

**LegCo Panel on Manpower  
(For Meeting on 20 June 2000)**

**Measures to Promote Employer and Employee Relations**

**Employer- employee relations in Hong Kong**

Good employer-employee relations are essential to social stability and economic prosperity of the community. With the concerted efforts of all parties, Hong Kong has been successful in maintaining a good record of harmonious employer-employee relations. In 1999, the total number of working days lost due to work stoppages was only 299, or 0.10 working days lost per 1,000 wage earners and salaried employees. It is our lowest figure recorded in the past five years and among the lowest in the world. This reflects the generally peaceful labour relations scene.

**Conciliation service to assist employers and employees to resolve disputes**

2. Whilst the primary responsibility for maintaining harmonious labour relations rests with employers and employees themselves, the Labour Department (LD) also plays an important role in facilitating good employer-employee relations through the Department's conciliation service. The conciliation service offered by the Labour Relations Division of the LD provides a framework for resolving disputes between employers and employees. In 1999, more than 60% of the dispute cases handled by LD were settled through the conciliation service. Since mid-1999, the LD has deployed more professional staff to man the enquiry counters to provide the public with professional consultation service on complicated labour relations issues. The Department has also introduced cross-district registration of employment claims to facilitate the registration of employment claims by the public and provided express services for clients with particular needs.

## **Measures to further promote good employer-employee relations**

3. While it is important that LD provides a prompt and effective conciliation service, the Department also recognizes that it is equally important to step up promotional measures aimed at enhancing good employer-employee relations. These promotional efforts are outlined below.

### Promoting public understanding of labour laws

4. Unnecessary disputes between employers and employees can often be avoided if the parties concerned have better understanding of their rights and obligations under the labour laws. In this regard, the LD seeks to promote public understanding of the labour laws through the wide dissemination of the very popular “Concise Guide to the Employment Ordinance”, which, in easily understandable language, gives an overview of the provisions of the Employment Ordinance (EO). The LD will also update the public on the more important labour legislative amendments in its quarterly publication of the ‘Labour Focus’, which is distributed to all establishments with five employees or more. Other promotional measures to enhance public awareness of the labour law include organising training courses, seminars, workshops, media programmes, exhibitions, etc.

5. In June 1999, the Department has upgraded its 24-hour telephone enquiry service to turn it into a very user-friendly Intelligent Call Centre. This telephone enquiry service can provide callers with efficient access to pre-recorded messages, fax information and operator service on various labour legislation and services of the LD. The majority of the enquiries handled by this enquiry service relates to the provisions on the EO.

6. To further provide employees with a handy reference on their rights and benefits under various labour laws, the LD will publish “A Comprehensive Guide on Employees’ Rights & Benefits under Labour Legislation” in the 4<sup>th</sup> quarter of 2000. This publication will be uploaded to LD’s homepage on the Internet for wider public access.

7. To heighten the awareness of small and medium sized enterprises (SMEs) on the provisions of the EO, the LD will launch in the third quarter of 2000 a large scale territory-wide event titled “SME 2000”. The event will comprise a series of promotional activities including exhibitions, training courses, seminars, quiz and TV drama series.

## Promoting good human resource management practices and effective labour-management communication

8. Our conciliation experience shows that employment disputes often stem from inadequate communication between employers and employees, mistrust and misunderstanding. The LD therefore finds it necessary to step up its efforts in promoting effective communication, as well as voluntary and direct consultation at the enterprise and industry levels.

9. At the industry level, we continue to promote voluntary consultation through tripartite committees. As at May 2000, the LD has set up seven industry-based tripartite committees comprising representatives of employee unions, employers and their organisations and the Labour Department. Industry-based committees have now been established in the catering, construction, theatre, warehouse and cargo transport, property management, printing as well as the hotel and tourism trades. The eighth tripartite committee will be set up in the fourth quarter of 2000 for the retail trade. These committees have served as useful forums for employers and employees to discuss and agree on industry-specific issues. For example, the tripartite committee on the catering trade is drafting a code of labour relations practice for the trade.

10. Apart from promoting effective labour-management communication, the LD also promotes good people management practices that are employee-oriented. To this end, a practical guide was published on good people management practices. In July 2000, the Department will launch the second Good People Management Award to encourage and commend employers who have outstanding achievements in good people management practices. To bring home the message that labour disputes could be avoided through the use of written employment contracts, the LD has produced a sample contract and have it promoted through the media.

## Improving employees' rights and benefits in a progressive manner

11. It is our policy to make progressive improvements to employees' rights and benefits. In doing so, we take into account the best overall interests of the community and the pace of Hong Kong's social and economic development whilst maintaining a balance between the interests of employers and employees.

12. The EO, which is the major piece of legislation governing employment standards, has undergone many major amendments since its enactment in 1968 to better protect employees' rights and benefits. In 1997, it was further revised to provide for employment protection for employees. In addition, the provisions on wages and maternity protection were improved.

13. In February this year, the Administration introduced the Employment (Amendment) Bill 2000 into the Legislative Council. The Bill seeks to make it clear that the taking part by an employee in a strike does not entitle an employer to terminate the employee's contract of employment without notice or payment in lieu under section 9 of the EO. The proposed amendment will help avoid unnecessary disputes between employers and employees on the relevant provisions.

14. The LD has also recently completed a review of the reinstatement provisions under the EO and proposed that further improvements be made. With the proposed improved provisions, where an employee who has been found to be unreasonably and unlawfully dismissed makes a claim for reinstatement or re-engagement, the Labour Tribunal may make an order of reinstatement or re-engagement without the need of securing the consent of the employer concerned, if the Tribunal considers it appropriate and reasonably practicable. Having consulted the Labour Advisory Board, the Administration is now in the process of preparing a bill to implement the improvements.

## **Conclusion**

15. The Administration is acutely aware of the importance of maintaining on-going efforts in promoting harmonious employer-employee relations. We will continue to work towards the objective of fostering effective partnership between employers and employees.

Labour Department  
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