



“Greater Bay Area Youth Employment Scheme”

Impact Study Phase 1 Report

Executive Summary

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Overview

- In 2020 Policy Address, the Chief Executive announced the “Greater Bay Area Youth Employment Scheme” (hereafter the Scheme), to encourage enterprises with operation in both Hong Kong and the Greater Bay Area (hereafter the GBA) to recruit and deploy local university/ tertiary institution graduates to work in the Mainland cities of the GBA.
- To assess the effectiveness of the Scheme and offer policy recommendations to the Government, MWYO and the Hong Kong General Chamber of Commerce (hereafter HKGCC) have launched a longitudinal research study in four phases, conducting online surveys and in-depth interviews to gather the opinions of employers and employees who have participated in the Scheme. Phase 1 commenced in September 2021 and Phase 4 is scheduled to end in mid-2023, several months after the Scheme is completed.
- This study used two questionnaires, one for employers who have participated in the Scheme and the other for employees under the Scheme. HKGCC distributed the employer questionnaire to its members and the members distributed the employee questionnaire to their employees. 20 valid responses from the employers and 140 valid responses from the employees were received, amounting to response rates of about 16% of employers and 13% of employees who have participated in the Scheme respectively.
- The data collected from the employers and employees have been compared and analysed. Different employers may have a wide range of considerations and face various challenges, so survey results may not show the whole picture. To remedy this limitation, we incorporated observations from the in-depth interviews to present a more comprehensive analysis. 10 in-depth interviews with the employers (arranged by HKGCC) were conducted.

Results

Employees

- The sample covered an equal proportion of male and female employee respondents. 66% of respondents were between 20 and 24 years old. 73% of them held a bachelor’s degree and the other 27% held a master’s degree. Most respondents had just graduated the year they signed up for the Scheme. Those with master’s degrees tended to be older (30% of respondents were aged 25 to 29) and had more full-time work experience (18% of respondents had two or more years of experience). Most employees took business-related subjects in university, with 57% studying accounting or finance and 13% studying business management.
- About half of employee respondents had full-time work experience. Among those who had a full-time job, 46% most recently worked in the professional and business service industry; 76% earned between HKD 10,001 and 20,000 in their previous job; only 17% earned HKD 20,001 or above in their previous job.

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- 78% of employee respondents were satisfied with their performance in their current company under the Scheme. Most respondents understood the abilities (88%) and skills (87%) required by their employers, as well as local transport (87%). More than half of the respondents lacked the knowledge of different subsidies offered by Mainland authorities (58%), the local medical system (54%), tax payment requirements (53%), and the social security system (50%). Most respondents could adapt to life in the Mainland, especially daily life arrangements (89%), food safety (86%), public safety (84%), environmental protection (83%) and interpersonal communication (81%).
 - 78% of employee respondents considered that the Scheme supported their professional development, while 93% reported that the Scheme supported their career development. 81% of employee respondents mentioned that the Scheme supported their life development beyond their careers. 83% of employee respondents believed that their career development plans in the GBA were clear. 48% of employee respondents were willing to work in the GBA for up to two years, while 39% were willing to work and develop their career there for at least three years. 77% of employee respondents considered that their current companies were suitable for them in the long term. Male respondents and those who have connections in the Mainland were more likely to be willing to continue working in the GBA in the long term (i.e. more than two years), at a 5% statistical significance level and with a medium effect (Cohen's d effect size of around 0.5).

Employers

- 82% of employer respondents stated that the Scheme helped them understand the level of job-related skills of the young graduates they hired. Despite the fact that most employees only worked for the employers for several months by the time the survey was conducted, 56% of employer respondents have started to make plans for retaining the employees after the Scheme ends in 2023. 44% of employer respondents planned to relocate the employees to their Hong Kong offices, while 31% planned to retain the employees in their GBA offices or retain them even without the Government's monthly allowance under the Scheme. Most employers expressed in the in-depth interviews that they would retain employees with satisfactory performance.

