

The ACCA logo is a red square with the letters 'ACCA' in white, bold, sans-serif font. The background of the entire page is a blurred, long-exposure photograph of a busy airport terminal with people walking and carrying luggage. The ceiling has a complex, geometric structure with white beams and recessed lighting. The floor is highly reflective, showing clear reflections of the people and the ceiling structure.

ACCA

Who wins talent will reign

Talent acquisition and mobility vital to
Greater Bay Area success

Think Ahead

Foreword



Supported by the Central Government's policies and infrastructure developments, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) is well-positioned to become the world's largest bay area economy.

The bay area stretches over 56,000 sq km, covers 11 economies valued at US\$1.5 trillion in 2017, and has an estimated population of over 69 million.

The setup of the GBA aims at enhancing the mobility within the GBA in the following aspects:

- People mobility
- Products mobility
- Capital mobility
- Information mobility

The government is striving to develop the bay area into a quality one-hour living circle that is convenient for living, working, and travelling. With the completion of the two mega infrastructures – the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge in late 2018, a new level of connectivity has been reached.

On 18 February 2019, the Central Government announced an 11-Chapter document which outlines the plan

of boosting collaboration in areas including the central pillar of science and technology, intellectual property rights and ecological conservation. Hong Kong, Macau, Guangzhou and Shenzhen had been identified as the core engines for driving up growth in nearby regions.

As the GBA initiative continues its momentum, how ready are the talents in Hong Kong versus those in the mainland in terms of working, living and developing their career in the GBA?

With our strong member network that spans across the region, ACCA (the Association of Chartered Certified Accountants) is uniquely positioned to gather members' views, feeding into our research work, making it relevant and insightful which could influence and shape the policies to further drive the success of the GBA initiative.

Jane Cheng
Head of ACCA Hong Kong

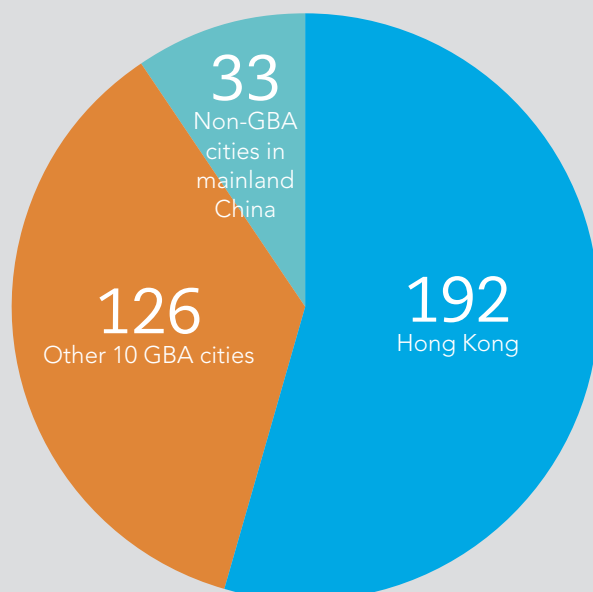
About the survey

ACCA (the Association of Chartered Certified Accountants) conducted a survey with its members in Hong Kong and southern China in late 2018 to examine talent mobility in the Greater Bay Area (GBA), understanding their readiness to work in the region, the drivers of their decision-making, and the measures that could enhance talent mobility in the region. Some marked differences and findings identified are worth consideration by business leaders and policymakers.

Altogether **351** responses were received, of which **197 (56%)** of respondents come from Hong Kong, and **154 (44%)** respondents are from members based in southern China.

Among all the respondents, **192 (55%)** are currently working in Hong Kong; **126 (36%)** are working in one of the other 10 GBA cities; and **33 (9%)** are working in a non-GBA city in mainland China.

