

LegCo Panel on Financial Affairs
Meeting on 4 June 2001

**Advisory Committee on Human Resources Development in
the Financial Services Sector**

The purpose of this paper is to inform members of the work of the Advisory Committee on Human Resources Development in the Financial Services Sector.

Background

2. In late 1999, the Steering Committee on the Feasibility Study on the Financial Services Institute submitted its Report to the Chief Executive recommending, among other things, that an Advisory Committee on Human Resources Development in the Financial Services Sector (the Advisory Committee) be established. The Advisory Committee was set up in June 2000. The Chairman was appointed by the Chief Executive and it comprises 20 other members from the financial services industry, financial regulators, the professionals, tertiary and other training institutes, and representatives from relevant policy Bureaux. The membership list is at Annex A. The Financial Services Bureau provides secretarial support to the work of the Advisory Committee.

3. The Advisory Committee is tasked with the mission to develop a visionary view on the human resources development in the financial services sector, to pursue the longer term benefits of the sector as well as the Hong Kong economy as a whole in respect of human resources

development; and to cultivate a sense of partnership in the financial services sector in the pursuit of the common goal of enhancing the competitiveness of Hong Kong as a premier international financial centre. The terms of reference of the Advisory Committee is at Annex B.

Work of the Committee

4. Since its inception, the Advisory Committee had considered the findings of the Consultancy Study on the demand for and supply of human resources opportunities in our financial services sector conducted in 1998. Having regard to those findings, 6 sub-groups were subsequently set up for the purpose of conducting a qualitative study with 49 key players in the financial services industry to ascertain the human resources development needs of five different sub-sectors (i.e., banking, fund management, securities and futures, insurance and legal and accounting) and to conduct a survey of the human resources development initiatives taken by Shanghai and Singapore. The main objective is to identify the attributes and qualities which employers are looking for at various levels and the perceived deficiencies of the training facilities available. The Advisory Committee considered the findings of the sub-groups and submitted its first Report to the Financial Secretary followed by publication in January 2001. A copy of the Advisory Committee's First Report is at Annex C.

5. Having surveyed the human resources demand landscape and identified some of the areas for improving the soft skills of our manpower,

the Advisory Committee has now proceeded with the more specific task of matching demand and supply and cultivating a sense of partnership in the financial services sector. A forum on human resources development will be held on 9 June 2001. The Forum would provide an opportunity for direct dialogue on the subject between prominent employers in the financial services sector, the academia, university students and policy makers.

6. The concerted efforts of all relevant parties is needed for the furtherance of human resources development in the financial services sector. Co-ordination of training needs, channelling of ideas and sharing of experience are crucial and the Advisory Committee will continue to seek to establish permanent channels of communication so that the changing needs of the market could be conveyed to the training providers.

Resources

7. An allocation of \$2 million has been given to the Advisory Committee to carry out its tasks, including organising forums and where necessary, conducting research into specific topics identified by the Committee.

**Advisory Committee on Human Resources Development
in the Financial Services Sector**

Membership List

Chairman

Mr Peter Clarke

Deputy Chairman

Mr Roger Luk, JP
Managing Director and Deputy Chief Executive
Hang Seng Bank Limited

Members

Mr Kevin Chan
The President
Hong Kong Society of Financial Analysts Limited

Mr T C Chan
Country Corporate Officer
Citibank, N.A.

Prof Chan Yuk-shee
Acting Vice President for Academic Affairs
Hong Kong University of Science & Technology

Prof Eric Chang
Chair of Finance, School of Business
University of Hong Kong

Mr Edward Chow
Council Member
Hong Kong Society of Accountants

Mr C F Choy
Chairman
The Hong Kong Federation of Insurers

Mr Mark Dickens
Executive Director, Supervision of Markets
Securities and Futures Commission

Members

Mr Tim Freshwater
Chairman - Corporate Finance (Asia)
Goldman Sachs (Asia) L.L.C.

Miss Susie Ho, JP
Deputy Secretary for Financial Services (2)
Financial Services Bureau

Dr Bill Kwok
Managing Director
Wocom Holdings Ltd.