Comparison of the views of the employers and employees

- 70% of employer respondents and 66% of employee respondents reported that the Scheme could meet nearly all of their expectations. Through the Scheme, the employer respondents wished to support the policy objectives of the Hong Kong Government and Central Government (support Hong Kong youth development: 60%; support the Central Government's GBA development plans: 55%), as well as support their company's business and human resource development (support long-term human resource development: 60%; support GBA business expansion: 55%; gain a better understanding of how young employees in Hong Kong can cater to the needs of the company: 45%). The majority of the employers suggested in the in-depth interviews that they hoped to support the Government's policy objectives and help achieve their company's

development plans. A few employers wished to fulfil corporate social responsibility and encourage Hong Kong young people to learn more about the GBA. 85% of employee respondents expected the Scheme to help them further their careers, while 72% hoped to gain more work experience. 65% of them hoped to expand their network, 63% hoped to develop a career in the GBA, and 63% expected to see a salary increment.

- Both the employer respondents and employee respondents were asked what competitive advantages the employees under the Scheme had, over Mainland graduates at entry-level positions. Among the 17 items listed in the survey, 16 of them had over 60% of employer respondents stating that their employees under the Scheme had a competitive edge, including English language skills, work ethic and professional skills, etc. The only item which the employer respondents considered that Mainland young graduates were generally more competitive was Putonghua language skills. The responses of the employee respondents largely aligned with those of the employer respondents. According to our in-depth interviews with ten employers, nearly half of them could not successfully fill up all of their available positions under the Scheme, due to irrelevant education qualifications and inadequate relevant work experience. However, half of the employers who have successfully recruited under the Scheme claimed in the in-depth interviews that their employees could adapt to the working environment in the GBA and delivered satisfactory performance.

Obstacles encountered during the implementation of the Scheme

- Most employers we interviewed cited difficulties in administrative and human resource matters related to the Scheme, and commented that the Government did not provide sufficient and clear information. Common obstacles are listed in the following table.

Table 1: Common obstacles encountered in the first phase of the Scheme

Design of the Scheme
<ul style="list-style-type: none">a. There are too many restrictions on eligibility, such that many young people (including those who graduated before 2019) have been left out. Employers without an office in the GBA cannot participate either.b. Compared to the average salary of fresh graduates from local universities, the minimum wage offered by the Scheme (HKD 18,000) was not an attractive incentive.c. The allowance amount for the employers cannot cover all expenses related to the Scheme, including insurance, accommodation and training costs.d. The Government has not provided enough information and coordination for the employers. Information for the employees was scattered and disorganised.
Promotion and receipt of applications
<ul style="list-style-type: none">a. Promotion<ul style="list-style-type: none">i. The Government promoted the Scheme through channels which could not be easily accessed by young people. It only provided general information for them through university career centres, such as the current economic and development situation of the GBA. However, it lacked useful information such as work-related skill requirements and tips for everyday life, or specific information to address various concerns.ii. The Government did not provide sufficiently clear information and guidelines for the employers in the promotional stage.b. The job application process was inefficient. The applications were mainly first received by the Government online and then relayed to the employers without pre-screening for eligibility or sorted beforehand.c. Some employers did not have entry-level positions in their GBA offices before the Scheme, so they had to pay extra cost to create new positions to take part in the Scheme.
Recruitment and onboarding process
<ul style="list-style-type: none">a. The Labour Department did not provide adequate support during the recruitment process, such as sorting and pre-screening job applications.b. Some applicants did not show up at jobs interviews due to their concerns about the COVID-19 pandemic and lack of concrete work arrangements.c. The Government did not have sufficient coordination with Mainland authorities (including immigration officers) regarding the Scheme. The Government did not provide sufficient support and information for the employees during the quarantine period.d. The Government did not offer support on the employees' accommodation arrangements. Relevant expenses and arrangements were handled by the employers.e. The Government did not provide clear guidelines for paying taxes related to the Scheme, for both employers and employees.f. Due to travel restrictions under the COVID-19 pandemic, the employers are unable to return to Hong Kong during holidays. The Government did not provide sufficient guidelines for the employers on whether or not they should provide accommodation or other arrangements during holidays and whether those holidays amount to paid leave.g. The application process of the employer allowance is too complicated and done offline, which they found inconvenient.

Policy recommendations

- The Scheme can be enhanced in numerous areas. Despite this being the first of four phases of the longitudinal study and may be insufficient to form a thorough assessment, there is enough evidence to formulate some policy recommendations for the Government to improve the Scheme. As the Scheme is beneficial for both employers and employees, the Government should continue to implement the Scheme and announce a two-year extension in the 2022-2023 Budget. As an important pilot scheme to support the development of the GBA, the Scheme should last for three years for a more comprehensive impact assessment to take place, so that the Government may determine whether to make the Scheme permanent or terminate it in the long run.
- The policy objectives of the Scheme are unclear. If the Government decides to extend the Scheme, it must set clear policy objectives and positioning, and enhance the promotion and administration of the Scheme, to maximise its benefit.