Figure 1: Geographical distribution of survey respondents



Finding 1

Hong Kong talents tend to stay and work in Hong Kong vs mainland talents' preferences to leave their hometown for career

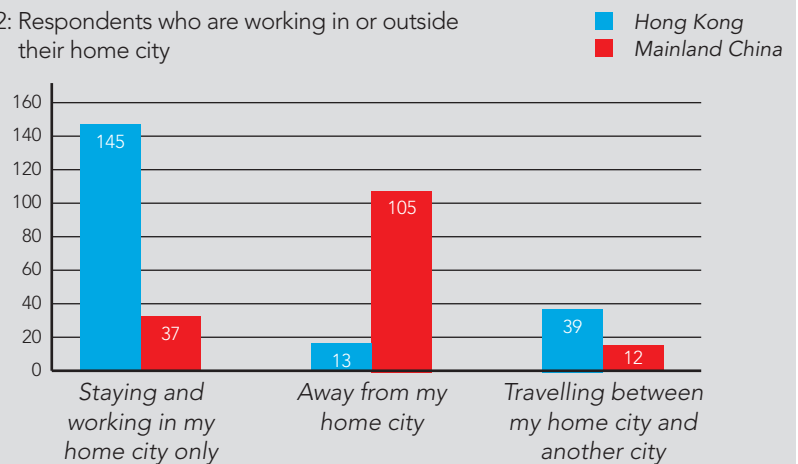
Among the respondents from Hong Kong, **74%** are currently working in their home city, ie Hong Kong; **20%** are required to travel between Hong Kong and another city; and only **6%** are working away from Hong Kong. While the responses from our members in the mainland China tell a very different story: **68%** of the respondents from the mainland are currently working outside their home city; **24%** are working in their home city; and **8%** of the respondents are required to travel between their hometown and another city.

This may be attributed to the development and distinct characteristics of the two places. Hong Kong is a small city that has long been enjoying its status as one of the world's most dynamic metropolis with diversity and growth opportunities. Hence, the city fares well as a world-class talent hub and people are used to stay for study and work. Meanwhile, cities in the mainland China differ greatly in population size, income level, and business opportunity. People from

smaller towns or villages tend to have a higher mobility and would choose to travel and work in bigger cities for better opportunities and prospects.

This finding implies that it would be easier to attract talent from the mainland to come and work in Hong Kong. On the other hand, when attracting talent from Hong Kong to work and live in the mainland, more incentives might be required in order to appeal to top skilled talent.

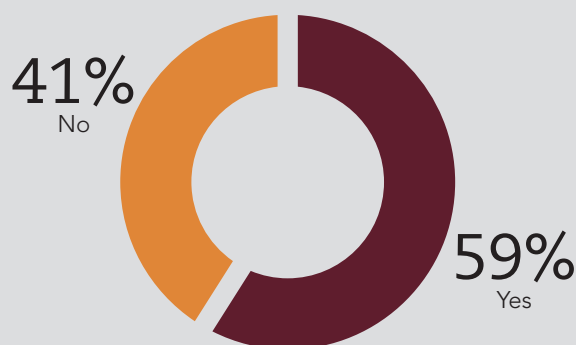
Figure 2: Respondents who are working in or outside their home city



In addition, among all the respondents from Hong Kong who are currently staying and working in their home city,

41% of them indicated that they would not consider working in another GBA city outside of Hong Kong.

Figure 3: Would our Hong Kong respondents currently working in Hong Kong consider working in other GBA cities?



