



Seasonally adjusted data from the survey reveals Hong Kong's Net Employment Outlook stands favorably at +19%. Hiring prospects weakened slightly quarter-on-quarter by one percentage point but improved moderately year-on-year by four percentage points.

While 21% of the 814 employers surveyed expect to add employees over the next three months, only 2% predicted reducing staffing levels. Nearly three out of four anticipate no employment changes over the next quarter.

Employers in all six industry sectors reported positive hiring intentions in Q2 2011. Quarter-over-quarter, employers in four industry sectors report softer hiring plans, whilst year-over-year; employer confidence in five industry sectors continues to strengthen.

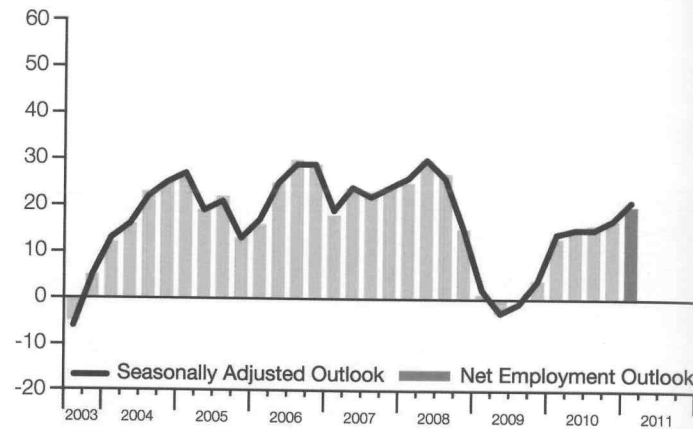
Lowest unemployment since 2008

Lancy Chui, Managing Director of Manpower Hong Kong, Macau and Vietnam Operations explained, "Once again...employment prospects have continued to remain steady. In addition, GDP growth, which expanded briskly by 6.8% in the third quarter of 2010, has helped strengthen the job market, pushing down the latest unemployment rate to 3.8%, the lowest since Q4 2008."

Finance and Real Estate—strongest hiring +23%

Employers in the Finance, Insurance & Real Estate sectors report the most hiring optimism for the second quarter of 2011, with a solid outlook of +23%, representing a steady hiring picture quarter-over-quarter and a considerable improvement of nine percent year-over-year.

HK employment outlook



'Net Employment Outlook' is calculated by subtracting those employers who plan to reduce staffing levels from those who plan to hire staff. A positive result indicates that more employers plan to increase rather than decrease staffing levels; a negative result reflects the opposite. No bar indicates Net Employment Outlook of zero.

Chui added, "The latest news emerging from the finance sector is the HKSAR's burgeoning reputation as an offshore RMB center, with experts predicting that yuan-related business will generate approximately 58,000 jobs in Hong Kong over the next few years. In addition, financial firms continue to add to their staff rolls as they continue to compete for market share in China."

"Active hiring plans indicate a gradual economic uptick in employers hiring confidence throughout Asia. We also see that banking, insurance and real estate are feeling the talent crunch with strong demand for talent with specific skills and they are struggling hard to both recruit the right talent and retain employees," said Chui, "The longer-term hiring trend places employment prospects in a generally positive light, particularly in the private banking, wealth management, telemarketing,

front-line sales, financial planning and management trainee roles."

Service Industry +21%

Jobseekers are likely to encounter a favorable hiring climate in the Service Industry sector with a positive outlook of 21%. The sector includes professional and business services; IT, accounting, legal, education, health services, leisure, hospitality and food services. "In the IT sector, given the popularity of smart phones, the territory is beginning to see a rising demand for mobile application developers," added Chui.

"Consumer enthusiasm in the luxury products or services, and the remarkably strong 9.6% expansion of China's GDP in the third quarter of 2010 are likely to continue benefiting Hong Kong's tourism, hotels and related industry sectors," highlighted Chiu. "Strong growth has further driven companies in the Services sector to add workers to cope with their expansion plans."

Mining and Construction +19%

Employers in the Mining and Construction sector continue to forecast an upbeat hiring pace in Q2 of 2011, with an Outlook of +19%. Chui extolled, "Strong workforce demand is fueled by infrastructure work such as several railway projects. Meanwhile, we note that the labor shortage is so acute that employers are turning to the last resort of recruiting inexperienced workforce and providing them with on-the-job training in order to keep projects moving ahead."

Wholesale and Retail +18%

Job prospects continued to be hopeful, according to employers in the Wholesale & Retail Trade industry sector; +18%, it is the only sector reporting improved outlook over last quarter. "Similarly, the Retail sector is benefiting from the ever-growing influx of mainland China tourists, consumer enthusiasm is particularly strong in luxury products," said Chui.

Chui added, "On the flip side, some concern on the part of employers remains in the Retail Trade sector. Despite an obvious turnaround to the positive, Hong Kong retailers continue to endure



some of the world's most expensive retail space and the scarcity of prime units continues to push rental increases accordingly. Upon renewal, rents at some prime retail locations such as Causeway Bay, Tsim Sha Tsui and Mong Kok have risen 80% to 100%. This is an ongoing cost consideration and another factor that may impact employers' ability to hire."

Transportation & Utilities, Manufacturing +14%

Employers in the Transportation & Utilities, and Manufacturing sectors forecast a steady hiring pace in the second quarter of 2011, both with outlooks of +14%. Chui said, "Government statistics indicate there is a continuous upward trend in passenger traffic which may have contributed to the Transportation sector's 10 percentage point improvement when compared with Q2 2010. Employment prospects of both the Transportation and Construction industry sectors should continue to be optimistic."

While Western economies are recovering, a slower external trading environment and softer consumer demand from the US and Europe continue to impact the Manufacturing Sector. Chui said, "We expect to encounter additional challenges with worker shortages, rising wages and competition from other low-cost regions all combining to further weaken hiring confidence in the Manufacturing Sector. Any changes in the external trading environment and global market will directly pressure employer hiring expectations. Nonetheless, hiring activity has increased throughout 2010 and only time will tell if healthy demand for workers will continue throughout 2011."

APAC and global hiring outlook

In the Asia Pacific region, hiring plans continue to be strongest in India, Taiwan and China and weakest in Japan. Globally, nearly 64,000 employers in 33 of the 39 countries and territories surveyed expect positive hiring activity in the second quarter of 2011. Forecasts are strongest in India, Taiwan, Brazil, China, Turkey and Singapore. In contrast, employers in Greece, Spain, Ireland and Italy report the weakest forecasts globally.



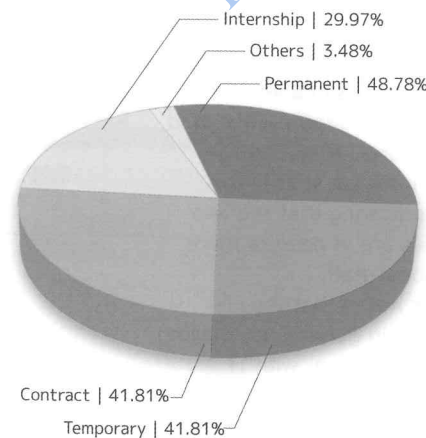
More graduates take on part-time, temporary contracts

A recent survey of nearly 300 students in universities and vocational training centres in Hong Kong showed that they are becoming more flexible in terms of their requirements for new jobs as they exit tertiary education. The survey, conducted by Adecco, found that 42% were willing to take temporary or contract jobs, with 60% willing to work part-time. The expected monthly salary of fresh graduates was found to be between HKD10,000 and HKD12,000, with students exiting vocational training centres expecting between HKD8,000 and HKD10,000. Expected hourly rates for part-time work averaged around HKD40 per hour.

The increased flexibility toward temporary or contract jobs helps graduates accumulate experience, explore career goals, expand their network and close the employment gap. Most temporary and contract jobs are offered by multinational companies and by taking up such postings jobseekers gain the opportunity to work with different departments and different organisations. When a permanent position becomes available, a referral from within the company becomes invaluable and as Audrey Low, Country Manager, Adecco Hong Kong explains, "Direct transfer from a temporary position to a permanent position is highly likely and mutually beneficial to

the temporary employee as well as the company itself." Many employers do not prefer candidates who have long periods of unemployment and working in temporary positions or on a part-time basis also helps graduates minimise these 'unemployment gaps'.

Work preference of fresh graduates



Strategic targeted recruitment

It is difficult to overstate the importance of hiring the right person for the right job. Industry experts put the cost of a wrong hire at tens of thousands of Hong Kong Dollars wasting management time, HR time, employee search fees and more. Making the right choice is more than selecting an individual or following a gut feeling; recruitment should be seen as an ongoing strategic initiative and not as a reactive event to fulfil an immediate need. It is crucial to decide up front the kinds of people you want to hire, identify mismatches quickly, and then develop techniques to evaluate the remaining candidates based on the traits you require.

