



Manpower Update Report

Security Services Industry

2020

Security Services Training Board

ACKNOWLEDGEMENT

The Security Services Training Board (SSTB) would like to express its deep gratitude to the industry experts who contributed their valuable time by participated in the focus group meeting and gave their insights into the manpower situation of the Security Services industry. The opinions formed an integral part of this update report.

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Introduction

Background

The SSTB of the Vocational Training Council (VTC) was appointed by the Government of Hong Kong Special Administrative Region to be responsible for, among other duties, determining the manpower situation and training needs of the industry. According to the schedule, the SSTB completed its latest full manpower survey in 2018 and a manpower update exercise, through focus group meeting and desk research, would be conducted in 2020.

The SSTB conducted a focus group meeting of the security services industry on 28 September 2020 to collect views about the latest manpower situation and training needs of the industry. Desk research has also been conducted to capture recruitment information including job vacancies of principal jobs, qualification requirements and salary offered in the industry for the period from July 2019 to June 2020. This manpower update report for the security services industry (including branches of the Security Guarding Services, the Armoured Transportation Services and the Security Systems Installation/Maintenance/Repair/Design/Others) mainly covers the findings obtained from the focus group meeting, supplemented by the reference information acquired from desk research.

Objectives

The objectives of the manpower update are as follows:

- (i) To examine the latest trends and development;
- (ii) To explore the job market and training needs;
- (iii) To recognise recruitment challenges; and
- (iv) To recommend measures to meet manpower and training needs.

Methodology

Overview

A new approach is adopted by the SSTB to collect a holistic manpower information of the security services industry through conducting full manpower survey, supplemented by periodic update based on focus group meetings and desk research. For the purpose of this update report, only views of the focus groups and desk research will be covered.

Focus Group Meeting

The focus group meeting is intended to collect industry's view on the latest trend of the manpower development, training needs, and recruitment difficulties, etc. Members participating in the focus groups are representatives from the following types of companies:

Type I - Security Guarding Services,
Type II - Armoured Transportation Services,
and
Type III - Security Systems Installation/
Maintenance/Repair/Design/Others.

A focus group meeting (2 hours), moderated by the SSTB Secretariat, was held on 28 September 2020. The moderator initiated the discussion with general questions and probed into more specific context to collect in-depth information on relevant topics in the discussion guide.

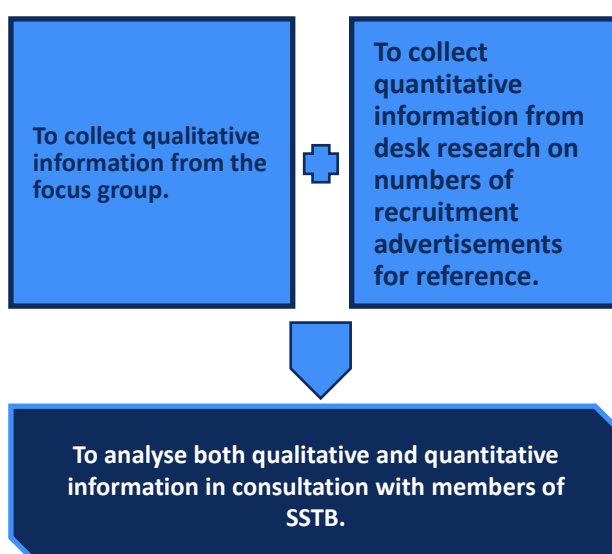
Desk Research

Manpower information covering the period from July 2019 to June 2020 was collected through desk research. The information includes the number of job advertisements, required competency of the posts, qualification and experience, and market remuneration, etc. An integrated database was developed to capture the relevant recruitment data from major online recruitment portals.

Over 930,000 recruitment records, covered all industries, were collected during the research period and served as indicative information of the job market trend. Information was mapped against the list of related companies under the Security and Guarding Services Industry Authority (SGSIA) and duplicated records were removed during the process. As a result, 17,000 relevant recruitment records were used for analysis.

Data Analysis

The analysis consists mainly of the following three steps:



Limitations

As this is not a full manpower survey, the findings and recommendations are more qualitative in nature and the report mainly focuses on the manpower trend. The desk research, focuses on online advertisements on major recruitment websites and the Labour Department, does not cover occupations that might use

other recruitment methods such as executive search companies, word-of-mouth or connection through social media. Since the data collected is a snapshot of a particular period without referencing to any historical data, this can only serve as reference information supplementary to the findings of the focus group meeting.

