



Manpower Update Report

Security Services Industry

2017

Security Services Training Board

ACKNOWLEDGEMENT

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Introduction

Background

The Security Services Training Board (SSTB) of the Vocational Training Council (VTC) was set up in 1998, responsible for determining the manpower situation and training needs in the Security Services Industry (SSI); and for recommending to the VTC, employers and other interested parties measures to meet the demand for trained personnel in the industry.

The SSTB conducts manpower survey once every four years, supplemented by manpower update through desk research and focus group meetings, so as to enhance effectiveness and better reflect the dynamics of job market of the industry.

Objectives

The objectives of the manpower update are to understand the following issues of the industry:

- (i) The latest trends and development;
- (ii) the job market and training needs;
- (iii) the recruitment difficulties;
- (iv) the job requirements; and
- (v) the market remuneration.

Methodology

Overview

Riding on the full manpower survey conducted in 2015, the update report of the security services industry has employed qualitative approach i.e. focus group, supplemented with desk research of job openings during the period between October 2016 and September 2017.

Focus Group Meeting

The focus group meeting is intended to collect experts' view on the latest trend and development of the industry's manpower, training needs and recruitment difficulties, etc. The focus group members are representatives from the following branches of security services industry:

- (i) Type I Security Guarding Services;
- (ii) Type II Armoured Transportation Services; and
- (iii) Type III Security Guarding Services and Security Systems Installation / Maintenance / Repair / Design / Others.

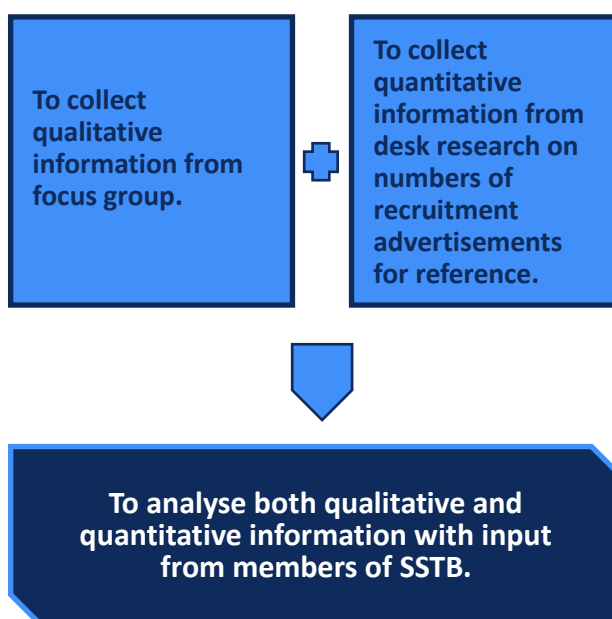
The focus group meeting was conducted in September 2017 and moderated by an experienced moderator of a consultancy firm who led the respondents to participate in an in-depth discussion on relevant topics in the discussion guide prepared before the meeting. The meeting was recorded and transcribed to facilitate for analysis.

Desk Research

Manpower information covering the period between October 2016 and September 2017 was collected through desk research by quarter. The information which includes the number of job advertisements, required competency, qualification and experience, market remuneration, etc. An integrated database was being developed to capture the relevant recruitment data from the major online recruitment portals. Over 300,000 recruitment records of various industries were collected during the research period. Mapping was made with the list of related security companies under the Security and Guarding Services Industry Authority (SGSIA) for removal of any duplicated records.

Data Analysis

The analysis consists mainly of the following three steps:



Limitations

Different from the extensive quantitative manpower survey done in 2015, the update report aims to discover the emerging themes in the manpower development of the industry. The employment trends and behavior; recruitment difficulties; insights and observations from the stakeholders' experience were captured through the focus groups and desk research. While the update report has adopted the

qualitative approach of focus group discussion covered a limited selection of stakeholders, it cannot be generalised to a larger population. Desk research, on the other hand, gathered information of job vacancies from advertising in major recruitment websites and the Labour Department, may not be exhaustive for a complete quantitative analysis. The data collected were also snapshots of particular point in time during the report period. It was only used as reference supplementary to the observations of the focus group.

