

Executive Summary

Flexible employment has become popular across the globe. According to a survey conducted by the workforce management solutions company Kelly Services in 2015,¹ 31% of workers around the world are forsaking the traditional model of employment to pursue free agency, a form of flexible employment. Free agents represent 34% of the workforce in the Asia-Pacific region.

This Study estimates, based on the figures of the Census and Statistics Department, that there were roughly 523,700 flexi-workers in Hong Kong in 2015, representing 13.9% of the 3,780,900-strong working population. Earlier statistical figures² showed 133,600 flexi-workers aged 15-39. The total number of flexi-workers is on the rise.³

Although employment patterns are changing, it remains uncertain whether relevant social values, laws and regulations, and services are able to cope with this new environment. Since flexible employment is still widely considered informal in our society, problems faced by flexi-workers – such as those brought about by lack of employment; the management of unstable income and risk of unemployment; the support of law, accounting and insurance services; and how to deal with inadequate protection for workers – should be further investigated over the long run.

In view of the above, this Study tried to understand the background and factors of flexible employment. It also looked at the problems faced by young flexi-workers and their employment values. Through this approach, the Study aimed to make recommendations on improving career development opportunities for young people under the emerging trend of flexible employment.

¹ Kelly Services. (2015). *Agents of change*. Retrieved from <http://www.kellyservices.com.hk/US/Business-Services/Business-Resource-Center/Workforce-Trends/Agents-of-Change/#.V-ytPvT2uic>

² Survey data of the years 2009 to 2011. Source: Census and Statistics Department. (2010). *Special topics report no. 52*. HK: C&S Department; Census and Statistics Department. (2012). *Special topics report no. 60*. HK: C&S Department.

³ LegCo Secretariat. (2016). Challenges of manpower adjustment in Hong Kong. *Research Brief*, June, 2016.

This Study used a telephone survey to understand the views of working youth on flexible employment. It also used case interviews to understand the opportunities and problems faced by young flexi-workers. In addition, experts and scholars were interviewed and gave their analysis of the development of flexible employment and the pros and cons of working flexibly.

Based on the findings of the above approaches, this Study will make five recommendations which focus on improving career development opportunities for young flexi-workers.

Key Findings

1. 51.1% of the respondents were flexi-workers, the majority working part-time, followed by temporary workers and moonlighters.

A randomly sampled telephone survey conducted in November and December 2016 yielded 528 responses from Hong Kong working youth aged 15 to 34. Using a loose definition, the survey found that 51.1%⁴ of the respondents took up flexi-work in the past year, reflecting the popularity of flexible employment in Hong Kong. Almost a third (29.7%) were “part-time workers” who worked less than 30 hours per week, while 21.3% were “temporary workers” hired for a fixed term of less than one year. Besides these groups, 20.0% said that they were “moonlighters” with a day job who also freelanced on the side, 6.5% were “independent contractors” who work on a per-project basis, and 4.0% were “freelance business owners”.

⁴ There is a significant discrepancy between the survey result and the estimated figure based on government statistics. This is mainly because no direct figure for flexible employment is available from the Census and Statistics Department. The estimated figure can only be based on government statistics closest to the definition of this study but it does not include freelance business owners and moonlighters. Furthermore, this study uses a looser definition of temporary workers and a time limit of one year before the survey in order to include workers who match the definition of flexi-workers. Thus the definition differs from that of the Census and Statistics Department.

- 2. Young respondents took up flexi-work mainly because it offers greater control over working hours and is more lucrative than conventional jobs, and also for reasons of work-life balance and developing personal interests.**

The young respondents took up flexi-work mainly for voluntary reasons. They said that they made this choice mainly because flexible employment offers greater control over working hours (52.4%) and is more lucrative than conventional jobs (44.8%), while 16.8% said that it can provide a better work-life balance or allows time to develop personal interests. Case interview results showed that the young flexi-workers hope to pursue personal interests, to work on interesting jobs and to start a business through flexible employment. Yet there were some who turned to flexi-work because they could not find long-term full-time employed jobs due to the industry or market environment.

- 3. Young respondents tend to accept flexible employment. They understand that long-term full-time employment provides better economic rewards, but they yearn for the better work-life balance and autonomy offered by flexible employment.**

The survey showed that 43.7% of the respondents would accept flexi-work such as short-term contracts, part-time and self-employed jobs. Only 19.7% said that they would not. The younger the respondents, the more receptive they were. They generally agreed that the idea of “a life-long job is outdated” (average rating was 6.40 points on a 0-10 scale), “flexible employment provides a better work-life balance than long-term full-time jobs” (6.62 points) and “flexible employment can provide greater autonomy than long-term full-time jobs” (7.08 points). They nevertheless agreed that “long-term full-time jobs make one feel more secure than flexible employment” (7.06 points), “long-term full-time jobs usually provide better income than flexible employment” (6.67 points) and “the opportunities for development offered by flexible employment is generally worse than in long-term full-time jobs” (6.31 points). These figures reflect that young people understand that the economic rewards are usually better in long-term full-time employment, but still yearn for the greater

work-life balance and autonomy offered by flexible employment.

