

Canadian Chamber Survey on International School Placements for Expatriates

The results of this survey show that the lack of access to high quality international school education for expatriates negatively affects businesses and is detrimental to the development of international companies in Hong Kong.

Introduction

The international business community in Hong Kong has long been concerned about the lack of sufficient access to international school placement for the children of expatriates. While the government has recently suggested the situation is not critical, both anecdotal evidence and this survey suggest otherwise. The Canadian Chamber of Commerce in Hong Kong seeks to show through this survey that the majority of its members are troubled by the current situation. The results of this survey demonstrate that the inability to readily access a high quality international standard education is detrimentally affecting businesses across Hong Kong.

Methodology

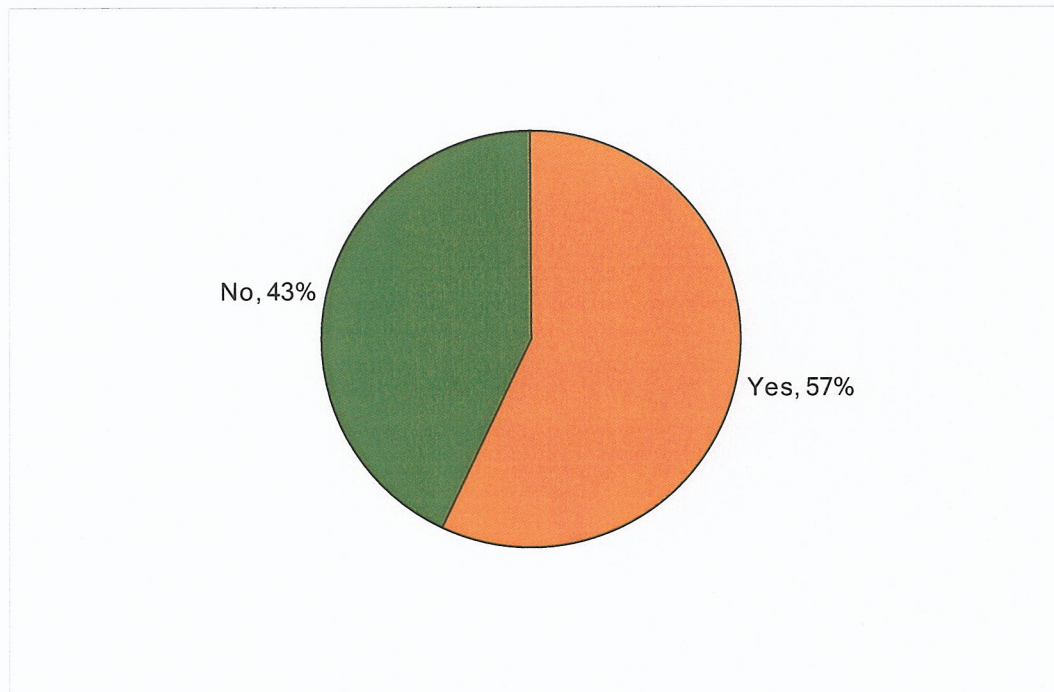
The Canadian Chamber of Commerce in Hong Kong sent the “Canadian Chamber Survey on International School Placements for Expats” through email on March 30th, 2011 to a total of 1056 active members, inviting them to participate.

The members had 9 days to respond to the survey through www.surveymonkey.com.

