

# CAREER PREPARATION FOR THE FINANCIAL SERVICES INDUSTRY

**MWYO**  
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## Introduction

The financial services industry contributes significantly to Hong Kong's economic development. In 2016, the sector employed 7% of Hong Kong's total labour population and contributed to 18% of Hong Kong's Gross Domestic Product (GDP).<sup>1</sup> The industry's importance is signified by the establishment of the Financial Services Development Council (FSDC), as its mission is to promote the further development of Hong Kong's financial services industry and map out the strategic direction for the development of Hong Kong as an international financial centre. The FSDC's Human Capital Committee, specifically, has the terms of reference to strengthen collaboration between the demand and supply sides of the financial talent pool and support capacity building for Hong Kong's home-grown professionals.<sup>2</sup>

In the past two decades, the financial services industry's development has been characterised by an increasing regional and China focus. Industry outlook is that its connectivity with Mainland investors and the Mainland market will only deepen, as Hong Kong is well-placed geographically and institutionally to capture the investment outflow from Mainland China as well as inflow to China from international institutions. **As Hong Kong leverages on this position, what are the implications for local Hong Kong youth's competitiveness and employability in relation to the financial services industry, on a policy, institutional and individual level?**

Anecdotally, some local Hong Kong youth feel that they are not well-equipped to adapt to the evolving industry demands of the financial services industry, primarily due to the higher standard for Mandarin Chinese and the difference in culture between Hong Kong and Mainland China. To exacerbate the issue, more and more Mainland Chinese students are enrolled in higher education abroad, and Hong Kong is a popular destination. The student population from Mainland China studying at Hong Kong universities is sizeable and has been on the rise, and many of these are elite students. Many of these Chinese students would look for employment opportunities in Hong Kong upon graduation, generating tough competition for local Hong Kong graduates. Indeed, financial firms have reported a 20% increase in the total number of Mainland Chinese nationals employed in the past 10 years.<sup>3</sup> However, Hong Kong students may take comfort in the fact that being from the Mainland is *not* an advantage per se, according to employers that we spoke to. Thus, it is not the aim of this project to compare Hong Kong students against Mainland students; we also do not agree with general claims like Mainland students are more competitive than Hong Kong students. Such a general comparison would be invalid and unconstructive, as each application turns on the individual's knowledge, skills and attributes.



Against this backdrop, how should local Hong Kong youth equip themselves for the financial sector? Besides language skills and cultural awareness, what are the knowledge, skills and attributes that employers find attractive? **The overall aim of this project is to shed light on employability factors and support Hong Kong local talent in sharpening their job-readiness for the financial services industry.**

The objectives of this project are two-fold:

1. To support the FSDC's work and examine the young talent needs of the financial services industry, with a view to making suggestions on how to enhance the capacity building of Hong Kong's home-grown young professionals; and
2. To put forward suggestions for local Hong Kong youth and universities to improve these students' job-readiness for the financial services industry.

## Background

### A. Financial Services Industry in Hong Kong

Hong Kong is one of the most vibrant international financial centres in the world. The contribution of the financial services sector to Hong Kong's Gross Domestic Product (GDP) increased from 13% in 2004 to 18% in 2016.<sup>4</sup> In 2016, the financial services industry employed 253,100 persons, or 7% of total employment in Hong Kong.<sup>5</sup> It is one of the four pillar industries in the Hong Kong economy, along with trading and logistics, tourism, and producer and professional services.<sup>6</sup>

The financial services industry consists of banking, corporate finance, insurance, and asset and wealth management.<sup>7</sup> Looking at the banking sector alone, it makes up 3% of Hong Kong's total employment and contributes to 11% of Hong Kong's GDP.<sup>8</sup> Hong Kong is one of the third leading global financial centre in the world<sup>9</sup>, and the banking institutions with a presence in Hong Kong are from 36 countries and include about 74 out of the world's largest 100 banks.<sup>10</sup>

The financial services industry has created more than 230,000<sup>11</sup> direct jobs and its workforce is characterised by a high level of skills and education. Practitioners with post-secondary education make up 67% of the industry, compared to 35% for the overall economy,<sup>12</sup> highlighting the role of the financial services industry in leading Hong Kong's evolution into a knowledge-based economy. The average value added per employee is HK\$1.66 million, 2.2 times higher than the value added per head of the overall economy.<sup>13</sup> Coupled with the relatively high starting salary and salary growth prospects<sup>14</sup>, the financial industry has long been the one of the most popular options among university graduates.

However, the financial services industry has exhibited signs of slowdown in recent years, with its real growth moderating from a high 134% in 2001-2007 to 17% in 2008-2014.<sup>15</sup> To maintain its pivotal role in relation to Hong Kong's economic development, there is a need to enhance the industry's human capital development, including the capacity-building of home-grown talent.