Before a new position is advertised, it is necessary to conduct a skills inventory. This is achieved by interviewing employees who have held the position (or a similar one) in the past, and evaluating current employees in the specified position. The key attributes required are identified in addition to any specific personality traits which may prove a disastrous mismatch for the job. You may learn, for example, that the job requires strong multi-tasking skills in addition to customer service, and a confidence-lacking individual may soon sink in the position. A crisp job description should identify the 'must have' requirements of the position versus the 'desired' attributes.

Candidate Profile

A profile for the perfect candidate should be created during the inventory process. Numerous testing programmes are available to help the identification of the winning attributes needed in different positions, or you can create your own. A deliberate screening strategy that can be adapted to both active and passive candidates should be incorporated; and once the ideal candidate has been qualified, this profile should be offered to frontline hiring managers. Interview questions should be specifically designed to explore how far each candidate meets the core competencies needed for the job vacancy. Hiring managers should also be provided with a variety of creative sourcing options for that ideal candidate.

Organisation

The recruitment process needs to be clearly delegated, with a clear and consistent ownership of who screens for what, against what criteria. When the hiring manager discovers a potential high calibre candidate, at least three other managers should interview him/her. Through a process of employment evaluation, a group of managers proven to be effective at spotting talent can be gradually cultivated. The candidate's credentials such as education and employment history should always be thoroughly checked. After all, just because people can give good answers and sound impressive—it does not mean they can do what they say.

Strategic and targeted approach

As already stated, companies should regard the recruitment process as an ongoing strategic initiative and not just as a reactive event that fulfils an immediate need. Top candidates usually already have great jobs—so how does your company attract the best talent? Consider advertising your jobs in unconventional ways—affinity groups, expert computer groups or local business networking functions, sponsoring local events, or employee referrals.





the 'act' element is engaged. And when all three of those elements are in place, you really have an engaged employee.

What drives engagement?

There are six key drivers of employee engagement, identified as follows by Hewitt Associates:

- **People**—senior leaders, managers, co-workers
- **Work**—intrinsic motivation, influence, work tasks, resources
- **Opportunities**—career opportunities, recognition
- **Compensation**—pay, benefits
- **Procedures**—policies, HR
- **Quality of life**—work/life balance, physical work environment, safety

DHL's approach to moving towards becoming an employer of choice is split into two phases that address each of the above six drivers. Phase one addresses issues of leadership, rewards and remuneration and growing talent. In phase two, DHL works on learning and development, corporate social responsibility, work/life balance, work environment, OH&S, employer branding and diversity. Throughout phase one and two, key concepts that enable these projects to develop are change management and employee communication.

Change management

In leading change within the organisation, DHL utilise a seven step process:

- Create a shared need
- Develop a vision
- Mobilise commitment
- Plan & execute change
- Communicate change
- Align the infrastructure
- Sustain momentum

Employee communication

Keeping regular contact with employees is a critical step in engaging them and ultimately retaining them. Communication is far from one dimensional however, and can include many media, such as:

- Team briefings
- Newsletters
- Notice boards
- Kick-off meetings—annual meeting with all managers regarding key achievements, strategic plans, potential challenges
- Emails
- Quarterly meetings with country managers—especially important for global organisations

Growing talent

DHL grow their talent with a simple four step process:

1. Talent acquisition—selection is based on corporate values and leadership competencies
2. Pipeline management—built on a rigorous performance management system, 'Motiv8'
3. Talent development—consisting of DHLLogistics Management University, a graduate trainee programme, deputy country manager program and DHL supply chain management scholarship
4. Talent recognition—comprising well defined career roadmaps, competitive rewards and remuneration and the potential for a global career

A talent management practice as clear and well-executed as what DHL now have in place has certainly laid the foundation for the global logistics giant to become an employer of choice.

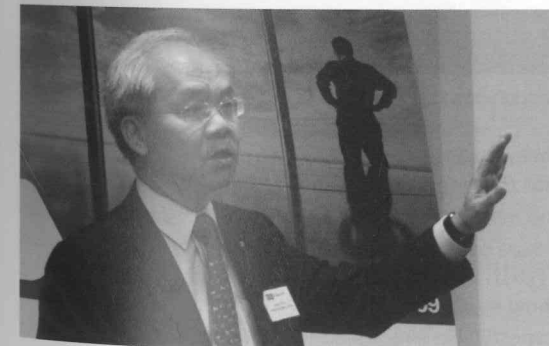


Hang Seng Bank: HR strategies |

Joseph Poon, MD & Deputy CE, Hang Seng Bank shares advice on recruitment best practices.

At one of HR Magazine's recent HR conferences, Joseph Poon, Managing Director and Deputy Chief Executive, Hang Seng Bank, introduced the importance of HR as a strategy. Starting with the problem of having business plans that do not include people, he emphasised that CEOs should focus on talent retention as a key issue and that, "HR is not just primarily responsible for HR, but rather the business strategies that the CEO leads." Poon spoke of an exercise begun in 2006 by Hang Seng Bank to rejuvenate their brand but found it difficult to try and articulate its culture. They decided that middle managers would form a core group on deciding the service excellence framework, which became seven beliefs, all with one aim, to deliver service excellence.

Poon stated that engaged and inspired employees 'form the bedrock of an organisation' and this needed to be integrated into the brand, which would be rolled out and led by the CEO with the theme, "Live the brand, start with me." He highlighted that this concept needs constant reinforcement.



Joseph Poon, Managing Director and Deputy Chief Executive, Hang Seng Bank Limited

Poon went on to discuss the bank's Talent Management System. He said when he first questioned its existence he received the reply, "Yes... but we haven't launched it." They then worked to deliver the model, along the way making reward and leadership plans for mid-level and the young as well as provisions for succession planning and the development of a career website.

He revealed, "Young recruits could disappear within 21 days...", and so required constant follow up. He added that it was inviting trouble to have talent remain in the same job for more than three years, stressing the importance of having the talent pool being proactive in managing their own career development.

He listed the important factors for success, such as having the system as simple as possible and noted, "It was great to have strategic plans but that 80% of the success came from the leadership in implementation."

Poon discussed the importance of being passionate about what you do as well as understanding how to balance learning with development in business. "In Hong Kong, especially, we lack exposure to strategic thinking... and project management."

He stressed that, "The talents involved in career and succession planning grow, develop and are inspired with the strategic planning." He added that the broader the exposure that talent can get, the better it is for both the person and the business. After working on this for four to five years, and being only halfway through, Poon reflected: Is it worth it? His response was that, "Within the talent pool the turnover rate is zero", even with staff disengagement due to the recent financial crisis. He closed by stating that senior staff cannot delegate their responsibility to talent management, as it is just too important.

now making use of social networks to help find talent, such networks are far from private. With this in mind, using external recruitment companies brings the obvious advantage of providing a neutral platform where staff are likely to be more candid about their current employment situation and requirements. This not only provides a clearer picture for hiring managers, but also saves them a significant amount of time and resources. On the use of social networks for recruitment, Edwards conceded, "LinkedIn is a powerful tool," but was quick to point out the platform's lack of confidentiality mean that existing bosses could easily see what their staff were doing. Again, this is an advantage of outsourcing recruitment—as potential hires are usually much more comfortable talking to external recruiters than they are with anyone in a competitor's company.

Gollop added that the traditional role of recruitment companies had dramatically changed in recent years and recruitment process outsourcing was a lot more involved than in previous years. Good recruitment companies are now expected to do much more than simply 'recruit'. Nowadays they also share advice on market trends, propose employer branding strategies and generally engage much more as a partner with



Mathew Gollop, Group MD (left) and Adam Edwards, Managing Director—Greater China (right) of ConnectedGroup

HR teams. He concluded, "We have identified that clients need a 'high touch' relationship alongside strong delivery in order to really maximise our effectiveness as a true partner. As such we have begun to structure ourselves in a way that allows experienced leaders like Adam and myself to engage with clients strategically while fully involving our recruiters in the process and then monitoring performance to ensure we are exceeding expectations."

HR battle plan

- Be flexible and adapt with the market. The market is fluid—so expect change very quickly.
- Partner with recruitment agencies—engage them as a 'recruitment partner' rather than just in the traditional role as a 'recruiter'.
- Understand the overriding business strategy of your organisation and the market you are operating in to help anticipate when specific talent pools may dry up, and what hiring strategies you can adopt to mitigate this.
- Continually monitor what your competitors are doing.
- Consider hiring talent from different backgrounds and industries—today's workforce is much more flexible than previous ones. Staff can easily transition between different roles and/or industries.

HR in the fast lane |

Coping with talent needs amidst exponential growth.

In this day and age, businesses work and grow at a fast pace, backed by technology and shaped by globalisation. In this article, we share tips on how companies who are growing exponentially cope with their talent needs—in recruiting fast and accurately—as well as ensuring talent stays. James Mendes, Managing Director, Asia Pacific, Alexander Mann Solutions shares his insight on some of the key issues.

What would you say are the three most important criteria in recruiting in a fast growing organisation?

