

2014 MEMBERSHIP SURVEY



Hong Kong Institute of
Certified Public Accountants
香港會計師公會



Dear members,

In this second annual membership survey, we expand our scope so that we can learn more about your views on work-life balance, professional development, top-of-mind business issues, satisfaction level towards the Institute's service, and much more.

The Institute is both the sole statutory accounting body protecting the public interest and the largest professional institute in Hong Kong serving more than 38,000 members. Members are the foundation of the Institute, and we are committed to listening to you and understanding your needs.

This is the reason we design this annual survey, the results of which will help us consolidate or adjust our focuses to deliver services that genuinely support you.

Please take some time to peruse this report. If you have any feedback, we are always ready to listen and follow up.

Dennis Ho

President



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I. Executive Summary

The 2014 membership survey was conducted between 7 November and 16 December 2014. A total of 3,535 responses (about 10 percent of total membership) were received, with 2,905 surveys completed. Demographical representation of the survey participants mirrored the Institute's statistics with 53 percent male, 47 percent female, and **77 percent professional accountants in business and 23 percent professional accountants in practice.**

Key findings, implications and follow-up

1. Value in leadership and professional life

- 72 percent of respondents manage staff as part of their job function; 44 percent are in leadership positions with 18 percent holding senior level employment.
- 25 percent think their knowledge and skills command a premium as they received more than 10 percent of annual base salary in bonus incentive schemes.
- 39 percent earn more than HK\$600,000 per year; 11 percent earn more than HK\$1,200,000.
- Approximately one-third of respondents play a major role in Hong Kong's capital market as employees for the city's listed entities.



Implications and Institute follow-up:

- Hong Kong CPAs are leaders of companies, organizations and the community.
- Hong Kong CPAs enjoy stable income (a slightly higher percentage of members earning more than HK\$600,000 per year: 38 percent in 2013 and 39 percent this year).
- The Institute will conduct more detailed and targeted manpower research to understand the supply and demand, skill sets and competency requirements of CPAs.

2. Outlook and plans for employment

- 61 percent of professional accountants in business (PAIBs) and 57 percent of professional accountants in practice (PAIPs) plan on hiring in 2015.
- 38 percent of respondents indicated that they would engage in a job search during 2015; 57 percent plan to move to a different organization within the same field.
- 53 percent of job-seekers are under the age of 35; 66 percent are under 45 years old.



Implications and Institute follow-up:

- Compared with results from 2013 when 42 percent of PAIBs were planning to add staff in the next 12 months, this year's outlook (61 percent) is even more positive.
- Comparative figures for PAIPs are similar: 54 percent (2013) and 57 percent (2014).
- The Institute will continue to support members in their job searches through HKICPA Source.
- The Institute will pay special attention to the needs of younger job-seekers who may be looking to expand their skill set.
- The Institute will look into further surveys on the specifics of hiring trends, such as what areas (e.g. risk management, internal control or compliance) are in demand.

3. Work-life balance: fact or fiction

- 58 percent work 50 hours or less.
- 56 percent say they are required to work seasonal overtime and among them, 41 percent say the busiest quarter is January to March.
- 8 percent of potential job seekers (including both PAIPs and PAIBs) indicate they would move out of a traditional accounting function.
- 86 percent think there is a long working hour culture in the accounting profession.
- 74 percent cited a heavy workload as the most common reason for working overtime.
- Members' responses about how to manage long working hour include: better planning of work with realistic deadline; process streamlining and automation; hiring more staff and adding resources; increasing salary; cultural change initiated by employers; flexible working hours; standard working hours and overtime compensation; and better communications and management of clients' expectation.



Implications and Institute follow-up:

- Of the 86 percent respondents who think there is a long working hour culture in the profession, only 8 percent are looking to move out of a traditional accounting function (comparing with 30 percent of employees in Hong Kong who would consider leaving their role altogether to achieve work-life balance, according to *The State of Work-Life Balance in Hong Kong Survey 2014 published by Community Business in October 2014*).
- Responses indicate there is no single best way to deal with the issue of long working hours; however, the Institute will continue to keep this topic current as we recognize that extreme working hours contribute to decreased efficiency, increased errors and absenteeism due to poor health.
- Diversity of answers regarding reasons for working overtime and potential solutions reflects the need for the Institute to continue to work with different stakeholders to address different needs of our members.

4. A profession on the move

- 40 percent of respondents report spending a portion of their working hours beyond their home base.
- 52 percent of this demographic identify the Guangdong/Pearl River Delta region as a work destination.
- 57 percent of potential job seekers (including both PAIPs and PAIBs) plan to move to a different organization within the same field.



