

Verification Exercise for SCOLAR Project
Specification of English Language Competences
Expected of University Graduates

Final Report

Hong Kong Policy Research Institute



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1. **Background and Objective**

In the Final Report of Language Education Review released in June 2003, the Standing Committee on Language Education and Research (SCOLAR) recommended that “expected English competencies should be specified for university graduates and entry-level professionals to give them a better idea of employers’ expectations”.

In order to implement the recommendation of the report to determine the expected English competences, the SCOLAR Support Unit conducted a study in 2004 to identify the English competency level of graduate employees who had graduated for two to three years. A total of 200 graduate employees from a variety of professions, businesses and industries were invited to take the International English Language Testing System (IELTS) test between late April and July 2004 (the “2004 SCOLAR Project”). The score results were compared with those of the cohort of 2003 local graduates. An almost identical distribution in scores between the two groups of candidates was observed.

An Expert Panel was set up with representatives of SCOLAR, the Civil Service Bureau and employer representatives as members to deliberate, based on the said test results on the level of English competency that would best reflect employers’ general expectation of that of local university graduates. The Panel considered it appropriate to set such level at an IELTS Level 6.0 to 6.5.

SCOLAR commissioned Hong Kong Policy Research Institute (HKPRI) in August 2005 to conduct a survey with local employers in the private sector to tap their views on English Language competences expected of their graduate employees and to verify the results of the 2004 SCOLAR Project.

2. **Scope of Survey**

(1) **Types of Employers Surveyed**

Large corporations in Hong Kong may have fairly sophisticated methods to assess the English language competences of candidates for jobs and / or their employees. On the other hand, the majority of local employers are small to medium sized enterprises (“SMEs”), which depend mainly on public examination results for assessing the English language competences of candidates for jobs. This survey has been designed to collect the views of the representatives of both large corporations and SMEs in the private sector.

(2) **Industry Sectors Surveyed**

The Census & Statistics Department of the Government of the Hong Kong Special Administrative Region classifies establishments in the private sector into the following industry sectors:

- Manufacturing
- Construction
- Wholesale & retail trades, and import & export trades
- Restaurants and hotels
- Transport and storage
- Communications
- Financing
- Insurance and real estate
- Business service
- Public utilities, community, social, personal services and others

This survey covers establishments in all the industry sectors stated above. For the avoidance of doubt, this survey does not cover government services. Neither does it cover educational services, because there are specific requirements for language proficiency for educational professionals.

(3) **Types of Jobs Surveyed**

Employers would have different expectation on the English language competences for different types of jobs. Taking into consideration of the potential

needs to use English language, verbally and / or in writing, to communicate internally and with external parties, jobs of graduate employees are categorized for the purpose of the survey on SMEs as follows:

- Jobs requiring frequent interfaces with customers and clients, including selling, retail shop operations, service centre operations, customer services, public relations and corporate communication.
- Jobs requiring preparation of plans, proposals or other documents for presentation internally and / or to external parties, including marketing, business planning, business development, and professional services.
- Jobs in business or operation support functions requiring mainly internal communication, including finance, accounting, internal audit, operation control, human resources management, office administration, research, and in-house legal and company secretarial services.
- Jobs in technical functions requiring mainly internal communication and / or communication in technical language, including information and computer technology, technical support and engineering.

For the survey on large corporations, in addition to the above, another category – management trainees – has been added. Some large corporations have the practice of recruiting the cream of each cohort of fresh graduates and grooming them to be potential senior managers by providing them training and rotating them to different functions for a period ranging from 18 months to 5 years.

(4) Definition of “Graduate Employees”

This survey covers employers’ expectation on the English language competences of the following 2 categories of graduate employees:

- Graduate employees having graduated less than 1 year; and
- Graduate employees having graduated for 1 year to 3 years.

(5) Alignment of Scores and Grades of English Language Proficiency Tests

Local employers are more familiar with the scores and grades of the Hong Kong Certificate of Education Examination (“HKCEE”) and the Hong Kong Advanced Level Examination (“A-Level”). Employers may also consider TOEFL or IELTS

scores when recruiting university graduates from overseas universities.

Some of the large corporations interviewed also use other English language proficiency tests, such as Ability Test of Cubiks, Access Ability Test of SHL, BULATS, GMAT and PhonePass, to assess the English language competences of university graduates in their recruitment process (*See Note below*).

It is therefore necessary to align the scores and grades of the more commonly used English language proficiency tests and examinations for the purpose of this exercise.

Based on the information provided by SCOLAR and other sources, the scores and grades of different English language proficiency tests and examinations are aligned as follows:

Table 2 (i) Alignment of scores and grades of the commonly used English language proficiency tests and examinations

HKCEE English language (Syllabus A)	C	B	A	n.a.	n.a.	n.a.
HKCEE English language (Syllabus B)	E	D	C	B	A	n.a.
A-Level Use of English	n.a.	E	D	C	B	A
TOEFL (paper-based) (<i>Note 1</i>)	500	525	550-575	600	625	650
TOEFL (computer-based) (<i>Note 1</i>)	173	196	213-232	250	270	280
IELTS	5.0	5.5	6.0-6.5	7.0	7.5	8.0

Note 1: Source: English Language Teaching Centre of the University of Sheffield, the United Kingdom

Other English Language Proficiency Tests

Below are brief descriptions of the English language proficiency tests used by some large corporations to assess the English language competences of university graduates in their recruitment process.

- (a) *Ability Test of Cubiks*: The Ability Test is developed by Cubiks, an international human resources consultancy. It is designed to test the language competences of employees in a business environment. It has 2 parts: (i) verbal reasoning test; and (ii) numerical reasoning test.