Findings

Factors Affecting the Development of the Security Services Industry

The SSTB had identified several factors affecting the development of the industry to facilitate discussion by focus group. Focus group members were invited to give their views on relevant questions in relation to those factors to understand the influences on the recent development or changes in respective licensed types of companies in the industry.

Social Unrest and COVID-19 Epidemic

Since the second half of 2019, Hong Kong has experienced a setback amid the social unrest, COVID-19 epidemic and external uncertainties. As a result, retail, catering and hospitality have become the most hard-hit industries; the security services industry, in terms of the business, was comparatively less impacted.

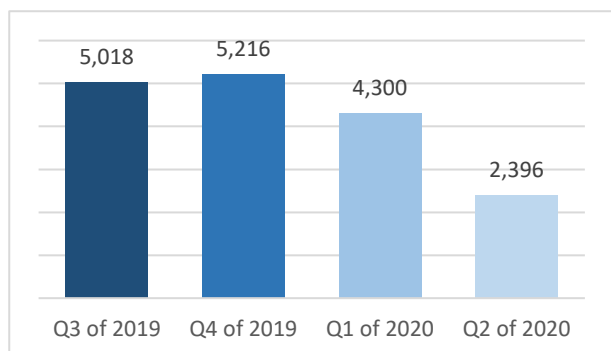
During the social unrest, there was a sharp increase in the demand for security guards from major public transport stations, business centers, banks, shopping centers,

government offices and institutions as a result of severe damage and vandalism. The increased demand resulted in more than a 20% pay raise for security guard recruits. A part-time security guard could earn as much as HK\$1,000 a day, while South Asian ethnic security guard was the most desirable by stakeholders and could earn as much as HK\$2,000 a day.

The COVID-19 pandemic in early 2020 brought a little respite for the protests and the tight manpower situation was temporally relieved. The graph below has revealed the result of desk research, which illustrated the big difference in the number of security services related job

advertisements between Q3 2019 and Q2 2020:

Number of security services industry related job advertisements



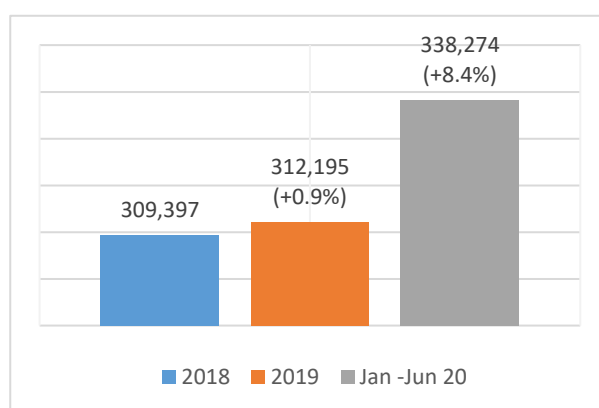
The COVID-19 outbreak has dampened visitor arrivals and spending in Hong Kong, hitting hard the retail and tourism industries. With the closure of tourist attractions and global aviation at a nearly standstill due to travel restrictions, the demand for cash-in-transit and armoured transportation services from the most hard hit industries, such as retail, catering and hospitality, has dropped significantly.

Given the rising public hygiene awareness against COVID-19, many private residential, commercial and composite buildings engaged additional security guards to undertake anti-epidemic measures at the access points to measure visitors' body temperature and control crowds. The arrangement has been changed in recent that the anti-epidemic measures have been undertaken by the customer services or other property management personnel rather than security guards.

The outbreak of COVID-19 has not only curbed tourism spending but also local consumption, resulting in business closures, layoffs and/or unpaid leave for workers. Some of the laid-off workers have

joined the workforce in security guarding services. According to the statistics of the Security and Guarding Services Industry Authority (SGSIA), as at 30 June 2020, there was an increase of 8.4% in the number of valid Security Personnel Permit (SPP) holders as compared with 2019. The number of valid SPP holders during the period from January 2018 to June 2020 is shown as below:

The number of valid SPP holders from January 2018 and June 2020



In the past, many security guards preferred to work part-time as they might be able to receive better hourly rate at cash income instantly. Owing to the closure of international conferences, exhibitions and events caused by the COVID-19 pandemic, the number of part-time security services jobs has decreased substantially. In this connection, more security guards have preferred to work full-time to receive a steady income.