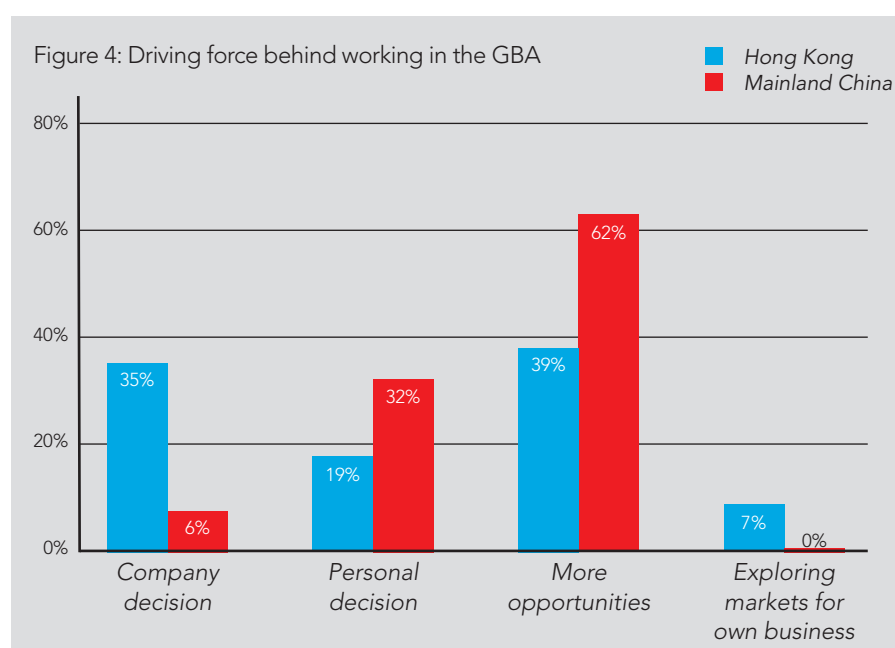
Finding 2

Driving forces behind working in the GBA

For the Hong Kong respondents, **41%** of them said they would not consider working in other GBA cities. For the rest who are willing to consider, or already working in the GBA, **39%** of them see more opportunities such as better career prospects and remuneration package in the GBA; **35%** are driven by companies' decisions; **19%** are driven by personal decision; and **7%** would explore markets for their own businesses.

However, for the mainland respondents, they are more willing to work in the GBA even away from their home cities. **62%** of them believe there are more

career opportunities in the GBA; **32%** are driven by person decision; and only **6%** of them choose working in the GBA due to companies' decisions.



One of the reasons that mainland talents are more willing to work in the GBA and away from their home cities may be due to the fact that the culture, the working environment and the living standards of the nine GBA cities are similar to their home cities. It will be easier for them to integrate and settle in these GBA cities as least adaptation is required. However, people in Hong Kong who have been enjoying lower taxation and a higher standard of living will probably require more adjustments and adaptation if they are relocating to the mainland.

There is much work to be done before turning all other GBA cities into an international talent hub like Hong Kong that could attract and retain talents from around the world.

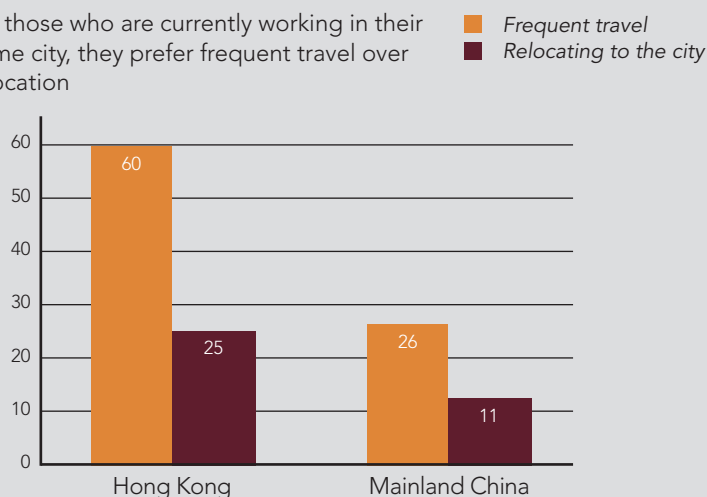
Finding 3

Frequent traveling is preferred over relocation

For those respondents who are currently working in their home city, but would still consider leaving their home city and working in another GBA city (43% of total HK respondents, and 24% of total mainland respondents), when being asked if they prefer frequent traveling or relocating to the GBA, both respondents from Hong Kong and the mainland prefer frequent travel to relocating to the GBA.