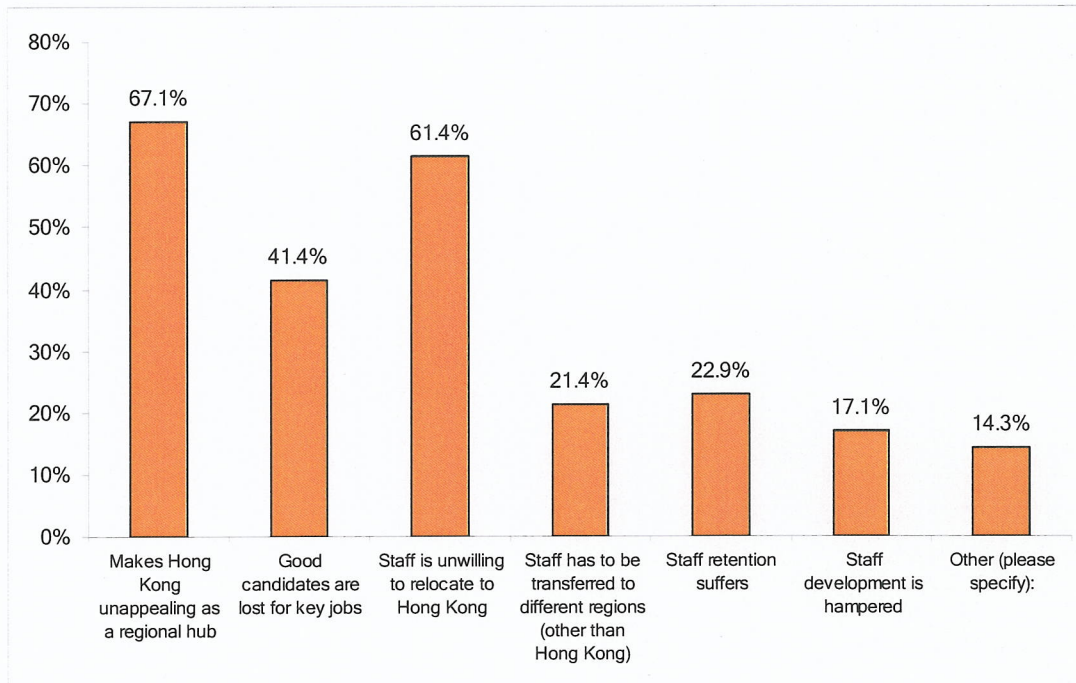
By the end of the period, April 7th, 2011, a total of 114 members responded. Their views and comments make up the results of this report.

Results

Question 1. Does a lack of international school places detrimentally affect your business?



Question 2. If yes, please select the ways that your business is affected. Check all that apply:



Amongst the responders who chose “Other”, the major problem is that the lack of international school placements leads to higher costs as more incentives were needed to attract select executives. Also additional time, money and effort were wasted on securing placements. Worse still, with the lack of placements, expatriates saw HK as an unattractive place to live and raise a family, thereby driving them to leave HK and take their business with them.

Question 3. The Canadian Chamber of Commerce in Hong Kong intends to present this information to the HK government, and it is vital that we have evidence of issues you have encountered as a result of a lack of school places to help strengthen our case (e.g. having to hire or relocate members)

Employees unwilling to relocate to Hong Kong:

"We almost had a newly hired employee that was relocating from London back-out of the relocation. The distraction of trying to find suitable school openings for his 2 children made his transition to Hong Kong, and our firm, significantly less productive than it should have been. There were inquiries if it would be possible to relocate to Singapore office instead of Hong Kong."

"One recent case comes to mind and captures the overall spirit: we wanted to relocate one staff member to HK from overseas. Due to the limited spaces in international schools, that staff member spent well over 50 hours speaking to schools, HR and associations to secure spots for 2 children. Unable to secure spots, staff was left hanging for over a month. Back and forth flights to family overseas added to lost productivity and increased costs in ensuring staff would remain in HK, plus temporary accommodation costs as staff was unwilling to move into permanent accommodation without a definitive answer on schooling arrangements. Situation is still unresolved after nearly 7 months, costs incurred so far were high and we still risk losing the staff member and relocating part of the team operations to a different location."

"Candidates are choosing to relocate to other cities rather than HK. We have just recently seen that 2 assignees have decided to move to Singapore instead of relocating to HK. The school in Singapore has approved their two children and the schools in HK could not confirm the placement until late May. Results, we lost the revenue of potential 2 home search and 2 shipments to HK."

Shifting businesses and head offices to other places:

"I was considering relocating my business and my family to HK, but due to the lack of availability of school places, I am looking at alternative locations like Singapore."

"The original plan of our company was to make HK office as the main office for all operations. One of the concerns our company owner is to relocate his three children due to the higher school fees and lack of seats in the international schools. This makes HK less appealing."

Unable to retain staff in Hong Kong:

"Recently hired a senior executive from Singapore, but because we cannot place his children in equivalent schooling, he is a retention risk."