Mr K C Kwong
Chief Executive
Hong Kong Exchanges and Clearing Ltd.

Mr Edwin Lau
President of the Executive Committee
Hong Kong Institute of Bankers

Mr Andrew Lo
Chief Executive - Asia Pacific
Invesco

Dr Paul McGuinness
Chairman of the Department of Finance
Business Faculty
The Chinese University of Hong Kong

Mr Paul Tan
Vice President
The Law Society of Hong Kong

Mr Benjamin Tang, JP
Commissioner of Insurance
Office of Commissioner of Insurance

Mr Simon Topping
Executive Director (Banking Policy)
Hong Kong Monetary Authority

Mr Alan Wong, JP
Deputy Managing Director
Mandatory Provident Fund Schemes Authority

Members

Mr Raymond Young, JP
Deputy Secretary for Education and Manpower (2)
Education and Manpower Bureau

Secretary

Miss Maureen To
Principal Assistant Secretary for Financial Services
Financial Services Bureau

12 May 2001

**Advisory Committee on Human Resources Development
in the Financial Services Sector**

Terms of Reference

Mission

To develop a visionary view on the human resources development in the financial services sector; to pursue the longer term benefits of the sector as well as the Hong Kong economy as a whole in respect of human resources development; and to cultivate a sense of partnership in the financial services sector in the pursuit of the common goal of enhancing the competitiveness of Hong Kong as a premier international financial centre.

Terms of reference

- (a) To advise the Government on the strategic development of human resources in the financial services sector;
- (b) To serve as a forum for both financial services practitioners (users) and training providers (suppliers) to exchange views on the needs of human resources development programmes for the financial services sector;
- (c) To liaise with the training providers including academic institutions, vocational training bodies and other relevant organisations on the provision and development of training programmes to meet the needs of the financial services sector;
- (d) To co-ordinate training efforts in the financial services sector as far as possible to avoid duplication of resources;
- (e) To examine the immediate and future needs for human resources development in the financial services sector and to commission relevant researches, where appropriate and necessary;
- (f) To set up sub-committees, where necessary, to look into and reflect the detailed training needs in the financial services sector to cater for market and business developments; and
- (g) To consider and recommend measures to meet the demand for human resources development needs in the financial services sector.

**First Report
of the Advisory Committee
on Human Resources Development
in the
Financial Services Sector**

January 2001

**First Report of the Advisory Committee
on Human Resources Development
in the Financial Services Sector**

Background

This Report sets out the views of the Advisory Committee on Human Resources Development in the Financial Services Sector (the Committee) on the current situation relating to human resources needs in the financial services sector. The Committee (terms of reference and membership at Annex A) was established in June 2000 and is tasked, inter alia, to advise the Government on the strategic development of human resources in the financial services sector.

Annex A

Approach and Methodology

2. The Committee at its first meeting considered that it is necessary to begin with an assessment of the users' needs and their views of the quality of the present pool of human resources before the Committee would be in a position to render advice. Members noted the findings of a similar survey conducted in 1998 by the Steering Committee on the Feasibility Study on the Financial Services Institute, and concluded that instead of a quantitative survey, focussed discussion with users would be more appropriate. Members also considered it important to examine the latest initiatives taken by Singapore and Shanghai on this front. In this connection, six sub-groups were established. Details are at Annex B.

Annex B

3. Based on a questionnaire (at Annex C) the five services sector sub-groups consulted 49 local and multinational firms of different sizes operating in the banking (including investment banking), fund management, insurance, legal and accounting, and securities and futures services sector. The objective of such consultation was to obtain the employers' views on the current human resources development situation, their assessment of the needs and recommendations on areas for improvement.