- 4. The remuneration of some flexi-working respondents is being reduced and their attitude to work is being questioned. Other common problems encountered included the lack of contracts, inadequate consulting services on tax, accounting and legal issues, and the absence of legal labour rights.**

Some respondents revealed that since their pattern of employment was not accepted by employers, family members and friends, their remuneration was being reduced and their attitude to work questioned. They did not usually pay attention to protection issues, for instance, the lack of a contract between enterprises and freelancers, the fact that legal rights are not provided for part-time workers and the uncertain nature of contracts signed. In addition, flexi-work respondents often encountered problems such as the lack of information exchange platforms and inadequate consulting services on tax, accounting and legal issues, etc.

Main Discussion

- 1. Intensified global competition is leading enterprises to become more flexible in manpower arrangement. The employment values of young people have thus changed and flexible employment has become increasingly popular.**

Flexible employment has become increasingly popular because global job positions have been reduced in number and competition has intensified. In order to take flexible control of production costs, enterprises or organizations usually make use of outsourcing and short-term and part-time contracts to meet manpower needs. On the other hand, internet technology makes the home office possible. Young people can flexibly arrange their working hours or even take up projects from various enterprises at home, thus creating opportunities for flexible employment. This Study found that young people take up flexi-work mainly for voluntary reasons, such as greater control over working hours, better income than conventional jobs, work-life balance

and the freedom to develop personal interests. They also think that the traditional idea that full-time employed positions offer good pay and promotion opportunities is no longer valid. In contrast, they view flexible employment as offering more personal time, increasing their control over work, and even creating the opportunity to develop personal interests and to start a business. This reflects a change in employment values among young people.

- 2. On the one hand, flexible employment raises concerns about the problem of “fictitious self-employment”; on the other, it brings about opportunities for diversified career development for young people. Society should understand the phenomenon from different perspectives and respond accordingly from the institutional level.**

As flexible employment involves the reduction of labour benefits offered by enterprises and organizations, there is concern that employers could be tempted to shrug off their responsibility toward flexi-workers for the sake of reducing costs. The problem of “fictitious self-employment” is a particular concern which needs to be taken seriously by the government. However, from the perspective of youth career development, flexible employment is helpful in offering diversified choices. Case interview results showed that some flexi-workers used flexible employment as a strategy to take up interesting jobs and to enrich their portfolios while others hoped to broaden their horizons. Some even focused on business development. They chose flexible employment, on rational consideration, in order to benefit from freer and broader career development opportunities. Therefore, society should understand the phenomenon of youth flexible employment from the perspective of youth career development and respond accordingly from the institutional level.

- 3. There are risks of unstable income and qualifications being unrecognized in flexible employment. Young people should start their career and life plans as soon as possible in order to reduce their chances of encountering these problems.**

The Study results showed that the main risk of flexible employment is unstable income. Qualifications being unrecognized is another risk

easily ignored by young people. Since flexi-work is still widely considered informal in our society, their remuneration could easily be reduced and their qualifications and attitudes to work questioned by employers. Before they choose flexible employment, young people may not be aware of such risks. Some experts believe that young people should look for traditional employed positions immediately after graduation, before starting flexible employment, in order to accumulate experience and develop a network. This would increase their chances of success and allow them to retain the safety net of being employed. To avoid the above problems, young people should start their career and life plans as soon as possible, which includes the assessment of one's character and life goals as well as detailed planning and preparation. Young people could then respond appropriately if they find their choice of employment pattern unsuitable.

- 4. Young flexi-workers face difficulties in areas such as law, insurance, tax and accounting. They would be able to access better career development opportunities if appropriate support were provided.**

In terms of rights and interests, a common problem is the lack of contracts between freelancers and enterprises/organizations/clients. The liability problem is easily overlooked. Insurance is another problem easily ignored. Since the present employment ordinance protects only those who are employed within a traditional employment relationship, freelancers are not able to purchase insurance for work-related injury. There must be further discussion of whether the relevant institution should cover freelancers. In addition, some respondents said that they often encountered problems due to insufficient information exchange platforms, such as inadequate consulting services on tax, accounting, finance and delayed payment, etc. Society should be more open-minded about the changes in youth employment patterns. It should provide support to young people in need so that young flexi-workers can access better career development opportunities.

5. **Society lacks awareness of flexible employment in general. In response to its trend of expansion, the government should study flexible employment and collect relevant statistics so that manpower projections and planning can be carried out appropriately.**

This Study shows that flexible employment is very common in Hong Kong. It is also expanding. However, the government has yet to study flexible employment or collect relevant statistics, such as the number and characteristics of the workers involved, the employment patterns, the influence on the economy, the demand of enterprises and organizations as well as the supply of relevant manpower, etc. Society therefore lacks an up-to-date understanding of this type of employment. The government needs to look at this phenomenon seriously. It should collect relevant statistics in order to grasp the phenomenon of flexible employment. It also needs to discuss and assess the influence of flexible employment on the wider economy and the people involved so that manpower projections, training and planning can be carried out appropriately.

Recommendations

This Study offers the following recommendations based on the above findings in order to provide better career development opportunities for young flexi-workers:

1. **Set up a “Flexi-Circle”, a platform supporting flexi-workers by providing project and vacancy information as well as business and professional consultancy and services.**
2. **Enhance legal support by providing contract templates and legal consulting services for flexi-workers.**
3. **Improve the Recognition of Prior Learning (RPL) Mechanism in the Qualifications Framework so that flexi-work experience can be accumulated and recognized.**

4. **Include the effect of flexible employment in manpower projections of the need for training and retraining plans.**

5. **Introduce the concept of flexible employment in secondary school career and life planning education in order to broaden young people's understanding of employment and to help their diversified development.**