Figure 5: For those who are currently working in their home city, they prefer frequent travel over relocation



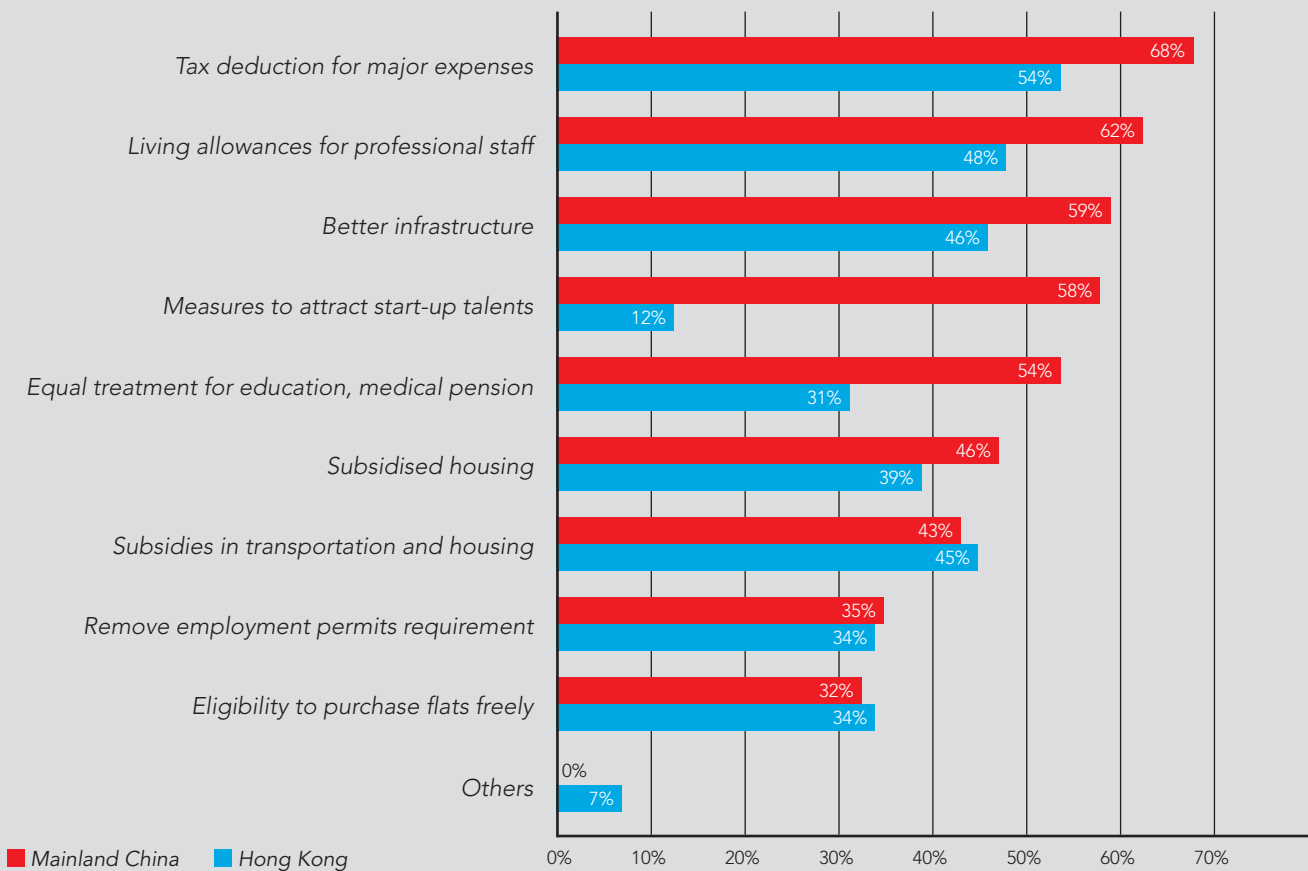
When most people prefer frequent travel rather than relocation, the implication would be:

- People still see silos among the cities. Hence incentives need to be offered to attract people to relocate if required.
- Low cost transportation facilities and efficient custom clearance would be critical to facilitate people traveling and movements across the GBA.