Employment Support Scheme

The HKSAR Government has launched the "Employment Support Scheme" (ESS) under the "Anti-epidemic Fund" to provide

time-limited financial support to employers to retain employees who may otherwise be made redundant. The industry opined that the Scheme could help many industries for business continuity and maintaining staff. However, there would be a wave of manpower reduction as a result of the closure of the Scheme, and the demand for security services from other industries might be reduced.

China- United States Relation

With the escalating tensions between the United States and China, some of the foreign companies in Hong Kong have preferred to hire international-affiliated security services companies, especially the armoured transportation services.

Advanced Technology

Advanced electronic security devices

In the light of the rapid technological advancement, the demand for advanced electronic security devices (e.g. alarm controls, access controls and video surveillance cameras) and security system solutions has significantly increased in residential, commercial and industrial buildings. After the social unrest, ultra-wide angle and sophisticated cameras have been in demand.

According to the figures of SGSIA, as of 30 November 2020, there were 667 licensed security companies engaged in the Type III

security work, an increase of 10% over 2019. The competitiveness of the sector is fierce.

In addition, although the demand for security system has been increasing, there is no notable growth in the average budget for security systems due to the economic downturn.

Robot Technology

Robots have been deployed in shopping malls to scan visitors' body temperature, answer shoppers' enquires and provide the shopping information. The industry has been exploring the feasible to use robot to perform other duties such as patrol and surveillance.

Cloud Technology

Security services companies have been using cloud technology to facilitate the whole guard tour process by allowing security guards to use a smartphone to scan checkpoints and log reports. The artificial intelligence and machine learning technologies have also been widely adopted by the industry for patrol route and manpower planning.

Omni-channel Retailing

In view of the rapid growth in online shopping, it has affected the business of the local retail market. The situation is aggravated during the COVID-19 outbreak. Some of the high-end and luxury brands have evolved into Omni-channel retailing and as a result, the demand for security guarding and armoured transportation

services has been reduced. However, there is still a potential growing demand for an advanced security system to safeguard luxury goods storage in warehouse.

Practice for Tender Evaluation of Security Services Contracts

The government departments have made improvement in the marking scheme for evaluation of outsourced security services tenders by revising the weightings between technical and price aspects. The ratio of technical and price weightings have been changed from 50% versus 50% to 70% versus 30%. This policy not only helps increase the competitiveness of the industry but also sets out a good practice for the private sector. However, contracts for the outsourced electronic security system are still based on the “lowest bid wins” principle.

Licensing Regime

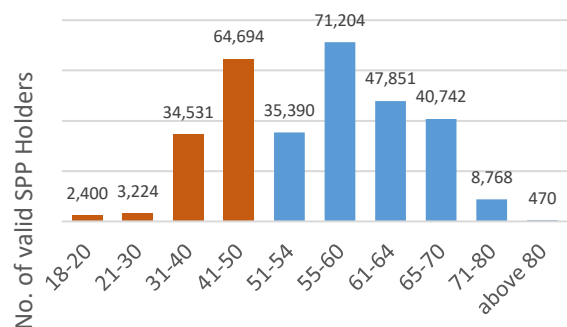
A licensing regime for property management services companies and practitioners has been implemented. Under the regime, an individual who assumes a key managerial or supervisory role in a property management company (PMC) in relation to the property management services must hold a property management practitioners (PMP) license after fulfillment of two categories of requirement. However, most of the senior security services practitioners are not eligible to apply for the licence even

though they have fulfilled the qualification requirements. The security guards in supervisory level might find difficulty not able to change their jobs in property management sector.

Ageing Workforce

The industry has been facing the challenge of ageing workforce. According to the SGSIA statistics, as at 30 June 2020, 69% of valid SPP holders were within the age range of 51 to 80 or above, while only 31% of valid SPP holders were within the age range of 18 to 50. The details of the age distribution of the valid SPP holders as at 30 June 2020 is shown as below:

Age distribution of valid SPP Holders



Polarisation in Remuneration between Special Security Guards and General Security Guards

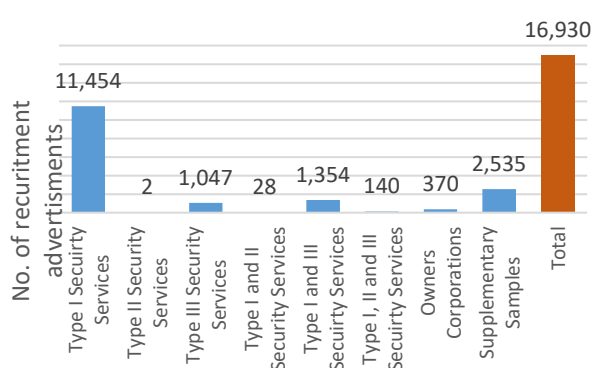
After the social unrest, there is a high demand for special security guards who have received training from disciplined services units. Since they have better crowd control, surveillance and problem-solving skills, their hourly pay rates could

be more than HK\$80 per hour and continue to increase. This leads to the remuneration polarisation between special security guards and general security guards.

