

Report Summary

1. Objective of the study

The HKCNP has commissioned this exploratory study with the objectives to reveal (1) The global consensus about relationship between upward mobility and chronic poverty (2) The global consensus on features of chronic poverty and the broadly agreed solution to eradicate poverty in all forms (3) The dynamics which obstruct breaking away from chronic poverty (4) The mega job market trends in terms of job gains and losses (5) The future-proof skills in face of uncertainties to help youths to become good students, good worker and good citizen despite future uncertainties (6) The Hong Kong Youths' employability and the gaps (7) The means to help the youths to be aware of the gaps and to be eager to fill the gaps proactively (8) recommendation to a new sustainable HKCNP service model to help effectively the unprivileged youths to land on decent jobs.

2. Subjective well-being (SWB) is the drive to upward mobility and fulfillment of needs contributes to SWB

It has been universal that people seek for subjective well-being defined as a person's cognitive and affective evaluations of his or her life. It is an important motive of social mobility to improve one's life situation. A person with a high level of satisfaction with their life, with experience of greater positive affect and little or less negative affect, is deemed to have a higher level of Subjective Well Being (Albuquerque, 2010). Fulfillment of Basic needs are also important for life evaluation (Grenvill-Cleave, 2011). Experience of positive feeling is more important to fulfilling social and respect needs. It was reported also that various needs, as expressed in the Maslow Model, make separable contributions to Subjective well-being.

3. Upward mobility is just important to individuals but also to the society

People care less about wealth inequality than lack of opportunity (不患寡而患不均). The "Great Gatsby Curve" (John Jerrim, 2015) doubts that societies without mobility are also unequal ones. As in other economies, HK experiences a declining socio-economic mobility. The Legislative Council's 2015 report quoted statistics and studies to describe limited opportunities for upward earnings, educational and occupational mobility. The significant correlation between the socio-economic status of parents and their children suggests low inter-generational socio-economic mobility, which is unfavorable for creating social harmony than in an open and fairer society where individuals are free-to-succeed.

4. Three chronic poverty features in the absence of upward mobility

The three major chronic poverty features in developing countries are (1) workers in precarious employment conditions are more likely to be poor than those with stable jobs; (2) the poor rely substantially on their incomes hence few opportunities to benefit from socio-economic transfers; (3) economic growth alone is insufficient to eradicate poverty. Worse, technology changes and widened educational gap makes it harder for the poor to compete for decent work. The ILO advocates in "The World Employment and Socio-economic Outlook: Transforming jobs to end poverty" 2016 report that the world must address decent work deficits to end poverty in all forms.

5. Three thrusts to reduce chronic poverty

To reduce poverty through employment, (1) jobs creation benefited from economic growth is just one of the thrusts. The two other thrusts are (2) uplifting employability and (3) increasing job-market efficiency. Employability is a human capital investment and is best accomplished through education. However, school systems do not match perfectly with job markets and there are noticeable universal gaps of, showcased by the circumstances in South Asia's labor market, unemployment and underemployment, especially among the youths and the educated. The youths and the educated who do not have the skills required by employers might not fill Job created by economic growth. It is also noted that with "credential inflation", there is increasing competition from the higher-educated college graduates on the lower-pay jobs.

6. Thrust (1) “Job Creation” not working: Derived job demand in economic growth may not have profited the poverty

Hong Kong Phenomenon is similar to the global one. Economic prosperity does not profit everyone equally. Hong Kong began poverty measurement in 2009. Official data released in November 2017 showed that the number of impoverished Hongkongers hit a record high, with one-fifth of people (Lam, Nov 2017) living below the poverty line. While the overall unemployment rate improves over time, the youths’ unemployment rate remains almost two times the overall rate. Need a concerted effort against poverty situation here. The HKSAR Government endeavors to combat poverty across full spectrum. The private sectors endeavor more job creation and more precarious job reduction amid economic growth. The HKCNP, with its limited resources, persists on its 3-pillar poverty alleviation model engineered towards eradication of cross-generational poverty among youths in Hong Kong for 15 years (in which year the unemployment rate peaked), even before Hongkong measured poverty.