1. Understand who are your target candidates to ensure you get the right people

People are the foundation for success. By recruiting the right people at the right time, companies provide a firm foundation for further growth, and create a high-performance culture which in turn supports rapid growth and expansion.

Too often companies fail to do any location assessment to determine if their talent requirements can be met prior to making investments.

For businesses in developed economies today, 70% of total costs are people costs—with such a high proportion of costs being allocated to people, it is absolutely essential to bring the right people into the organisation, and make best use of the people investment.

The recruitment process is the very first point of contact with the future staff of your organisation, and

provides the best opportunity to make a reasoned decision about the contribution that they can make to your organisation, and conversely the contribution your organisation will make to their career.

The hiring managers and recruiters who make the decisions about the people who will enter your organisation need to be fully trained and equipped with the skills needed to identify and attract the very best talent for your organisation.

2. Keep track of costs and requirements

It's easy for companies to turn to executive search and recruitment agencies when they need staff, and need them quickly. However these sources incur high costs, with agency fees often running into the tens of thousands of dollars, recruitment costs quickly build and can have a significant impact on cashflow and the company bottom line.

We find that organisations that have a heavy reliance on high-cost sourcing channels tend to be recruiting reactively—the staffing requirement is driven from an existing vacancy. Recruitment works most effectively in a proactive manner—sourcing talent ahead of the requirement, identifying where talent exists and market mapping.

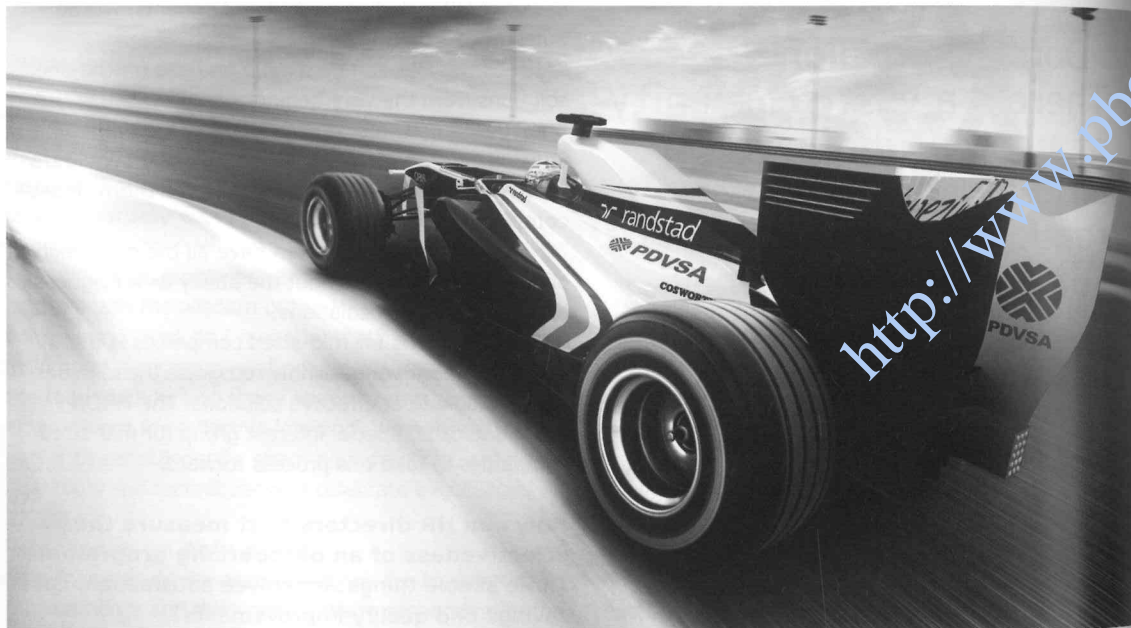
By forward planning and understanding what staffing requirements the organisation will have in the next three, six or twelve months, recruitment teams can proactively recruit for roles and ensure that they utilise low-cost and diverse sourcing channels rather than being overly reliant on recruitment agencies.



Building high performance teams |

Why Formula One racing tactics should be emulated off the track and in the workplace to build truly exceptional high performance teams.

By Brien Keegan, General Manager, Hong Kong for Randstad.



With the AT&T Williams Formula One races recently over in Malaysia, once again the importance of teamwork comes to the forefront in the fast-paced, action-packed sport. Success in the racing environment demands the highest levels of accuracy, dedication and commitment—both from the drivers, and many others working in support teams.



For most of us, F1 racing inspires images of speed, skill, high performance, success and celebration. These same images can also be seen in any highly successful workplace, with one inherent quality linking F1 drivers with high performing leaders and individuals—determination. Determination to take risks, push the limits of talent, focus the mind and get the most out of your team. With this in mind, accelerating the success levels of your business means not only leading with the focus and determination required to get around the track before your competitors, but surrounding yourself with a team that will drive this through their own desire for personal and collective success.

Accelerate your business

Like any sporting team after a difficult race, businesses are looking to enhance market share, increase profits and provide a stable foundation for future growth post the 2009/10 global financial crisis—and they are looking to do it quickly.

Unfortunately for the employer, high performance individuals do not make up the entire market. They can be somewhat of a rarity in some industries, simply due to the energy required to sustain such high levels of intensity, drive and motivation. Considering the uniqueness of this talent pool, the first challenge facing any employer looking to build a trophy winning, high-performance team, is determining exactly how to engage the right people.

The first step—before even looking at possible new hires—is deciding precisely what you require in line with the goals of your business. High performance individuals work best when they can align their personal goals for growth with those of their employer. Ensuring you have a strong and transparent strategy in place prior to going to market means you will only attract those high performers who feel a connection with your company mission.

Finding the right people—the true high performers who will be critical to your accelerated growth plan—means finding people who will hit the ground running. Similar to F1, these are people who show a natural ability and talent in their field, have a strong ability to lead others, and are determined to succeed no matter what. Like any sporting team, you also need to ensure

your potential new high performers have the right mindset for your business. Furthermore, given the commonality for this particular talent group to be of high intelligence, an interview should not be the only informant. These days, with a high performance team relying on the intensity of each player, insight into people's mindset and future behaviour is best gained through various scientific methods, such as psychometric testing, to ensure your drivers and pit crew are entirely on the same track.

When you have your ideal team in place, the next challenge is learning how to drive them to success. Remember it requires strong leadership to transform a team of high performers into a high performance team.

Driving a high performance team to success

In the world of business, a handful of leaders such as Jack Welch of GE, Steve Jobs of Apple and Eric E. Schmidt of Google, are renowned for their achievements, but none have achieved greatness alone. Great leaders share a common belief that leadership is more about character and vision than authority and power. It is how they interact with their teams and peers, and how they naturally inspire, that truly displays their ability to lead.

The real question is, does this apply to the management of high performers? Is it about character and vision, or are they looking for something else—something that sets their leader apart?

In a team of high performers, collective action is inspired by a leader who either exhibits the same unique qualities as their team members, or in contrast, identifies the differences and ensures they learn how to cater to the needs of their team.

So how can you manage high performers efficiently over long periods?

1. Recognise, reward and challenge

Just like a team leader on the racing track, business leaders need to encourage their teams by providing genuine and regular recognition of excellence. At the same time, in order to ensure a sustainable level of efficiency, it is important to make certain that high performers, with their unique levels of intensity, do not tire of the 'everyday grind'.



emerging markets countries. We have already seen major outsourcing of IT and back office operations to India. This is happening in Brazil, Mexico and Vietnam as well. Russia has become a global player in both oil and gas. Brazil has become a pioneer in bio-fuels. Indonesia has developed its vast natural resources—including timber, oil, gas, minerals and precious metals. As Turkey's economy develops closer economic links with the EU, the role of the state is shrinking as massive privatisation efforts are taking place in essential sectors, such as industry, banking, transport and communications. Turkey is a major player in the garment industry and Mexico is a major oil exporter.

Boarding the bases

MNC's are moving into the emerging markets because it is cheaper to source or manufacture their products in these countries as the costs are significantly lower than in the developed economies of Europe and the US and cut throat competition in the high street is so intense.

Global trade in goods and services is expected to rise more than threefold to USD27 trillion in 2030, and trade as a share of the global economy will rise from one quarter today to more than one third. Approximately half of this increase is expected to come from emerging markets. This is dramatic, especially when you take into account that only two decades ago developing countries provided 14% of manufactured imports to rich countries. This figure is now 40%, and by 2030 is expected to supply more than 65%. At the same time, import demand from emerging markets is becoming the locomotive of the global economy. By 2030, 1.2 billion people in developing countries, 15% of the world population, will belong to the 'global middle class', up from 400 million today. This group will have a purchasing power of between USD4,000 and USD17,000 per capita, and will enjoy access to international travel, purchase automobiles and other advanced consumer durables, attain international levels of education and play a major role in shaping policies and institutes in their own countries and the world economy. In China itself, it is estimated that there is already a middle class—annual income USD 60,000—of 175

million consumers who aspire to and are capable of purchasing branded/imported luxury goods.

