

## Executive Summary

Hong Kong is a cosmopolitan city that bridges east and west. It is also an international trade and financial centre. According to the Census and Statistics Department, 9,040 businesses with overseas parent companies are located here and employ 493,000 people. These businesses cover major industries such as trade, wholesale, retail, finance, and professional and business services.<sup>1</sup> Staff with overseas experience are needed for the daily operation of these businesses as well as for their future overseas expansion.

How Hong Kong can maintain its competitiveness in the world of international business and expand both its major and emerging overseas markets is an issue worth exploring. Training up talent with international experience and significant understanding of overseas markets is an important condition for creating business opportunities for enterprises.

In fact, some Hong Kong working youth are interested in obtaining overseas working experience so as to deepen their understanding of overseas markets and cultures. Apart from internal transfers and self-sought employment, young people may obtain such experience through the Working Holiday Scheme and overseas internship schemes. Over the past five years, 44,371 working holiday visas have been offered to Hong Kong young people,<sup>2</sup> indicating that the Working Holiday Scheme is the main channel through which they seek such experience.

Though the Working Holiday Scheme is generally considered useful in broadening horizons and enriching experience, some employers may think that it is only helpful in accumulating working experience for low-skilled jobs. Some employers also think that participants only focus on the holiday aspect and not on the work aspect, so it may not be helpful in seeking employment afterwards. Besides, internship schemes organised by the government and NGOs mainly offer short-term internships for students, so working youths are unable to benefit. In addition, the nature of such schemes mainly focuses on enriching learning experience and broadening horizons. The accumulation

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<sup>1</sup> Census & Statistics Department. (2019). 'Numbers of overseas and Mainland companies and start-ups in Hong Kong continue to grow.' Press Release of 16 October, 2019.

<sup>2</sup> Source: Labour Department

of practical working experience and improvement of employability is limited.

In view of this, this study aims to look at the international experience which could improve the competitiveness and employability of young people from the perspectives of both enterprises and young people. Firstly, it tries to understand the attitudes of young people towards obtaining overseas working experience, as well as the demand for them to do so, through an on-site youth survey. Secondly, it tries to understand the effect of overseas employment experience in enhancing competitiveness through in-depth interviews with youth. Thirdly, it tries to understand the attitudes of enterprises towards talent obtaining overseas employment experience and the usefulness of such experience. By synthesising these analyses and information, it is hoped that concrete recommendations can be made for enriching the overseas employment experience of young people in order to enhance overall talent quality.

This study uses data collected by three methods during the period from August to September 2019: an on-site survey of 520 young people aged 18-34, case interviews with 20 working youth aged 18-34, and interviews with four experts and related parties.

## Main Discussion

- 1. Hong Kong is a cosmopolitan city that bridges east and west. Were the local talent pool to have international experience, it would benefit the development of different industries and help Hong Kong expand in both its major and emerging overseas markets in the competitive world. However, Hong Kong employees are more satisfied with staying to work in their hometown as compared to their Asian counterparts. This could become an obstacle for Hong Kong enterprises to step further into the international market and could be disadvantageous for developing Hong Kong's economy and maintaining its international status.**

Hong Kong is an international trade and financial centre. Many foreign enterprises have set up regional headquarters and offices in Hong Kong, thus different industries have great demand for talent with international

experience. In view of the keen competition across the globe, Hong Kong needs to train up enough talent so as to compete in both its major and emerging markets. Talent with overseas employment experience may help Hong Kong enterprises understand those markets and expand business there. In a survey by an international personnel consulting firm, 70% of the Asian companies surveyed stated that they planned to internationalise their businesses over the next three years.<sup>3</sup> Therefore, enterprises are craving talent with international experience. However, Hong Kong employees are more satisfied staying in their hometown to work as compared to their Asian counterparts.<sup>4</sup> This could become an obstacle for Hong Kong enterprises to step further into the international market and could be disadvantageous for developing Hong Kong's economy and maintaining its international status and image.

- 2. The Working Holiday Scheme is the main channel for Hong Kong working youth to seek overseas working experience. The internship schemes of the Hong Kong SAR Government and other non-profit organisations organised for students are mainly aimed at enriching learning experiences and broadening horizons. Other than the Working Holiday Scheme, there is not much opportunity for young Hong Kong workers to work overseas. The government also does not take supportive measures to help them make good use of the working holiday or to find other kinds of overseas employment opportunities.**

Young people may obtain overseas employment opportunities through internal transfers within multinational enterprises, overseas recruitment, the Working Holiday Scheme, and overseas internships. Internal transfer opportunities are rare and usually passive, whilst overseas recruitment is difficult due to lack of information and visa problems.