7. Thrust (2) “Uplifting Employability” not working: Employability is low for targeted youth

In general, the youths do not possess the skills required by those demanded by the employers of the pillar industries, because, after all, schools are not vocational schools with industry specific skill training. There are altogether three factors affecting a youth’s employability to a decent job (A) Mismatch of job skills required by decent job providers and the job skills possessed by the targeted youths. (B) The increased competition on lower paid jobs (Paul Yip, Jan 2018) from higher educated university graduates, which is usually call the phenomenon of credential inflation. (C) The widened education gap between those in upper and those in the lower socio-economic hierarchy, in reality and in expectation. A research in 2013 (Lee, April 2013) showed that 47.2% of 15-year-olds in Hong Kong expect to complete a university education (In 2017, 41% of DSE level students actually hit the minimal hurdle of entering university), compared with 80.9% of their peers in South Korea and 70.1% in Singapore. Among the Hong Kong youths from different socio-economic backgrounds, their aspiration to complete university study varies widely. A 2012 survey showed that students with higher socio-economic backgrounds were more optimistic, with 81.1% from the top 10% group expected to finish university, compared with 34.8% for the lowest 10% group.

Despite years of volunteered secondary school education in place, employers are looking for skills not acquired through the packed school curriculum. Despite financial subsidy offered for targeted youths to enroll in university, the deeper roots of targeted youths’ less confidence to complete university study has not been addressed completely.

8. Thrust (3) “Efficient Job Market” is questionable: Who do you know may affect what jobs you land on

Though there is no specific study on the Hong Kong Job Market efficiency, there have been some studies on the efficiency of other job markets. Research (Cappellari, May 2015) indicates that informal contacts through social networks are important source of information in the job search process. Survey evidences gathered across countries and over time has consistently indicated that friends and relatives create between one-third and one-half of job matches. In a Sino-western culture in Hong Kong, the network of a candidate might play a certain role for youths to land on decent jobs. For an underprivileged youth, it seems having a relevant social network is unachievable.

9. HKCNP aligns with Government direction and doing target youths good

The HKCNP initiatives for the targeted youths echo both the Government strategy for poverty alleviation and the targeted youths’ concerns about intergenerational poverty. In the Hong Kong Poverty Situation Report 2015, the Government stated its direction and strategy for poverty alleviation. One key direction (HKSAR, 2015) is “to enhance education and training and develop our economy, so as to create employment opportunities, particularly quality jobs that facilitate the upward mobility of young people”. To further support the government direction, HKCNP commissions this study to fine-tune its 3-pillar service model to help uplifting the employability of underprivileged youths for decent jobs.

10. Mega Trend (1): Productivity demand is high and job content is changing fast

Socio-economic changes, globalization and technology changes are the key drivers of job markets, as always. Three mega trends worldwide and around us in the region: (A) technology changes the content of decent jobs; (B) less workers for more consumption means technology catch-up becomes a must rather than a wish; (C) job changes will be frequent for the youths

today and employment in the sharing economy. The Hong Kong Government is trying to push for diversity in education by giving grants to schools in the promotion of STEM (Ng, September 2017) (Science, Technology, Engineering and mathematics) and life planning initiatives. However, for the targeted youths to maintain employability competitiveness amid these mega trends, they might need help to be trained and developed for futureproof skills through structured positive extra-curricular experience, in particular those targeted youths who are least resourceful to steer through these mega trends.