Searching for added value

Major companies operating in the emerging markets are now looking to executive search firms to help recruit experienced and technically qualified executives who can speak the language and understand the cultures of these countries. Whilst expatriates may be needed to assist with technology transfers, the majority of these executives will be coming from within the emerging markets. The Chief Executives and HR Directors of major corporations in the US and Europe are increasingly wanting to engage the services of executive search firms that have in depth knowledge and experience in these emerging markets. Our experience in China has demonstrated that because so many firms are setting up for the first time they want advice on where the main activity clusters are, where to locate, how to find an office, how to structure remuneration packages as well as recruiting their staff.

According to Search-Consult executive search assignments are becoming much more intra-regional. Companies are looking to attract candidates who have good interpersonal skills and understand the cultural nuances. However, candidate pools tend to be regional rather than global as there are important differences between South America, Middle East and Asia Pacific. Expatriates are still in high demand, especially those with technical skills who are needed to assist with the transfer of technology. Nevertheless, local country operations are increasingly being managed by internationalised local managers that have received their education and have gained work experience in Europe and the US.

Looking at the Search-Consult global league table of the top five executive search groups published in 2007, it is instructive to see that the famous names which would have appeared ten years ago have been replaced by new groups who have a very wide global coverage and are more strongly oriented towards the emerging markets. Their consultants are normally senior local business executives, with the occasional expatriate who has been in the country for a number of years and is very well networked.



Recruitment retention in China |

By Mark Geary, Joint President of the International Executive Search Federation and Managing Director for AsiaNet Consultants



Asia, as a region, can be very confusing to those who are not used to doing business with it. Yet in many ways it is similar to the challenge of dealing with Europe, experienced by those Americans who expect that the European Economic Community (EEC) will be united together in a similar way to the USA. Asia Pacific and Europe both consist of many countries with long histories, strong traditions, different languages and pride in their culture. Spain and France may be next door to each other but their

languages, cultures and traditions are quite different. Within each country there can be strong regional differences—Delhi vs Mumbai, Singapore vs Hong Kong, Beijing vs Shanghai. So in this respect there are important regional characteristics which impact on recruitment.

China is forecasting strong GDP growth, which translates into strong growth in some of the cities earmarked for being opened up. The good and the bad news is this same pattern exists in all key



“ The proportion of companies projecting powerful online presence is growing steadily. ”

not realised how drastic the changes have been. Schmit likened the whole process to booking a vacation with a travel agent.

“If you were to book your vacation 10 years ago you would go to a travel agency without having access to a lot of information. You would go along with a certain vacation in mind and whatever they would sell you, you would go for. Nowadays it is a completely different ball game. If you do some research on the internet, you can make over 50 comparisons and you can do a comparison of all the deals you could get. You can even go and look on YouTube and check out your hotel room. Likewise you will be able to read reviews of your destination [online].”

Schmit continued, “If you transpose this to the industry of recruiting the right people, you’ll see the same thing. When you were applying for a job 10 to 15 years ago what you would see is someone applying for a job with very little information available—or very brief information. It would be more about hearsay than anything else.”

Twitter and YouTube

Today, when candidates are looking for a job they have a huge amount of tools available to them. Schmit explained that many employers are still uncomfortable with this because they do not believe it is taking off—but it is taking off. Some organisations have Twitter accounts and/or movies on YouTube to present a culture. These will do a lot extra to provide potential candidates with the information they are looking for. The proportion of companies projecting this kind of powerful online presence is growing steadily.

“If I do interviews with the younger generation, what I generally find is these people are very well prepared—they know a lot about your company...these changes

are something that we as employers have to take into account. People make the difference in any organisation and if you want to be successful you have to make sure that you have the best people,” said Schmit.

What candidates are looking for goes much further than the job specifications. It is not only reading about the job itself—the candidate will also like to know about the culture of the company and how the company deals with its people. Candidates are very much interested in how their development is likely to track in an organisation.

Mobile workforce

What is now much more prevalent than a few years ago is that when organisations interview candidates, they are much keener to have training that will help them build up a skill set that they can use in future. Schmit also observed that the situation of graduating and then spending 25 years with one company is no longer expected—and often not even desired.

“What you see now are candidates that develop individual skill sets that will suit different types of organisations. It’s no longer a necessity that a person sticks with a company for 10 years. After around two to three years they build up their skills and their skill set becomes more comprehensive and they offer it to another organisation. It is a win-win situation for organisations as a whole.”

Social media and branding

Also part of effective branding, it is important to embrace the technology that the next generation will be using. For example, making effective use of a company social media account. And this is the reality now. Companies need to embrace Twitter, Facebook and LinkedIn. Companies can then use these accounts to communicate what is going on in the organisation—this is useful for candidates. The company can mention projects they are doing, not just business-related but also samaritan work such as helping children in Africa or community work such as putting more computers in local schools. This all helps potential candidates gain a snapshot of what the organisation stands for. In the long term, making use of the technology can help organisations attract more candidates and a better quality of candidate.



Half of employees now communicating via social media

But third of companies still don't listen |





What do candidates lie about?

In China

In the Hudson research, employers who had encountered candidates falsifying information, were also asked about the specific areas in which dishonesty or exaggeration occurs. The findings revealed that remuneration packages, job responsibilities and achievements were the areas in which jobseekers lied the most, accounting for 59% and 55%, respectively.

Dishonesty about academic qualifications, was cited in 42% of cases in China. This figure is more than double that recorded in other markets surveyed. Candidates in the Media, PR & Advertising Sector were found to be the biggest culprits when it came to exaggerated claims on their CVs. With 64% lying about years of experience, and 88% exaggerating job responsibilities/achievements, this is much higher than in any other sector. As noted, many agencies are very sensitive to workload and candidates are often in the position of seeking new roles after obtaining relatively limited experience. They therefore tend to exaggerate several aspects of their resumes. After Media, PR & Advertising, the IT&T Sector has the highest proportion of respondents reporting that candidates are dishonest about their job responsibilities/achievements and years of experience—61% and 43%, respectively. Many IT professionals also work on specific projects and may exaggerate what they have achieved when applying for new roles.

Within the Banking & Financial Services Sector, a high proportion of respondents said that candidates tended to lie about their current and previous remuneration packages.

In Hong Kong

According to data gathered by eeVoices job applicants in Hong Kong were most likely to lie about performance issues on their job applications, with 19% indicating they had been dishonest. Incorrect education claims were the next most likely cause for concern in 15% of cases. Inconsistent position, employment period and/or salary accounted for 10% of fraudulent CVs, with lies about 'dishonesty and unethical conduct' being

present in 2% of CVs. The data was gathered from a wide range of industries including: banking, luxury brands, logistics, IT, hospitality, education, apparel, property management, global software giants and a host of SMEs. However, Greg Basham, CEO, eeVoices Limited warned, "Employers should not find any solace in these statistics, as organisations who are known for rigorous pre-employment screening drive these numbers right down to where the frequency



Fraudulent education claims witnessed first-hand in HK by eeVoices

- Fake PhD Fellowship from a world class prestigious science institute—a CEO who graduated from the same US University wondered why this person's PhD was not on his office wall with the other degrees.
- Fake degree certificates and transcripts—right down to the same paper and watermark used by the university.
- Fake Masters Degree—one person claimed to have MBAs in Accounting and Finance—but it was discovered that, while enrolled in both programmes, neither was actually completed.
- Mail-order Degrees and MBAs issued from non-accredited institutions.
- Fake Masters Degree issued from a US-based medical certification agency for a doctor. It was later discovered that work they had conducted during the same period was all in the UK. In fact, the person had left the UK due to criminal convictions for theft, went on to the US where they repeated the offences, before trying their luck in Hong Kong.

and severity of the exaggerated claims is very low."

He added, "It is not unusual for an SME, with no prior history of checking backgrounds, to start off with over 70% exaggerated claims from applicants, but after a few months of screening their statistics will start to mirror the industry averages."

Leo Ma, COO, eeVoices who has worked in pre-employment screening in both North America and Asia commented, "There is a higher rate of false education claims in this region [Asia] than in North America because this region has a shorter history of verifying education and claims on resumes. Other exaggerations in resumes run about the same rates across the globe."

Basham conceded, "The tragedy for employers is that these people with something to hide will just go to the employer down the street and will repeat the same problems all over again."

Candidate background checks

Many employers in China have followed suit and adopted much more stringent background checks on potential employees following the Tang Jun story. This has inevitably meant investing significant time and money in crosschecking job applicants' credentials and credibility. Qiu Jialu, an HR specialist at a real estate investment company in China, said her organisation is stepping up investigations into potential employees' background information. Qiu said, "Our company has strict procedures for recruitment, especially for those applying for high and middle-level positions. Now, we are planning to expand the scope of background checks to also cover those applying for rank-and-file positions."