Annex C

Survey Findings

Overview of candidates at the entry level

4. The comments employers made were generally directed at degree candidates. Employers, be they large or small, multinational or local, prefer to hire locally and develop their people for the future. Local graduates are highly rated in terms of their technical skills. They are also found to perform executive duties well. As compared with their overseas counterparts, some local graduates are found to be more hardworking, more reliable in back office support, and have greater loyalty. It is also recognized that with the difficulties Hong Kong experienced in the past three years, it is generally accepted that graduates probably have a better sense of the importance of the need to continue upgrading and acquiring new skills to enable them to reach top management positions. It is also recognized that employers do have a responsibility to provide suitable training for their staff to develop their potential.

5. However, employers have pointed out that only a small percentage of the local graduates could fulfil their entry criteria. There is also a general impression that the quality of local graduates has deteriorated. One of the major concerns is the language standard, be it written or spoken, which is found to be less than satisfactory. Employers also highlight the fact that in a rapidly changing world, the mere possession of hard skills is not sufficient, and that they have experienced difficulties in finding candidates with suitable attributes such as sound language and communication skills, creativity and innovative thinking and leadership skills. There is also a widespread feeling that local graduates lack worldliness and global perspective.

6. At the entry level, this lack of creativity and innovative thought processes are areas of concern. Some have expressed the view that such deficiencies are generally the result of the local education system, which emphasizes learning by rote, and the local culture with its emphasis on conforming behaviour. All these have not been particularly conducive to developing independent and creative thinking. The general lack of good communication and social skills, maturity, customer service orientation, positive attitude towards work and reluctance to adopt a long-term perspective towards one's career are also areas of concern.

7. Since the pool of qualified local graduates cannot fully meet the

expectations of employers (only the top 5-10% of the local graduates are regarded as suitable), employers, including multinational corporations often recruit overseas. Many companies prefer candidates who are brought up locally but educated overseas. Such candidates have the advantage of possessing the necessary attributes and also knowing how the system in Hong Kong works. Candidates with international exposure are also generally preferred.

8. Some employers consider that courses run by the universities may not be as practical as desired and what is taught in the universities might not match the actual needs of the jobs. To overcome this shortcoming, the onus has fallen upon employers to provide a good deal of training to new recruits. However, the Committee recognizes that the primary function of universities is to produce trainable undergraduates who possess the basic technical knowledge with the necessary soft skills. Employers have a role to play in training the new recruits to enable them to meet specific job requirements. Human resources training is a form of investment. In this regard, most major multinational business firms tend to look for fresh university graduates with a sound liberal education, excellent core skills and competency in some analytical discipline. These companies usually have their own training programmes to impart job specific skills, so they value intelligent, inquisitive persons with deep potential to learn many different things.

9. Employers also observed that they face the problem of a severe shortage of graduates with good IT knowledge.

Overview of Human Resources at Mid and High Levels

10. Most employers would fill vacancies at mid and high levels primarily by internal promotion (or for multinational corporations, from within the global group). Direct recruitment would be considered if the desired expertise cannot be found within the company/group. A few of them would source laterally for a minority of vacancies by referrals or executive search.

11. At present, there is limited supply of all-rounded people possessing good leadership and management skills, strategic and conceptual skills, and entrepreneurial spirit. There is also a shortage of experienced personnel in specialist areas such as corporate finance, capital markets, merger and acquisition, equity sales and research, IT audit, internet banking, actuarial,

specialty underwriting and claims-handling work. Local talent is inadequate given the rapid development of the financial service sector which has resulted in a growing demand for middle/high managerial personnels. The exodus of talents in the 1980s and early 1990s has also been quoted as a reason for creating a gap between the basic/mid level and the mid/high level. As a stop gap measure, importing talents from other places is perceived to be the main source of supply to meet demand at middle and high levels (see paragraph 30 below).

Experience of Shanghai and Singapore

Shanghai

12. Shanghai faces a severe shortage of talented professionals in the areas of finance, international trade and business administration, especially in the top-end positions. The Shanghai government has developed a major strategy of human resources development to tackle its manpower shortage problem - it is to attract talents from other parts of the country to Shanghai. The government has initiated many policies to remove barriers for out-of-city professionals to move to Shanghai. Those under 35 and with an advanced academic degree enjoy certain privileges in respect of such relocation arrangements. The government also recognizes the urgent need for the development of policies to attract foreign specialists to Shanghai.