11. Mega Trend (2): Global Job Loss above job gains

While the global projection predicts that the job gains until 2020 would be less than enough to offset the job loss from sizable industries (Cann, Jan 2016), the regional situation predicts a different challenge. Economies in the 10 countries making up the ASEAN see more new job creation but they also see that the current labor market will lack the skills to fill these positions. When economic growth derives demand on more skilled labor to fill in jobs, the targeted youths face bigger challenge to upkeep the employability. Where there are predictably less new jobs created than job disappeared from 2015 to 2020, there are specific high growth employment families. According to global prediction, **high growth employment includes the computer and Mathematical job families requiring customer centricity and people skills**, such as (a) data analysis (b) software and application developers in (ii) financial services and Investors (iii) media (iv) entertainment and information (v) mobility and professional services (vi) computer power (vii) big data analytics across industry sectors, rather than jobs in the information and communication technology sector. Likewise, Architecture and Engineering job family employment growth includes, for instance, (i) consumer (ii) information and communication technology (iii) mobile industries; rather than in the traditional core basic and infrastructure and energy industries, or in manufacturing, production, construction and extraction industries. Static employment will happen in the Consumer industry, the manufacturing and production roles. It is anticipated that at least **stable employment demand in a) sales and b) related jobs because of the changing consumer values, the rising middle-class and increasing women consumption.**

12. Mega Trend (3): New Economies is no escape for youths because changes even faster and also demanding

There are similar Challenges for youths opt for entrepreneurship (WEF, Jan 2018). The idea of peer-to-peer collaboration is generating new business models. Cars, tractors, launderettes and spare rooms in homes all become share-able. Collaboration is the key to shared-economy and it is happening at various levels. It can happen directly with customers, through the collaboration with peers and down-streams. It is happening faster because of technology advancement. Many business leaders are convinced that collaboration is the innovation. Behind the collaboration, it is customer centricity as the definition of “fast”, “efficient” and “accurate” change in the customers’ mind. For the targeted youths wanting to be independent contractors on platforms rather than joining the corporations, they also need to increase employability with future-proof skills to create the unique value propositions, not for the employers but for their target consumers.

13. Local Opportunity: Hong Kong Job Gains are selective

Hong Kong has job gains from 2012 to 2022 (HKSAR, Report on Manpower Projection to 2022, April 2015) in pillar industries. The total labor requirement from 2012 to 2022 was projected to increase by 319,100. The conventional economic sectors with highest percentage growth is Financial Services at 2.2%, next comes professional and business services at 1.5% growth, then comes the construction industry as well as Information and Communication same at 1.4% growth. In terms of number of labor required, Professional and business services will top the growth at 58,200, followed by Financial Service at 57,600 and the third comes Social and Personal Services at 50,100. Regarding the annual growth rate of key pillar industries, Tourism tops at 2.3%, followed by Financial Services at 2.2%, then Professional Services and Other Producer Services at 1.5%. In terms of number of labor required, **Professional Services and Other Producer Services** will top the growth at 75,700, followed by **Tourism** at 64,900, **Financial Services** at 57,600 and lastly trade and logistics at 4,600. Also, there are job increase in information and communication areas, although Hong Kong has lagged behind in the development of the economic sector of information and communication, the projected labor growth of the sector up to year 2020 is among the top three at 1.4%. The top 10 most in-demand technology job in Hong Kong are (i) Application Developers; (ii) DevOps; (iii) Mobile Developers; (iv) Project Management/ Business Analysts; (v) Engineers; (vi) System Engineers; (vii) Data Scientists and Analysts; (viii) Scrum Masters; (ix) UI/UX (user interface/user experience) Designers; (x) Cyber Security/Technology Risk.

14. Future job skills: future is here and job skills are largely unstable

Future job-skill requirement is unstable (WEF, Jan 2016). There will be creation of new jobs we have not seen before. About 35% of the job skills widely considered as relevant today will become obsolete in the near future. The gap between the skills people learn nowadays and the skills people need in the future is going to widen.

15. Future job skills: futureproof skills help to surf the big waves of change

Instead of catching up desperately with job skills upon new job creation, it is a better strategy to develop the futureproof minds flexible to form new skills based upon exposure to new experience. Howard Gardner, a world renowned educator who is most notorious for development of Multiple Intelligence theory, has advocated the FIVE MINDS, namely, the Discipline Mind, the Synthesis Mind, the Creating Mind, the Respecting Mind and the Ethical Mind.