The Working Holiday Scheme is currently the main channel for Hong Kong working youth to seek overseas working experience. Participants are able to improve their general employability skills such as foreign language ability, problem solving ability, and social skills. Their

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<sup>3</sup> Robert Walters. (2018). *How to attract and retain the right talent to grow your business internationally*.

<sup>4</sup> Hong Kong Business. (2016). '1 in 5 Hong Kong employees shun overseas work experience: survey.' Retrieved 16 August 2019 from <https://hongkongbusiness.hk/hr-education/in-focus/1-in-5-hong-kong-employees-shun-overseas-work-experience-survey>

international perspectives and social networks can also be enhanced. But some young people reveal that it takes some time for them to save enough money to cover the basic expenses of their working holiday journey.

In addition, young people may also take part in overseas internship schemes and work as a trainee in overseas companies. However, most of these internship opportunities are provided specifically for students and not for young workers. The internship periods are also usually quite short, so participants can hardly accumulate substantial work experience. The government also does not take supportive measures to help them make good use of the working holiday or to find other kinds of overseas employment opportunities.

- 3. More than half of the working youth surveyed are interested in short-term employment overseas. Such experience is generally considered useful in improving foreign language ability, social skills, and problem solving ability, in addition to enhancing participants' international perspectives. However, if young people travel on a working holiday visa in an irrelevant industry, the value of such experience will be questioned by potential employers and human resources managers. Therefore, some young people are worried about future job hunting and are unwilling to work overseas.**

The on-site survey findings of this study show that 51.0% of the 520 respondents are interested in short-term employment overseas. The major reasons for this are 'to enrich working experience' (46.8%), 'to go for a tour at the same time' (43.8%), 'to improve language ability' (41.5%), and 'to broaden international perspective / to experience different cultures' (38.5%). The reasons for being uninterested are 'unwilling to leave hometown' (35.6%), 'unwilling to quit job / unwilling to miss career development opportunities in Hong Kong' (31.4%), 'language / culture barriers' (25.8%), 'poor job opportunities' (19.9%), and 'poor choice of job type' (17.4%). This reveals that some respondents are worried that they will miss career opportunities in Hong Kong if they go on a working holiday, whilst they may also not be able to benefit in their careers after returning to Hong Kong due to overseas job opportunities and the types of job involved.

Young people interviewed generally said that overseas employment experience had been helpful in broadening their horizons and enriching their experience. It had also improved their general employability skills and expanded their social networks and international connections.

However, some reported that employers feel negatively about working holidays. According to one respondent, an employer even described a working holiday as a waste of time if the participant worked in an irrelevant industry. He thought that working holidays are only about eating and having fun, which are unhelpful for employability. An expert in human resources said that human resources managers in Hong Kong generally do not accept working holiday experience unless the job is related to the participant's future career.

4. **By synthesising the opinions of the human resources expert and the young interviewees, it is more helpful for their future careers if young people work overseas in an industry related to the one they will work in after returning to Hong Kong. It would be more beneficial to Hong Kong's overall economic development if Hong Kong young people could make use of overseas employment opportunities to gain experience in industries or professions in demand in Hong Kong.**

The human resources expert interviewed said that the industries in demand of talent with overseas experience mainly concentrate on those with better development overseas and those serving people, such as information and innovation technology and marketing. He said young people should choose to work in an industry that they intend to join later when they work overseas.

An interviewee who works in the financial sector said that she had gone for an internship with a UK finance company via an internship scheme. From this opportunity, she had hoped to accumulate working experience and social networks in a multinational finance company. Finally, after returning to Hong Kong, she successfully switched from a local finance company to a multinational finance company with better development opportunities. Another interviewee who travelled to Australia with a working holiday visa said she only worked as a temporary worker all

along. However, since she is a designer, she was able to improve her creativity by visiting lots of exhibitions and looking at different design products. Having returned to Hong Kong, her experience is appreciated by her employer.

Apart from the above, there is also a lack of talent in specific industries and professions that could help Hong Kong diversify its economy and develop its high value-added industries. The ‘Talent List Hong Kong’,<sup>5</sup> promulgated by the HKSAR government, is aimed at attracting such foreign high-quality talent. In fact, Hong Kong young talent in relevant industries and professions may gain working experience by working overseas so as to enrich their professional experience in the deficient areas, which would be more beneficial to Hong Kong’s economic development from a holistic perspective.

- 5. It is difficult for young people to hunt for a relevant job if they work overseas without a clear objective. This may not be helpful for job hunting after returning to Hong Kong. It would be more helpful if they were to seek career counselling, plan ahead, and actively contact the relevant potential employers before their departure. Such kind of supporting measures would be helpful in improving young people’s career development opportunities upon their return. It would also enhance the competitiveness of the younger generation in general.**

The survey result show that many respondents (41.0%) think that young people could be encouraged to work overseas if it could ‘increase the choice of job type’.

