



Manpower Update Report

Beauty Care and Hairdressing Industry

2020

Beauty Care and Hairdressing
Training Board

ACKNOWLEDGEMENT

The Beauty Care and Hairdressing Training Board (BHTB) would like to express thanks and gratitude to industry experts who participated as members of the focus groups and contributed their time and provided invaluable insights on the manpower situation in the discussion meeting of the focus group for the beauty care and hairdressing industries. The opinions they have made formed an integral part of this update report.

Contents

Introduction	1 - 2
Background	
Objectives	
Methodology	3 - 4
Overview	
Focus Group meetings	
Desk Research	
Data Analysis	
Limitations	
Findings	5 - 12
Factors Affecting the Development of the Industry	
Further Manpower Demand	
Training Needs	
Recruitment Challenges	
Recommendations	13 - 15
Measures to Meet the Training Needs	

Introduction

Background

The Beauty Care and Hairdressing Training Board (BHTB) under 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 industries.

A new approach for conducting manpower survey is adopted in 2017 to enhance the effectiveness and better reflect the dynamics of the manpower situation. The new approach is to conduct full manpower survey for each

industry once every four years, supplemented by periodic information updates through focus group meetings and desk research.

The BHTB completed its last full manpower survey in 2016. Two manpower update reports were scheduled to be published in 2018 and 2019 respectively. The first update report was uploaded to the VTC website in 2019. In preparation for the second manpower update report, the BHTB conducted focus group meetings in beauty care and hairdressing industries on the 7th and 15th August 2019

respectively, to collect views about the latest manpower situation and training needs from industry practitioners. Desk research was also conducted to capture recruitment information, including vacancies of principal jobs, qualification requirements and salary offered in the industries from the second quarter of 2018 to the third quarter of 2019.

This second manpower update report of the beauty care and hairdressing (BH) industries mainly covers the findings obtained from the focus group meetings, supplemented by the information acquired by desk research.

Objectives

The objectives of the manpower update report are as follows:

- (i) To study the latest trends and developments in the industries;
- (ii) To explore the job market and training needs;
- (iii) To analyse the reasons for recruitment difficulties;
- (iv) To identify emerging skills; and
- (v) To identify job requirements.

Methodology

Overview

To collect the holistic manpower information of the beauty care and hairdressing industries, an approach is adopted by the BHTB through supplementing the periodic update through focus group meetings and desk research so as to compile the update report.

Focus Group Meeting

The focus group meeting was intended to collect the views on the latest manpower trends and the developments of the industries' manpower, training needs and recruitment challenges, etc. The focus group members are representatives from the beauty care and hairdressing industries including:

Beauty care industry

- (i) Beauty/Health Centres and Spas;
- (ii) Cosmetics Product Companies – Retails;
- (iii) Cosmetics Product Companies – Wholesales, Import and Exports

Hairdressing industry

- (i) Hairdressing salons;
- (ii) Hairdressing Product Companies – Wholesales, Import and Exports

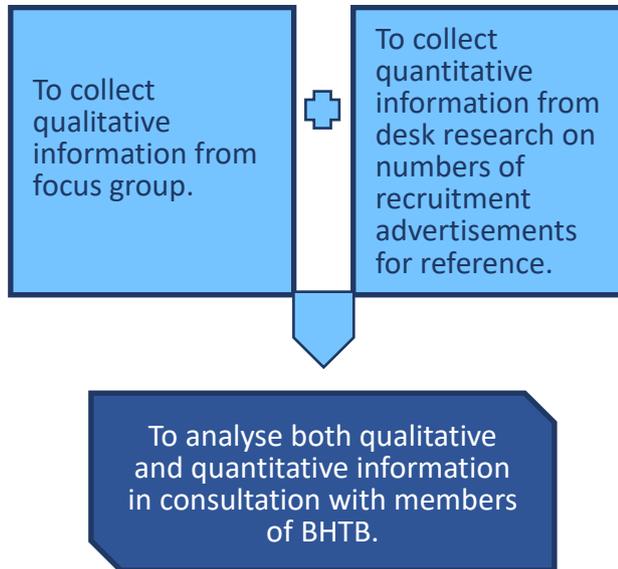
Focus group meetings in beauty care and hairdressing were conducted on 7 and 15 August 2019 respectively. Nine industry representatives from each industry had participated in the discussion. The meetings were moderated by the Secretariat staff of the BHTB, who initiated the discussion with general questions and probed into more specific context to collect in-depth information on relevant topics in the discussion guide. The discussion at the meeting was transcribed to facilitate the analysis.