Implications and Institute follow-up:

- With one-fifth of respondents citing Guangdong as the main work travel destination, the Institute's focus on relationship development with the Guangdong accounting profession is in the right direction.
- The Institute will continue to foster closer ties and help members expand their career and business opportunities across the border – especially in the Guangdong province.
- The Institute will continue to highlight the mobility and cross-border nature of accounting work in its communication materials.
- The Institute will step up its efforts to serve younger members and, inter alia, expand its research in social media, apps and other e-learning activities to determine how to best satisfy the needs of mobile members.

5. Current state of professional development

- 66 percent of respondents have attended CPD courses organized by the Institute within 2014.
- 74 percent of them have been satisfied with their learning experience.
- The three most preferred formats of delivery are: seminars (74 percent), e-learning (49 percent) and half-day workshops (27 percent).
- The three most useful or beneficial resources offered by the Institute are: practice guidances and technical bulletins (57 percent), seminars and courses via e-learning (41 percent) and seminars/workshops and faculty/professional interest group activities (38 percent).

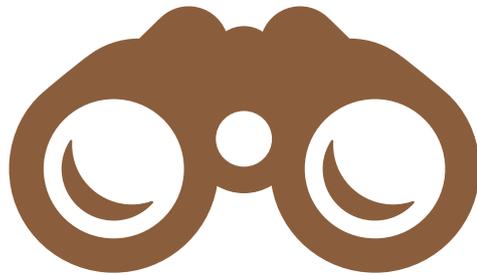


Implications and Institute follow-up:

- Members are looking for more diversified and accessible training in various specialized areas as their careers become more mobile and niched.
- The Institute will continue to develop diverse platforms and delivery that members are looking for. The new “Current Affairs” seminar series has been introduced to broaden member knowledge on macro trends and issues beyond the profession.
- Course evaluation forms are used to plan future training events.
- Members’ requests for more in-depth courses have resulted in the Institute lengthening the duration of relevant CPD courses.

6. Future of professional development

- 46 percent of respondents indicate they would like to have access to more online professional development resources in the areas of accounting and financial reporting.
- 33 percent indicate they would like more support to develop skills in new and non-traditional CPA roles.
- 25 percent indicate they would like to have access to more online professional development resources in Hong Kong tax.



Implications and Institute follow-up:

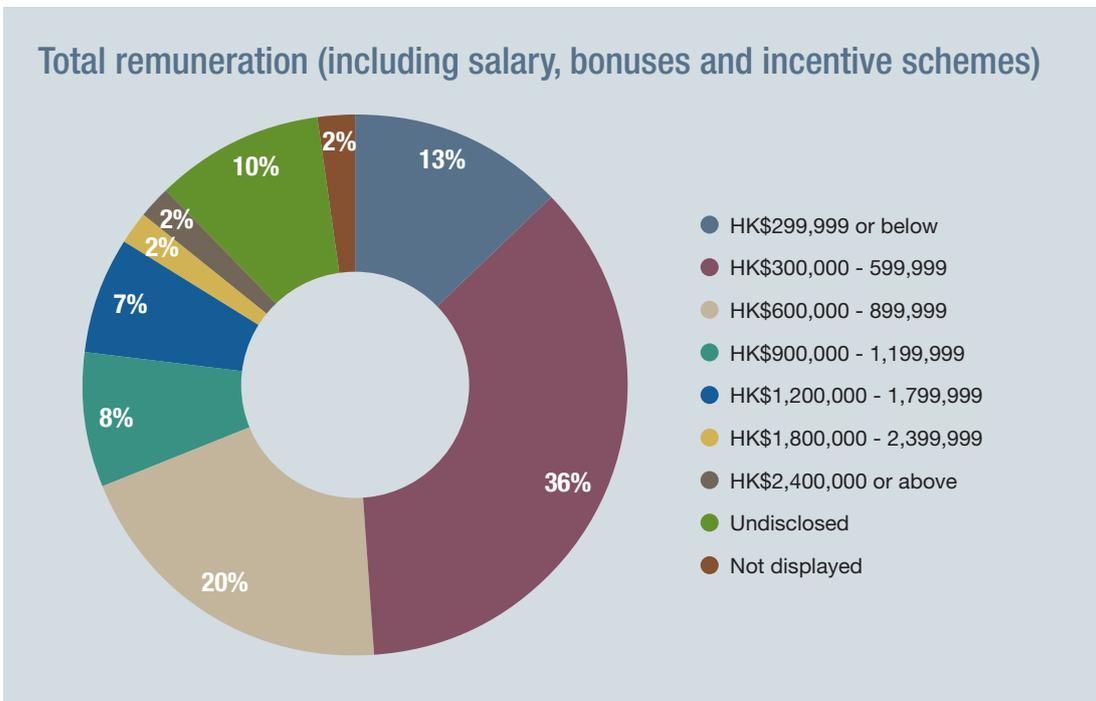
- Members are seeking more online facilities and showing great interest in transitioning to new roles inside and outside the profession.
- The Institute's Financial Controllership programme will be launched later in 2015 to support members' transition from PAIP to PAIB.
- Since the end of 2014, the Institute has been implementing flexible starting times for training, offering different locations in Kowloon, and introducing a number of free events.
- To help members adapt their skills to new and non-traditional roles, the Institute has been organizing specific programmes and partnering with other professional organizations to tap into their expertise.
- More webcasting of popular events has been and will be provided, and a new e-learning format will be introduced to cater to the needs of our members.
- The Institute has also been rolling out courses in series on hot topics such as IPO, corporate finance, and environmental, social and governance reporting.
- The new Business Leaders seminar series highlights business leaders inside and outside the profession, with experts sharing their insight and experience in driving business success.

