

Standard working hours

[Business](#), [Work](#)



Introduction After the implementation of statutory minimum wage in Hong Kong, many people urge the government to have law about standard working hours as employers may use non-paid overtime as a means to minimize the labor cost in order to offset the increase of labor costs caused by the minimum wage. First of all, we would like to talk about the definition of setting a standard working hour. The idea is to set a standard working hour per week. If employees' working hours are longer than the standard one, employers have to pay additional bonus for the extra working hours.

Reason for having standard working hours Regardless of a follow-up action for minimum wage policy, it can ensure better health for employees. The Occupational Safety and Health Ordinance stipulate that employers must ensure the occupational safety and health of their employees. Yet, the problem of long working hour is severe. Taking accounting field as an example, it is common for us to hear the employees in “ Big Four” have sudden health because of long working hours.

Setting up standard working hours can discourage employers to ask employees to have overtime so that employees can have more resting time and more job opportunities may be created as employers may need more workforce to avoid employees having overtime (can't think of any rebuttal, strong point). Worries from Business sector (EMPLOYERS PERSPECTIVE) Currently, seven of the city's biggest business chambers have sent a rare joint letter to the government expressing their concerns about this issue.

They claimed that this policy may hurt the economic environment in Hong Kong since their labor costs will further increase (increase in labour cost due to the need to employ more workers to compensate for the reduction in

working hours per worker. This might involve an increase in wages, administration cost, cost of training etc. Additional cost and resources needed *” Lau Chin-ho, a deputy chairman of the Federation of Hong Kong Industries, on RTHK's City Forum, said standard working hours could increase business costs and that other alternatives should be explored before drafting a law.

He was responding to a government report, released last week, which says employers would need to pay up to HK\$55. 2 billion more a year in wages if standard working hours were introduced in Hong Kong. ”” The Labour Department of Hong Kong generated 27 scenarios of the likely impact by altering three elements: a 40 to 48-hour week, overtime pay of one to 1. 5 times regular pay and exemption criteria for staff such as managers and executives. Depending on the scenario, it estimates the employers' additional labour costs at HK\$8 billion to HK\$55. 2 billion a year, or 1. per cent to 11. 4 per cent of total expenditure on wages. This compares with HK\$3. 3 billion a year resulting from a minimum wage of HK\$28 an hour. ”). The increase in labour cost might adversely affect the consumers since employers might choose to shift the price burden to consumers by increasing the price of goods and services. for consumers. Also, as a service-oriented economy, they think that this policy is not applicable in Hong Kong as service industries require more labor force and time. (can mention about the practicality of the implementation of standard working hours.

How it might not be enforceable in certain industries with certain nature of work) Besides, the free and open economy in Hong Kong has long been attracting foreign investment. Multi-national corporations are attracted to set

up their business in Hong Kong due to the free market and the non-regulated economy. With the implementation of standard working hours in addition to the statutory minimum wage, the higher labour cost and regulated economic environment might deter the inward investment of MNCs, potentially causing an increase in unemployment in Hong Kong.

MNCs might choose to set up their business in other countries with relatively lower labour cost, less regulations and more incentives (tax-free). Suggestion to the implementation of this policy legislate standard working hours This policy should strike a balanced benefit between employers and employees. In order to strike non-paid overtime malpractice, it is inevitable to have standard working hours. Yet, the main concern is to set a moderate level of working hours to protect employers' interest.

Pro-democrats call for the level of 40-44 hours per week. Yet, from the survey by SCMP, the average working hours in Hong Kong is 47.7 per week. So, setting 47-48 hours per week is fair to both sides. The government may consider having evaluation and judgment of optimal level each year for making it acceptable for both sides. Reference: <http://hklawblog.com/2012/11/29/should-hong-kong-implement-standard-working-hours/>