16. Futureproof skills self-assessment: explore the employability of the Hong Kong youths

An exploratory survey conducted among Hong Kong youths reveals their perception on possessed skills formed by the FIVE MINDS. Thirty-five basic job skills (WEF, Jan 2016) recognized worldwide are compared to the most popular 23 job skills interviewed in Hong Kong. The comparison shows that both employers worldwide and employers in Hong Kong weigh heavily on skills formed by Discipline Mind and Synthesis Mind. It is noted also that the employers worldwide and employers in Hong Kong weigh significantly on “Respective Mind”, meaning that employers prefer job candidates who “welcome differences between human individuals and between human groups, tries to understand these ‘others’, and seeks to work with them effectively”. It is also found that the worldwide and Hong Kong employers place less weight on “Creating Mind”. What is more, the Hong Kong average employers place nil weight on “Creating Mind”. There is possibly a result of the culture and an output of the Hong Kong education system.

17: Exploratory Survey on youths’ employability: Findings

The exploratory survey contains the 23 most popular and preferred job skills interviewed and the less popular job skills interviewed in Hong Kong for the responding youths to (A) choose their perceived possessed job skills and (B) their perceived required job skills for their aspired jobs. The jobs skills chosen by the respondents are categorized according to the FIVE MINDS.

Findings include (1) the percentage youths believing that they possess job skills formed by Discipline Mind and Synthesis mind is higher than percentage youths believing that they possess Creating Mind (2) the percentage youths believing that they require job skills formed by Discipline Mind and Synthesis Mind is higher than the percentage youths believing that they require Creating Mind in order to get the aspired job (3) the percentage youths believing that they required job skills formed by Creating Mind is lowest amongst all FIVE MINDS but the worldwide employers already put Creativity among top 10-ranked job skills required in the future (4) the percentage youths possessing respecting skills is similar to the percentage of youth possessing Discipline Mind and Synthesis Mind but the percentage youths picking respecting skills as required job skills is even less than the percentage youths possessing them today. The youths might not be aware that respecting mind is equally important than the other three cognitive mind (Discipline, Synthesis and Creating) as many leaders agree that collaboration is a key driver for business success (5) the parents have picked up less job skills from their children than the youths have perceived (6) the percentage of parents picking up a certain skill as required by job is less than the percentage of youths who picked up a certain job skill as required skill for aspired job. This might be an indicator that parents, being the potential career coach of the responding youths, need to communicate with the youth to understand the youths’ perception on possessed skills so as to identify the gaps for golden coaching opportunity regarding to job skills expected by an employers. Reversely, the youths may find an opportunity to reverse coach the parents about the reality of the job market as they learn from various channels.

Although this is an exploratory survey, the outcomes match with the expectation that Hong Kong education system has trained youths with more skills formed by Discipline Mind, Synthesis Mind and Respecting Mind. The outcomes also match with the expectation that Hong Kong youths are relatively weak in skills formed by Creating Mind. To be futureproofed with versatility to learn new skills when exposed with new knowledge and experience, a youth today need to possess all five minds. One must possess discipline mind and synthesis mind in order to become creating. Respecting Mind and Ethical Mind is important to

the harmony of the society as well.

