

Development of industrial relations in hong kong commerce essay



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In responding to the question, I agree with that the organization of industrial relations in Hong Kong has been less formalized and less centralized. There are three critical factors influenced the development of the industrial relations in Hong Kong. In the following essay, there will be a definition and description on industrial relations and the role of trade unions in Hong Kong. And discuss the background of economic, political and institutional sociology environment in post colony Hong Kong that affecting the function of trade union.

Industrial Relations and Trade Union

The terms of “ Industrial Relations” is used to define the relationship and interactions between the employees (workers) and employers (management) within the organizational settings. Those interactions or activities were involved all aspects of the employment relationship, human resource management, employee relations and union-management relations. The main parties to the employment relationship and the key actors are workers and workers’ organizations (usually trade union), employers and managers and also the state (Bacon, 2009). Since there have difference perspective among employers, employees (workers) and trade unions (workers organization), the industrial relation means different things to different people. For workers, they wants fairness of employment outcome, better pay, workplace safety, job security and training, while employer wants more efficiency, more productivity, more flexibility in the workforce.

In general, trade unions have a wide range of beneficial outcome. They can be the actor to force managers improve human resources management practices, being the role of consulting, promoting job equal opportunities, <https://assignbuster.com/development-of-industrial-relations-in-hong-kong-commerce-essay/>

increasing job satisfaction and reducing labour turnover. Meanwhile, trade unions also acted as a representative of employee to voice out their needs as well as express their views and interests in the workplace. Furthermore, they can create issues covering on the wages and working hours, to encourage employees to be better producers for their employers and ensure employers provide better working conditions for employee through the activities of collective bargaining and negotiation. Thus, industrial relations were often subject to joint regulation which required cooperation among employee and employer participation in decision making.

However, in Hong Kong, union effects nowadays appear to have reduced obviously or just apply limited effect in some special circumstance. It probably caused by the change of industrial relations since World War II, under the governance of Colonial British rule for 150 years prior to China's sovereignty.

Critical factors leading that influence trade unions in Hong Kong

Economic Factors

First of all, from the aspect of economic factors, entrepot trade was the mainstay economy in Hong Kong. Nevertheless, with the declined of entrepot trade, the sudden influx of refugees and the capital from Shanghai and other major Chinese cities transferred to Hong Kong that influenced the movement of unions in labour relation. With the expansion of manufacturing sector (such as clothing and electronics) that facilitate the semi-worker and the skill transferred among difference industries. Manufacturing activities have

accounted for the large share of labour force together with other sector, such as restaurants and hotels, wholesale and retail, commerce and finance (Ng, 1984). At that time, Small firm of individual business provided more employment opportunities. Hong Kong has accomplished a high rate of economic growth with lower unemployment rate.

Under this circumstance, union membership is low and the collective bargaining is practically non-existent. There was no incentive to recognize trade unions or bargain collectively within workers. In addition, the perception of British ‘voluntaristic’ tradition, ‘gentlement’ agreement among the workplace are more significant than collective agreements, the lacking of legal obligation of enforceable contract that allow employer adjust their labour force in accordance to adapt with the market condition (Chiu and Levin, 1996). Meanwhile, the new economic structure only focused to fit the economist prescription in the organizational level in regard of employment relations. Government had adopting a “non-interventionist policies” in the social and economic sphere that had no intention to restructure the industry by implementing regulation, tax policies or subsidies, remains the lowest taxes among the world to preserve economy incentives (Tang, 1999). It had created a capitalist framework of the economy that encourage private sector to pursuit the market capitalism. Furthermore, the free market approach, Laissez-faire policies initiated by the government on economic activities only consist with minimal regulatory, no minimum wage legislation, no fixing prices. That means people can buy from whom they want, to sell from whom they buy and to invest they want or to hire whom they want, to work for whom they want (Tang, 1999). As a result, the collusion between

government and employer that emerged conflictual interest between labour and capital that empower employer over the labour process and employment relations by bargaining between individual employers and workers.(Chiu and Levin, 1999). Moreover, trade union in Hong Kong are all in political orientated, they are only interested in realizing political objective rather than seeking economic benefit for the workers through establishing formal rule making arrangement with employer (Chiu and Levin, 1999)