- (b) *Access Ability Test of SHL*: The Access Ability Tests, developed by SHL, an international consultancy specialized in the science of psychometrics in the workplace, cover a full range of difficulty levels providing specific assessments for directors, senior managers, university graduates, senior administrative staff, customer service, sales and production staff. Each test has 2 parts: (i) verbal reasoning; and (ii) numeric reasoning.
- (c) *BULATS*: The Business Language Testing Service (BULATS), developed in the United Kingdom, is designed to test the language competences of employees who need to use a foreign language in their work, and focuses more on the use of a foreign language in a professional or business environment. It has 2 tests: (i) the writing test has 2 parts (short message / short letter and report / long letter); and (ii) the speaking test has 3 parts (interview, presentation and information exchange & discussion).
- (d) *GMAT*: GMAT, developed and managed by the Graduate Management Admission Council, is an aptitude test composed of 2 parts (i) verbal test; and (ii) numeric test; and is commonly used by business schools for assessing the verbal and numeric reasoning ability of applicants for MBA programmes.
- (e) *PhonePass*: PhonePass is a patented technology behind the SET (Spoken English Tests), which measures a test-taker's English listening and speaking abilities.

3. **Methodology**

The survey consists of (1) in-depth interviews; and (2) telephone survey.

(1) **In-depth Interviews**

The views of representatives of large corporations were collected by way of in-depth interviews.

(a) **Sampling**

It was agreed with SCOLAR that one or two “leading corporation” in each of the following sectors should be interviewed:

- Manufacturing (1)
- Construction (1)
- Wholesale and retail trades, and Import and export trades (2)
- Restaurants and hotels (1)
- Transport and storage (1)
- Communications (1)
- Financing (2)
- Insurance and real estate (2)
- Business service (1)
- Public utilities, and community, social & personal services (2)

There is no simple formula or single set of criteria to define “leading corporation”. Establishments in the relevant industry sectors with the following attributes were preferred in the selection of candidates for in-depth interviews:

- Establishments listed in the Hong Kong Stock Exchange or other stock exchanges, or subsidiaries of the listed establishments, possibly with sophisticated methods to assess the English language competences of their graduate employees.
- Establishments with operations covering more than one sub-sector of the relevant industry sector.
- Establishments possibly with more categories of jobs for graduate employees.

- Establishments possibly with graduate employees having graduated for less than 1 year and / or those having graduated for 1-3 years.
- Establishments with more than 50 employees in Hong Kong.

(b) Fieldwork

14 in-depth interviews were conducted with representatives of leading corporations in the industry sectors stated above.

The interviews were conducted at the offices of the interviewees in the period of 5-29 September 2005. They were moderated by Ms. Carol Tsang (Chief Operating Officer of HKPRI), who was supported by Ms. Aliana Chiu (Researcher and Programme Officer of HKPRI) in taking of notes.

(c) Questions Asked

The questions asked at in-depth interviews are in Appendix A.

(2) **Telephone Survey**

The views of representatives of SMEs were collected by way of a telephone survey. The telephone survey was undertaken by Consumer Search Hong Kong Limited (Consumer Search). Telephone interviews were successfully conducted with representatives of 500 local employers with graduate employees.

(a) **Sampling**

Stratified random sampling technique was employed. Consumer Search's Hong Kong enterprise database was used as the sampling frame. This sampling frame has been built up primarily from Dun & Bradstreet (HK) Ltd., supplemented by Hong Kong Directory of Importers & Agents published by Hong Kong Trade Development Council, Directory of Hong Kong Industries published by Hong Kong Productivity Council and different company lists obtained through previous industry surveys.

(b) **Fieldwork**

The telephone survey was conducted by the call centre of Consumer Search in the period of 5-23 September 2005.

(c) **Questionnaires**

The questionnaire for telephone interviews is in Appendix B.

4. Survey Findings

(A) Findings of In-depth Interviews

Profile of the establishments interviewed

Fourteen (14) establishments were interviewed. Listed below are the industry sectors of establishments interviewed:

- (i) Manufacturing
- (ii) Construction
- (iii) Wholesale & retail trades
- (iv) Import & export trades
- (v) Restaurants & hotels
- (vi) Transport, storage & logistics
- (vii) Communications
- (viii) Financing - local
- (ix) Financing - international
- (x) Insurance
- (xi) Real estate
- (xii) Business service
- (xiii) Public utilities
- (xiv) Community, social & personal services

The number of employees in Hong Kong of the establishments interviewed is summarized below:

Table 4 (i) Employment size of establishments interviewed

No. of employees in Hong Kong	No. of establishments
50- 100	1
101-500	2
501-1000	7
Over 1000	4
Total no. interviewed:	14

The number of graduate employees having graduated for less than 1 year and those having graduated for 1-3 years of the establishments interviewed is summarized in Table 4(ii) and Table 4(iii) respectively.

Table 4 (ii) No. of graduate employees having graduated for less than 1 year

No. of U-Grad employees having graduated for less than 1 year	No. of establishments
0-10	5
11-20	2
21-30	1
31-40	1
41-50	1
Over 50	3
Total no. interviewed (note):	13

Note: One of the establishments interviewed did not provide the required statistics.

Table 4 (iii) No. of graduate employees having graduated for 1-3 years

No. of U-Grad employees having graduated for 1-3 years	No. of establishments
0-10	2
11-20	1
21-30	2
31-40	1
41-50	2
Over 50	5
Total no. interviewed (note):	13

Note: One of the establishments interviewed did not provide the required statistics.

(1) Methods adopted in assessing the English language competences of university graduates in the recruitment process:

For the purpose of assessing the English language competences of university graduate candidates, the human resources departments of all the establishments interviewed would first screen the candidates by considering their results in public examinations: HKCEE grades for English Language Syllabus A or B, and A-Level grades for Use of English for local university graduates; and TOEFL or IELTS scores for overseas university graduates.

In addition, one or more of the following methods would be used to test the candidates' ability in writing, listening and speaking English:

- (a) Interactive on-screen or paper-based verbal reasoning tests developed in-house or provided by international language assessment consultant firms, for examples, Ability Test of Cubiks, Access Ability Test of SHL, BULATS, and GMAT;
- (b) Writing of short essays;
- (c) Listening test provided by international language assessment consultant firms, for example, PhonePass.
- (d) Group discussion in English;
- (e) Individual interview in English; and
- (f) Panel interview in English.

Most of the human resources executives interviewed have emphasized that the purpose of the various tests is not simply to assess the candidates' ability to write and speak English in correct grammar but also to examine their ability to comprehend information provided and to present their arguments or understanding in a logical way.

