

## **LegCo Panel on Manpower**

### **Information on the pattern of employment of part-time employees working less than 18 hours per week**

#### **Background**

During discussion of the applicability of the Employment Ordinance (EO) to employees who are employed for less than 18 hours per week by the LegCo Panel on Manpower on 27 January 2000, the Administration undertook to look into the pattern of employment of part-time employees who were working without a continuous contract in five named large companies. Under the EO a 'continuous contract' is defined as an employee having been employed under a contract of employment for 4 weeks or more and having worked for 18 hours or more in each week.

2. In February 2000, the Labour Department collected from these companies information on the employment characteristics and work pattern of their part-time employees. The reasons for these companies to employ part-time employees for less than 18 hours a week were also enquired. The information is provided below.

#### **Information collected from the five companies**

##### *Statistical information on part-time employees*

3. As of February 2000, the five companies in question had a total workforce of 44 610. Of these, 17 794 (or 40%) were part-time employees who worked less than 18 hours a week, i.e. working without a continuous contract. When looking at individual companies, the percentage of part-time employees working without a continuous contract varied significantly, ranging from 3% to 71% of the total workforce of the company concerned.

4. Not all part-time employees in these companies work below the threshold for a continuous contract. Of the total of 25 894 part-time employees employed in the five companies, 8 100 (or 31%) worked 18 hours a week or more. In one company, 500 part-time employees worked 6 days a week and more than 4 hours a day. Some 1 000 part-time employees of another company worked at a level of 130 hours a month. All these employees worked under a continuous contract and were entitled to the full range of benefits provided under the EO.

### ***Pattern of employment of part-time employees***

5. Of the total of 17 794 employees who worked without a continuous contract, 15602 (or 88%) worked less than 15 hours a week. Only an insignificant portion (218 or 1%) worked for more than 16 hours but less than 18 hours a week.

6. The work pattern of these part-time employees differed with their job requirements and the business nature of individual companies. In some cases, part-time employees were employed to work during the peak hours on weekdays (e.g. peak traffic hours in the morning and off-school time, lunch hours in commercial districts) which usually lasted for 1 to 3 hours a day. In other cases, some part-time employees are engaged to work, for longer hours, on some particular day(s) in a week (such as weekends, holidays or special days for business) The work pattern might also be flexible and was scheduled in such a way as to accommodate the personal needs of the employees.

### ***Reasons for employing part-time employees***

7. According to the companies, there were a number of reasons for employing part-time employees in addition to the full-time and permanent staff. The reasons are summarised as follows:

(a) To meet genuine operational needs

Owing to their business nature and requirements, the companies have genuine operational needs to employ staff to work for just some hours in a week. For example, some of these companies employ part-time staff to work during the peak hours in a day or on some particular day(s) in a week to meet the upsurge of manpower needs in coping with flocks of customers. One company, which only conducts business on some particular day(s) in the week, employs part-time staff to work only on those days.

By engaging part-time employees, the companies are able to maintain a flexible workforce to meet the manpower demand at different points of time and to adjust to business changes.

(b) To suit personal needs of employees

Some companies indicate that part-time staff are employed because the employees prefer a short and flexible work schedule (in some cases less than 18 hours a week) in order to suit their personal needs. For example:

- ✧ Students can only work after school hours/ school days. Also, they can only work for limited hours to fit their study schedule.
- ✧ Some elderly persons/ retirees prefer shorter working hours for health or other reasons.
- ✧ Housewives may only spare a few hours a day and a few days a week for work due to family commitments.
- ✧ Persons who already have a full-time job but wish to seek second employment can only work for very few hours.

***Benefits for part-time employees***

8. Some of the companies provide their part-time employees with contractual fringe benefits. For example, one company makes available the same benefits enjoyed by full-time staff such as free meals, monthly staff gatherings and store picnics to part-time employees. Another company provides end of season bonus, shuttle bus service and staff dinners while one other company offers good attendance bonus and monthly travelling concession to their part-time employees working below the threshold for a continuous contract.

**Conclusion**

9. As shown in the above information, the employment of part-time employees by the companies concerned is due to one reason or another. In some cases, part-time employees were employed to work for short hours to meet practical operational needs (e.g. coping with upsurge of business orders or customer patronage some time in a week). In other cases, it is the employees themselves who preferred to work short and flexible working hours to cater for their personal needs and other commitments. It is not evident that the companies were purposely employing staff on a part-time basis to prevent them

from attaining a “continuous contract” under the Employment Ordinance.

10. There was also no clear indication that the companies deliberately limited the working hours of their part-time employees to just below the threshold for a continuous contract with a view to depriving them of the statutory benefits. On the contrary, the information shows that only 1% of the total part-time employees who were without a continuous contract work for more than 16 hours a week, i.e. a level marginally below the threshold for a continuous contract. It is also worth noting that some companies, while engaging part-time employees to work for short hours without a continuous contract, at the same time employ a number of part-time employees to work more than 18 hours a week (i.e. under a continuous contract) to cope with operational needs.

Labour Department

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