17. Interviews to explore the journey to land on decent jobs

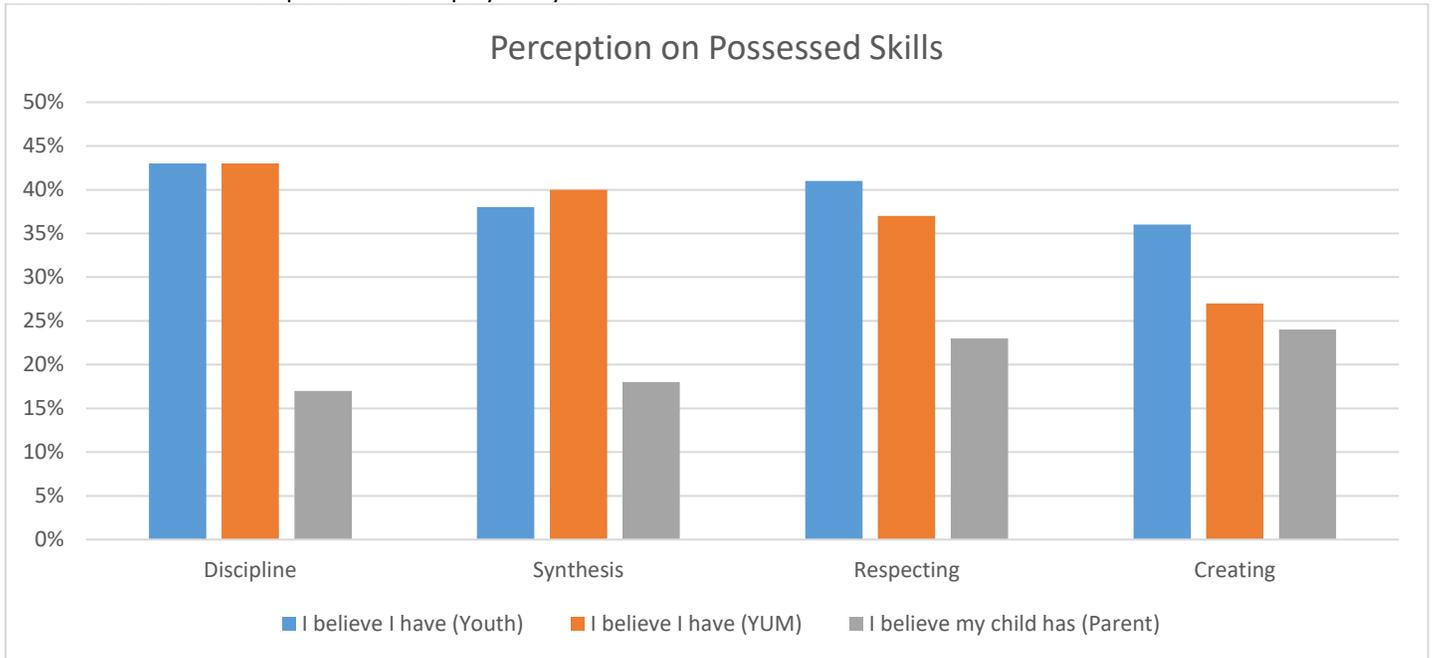
Two selected YUM participants were invited for interviews to explore about their positive interactive experience with the CDF and the YUM program. The outcomes indicated the values of the two mentioned programs to the career management journey of the program participants since they were small. The CDF loving and caring mentors provide much add-value to the young program participants to form their respecting mind and ethical mind. The YUM's quality career mentors provide much add-value enabling the youth program participants to engage with their future work self that motivate the youths to manage proactively their future career by exceling in their performance in school and at intern program. These two interviewed cases indicate that positive interactive experience with CDF or YUM mentors, big brothers and sisters, teachers or employment role models, are essential to engaging the youths with their future work-selves to trigger proactive career behaviors much liked by employers.

18. Recommendation to HKCNP Strategy and 3-pillar model

Based on the research review, the exploratory quantitative survey and the exploratory qualitative survey, recommendations are made in three areas, namely, (A) the branding strategy, (B) the stakeholder engagement strategy and (C) a highly articulated, collaborative and engaging 3-pillar service model to enable the development of Five minds of the youths and their eagerness to the career future self with the collaborative effort from the students, the schools, the parents, the employers and the financial sponsors.