Desk Research

Manpower information covering the period between the second quarter of 2018 and the first quarter of 2019 was collected through desk research. The information 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 major online recruitment portals. 4,265 recruitment records of the beauty care and hairdressing industries were collected during the research period. Mapping was made with the list of related companies under the Hong Kong Standard Industrial Classification for removal of any duplicated records. The data were then used to analyse manpower trends.

Data Analysis

The analysis consists mainly of the following three steps:



the findings of focus groups.

For the vacancy information among individual sectors, hairdressing salon relatively rely less on online channels for recruitment. Therefore, the number of job advertisements in the hairdressing industry collected from desk research cannot reflect the entire situation of job vacancies.

Limitations

As this is not a comprehensive manpower survey, the findings and recommendations from the focus group meetings are more qualitative in nature and the report mainly focuses on manpower trends.

In addition, the figures of job advertisements were collected from major recruitment websites and the Labour Department, while other channels such as head hunting for managerial positions, or referral via the social media recruitment platform, were not covered. Since the data collected is a snapshot of a particular period without making reference to any historical data, this can only serve as reference information supplementary to

Findings

Factor Affecting the Development of Beauty Care and Hairdressing Industries

Focus groups were invited to discuss the factors affecting the development as well as the potential future changes of the industries.

E-commerce and social media

- ◆ In recent years, online shopping has become increasingly popular among consumers. E-commerce and social media platforms (e.g. Facebook, Instagram and Whatsapp etc) have become one of the key sales and promotional channels for products and services providers in beauty care and hairdressing. Through these platforms, it can also enhance their interaction and communication with customers. For instance, some large hairdressing salons have set up the photo zones with lighting and camera equipment to facilitate their clients to upload their photos of new hairstyles to different social media platforms. By adopting these online promotions, hairdressing salons can attract more walk-in as well as potential customers across other districts for the sustainability of its business.

Product trends in the Mainland and the Greater Bay Area

- ◆ Apart from the dominant market trend of Korean brand products, the growing popularity of beauty care and hairdressing products in the cities of

Mainland and the Greater Bay Area have carried more weight in the Hong Kong market in recent years. To remain competitiveness in Hong Kong, the wholesales sector will make reference regularly, to the different online platforms such as Xiaohongshu, Tiktok, T-mall and Taobao, etc. so as to keep abreast of the latest trend in the popularity of related products. In addition, as compared with the Hong Kong market, the Mainland market sector adopts more technology and online platforms such as Key Opinion Leaders (KOL) and YouTuber to promote the beauty care and hairdressing products.

Relevant regulations affecting the business environment in beauty care industry

- ◆ As the Government intends to tighten the regulatory mechanism and propose legislations for relevant business practices, the industry should be very cautious to avoid violating these regulations when launching any new beauty care services. For example, in view of previous malpractices in the operation of beauty care services, the Legislative Council has in the year of 2019-20, proposed to introduce a bill regarding

“a mandatory cooling-off period” (involving those for all prepaid beauty services provided by the industry) so as to strengthen consumer protection. The passing of the bill will pose more uncertainty to the future business development of the beauty care industry.