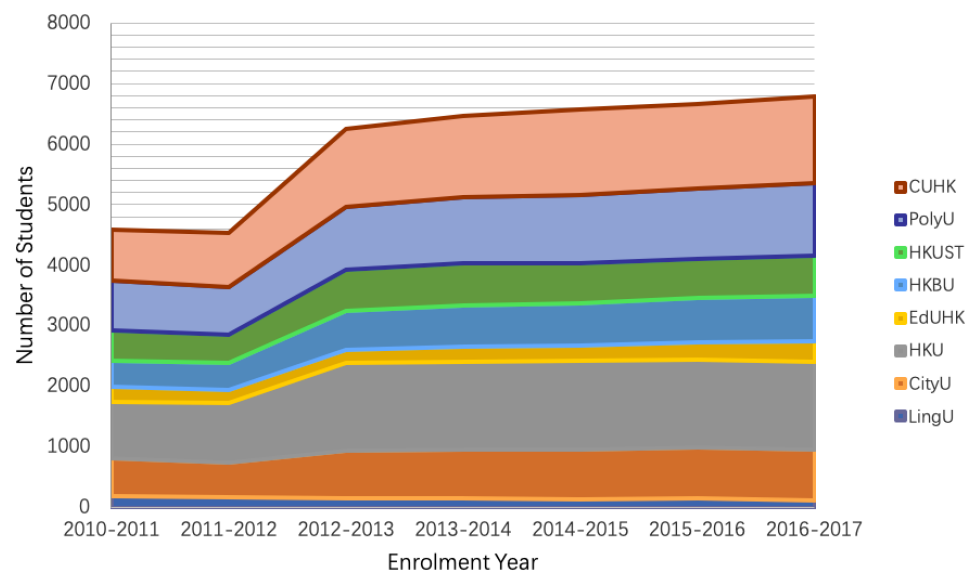
## B. Environmental Factors Affecting Local Hong Kong Students

### 1. Increase in Mainland students

In the past decade, there has been more and more Mainland Chinese students studying abroad. The Chinese Ministry of Education reported that 544,500 Chinese studied abroad in 2016, more than triple the 179,800 that studied overseas in 2008.<sup>16</sup> Last year, it was reported that China remained the world's No. 1 place of origin for international students, especially in America, Canada, Australia, Japan, South Korea and United Kingdom.<sup>17</sup> This trend was projected to continue over the next five years, as a member of the Chinese People's Political Consultative Conference's National Committee estimated that the number of Chinese studying abroad each year would peak at between 700,000 and 800,000, among which about half would be attending colleges and universities.<sup>18</sup>

In Hong Kong, the same trend of increasing Mainland Chinese students has been observed.<sup>19</sup> Hong Kong universities have witnessed a steady growth in the number of students from Mainland China. From 2010/11 to 2016/17, Mainland student enrolment at Hong Kong universities at bachelor level increased by 48.4%<sup>20</sup>, and this upward trend is present at 7 universities in Hong Kong (except Lingnan University).

Figure 1 : Mainland Student Enrolment in HK University Bachelor Degrees (2010-2016) - By University



Source: University Grants Committee

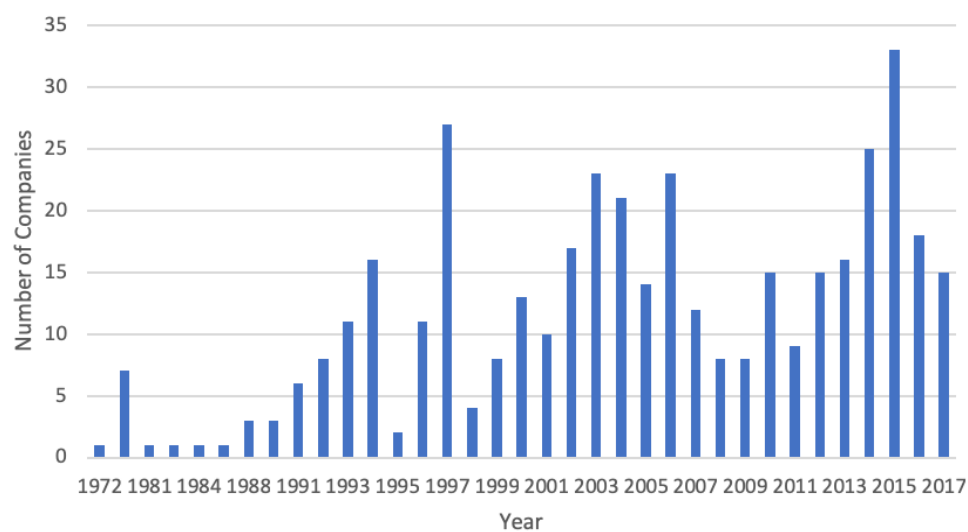
What is more, the Mainland Chinese students who “make the cut” to study at Hong Kong universities are elite students with strong academic performance. Universities in Hong Kong select Mainland students based on their performance in the NCEE (National College Entrance Examination). Competition is tough, as there are about 9,750,000<sup>21</sup> participants in the NCEE every year, and in general the Mainland students admitted to Hong Kong universities are among the top. HKU reported that more than 100 Mainland students admitted were among the top three in their respective provinces.<sup>22</sup> At the Chinese University of Hong Kong (CUHK), almost every admitted student from the Mainland were among the top 0.1% in their provinces.<sup>23</sup> The Hong Kong University of Science and Technology (HKUST) considers Mainland students based on their NCEE grade *and* interview performance, but only approximately the top 100 students in their province get a chance for a face-to-face interview, setting the bar high at the outset.<sup>24</sup>