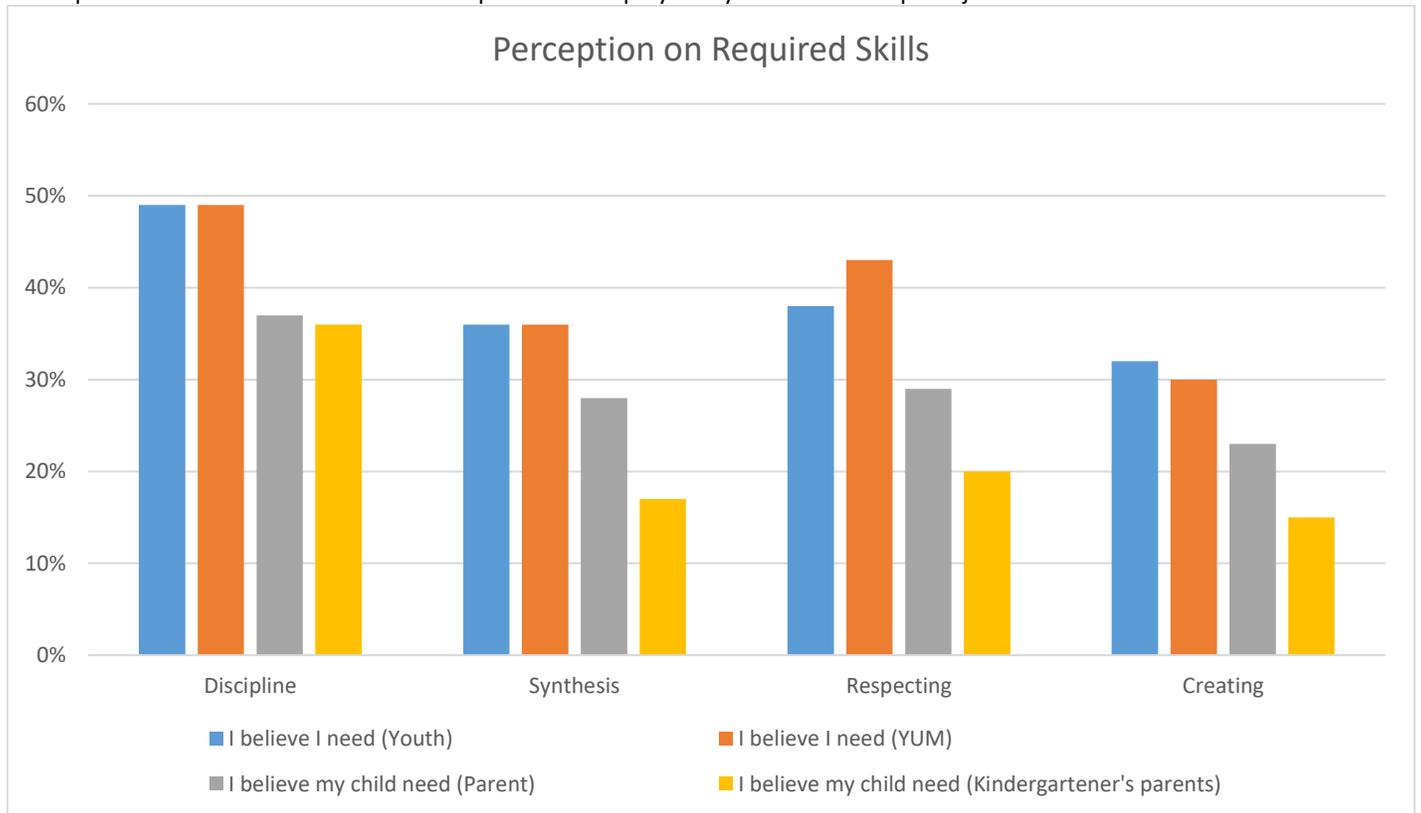
Findings (1): Perception on possess Skills

On average near 40% of the youth believe that they possess the employability skills. However, on average only 20% of the parents believe that their children possess the employability skills.



Findings (2): Perception on required Skills

On average near 40% of the youth believe that they required the employability skills for the aspired jobs. However, on average only 30% of parents believe that their children required the employability skills for the aspired job.