Political and Sociology Factors

The nature of political agreement for Hong Kong's revision to China was maintained the British rule of economic governance. Under this old model, administration worked was closely worked with business community that to ensure the stability of social and economic environment. Such policies were also included public housing programme, comprehensive system of education, public health, subsidized in transport and social service. Colonial government approach of non intervention policy that allowed business elite integrated largely in governance the system of colonial Hong Kong by formulating public policies in responds to the interests and demands of the dominant resources controller and economic elites (Chiu and Nevin, 1996). In the wake of the economic environment, a magnitude domestic disturbance posed major crises of legitimacy, which alert the colonial government had to build a new basis of legitimacy in order to increase the commitment to voluntarism (Chiu and Nevin, 1999) Since the Hong Kong Government had made a formal commitment for the civil servant over the employment term and condition that initiated the practice trend of civil-service to private-sector approach. This kind of ' voluntarist' framework had influenced the <https://assignbuster.com/development-of-industrial-relations-in-hong-kong-commerce-essay/>

development of private sector to be more formalized in labour relations in civil service that resulting a process of both formal and informal pressures on the dependent and cultural expectation within the organization. Meanwhile, trade union being recognised by the colonial government and creating formal channels for their participation in decision making on terms and condition of employment which is more advanced than other private sector employers. (Chiu and Nevin, 1996)

Through the expanding minimum standards of employment not solely for the capitalist but also coincide the interest for vulnerable categories of employees in the workforce. The birth of the international legislation for women and child labour and the enactment of the Employment Ordinance and its subsequent amendments were established in 1920 and 1966-67 respectively in order to maintain domestic stability and legitimacy. The policy are set for prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status (Chiu and Levin, 1996).

In addition, the set up of Labour Department in 1947, the establishment of the Employment Ordinance in 1974 (Chiu and Levin, 1996) and the reform of political structure in 1980s, establishment of district boards with elected members to advise the government on the matters affecting the welfare of the district (Tang, 1999), begun elected seats onto the Legislative Council as the British and Chinese government negotiated for Hong Kong's future.

Political parties representing grass-root and labour interest were able to exercise far more to influence in the legislature (Tang, 1999). Since it <https://assignbuster.com/development-of-industrial-relations-in-hong-kong-commerce-essay/>

opened up of the political system, small business and firms, as well as labour groups were more active in competing for political support to advance interests. Besides that, the establish of the Trade Unions and Trade Disputes Ordinance, that allow multiple union to form in the same trade, industry or enterprise that facilitate unions fragmentation and reducing potential untied opposition from organized labour to colonial rule. The approach of ' positive non-intervention' taken by Labour Department, emphasised not to impose tight control over union's activities and political orientation.

However, the behaviour of the trade unions FTU & CTU in Hong Kong, always fall into opposite and competition position between two Chinese government (pro-Chinese Communist Party and pro-Kuomintang Party) rather than using their resources to enhance the interest of workers through their domestic political action.

Cultural Factors :

The cultural factors of " Neo-Confucian" ideological which suggests workers in Chinese society accept authoritarian management and avoid confrontation with the employer (Chan and Snape, 2000). The traditional Chinese cultural of paternalism and ' instrumental individualism' in the work place, can be interpreted as the ' collectivistic particularism' of the Chinese family (Ng, 1984) which is a concept of ' utilitarianistic familism' that typically concerned about the interest of family over societal or other group interest, thus, they are low in participating of social involvement with co-workers and neighbour (Chiu and Nevin, 1999). Therefore, with these two ideologies among employee, employment just viewed as their secondary concern. The low

level of social involvement of political apathy that underpinning the low level of participation in the unionization and collective action among workers.

On the other hand, the practical exercise of Chinese workers preference unofficial methods and personal network to achieve their goals rather than in a formal channel. In addition, the rapid growth of labour population by the influx of refugee that had influenced the attitude and behaviour among the workplace as their primary interest was maximizing the income to get familial group survival.