Finding 4

Measures to improve talent mobility – tax deduction on top of the wish list by both Hong Kong and mainland respondents

Figure 6: Measures to improve talent mobility in the GBA



To improve talent mobility and increase their willingness to work in the GBA, a number of measures can be introduced.

The top three measures selected by the two groups of members are the same, listed in the order of preference:

- 1 Tax deduction for major expenses such as children's education, continued education, medical costs, mortgage interests, rental expense, and elderly care
- 2 Living allowances for eligible high-level professional and technical personnel
- 3 Better infrastructure, such as environment, public transport and travel safety etc

The above findings suggest that tax burden is a major concern, and this concern is shared amongst both Hong Kong and mainland talents.

Respondents' expectation on better infrastructure echoes our finding number 3, that is, frequent traveling is preferred over relocation to other cities in the GBA. Hence public transportation system and travel safety are critical considerations.

When it comes to the next measure after the top three, we see different preferences from the two groups of respondents.

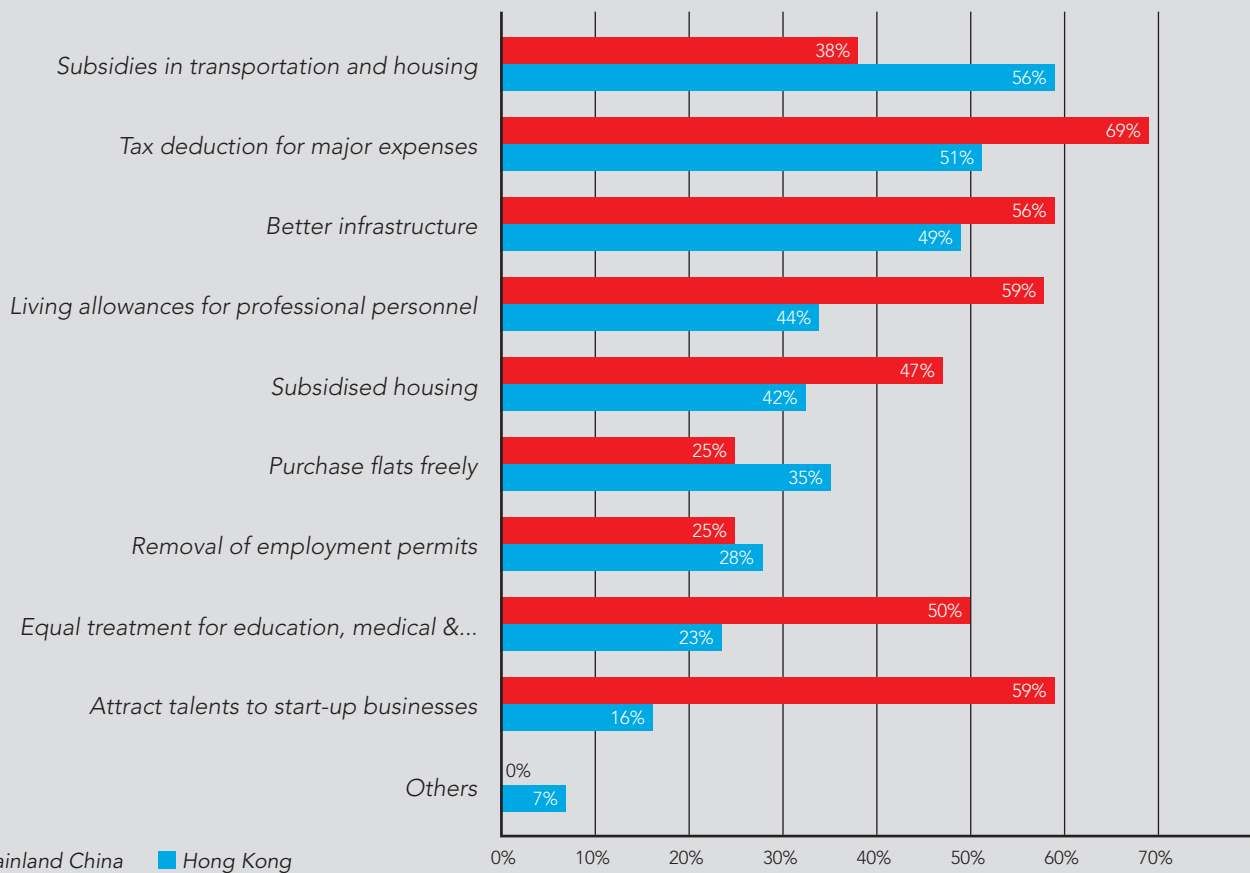
Our mainland respondents wish the government to introduce new measures