II. Key Messages

1. Economic advantages and work-life balance follow members of the Institute



*Including bonus, incentive scheme, overtime pay, etc. and 10% did not respond to this question.

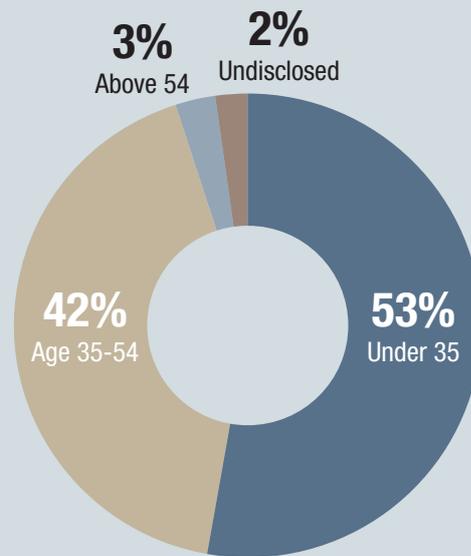


Comparison of overtime worked per week

	PAIB	PAIP
≤ 3 days	70%	54%
4-5 days	27%	34%
6-7 days	3%	12%

Age range of job seekers

Most potential job seekers plan to move to a different organization within the same field, with those under 35 being more likely to search for a new job.