"Tang Jun's case reflects a social problem. With the increasingly cut-throat competition, many people buy fake academic credentials to advance their careers," said Zhu Shibo, Manager, Recruitment Service Centre, at the China International Intellectech Corporation Shanghai Foreign Enterprises Service Company. Zhu explained that her centre has received unprecedented commissions to investigate job applicants in recent years. She added, "The number of employers who hire our services for background investigation, which usually covers the highest educational qualification, criminal

record and work experience, has doubled in the past two years."

With HR background checks becoming more important than ever—it is becoming an essential part of HR to conduct in-depth background checks on all details in an applicant's CV. Sometimes this is difficult on web-based subscription services or traditional search giants, such as Experian and Ashurst advised HR to look for partners who had a network of ground agents to help provide comprehensive background information on job applicants.

Research on existing directors of Chinese companies is normally conducted in the final stages of the selection process, but additional more in-depth research is sometimes required at a later stage. Fees tend to be highest for senior management checks because applicants' education and work histories are generally more extensive than for people applying for normal positions.

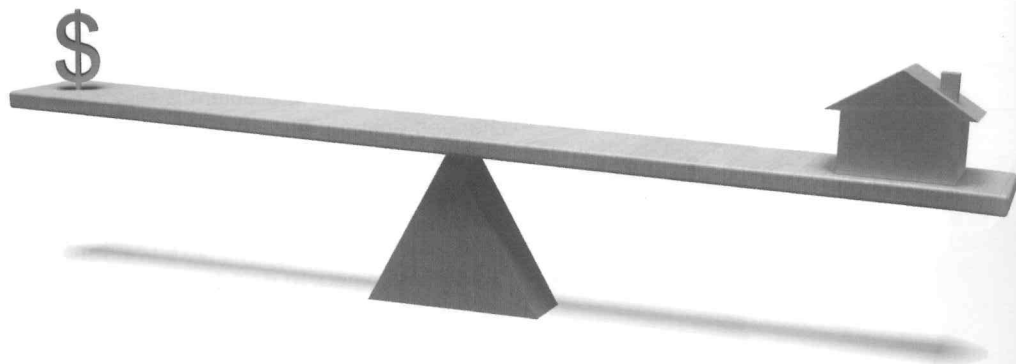
“The number of employers [conducting] background investigations has doubled in the past two years.”

Advice for HR

Basham pointed out that exit surveys show one of the key triggers for top performers leaving their jobs is 'the quality of new hires'. If new hires are less able than those who they replace, this is an early warning sign that this loyal, committed employee might soon start looking for new offers. Rigorous pre-employment practices result in better hires who stay longer and contribute more. In the long-run background checks play an important role in helping establish your brand as an employer. Think twice about that CV on your desk.



Half of young employees would leave job for better work-life balance



30% of employees said they would consider leaving their current job for a better work-life balance (WLB) elsewhere. This finding is even more striking amongst workers aged 29 or less, where nearly half said they would consider leaving. Over 71% of young workers, aged 29 to 39, stress the importance of employers addressing work-life balance during the recent economic contraction, compared to just 54% of employees age 60 or above. This according to a recent WLB survey by Community Business which clearly demonstrates WLB remains a priority for employees, despite the current economic climate.

"In the current economic climate all employers are under pressure to achieve more with less and this can often take its toll on employees...These findings should serve as a wake-up call to employers who have yet to prioritise the work-life balance needs of their employees," stated Shaun Bernier, Managing Director, Community Business.

Mr Jim Thompson, Chair of the Community Business Leadership Team (CBLT) and Chairman of Crown Worldwide Group remarked, "This research clearly indicates that poor work-life balance, with

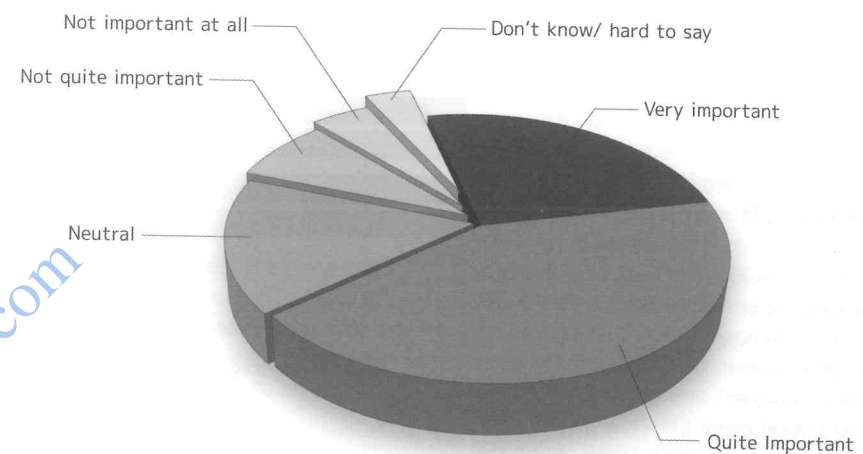
its negative impact on health and productivity poses a real threat to businesses. At a time when companies rely more than ever on a healthy, engaged and productive workforce, this has major ramifications for companies and the onus is on us as leaders in Hong Kong to take the well-being of our staff seriously."

48-hour weeks HK staff work 21% more than ILO recommendation.

As this study has shown consistently over the past four years, employees in Hong Kong work long hours and spend little time on their personal lives. Employees are working just over 48 hours per week, which is 21% higher than the 40 hours recommended by the International Labour Organisation (ILO).

These numbers are backed up by findings from the 2009 Planning and Earnings: a comparison for purchasing power around the globe, published by UBS, which shows Hong Kong employees work more hours than those in all other Asian cities except Seoul. The long work week leaves Hong Kong workers with

Chart 1 | Importance of Employers to Address Work-life Balance (2009)



little time for their personal lives—most spending less than two hours per day on personal activities.

Large-scale redundancies, mass restructuring and general uncertainties have put huge pressure on remaining staff, and as much as 62% said they suffered prolonged fatigue and extreme tiredness, with 30% getting sick regularly due to heavy workloads.

HR managers need to be aware that subjecting staff to intense work levels and disregarding their personal needs is not sustainable, and poses a huge threat for companies, effecting both morale and corporate reputation.

Cost to business 30% of all employees would leave for better WLB.

The cost to businesses is clear with poor work-life balance leading to absenteeism, poor performance, increased errors or faults and lack of motivation—ultimately impairing productivity and impacting financial performance. Almost one third of employees in Hong Kong would consider leaving their current job for a better work-life balance elsewhere and over 20% would consider leaving

Hong Kong for the same reason.

The benefits to promoting WLB include enhanced reputation, attracting and retaining staff, increasing productivity and raising morale. Companies that support work-life balance policies are likely to foster a more positive perception as an employer, thereby leading to better relations with employees, greater loyalty, commitment and motivation—reducing staff turnover and recruitment costs.

Cost to family life 71% of Hong Kong employees spend under two hours per day on personal activities.

With staff working such long hours it is no surprise that this comes at a cost to family life. Employees having insufficient time for their personal life and increased pressures at home. This has had a number of negative impacts on both family life and staff health. Key effects on the health of staff members and their families are as follows:

- 76% encounter problems as a result of poor work life balance;
- 53% suffer from fatigue;



- 41% have no time for their partner and family; and
- 31% suffer from insomnia and poor diet as a result of work pressures.

**Employers make little progress in WLB
Employees give employers less than half marks for their WLB efforts.**

Despite the economic downturn, employees' expectations of WLB did not radically change and their current WLB is still far from what they consider ideal. The preferred WLB ratio of employees is 62% work to 38% personal time, however, they reported that their actual WLB ratio is 83% work to 17% personal time. According to Dr Robert Chung, Director of POP, "In the midst of the economic recession, these findings show that the WLB of Hong Kong's work force has remained relatively unchanged... and that there is ample room for improvement." Employees continue to score their employers a mere 4.7 out of 10 for their efforts in promoting work-life balance.