Findings

Factors Affecting the Development of the Security Services Industry

Technology

With the common use of CCTV, smart devices and security robots in the industry, coupled with the labour shortage in the industry in the recent years, technology of electronic security devices is considered a viable replacement to some security works.

The demand of integrated computerised security systems which facilitate easy and convenient monitoring of different electronic security devices (e.g. alarm controls, access controls and video surveillance cameras) via a single user-friendly platform is increased. With the sophisticated development of today's

security system, the knowledge of system management and data analysis will be required.

Change in Operation Mode

In the light of the rapid technological development of the industry, change in the operation mode of traditional cash solutions such as cash-in-transit and cash collection, is observed. The prevalence of electronic money helps increase efficiency and security as cash is placed in a centralised location that is safeguarded from both internal and external threat. As a result, there will be less manpower demand of the Type II security services as

the frequency of cash collection will be reduced substantially.

However, there is still a potential growing demand for the provision of armoured transportation services as a result of the growing demand for the branded logistics in the Asia-Pacific region.

General Practice on Awarding Security Service Contracts

The industry's general practice on awarding outsourced security service contracts based on the "lowest bid wins" principle has in turn decreased the industry's competitiveness. Most security companies have to minimise its' costs in order to win the bid, thus leading to demotivation of bidding companies to consider long term career plan for the employees.

Public Policy

The Government operates different importation of workers schemes whereby employers can apply for non-local workers on account of their actual operational circumstances so as to supplement skills

not readily available in the local labour market. However, security personnel, even though they are required to undergo specific training, are classified as non-skilled labour and importation of workers to address the manpower shortage of the industry is not applicable.

Age Limit of Security Personnel

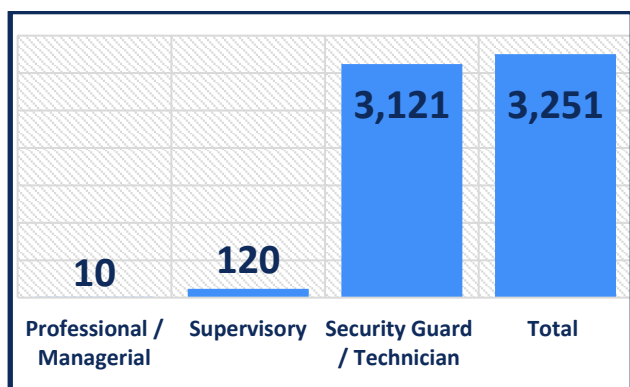
Although the upper age limit for Type I security personnel has been relaxed from 65 to 70 years, it is in general perceived as a short-time relief to the labour shortage situation of the industry as the underlying problem of falling employment population has not yet been addressed. In addition, the relaxation policy is not applicable to Type II security work which cannot resolve the manpower shortage problem of Type II security companies.

Future Manpower Demand

In the 2015 manpower survey of security services industry, the industry had a conservative attitude towards the business growth of the industry and expected the industry would be a modest growth of the

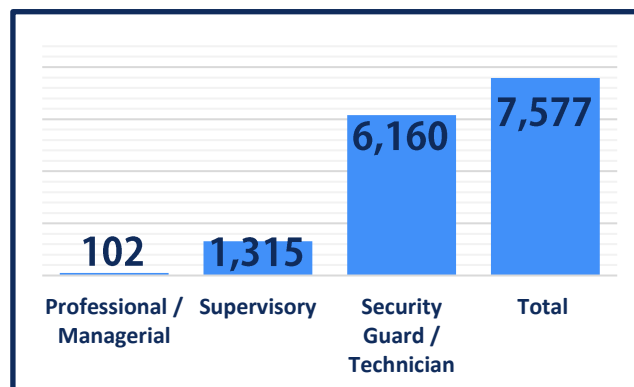
manpower. The number of vacancies in 2015 manpower survey of security services industry by job level is shown in Figure 1.