## 2. More deals and clients from Mainland China

Hong Kong has many competitive advantages as a financial centre, one of which is its status as the world’s gateway to China. Internationally, it is the leading offshore Renminbi (RMB) hub.<sup>25</sup> 90% of Mainland China’s external trade settled in RMB is intermediated through Hong Kong.<sup>26</sup> In 2016, 61% and 58% of Mainland China’s inward and outward direct investments took place in Hong Kong, respectively.<sup>27</sup> As Mainland China deepens its market reform and continues to support the Belt and Road Initiative and the Greater Bay Area development, Hong Kong’s financial services industry stands to capture a larger share of China-related investment and financing deals.

Hong Kong’s rule of law and sophisticated regulatory infrastructure have contributed significantly to the financial services industry’s success. Take capital markets for example, Hong Kong is a popular destination for Chinese companies to raise funds. The regulatory environment in Hong Kong is much friendlier than in Mainland China, as there is more predictability in terms of outcome and timing in dealing with regulatory scrutiny.<sup>28</sup> Listing in Hong Kong also promotes a company’s international image.<sup>29</sup> Over the past two decades, the number of H-share and red chip companies in Hong Kong has risen by 310%.<sup>30</sup> As of May 2018, the total number of H shares, red chips stocks and Mainland private enterprises make up nearly half of all the companies listed on the Hong Kong Stock Exchange, representing 67.0% of market capitalization and 79.6% of the turnover value.<sup>31</sup>

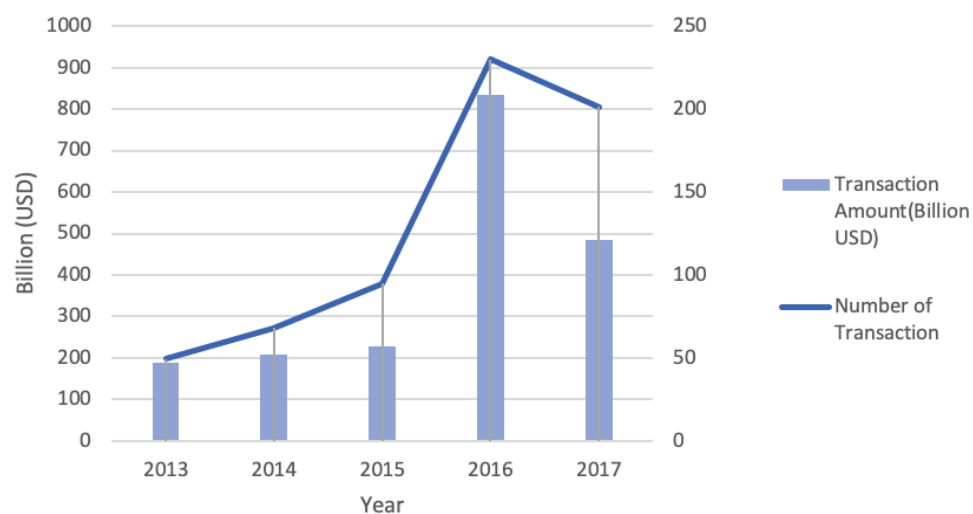
Figure 2.1 : Listed H-Share and Red Chip Companies in Hong Kong - Mainland Dimension



Source: HKEX

Hong Kong has also become a popular destination of choice for Mainland-outbound mergers and acquisitions deals.

Figure 2.2 : Mainland Outbound M&amp;A Deals in Hong Kong (2013-2017)

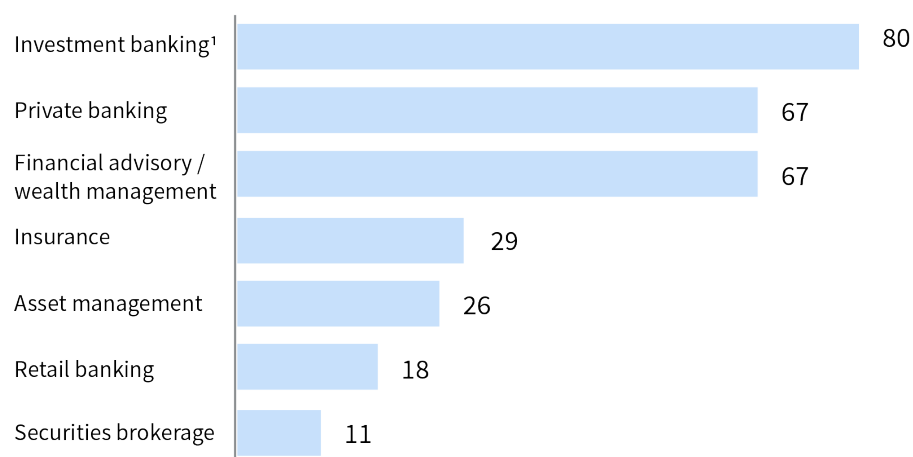
Source: Thomson Reuters, ChinaVenture, PwC<sup>32</sup>