13. The government has begun to disseminate information relating to job opportunities more widely. One indication of this is the "Shanghai Young Specialists Exchange Service Center", which is set up specifically to facilitate information collection and dissemination of employment opportunities. The central government has also expressed the vision of developing Shanghai into a prominent international financial, trade and economic hub by 2010. A tangible plan was initiated on 28 December 1999 by the government, which includes the following initiatives -

- (a) Encourage and facilitate research institutions and specialists and administrators of higher educational institutions to establish new business ventures.
- (b) Facilitate the implementation of issuing "technical shares" and "stock options plan" to high skilled employees to encourage innovation and development.

- (c) Adopt actions to facilitate employees to take up part time jobs in addition to their full time employment.
- (d) Encourage contact-based management practice.
- (e) Offer better protection to intellectual properties.
- (f) Contribute RMB10 million Yuan to subsidise human resources development programme.

Singapore

14. The Singaporean government has adopted a pro-active approach in developing its markets. One of the key government-led initiatives is the introduction of a Financial Sector Promotion Department (FSPD) in April 1998, within the confines of Singapore's independent regulator, the Monetary Authority of Singapore (MAS), to focus MAS's efforts in promoting the financial industry and Singapore's role as a financial centre. The FSPD has been assigned with a 'mandate to work closely with the financial services industry to identify and build the required talent and skills for the industry'. The MAS conducts comprehensive industry reviews to identify and anticipate skill gaps within the Singapore financial sector. It works with various local and overseas universities and training institutes to help align courses to suit industry needs. The FSPD has conducted a survey targeted at over 800 financial players in the financial services area in 1999/2000 with a specific manpower theme and obvious benefits to the longer-term deployment of productive labour.

15. The Singaporean government has also conducted promotional visits overseas and established agreements with ASEAN countries in relation to human resources development co-ordination. The implication of immigration and work-visa access can also be more easily appreciated. In sum, the Singaporean authorities have developed an impressive array of measures to monitor and disseminate manpower trends and has a vision to facilitate the operation of market forces by lessening the number and severity of market frictions.

Recommendations

Education

Language of Instruction

16. Many of the interviewees are of the view that an overhaul of the education system is necessary with a view to raising students' language abilities, fostering creativity and innovative thinking and widening their exposure. To enhance Hong Kong's competitiveness as a leading international financial centre and to enable us to fully take the opportunities brought about by China's accession to WTO, our workforce should be biliterate and trilingual. The Committee recognizes that the discussion on the fundamental education policies including the language of instruction, is still continuing in other quarters. We emphasize that this issue should be addressed as soon as possible. It has been suggested by some of our interviewees that consideration should be given to teaching Putonghua in Chinese subjects and English in other subjects at an early stage. Reference has been made to Singapore and India where English is the medium of instruction.

Tertiary Level

The Courses Offered

17. Interviewees have suggested that universities should constantly review their curricula and course contents to ensure that the graduates in the financial services faculties are properly equipped and possess the right attributes to meet the requirements of employers. The Committee assumes that such reviews are already a regular feature but suggests that the relevant faculties should maintain close and regular contact with employers in the industry to ascertain their human resources needs and tailor their courses and curricula accordingly. We propose to establish a regular forum drawing together training providers (academic institutions), students, employers and policy makers with a view to matching the employers' expectations with the supply. While knowledge of fundamental skills is essential, practical knowledge is equally important. Some interviewees have suggested that universities should seek to recruit teaching staff who have actual working experience in the respective financial services sectors with knowledge of the latest developments in the industry. Some interviewees suggest that

consideration should be given to offering more practical courses at universities such as consumer banking. They should also be encouraged to run more summer internship/sandwich classes jointly with employers.

18. Some interviewees consider that language courses in English and Chinese should be made compulsory at universities. To widen students' perspective, they should be encouraged to take papers on liberal arts and humanities in addition to their major business/finance-related courses. Some Members share the view that liberal education, not professional studies, should be the major emphasis in our graduate programmes. The legal profession suggests that universities with law schools should organize more combined law degree courses to widen the knowledge of law students.