(2) Considerations in setting the levels of English language competences expected of graduate employees:

According to the human resources executives interviewed, in setting the levels of English language competences expected of graduate employees for different categories of jobs, the following would be taken into consideration:

- (a) Whether the jobs would require communication in English verbally and / or in writing with customers and clients;
 - (b) Whether the jobs would require communication in English verbally and in writing internally; and
 - (c) Management trainees, the cream of each cohort of university graduates, would be groomed to be senior managers and therefore expected to have a level of English language competences higher than that of other graduate employees.
- (3) Minimum level of English language competences expected of graduate employees for different categories of jobs:

Most of the establishments interviewed set the level of English language competences expected of fresh university graduates by reference to HKCEE grades for English Language and A-level grades for Use of English although a few also consider the candidates' TOEFL scores and IELTS scores.

For establishments that required university graduate candidates to take other English language proficiency tests in the recruitment process, their representatives were asked at interviews to indicate the average HKCEE grades for English Language and A-level grades for Use of English of those eventually employed.

All the establishments interviewed do not set different standards of English language competences for graduate employees having graduated for 1-3 years.

For comparison purpose, the levels of English language competences expected of graduate employees (for both fresh graduates and those having graduated for 1-3 years) for different categories of jobs by the establishments interviewed are summarized in IELTS score equivalent in Table 4-A-1.

For the purpose of comparing with the findings of the telephone survey on SMEs, these findings are grouped into industry sectors in the same way as in the telephone survey, that is, seven groups.

Table 4-A-1 English language competences expected of graduate employees (A)

Industry Sectors	Management Trainee	Customer Service & Selling	Marketing, Business Development & Planning	Support Functions (HR, Accounting, & Office Admin)	IT and Technical Support
Manufacturing	n.a.	6.0-6.5	n.a.	n.a.	6.0-6.5
Construction	n.a.	n.a.	n.a.	7.0	6.0-6.5
Manufacturing & construction (Range)	n.a.	6.0-6.5	n.a.	6.0-7.0	6.0-6.5
Wholesale & retail trades	6.0-6.5	6.0-6.5	n.a.	6.0-6.5	6.0-6.5
Import & export trades	7.0	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5
Wholesale & retail trades, and import & export trades (Range)	6.0-7.0	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5
Restaurants and hotels (<i>Note 1</i>)	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5
Restaurants & hotels (Range)	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5
Transport and storage	n.a.	5.5	6.0-6.5	n.a.	n.a.
Communications	n.a.	6.0-6.5	7.0	5.5	5.5
Transport and storage, and communications (Range)	n.a.	5.5-6.5	6.0-7.0	5.5	5.5
Local bank	6.0-6.5	5.5	n.a.	5-5	5.5
Int'l bank	7.0	6.0-6.5	6.0-6.5	6.0-6.5	6.0-6.5
Insurance (<i>Note 1</i>)	n.a.	6.0-6.5	6.0-6.5	6.0-6.5	n.a.
Real estate	7.0	6.0-6.5	n.a.	n.a.	5.5
Financing, insurance & real estate (Range)	6.0-7.0	5.5-6.5	6.0-6.5	5.5-6.5	5.5-6.5
Business service	n.a.	6.0-6.5	n.a.	n.a.	n.a.
Business service (Range)	n.a.	6.0-6.5	n.a.	n.a.	n.a.
Public utilities	n.a.	5.5	n.a.	5.5	5.5
Community & social services (<i>Note 2</i>)	n.a.	5.5 6.0-6.5	5.5 6.0-6.5	n.a.	n.a.
Public utilities, community & social services (Range)	n.a.	5.5-6.5	5.5-6.5	5.5	5.5

Note 1: The actual level of English language competences of graduate employees of the establishments in the hotel and insurance sectors interviewed is only IELTS 5.5 equivalent. However, the human resources executives of the two establishments interviewed have indicated that a level equivalent to IELTS 6.0-6.5 would be desired.

Note 2: Caritas Hong Kong provides 4 categories of services to the public: hospitality (hostels & guest houses), welfare, education and medical services. For hospitality service, the minimum level of English language competences expected of graduate employees as advised by its representative is IELTS 6.0-6.5 equivalent; and for welfare service, it is 5.5. The minimum levels of English language competences expected of graduate employees for jobs in education and medical services are not covered by this exercise.

Observations and Analyses:

- (a) Table 4-A-1 shows that the minimum level of English language competences expected of graduate employees by the establishments interviewed ranges from IELTS 5.5 equivalent to IELTS 7.0 equivalent. There are different expectations for different categories of jobs and in different industry sectors.
- (b) Management trainees are usually recruited from the cream of each cohort of university graduates and to be groomed to be management level executives. Three of the six establishments with management trainee programmes expect their management trainees to have a level of English language competences equivalent to IELTS 6.0-6.5. The other three expect their management trainees to have a level of English language competences equivalent to IELTS 7.0.
- (c) Analyses by industry sectors:
 - (i) In the manufacturing and construction sectors, graduate employees are expected to have a minimum level of English language competences equivalent to IELTS 6.0-7.0.

These findings are quite contrary to the general perception that establishments in the manufacturing and construction sectors would not expect their graduate employees to have a level of English language competences above the average.

It is understood that manufacturing facilities of most manufacturers in Hong Kong had been moved to the Mainland and Southeast Asian countries, and graduate employees in their Hong Kong offices would be engaged in marketing and business development functions, and their technical staff would be engaged in negotiation with oversea equipment suppliers.

The establishment in the construction sector interviewed provides construction-related professional services in addition to undertaking construction work, and hence expects its entry-level professionals to have a relatively high level of English language competences. Besides, it is a subsidiary of an international group with all internal communication in English, its therefore expects its graduate employees in support functions, who would be required to frequently communicate with their parent company, to have a higher level of English language competences, i.e. IELTS 7.0 equivalent.

- (ii) In the wholesale & retail trades, and import & export trades sectors, graduate employees (other than management trainees) are expected to have a minimum level of English language competences equivalent to IELTS 6.0-6.5.
- (iii) In the restaurants & hotels sector, while the actual level of English language competences of graduate employees of the hotel interviewed is only IELTS 5.5 equivalent, the hotel would desire its graduate employees to have a level of English language competences equivalent to IELTS 6.0-6.5.
- (iv) In the transport & storage, and communications sectors, the level of English language competences expected of graduate employees ranges from IELTS 5.5 equivalent to IELTS 7.0 equivalent.