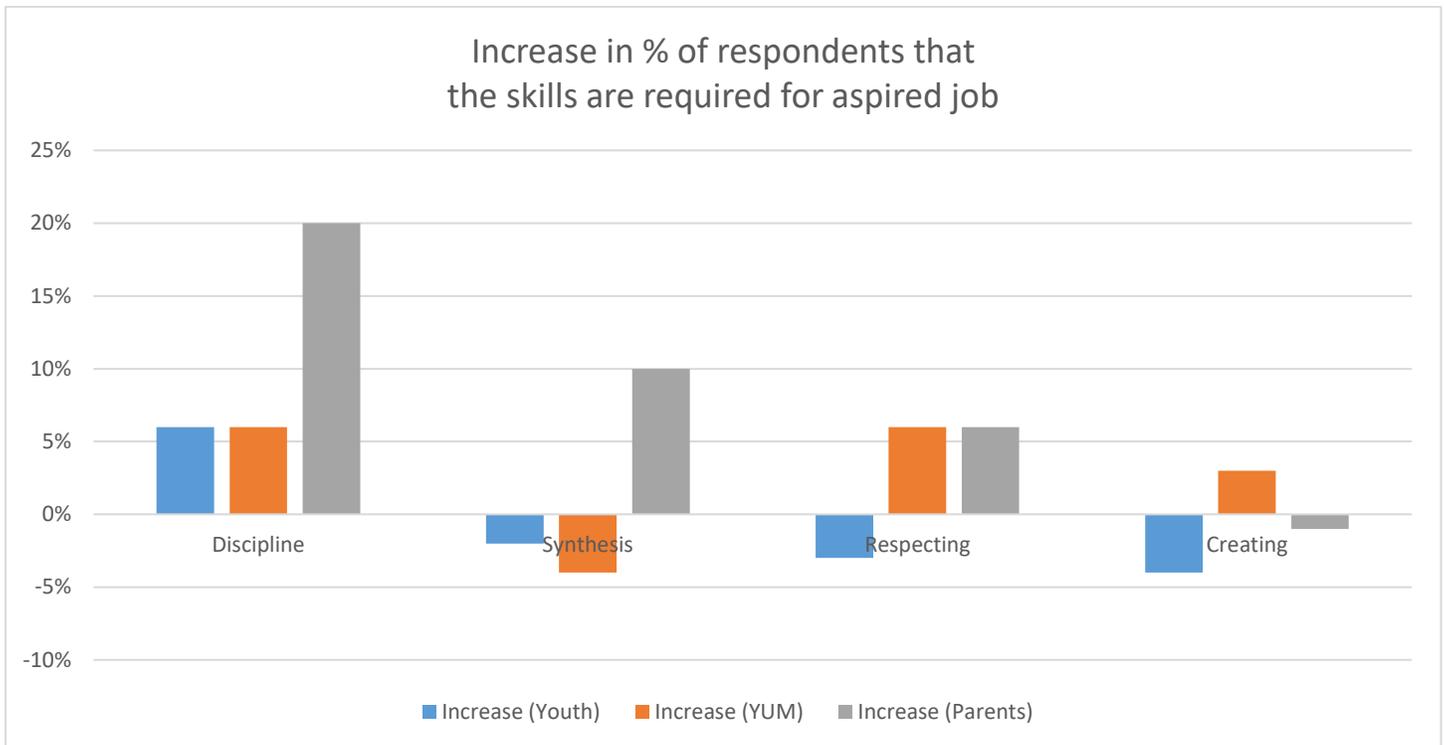


Findings (3): Perception on required skills

The following chart shows that, with the aspired job in mind, higher percentage of surveyed youths from Form 1 to 5 believe that discipline skills are job requirement. However, lower percentage of surveyed youths believe that synthesis skills, respecting skills and creating skills are job requirement.

With aspired job in mind, higher percentage of surveyed YUMs (DSE graduates) believe that discipline skills, respecting and creating skills are job requirement. However, lower percentage of surveyed YUMs believe that synthesis skills are job requirement.

With preferred jobs for their kids in mind, much higher percentage of parents of Form 1 to 5 students and YUM believe that discipline skills, synthesis skills and respecting skills are job requirement. However, lower percentage of parents believe that creating skills are job requirement.



Recommendation to the youth and to the parents

- It will be good for the youth to be exposed to real work environment when they are in secondary school. So that they could articulate how the knowledge and skills learnt in school is related to the real work environment.
- It will be good if the parents could receive updated information from schools about the latest evolvement in the job market so that they could encourage their children to be proactive in career planning.