Figure 1. Number of vacancies in the 2015 manpower survey of the SSI (by level)



In general, it is anticipated that there will be an overall increase in the future manpower demand of the security services industry. This can be reflected in the large number security services related recruitment advertisements captured by desk research during the research period. The number of recruitment advertisements captured by desk research for the period between October 2016 and September 2017 by job level is shown in Figure 2.

Figure 2. Number of recruitment advertisements of the SSI for the period between October 2016 and September 2017 (by level)



With the Hong Kong-Zhuhai-Macao bridge and the Guangzhou-Shenzhen-Hong Kong express rail link Hong Kong section coming into service in 2018, and construction of several large-scale infrastructure projects will be started in Hong Kong (i.e. the third runway), it is deemed that a large number of security services manpower will be required in future.

Training Needs

The desk research reveals that most of the security services companies preferred applicants to have education qualification and working experience. The number of recruitment advertisements with specified qualification and experience requirements for the period between October 2016 and September 2017 by job level are shown in Figure 3 and Figure 4 respectively.

Since different security companies have their own operation modes and specific

client requirements to fulfil, relevant in-house training programmes are thus provided to train their employees to meet the needs of individual companies. Other than in-house training, there is an increase in demand for security equipment suppliers to provide training to its' clients such as security system installation, operation and maintenance.

Figure 3. The number of recruitment advertisements with specified qualification requirements for the period between October 2016 and September 2017 by job level

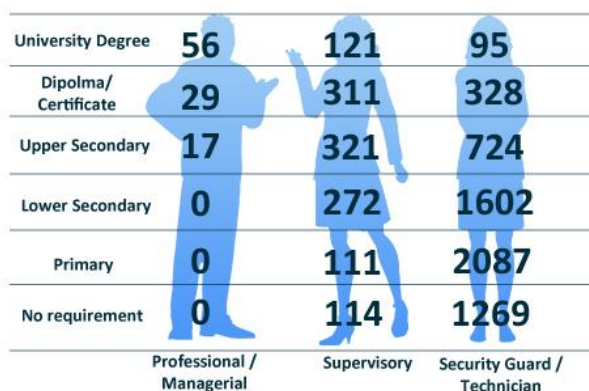


Figure 4. The number of recruitment advertisements with specified experience for the period between October 2016 and September 2017 by job level



Currently, security companies offering Type II security services will provide weapons training and all employees are required to apply for license for possession of arms via Hong Kong Police Force. However, there is no unified standard of in-house weapons training provided by security companies and they may not be able to fulfil the official benchmark set by the Government.

In general, the 16 hours' basic security training is considered as sufficient as an industry overview for pre-employment training. However, in-service practitioners are required to undertake specific training to equip themselves with essential knowledge and skills required by the security company such as customer services, critical and crowd control, threat detection, etc.

