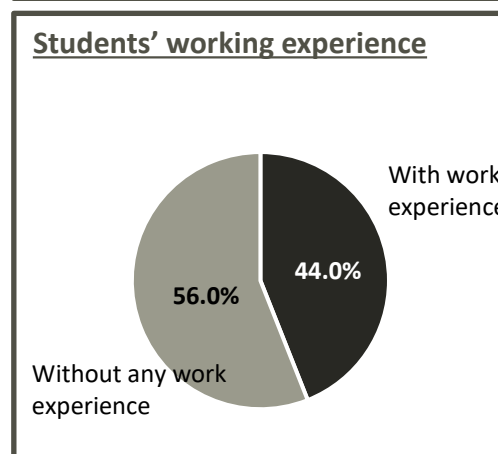
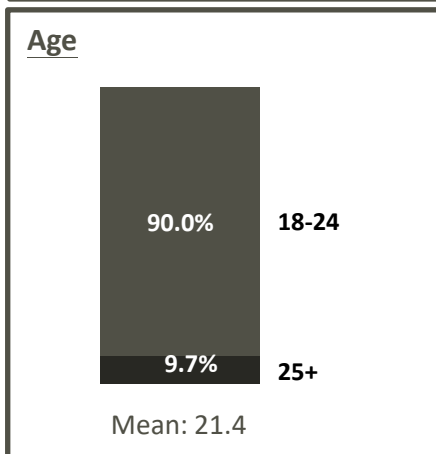
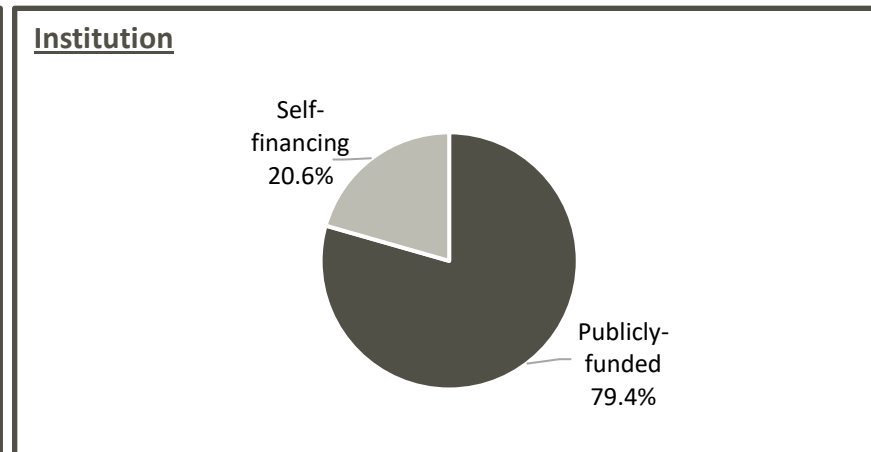
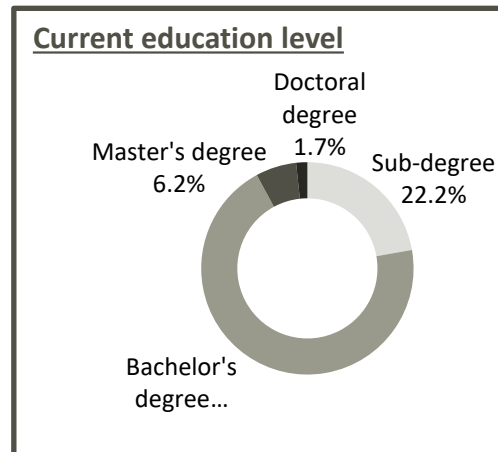
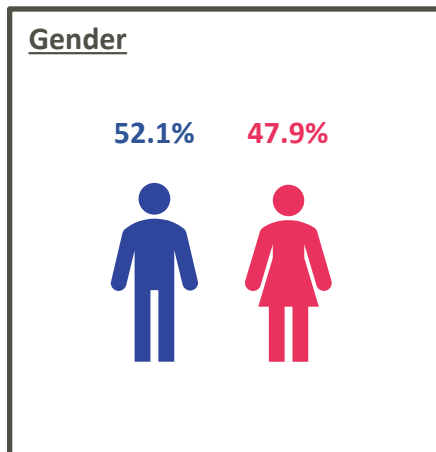