## The Upshot: More Mainland Chinese Nationals in the Financial Services Industry

Together, the two external factors above might have contributed to the increase in Mainland Chinese nationals employed within the financial services industry by more than 20% in the past 10 years.<sup>33</sup>

Figure 2.3 : Percentage of Firms that Reported a >20% Increase in Total Number of Mainland Chinese Nationals Employed in Last 10 Years



- Many key sub-segments in Hong Kong's financial sector had a significant portion of firms that experienced an increase of **over 20% in Mainland employees** in the past decade
- In particular, **investment banking, private banking and financial advisory/wealth management** experienced the largest jump in Mainland employees, likely driven by their need for relationships/networks and Chinese proficiency

<sup>1</sup>Investment banking includes corporate finance advisory, sales and trading and research

Source: FSDC AM Survey, FSDC Analysis

Against this backdrop of structural changes, youth from Hong Kong must stay abreast of the evolving manpower needs of the industry and respond accordingly. It must be emphasised that it is not all "doom and gloom" for Hong Kong youth. Rather, the question becomes: what can Hong Kong youth do to remain competitive? It is suggested that they should enhance their *individual strengths* and take note of the *expectation gaps* that exist between employers and job-seekers, both of which will be discussed in later sections of this report.

## Methodology

From March to June 2018, MWYO conducted interviews among job seekers and employers in the financial services industry. There was a total of 32 interviewees, among whom 20 people gave an account from a job-seeker's perspective and 12 people gave an account from an employer's perspective.

The job-seeker's accounts were given mostly by students of relevant majors (Business Administration, Economics, Finance, etc.) with the experience of applying to internships or graduate jobs at financial institutions. With the exception of 2 recent graduates, most were then current students enrolled in a university in Hong Kong. They have diverse upbringings, including Hong Kong, Mainland China, Taiwan, and United States. Some applicants were given an offer (whether an internship or graduate job), while some were not.

The employer's accounts were given by staff of investment banks, other financial services firms and management consulting firms. Human resources managers, junior and mid-level professionals, and senior management executives were all interviewed. All interviewees (except one) were directly involved in the recruitment process and therefore made comments based on personal experience. Interviewees belonged to various teams within the bank or firm and performed different functions, including investment banking (IBD), sales and trading (S&T), asset management, equity research, and private banking or private wealth management. They were thus able to explain the job criteria for each type of role.

To ensure that we could obtain as much information and as frank an account as possible, interviewees' identities and the identities of their organisations are kept confidential.

In terms of the interview structure, most were in-person interviews, with the exception of 3 telephone interviews. The interview was either one-on-one, attended by the interviewer and interviewee alone, or in a small group format with 2-3 interviewees grouped together. All interviews are semi-structured to ensure sufficient and targeted information could be collected.



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The interviews covered the following topics:

- a. From the perspective of job-seekers, personal motivation for the job, individual skills and attributes, internship and other relevant experience, preparation work (including persons or resources turned to), application process and outcome, tips to future applicants (including things that would have been done differently).
- b. From the perspective of employers, the recruitment process and their involvement, the skills, attributes and experiences looked for, mistakes and pitfalls of unsuccessful candidates, and their advice to applicants in general.



# Observations

## A. Success Factors

It was found that “successful” candidates (meaning those who got the offer that they wanted) all had some factors in common, regardless of their career goals or their personal background.

### 1. They know what they want and start working towards it very early on

Successful candidates are very clear about their career goals and start preparing for it as early as possible. Most of them started preparation in the first year of university; some started even before that in their final years of high school. There are two implicit elements here: *being alert*, and *being prepared*.

*Being alert* means that a candidate knows enough about the financial services industry and can differentiate between different firms and roles (e.g., investment banking, sales and trading, equity research, private banking, and asset management). Apart from the job nature and requirements, candidates know the lifestyle, prospects, and headcount of each role such that they can make an informed decision as to which specific role they want, and even which firm given the variance in firm culture. It is only then that they can prepare for an application in a meaningful and efficient way.

*Being prepared* means that one takes all the necessary steps to overcome challenges at all stages of application. Generally, all applications have a paper screening stage and an interview stage.

- a. For the paper screening stage, the usual work involves preparing a curriculum vitae (CV) to showcase one’s strengths and relevant experience, a cover letter, aptitude tests and essay questions to explain motivation, behavior and personality traits.
- b. For the interview stage, applicants are usually required to go through multiple rounds of interview. Applicant may have to meet with staff from all levels of the department applied to, and sometimes even all departments of the bank. In one extreme case, an applicant had to speak with 70-something people and get majority consensus before s/ he was hired.