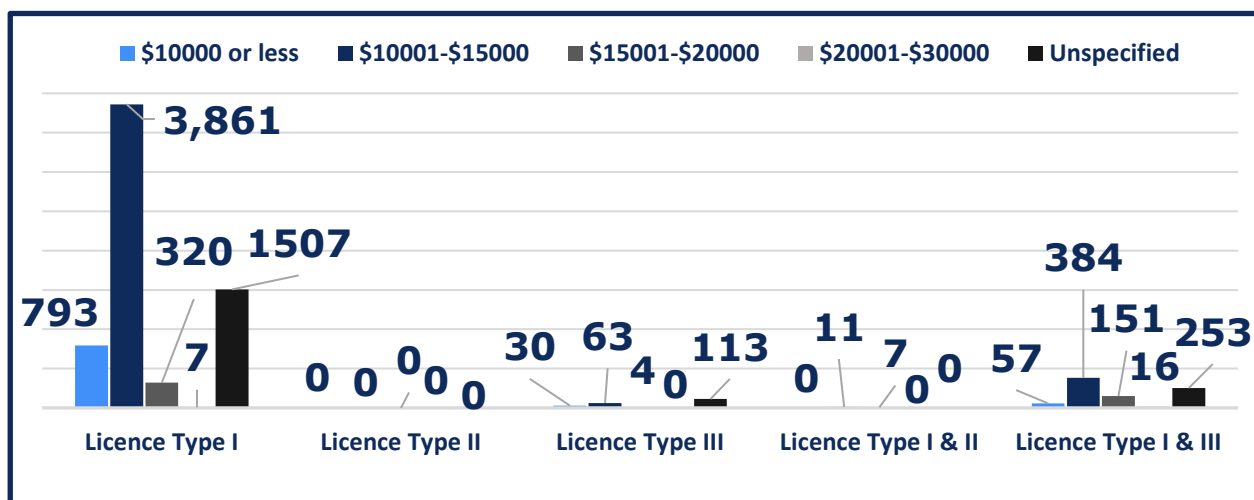
Recruitment Difficulties

In view of the rapid real estate development, there are plenty of rooms for development of the security services industry. However, it is anticipated that the manpower is unable to meet its' current and future demand and the industry has encountered difficulties in recruiting and retaining talent.

Unattractive Remuneration

Since the sector often has to minimise its' costs in order to win the bid of security services contracts, the remuneration of the industry may not be competitive. The salary range offered in the recruitment advertisements for the period between October 2016 and September 2017 by branch is shown in Figure 5.

Figure 5. Salary ranges offer in the recruitment advertisements of SSI (by branch)



In general, employers are only willing to pay a minimum contract price based on the rate of the Statutory Minimum Wage for the procurement of security services, security companies will hesitate to pay higher salary to security personnel to reduce costs. This practice discourages new entrants from getting into the industry.

Competition from Mainland Infrastructural Development

The manpower shortage problem of the industry may be aggravated by the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Chinese developers have started to offer attractive package to lure experienced managerial personnel to work in the Mainland and the situation will become more intensive in the near future.

Expectation of Youngsters

Due to the increased educational attainment of youngsters and the job nature of the security services industry, which is beyond the expectation of youngsters (e.g. the industry often required its' employees to work shift and overtime while youngsters prefer work-life balance), the industry has encountered difficulty in hiring youngsters to join the workforce or convincing them to stay in the industry.

Low Social Image

Although security personnel are required to undergo at least 16 hours of training, they are classified as non-skilled labour which will discourage new entrants from joining the industry, for youngsters in particular.

RECOMMENDATIONS

Measures to Meet the Training Needs

To meet the future development of the security services industry, it is considered essential for the government, education institutions and employers to provide suitable training opportunities to the employees or students in the following areas:

Government

Relevant training programmes for Type II security services practitioners at proper weapons venue to fulfill the official benchmark set by the Government;

Education Institutions

Relevant internship opportunities and practical workshops for students to get a more in-depth understanding about the industry;

Generic skills, particularly communication skills to cope with the recent development of international / branded logistics;

Information technology and data analysis skills to programme, operate and maintain computerised security systems;

Employers

Relevant trade-specific training programmes to train internal staff to meet the needs of individual company; and

Security awareness, health and safety, environmental awareness and compliance knowledge to supplement the 16 hours basic security training.

Employees

Employees should also enhance their competitiveness by taking the initiative to upgrade their trade specific skills and knowledge. They are encouraged to make use of the subsidies provided by the Government such as the Continuing Education Fund, subsidy under the Skills Upgrading Scheme Plus, online training programmes, etc., for lifelong learning and career development.

Suggestions to Ease the Problem of Manpower Shortage

The following suggestions are made to ease the problem of manpower shortage:

Government

The Government should help increase the social status and recognition of the security services personnel.

The implementation of the Qualifications Framework of the security services industry will be a great leap forward of the industry. The Government should promote the Framework to arouse the awareness of the general public and stakeholders.

The Government should play a leading role to review the bidding policy and offer long-term contracts so that security companies can provide a more promising salary, career path and training to the employees.

Employers

Employers are encouraged to extend the application of technology in their daily operation so that less manpower may be required.

Flexible working hours or a shorter shift duration can be considered to attract and retain employees.

Employers of Type III security company can consider the Earn and Learn mode.