The range is wide. It is understood that for functions engaged in serving local customers, provision of services to local residents, and provision of internal or technical services, graduate employees are expected to have a level of English language competences equivalent to IELTS 5.5 only. For functions engaged in serving corporate customers and customers from overseas, and activities in the international markets are expected to have a level of English language

competences equivalent to IELTS 6.0-6.5 or even 7.0.

- (v) In the financing, insurance and real estate sectors, the level of English language competences expected of graduate employees (other than management trainees) ranges from IELTS 5.5 equivalent to IELTS 6.5 equivalent.

It is obvious that graduate employees in the local bank, which is engaged principally with services to local customers, and those in IT and technical function in the real estate developer, are expected to have a level of English language competences equivalent to IELTS 5.5 only. For others, graduate employees are expected to have a level of English language competences equivalent to IELTS 6.0-6.5.

It should also be highlighted that while the actual level of English language competences of graduate employees of the insurance company interviewed is only IELTS 5.5 equivalent, the insurance company interviewed would desire their graduate employees to have a level of English language competences equivalent to IELTS 6.0-6.5.

- (vi) In the business sector, graduate employees are expected to have a level of English language competences equivalent to IELTS 6.0-6.5.
- (vii) In the public utilities, and community & social services sectors, the level of English language competences expected of graduate employees ranges from IELTS 5.5 equivalent to IELTS 6.5 equivalent.

Establishments providing public utilities, and community & social services are engaged in services for local residents. Hence, their graduate employees are expected to have a level of English language competences equivalent to IELTS 5.5 only. The establishment in the community & social services sector interviewed also provides hospitality service, and hence expects their graduate employees in this service to have a level of English language competences equivalent to IELTS 6.0-6.5.

(4) Level of satisfaction with the English language competences of graduate employees having graduated for less than 1 year:

With the exception of the insurance and restaurants & hotels sectors, the human resources executives interviewed are in general satisfied with the English language competences of their entry-level graduate employees because of the relatively thorough screening process adopted at recruitment.

The cream of university graduates is not keen to join the insurance and restaurant & hotels sectors because of the hardship associated with the requirement to work long hours and / or during weekends and public holidays, it is therefore difficult for establishments in these two sectors to recruit graduate employees with a level of English language competences that the establishments would desire, i.e. IELTS 6.0-6.5 equivalent. Hence, the human resources executives in these two sectors interviewed are not satisfied with the English language competences of their entry-level graduate employees.

(5) Minimum level of English language competences expected of graduate employees having graduated for 1-3 years for different categories of jobs:

The establishments interviewed do not set different levels of English language competences expected of graduate employees having graduated for 1-3 years.

In some cases, if candidates have 1-3 years of relevant work experience and the knowledge and skills required for the jobs but are unable to meet the minimum level of English language competences expected, they would still be accepted.

It should however be noted that graduate employees having graduated for 1-3 years would be expected to have improved, vs. fresh university graduates, in the following areas:

- (a) Report writing skill;
- (b) Presentation skill; and
- (c) Trade-related or job-related English.

(6) Level of satisfaction with the English language competences of graduate employees having graduated for 1-3 years:

The human resources executives interviewed have diverse views on whether the English language competences of graduate employees have remained the same, deteriorated or been improved after working in the establishments for 1-3 years.

The observations of the human resources executives interviewed are summarized as follows:

- (a) Management trainees, being groomed to be management level executives, are required by their mentors and / or supervisors to frequently write reports, do presentations and participate in meetings in English. Their English language competences have definitely improved after 1-3 years with the establishments.
- (b) Graduate employees who are required by their jobs to communicate frequently in English both verbally and in writing (e.g. those in business development and international marketing functions) have improved in their oral and written English.
- (c) Graduate employees who are required by their jobs to communicate frequently in English verbally (e.g. those in customer service, corporate communication, public relations, and selling functions) have improved in their oral English; however, their skill in writing English has in general deteriorated.
- (d) The English language competences of graduate employees in the following functions have in general deteriorated:
 - Selling function and customer service that require communication mainly in Cantonese with local customers;
 - Support functions (like human resources, accounting and office administration) that require communication in relatively simple English and in standard formats; and
 - IT and technical functions that require communication in relatively simple English, technical terminology and standard formats.

(7) Continuous assessment on the English language competences of graduate employees:

Only one of the establishments interviewed would require their graduate employees to take an English language proficiency test if the results of the English language proficiency test previously taken are older than 3 years when being considered for promotion.

All the other establishments interviewed do not formally assess the English language competences of their graduate employees on a regular basis. However, the employees' skills in report writing and presentation would usually be assessed in annual performance appraisals. Besides, it was highlighted by all the human resources executives interviewed that a higher level of English language competences would be expected of senior managers and therefore when considering promotion of graduate employees, the employees' skills in report writing and presentation in English would be one of the factors.

(8) Availability of English language training for graduate employees:

Most of the establishments interviewed would provide in-house English language training for employees, including graduate employees. The types of training include: workplace English, report writing, presentation skills and business communication. Some of the establishments interviewed also organize toastmaster club for graduate employees.

However, participation in training is on a voluntary basis only. Employees whose English language competences cannot meet the requirements of their jobs would be encouraged by their supervisors to attend in-house training.

Most of the establishments interviewed offer educational allowances for their employees, including graduate employees, for participation in training courses provided by third-party educational or professional institutes. However, all the human resources executives interviewed have observed that graduate employees usually utilize educational allowances for trade-related and skill improvement courses, and seldom utilize educational allowances for English language training courses.