**CSR solutions
Five-day week and more paid annual leave best ways to improve WLB.**

Companies are increasingly looking at flexibility to address economic challenges and traditional reactions such as large scale redundancies need to be examined closely as to

Chart 2 | Considering Leaving Current Job for Better Work-Life Balance (2008 and 2009)

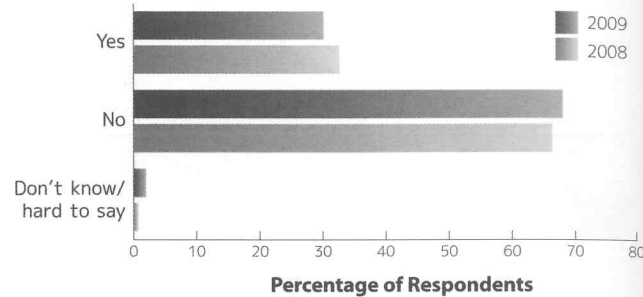
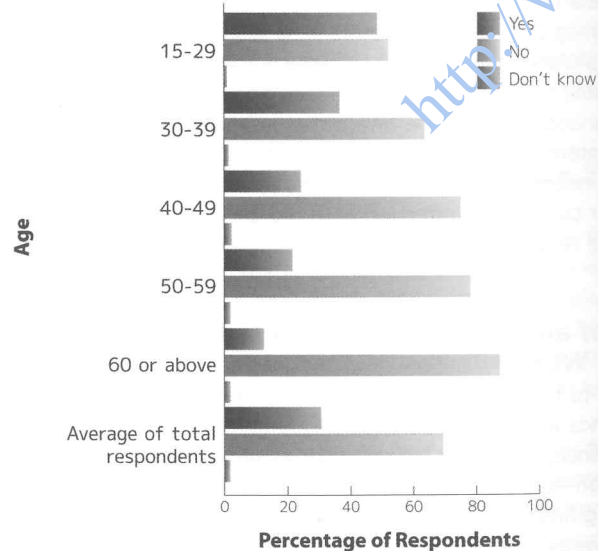


Chart 3 | Considering Leaving Current job for Better Work-Life Balance (2009)



whether it will be strategically beneficial, or have negative effects on morale, loyalty, commitment and trust between employers and employees. From an employee perspective employers are still not doing enough to promote WLB in the current economic climate.

Flexible working schedules, such as reduced hours or periods of unpaid leave, can be used to redistribute work and reduce salary costs. This also has the advantage of retaining talent and knowledge for a time when business picks up and avoiding the costs of redundancy.

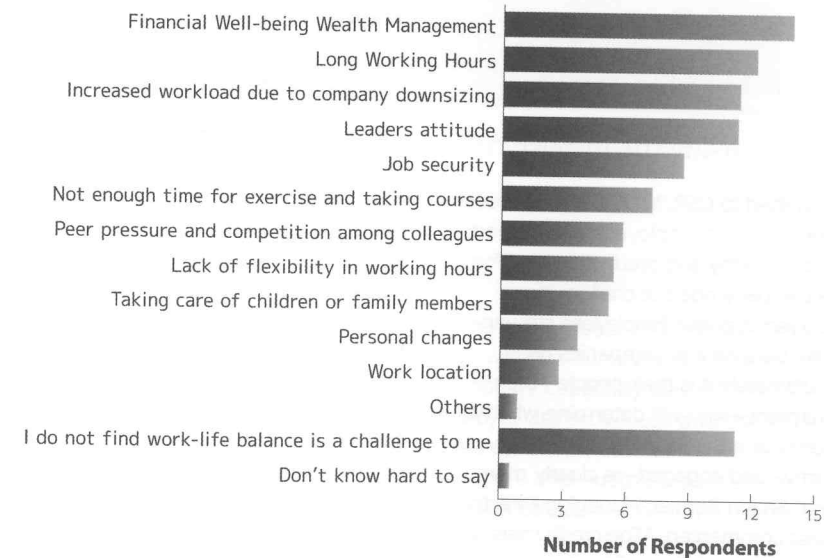
At the same time staff who feel they are valued enough to be retained by the organisation, are likely to reciprocate with increased commitment and effort. Employees think several factors would help them achieve better WLB as follows:

- 5-day work week, 27%
- more paid annual leave, 19%
- flexible working times, 11%
- option to work from home, 9%
- career breaks or unpaid leave, 9%

**Lower-income workers struggle most with WLB
Financial security biggest barrier to WLB for HK employees.**

Consistent with findings from previous years, staff with lower incomes struggle the most to achieve work-life balance. Employees earning \$10,000 or less a month work the longest hours, just over 50 hours per week, and spend 23% less time on personal activities than workers earning over HKD50,000. 88% of Hong Kong employees face challenges in achieving work-life balance. This year, financial security has overtaken long working hours as the most difficult work-life balance challenge employees face on a day-to-day basis. Such findings may indicate the higher level of importance employees place on achieving economic security and the belief that it runs counter to attaining work-life balance during these challenging economic times. Long working hours and increased workload due to company downsizing rank as the second and third key challenges for workers in Hong Kong, respectively.

Chart 4 | The Most Difficult Work Life Balance Challenges (2009)





Differentiation

'Daring to be different,' Kalinowski highlighted, "Many companies developing their Employer Value Proposition, EVP, find it difficult to draw the line when listing what they offer. Many say for example, 'We're international, respectful, we offer development opportunities and care for nature.' An EVP, with 12 different statements just becomes generic. Our advice is that talent will expect many of these things, so you don't have to state them all—just list out things that you really believe differentiate and distinguish you."

A strategic approach

A good strategic approach is one that is both long-term and has the support of senior management. Kalinowski said, "Many companies still confuse employer branding with recruitment advertising. Recruitment advertising is very tactical and done on a short-term basis; there is nothing strategic about it. Start by identifying target groups, getting senior management on board and the support and funding to go the distance."

Cooperation

The recruitment market is competitive and while recruitment is the function of HR, it is important to communicate with other departments otherwise creating something sustainable will be difficult and time consuming. While HR has many skills to deal with employer branding such as knowledge of company culture and what the company truly has to offer, it can benefit from the support of corporate communications or marketing functions who have well-founded skills and knowledge around communication platforms.

Is employer branding as beneficial for SMEs as it is for larger companies?

Unless you're a very small company, employer branding is useful for two reasons: internal and external. Kalinowski suggests, "Consider what kind of talent you want to recruit and what type of individuals you want working for you—without that everything else becomes meaningless. Then identify what is attractive to your target employees



Michal Kalinowski, CEO, Universum

and assess whether your company offers it, and put together a proposition that is not only based on remuneration but also cultural fit. That will increase both retention and engagement."

Social media and creating an employer brand?

The rise of social media has been very important for employer branding and in respect of EVP, it can be partly aspirational, but it must be true and you must be able to deliver. Kalinowski said, "We have found that people who speak negatively about companies in an aggressive tone do not get a lot of credibility. What is far more dangerous is if there is a real issue. There will always be individual cases of disgruntled employees or potential employees.

That is a personal experience and does not really reflect on the company, it is more about the amount



of commentary within a certain theme. For example, if you go online and find a number of people complaining about the same issue, then there is a problem and people will begin to take notice.

Social media has made companies aware that their employer brand must be true. The process of checking out whether the promise is true is now happening during the pre-employment stage and walking the talk has never been more important."

Does research show variation in generational expectations?

Kalinowski said that a few things are constant—most notably work-life balance; not in terms of working less, but working on employee's terms. The company conducted a study to identify what different cultures and countries meant by work-life balance and it was consistent across markets that work-life balance means flexibility. This means flexibility in terms of where you work, what projects you work on and when you work.

Work-life balance was expected to filter out when the recession hit, but it remained number one for employees except for in one market—that is a generational aspect that wasn't as strong before and it is consistent globally.

Secondly, Gen-Y expects a lot of mentorship, guidance and coaching. This has been highlighted because after the dotcom bust, companies went through severe job-cutting processes getting rid of a whole layer of middle managers, relying very much on Gen-X who are self-motivated and independent workers. Kalinowski said, "Now, however, the millennials are entering the job market and they have been parented in a big way and as a result expect constant individual coaching and feedback but the middle managers who would previously have been there to give that are gone. Many organisations have started to incorporate training and development, mentoring and feedback into their EVP. This is particularly noticeable in US companies, for example Merrill Lynch held a day for their employees' parents to educate them about working in an investment bank and what their children would be doing. In terms of geographical differences, the focus on professional,



Johan Ramel, CEO APAC, Universum

experienced hires comes to the forefront in Asia because the need comes from the market. In Europe the trends are around sustainability and social welfare. Employer brand maturity in Europe and the US is similar and the market price for talent is well established."

He went on to explain, "In Hong Kong employees are gold hunting and are able to because there is currently no established market price for talent in Hong Kong. Russia is more similar to China and Asia than it is to Western Europe; the education structure is similar and there is a focus on money and prestige—in terms of employer or title, so we are seeing title inflation in Hong Kong and Asia because the prestige factor is so important."

HR directors should be aware that jobseekers are investing an increasing amount of time researching particular employers, rather than adopting a blanket approach, as they want to know more than just if the company is successful or not.

Higher budgets and employer brand

Ramel explained, "Companies are concerned about the impact that previous years have had

Universities not instilling work-life balance...so it's up to HR

Despite the obvious lack of work-life balance (WLB) in Hong Kong, students at the Hong Kong University are still being actively encouraged by the Social Sciences Research Centre (SSRC) to conduct paid telephone surveys, in which they phone random residential telephone numbers up to 10.30pm at night.



The SSRC is an independent research centre which was established to conduct research on behalf of the Faculty of Social Sciences at The University of Hong Kong for the Hong Kong Government, NGOs, universities and other institutions. The Centre is currently directed by Professor John Bacon-Shone who, according to their website, is recognised internationally as "A research methodology expert." Students hired by the centre make telephone calls to random members of the public held in the university's database up to 10.30pm at night. This practise raises serious ethical issues regarding the timing of surveys conducted by the Centre.