## Profile of surveyed university students

The survey results presented in this report are based on a limited-sample survey. To improve representativeness, all numerical results shown are weighted figures of the full survey population, according to the following parameters:

For Young Professionals: The results are weighted based on the employment proportions across the financial services sector in Hong Kong. This includes banking, insurance, other financial services.

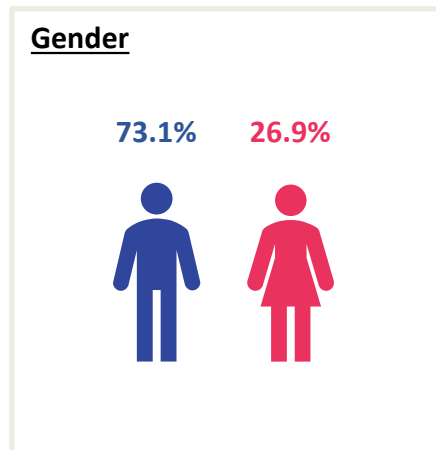
For University Students: The results are weighted based on the student enrolment figures of the UGC-funded universities and other self-financing institutions. Additionally, the faculty/ department data is adjusted according to the enrolment in business/ accountancy/ economics and finance, compared to other faculties/ departments.



Base: University students (n=284)

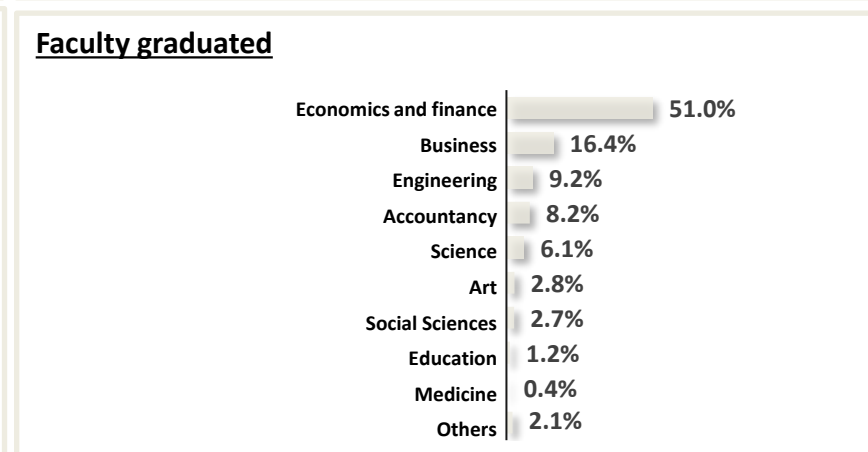
