

## **LegCo Panel on Manpower**

### **Information Paper on Survey on the adoption of Labour Department's Code of Labour Relations Practice and Sample Employment Contract by the Catering Trade**

#### **Introduction**

At the meeting of the LegCo Panel on Manpower on 23.1.2003, the Administration was requested to provide an information paper on the extent of individual catering establishments adopting the Code of Labour Relations Practice (the Code) and the Sample Employment Contract for the Catering Trade (the Sample Contract). Surveys to collect feedback on the usefulness of these publications have been conducted by Labour Department (LD). This paper presents the results of the surveys and the way forward.

#### **Background**

2. The Code and the Sample Contract have been specially produced for the catering trade by the LD's Tripartite Committee on Catering Trade (TCCT). The TCCT comprises representatives of employees and employers in the catering trade and from Labour Department. It is the objective of the Tripartite Committee that the Code and the Sample Contract can :-

- promote better understanding among employers and employees in the catering industry on the major provisions of the Employment Ordinance (EO);
- encourage the adoption of good human resource management practices; and
- provide a user-friendly sample employment contract to facilitate the wider use of written employment contract in the catering industry.

## **The Surveys**

3. The surveys for the two publications were conducted from October 2002 to March 2003 and covered 600 catering establishments. These establishments comprised Chinese restaurants, western style restaurants, fast food chains and small scale restaurants. We managed to collect 159 valid returns for analysis after sending reminders and making telephone follow-ups. The response rate on valid returns was 26.5%. In terms of the respondents' employment size, 63% came from establishments with more than 50 employees, 12% with 21 to 50 and 25% with 20 or less.

4. The key findings of the survey are:

- The usefulness of both the Code and the Sample Contract was endorsed by the majority (96%) of the respondents. They considered the contents useful and relevant.
- 97% of the respondents commented that the two reference guides could achieve the objective of promoting good human resources management practices and the use of written employment contract.
- 82% of the respondents indicated that they were already using written employment contracts. Of those respondents who were not using written employment contracts, 70% came from establishments with less than 50 employees, suggesting that the practice of using written employment contract was less prevalent among the small and medium enterprises (SMEs).
- The respondents were generally of the view that continuous promotion of the contents of booklets to employers was necessary to facilitate their adoption in the trade. They also suggested that publicity of actual court cases would be useful in enhancing their understanding of the provisions of the EO.

## **Way forward**

5. As the surveys reveal that 70% of those not using written employment contracts fall into the group employing less than 50 people, there is a need to focus our promotion efforts on SMEs. We intend to set up a working group within the Tripartite Committee on Catering Trade in the second half of this year. This working group will comprise

employer and employee members of the Committee in order to bring the trade on board. Our objective is to consider how best to target our promotional efforts to encourage small and medium-sized eating establishments to adopt written employment contracts for their workforce.

Labour Department  
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