Retail sector hits hard

- ◆ Owing to the recent social incidents (anti-extradition bill movement and ongoing protests), the number of inbound visitors from the Mainland and overseas have plummeted sharply especially during the Golden Week, its visitor arrivals recorded a decline as much as 50%. In addition, the protests have severely depressed the consumer sentiment. Retail sales are expected to remain weak in the near term, which would further undermine the performance of retail sector. According to the Census and Statistics Department, the retail sales in October recorded a significant year-on-year decline, especially the value of sales in drugs and cosmetics fell by 33.5%. If the social incidents do not resolve, it is expected that there would have layoffs in the retail sector.
- ◆ Retailers are now facing an unprecedented difficult time. To overcome this crisis, it is suggested that the retail sector would consider focusing on local consumptions for future positioning. For instance, to avoid heavily relying on tourists as the key consumer channel, setting up of various themed consumer markets/retail projects in different communities should be considered as

a direction for development to enhance the competitiveness of local business.

Small-medium scales (SMEs) Beauty Care salons facing operational pressures

- ◆ With the growing popularity of medical beauty treatment services, customers have increasing demands for beauty services and products. The lifecycle of launching new products, services and its respective beauty equipment has become fast and short. To keep abreast of the latest market trends and to cater for different needs of customers, beauty salons have to spend much in the capital investment in the latest models of high-tech beauty equipment. As a result, it imposes certain financial pressures in the operations for SMEs beauty salons.

Challenges posed by millennial employees

- ◆ Millennials (post 1990s, age close to 30s) will be the major workforce in the beauty and hairdressing industries. They also constitute a substantial percentage of workforce in the companies of focus groups participants. Millennials excel with their high learning ability and are digital literates. They are tech-savvy and proficient in using digital tools such as social media. In addition, they are energetic and full of curiosity. For example, they are familiar with the latest trends such as the most popular Key Opinion Leaders (KOLs), and never hesitate to bring up their new ideas. All these attributes

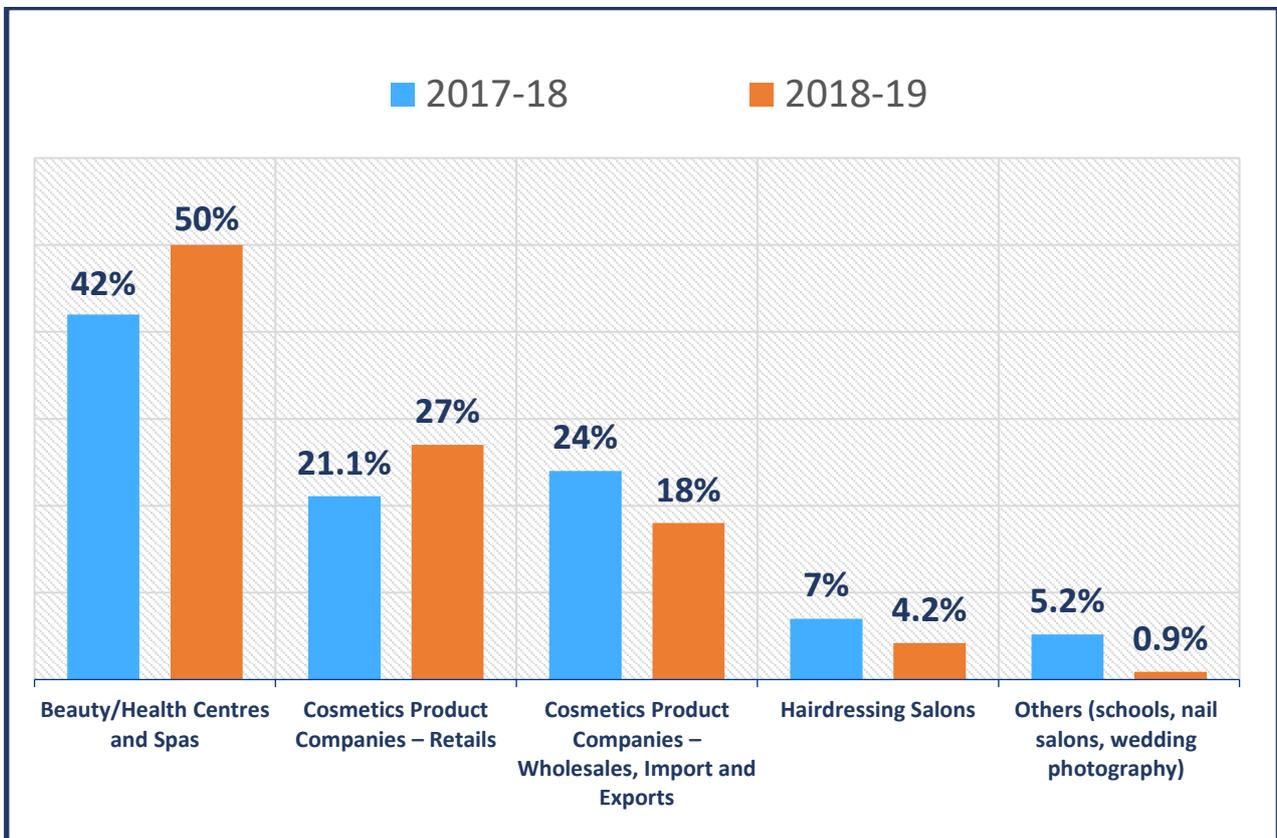
enable them to fuel the industry with dynamics.