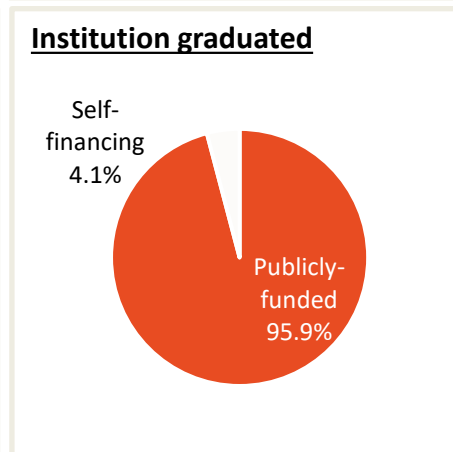
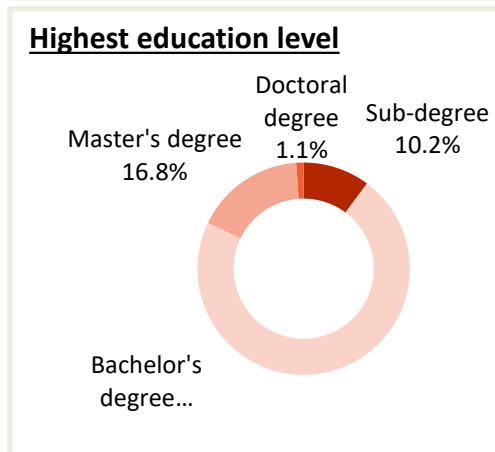
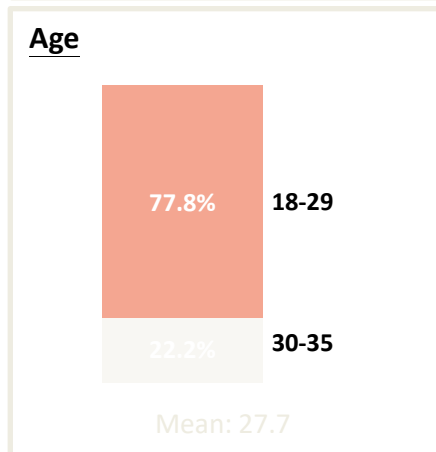
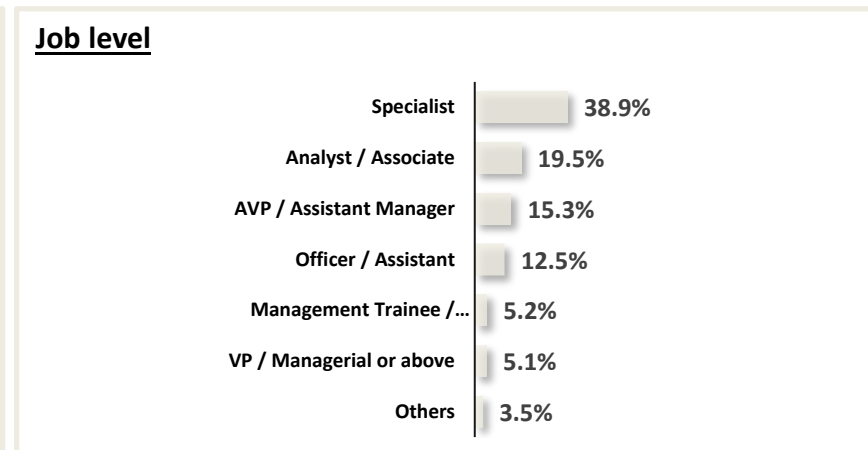
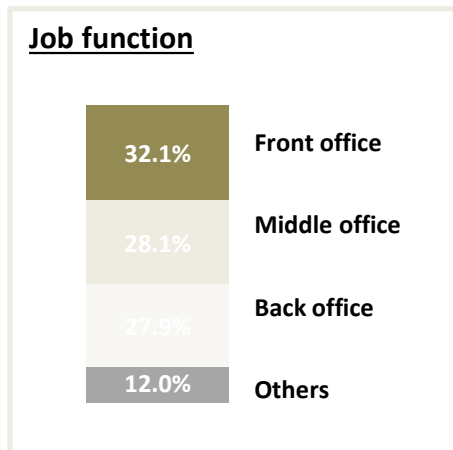
Q1. Gender; Q2. Age; Q3. Work experience; Q6a Current education level; Q6b. Institution; Q6c. Faculty

## Profile of surveyed young professionals



**Job nature**

Banking	32.2%
Insurance	23.4%
Investment advisory, trustees and custodians, fund management, etc.	17.9%
Professional and business services	12.0%
Asset/ wealth management	4.8%
Securities & commodity contracts dealing	3.9%
Monetary authorities / Administration of marketplaces for securities & commodity contracts	3.9%
FinTech	1.9%



Base: Young professionals (n=250)

Q1. Gender; Q2. Age; Q4a/Q4b Working industry; Q4c. Job function; Q4d. Job level; Q5a Highest education level; Q5b. Institution graduated; Q5c. Faculty graduated