During application period, an applicant has to go through the meticulous exercise of drafting, re-drafting and re-drafting again the paperwork to ensure that every single word serves a purpose to showcase one's personality and fit for the job. Further, each firm looks for different candidates, so each application should be uniquely prepared for that firm and role in question. Duplication and mass sending of applications almost always guarantees failure.

While the above may seem like common sense, a critical point at which many candidates fail is the time to start preparing. A good application is so much more than a CV and cover letter. It starts with having the necessary self-understanding (knowing what one is applying to), the requisite grades (firms usually have a cut-off GPA below which candidates' application will not be considered beyond the paper screening stage), and relevant experience accumulated over the years (so that one can demonstrate passion through action). For all of these factors, candidates have to start preparing early in advance of application period, preferably in their first year of university.

The below examples illustrate the necessary level of information and preparation.

### **Case Study: Two Penultimate Year Business Students in Hong Kong**

Both Students 1 and 2 are born and raised in Hong Kong, and at the time of writing were penultimate year business students at the same university in Hong Kong.

Student 1 first heard about investment banking in her first year of university. She became interested in an IBD position after doing online research and speaking to industry professionals at university-hosted career workshops as well as recruitment activities organized by firms. Her personal motivation was clear: she enjoyed a fast-paced and challenging working environment, and frankly, the top-notch salary of an IBD position. While in her first and second years, she ensured that she participated in relevant but diverse activities, including part-time work at a private equity (PE) investment firm, and an exchange semester at an Ivy League college in the United States. She also engaged a career coach (who used to work in the financial sector) to get more insider knowledge, and to review and give advice on her application. During application season in Year 3, she spent several hours each week on average polishing her applications. She exchanged tips and notes with fellow classmates who were also applying to IBD, and they provided mutual support during that stressful period. Student 1 successfully secured a summer internship with the IBD of a Bulge Bracket bank.

Student 2 became interested in banking since the second semester of Year 2. She was generally interested in any “banking job” and did not have a preference for the exact firm, department or role. Her reason was “it did not seem too boring”. Her preparation included attending university-hosted career workshops, checking job openings on the university career center’s website, and filing the necessary paperwork for an internship application. She applied to multiple banks, and got first round interviews for some. However, Student 2 eventually failed to secure a summer internship.

In this regard, we would like to use McKinsey’s<sup>34</sup> terminology to describe youth segments in terms of their attitude to employment, the degree of support received and eventual outcome:

- High achiever – “I focused and made the best of the support I received.”
- Coaster – “I flew through education without stopping to think what would come next.”
- Meanderer – “Good enough is enough; I’m not aiming high.”
- Dreamer – “I wish I had known more so that I could have made better decisions to reach my ambitions.”
- Persister – “I tried and tried, but my education did not equip me to reach my ambitions.”

Student 1 is a typical “High Achiever”. She succeeded due to her level of alertness and preparation, and her strategic approach in general. In contrast, Student 2 is a “Coaster”. She failed because she did not have a clear career goal, so preparing strategically for it was a non-starter. Student 2 also displayed signs of a “Dreamer”, as she told us that she wished there was more support and information, especially from university career services, to guide her career preparation earlier on. In our interviews, we also met “Meanderers” who eventually settled for any job that they could find, even if it was not within the financial services industry or not the firm or role they preferred. We have not met any “Persisters”, which may be a result of the small sample size, but may also be a sign that motivation and resourcefulness weighs heavy in determining one’s success. The motivation factor will be discussed in later sections of this report.



## 2. They have demonstrated interest in the job

Another attribute of successful candidates is a demonstrable interest in the job applied to. They are curious to learn about every aspect of the job, and are eager to take on more responsibilities.

All of the successful candidates we met employ a mix of the methods below to maximize their knowledge of the job and the industry.

- Getting advice from seniors and alumni, as well as forming groups with peers to exchange useful information and resources;
- Doing their own research beyond the scope of coursework and university career services, such as going on financial institutions' websites and reading financial news (e.g., Financial Times and Bloomberg News) to understand the industry better;
- After attending recruitment events, sending a follow-up note to speakers to maintain personal contact;
- Grasping every single opportunity to network with industry professionals, including at social settings;
- Cold-emailing industry professionals to request meetings to get the inside scoop and hopefully a referral for their application to be considered;
- Earning work experience (internship or part-time work) in the financial industry;
- At internships:
  - Being observant and paying attention to every single task (however minute), thinking about how it fit into the bigger picture of the deal, and asking questions as appropriate; and
  - Seeing all types of work as a learning opportunity, asking for feedback on tasks already completed and being proactive in asking if any follow-up work was needed.

There are of course more ways, and whether it is effective to employ any or all of the methods above is a matter of personality as well, but this is just to illustrate that interest can be demonstrated in many ways. In the words of one employer, "There is unlimited resources and information out there. If an applicant is willing, s/he can learn and know so much, so it is very easy to tell the ones who are truly interested from the ones who are half-hearted about their application."