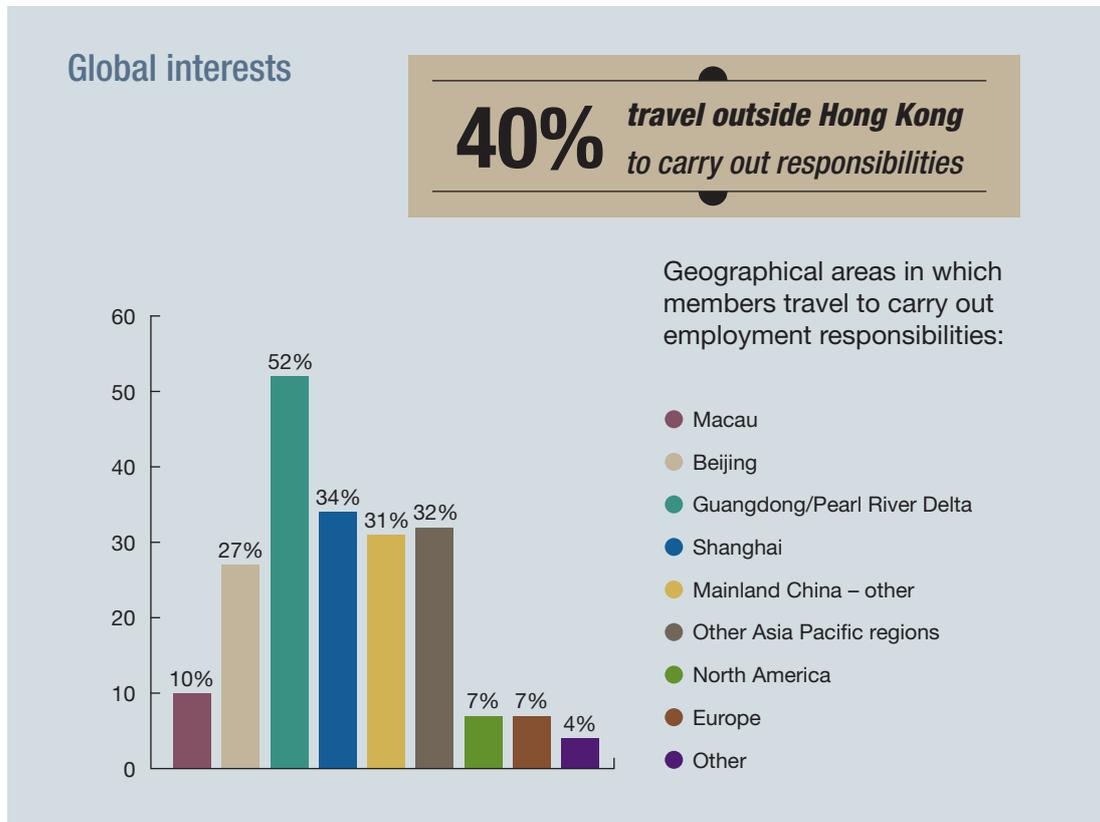


Percentage of annual base salary paid in bonuses*

	2013	2014
0 - 5%	21%	25%
6 - 10%	24%	21%
11 - 20%	15%	15%
21 - 30%	6%	5%
Above 30%	7%	5%

*27% in 2013 and 29% in 2014 chose not to answer the question or not applicable.

2. Members enjoy benefits of a global profession



More than 30 percent of survey participants who travel spend at least 20 percent of their time away from their work base on an annual basis, with 23 percent spending between 21-40 percent and 7 percent spending between 41-60 percent. Only 3 percent indicated they spend more than 60 percent away from their work base to satisfy employment requirements.

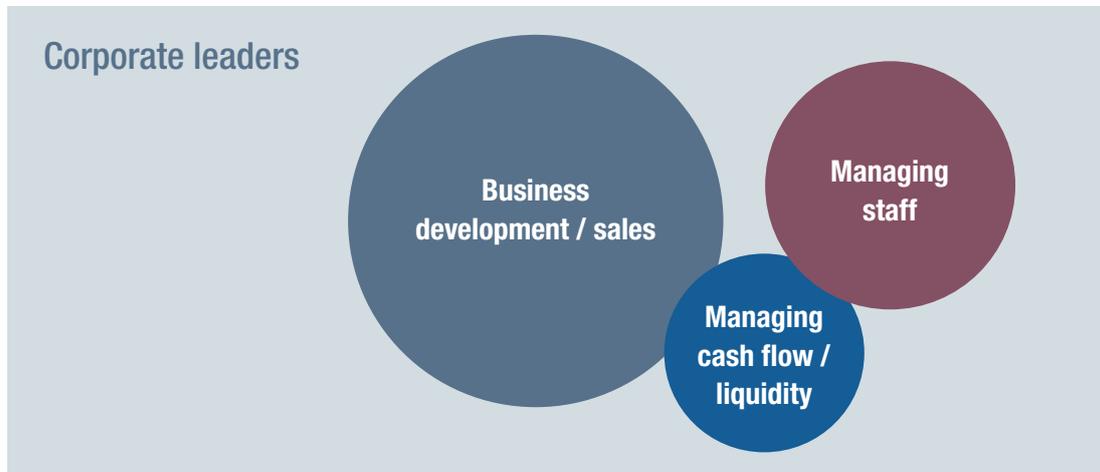
In comparison, 41 percent of respondents in 2013 travelled outside of Hong Kong for work.

It is anticipated that the number of members required to travel on the job will continue to increase as the global

economy expands. The Institute will continue its research in this area to determine how to best support and effectively serve the needs of our mobile members.

Members continue to benefit from Reciprocal Membership Agreements with other chartered accountancy institutes in Australia, Canada, England and Wales, Ireland, New Zealand, Scotland, Zimbabwe and South Africa, and Mutual Recognition Agreements with the American Institute of CPAs/National Association of State Boards of Accountancy, CPA Australia and ACCA.