Late-night surveys ethically wrong

Universities play a vital role in educating students not just academically but also, and perhaps, more importantly, in what is ethically and morally correct behaviour. However the practise of encouraging students to perform such late night surveys seems contrary to this.

Why late night surveys are bad for WLB:

They are an invasion of privacy on residential lines late at night. With precious little WLB in Hong Kong, being interrupted at home is, at best, a nuisance. For many families, with small children in bed, the phone ringing at such a late hour in a small dwelling often wakes up the children and disrupts their sleep.

For the students themselves, the fact that the University is encouraging them to phone people so late demonstrates a lack of respect the public's private time and more disturbingly instils in the students, before they even enter the work arena, that 'working' until 10.30pm is not only acceptable, but actively encouraged by their university.

Recruiting students for late-night work sets dangerous precedent

The practice of getting students to conduct late night surveys is helping to perpetuate the cycle of the incredibly poor WLB that exists in Hong Kong. HR Magazine spoke to Kelvin Ng, Research Project Manager at the SSRC, in-charge of the Telephone Survey Unit, to ask him about the ethics of employing students to call members of the public so late at night. He said, "I understand your concern, but this is a difficult issue to resolve."

WLB is a complex issue, and certainly arises due to a number of factors, but a critical reason that persists in Hong Kong is due to the mindset that working late into the night is 'good and something to be praised' as it shows determination. Working 'hard' is good but working 'late' is not, because it has a negative impact on the individual, their immediate family and ultimately on society as a whole. Once this mindset becomes ingrained, it means that many in the office become 'afraid' to leave before 7.30pm - 9.00pm for fear of being labelled as lazy.

Local universities have an important role in helping to break this cycle by being role-models to the students themselves in their own working practices. Encouraging students to telephone members of the public on their residential lines late at night is counterproductive, and sets a very dangerous precedent. Moreover, if students are working until 10.30pm, this is also likely to negatively impact on their studies during the daytime.

When asked for comment on the late nature of the calls made by students, Professor John Bacon-Shone, Director of the SSRC said, "Precisely because of work-balance problems in Hong Kong, many people do not get home before 8pm, making it infeasible to do scientific research if we stop that early at night [before 9.00pm] as we would exclude many hard working HK people." He added that, to date, the SSRC had not received any 'formal' complaints about the lateness of their calls. This fact may be a function of callees simply too busy, or exhasueted after work to consider logging a formal complaint. It may also be a function of the society we live in that bombards people with advertsing and unsolicited calls and e-mails, where logging formal complaints about them all would almost be a fulltime

job in itself. It may simply be that everyone in Hong Kong is happy to take late night survey calls. Either way, it is not the best of WLB starts for students themselves to be making calls at 10.30pm.

Making things better

HR Magazine encourages all universities and educators in Hong Kong to teach students some key points regarding WLB.

Life is about reaching balance between work and leisure time.

The average number of working hours in Hong Kong is already 49 hours per week, according to Community Business suveys. This figure is 22% higher than recommended by International Labour Organisation (ILO). Over three quarters of employees in HK reported that they face negative impact due to a poor work-life balance. With over 76% reporting prolonged fatigue level, sleepiness and extreme tiredness. In the light of this in Hong Kong it is even more critical that students not only respect other people's private time, but also their own private time. As such, students should not be encouraged to conduct university work after 9pm. Those conducting telephone surveys to residential lines should assume every call they make will be to a family with children, who go to bed at 8.30pm, and do not want to woken up by the phone ringing.

Every research organisation should stress the importance of following up on 'opt out' requests. It is good practise to put a questions to all people surveyed to the effect that, "Are you happy to receive similar calls in future?" in the same way that mass electronic mails also have to carry an 'unsubscribe' function.





industries, as companies look to save cost by buying in larger volume.

Bennett said, "Candidates are in short supply in this area, so we may see salary expectations, especially in the procurement side rise up to about 20%."

Outlook

As a result of the current stability of the marketplace and candidates being more willing to take risks, the candidate pool is expected to increase in 2011, which is expected to ease pressure on salary expectations and quicken recruitment timelines. The Commerce and Industry Sector was the big mover in the last six months of the year, as well as commerce finance. There was an increase of 23% in jobs registered, in sales and marketing, 18.5% and in the legal jobs by 17%.

In addition, the number of contract jobs increased by 44% in the second half of the year—trends which Robert Walters expects to continue for at least another four to six months.

The Asia Job Index Q4, 2010 indicated the total number of job advertisements increased by 3.1% from Q3 2010; largely as a result of the dramatic increase in the number of jobs in Japan which increased by 127% year on year, last year. China saw an increase of 57%, year on year, last year, while Hong Kong and Singapore saw a decrease from Q3 to Q4, due to the holidays, headcount restrictions and bonuses.

IT, legal and HR positions have seen the largest increase in number of jobs registered throughout 2010. China has become the second largest economy in the world, with a huge number of professional jobs being advertised. Besides a relatively slow start to the year, jobs numbers across the region have increased on a month on month basis and we expect a similar outcome in 2011. The survey indicates there has already been a build-up in the number of jobs leading into March. Bennett said, "In Hong Kong, quarter on quarter, except for Q4, we saw growth and we expect to see the same numbers in 2011, with the Financial Service Sector continuing to hire. However, it is the non-financial service sector that we will probably see the most amount of activity in the first six months of 2011."

The recruitment market of 2010 showed a war on talent for top-tier candidates due to increased demand from companies looking to take advantage of the market recovery in 2010. This trend began with the Financial Services Sector in the first half of the year, then commerce and industry saw the demand in the second half. Complex and specialised roles still remain the most difficult to find in the financial services with consumer banking and wealth management increasing the volumes of positions available. 2010 was a strong year for growth, though Bennett explained that similar levels of growth were very unlikely in 2011.

GDP growth of the region has dropped to about 5.3% compared to 6.8% last year, and this slowdown is predominately a function of newly industrialised countries 'settling down' to more sustainable growth. Bennett concluded on an upbeat note saying, "We do, however, expect the emerging markets to continue to grow, which will also help the export demand grow in the first half of the year."



Is HK HR ready for audit by the labour department?

Crucial tasks that HR departments must apply to current staff and new recruits to remain compliant with new Minimum Wage Ordinance (MWO) in Hong Kong.

The statutory minimum wage comes into force in Hong Kong, for the first time, on 1 May 2011. These critical changes to the labour laws—which initially set minimum wages at HKD28 per hour—are likely to have a dramatic effect on how businesses operate. In order to remain compliant, avoid fines and avert potential legal action, it is vital that HR departments address these changes before the MWO comes into effect.

At HR Magazine's January 2011 conference Jennifer Van Dale, Partner, Baker & McKenzie, provided an update on the recent legal changes regarding staff employment contracts and the implications for HR when taking on new recruits and important record keeping requirements.

Minimum Wage Ordinance

Van Dale pointed out that the MWO is a major change to the legislation and means that the total wages that an employee receives in any one wage period divided by the hours that he or she works in that wage period has to be greater than or equal to HKD28 per hour.

Key implications of the MWO for HR include:

- Record keeping—need to keep track of hours worked for employees earning less than HKD11,500 per month
- Variable income—may need to revise remuneration structures for employees whose income is mostly variable

- Place of work—need to count travel time to a location that is not the usual place of work as hours worked

Bankers taking home millions—still not earning minimum wage

While many companies do not believe these changes will affect their workforce—as they do not have any minimum-wage employees, Van Dale issued a word of caution to HR, citing an example of a private banker who was remunerated entirely on a commission basis. Although his total commissions were substantial, because they fluctuated substantially from month to month, there were some months when still did not get the minimum wage despite earning millions overall during the year.

Hours actually worked

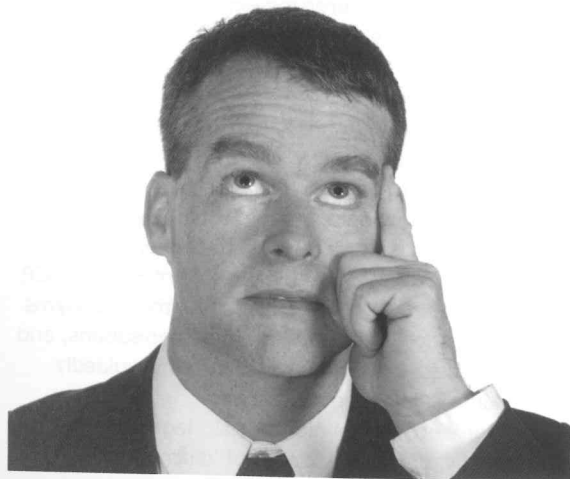
The new record keeping requirements require that employers keep a record of hours worked for anyone earning less than HKD11,500 per month. Breaking down this obligation, it means that employers will need to keep track of:

- employee time that is spent at work; and
- whether the employer has agreed that the employee can be there; or
- whether the employer has directed them to be there.



we have become victims of the law of unintended consequences. Treating everyone the same can only result in institutionalised mediocrity. Giving everyone a 3% merit raise not only punishes the performers, but also rewards the slugs, and wastes valuable organisational resources. That's a lose-lose-lose. The word discrimination is not a bad word. But we have made it one. If someone says you have discriminating taste, you say, "Thank you" and take it as a compliment. If you answered 'yes' to the belief statement at the beginning that 'pay for performance is essential to creating a high-performance organisation and culture', then you believe in the virtues of discrimination. Discrimination based on performance! Not race or sex or the like. Welcome to the Age of the Individual, and to enlightened HR.