## 3. They put in hard work and make sacrifices

The financial industry is competitive, especially if one wants to get into a Bulge Bracket bank or departments like the IBD. Below are two cases to show the dedication, commitment and action that makes up a strong application.



### Case Study 1

Student 3 was a student from Mainland China studying at a Hong Kong university. He had thought he wanted to work at a management consulting firm, but realised in his later years of university that his interest lied in IBD. It was then already too late for him to apply for an internship that would give him a shot at a graduate job, so he decided to defer one year of his studies to maximize his chances of getting a relevant internship. In his deferred year, he sent more than 100 cold emails to request coffee meetings and referrals, and often attended networking events. He eventually landed a part-time job at a boutique investment firm which required him to work late every night, usually past midnight, and weekends. That job connected him to an internship opportunity at a Bulge Bracket bank.

### Case Study 2

Similar to the case above, Student 4, a Hong Kong local student, did not know what he wanted to do in his earlier years of university. He actively participated in many activities, though they were not at all related to finance (e.g., he worked for an NGO). After he became interested in IBD after working as an intern with a PE firm in the summer of his 2nd year, he also deferred one year of his studies. Eventually, he secured a summer internship with a Bulge Bracket firm.

There are two takeaways from the above cases. *First*, one's cultural background did not determine one's success, even for roles as competitive as IBD with a Bulge Bracket bank. *Second*, both candidates expressed a positive attitude throughout the interviews. When asked why they sacrificed so much time and effort for an uncertain outcome, they replied that they were passionate about the job and believed that success would come to those who were willing. "Do not give up even if you cannot get it the first time." That said, both admitted that it would have been much easier if they identified their career interests earlier (going back to success factor #1).





## B. Expectation Gaps Between Employers and Young Job-seekers

Turning away from individual case studies to comments from employers, it is noted that there are expectation gaps between employers and young job-seekers in terms of knowledge, skills and motivation.

### 1. Knowledge gap

This refers to industry knowledge, technical knowledge and cultural knowledge.

- *Industry knowledge* includes the lines of business in the financial services industry (investment banking, sales and trading, etc.), as well as the different types of financial institutions and their broad categorisations, at the very least. Some employers would ask interviewees about market knowledge and trends, and even recent deals completed by that specific firm, as they considered these to be readily accessible information and so expected interviewees to have prepared for it, though we have also met some employers who could look past ignorance as long as the interviewee acknowledged it and demonstrated willingness to learn.
- *Technical knowledge* is especially important for a junior position, as it demonstrates the candidate's solid foundation which is necessary to produce quality work. For example, an IBD candidate is expected to be able to know the difference between equity finance versus debt finance, and more importantly, to be able to *talk about it coherently and clearly*. A common feedback from employers is that students often cannot explain technical concepts in a simple way, and that shows a lack of depth of understanding.
- *Cultural knowledge* refers to the level of familiarity with the culture that the firm / team is associated with. International financial institutions would, for example, prefer candidates who can demonstrate exposure through overseas experience (e.g., exchange). Firms or teams with a significant portfolio of Chinese clients and China-related deals will require candidates to speak fluent Mandarin, read and write simplified Chinese, and be able to generally communicate with Chinese clients and counterparties.



## 2. Skills gap

Apart from core knowledge and intellect, employers emphasise that the financial services industry is a people's business overall, so candidates need to possess excellent *interpersonal skills*. Apart from interview performance, employers see a good track record of participating in a broad range of activities (e.g., students' unions, clubs, societies, competitions, events, etc., both within and beyond one's university) as a proxy for one's ability to communicate and work with different people.

Employers also observe if candidates possess these attributes during internships.

- *Client-oriented attitude*. What employers do not want to see is juniors having a sense of entitlement and feeling that certain types of work are "below them" or that they should not have to do it. All employers that we interviewed gave accounts of how they "paid their dues" and did their fair share of mundane tasks or grunt work while they were once a junior, so they expect the same. For example, it is quite common for junior banking professionals to have to work overtime or be "on standby" waiting for client instructions. It is also not unheard of for juniors to have to step in for tasks like buying coffee and delivering documents after office hours, as support staff have left. Employers expect juniors to be able to understand business needs and play their role in making a contribution, however small, willingly and pleasantly.
- *Teamwork*. Teamwork does not only mean being able to get along with one's supervisor, but also one's peers. One employer saw it as a red flag if an intern had trouble getting along with his/her batch mates. Teamwork even extends to the whole organisation. One employer gave an example of an intern treating a tea lady rudely, and that intern was accordingly not offered a graduate job. Candidates are expected to conduct themselves professionally at all times.

## 3. Motivation gap

This is the most common observation from employers, that candidates do not want the job enough; some call it not being "hungry" enough. What they mean is that candidates lack the requisite skills or relevant experience, or do not display the correct attitude, to *persuade* employers that they are motivated. Motivation is paramount in what employers look for because, as noted above, a junior role in the financial services industry can be quite demanding and employers need to be convinced that the candidate has sufficient reasons to remain driven and to endure any hardships that come their way.