Main unions grouping in Hong Kong

The unions in Hong Kong are encompassed with three main federations. The Hong Kong Federation of Trade Union (FTU), the largest union in Hong Kong and was established in 1947. Second is the pro-democracy Hong Kong Confederation of Trade Unions (CTU) was formed in 1990 and has been worked close with the Christian Industrial Committee (CIC) that focusing on labour education and advising workers on grievances. Third, is pro-nationalist Hong Kong and Kowloon Trades Union Council (TUC), was established in 1948. There are also many difference independent unions which are smaller in specific sector, such as Hong Kong Chinese Civil Servants' association (HKCCSA) and Hong Kong Professional Teachers' Union (HKPTU).

Traditionally, FTU have the role of taking an overly conciliatory line in labour disputes and focusing on the provision of welfare services to its members.

However, it took a more moderate perspective that in line with Beijing's conciliatory open door policy that not only participating in social affairs,

striving for rights and benefit for workers but also promoting social stability and economic prosperity in Hong Kong.

While CTU aims to build independent unions and encourage Hong Kong workers to see unions membership being about the protection of their interests (Snape and Chan, 1997). The leadership of CTU was aimed to obtain the support from the grass-roots by effectively representing worker's interests to government and to employers, playing a positive role in labour disputes by adopting an inclusive approach to unionization and desired to maintain stability which enable CTU is often cast in the role of trouble-shooter, and emphasizing the importance of CTU's political autonomy that to develop a political consciousness and to preserving trade union and other freedoms in Hong Kong.

TUC, the association of KuoMinTang (KMT), affiliate has been seen as an expression of loyalty to the Nationalists. It displayed their influence mainly through their participation channel of communication with the government only. (Snape and Chan, 1997) such as Labour Advisory Board. The leader of TUC has implemented low profile approach that in order to avoid anger Beijing. And the leadership were comes from the older age group that affecting the recruitment activity was more less than other unions and have been difficulties in recruiting younger workers.

Implication

However, accordance to the historical background, the effectiveness of trade union activities in Hong Kong is open to question. Given that the impact of “Neo-Confucian”, Chinese family and paternalism had influenced the

mentality of Chinese workers and the first migrant generation, participated in the colonial educational system which limiting collective challenge towards colonial government should not be exaggerated. However, the combination of legislation and regulatory of voluntarism and the cultural perspective cannot be overlooked. This was not only influenced the institutions of family and education system but also foster the dominance of individual and instrumental labour market strategic.

In accordance to its political background, government's non-intervention approach, collective bargaining in after world war II seems effective fro most of big business firms, however, the institutional environment had influenced the new form of modern labour organization in Hong Kong. That emerged the declined of labour movement and the new guild origins with a mutual aid function.

From the aspect on welfare orientation, trade union acted as a principle agency between two rivalry Chinese parties, Kuomingtang and Chinese Communist Party. With tendency of enlarge their power and seeking the support from employer. However, it can lead to the reshape of industrial relation governance structure as well as trade union while the economic turn weak. In addition, trade union in Hong Kong can be viewed as mimetic as it replete with revolutionary and nationalistic movement. (Chiu and Levin, 1999) Under this circumstance, trade union lobbying benefit for worker are become ineffectiveness and gave the grounds for government and employer for resisting bargaining relations with the unions.

Conclusion

In general, trade union's role in other countries are concluding bargaining with employers for better pay, bonuses and allowance, better working conditions and more welfare benefit and try to get involve in the decision making are supported by employee. However, it doesn't not meant employee prefer representation and participation through trade union in Hong Kong. It can be interpreted due to the mentality difference among Hong Kong and others. The culturally conditioned fatalism and typically in-depth and influence employee in Hong Kong that lead to resistance of collective action (Chan and Snape, 2000). Besides the economic, political and sociological factors, employee apathetic to trade union can be seen as a key factor that influence trade union in Hong Kong became less formalized and less centralized.