Any manager or leader who does not discriminate is not manager or leader material. Being willing and



able to make distinctions and make tough decisions is a core competency of modern management and leadership. And that goes for HR management and leadership, as well. In fact, HR should be leading the charge.

Conclusion

None of this should be new to you. And it probably is not, now that you understand the logic and rationale. So why create such controversy? Why use such potentially inflammatory and politically incorrect verbiage?

When CEOs, business owners, entrepreneurs and non-HR executives hear this message, they rejoice. They say they have been thinking this way for a long time, and wish they could hear it from their own HR departments. And ironically, HR probably agrees. So let's make it a win-win.

One of my hidden objectives is to get the strategic HR message out to the non-HR mainstream, to the people who hold the keys to the boardroom, and to the 'individuals' we must all attract, retain and motivate. HR should already get it. I shouldn't have to preach to the choir.

But, now it's HR's job to shift its mental paradigm of how to position itself with its own leadership. That is, to get their leaders' attention by speaking their language, without compromising the beliefs or principles of the HR profession. And by following the aforementioned logic, now they can.

HR cannot be seen as glorified union stewards, blindly advocating for the rights of all employees. They must be stewards of both the individual and the organisation. It is not incongruous to advocate for the individual and the organisation simultaneously. The greatest places to work are usually the greatest companies in all other aspects, as well: profitability, effectiveness, customer service and so on.

But it takes backbone. It takes courage. It takes hard work and tough decisions to create a culture that both recognises and celebrates the individual and then discriminates based on performance and value, in order to do so. You cannot have one without the other.

See? We agree after all.



Getting women on ^{the} Board |



Community Business and the Cranfield School of Management published the first Women on Boards: Hang Seng Index 2009 report. The research, based on the UK's renowned Female FTSE Report, looks at the representation of women on the corporate boards of Hong Kong's top companies, as listed on the Hang Seng Index (HSI). It ranks the companies in terms of the gender diversity of their boards, with those with the highest percentage of women on their boards appearing at the top.

In the UK and other countries the dearth of women at the top has been highlighted by studies benchmarking the proportion and type of female directors on the boards of the country's top organisations. With a lack of female representation at senior levels, companies are not only denying their organisations of valuable talent, but also limiting their ability to reflect the needs and interests of their customers and shareholders and therefore restricting their financial performance.

"This is the first time that Community Business has taken a look at Hong Kong's own leading companies, as listed on the Hang Seng Index and focused on the representation of women on corporate boards in particular," said Kate Vernon, co-author of the report and Acting CEO of Community Business. The focus on corporate boards is timely. Following the corporate scandals and financial failing of several major institutions across the world and the consequent collapse of shared values and a global recession, questions are being asked internationally about the validity of traditionally homogenous boards of directors. There is a currently growing body of academic evidence linking diverse boards to better corporate governance and various other aspects of performance.



Aside from the evident positive branding and CSR promotion that companies who invest in Diversity attain how else might companies benefit?

I am going to tell you something very simple. Diversity has long stopped being a good thing to do, or a nice thing to do, or something you do just to build good will. It is smart business, whether it is direct development because you are building diverse communities or whether it is talent that you are trying to engage, it is something that sets you apart and gives you an edge.

How can having a well-defined Diversity program help companies to improve their business practices?

The reason you want to create a diverse environment is because you want people from those communities to feel like they could come and work in your company and know that they have as good an opportunity to rise and succeed as anybody else. When it comes to my company, and looking at the competition, then my company obviously has a built-in advantage—a competitive advantage.

In what way does having a diversity and inclusion hiring policy affect your companies talent pool?

If you take people with disabilities as an example, you stop looking at them just as disabled people and you start looking at them with people with unique abilities, because that is one of the things that they discovered: people who have disabilities have some very powerful compensating abilities and the opportunity that this gives to companies like Merrill Lynch is to hire them for their abilities and not just judge them for their disabilities. If we are able to do this better than the competition then we are probably going to have an advantage in terms of looking at talent.

Do you see this as a growing trend in HR?

I am of the opinion that more and more companies will see the opportunity that sets us apart. I truly believe that there will be a sense of competition around it.



Subha Barry, Managing Director and Head of Global Diversity and Inclusion for Merrill Lynch

In what way do you feel Merrill Lynch's merger with Bank of America will affect Merrill's existing diversity and inclusion policy?

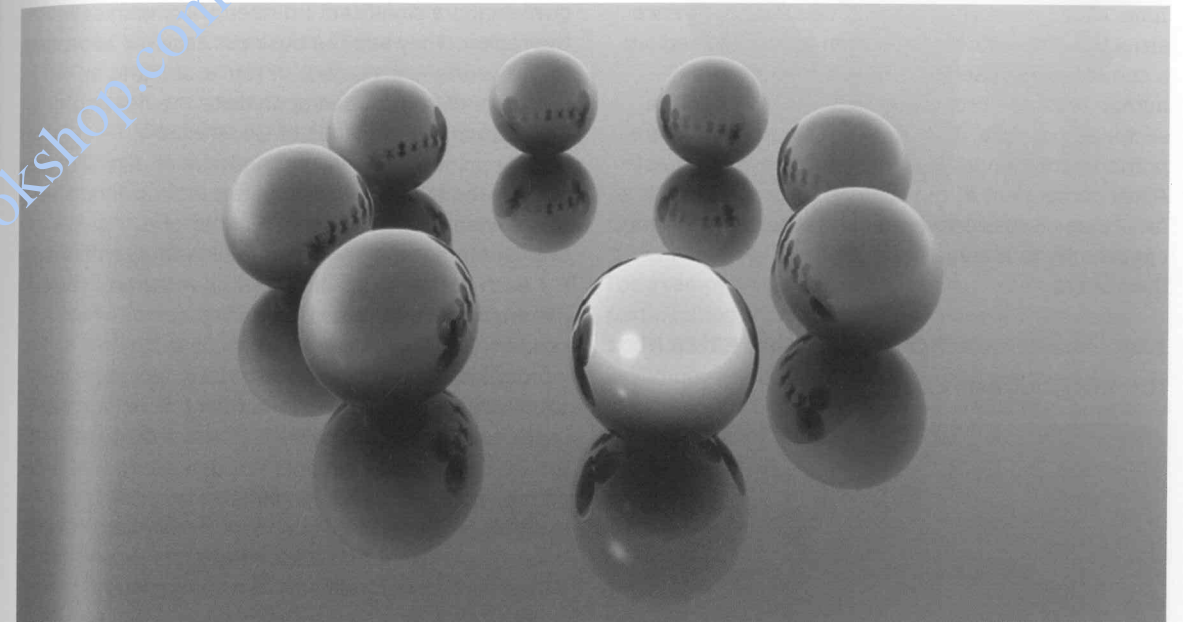
I actually think that the merger with Bank of America will be very positive for our diversity and inclusion program. Bank of America in the US has a very well defined, well-evolved policy and programme around diversity and inclusion and I am confident absolutely that we will be supported in that. In the US they have done a lot that we can learn from so it's going to be a win-win situation.

Do you have any final advice for HR managers on how Diversity and Inclusion programmes might help their organisations?

Again, if we can start thinking about creating inclusion as being something that is a smart business decision, it is time for the dialogue to evolve from the political correctness, etc. to focusing on increasing bottom line revenues and business for the company—that's where this is headed.

Recruiting to ensure diversity and inclusion |

Kate Vernon, Managing Director of Community Business gives her take on Diversity and Inclusion (D&I) in the workplace.



What do you think are the greatest challenges facing HR managers in Asia?

Companies in Asia are faced by an acute war for resources so they need to ensure that they attract and retain the best talent—no matter what shape or form that comes in. That means they need to develop diversity strategies and policies that help create an inclusive workplace where all can contribute. We have found through our work that key diversity issues in this region focus on issues such as developing Asian talent, progressing women in the workplace and addressing the ageing

workforce. Companies in Asia are not doing enough to develop Asian leaders—particularly those who can lead regionally and globally. With regard to women in the workplace, despite claims of equal opportunities, the participation rate of women at senior levels is low—companies need to do more to retain and empower female talent. Companies are not yet addressing the impact of the ageing workforce—yet this is an issue that will challenge all companies within the next decade or so.

These issues were addressed at our third Diversity & Inclusion in Asia Conference held