Future Manpower Demand

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 of security services related recruitment advertisements captured by the following desk research from July 2019 and June 2020 by job level:

Recruitment advertisements captured



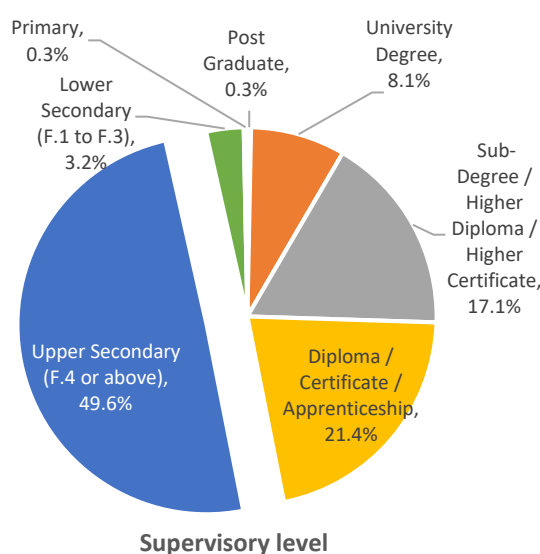
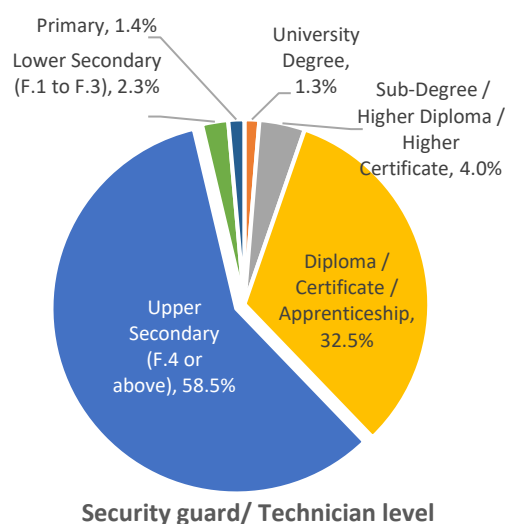
The 2019 Annual Progress Report of the long-term housing strategy revealed that the 10-year total housing supply target should range from 400 000 to 450 000 units, with the mid-point being 425 000 units. This was rounded up to 430 000 units to be adopted as the total housing supply target for the 10-year period from 2020-21 to 2029-30. The increasing number of residential supplies over the coming years will result in the creation of numerous security services related jobs.

Required Qualifications and Work Experience

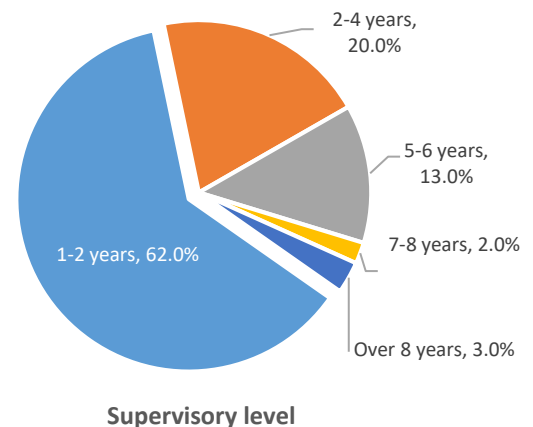
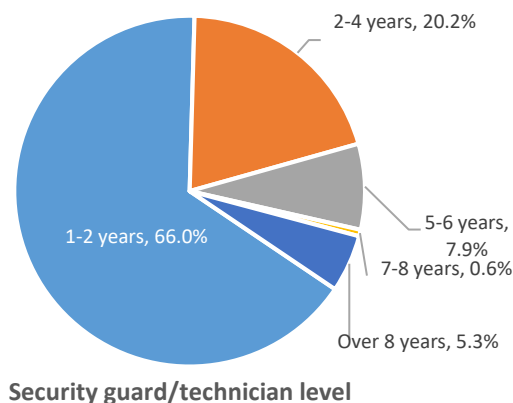
The desk research revealed that most of the security services companies preferred

their security guard/technician and supervisor to have upper second school qualification and 1 to 2 years of relevant experience. The percentages of recruitment advertisements with specified qualification and experience requirements for the period between July 2019 and June 2020 by job level are shown as below:

The qualification requirements for security services guards



The work experience requirements for security services guards



Training Needs

Technological Knowledge and Skill

The technological shift has come with a lot of changes in the operation of the security industry. Today's security guards must be able to interact efficiently and effectively with various high-tech tools and so technology skills and knowledge are essential for practitioners.

Nowadays, the surveillance system has become more advanced and sophisticated. Security, safety and building utility surveillance systems are integrated into a single platform. Security guards working in the security control room should have the relevant knowledge to operate the systems and have multiple skills and synergy to handle various critical situations.

Soft Skills

Skills needed by security guards deployed at reception areas are very different than the skills needed by security guards deployed in high-risk, high-consequence environments. Good communication and problem-solving skills are considered vital for security guards who are deployed at reception areas to have an upbeat and positive attitude to meet different challenges.

Partnership Building

Today's security guards often work in conjunction with law enforcement. The security officers can assume the burden of security escorts, access control and locking buildings while the police officers focus on more sophisticated matters. Security guards should be well-trained to encourage closer cooperation with counterpart authorities as well as to have essential legal knowledge and

understanding the roles and responsibilities of security guards.

Recruitment Difficulties

Despite the fact that some of the laid-off employees from different industries have joined the security services industry, the turnover is still high. It is estimated that some of the newcomers will leave the industry when the economy gets into better shape, as a result, the industry will encounter challenges in the recruitment process as before.

Expectation of Youngsters

The industry is facing the challenge to recruit young talent. One of the main reasons is the declining number of younger generation workforce, coupled with their desire for higher academic pursuit and appeal for other professional jobs. In general, young people and their parents have high expectation on the working condition and remuneration and they generally consider that security services guards is a low pay job.

Low Social Image

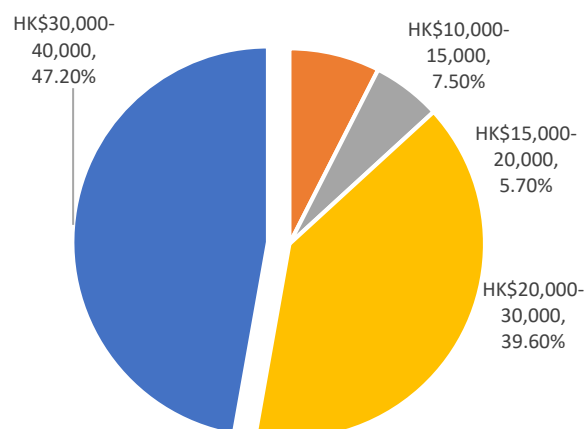
Despite the fact that security guards are required to undergo at least 16 hours of training and use of advanced technology to perform the daily operation, they are classified as non-skilled labour which will discourage new entrants from joining the industry. This has accounted for the reason of the misconception that security

services are low image work.

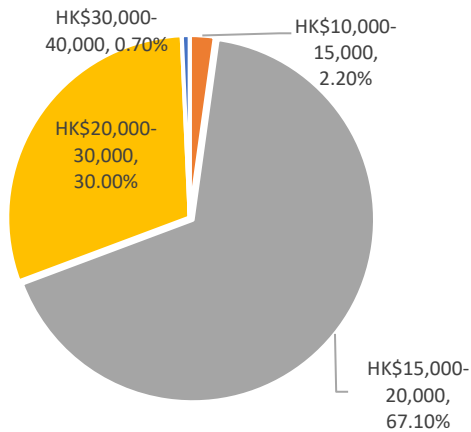
Unattractive Remuneration

The low wage was considered another factor that discourage newcomers from getting into the industry. Owing to the general practice, industry users are only willing to pay a minimum contract price for the procurement of security services. The desk research revealed that the average salary range of the supervisory and security guard/technician levels of the industry was from HK\$10,000 to HK\$20,000 while professional/managerial level could receive HK\$30,000 to HK\$40,000 income. The percentages of salary offered in the recruitment advertisements for the period between July 2019 and June 2020 by job level are shown as below:

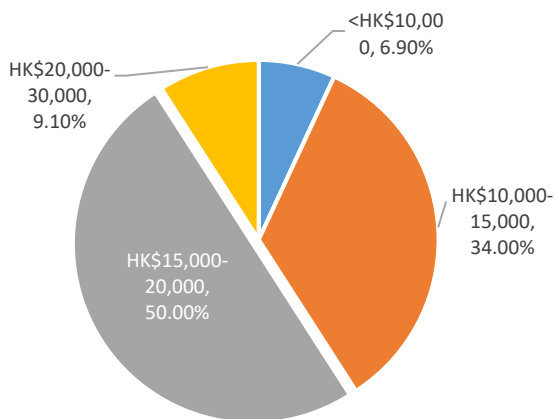
Professional/Managerial level



Supervisory level

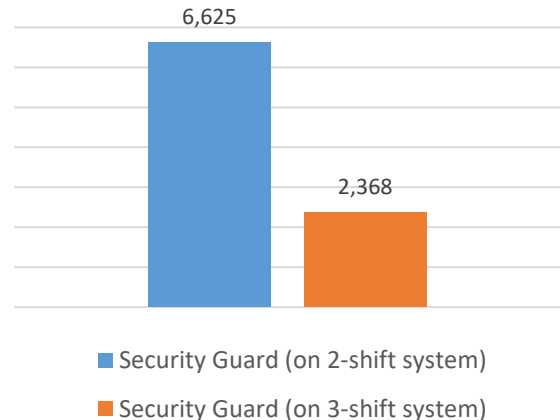


Security Guard/Technician level



72.4% recruitment advertisements required security guards to work on 2-shift system and the details are shown as below:

Number of security guards recruitment advertisements by shift system



Income and Total Net Asset limits of Public Rental Housing

With effect from 1 April 2020, apart from other eligibility criteria, a person whose monthly income exceeds HK\$12,800 is not eligible to apply for public rental housing (PRH). Many security guards prefer to work in 3-shift than 2-shift to receive a lesser monthly salary so that they are eligible to apply for PRH. As a result, the industry anticipates difficulty in recruiting 2-shift security guards.

Long Working Hour

In general, a security guard is required to work in a shift of either 8-hour or 12-hour, day or night at a stretch. Some security guards might work long weeks and shifts to receive more income for living, resulting in deteriorating the overall quality of life. Specific to Type III licensed security companies, they require their technicians to undertake 24-hour on-call duty. The Desk Research revealed that a total of

RECOMMENDATIONS

Measures to Meet the Training Needs

It is considered essential for the government, education institutions and employers to formulate effective strategies to meet the future development of the security services industry.

Government

Labour Policy

In order to alleviate the recruitment difficulties and manpower shortage of the industry, the government should review the policy on importation of labour by adapting a quota system. For instance, a quota for non-resident labour to local security services companies if they hire a certain number of local workers.

Data Privacy Law

In the light of the facial and fingerprint recognition technologies, data analytics and big data are widely used in the security services industry, the government should review the Personal Data (Privacy) Ordinance with due consideration to be taken of the industry's needs.

Government's Practice for Outsourced Security Services

The Government Offices should further review their marking scheme for evaluating tenders for outsources security system installation / Maintenance / Repair / Design / Others services to enhance the

competitiveness of the industry.

Non-skill Workers

The Government should not classify the security services guards as non-skill worker as they have to receive pre-employment and on-the-job training.

Education Institutions

Relevant Skills Training

In order to meet the skills requirements of the security services industry, education institutions should offer training programmes in the following areas:

1. Health and Safety;
2. Digital skills;
3. Communications and Collaboration skills; and
4. Practical skills in integrated surveillance system.

Industry Briefing and Career Talks

Education institutions should facilitate students to have a deeper understanding

of the security services industry and its progression pathway by inviting senior practitioners to share their professional experience and the latest development of the industry with students.

Bite-size On-line Training

Education institutions should offer more bite size online courses for security services personnel to acquire new skills and help individual gain sustainable competitive advantage at their own pace.

Internship Opportunities

Education institutions should offer more internship and work placement opportunities for students to foster their sustained interest to join the security services industry.

Employers

Better Package

The employers should offer financial and/or time support to employees in pursuing lifelong learning to enhance their competitiveness.

Career Advancement

The employers should create more job levels and offer more opportunities to outstanding employees for promotion.

Image Building

The employers should help enhance the image of the security services industry such as to provide better design uniform for security guards to attract young people to join the industry.