- ◆ With the continuous improvements in the standard of living in the society, millennials are brought up in well-off families and protected environments. They are not used to the natures of labour work or long working hours. Therefore, most of them are not willing to spend much time to learn about the industries, products knowledge and skills in depth. For example, a newly recruited hairdressing assistant may choose to work on a freelance basis and focus on learning and supporting the simple tasks (such as basic hair colouring or ionic straightening) instead of advanced techniques (such as highlights and hair winding on perm rods). Furthermore, millennials also appeal to short-term benefits and immediate satisfactions such as change to another job for a slightly higher pay.
- ◆ In addition, under the influence of recent social incidents, most of the millennials choose to station in Hong Kong and are unwilling to develop their careers in other cities of Mainland China.

Future Manpower Demand

According to the manpower update report of Beauty Care and Hairdressing industries in 2019, 4,644 recruitment advertisements were recorded by desk research in the year 2017-18. The figures dropped slightly to 4,265 in the year 2018-19, with 379 advertisements less. Compared with the figures in 2017-18, beauty care/health centres and spas sector still accounts for the largest number of job advertisements, making up 50% of all recruitment advertisements. The following chart shows the comparison of job advertisements for the period between 2017-18 and 2018-19.

Comparison of job advertisements in beauty care and hairdressing industries by percentage for the period between 2017-18 and 2018-19 (by sector) (including full-time and part-time jobs advertisements)



Similar to the update report in 2019, hairdressing salons seldom use online platform for recruitment. The number of job advertisements collected from desk research recorded may not be able to reflect the actual situation. Key recruiting positions in these four key sectors are summarised in the table below:

**Top five recruiting positions in the beauty care and hairdressing industry in 2018-19
(by sector)**

	Beauty care / health centres and spas	Cosmetics Product Companies – Retails	Cosmetics Product Companies – Wholesales, Import and Exports	Hairdressing salons
1.	Beautician	Beauty Advisor (Counter)	Sales/Marketing executive	Hairdressing Assistant
2.	Body Therapist	Sales Representative	Sales Representative	Hairdresser
3.	Beauty Advisor	Sales/Marketing Executive	Brand / Sales / Marketing Director / Manager	N/A
4.	Sales/Marketing Executive	Supervisor	Beauty Advisor (Counter)	N/A
5.	Nail Therapist	Corporate / Branding / Sales Director / Manager	Corporate / Branding / Sales Director / Manager	N/A

Based on the afore-mentioned trends and development of the industries as well as the expected manpower changes, views and comments are sought from the focus groups to determine possible emerging skills required in the industries. After discussions, apart from the multi-tasks skills required for respective job positions of each sector, the focus groups identified the training needs in the ensuing paragraphs.