"Our experience is very simple, we had to transfer positions from Hong Kong to our offices in Beijing and Vietnam due to the fact that our staff couldn't get a place in an international school for their children or that we had to face huge fees (debentures) to secure a place in any of the schools."

"We have a senior compliance head who has to keep their children in Singapore and is at risk of leaving [Hong Kong]."

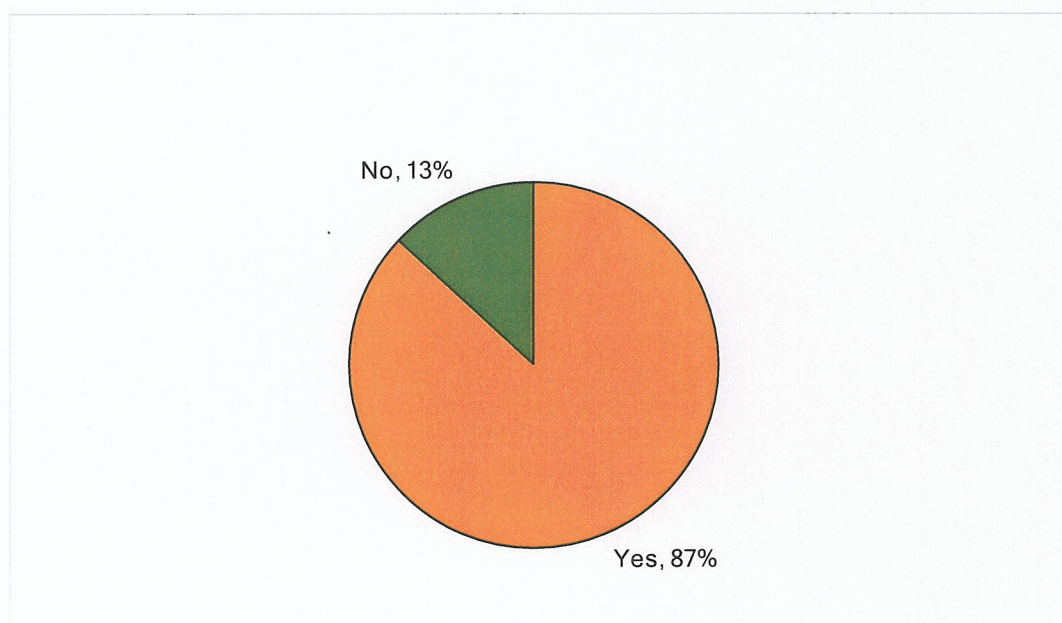
Limited staff demographics:

"Staff are unwilling to relocate to Hong Kong until they receive confirmation of school placements for their children. This directly impacts the same demographic of leaders that we need to bring to Hong Kong for their experience and areas of expertise."

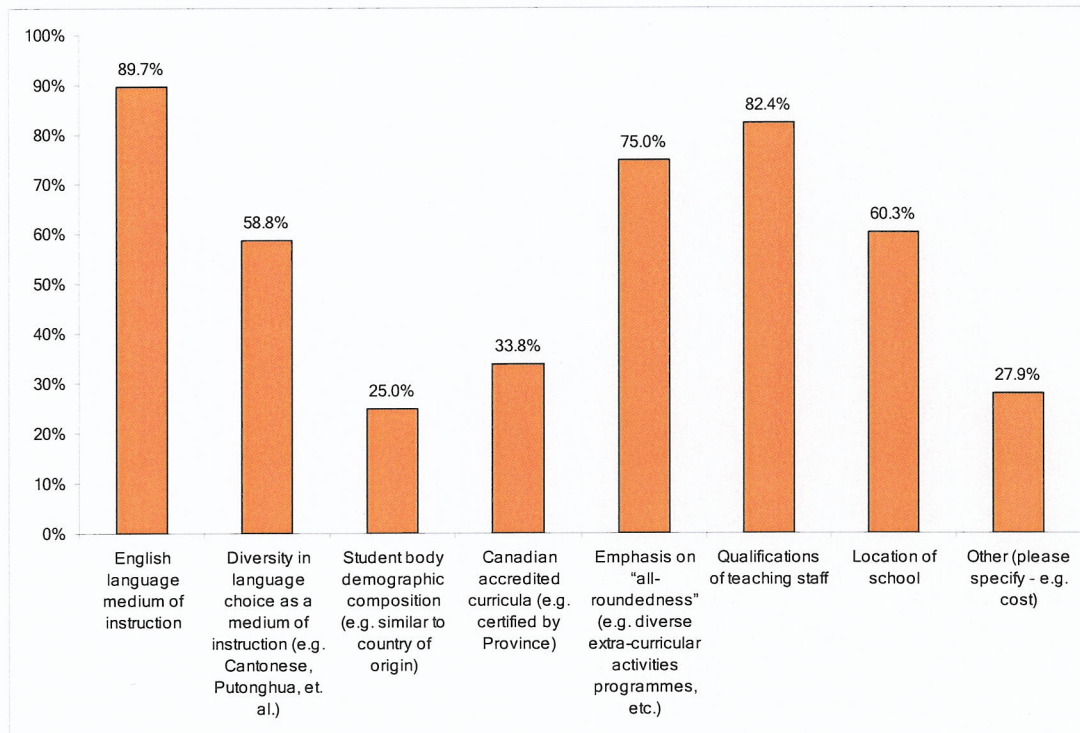
"Because of the lack of school placements and the corresponding cost of international school education, we only look for candidates with no kids to bring to HK to work for our company."

