## 立法會 Legislative Council

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#### **Panel on Manpower**

# Background brief prepared by the Legislative Council Secretariat for the meeting on 14 July 2015

#### Promoting family-friendly employment practices

#### **Purpose**

This paper summarises the past discussions by the Panel on Manpower ("the Panel") on issues relating to the promotion of family-friendly employment practices ("FFEP").

#### **Background**

- 2. According to the Administration, FFEP are measures voluntarily adopted by employers to help employees fulfil their work and family responsibilities simultaneously, thereby balancing their work and family lives. While the Employment Ordinance (Cap. 57) ("EO") already provides for various kinds of leaves so that employees can cater for their personal and family needs, the Administration has been encouraging employers to grant their employees benefits that exceed the statutory requirements and adopt different types of FFEP to serve the best interests of their employees and enterprises, having regard to their size, resources and culture. Generally speaking, FFEP may comprise the following measures -
  - (a) special leave to meet employees' family needs, such as marriage leave, paternity leave, parental leave, filial leave and compassionate leave;
  - (b) flexible work arrangements, such as five-day work week, flexible working hours and home office; and

(c) support for employees and their families, such as provision of medical protection, child care services, counselling services for handling stress or emotions, dedicated room for breastfeeding and organising recreational activities for families.

#### Past discussions by the Panel

#### Adoption of FFEP by employers

- 3. Some members expressed grave reservations about the adoption of FFEP by employers on their own accord. There was a view that FFEP should either be cultivated through legislative means or be encouraged by providing employers with financial incentives, such as tax exemption or deduction.
- 4. Members were advised that apart from safeguarding employees' rights and benefits through legislative means and law enforcement actions, the efforts made by the Labour Department ("LD") in promoting good people management practices were also important in enhancing the well-being of the employees. While acknowledging the need to balance the interest of employees and the affordability of employers in the formulation of family-friendly labour policies, the Administration considered that the proposal of providing financial incentive to employers would require community-wide discussion. Nonetheless, through LD's promotional efforts to showcase exemplary examples in implementing FFEP by enterprises of various sizes, employers were enlightened on the business case of adopting such measures and encouraged to devise relevant practices in a flexible manner that best suit the interests of the employees and the enterprises.

#### Legislating for standard working hours ("SWH")

5. Most members considered it imperative that SWH be introduced to help create a family-friendly working environment conducive to maintaining a work-life balance. According to the Administration, the Standard Working Hours Committee ("SWHC") had established two working groups on "Working Hours Consultation" and "Working Hours Study" to conduct a public consultation exercise and a territory-wide household survey on working hours with a view to facilitating the discussion on a working hours policy. Noting from the initial findings of the household survey on working hours that the majority of employee respondents agreed with the approaches of "setting maximum working hours" and "setting standard working hours" in respect of the way forward of a working hours policy, most members called on the Administration to expedite legislating for SWH. Some members, however, considered that instead of legislating for SWH, the Administration should consider revising EO to the effect that the number of contractual working

hours and overtime pay rates should be spelt out expressly in the employment contracts. These members pointed out that most employers objected to implementation of a uniform working hours standard and considered that different working hours arrangements were already in place in response to the work nature and requirements of different sectors or occupations.

- 6. On the suggestion of stipulating explicitly the number of contractual working hours and overtime pay rates in the employment contracts, the Administration pointed out that while employers could not unilaterally change the conditions of employment including the working hours, overtime work and its pay rates were subject to mutual agreements between employers and employees on individual employment terms.
- 7. The Administration advised that the issue of working hours policy involved complicated work culture, economic and legal issues affecting a wide spectrum of employees. Given that there were different concerns of employers and employees in various trades, SHWC was reviewing the various public views and detailed working hours statistic collected with a view to building consensus and identifying working hours policy options suitable for Hong Kong. As regards the workplan of SHWC, the Administration further advised that the consulting firms were finalising their respective reports on "Working Hours Consultation" and "Working Hours Study" which were expected to be submitted to SHWC for reference by the second quarter of 2015. In addition, SHWC had set up a task force to further explore the future directions of a working hours policy and the further work of SWHC for The Administration stressed that SWHC had since its SWHC's discussion. establishment worked at full steam to complete an enormous amount of work and would continue to work expeditiously to complete its work as soon as SHWC planned to submit its report to the Government in the first possible. quarter of 2016.