Training Needs

Trade specific skills

Beauty Care / Health Centres and Spas

- ◆ In general, the development of high tech 'medical beauty treatment services' have become stable in recent years. On the contrary, there is less market share and rooms for development of traditional beauty care treatments, especially the declining demand for slimming or weight loss treatments services. Nevertheless, there is an increasing demand for beauty health care treatment services (such as well-being and anti-aging treatments) by consumers in recent years. As the services of such beauty treatments may involve certain Chinese or Western medical practices (e.g. acupuncture points), the industry should be cautious and alerted to avoid violating relevant regulations (e.g. Chinese Medicine Ordinance) before launching the services. Therefore, it is suggested that the industry should discuss with the Government to further define and recognise the professional qualifications and the legitimate work scopes of practitioners.
- ◆ **Health and beauty knowledge and skills:** In view of the aforementioned development in the beauty care industry, it is suggested that frontline practitioners (such as beauticians and beauty advisors etc) should acquire and well equip with the knowledge

and skills on beauty health care (especially for well-being and anti-aging treatments) as well as the operations of respective latest equipment.

Retails product companies

- ◆ **Social Media Marketing Skills:** With an increasing number of consumers to purchase different beauty products online, the retails sector in cosmetics products has started adopting e-commerce platforms (including setting up online stores) to promote and sell their products. This kind of digital channels are expected to boost the sales and generate a large volume of data for further data analysis. Apart from in-depth product knowledge required, some retailers start encourage or expect their frontline staff (i.e. senior beauty advisors [counters]) to have the basic knowledge in products and the application of the 'concept of data analysis' and 'omni-sales channels' (including digital marketing skills in social media). Therefore, senior front-line employees are suggested to strengthen their knowledge in digital marketing skills in different social media so as to cater for the needs of different customers.

Hairdressing salons

- ◆ **Perming and colouring knowledge and skills:** Given the fact that the hairdressing market has saturated in recent years (especially in the areas of perming, colouring, hair-cutting and

styling), there is still a substantial need of hairdressing services by consumers. In some cases, hairdressers are lack of sufficient knowledge and skills in applying chemical products (i.e. hair perming and colouring services). As a result, it caused hair damages to customers. Therefore, hairdressers should equip themselves with the knowledge and skills on the proper use of different chemical products.

- ◆ **Hair scalp care knowledge and skills:** In order to enhance the competitiveness of the industry and to expand its business scope, a number of large hairdressing salon or beauty care salon group will launch new services from time to time such as hair scalp care and anti-aging hair treatments. The knowledge and skills (including product knowledge and application of equipment) required for these new services are different from that of traditional hairdressing services. At present, the hairdressing salon or beauty care salon groups which provide such treatment services usually recruit general practitioners (under the title of "scalp care consultants") to support the services. Unlike the practices of foreign countries such as Australia and the United States, only practitioners holding the recognised professional qualifications (such as Trichology / qualified Trichologist) are eligible to provide the above-mentioned services. To enhance the relevant knowledge and skills of practitioners, employers are suggested to explore the possibility to introduce recognised

programmes/qualifications in Hong Kong by making reference to the experiences of overseas countries.

Generic skills

- ◆ **Communication skills:** In addition to trade specific knowledge and skills, frontline employees (such as beauticians, beauty advisors [counters] or hairdressers, etc) must possess good communication skills for providing good quality of services and professional advices to customers. In a long run, good communication skills can help establish good relationships with customers. It can also enhance the collaborations and teamwork with colleagues and management in the workplace, also result in building a strong relationship.
- ◆ **Enhancing soft skills capability and positive working attitude:** Apart from having good communication skills, young employees should also establish the correct working attitude in the workplace, initiate to learn and keep abreast of the latest developments of market trends and changes of the industries. All these would help them setting the targets in career planning.

Recruitment Challenges

In recent years, the industries have encountered different challenges in the recruitment process or staff retention. For example, technologically savvy millennials emphasise great importance to 'work-life balance' and have their work values and expectations. They are in favour of flexible work environment and arrangements, such as working holidays and freelance jobs. To address these issues, offer of an attractive remuneration package (including the arrangements of working holiday and other fringe benefits) might be considered by employers to retain younger generation of employees.