19. To prepare students in the financial/business faculties to adapt readily into the business world, interviewees have pointed out that a course on social and business etiquette in the final year would be beneficial. Strengthening the career advisory and counselling services would also help. The ex-graduate mentor systems, which are currently run by CUHK, HKU and HKUST should be extended to other universities to enable undergraduates to understand more about working life and better prepare them for their future career development. It has also been suggested that universities should seek to obtain recognition by the relevant professional bodies for the courses they offer to their students.

20. In order to ensure the quality of local graduates, it has been pointed out that the entry requirements to universities should be raised, and that the requirements of conferring a degree should also be tightened. The Committee recognizes that the question of entry requirements are under the purview of other advisory groups and would seek to convey such views to the relevant parties.

21. It has also been mentioned that the universities may consider putting more emphasis on their teaching staff's effective delivery of knowledge instead of their performance in research work. The government should also encourage competition among universities.

Intake of Overseas Students

22. It has also been suggested that universities should seek to admit more overseas students than they do at present. The Committee understands

that the Education and Manpower Bureau sets a 4% maximum limit on total the number of overseas students admitted to the universities at the undergraduate and taught postgraduate levels, and up to one-third at the research postgraduate level. However, the present intake is well below this limit and there is scope in raising the number of intake. Having overseas students will also be beneficial for our local students as the interaction between the two would help to broaden the local students' perspective. Some of our interviewees have also suggested that consideration be given to entering partnership arrangements with the world's top business schools. Also, it should be the government's objective to Hong Kong as a 'learning hub' for the PRC and the region.

International Exchange Programmes

23. Almost all interviewees have expressed concern over the lack of international outlook of our local graduates. The Committee sees tremendous value in giving students an opportunity to participate in exchange programmes, to experience different cultures, improve their language skills through practice, build up their character and widen their international perspective. A surprisingly low number of Hong Kong students currently benefit from exchange programmes. In this connection, the Committee has obtained relevant information from six local universities and a paper on the subject of exchange programmes including their benefits is at Annex D.

Annex D

24. The Committee appreciates that exchange programmes would have financial implications and there may be a limit on the provision of Government subsidy. But such programmes are in fact a form of investment which would ultimately benefit Hong Kong. The Committee holds the view that the private sector would also have a role to play. A few multinational corporations already work with tertiary institutes to finance exchange/internship programmes because they see benefits in investing in our students. Other multinational corporations, as well as companies in Hong Kong, should be persuaded to do the same.

Manpower Planning

25. The interviewees have suggested that Government should regularly conduct comprehensive industry reviews to identify and anticipate skill gaps within the financial services sector and work with local and overseas educational institutions to help align courses to suit industry needs. It

should also develop an effective system of monitoring and disseminating manpower trends in order to lessen market frictions and provide important information for staff development and training needs. The model in Singapore may provide a reference.

Continuing professional development and professional qualification

26. The communication and co-ordination among the government, the industry, the professional bodies and the training providers should be strengthened to bridge the gap between demand and supply and to enable the professional bodies to implement a proactive sector-wide training and development programme. Interviewees in the Banking Sub-group suggest that local universities may consider co-operating with world renowned universities to run executive development programmes for its practitioners with 5 to 10 years' work experience. The provision of training subsidies for individual practitioners and companies would help and benefit small firms and their employees. Larger firms may also consider offering some of their training courses to employees of smaller firms and charge for the services.

Reference Database

27. A comprehensive, cross-sector, reference database containing information on training courses, texts, publications, etc should be created through the concerted efforts of the government, the industry, training institutes and professional bodies. Such a database would be a very useful source of information which allows easy access by relevant parties. Similarly, on-line training modules could also be developed by large industry players, training institutes and professional bodies, and should be made available to all practitioners.