"We are limited to staff hires who are: a) single, b) have no children."

Question 4. Is a high quality international standard the critical factor in the decision to accept a school?



Question 5. If yes, what standards are important to your staff when choosing an international school for their children? Check all that apply.



Amongst the responders who chose "Other", costs were crucial in the choice. In addition, the curriculum of the school, its reputation as well as university acceptance rates were important. Some respondents also considered that it was important for teaching staff at the school to be Canadian, as he/she wanted Canadians to be his/her child's role model at school.

This indicates that the government's suggestion of sufficient open spaces misses the point about what kind of open spots are available. Spots at second tier schools or those of non-English instruction are useless to the top level managers that serve in international headquarters or in businesses in the top levels of high value industries like finance, technology, creative industries, and more.

Location was also cited as an important factor, bearing future investigation.

While a third of respondents indicated that Canadian certification was important, 87% indicated 'a high quality international standard' was critical (see Question 4). This suggests that our membership would have their needs met by international education broadly speaking, not just Canadian.

Conclusion

The results of this survey show that a significant number of members believe that the lack of international school places are detrimentally affecting their business. Most members believe that the problem has made Hong Kong unappealing as a regional hub (67.1%). The staff are unwilling to relocate to Hong Kong and good candidates are lost for key jobs.

In identifying singular cases, the results have shown that the majority of high-level managerial staff are refusing to relocate to Hong Kong due to the inability to find high quality international schools that will readily accept their children. Instead, staff members mostly ask to be relocated to Singapore, where placements to schools with a high quality international education are more readily available. Bangkok, Beijing and Vietnam were also cited as alternative destinations.

In addition, Hong Kong businesses are unable to retain their high level managerial level employees. Frequently, expats first arrive in Hong Kong alone to make plans for their family's relocation and to place their children on waiting lists for international schools. However, even after months of waiting, the children are still unable to be offered a spot, thus the family is unable to relocate and reunite. Eventually, employees choose to relocate to a different city where their children can receive a placement and the family can be together.

The lack of international school placements for expats has even brought many companies to relocate their regional hubs, including to their managerial staff, to Singapore. As the high calibre staff members leave and take the company's regional headquarters with them, they also take away the jobs that could have potentially been available to the people of Hong Kong. This in turn affects other sectors of Hong Kong's economy. Fundamentally, if Hong Kong is to retain its regional headquarter leadership and maintain its supremacy in the business sector of Asia, then the number of available places in high quality international schools must be increased.

Finally, a large majority of the members (87.6%) believe that a high quality international standard is the critical factor in the decision to accept a school. Especially important in the decision is an English language medium of instruction, the quality of the teaching staff, and an emphasis on "all-roundedness". In other words, second tier, non-English language schools will not do.

These results show it is crucial that the number of international school places increase and the quality of education improve in Hong Kong for it to stay, and develop, as a world-class city for business.