(9) Other comments and suggestions:

- (a) Some human resources executives interviewed have highlighted that the widely use of electronic communication tools (like ICQ and e-mail) may have worsened the English language competences of university graduates in general.
- (b) Some human resources executives interviewed have observed that, while overseas university graduates' oral English is in general better than that of local university graduates, their skill in writing business English is no better than that of local university graduates.
- (c) One human resources executive has observed that university graduates having participated in student exchange programmes possess a higher level of English language competences.
- (d) Most human resources executives interviewed have pointed out that use of English in correct grammar is only a basic requirement, graduate employees' ability in report writing and presentation in business English is important, because this ability would be essential when they are promoted to management level.
- (e) The human resources executives interviewed in general welcome the practice of requiring final-year university students to take an English language proficiency test because HKCEE grades in English Language of university graduates would be at least 5 years old and A-Level grades in Use of English at least 3 years old at graduation. A few human resources executives interviewed have advised that while IELTS scores would be a good benchmark of the English language competences of graduate employees, BULATS would be more appropriate for the business sector.

(B) Findings of Telephone Survey

Profile of respondents

(a) Distribution by industry

Table 4(iv) summarizes the distribution by industry of the respondents.

Table 4 (iv) Distribution by industry of respondents

	Sample Distribution	Population Distribution
Manufacturing & construction	6.0%	5.8%
Wholesale & retail trades, and import & export trades	53.0%	58.3%
Restaurants & hotels	6.0%	4.0%
Transport, logistics, storage & communications	6.0%	3.6%
Financing, insurance & real estate	9.0%	8.4%
Business services	10.0%	9.9%
Community, social & personal services, and others	10.0%	10.0%
Total:	100.0%	100.0%

The distribution by industry of the sample is slightly different from that of the population. Adjustments were needed because:

- (i) Industry analysis would be meaningful with at least 30 samples.
- (ii) The proportion in the wholesale & retail trades, and import & export trades sector is too large; it was therefore decided to reduce the proportion of this sector and to increase the proportions of the other sectors.
- (iii) The proportion of establishments in the construction sector (0.3%) would be too small for a sample of 500; the proportions of employees and establishments in the construction sector described in Section 2 (2) apply to site workers and their employers; and an overwhelmingly large proportion of employees in these establishments are non-graduate employees; it was therefore decided to combine the manufacturing sector and construction sector.
- (iv) The proportion of establishments in the restaurants & hotels sector (4.0%) would be too small for a sample of 500; it was therefore decided to increase its proportion to 6%.

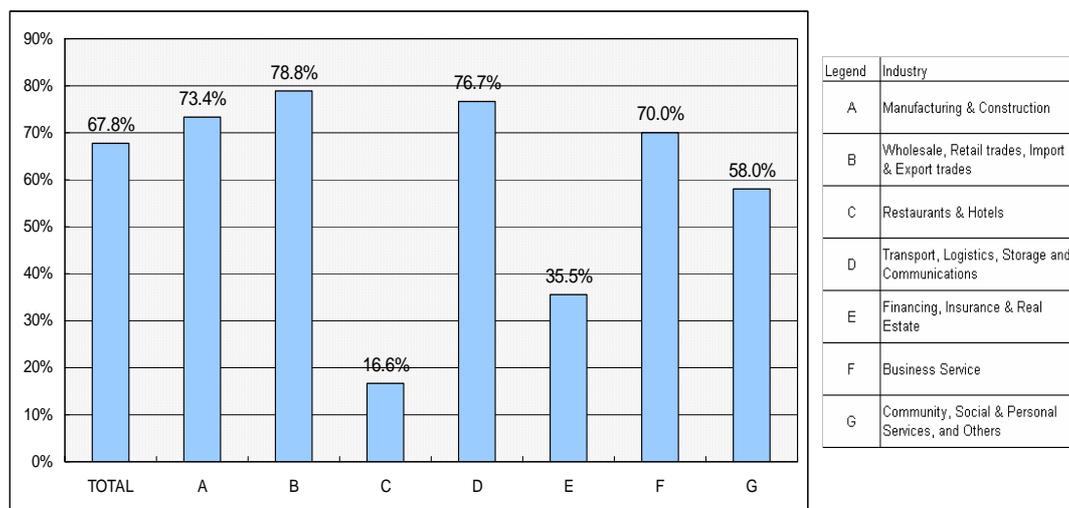
- (v) The proportion of establishments in the transport, logistics & storage sector (3.2%) and the communications sector (0.4%) would be too small for a sample of 500; it was therefore decided to combine the transport, logistics & storage sector and communications sector, and to increase the proportion to 6%.
- (vi) The proportion of establishments in the financing sector (2.6%) would be too small for a sample of 500; it was therefore decided to combine the financing sector and insurance and real estate sector.

The precision level of this survey is within $\pm 4.5\%$ at 95% confidence level.

(b) Employment size of respondents

Respondents to the telephone survey are mainly establishments employing less than 50 employees (67.8%). (Table 4(v))

Table 4 (v) Proportion of respondents in different sectors with less than 50 employees



(c) Proportion of graduate employees having graduated for different length of period

Of the 500 respondents, about one-third (29.8 %) have graduate employees having graduated for less than 1 year, and 56.0% have graduate employees having graduated for 1-3 years. (Table 4(vi))

37% of the respondents have graduate employees having graduated for more than 3 years but have no graduate employees having graduated for less than 1 year and those having graduated for 1-3 years (*See note below*).

Respondents with graduate employees having graduated for more than 3 years but with no graduate employees having graduated for less than 1 year and /or having graduated for 1-3 years were asked to indicate the level of English language competences expected of their graduate employees when these employees were recruited.

Note: SMEs usually lag behind large corporations in recruiting fresh graduates and start getting interest from fresh graduates only in September / October. Technically speaking, the 2004 cohort of fresh graduates employed by the respondents had graduated for 1-3 years at the time of the survey (October 2005). Hence, two-thirds of the respondents do not have graduate employees having graduated for less than 1 year. Likewise, the 2002 cohort of fresh graduates employed by the respondents had graduated for more than 3 years at the time of the survey. Hence, one-third of the respondents have graduate employees having graduated for more than 3 years but have no graduate employees having graduated for less than 1 year and those having graduated for 1-3 years.