28. Interviewees in the insurance sub-sector suggested that a local insurance professional qualification should be developed and this would be conducive to maintaining a high professional standard of insurance practitioners as well as enhancing the competitive edge of our insurance industry.

Strengthening of Hong Kong's Existing Advantages

29. The government should continue to provide employers a favourable environment to do business and transform Hong Kong into a "city of choice"

for Chief Executive Officers, managers, workers and students from other countries to work and live.

Importation of Talents

30. Our interviewees have suggested the importation of talents as an interim measure to meet the present shortfall of staff with the right calibre at all levels. There are specific suggestions that talents from the Mainland are particularly sought after and the present immigration policy does not facilitate the entry of such talents. The relatively low relocation costs, the possibility of sending such talents back to the Mainland to take up managerial posts and the relatively smaller language gap might well explain such demands. The Committee recommends that the importation of increasing number of Mainland Chinese talents should be seriously considered. To minimize the chances of the system being abused, careful entry criteria should be developed for such an interim measure. It would be important to ensure that the imported talents and local candidates compete on a level playing field, in particular in terms of salary and conditions of services.

Conclusion

31. To enhance the competitiveness of Hong Kong as a premier international financial centre, human resources of the right calibre is essential. Efforts should be made to ensure that our education system produces the candidates with the suitable attributes. An on-going dialogue between the suppliers of human resources and the end users is crucial. The concerted efforts of government, the industry, the professional bodies, education and training institutes is indispensable.

32. In the next Phase of our work, the Committee will be setting up a forum drawing together training institutes, students, employers in the financial services sector and policy makers with a view to matching the employers' expectations with the supply. This forum would be an ongoing dialogue aimed at better preparing graduates for the demands of a global industry.



**Advisory Committee on Human Resources Development
in the Financial Services Sector
("FinMan Committee")**

Terms of Reference

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Education and Manpower Bureau

Secretary

Miss Maureen To
Principal Assistant Secretary for Financial Services
Financial Services Bureau

Subgroups of the FinMan Committee and their Conveners

<i>Subgroup</i>	<i>Conveners</i>
1. Banking (including investment banking)	Mr T C Chan, Country Corporate Officer, Citibank, N.A. Mr Tim Freshwater, Chairman - Corporate Finance (Asia), Goldman Sachs (Asia) L.L.C.
2. Fund management	Mr Kevin Chan, The President, Hong Kong Society of Financial Analysts Limited Mr Andrew Lo, Chief Executive - Asia Pacific, Invesco
3. Hong Kong Exchanges & Clearing	Dr Bill Kwok, Managing Director, Wocom Holdings Ltd. Mr K C Kwong, Chief Executive, Hong Kong Exchanges and Clearing Ltd.
4. Insurance	Mr C F Choy, Chairman, The Hong Kong Federation of Insurers Mr Benjamin Tang, Commissioner of Insurance
5. Professional services (legal and accounting)	Mr Edward Chow, Council Member, Hong Kong Society of Accountants Mr Paul Tan, Vice President, The Law Society of Hong Kong
6. Research study on Shanghai and Singapore	Prof Y S Chan, Acting Vice President for Academic Affairs, Hong Kong University of Science and Technology Prof Eric Chang, Chair of Finance, School of Business, University of Hong Kong Prof Paul McGuinness, Chairman of the Department of Finance, Business Faculty, The Chinese University of Hong Kong

Interview Checklist

Note - The interview aims to obtain more in-depth understanding of the views of the market participants on HRD in its sector. This checklist is not exhaustive. It is for reference only. You may add questions as considered appropriate.

Entry level

1. Does your company organise recruitment talks in the local universities? If yes, in what language (English/Cantonese) are the talks conducted and what is the reason for the choice of language?
2. What are the difficulties faced by your company in recruiting from the local market at the entry level?
3. To recruit at the entry level, what qualities are you looking for? Did you find any deficiencies in the local candidates? Where did the deficiencies lay and how serious was the situation?
4. How would you compare the candidates with local qualifications with those who possess overseas qualifications?
5. What is the ratio of local to overseas new recruits? What is the trend?
6. Does your company have any preference over local/overseas candidates? Why?