3. Top issues on the minds of...

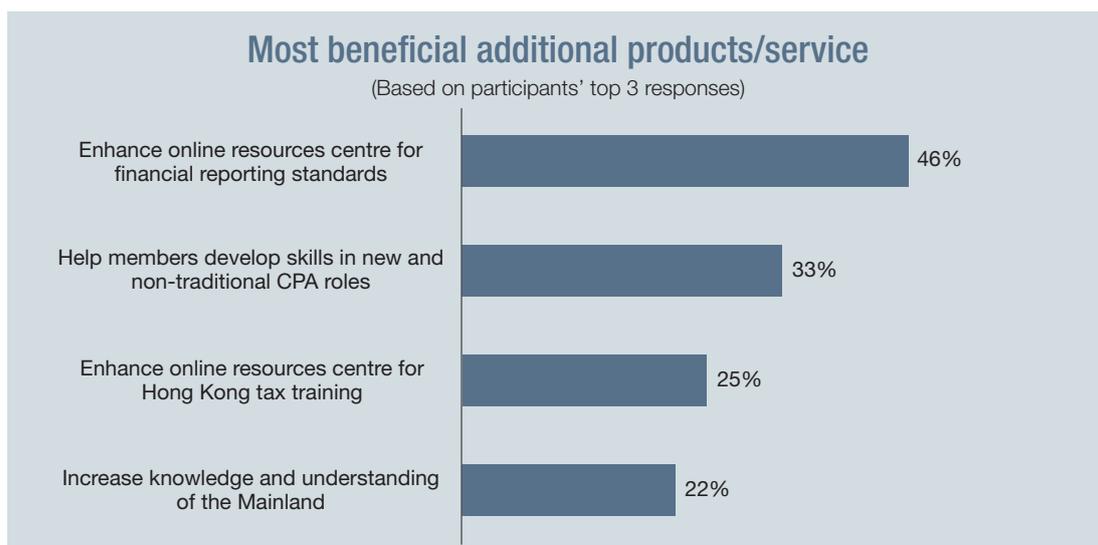
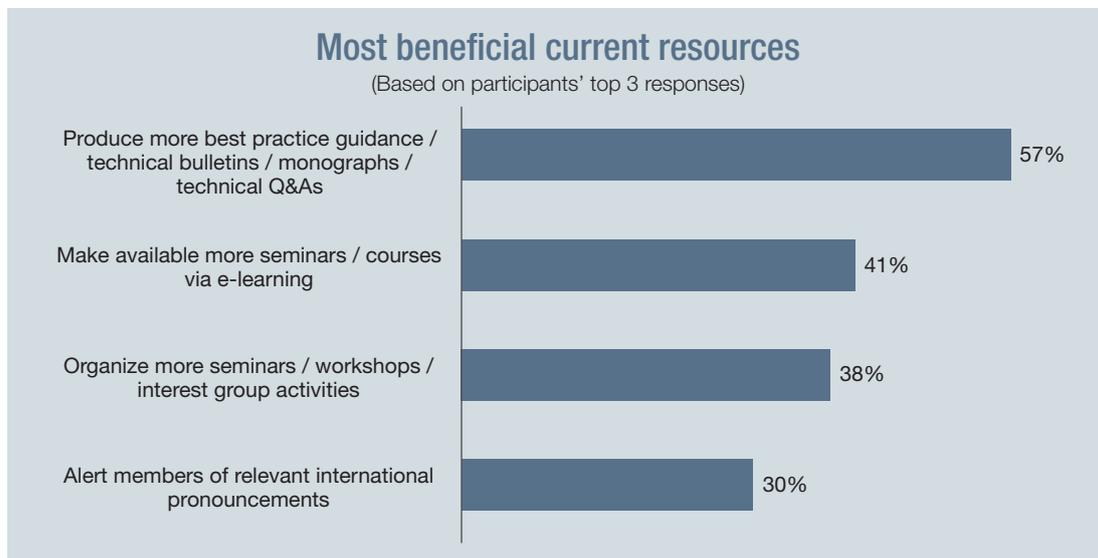


Compared with prior year, business development, hiring and keeping qualified staff, and retaining clients are still top of issues on the minds of corporate and accounting firm leaders this year. New issues emerged include managing cash flow and liquidity, managing staff and attracting the type of clients wanted.

In response, the Institute may consider to provide the following:

- Increase in “soft-skills” training focusing on development of critical thinking skills.
- Continued commitment to development in the area of communication and efficiency training for members.
- Introduction of materials and tools to assist members in strengthening skills needed to identify and potentially create opportunities for business development.