Table 2: Review and recommendations on the policy objectives and positioning of the Scheme

Important aspects of the Scheme	Current policy	Recommendation	Reasoning
What is the nature of the Government's monthly allowance under the Scheme?	To encourage employment of university graduates generally	Could be transformed into a talent-nurturing scheme	Adjusting the allowance amount for employer to hire applicants at different education levels to attract more competitive young people to join the Scheme (Please refer to recommendation 2*)
What types of Hong Kong residents should be benefitted?	All Hong Kong residents who are lawfully employable in Hong Kong	Only Hong Kong permanent residents should be eligible	Hong Kong non-permanent residents should not be the target of the Scheme (please refer to recommendation 3*)
Should the Scheme set a quota for the young people who already have experience in the GBA?	Hong Kong residents graduating from Mainland universities are eligible for the Scheme	Hong Kong young people graduating from Mainland universities could be subject to a quota, e.g. 20% of all job positions available	One of the aims of the Scheme is to allow more Hong Kong graduates with little knowledge of the GBA to learn about the career opportunities and work culture in the area (please refer to recommendation 4*)
Should graduates from earlier years be eligible?	Only young people who graduated within three years prior were eligible	Hong Kong permanent residents who graduated up to five years prior should be eligible	Hong Kong young people with several years of work experience may be more interested in and suitable for participating in the Scheme (please refer to recommendation 5*)
What types of job positions should be given special treatment under the Scheme?	700 out of 2,000 positions offered in the Scheme have been set aside for Innovation and Technology posts	Could consider abolishing the quota or offering quotas for other types of jobs as well	The Scheme sets aside 700 positions for Innovation and Technology sector, leaving fewer positions for all other sectors. This arrangement should be reviewed (please refer to recommendation 6*)
What types of employers should be eligible?	All Hong Kong-registered companies with business operations in both Hong Kong and GBA are eligible	Hong Kong-registered companies with only affiliated companies in the GBA could also be included	This type of companies can offer valuable job opportunities to Hong Kong young people as well (please refer to recommendation 7*)

Note: *The details of each recommendation can be found in the report.

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- The Government should provide more information and utilise more effective promotional channels. For instance, the Scheme's official website should display more FAQs. The Government could also reach out to employers and potential employees through organising career talks and workshops with university career centres and alumni offices, setting up a task force to exchange views with the employers and employees, collaborating with social media platforms and websites commonly visited by young people for promotional campaigns, inviting those with work experience in the GBA to share their stories, and reaching out to companies from a wider range of industries. The Government should strengthen communication with Mainland authorities to discuss the feasibility of special immigration arrangements for employees under the Scheme, and provide relevant information for the employers and employees regarding the requirements and policies imposed by Hong Kong and Mainland authorities. The Government can facilitate the setting up of employee group chats to release relevant information and address concerns from the employees. They can also help each other through the group chats.
 - The Government should improve the efficiency of the application and allowance application process by making better use of online platforms, such as accepting applications through online forms, pre-screening applications based on eligibility, sorting applications according to the job requirements, and then relaying the applications to the employers in an organised manner. The employers should be able to obtain the allowance online, thereby reducing the administration costs of filling in application forms.
 - Since the development of the GBA is crucial for the future of Hong Kong, the Government should collaborate with other organisations to periodically assess the effectiveness of the Scheme, in order to gather evidence to enhance the Scheme, or to initiate similar policies to facilitate the young people's career development in the GBA in the long run. Data collection can be done at various stages of the Scheme, to observe changes related to the employers and employees, review whether the Scheme's objectives have been met, and make the necessary adjustments and improvements. This impact assessment should be longitudinal in nature and examine the career development of the employees after the Scheme and the changes in hiring patterns of the employers in the future.

About Us



Thought Leadership on Youth Development

MWYO is an independent think tank that focuses on youth issues in Hong Kong. Our work spans across research studies and surveys, advocacy and education, and training and capacity building. We actively engage and work with everyone who has a stake in the positive outcome of young people's development: youth, parents, headmasters, teachers, social workers, employers, civil society leaders, governments, and political parties. Our mission is to be a thought leader in all aspects of youth development in Hong Kong.

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