

# Chapter 3

## Labour Relations

### The Programme of Labour Relations

[www.labour.gov.hk/eng/labour/content.htm](http://www.labour.gov.hk/eng/labour/content.htm)

- 3.1** In Hong Kong, employer and employee relations are largely premised on the freely negotiated terms and conditions of employment entered into between the two parties. Employers and employees in Hong Kong are free to form trade unions and participate in union activities. The objective of the Labour Relations Programme is to maintain and promote harmonious labour relations in establishments outside the government sector. We achieve this by:
- giving advice on matters relating to conditions of employment, requirements of relevant labour legislation, and good people management practices;
  - providing voluntary conciliation service to help employers and employees resolve their employment claims and disputes;
  - promoting understanding of labour laws and encouraging good people management practices;
  - adjudicating minor employment claims speedily through the Minor Employment Claims Adjudication Board (MECAB); and
  - registering and regulating trade unions to bring about sound and responsible trade union administration.
- 3.2** The principal legislation administered by this programme area includes the Employment Ordinance (EO), the Minimum Wage Ordinance (MWO), the Labour Relations Ordinance (LRO), the Minor Employment Claims Adjudication Board Ordinance (MECABO) and the Trade Unions Ordinance (TUO).
- 3.3** The EO provides a comprehensive set of employment standards and is the main piece of legislation governing conditions of employment in establishments outside the government sector. The MWO establishes a statutory minimum wage regime. The procedures for settling labour disputes in establishments outside the government sector are provided for in the LRO. The MECABO establishes the machinery known as the MECAB to adjudicate minor employment claims when settlement cannot be achieved by conciliation. For the regulation of trade unions, the TUO provides a statutory framework for trade union registration and administration.

# Our Work and Achievements in 2011

## Key indicators of Work

**3.4** Some key indicators of work of the Labour Relations Programme Area are contained in [Figure 3.1](#).

## Amendments to the Employment Ordinance

**3.5** In 2011, the EO and the General Holidays Ordinance were amended to improve the holiday substitution arrangements. The effect is that should any of the Lunar New Year holidays or the day following the Chinese Mid-Autumn Festival fall on a Sunday, the day immediately after instead of before the said holiday will be designated as the holiday in substitution. This is to avoid such holiday in substitution falling on a Saturday.

## Conciliation and Consultation Services

**3.6** Our consultation and conciliation services have contributed to the maintenance of industrial peace. In 2011, the labour relations scene was by and large stable. We handled 73 882 in-person consultations, 18 086 claims and 86 labour disputes in the year. The number of labour disputes and claims handled in 2011 decreased by 11.4 per cent compared with the figure of 20 502 cases in 2010. In 2011, we attained a high level of settlement rate at 71.7 per cent. Two strikes were recorded in the year. The number of working days lost per thousand salaried employees and wage earners was 0.19, among the lowest in the world. ([Figures 3.2 - 3.7](#))

## Strengthening Tripartite Co-operation

**3.7** To promote tripartite collaboration at the industry level with a view to fostering harmonious labour relations, nine industry-based tripartite committees have been set up in the catering, construction, theatre, logistics, property management, printing, hotel and tourism, cement and concrete as well as retail industries. These tripartite committees provide useful forums for representatives of employers, employees and the Government to discuss issues of common concern in the industries. Matters of concern to the industries such as statutory minimum wage, legislative amendments to the EO, Qualifications Framework promulgated by the Government and other employment related issues were deliberated in the year.



Members of tripartite committee visited Hotel ICON - a teaching and research hotel

## Promotion of Good Employer-Employee Relations

**3.8** To promote better public understanding of the EO, good people management and family-friendly employment practices, we organised various promotional activities such as seminars, talks and roving exhibitions for employers, employees, human resources professionals and members of the public. Free publications covering different themes were produced and relevant information was disseminated through the department's website and the media. To tie in with the implementation of statutory minimum wage, we launched diversified publicity measures to acquaint employers and employees with the new requirement in keeping employment records and the importance of adopting written employment contract. We also stepped up our educational and promotional efforts in publicising the differences in the rights and benefits between an employee and a self-employed person by launching two new radio Announcements in the Public Interest in August, widely disseminating the message through the network of targeted industries and in various public transport.



Publications and souvenirs for the promotion of the Employment Ordinance, good people management and family-friendly employment practices

- 3.9** We organised a number of experience-sharing sessions and briefings for human resources practitioners through our network of 18 Human Resources Managers Clubs. In the year, seven roving exhibitions on the EO and good people management measures were also organised over the territory attracting some 16 500 visitors.

## **Adjudication of Minor Employment Claims**

- 3.10** The MECAB provides a speedy, informal and inexpensive adjudication service to members of the public. It is empowered to determine employment claims involving not more than 10 claimants for a sum not exceeding \$8,000 per claimant.
- 3.11** In 2011, the board recorded 1 878 claims amounting to \$7,942,251 and concluded 1 845 claims with a total award of \$4,024,745.

## **Regulation of Trade Unions**

- 3.12** The Registry of Trade Unions is responsible for the promotion of sound and responsible trade union administration, and is entrusted with the statutory duty to register trade unions, process and register their rules, examine their annual audited statements of account, and conduct inspection visits to trade unions to ensure that they comply with the TUO.
- 3.13** In 2011, one new trade union federation and 15 new trade unions were registered, making up a cumulative total of eight registered trade union federations and 836 registered trade unions (comprising 788 employee unions, 18 employers' associations and 30 mixed organisations of employees and employers). Please refer to the following webpage for the key trade union statistics: [www.labour.gov.hk/eng/labour/content3.htm](http://www.labour.gov.hk/eng/labour/content3.htm)
- 3.14** In the year, the Registry of Trade Unions examined 639 statements of account and conducted 374 inspection visits to trade unions to ensure that their administration and financial management were in compliance with the TUO. To facilitate trade union officers in acquiring knowledge of union law and management, the Registry organised three courses on trade union bookkeeping, auditing and provisions of the TUO.