

Communicate and Collaborate
Build Mutual Trust

Narrator:	Communicate and Collaborate Build Mutual Trust
Host:	<p>Welcome to “Guide in the Workplace” produced by the Labour Department.</p> <p>Amid the recent economic downturn, different industries are facing the pressure of wage reductions and retrenchments. Today we’re glad to have invited Steven, a senior HR consultant, to share with us on how employers can tide over the hardships with employees in times of business difficulties. Thanks Steven.</p> <p>Let’s first watch the following video.</p>
Boss Hung:	Good morning, colleagues!
All:	Good...morning...
Boss Hung:	Why do they stay away from me?
Chris:	It’s rumoured that the company will cut wages or retrench staff due to economic adversities. Boss, please let us off the hook!
Boss Hung:	<p>Although the company’s business is not as good as before under the current poor economic situation, we are able to get through with our concerted efforts.</p> <p>Let’s have a meeting today to discuss how to streamline our work and expand the market. I’ll walk through the tough times with you together and won’t make decision without considering your views.</p>
All:	Yes, boss.
Steven:	In face of business difficulties, employers may first consider reducing costs. They may also explore ways to generate more income, such as exploring new markets. If no pay leave has to

	<p>be arranged for employees unavoidably, employers should first consult employees and pay attention to the provisions on lay-off and severance payment stipulated under the Employment Ordinance.</p>
Host:	<p>If wage reductions are unavoidable, what should employers and employees be aware of ?</p>
Steven:	<p>According to the Employment Ordinance, employers can't unilaterally change the contract terms. Employees' consent must be obtained before wage reduction. Employers should discuss options with employees. For example, partial reduction of fringe benefits with a less wage reduction. Employees should understand the wage reduction proposal clearly and consider carefully on whether to accept it.</p>
Host:	<p>Employers should first consider natural wastage or voluntary exit instead of retrenchment. In case of retrenchment, employers should ensure that the termination compensation received by employees is not less favourable than that provided by law and in the contract. Details should be explained clearly to employees. Employers should try to offer assistance to employees with financial difficulties. It is also preferable to issue a reference letter for each employee certifying that the retrenchment is unrelated to his or her performance. Meanwhile, employees should clarify the compensation details of retrenchment.</p>
Host:	<p>What if an employee has doubts on his or her entitlements under the Employment Ordinance?</p>
Steven:	<p>The employee may seek assistance from Labour Relations Division offices of the</p>

	Labour Department or call the 24-hour enquiry hotline 2717 1771.
All:	Workplace Consultation In Face of Operational Difficulties With our concerted efforts, we can surely overcome the difficulties!
Narrator:	Communicate and Collaborate Build Mutual Trust For enquiries, please contact the Labour Department at 2717 1771.