to attract talents to start-up businesses, including subsidies on research funding, hiring of talents, scientific research management and production and operating activities; whereas the Hong Kong respondents prefer having subsidies in transportation and housing.

Finding 5

Young professionals below 40 raised different concerns

Figure 7: Measures to improve talent mobility in the GBA preferred by the young professionals below 40



To the younger respondents aged below 40 in Hong Kong, the top incentives to enhance talent mobility in the GBA are (1) subsidies in transportation and housing, followed by (2) tax deduction for major expenses. This reflects the high property prices in Hong Kong are affecting young professionals.

For the younger respondents aged below 40 from mainland China, their top priority is (1) tax deduction for major expense, followed by (2) measures to attract talents to start-up businesses. It seems that the mainland professionals are more entrepreneurial who would seek more incentives to start their own businesses in the GBA.



Recommendations

Tapping into ACCA's strong member network in the Southern China including Hong Kong, this report has examined the current situation in regards to the mobility of talents between Hong Kong and other mainland cities. Meanwhile, when we highlight talent is important for the successful development of the GBA, the concept of talent mobility and acquisition should not be narrowly defined as relocating talent between Hong Kong and other GBA cities. With GBA's lofty goals to become a world-class economic zone, it should take a wider perspective that the entire GBA should appeal to global talents and attract them to work in the GBA, including Hong Kong. Efforts towards harnessing collective strengths of each of the 11 cities are the keys to the coordinated growth of the entire bay area.

Our newly established ACCA GBA Advisory Board has come up with the following recommendations in enhancing talent acquisition and mobility:

a. **Maintaining an open mindset for realising career aspirations**

One's vision and ambition define one's success. Talent should be opportunity-driven. If a place offers them opportunities to shine and room to develop, they should go after it.

Instead of restricting themselves to work in their home cities, talent should maintain open minded and embrace opportunities wherever they present themselves. The market is becoming globalised, so as the workplace. While people sitting in one part of the world can easily make purchases of goods or enjoy entertainment produced by another part of the world through internet, career opportunities can also be sought across the border. The key point is not to debate 'relocation or not'. The question should be: are there career prospects / business opportunities? We recommend talents to maintain an open mindset, appreciate collaboration amidst different cultures, keep abreast of the latest development of the GBA and exploit opportunities to their own advantage.

b. **Optimising each city's competitive edges to offer different career opportunities for different types of talent**

As an international financial centre, trading centre and shipping centre, Hong Kong has an efficient and well-regulated capital market that offers an excellent platform for attracting investments and raising capitals. This may appeal to professional staff

working in the finance and business sector. Shenzhen has now emerged as a technology hub and is home to tech giants like Tencent, Huawei and ZTE etc, thus may offer more job openings to people working in the technology and innovation sector. Guangzhou is the provincial business centre to support the large manufacturing base of the Pearl River Delta economic zone (PRD), which demands significant support in branding, international marketing and product design and development. Talent working in relevant fields can choose the appropriate cities and industries that match with their expertise and offer the greatest career development potential.