4. Products and services offered by the Institute meet member needs



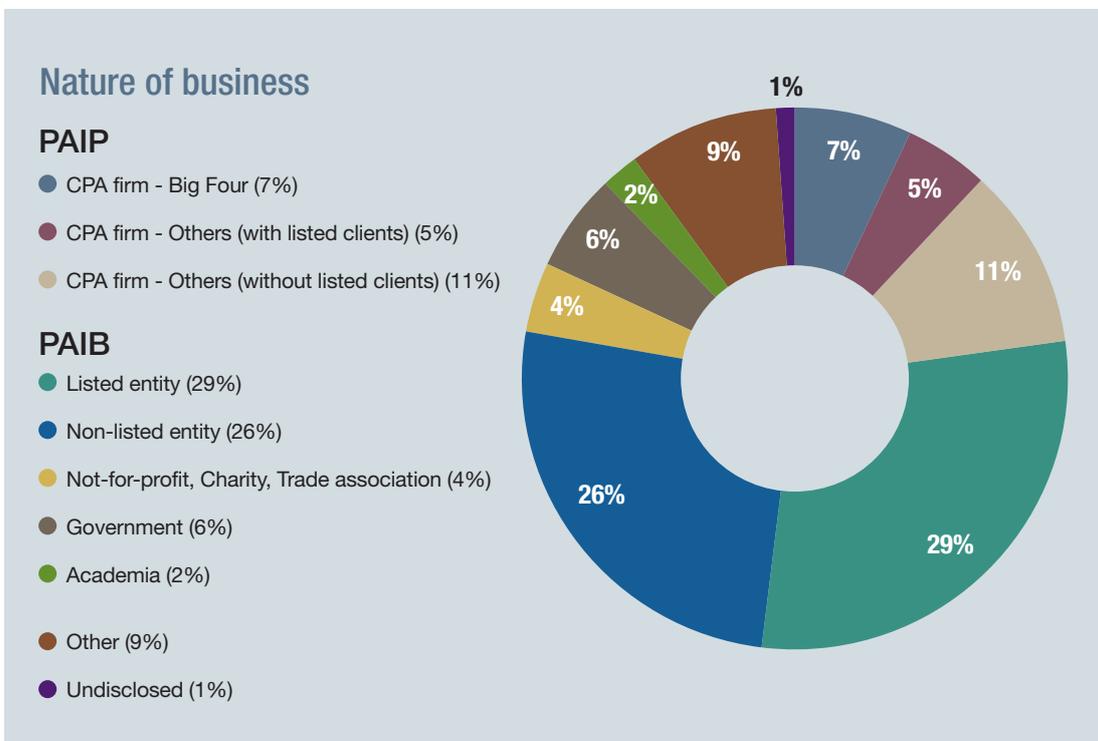
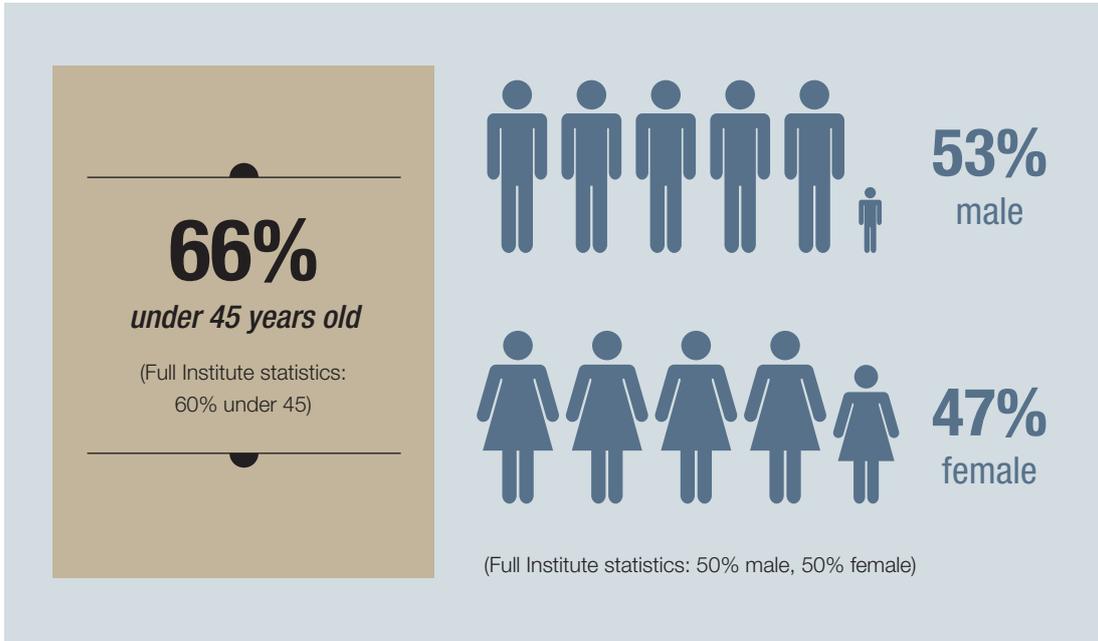
Survey participants strongly supported practice guidance and technical support as the most beneficial current resource. The common theme of mobility was highlighted with participants expressing keen interest in training via e-learning and alerts on relevant international pronouncements.

Repeating the theme of mobility, respondents shared their desire for

enhancement of online resources centre. Interest in the Mainland was supported by survey results relating to broader interests outside Hong Kong.