Some employers also believe that passion guarantees quality work, especially if the firm is a well-established one. An employer from a Bulge Bracket bank commented, *"We have an open-door policy and ample internal resources. Juniors are welcome to ask anyone questions, including senior management. If they want to learn and improve, the resources are there and all they have to do is ask."*

Young job-seekers sometimes feel uncertain on how to prove their motivation, so we have consolidated the list below on the factors that employers consider helpful. Like success factor #2 (having a demonstrable interest in the job), there is no fixed formula. Apart from demonstrating knowledge and skills at the selection process, the following factors will also go to proving motivation, most of which are already explained above:

#### Experience

- Internship or part-time work experience at a financial institution
- Insight programmes (essentially day-long sessions organised by firms to let students have insights of its work and meet its people)
- International exposure
- Extracurricular activities and any other experience, as long as the candidate can explain its relevance to the job or demonstrate how it promoted his/her professional and personal growth

#### Attributes

- Curious and willing to ask questions
- Proactive and eager to take on responsibilities
- Confident
- Positive and energetic
- Entrepreneurial and problem-solving



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Lastly, we clarified with employers a question that might have deterred some students: how much do family background and connections matter? The general consensus is that it at best plays a marginal role, and can even be counter-productive for well-established, reputable firms. These firms have tight internal compliance control and, after recent scandals of firms' hiring practices to strengthen client connection<sup>35</sup>, have become more aware of reputational risks arising out of hiring unqualified persons based on their family background. This is true even for private banking roles that work with high net-worth clients, as we have confirmed with two private banking professionals. At the end of the day, it is the candidate's strengths and work performance that will get him/her the job; these strengths may well include interpersonal and relationship-building skills, but that is different from family connections alone.



# Suggestions

## A. For Young Job-seekers

This report has identified common factors among successful job seekers, as well as the expectations of employers in the financial services industry. In addition to these factors, below are some generic points for young job-seekers to bear in mind.

### 1. Understand yourself and the job you want, and prepare strategically for it

- Identify your character traits, interests and career preferences early.
- Understand the lines of business within the industry, and each role's work nature, requirements, lifestyle and prospects. You can do this by your own online research and asking industry professionals.
- Make contact with relevant professionals through mentorship schemes, career workshops, networking events, connections through alumni networks and student unions, and even social occasions. Be proactive in identifying opportunities.
- Build a portfolio of relevant experience according to your career preference.

### 2. Present the best version of yourself

- There is no perfect candidate or "marking scheme" for a job application. The screening process is for employers to determine your fit for the job, so present *who you are* in the best light.
- Know your strengths and play to them. You should be able to articulate how your strengths will improve your performance at work, in light of the job's requirements.
- Recognise your weaknesses, again in light of the job requirements, and take steps to remedy them. For example, if your grades are not top-tier, identify other areas that you are good at (e.g., leadership activities); also expect questions at the interview and prepare a satisfactory explanation.



### 3. Your mindset makes all the difference

- Have a growth mindset. Believe that your talents can be developed through hard work, good strategies, and input from others.
- Share notes and information with your friends. Each application is unique and judged on its own merits, so do not be afraid of “losing out”. Mutual encouragement and support can go a long way in the tough process of job hunt.
- Gain as much exposure as you can from activities and people. Everyone has blind spots, and the only way to overcome them is through knowledge, experience and constantly learning. Step out of your comfort zone and try new things.
- Give your priorities to experiences that will enhance your professional and personal growth, even if they may not bring about immediate, tangible benefits.
- Respect your work and enjoy it (the Chinese saying for this is “敬業樂業”). Appreciate the value of your work in terms of its role in supporting the whole project / organisation and the learning opportunities it brings.
- See the big picture, and learn and rise from any difficulties and sacrifices during the job search and application process. Keep your eyes on the prize.
- Do not be discouraged by failures and setbacks. Our examples show that successful candidates go through many tries to get into the industry.

## B. For University Career Centres

University career centres are in the best position to support students in career preparation. Beyond providing career information and services, career centres are encouraged to specifically address the expectation gaps between employers and job-seekers. Below are some suggestions for actions.

### 1. Form close partnerships with the financial services industry and FSDC

Career centres are encouraged to maintain close communications with the financial services industry, with a view to co-organising more career preparation activities for students and giving students more direct insight into the industry to fill expectation gaps. Industry professionals in charge of recruitment reflected that they would like to form closer partnerships with universities, and would appreciate universities initiating conversations on how to collaborate.

There is synergy between career centres' work, and the FSDC's terms of reference to strengthen collaboration between the demand and supply sides of the financial talent pool and support capacity building for Hong Kong's home-grown professionals. Career centres and the FSDC are encouraged to jointly explore how to leverage on the former's student network to tap into the local talent pool, while utilising the latter's connections with financial institutions to enhance industry participation.