Hong Kong Special Administrative Region (HKSAR) Government is recommended to take the lead and collaborate with other provincial governments to conduct thorough researches and studies by industries and business sectors to examine the strength and talent needs of each city in detail, which can be promoted to the talents around the world, and drive the coordinated growth of different sectors and cities in the GBA.

c. **Offering internships to students and young working adults**

To nurture talents and attract the right candidates, the best way is to offer them short term internship opportunities. This is a mutual assessment exercise. On one hand it can facilitate the candidates' understanding of the industries and, on the other hand, it allows the organisations to assess the job fit of the candidates.

We recommend large corporations in the 11 cities offer short term internship programmes to

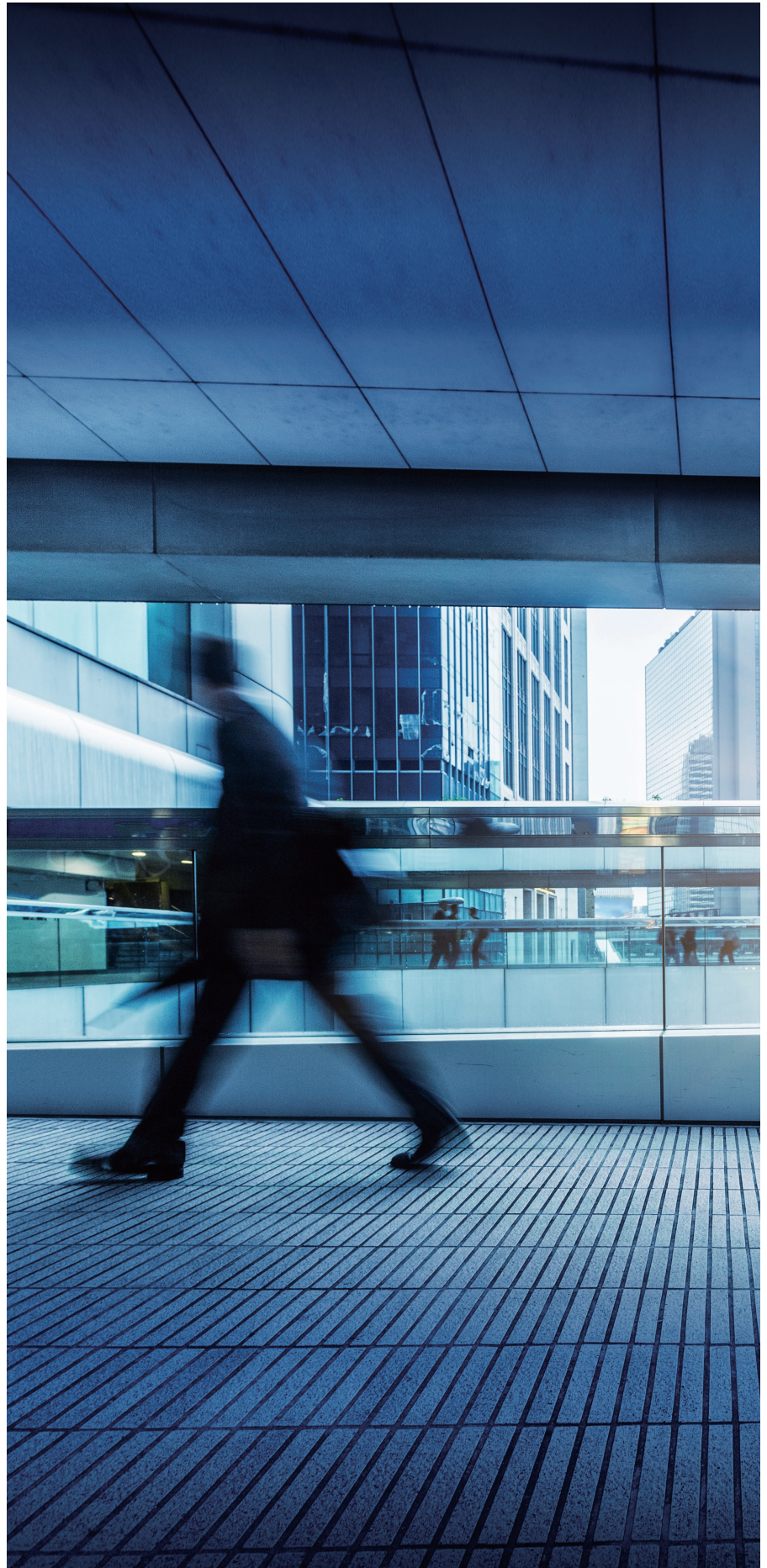
universities students and young working adults. These would encourage talent acquisition and exchange among the 11 cities. Provincial governments can help publish, sponsor and promote these internship programmes and introduce measures to facilitate the working visa application process.