Mid and high levels

7. How do you prepare for your staff for career advancement?
8. How do you fill vacancies at the mid and high levels? Why do you do so in such ways?

9. What are the difficulties faced by your company in identifying suitable candidates for jobs at the mid and high levels?
10. To find suitable personnel to fill vacancies at the mid and high levels, what qualities are you looking for? Did you find any deficiencies in the local candidates? Where did the deficiencies lay and how serious was the situation?
11. Why and how important is it for your staff to be familiar with doing business with the Mainland?
12. What sort of training do your company provide for your staff? Do you think such training is adequate? If not, what is the reason for the shortage?

General

13. Do you think the existing channels for continuing education / development meet the demand for human resources development in your company as well as in the whole sector?
14. What are your general views on the HRD opportunities in the financial services sector?
15. Do you think the existing mechanism to guarantee the standard of practitioners, such as licensing, registration, possession of profession qualifications, sufficient and why? Do you have any suggestions for improvement?
16. What do you expect the government could do to enhance the standard of the market practitioners to meet the immediate and long-term needs?
17. What roles do you expect the related professional bodies should perform in meeting the HRD demand within the sector in the short and long run?

Exchange Programmes

BACKGROUND

At the first meeting of the FinMan Committee held on 30 September 2000, it was mentioned that the locally trained prospective entrants to the financial services sector were not as competitive as those trained overseas. The main reason was their lack of international exposure. Members also noted that university undergraduate exchange programmes, and business exchange programmes and summer internship jointly organized by the universities and some multinational corporations (MNCs) had been found useful in widening local undergraduates' international exposure and global perspective. In order to help the Committee explore ways of increasing the competitiveness of the local undergraduates vis-à-vis their overseas counterparts by examining the effectiveness of such programmes and what could be done to obtain optimal results from these programmes, the Secretariat has sought views on the above programmes from the business faculties of the following six local universities -

The Chinese University of Hong Kong (CUHK)
The City University of Hong Kong (CityU)
Hong Kong Baptist University (HKBU)
Hong Kong Polytechnic University (HKPU)
The Hong Kong University of Science and Technology (HKUST)
The University of Hong Kong (HKU)

There are about 9 500 full-time undergraduates in the relevant faculties in these universities.

EXPERIENCE OF THE UNIVERSITIES

Types of programmes and participation

2. The local universities run academic exchange programmes with over 100 prestigious universities in Asia, Australia, Canada, Europe, New Zealand and the USA for one semester or a year of study. Around 180 undergraduates

take part in these exchange programmes each year: CUHK - 44; CityU - 25; HKBU - 12; HKU - 9; HKUST - 90. CUHK and HKPU also organize some study/exchange tours in the summer in universities and commercial firms overseas as well as in the Mainland and about 160 students participate every year.

3. CUHK, HKBU, HKPU and HKUST run internships in collaboration with various local or overseas organizations, which may be in the form of part-time internship during the school year (for local internship) or full-time internship during the summer. Over 100 local undergraduates join these programmes every year. In addition, the Hong Kong Jockey Club Charities Trust supports a three-year internship programme for local university students. The programme organizes a six-week summer internship programme for second year university students in major corporations in the Mainland, Asia, Europe, North America and around the world. The programme started in 2000, and will support a total of 1 000 students over three years.

Objectives of running exchange or similar programmes

4. Objectives of running exchange or similar programmes include -

- (a) Exchange programmes and study/exchange tours
 - (i) to enhance students' international exposure and international outlook;
 - (ii) to broaden students' learning horizons; and
 - (iii) to enrich students' living and working experience in different cultural environment.
- (b) Internship
 - (i) to enhance students' language and communication skills;
 - (ii) to broaden students' vision about the world of work;

- (iii) to strengthen students' life and transferable skills such as self-confidence, sense of co-operation and problem solving ability;
- (iv) to provide students with the opportunity to gain hands-on work experience relating to their studies, to gain exposure in the real world and to enhance their interpersonal and team work skills at the work place; and
- (v) to provide students with the opportunity to apply their knowledge to practice and to experience the culture and work environment of major corporations.