Some ideas for collaboration include the following:

- Career centres could partner with financial institutions to offer mini-internship or job-shadowing opportunities for junior year students, or at least co-promote insight days, as separate channels for them to learn about the industry, ahead of formal internships offered by the firms themselves for recruitment purposes.
- Mentorship schemes and informal networking sessions are among the most useful ways to connect students to the working world and help them make relevant contacts. Almost all students interviewed indicated that they would like to see more similar activities with stronger industry participation. Career centres may partner with the FSDC to organise similar activities on a larger scale.
- Career centres are also an important source for students to obtain information on internships and job openings. While all universities have an online job portal, some students commented that the information was not up-to-date or comprehensive enough. Remedying this would require career centres to have ongoing and frequent communications with a wide range of financial institutions. At the same time, university career centres are a good promotional channel for FSDC's career website<sup>36</sup>, which contains essential information on various sectors within the financial services industry and practitioners' tips on job application. The website also has a job search portal specifically for graduate jobs and internships within the financial services industry, so university career centres do not have to reinvent the wheels. These parties are encouraged to discuss how to consolidate fragmented information on one platform to help job-seekers identify career opportunities easily.

## 2. Offer individualised career counselling to all students

The expectation gaps between employers and job-seekers are not issues with a “quick-fix” or a “one-size-fits-all” solution. Students will need to have a deep understanding of themselves and their career goals, as well as cultivate the correct mindset. Career services should include a lot more than CV-writing workshops or mock interviews. Students and mentors from the industry have reaffirmed time and again that mentorship or counselling is the most impactful way of enlightening students on the way to approach career preparation, not least because this is a very personal exercise and there needs to be a positive and ongoing mentor/mentee relationship for counselling to work. Not all students apply to mentorship schemes and not all of them are fortunate enough to participate, so career centres have the important responsibility of proactively offering quality counselling services to all students.

In terms of the level of care in career counselling services, the practices of universities vary. Most universities have a team of career counsellors whom students can make an appointment with, but this requires students to take the initiative. Other universities assign each student with a career counsellor. Ideally, universities should take the latter approach to effectively support *all* students. To use McKinsey’s segmentation (above), the former approach will only benefit “High Achievers”, while the “Coasters” and the “Dreamers” will most likely fall through the cracks. Career centres could assign each freshman with a career counsellor from the first day of university, and ask that counsellor to initiate contact and be the student’s advisor throughout university to provide individualised counselling.

## C. For the FSDC

In performance of its role of supporting capacity building for Hong Kong’s home-grown professionals for the financial services industry, the FSDC’s Human Capital Committee has set up a dedicated career website and organised various activities (including a Career Day and the Practitioner Speakers Series). Encouragingly, most of these activities were in partnership with universities. We have made suggestions above on more ways of collaboration.





In addition to co-organising activities with university partners and continuing to encourage industry professionals to join these activities, the FSDC may directly partner with relevant student groups (e.g., business student unions) of each university to co-organise more informal activities, such as fireside chats or networking happy hours, and encourage its junior professionals to participate. The FSDC may even consider setting up a junior professionals' sub-committee for this purpose. Students expressed that they would appreciate the sharing of junior professionals, especially their personal and recent experience on career preparation, and any quasi-mentorship relationships that come out of these interactions.

## Concluding Remarks

In recent years, there is a sentiment among local youth in Hong Kong that they enjoy fewer and lower quality job opportunities. This is especially felt in relation to the financial services industry. This paper analysed the environmental factors that might have contributed to this phenomenon, including the industry's prominent role as the world's gateway to the Mainland Chinese market and the increase in competition from Mainland Chinese students seeking employment opportunities in the financial services industry of Hong Kong.

Industry outlook for the financial services industry is that its connectivity with the Mainland will only deepen, and the standards for Mandarin Chinese and cultural efficacy in dealing with Mainland Chinese clients and working on deals with a Chinese connection will only be higher. Against this backdrop of changing industry demands, young people in Hong Kong should respond positively to the industry's evolving manpower needs and equip themselves accordingly. It is perhaps helpful to take a step back and put the problem into context – stiff competition for high quality jobs is an issue faced by all youth worldwide. For instance, in Europe, only about 10% of youth achieve a good employment outcome.<sup>37</sup> Naturally for good opportunities, competition is tough, as has been observed in global financial cities such as New York<sup>38</sup> and London<sup>39</sup>.

For anyone who is proud of their "Hong Kong" identity, it is worthwhile reminding them of the "Lion Rock Spirit". It means to be open-minded, to be able to adapt to changes, and to have a "can do" attitude. It must be emphasised that the purpose of this project is to encourage and support young people in Hong Kong who are interested in the financial services industry. By painting a clearer picture of the industry, supported by job-seekers' experience sharing and employers' insights, we hope to have shed light on the requisite knowledge, skills, experience and attributes, so that young people can equip themselves accordingly and achieve their goals. Underlying these factors is a person's motivation and mindset, which we have found makes a great difference and is a key driver for success. It is hoped that young people will appreciate the opportunities that are available to them and be willing to put in the hard work, like our past generations have done in transforming Hong Kong from a colonial backwater into an international financial centre.

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## Contact

MWYO

+852 26191877

[contact@mwyo.org](mailto:contact@mwyo.org)