The hairdressing industry faces more recruitment difficulties than the beauty care counterparts. The main reasons are presented as follows:

- ◆ Low industry and social status (most of the works in hairdressing industry are mainly at craftsmanship level; its working nature is comparatively obnoxious; lack of clear career prospect and articulation).
- ◆ Headhunting among hairdressing salons is very common, this results in employers' reluctance to allocate resources on staff training for existing employees and newly recruited personnel.
- ◆ The industry lacks a clear and standardised training mechanism.

The above factors have discouraged young people from joining the hairdressing industry.

Compared with the hairdressing industry, many new immigrants from the Mainland have joined the beauty care industry in recent years. After settle down in Hong Kong, most of them prefer to pursue the study and engage in works of skills-based positions (such as beauticians, body therapists, etc). These workforces are relatively hardworking and willing to learn on subjects of different jobs. Thus, they have become a source of new blood for the beauty care industry.

RECOMMENDATIONS

Measures to Meet the Training Needs

To meet the future development of the beauty care and hairdressing industries, it is considered essential for the Government, education institutions and employers to formulate effective strategies in training and upskilling talents. Details are presented as below:

Government

- ◆ The Government should take a leading role in reshaping the positive image of the industry and defining its direction for future development. These include to establish/recognise the professional qualifications and the legitimate scope of works of practitioners (e.g. beauty health care) to facilitate for implementation of quality services within beauty care and hairdressing industries.

Educational institutions

- ◆ Educational institutions should strengthen industry collaboration with a view to provide a clear articulation pathway and career prospects, as well as information on the unique features of the industries for the young generation. For example, regular industry visits should be arranged for young people to beauty care and hairdressing salons so that they can have a better understanding of exact work requirements and their expectation of the industries. More internship

programmes should also be provided to nurture students with a view to enhancing their future employability.

- ◆ To attract younger generation joining the industries, educational institutions could consider organising various skills competitions and engage employers' participation as judges. This arrangement not only allows the students to showcase their skills, but also provides opportunities for employers to identify potential employees.
- ◆ In addition, educational institutions could help young people to establish their own personal portfolios by recording their job experiences and trade activities to facilitate for their future career development.
- ◆ To cope with the rapid development of the industry and the hectic schedule of practitioners, educational institutions could offer short courses or workshops to enrich their knowledge and skills which can be applied to work. Short courses may include subjects

of traditional beauty treatments such as the techniques of face threading, eyelash perming and breast massage treatments. In addition, professional courses may also include subjects such as facial lymphatic drainage massage, general health care and wellbeing, and anti-aging treatments.

Employers

- ◆ Good coaching skills would help build employee's competency and confidence. Employers are required to keep abreast of the latest frontline information of the industry. By providing proper guidance to young employees, it can effectively lead them for career development and have better engagements in works, thus, become a partner in the business. Besides, employers should also consider simplifying work procedures and provide a clear picture about the nature of industries, including prospects and its unique characteristics, career promotion pathway as well as employees' personal development, etc. All these can help them to understand more on the actual working environments for their career planning.
- ◆ To retain and nurture younger generation, more communications between management and young employees should be made. For example, employers should listen to young employees so as to

understand their thoughts and needs. In addition, they should also understand the latest cultural trends that are popular among the youngsters. This can help employers integrate into the world of the younger generation. In the long run, mutual respect and effective communication are the key to maintain a harmonious workplace, it can further help motivate young employees for self-upgrading and continuous improvements.

- ◆ Employers should encourage and sponsor their employees to pursue further study relating to respective job areas for lifelong learning. Moreover, all-round training workshops could be organised for the managerial employees, such as on effective communication with young people and managing their expectations while assigning jobs.

Employees

- ◆ Employees should enhance their competitiveness by taking initiatives to upgrade their knowledge and skills (including product knowledge and application of latest equipment, digital marketing strategies, hair scalp care, perming and colouring techniques, etc). To enhance their competitiveness, they should also improve their communication skills with employers and customers and establish a good working attitude.

- ◆ Employees are encouraged to make good use of subsidies provided by different schemes of Government, such as the Recognition of Prior Learning (RPL) Mechanism and Skills Upgrading Scheme Plus, for lifelong learning and career development.