Table 4 (vi) Proportion of respondents with graduate employees having graduated for different length of period

Industry Sectors	% respondents with U-grads < 1 year	% respondents with U-grads 1-3 years	% respondents with U-grads more than 3 years only
Total	29.8%	56.0%	37.0%
Manufacturing & Construction	40.0%	56.7%	30.0%
Wholesale, Retail trades, Import & Export trades	22.3%	49.4%	43.0%
Restaurants & Hotels	70.0%	83.3%	10.0%
Transport, Logistics, Storage and Communications	16.7%	63.3%	33.3%
Financing, Insurance & Real Estate	37.8%	62.2%	33.3%
Business service	36.0%	56.0%	34.0%
Community, social & personal services, and others	31.3%	62.5%	34.0%

Note: The aggregate figures are larger than 100%, because some respondents have graduate employees having graduated for different length of period.

(1) Methods adopted in assessing the English language competences of university graduates in recruitment process

Most of the establishments surveyed use more than one test or method to assess the English language competences of university graduates during recruitment. The most popular tests used are A-level Use of English (68.4%), HKCEE English Language Syllabus B (65.8%) and the fluency of oral English demonstrated at interview (61.0%). IELTS is only used by about one-fifth (19.4%) of the establishments surveyed. (Table 4-B-1)

Table 4-B-1 English language assessment methods adopted by respondents

Assessment Methods	% (Base=500)
A-Level Use of English	68.4
HKCEE English Language (Syllabus B)	65.8
Fluency of English demonstrated in interview	61.0
HKCEE English Language (Syllabus A)	23.2
IELTS	19.4
TOEFL Paper-based	18.8
TOEFL Computer-based	16.0
English assessment test designed in-house	14.0
University English language course results	9.0

Note: The aggregate figure is larger than 100%, because most of the establishments surveyed use more than one test / method.

(2) Minimum level of English language competences expected of graduate employees having graduated for less than 1 year for different categories of jobs

For comparison purpose, the levels of English language competences expected of graduate employees having graduated for less than 1 year by the establishments surveyed are translated into IELTS scores equivalent in Table 4-B-2.

An overwhelming majority of the establishments surveyed (99.2%) expect their graduate employees having graduated for less than 1 year to have a level of English language competences ranging from IELTS 5.0 to IELTS 8.0 equivalent (Table 4-B-2)

The range is wider than that by large corporations interviewed probably because there are more establishments in the sample for the telephone survey. Some of the SMEs are principally engaged in business in the international markets and / or serving oversea customers, and others are principally engaged in businesses in the local market and / or serving local and Mainland customers, or in services for local residents only. The former probably require their graduate employees to have a higher level of English language competences while the latter probably do not require their graduate employees to have a high level of English language competences.

While the range of the levels of English language competences expected of graduate employees for all categories of jobs by SMEs surveyed is very wide, it is observed that:

- About one-fifth (20.7%) of the SMEs surveyed expect their graduate employees to have a level of English competences equivalent to IELTS 7.0 or above;
- About one-fifth (18.5%) of them expect their graduate employees to have a level of English competences equivalent to IELTS 6.0-6.5; and
- About 60% of them expect their graduate employees to have a level of English competences equivalent to IELTS 5.0 to just below 6.0.

Table 4-B-2 English language competences expected of graduate employees (B)

Industry Sector Job Nature	IELTS score equivalent	Customer service & selling (Group I)	Marketing, business development & planning (Group II)	Support functions (HR, accounting, & office admin) (Group III)	IT and technical support (Group IV)	Average
Manufacturing and construction	7.0-8.0	18.5%	31.0%	17.2%	16.0%	20.7%
	6.0-6.5	18.5%	27.6%	17.2%	8.0%	17.8%
	5.0-<6.0	63.0%	41.4%	62.1%	72.0%	59.6%
	< 5.0	0.0%	0.0%	3.4%	4.0%	1.9%
Wholesale & retail trades, and import & export trades	7.0-8.0	20.7%	31.9%	18.8%	13.4%	21.2%
	6.0-6.5	22.6%	19.1%	17.4%	18.0%	19.3%
	5.0-<6.0	56.3%	48.0%	62.8%	68.6%	58.9%
	< 5.0	0.5%	1.0%	0.9%	0.0%	0.6%
Restaurants & hotels	7.0-8.0	13.6%	22.7%	13.6%	11.1%	15.3%
	6.0-6.5	18.2%	31.8%	18.2%	0.0%	17.1%
	5.0-<6.0	68.2%	45.4%	68.2%	88.9%	67.7%
	< 5.0	0.0%	0.0%	0.0%	0.0%	0.0%
Transport, logistics & storage, and communications	7.0-8.0	36.3%	47.4%	21.7%	27.8%	33.3%
	6.0-6.5	18.1%	21.1%	21.7%	33.3%	23.6%
	5.0-<6.0	45.5%	31.6%	56.5%	38.9%	43.1%
	< 5.0	0.0%	0.0%	0.0%	0.0%	0.0%
Financing, and insurance & real estate	7.0-8.0	6.8%	18.5%	3.0%	0.0%	7.1%
	6.0-6.5	27.6%	18.5%	21.2%	11.1%	19.6%
	5.0-<6.0	65.5%	59.2%	75.8%	88.9%	72.4%
	< 5.0	0.0%	3.7%	0.0%	0.0%	0.9%
Business service	7.0-8.0	33.3%	31.8%	26.1%	26.3%	29.4%
	6.0-6.5	7.7%	19.5%	19.6%	15.8%	15.7%
	5.0-<6.0	56.4%	48.7%	52.2%	52.6%	52.5%
	< 5.0	2.6%	0.0%	2.2%	5.3%	2.5%
Community, social & personal services, and others	7.0-8.0	15.0%	20.0%	13.3%	12.9%	15.3%
	6.0-6.5	17.5%	22.5%	11.1%	6.5%	14.4%
	5.0-<6.0	67.5%	57.5%	75.6%	80.6%	70.3%
	< 5.0	0.0%	0.0%	0.0%	0.0%	0.0%
Average	7.0-8.0	20.7%	29.9%	17.5%	14.6%	20.7%
	6.0-6.5	20.2%	20.9%	17.5%	15.2%	18.5%
	5.0-<6.0	58.6%	48.4%	63.9%	69.3%	60.1%
	< 5.0	0.5%	0.8%	1.0%	0.9%	0.8%

Note: The percentages may not add up to 100% due to rounding.