However, it is not easy to increase the choice of job type. An interviewee said that she had already collected information on job hunting before she departed for her working holiday, but still found it difficult to hunt for a job after arrival. Ultimately, she was forced to accept a job offer paying lower than the minimum wage because she was afraid she would run out of travel funds. Another interviewee who is a registered social worker said that although she had tried to apply for different non-manual jobs upon arrival, she still had to rely on her friend’s referral in

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<sup>5</sup> Source: HKSAR Government. (2018). ‘Talent List Hong Kong.’ Retrieved 30 May 2019 from <https://www.talentlist.gov.hk/en/>

order to find jobs on farms and in factories. She said she lacked relevant information so she could only hunt for jobs randomly.

These situations show that it is difficult to hunt for a relevant job if young people work overseas without clear objectives. The human resources expert suggested that young people should plan ahead and start to apply for jobs in the industry that they are interested before they depart. They could also look for short-term assignments or even try to seek help from an agent. The person-in-charge of a working holiday association interviewed also agreed that young people should be more pro-active in contacting potential employers in their target industry regarding the availability of suitable positions.

A young interviewee said she had sought career counselling and set a goal for overseas employment before she departed. She had pro-actively sent out dozens of job applications and was finally successful in working in different types of professions including the media and technology industry. Upon returning to Hong Kong, she was able to work in a relevant industry. Another interviewee went to Ireland with a working holiday visa. He had prepared reference letters and sent out a number of job applications. Even the job interviews had been arranged before he departed. He was able to work as an intern in a media enterprise and accumulate working experience in an industry related to his own.

## **Recommendations**

Based on the above findings and discussion, the following recommendations are offered in order to provide more opportunities for young people to work short-term overseas so as to enrich their experience and enhance their international perspectives.

- 1. Set up a 'Young Management Overseas Development Programme' to expand Hong Kong's major and emerging overseas markets.**

**The government should set up a 'Young Management Overseas Development Programme' to expand Hong Kong's major and emerging overseas markets. The programme should subsidise**

enterprises that send young management staff to Hong King's major and emerging overseas markets. This could strengthen overseas exposure amongst staff and deepen their understanding of these markets. The subsidies offered may cover the extra cost of sending out staff and the relevant overseas and professional training.

2. The government should set up a 'Young Workers Overseas Exchange Programme' to subsidise enterprises of specific industries and professions.

The government should set up a 'Young Workers Overseas Exchange Programme' and subsidise professional bodies in specific industries and professions to launch exchange programmes with relevant overseas parties. Hong Kong young employees may join the programme to work short-term in relevant overseas enterprises and vice versa. In this way, young employees from both sides would be able to gain overseas professional experience and contribute to their own place upon returning home. The industries and professions suggested for inclusion are the creative industry and the information and innovation technology industry, as well as relevant talent listed in the 'Talent List Hong Kong',<sup>6</sup> etc.

3. The Labour Department should improve the image of working holidays.

The Labour Department should improve the image of working holidays by introducing to the public cases in which participants have gained good employment experience during their working holidays. These cases should be able to demonstrate improvements in general employability or professional experience in order to enhance employers' impressions of working holidays. At the same time, the publicity may broaden young people's conceptions of employment and help them make better choices. Moreover, employers should be open minded and try to understand the soft skills that young people

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<sup>6</sup> The 'Talent List' includes 11 professions: waste treatment specialists, asset management professionals, marine insurance professionals, actuaries, fintech professionals, data scientists and cyber security specialists, innovation and technology experts, naval architects, marine engineers and superintendents of ships, creative industries professionals, dispute resolution professionals, and transactional lawyers.



have improved through working holidays in order to recruit employees who could help their businesses to develop.

4. The Labour Department should provide career counselling services for young people who wish to go on working holidays and explain to them how to set career goals.

The Labour Department should provide services to help working youths to plan ahead better before they depart for their working holidays. These include providing career counselling and explaining the setting of and strategies for achieving career goals. If participants wish to improve their career development opportunities through their working holidays, it could be helpful for them to be better prepared for job hunting in relevant industries, such as looking for opportunities pro-actively, finding help from agents, or trying short-term assignments and internships.

5. The government could subsidise the travel expenses of low-income working youth for their short-term overseas employment.

The government could subsidise the travel expenses of low-income working youth for their short-term overseas employment. This may include air tickets, insurance, and the living expenses of their initial stay overseas. Participants should submit overseas employment proposals and progress reports regarding their employment or learning and return to work in Hong Kong after completing their journey.