Evaluation of the effectiveness of the programmes

5. Participation in exchange and similar programmes has been regarded as highly effective to help the participants improve in various aspects. According to the teaching staff and students, the observable improvements were -

- (a) more mature
- (b) more confident
- (c) more independent
- (d) greater English proficiency
- (e) better communication skills
- (f) more sociable and more active in extra curricular activities
- (g) more receptive to different views
- (h) better problem solving skills
- (i) improved critical thinking
- (j) more enthusiastic in learning
- (k) better performance in class
- (l) widened international exposure and global perspective and improved cultural awareness.

6. It is also noted that many firms, especially major multinational corporations, when recruiting interns, will favourably consider undergraduates who have participated in exchange programmes.

7. The benefits gained may reflect the learning process and 'classroom' environment evident in top business schools overseas. It is quite possible that the international blend of students, and the exposure to Western management and business models in the environs where they originate, open up a completely new dimension to students. While local business schools excel in the area of Hong Kong, Mainland and regional business, a sharper elucidation of Western techniques is more likely in a prestigious North American or European university. The 'classroom' experience is only one part of the educational dynamic, however, with students possibly taking time to explore new issues, views of learning and extra-curricular activities. In particular, students are drawn into environment where they are directly exposed to international media (i.e., newspapers, television) on a daily basis which can only help in developing an awareness of global issues. In fact, the social environment conditions virtually all facets of the learning experience and clearly transcends the classroom situation.

8. Students returning from exchange programmes may be energized by their overseas experience for two other specific reasons. The break may be viewed by some as a hiatus from the more assignment-driven environment in Hong Kong. There may be others who view their learning environment in Hong Kong more positively after their return and, as such, are re-awakened to the local learning experience. The precise effect depends upon the institutions involved and how well students adapt to the environment in their exchange destination.

9. One should also note that local universities and their schools and departments vary somewhat which makes general comment on the perceived success of exchange programmes more difficult to assess.

Difficulties encountered

Financial constraint

10. The exchange programmes are self-financing and participants are responsible for the cost of accommodation, travelling expenses, textbooks,

medical insurance, and other personal needs. Although scholarships are available for some programmes, they are limited in number and benefit only a very small number of participants. Students from less privileged financial background may not be able to afford such exchange programmes because they have difficulty in meeting the expenses, and many have to work in the summer vacation to support their studies in the following year.

Attitude of undergraduates towards exchange activities

11. Some local undergraduates would regard academic merits, instead of exchange experience, would help them get a better job when they graduate. Some are afraid that they would encounter re-entry problem and lose the support of the peer group. Hence there is reluctance to participate.

Academic structure and credit transfer

12. As not every participant of exchange programmes will be successful in getting all the credits earned during his/her study abroad transferred to his/her own university in Hong Kong, undergraduates who take part in exchange programmes might have to postpone their graduation. Undergraduates to intend to pursue their career in accounting and finance fields may be even less inclined to participate because this would not only mean deferring from graduation, but deferring their attainment of the relevant professional qualification.

Accommodation constraint

13. The extremely limited hall places available for overseas exchange students has affected the universities' exchange relationship with their partner institutions.

CONCLUSION

14. Exchange programmes and internships have proved to be effective in upgrading the qualities of the undergraduates because they widen their exposure and allow them to learn from other cultures and give them a taste of the business world in action. However, local universities face difficulties in

running such programmes, and shortage of funds is a major problem. Another problem is limited accommodation, which is common among all the universities. Furthermore, not many undergraduates realize the benefits of taking part in such programmes. For many of them, the major concern is to graduate as soon as possible.

15. If more sponsorship could be available, more undergraduates who are interested in joining these programmes would have the opportunity to do so. It would be helpful if local universities could internationalize themselves by taking in more overseas students so as to provide an international learning environment for the local undergraduates, enabling them to have more interaction with students from other parts of the world, thus widening their exposure.