Observations and Analyses:

- (a) When analyzed by industry sectors, it is observed that more than 40% of the establishments surveyed in the following sectors expect their graduate employees to have a slightly higher level of English language competences (IELTS 6.0-6.5 or above):
- Wholesale & retail trades, and import & export trades
 - Transport, logistics & storage, and communications
 - Business service

Furthermore, one-third of the establishments in the transport, logistics & storage, and communications sectors expect their graduate employees to have a level of English language competences equivalent to IELTS 7.0 or above; and about 30% of the establishments in the business service sector expect their graduate employees to have a level of English language competences equivalent to IELTS 7.0 or above.

- (b) On the other hand, almost or more than 70% of the establishments in the following sectors expect their graduate employees to have a level of English language competences equivalent to IELTS 5.5 to just below 6.0 only:
- Restaurants & hotels
 - Financing, and insurance & real estate
 - Community, social & personal services, and others

- (c) When analyzed by job categories, about 50% of the establishments surveyed expect their graduate employees in the marketing, business development and planning functions to have a level of English language competences equivalent to IELTS 6.0-6.5 or above, and 30% of them even expect a higher level, that is, IELTS 7.0 equivalent or above.

(3) Minimum level of English language competences expected of graduate employees having graduated for 1-3 years for different categories of jobs

For most sectors, the majority of the establishments surveyed (70 to 80%) expect graduate employees having graduated for 1-3 years to have the same level of English language competences as those having graduated for less than 1 year; and only 20-30% of them expect these graduate employees to have to have a higher level of English language competences. (Table 4-B-3)

The exceptions are regarding jobs requiring frequent interfaces with clients (Group I) in the wholesale & retail trades, and import & export trades sector, the restaurants & hotels sector, and the transport, logistics & storage, and communications sectors. About 40-45% of establishments in these sectors expect graduate employees having graduated for 1-3 years to have a level of English language competences higher than that of those having graduated for less than 1 year. (Table 4-B-3)

As to the extent of how much higher, an overwhelming majority of them have indicated “slightly higher”. (Ref. Tabulation No. 19-22)

Table 4-B-3 Percentage of the establishments surveyed expecting graduate employees having graduated for 1-3 years to have the same level of English language competences as those having graduated for less than 1 year

	Group I	Group II	Group III	Group IV
Manufacturing & Construction	71.4%	73.3%	73.3%	76.9%
Wholesale, Retail trades, Import & Export trades	66.5%	63.5%	69.4%	67.5%
Restaurants & Hotels	53.3%	71.4%	80.0%	79.2%
Transport, Logistics, Storage and Communications	62.1%	70.8%	70.0%	66.7%
Financing, Insurance & Real Estate	73.8%	76.3%	72.7%	80.0%
Business service	74.0%	66.7%	72.9%	72.1%
Community, social & personal services, and others	85.1%	76.1%	80.0%	75.7%

(4) Continuous assessment on the English language competences of graduate employees

Almost all the establishments surveyed (97.4%) do not perform assessment on the English language competences of their graduate employees after they have been recruited. Only 2.6% of the establishments surveyed require assessment on English language competences when conducting employee performance appraisal and considering job reallocation or contract extension. (Ref. Tabulation No. 23 & 24)

(5) Level of satisfaction with the English language competences of graduate employees having graduated for less than 1 year

Of the establishments surveyed, 148 (29.6%) have graduate employees having graduated for less than 1 year. 88.5% of them are satisfied or very satisfied with the English language competences of these employees. Slightly over 10% of them are dissatisfied or very dissatisfied. (Table 4-B-4)

When analyzed by industry sectors, a relatively lower proportion of establishments in the manufacturing and construction sectors (75.0%) and in the community, social & personal services, and others sector (76.5%) are satisfied or very satisfied with the English language competences of these employees. About one quarter of them are dissatisfied. (Table 4-B-4)

Table 4-B-4 Level of satisfaction of the respondents with the English language competences of graduate employees having graduated for less than 1 year

	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	No. of Respondents
Manufacturing and construction	8.3%	66.7%	25.0%	0.0%	12
Wholesale & retail trades, import & export trades	1.7%	84.5%	12.1%	1.7%	58
Restaurants & hotels	0.0%	95.2%	4.8%	0.0%	21
Transport, logistics & storage, and communications	0.0%	100.0%	0.0%	0.0%	5
Financing, insurance & real estate	0.0%	100.0%	0.0%	0.0%	17
Business service	0.0%	94.4%	5.6%	0.0%	18
Community, social & personal services, and others	5.9%	70.6%	23.5%	0.0%	17
Overall / Total	2.0%	86.5%	10.8%	0.7%	148

(6) Level of satisfaction with the English language competences of graduate employees having graduated for 1-3 years

Of the establishments surveyed, 280 (56.0%) have graduate employees having graduated for 1-3 years. 88.6% of them are satisfied or very satisfied with the English language competences of these employees. Slightly over 10% of them are dissatisfied or very dissatisfied. (Table 4-B-5)

Table 4-B-5 Level of satisfaction of the respondents with the English language competences of graduate employees having graduated for 1-3 years

	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	No. of Respondents
Manufacturing & construction	11.8%	82.4%	5.8%	0.0%	17
Wholesale & retail trades, import & export trades	0.8%	85.5%	13.7%	0.0%	131
Restaurants & hotels	0.0%	96.0%	4.0%	0.0%	25
Transport, logistics, storage & communications	5.3%	78.9%	10.5%	5.3%	19
Financing, insurance & real estate	0.0%	92.9%	7.1%	0.0%	28
Business service	3.6%	85.7%	10.7%	0.0%	28
Community, social & personal services, and others	9.4%	78.1%	12.5%	0.0%	32
Overall / Total	2.9%	85.7%	11.1%	0.4%	280

(7) Other comments

- (a) One in four establishments surveyed (27.2%) consider that the level of English language competences of university graduates graduated in the recent 3 years is worse than those graduated more than 3 years ago. On the other hand, a small proportion of them (2.2%) consider the otherwise. (Ref. Tabulation No. 27)

- (b) About 10% (9.2%) believe that the use of ICQ or other instant messaging tools has led to the deterioration of the English language competences of university graduates.