#### Alignment of statutory holidays with general holidays

- 8. There has been a strong call from the labour sector for the alignment of number of the statutory holidays ("SHs") with that of the general holidays ("GHs"). For the purpose of understanding the proportions and characteristics of employees taking SHs and GHs in Hong Kong, LD commissioned the Census and Statistics Department ("C&SD") to collect relevant data through a supplementary questionnaire to the General Household Survey conducted in the second quarter of 2011.
- 9. When the Panel was briefed on the findings of C&SD's survey at its meeting on 10 February 2015, members noted that employees taking SHs worked 5.9 days a week on average while those taking GHs worked 5.3 days a week on average. Most members called on the Administration to seriously

consider increasing the number of SHs from 12 days to 17 days in a year to align with that of GHs with a view to promoting FFEP. Some other members, however, expressed grave concern about the impact of enhancing the existing holiday benefits under EO on the operation of businesses, especially the small and medium-sized enterprises which represented 98% of the companies in Hong Kong.

- 10. The Administration explained that SHs and GHs were two types of holidays with different nature and backgrounds. GHs, as provided for under the General Holiday Ordinance (Cap. 149), were days on which banks, educational establishments, public offices and government departments needed not open and they were primarily holidays for the relevant establishments. SHs were benefits accorded to employees which employers had to provide under EO. According to the Administration, employers were encouraged to offer their employees benefits over and above the statutory minimum set by EO, having regard to their operational needs and individual circumstances. Whether an employee had day-offs on GHs and whether these day-offs were with pay or not were matters agreed between the employer and employee concerned and not governed by law.
- 11. According to the Administration, members of the Labour Advisory Board ("LAB") had been heavily engaged in the discussion of alignment of SHs with GHs. At LAB's meeting in May 2015, the employee representatives had put forth some specific proposals for the consideration of the employer representatives. LD would also collect more information as requested by LAB to facilitate its further deliberation on the subject. The Administration assured members that it would review from time to time the labour legislation in the light of the changing socio-economic situation to ensure that a reasonable balance between employees' interests and employers' affordability was struck, and that the statutory rights and benefits accorded to employees would be progressively improved according to the consensus reached by employer and employee representatives at LAB.

#### Leave benefits for working women

12. Concern was also raised about the difficulties encountered by working single mothers, who were mostly engaged in the retail and service trade, to take leave during the weekends and Sundays. There was a view that under the premise of developing a family-friendly culture in employment, these female employees should be offered flexible leave arrangement to cater for their specific needs. Members were advised that issues relating to leave arrangement had been considered by the industry-based tripartite committees in the service sector when deliberating on the strategies for staff recruitment and retention. Some companies had put flexible leave arrangement during weekends into practice. According to the Administration, the increasing

recognition of FFEP by employers had proven the effectiveness of LD's promotional efforts.

### **Relevant papers**

13. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2 <u>Legislative Council Secretariat</u> 9 July 2015

Appendix

Relevant papers on promoting family-friendly employment practices

Meeting	Date of meeting	Paper
Panel on Manpower	18.12.2012	Agenda
	(Item III)	Minutes
	25.1.2013	Agenda
	(Item V and VI)	<u>Minutes</u>
	28.5.2013	Agenda
	(Item IV)	<u>Minutes</u>
	31.7.2013	Agenda
	(Item IV)	Minutes
	20.5.2014	Agenda
	(Item IV)	Minutes
	10.2.2015	Agenda
	(Item IV)	<u>Minutes</u>
	17.3.2015	Agenda
	(Item V)	Minutes

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