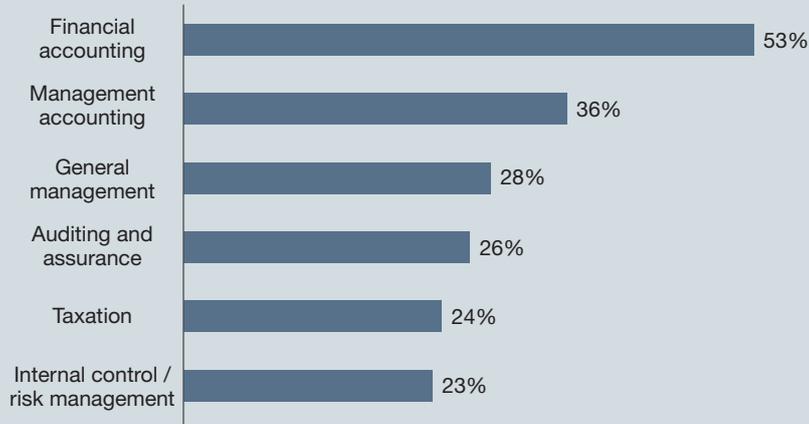
Responses were similar to the 2013 membership survey in which respondents' greatest needs were more CPD for skills in new and non-traditional CPA roles, enhanced online resources, and increased knowledge and understanding of the Mainland.

III. Demographics

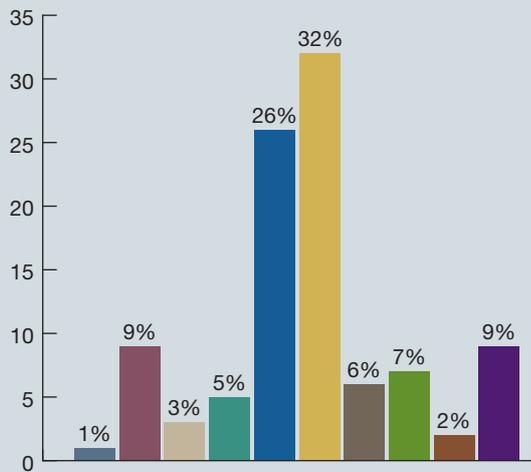


Top job responsibilities

(Based on participants' top 3 responses)

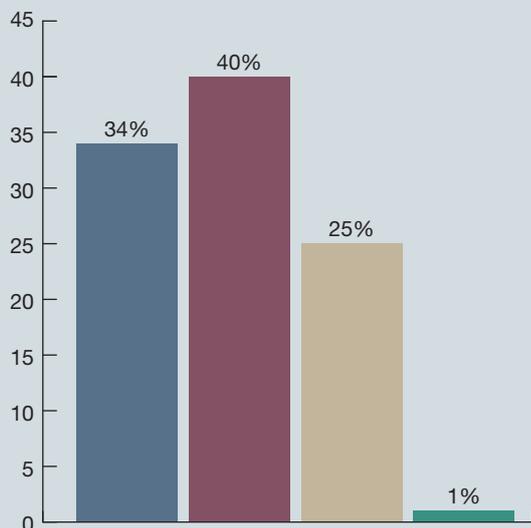


Job title



PAIB

- President / CEO / Owner
- CFO
- Vice President
- Director
- Management
- Accountant
- Analyst
- Internal Auditor
- Consultant
- Other