- (c) About 10% (10.8%) are very disappointed with the oral English of today's university graduates.

5. Conclusion

- (1) The findings of this exercise show that the levels of English language competences expected of graduate employees for different categories of jobs by large corporations range from IELTS 5.5 equivalent to IELTS 7.0 equivalent; and the levels expected by an overwhelming majority (99.2%) of the SMEs surveyed range from IELTS 5.0 equivalent to IELTS 8.0 equivalent.

The range of the levels of English language competences expected of graduate employees by the SMEs surveyed is wider than that by large corporations interviewed probably because there are more establishments in the sample for the telephone survey. Some of the SMEs are principally engaged in business in the international markets and / or serving oversea customers, and others are principally engaged in businesses in the local market serving local and Mainland customers, or in services for local residents only. The former probably require their graduate employees to have a higher level of English language competences while the latter probably do not require their graduate employees to have a high level of English language competences.

While the range of the levels of English language competences expected of graduate employees by SMEs surveyed is very wide, it is observed that:

- About one-fifth (20.7%) of the SMEs surveyed expect their graduate employees to have a level of English competences equivalent to IELTS 7.0 or above;
 - About one-fifth (18.5%) of them expect their graduate employees to have a level of English competences equivalent to IELTS 6.0-6.5; and
 - About 60% of them expect their graduate employees to have a level of English competences equivalent to IELTS 5.0 to just below 6.0.
- (2) When analyzed by industry sectors, for large corporations, graduate employees in all functions (other than management trainees) in the following industry sectors are generally expected to have a level of English language competences equivalent to IELTS 6.0-6.5:
 - (a) Manufacturing and construction
 - (b) Wholesale & retail trades, and import and export trades
 - (c) Restaurants & hotels

- (d) Financing (international bank & insurance companies)
- (e) Business service

For transportation, logistic & storage, communications, local bank, real estate, public utilities, community & social services sectors, graduate employees (other than management trainees) are expected to have a level of English language competences ranging from IELTS 5.5 equivalent to IELTS 7.0 equivalent.

The range is wide. It is understood that for functions engaged in serving local customers, provision of services to local residents, and provision of internal or technical services, graduate employees are expected to have a level of English language competences equivalent to IELTS 5.5 only. For functions engaged in serving corporate customers and customers from overseas, and activities in the international markets are expected to have a level of English language competences equivalent to IELTS 6.0-6.5 or even 7.0.

- (3) When analyzed by industry sectors, for SMEs, it is observed that more than 40% of the establishments surveyed in the following sectors expect their graduate employees to have a slightly higher level of English language competences (IELTS 6.0-6.5 or above):
 - (a) Wholesale & retail trades, and import & export trades
 - (b) Transport, logistics & storage, and communications
 - (c) Business service

Furthermore, one-third of the establishments in the transport, logistics & storage, and communications sectors expect their graduate employees to have a level of English language competences equivalent to IELTS 7.0 or above; and 30% of the establishments in the business service sector expect their graduate employees to have a level of English language competences equivalent to IELTS 7.0 or above.

On the other hand, almost or more than 70% of the establishments in the following sectors expect their graduate employees to have a level of English language competences equivalent to IELTS 5.5 to just below 6.0 only:

- (a) Restaurants & hotels
- (b) Financing, and insurance & real estate
- (c) Community, social & personal services, and others

When analyzed by job categories, about 50% of the establishments surveyed expect their graduate employees in the marketing, business development and planning functions to have a level of English language competences equivalent to IELTS 6.0-6.5 or above, and 30% of them even expect a level of English language competences equivalent to IELTS 7.0 or above.

- (4) It is worth noting that one establishment interviewed is a subsidiary of an international group and graduate employees in the support functions, who are required to frequently communicating in English with the parent company, are expected to have a level of English language competences equivalent to IELTS 7.0.
- (5) It is also worth noting that while establishments in the hotel and insurance sectors would desire their employees to have a level of English competences equivalent to IELTS 6.0-6.5, the actual level of English competences of their employees is only IELTS 5.5 equivalent. It is because university graduates are not keen to join these sectors because of the hardship associated with the requirement to work long hours and / or during weekends and public holidays. It is difficult for establishments in these two sectors to recruit graduate employees with the desired level of English language competences.
- (6) Large corporations with management trainee programmes expect their management trainees to have a higher level of English language competences. Most of them expect a level equivalent to IELTS 6.0-6.5. Some expected a level equivalent to IELTS 7.0.
- (7) SMEs are less competitive than large corporations in recruiting graduate employees, and hence SMEs engaged principally in businesses serving local customers have to accept graduate employees with a level of English language competences equivalent to IELTS 5.0 to just below 6.0.
- (8) While establishments do not set a different level of English language competences for graduate employees having graduated for 1-3 years, some of them expect these employees to have improved, vs. fresh university graduates, in report writing skill, presentation skill, and trade-related or job-related English.
- (9) For large corporations, with the exception of the insurance and hotel sectors, establishments interviewed are in general satisfied with the English language competences of their entry-level graduate employees because of the relatively

thorough screening process adopted at recruitment. As the hotel and insurance sectors cannot attract the cream of university graduates, the two establishments interviewed are not satisfied with the English language competences of their entry-level graduate employees. About 10% of the SMEs surveyed are not satisfied with the English language competences of their graduate employees.

- (10) While most establishments interviewed or surveyed are in general satisfied with the English language competences of their graduate employees, the human resources executives interviewed have advised that the use of correct grammar is a basic requirement only, the graduate employees' ability in comprehending information provided and in presenting their arguments in a logical way, and their skills in report writing and presentation are important. Most of the human resources executives interviewed are not satisfied with these aspects of their graduate employees.
- (11) Last but not least, as HKCEE grades for English Language of university graduates would be at least 5 years old and A-Level grades for Use of English at least 3 years old at graduation, the human resources executives of the large corporations interviewed in general welcome the practice of requiring final-year university students to take an English language proficiency test. It is worth noting that a few human resources executives interviewed have advised that while IELTS scores would be a good benchmark of the English language competences of graduate employees, BULATS would be more appropriate for the business sector.

--- End of Report ---