d. **Upskilling and educating the workforce**

To facilitate the development of the GBA, talents of different industries and skillsets are required. The governments, education institutions and industry organisations can take the lead to provide training programmes and seminars to upskill the workforce.

ACCA is committed to equipping our members with finance and management knowledge that help business thrive, preparing them to embrace business and career opportunities in the world, including in, but not limited to, the GBA. We have, and will continue, to organise seminars and workshops to upskill our members, groom them to become the highly sought-after talent, demonstrate the business opportunities presented in the GBA, get professional or entrepreneurs to share their experiences and success stories and invite government authorities to provide practical guidelines and advices on setting up and running businesses in the GBA.

We encourage collaborations among different businesses and the community to help groom our talents and expand our talent base for GBA's long-term growth.





Conclusion

The Greater Bay Area (GBA) initiative is a master plan to integrate the 11 cities into a world-class innovation hub. To achieve global competitiveness, the GBA needs to attract and retain the top talent from around the world to contribute to this transformation.



In order to tap into the global talent pool, apart from offering various favourable monetary or tax measures that could appeal to different groups of talent, the city cluster as a whole needs to develop an eco-system that can attract and nurture global talent – the former is easier than the latter.

The GBA cities must collaborate in providing an environment on par with other world's leading bay areas, which can satisfy global talent's needs at work

and in daily life. These include, but not limited to, cultivating innovative culture, maintaining open mindset, embracing open thinking and transparent conversations, increasing tolerance of errors, allowing different opinions and embracing diversity. These cultural changes would not happen overnight. Yet if the authorities and cities are determined and be able to identify the real drivers of success, the GBA would one day become one of the most successful bay areas in the world.





About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. It offers business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

ACCA supports its 208,000 members and 503,000 students in 179 countries, helping them to develop successful careers in accounting and business, with the skills required by employers. ACCA works through a network of 104 offices and centres and more than 7,300 Approved Employers worldwide, who provide high standards of employee learning and development. Through its public interest remit, ACCA promotes appropriate regulation of accounting and conduct relevant research to ensure accountancy continues to grow in reputation and influence.

As the first global accountancy body entering into China, ACCA now has 25,000 members and 108,000 students, with 11 offices in Beijing, Changsha, Shanghai, Chengdu, Guangzhou, Shenzhen, Shenyang, Qingdao, Wuhan, Hong Kong SAR, and Macau SAR.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. It believes that accounting professionals bring value to economies in all stages of development and seek to develop capacity in the profession and encourage the adoption of global standards. ACCA's core values are aligned to the needs of employers in all sectors and it ensures that through its range of qualifications, it prepares accountants for business. ACCA seeks to open up the profession to people of all backgrounds and remove artificial barriers, innovating its qualifications and delivery to meet the diverse needs of trainee professionals and their employers.



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