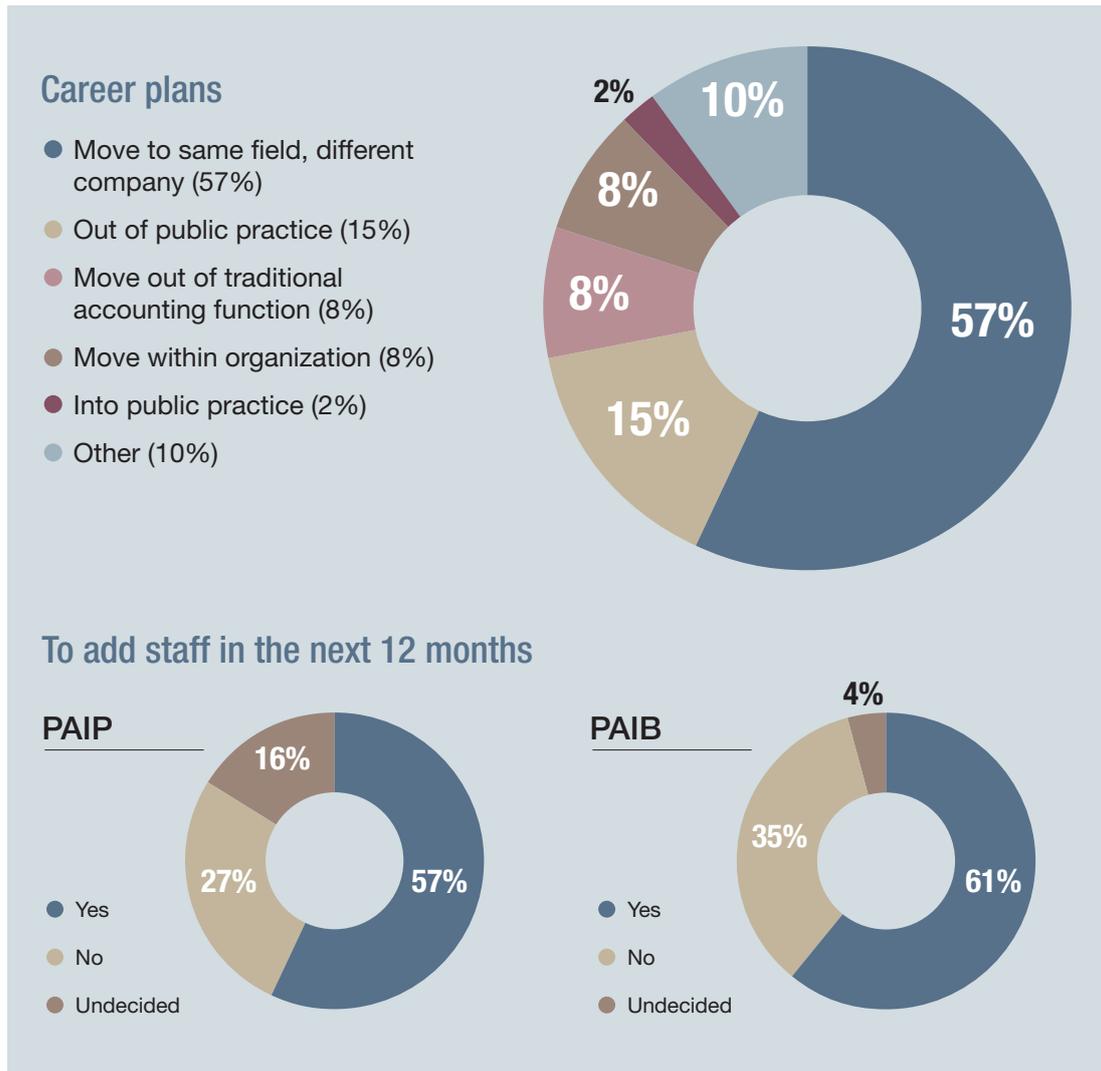
PAIP

- Partner / Director / Sole proprietor
- Supervisor / Manager
- Senior or below
- Other

Work environment

CPA employees

Of the 38% of survey respondents who will engage in a job search, the following best reflects their plan. The majority (57%) of potential job seekers plan to move to a different organization within the same field.



CPA employers

The profession offers solid job opportunities with 57% of PAIPs and 61% of PAIBs anticipating a need to add staff within the next 12 months. The PAIP expectation is similar to 2013 membership survey results while only 42% of PAIBs anticipated adding staff in prior year.

IV. Recommendations

1. Plant results with relevant departments and committees to allow for proper consideration, development of value propositions and effective reporting on outcomes.

Introduce secondary surveys which allow the Institute to identify specific areas in which they may better serve members' needs during changing economic times.

Continue to pair the membership survey with the annual renewal. Consider inviting members to participate in the survey before proceeding to the renewal phase. This approach has been successful in other jurisdictions.

Add automatic survey links to emails to allow members to provide feedback to the Institute throughout the year.

2. Promote actions taken by communicating to membership that the Institute has heard their voices and taken action to research and, if possible, provide solutions.
3. Continue to gain a better understanding of why some members are facing a heavy workload and assist them in maintaining work-life balance.
4. Increase training based on case studies and practical approaches to complying with standards.
5. Increase quantity of and introduce new delivery methods for e-learning courses.
6. Set up focus groups to further investigate specific issues; leverage on CPA designation to better understand value to members and the community.

V. About HKICPA

The Hong Kong Institute of CPAs is the only body authorized by law to register and grant practising certificates to certified public accountants in Hong Kong. The Institute has 39,000 members and 17,000 registered students. Members of the Institute are entitled to the description “certified public accountant” and to the designation “CPA”.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate qualification programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

The Hong Kong Institute of CPAs is a member of the Global Accounting Alliance – an alliance of the world’s leading professional accountancy bodies, which was formed in 2005. The GAA promotes quality services, collaborates on important international issues and works with national regulators, governments and stakeholders.

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