

Finding the Right Talent

New research reveals the changing landscape of Hong Kong’s recruitment sector, and uncovers what workers really want from their employers.

– By Felix Lee and Alice Yip

The quest to find the right talent never ceases in Hong Kong, a city whose dynamic business landscape requires companies to be highly attuned to the very latest developments to succeed. With technology driving innovation in Hong Kong and a vibrant start-up ecosystem swiftly emerging, employers’ well-placed efforts are vital for the city to stay competitive amid global economic uncertainty.

In view of Hong Kong’s fast-changing environment, we published research this year detailing components of the search for talent, ranging from executive recruitment and salary outlook, to the start-up landscape, to workforce challenges in the retail industry.

We notice that accelerating digitalisation and the application of artificial intelligence in engaging customers and dealing with risk management are becoming industry standards, regardless of sector. Many financial institutions, for example, invest heavily in technology.

Among Hong Kong’s diverse employers adopting and adapting to change, start-ups hold extra appeal for high-quality talent. Financial technology and e-commerce are the sectors that executives in the city are most likely to consider joining. In addition, more than two-thirds

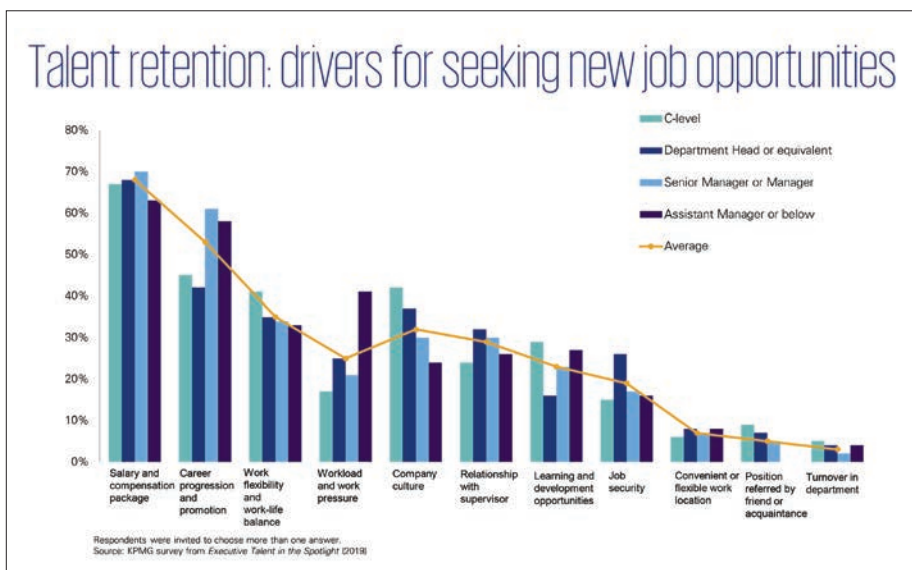
of locally-based entrepreneurs we polled believe Hong Kong is well positioned as a fintech innovation hub.

Once businesses grasp these new realities, their recruitment efforts can take shape. And our research uncovered the keys to recruitment. Efforts will more likely succeed if employers account for remuneration as well as non-monetary reasons. Gone are the days when merely offering the best salary will suffice to land the right talent.

Employers should bear in mind that professionals and other attractive candidates in the job market have clear yet multifaceted expectations as they look for work.

For Hong Kong-based business executives, salary and compensation ranks first among incentives for a new job. As for salary outlook, seven out of 10 respondents expect an increase of 20% or more when moving jobs. One in four anticipate a 30% uptick.

While remuneration is the single most important motivation for people pondering job opportunities, our research also shows marked differences in an employee’s acceptance of workload and work pressure depending on seniority. This finding touches on the need for employers to address retention and not just recruitment.



Our survey revealed that two in five employees at the assistant manager level or below view workload and work pressure as a trigger to seek new opportunities. But less than a quarter of the more experienced executives deem this factor a concern. Companies keen to retain junior staff members might remember this point.

As for non-monetary reasons a job seeker would find an employer enticing, three factors stand out: job satisfaction, career progression and promotion, and work flexibility and work-life balance. C-level officials and department heads put job

satisfaction even further ahead among non-monetary factors.

A deeper understanding of these distinct and evolving motivations can help companies better allocate resources and tailor more appealing employee value propositions for different target audiences. In doing so, they boost the odds of luring employees who are a good fit.

More companies are adopting such nuanced approaches, and as a result, sentiment has improved on this front. More than half the entrepreneurs we polled say they can attract and recruit the right talent to start a business, up significantly from last year.

Start-ups represent one type of business eager for recruitment, but what of more traditional employers? Additional useful insights can be gleaned by examining the state of talent in Hong Kong's retail industry, a core pillar of the city's economy.

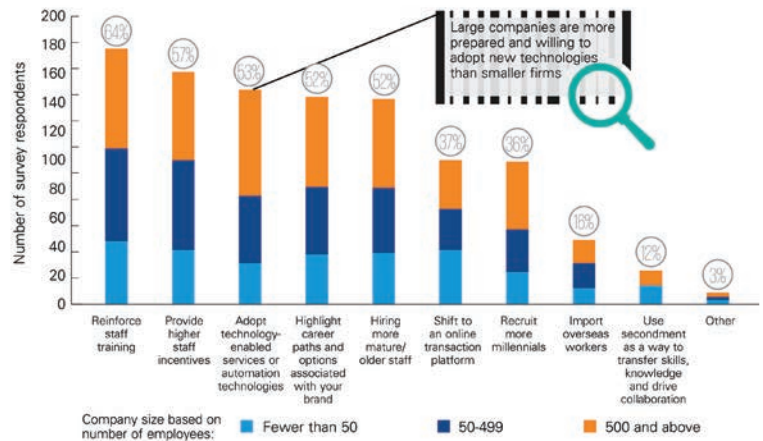
Our analysis indicates that a shortage of workers and a high staff turnover rate are among the major challenges Hong Kong retailers face. Those challenges trailed only high rent as the biggest hurdle cited in a separate survey this year of retailers based in the city.

A majority of the respondents expected the undersupply of industry talent to result in the next two years in lower customer service quality, slower or negative sales growth, and diminished staff morale and productivity. The most difficult roles to hire for were front-line customer service employees and retail salespersons.

An inability to fill workforce needs has far-ranging implications. In the retail industry, for example, customer service could suffer if the shortage persists or worsens. That would affect Hong Kong's image as a shopping

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destination. A lack of sufficient talent could also hinder the industry's ability to transform technologically, undermining its competitiveness regionally and globally.

Retailers adjusting to market trends know a technologically savvy workforce is needed. Technology can transform labour-intensive, front-line work, allowing employees to focus on more interesting yet still value-added tasks requiring innovation, passion and high levels of customer empathy.

Regardless of the specific industry, people want to know what they will receive for their time, effort and loyalty. Organisations capable of equipping employees with skills that are readily transferrable will naturally be viewed favourably.

Employers help themselves when they prioritise and reflect upon all these considerations in their recruitment and retention plans. When pursuing the right talent in a competitive market like Hong Kong's, every well-informed decision counts. **B**



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