

e-Management Digest

A collection of management articles for the aspiring managers

December 2006

This Management Digest is prepared for the aspiring managers as an update to what they already know. This newsletter is sent monthly to delegates following courses provided through Consort Management Consultants Ltd. and to members of the Hong Kong Institute of Marketing. It is also posted on the Hong Kong page of the Institute of Administrative Management website.

HONG KONG

Overworked Staff

While Hong Kong's workers prefer to work a 5-day week and flexible hours, a new study found that they do not seem to mind being overworked and overstressed. The survey also found that 61% of employers do not nor have plans to offer a 5-day week.

RESPONDENTS

Work-Life balance is important 83% said 'Yes'

Average hours worked 51.3 Hrs / week

Wish List

◆ 5 day week	32%
◆ Flexi hours	22%
◆ Work from home	14%
◆ Sports facilities	11%
◆ Work support	6%
◆ Parental leave	6%
◆ Childcare facilities	2%

Some experts are concerned that the apparent willingness to work overtime – sometimes without even taking a day off all year – will have long-term consequences for the health and satisfaction of workers.

"Companies have to look at this issue, because ignoring it will have an impact on productivity and quality of work," said Shalini Mahtani, chief executive of Community Business, a Hong Kong non-profit-making group that focuses on corporate social responsibility.

According to the survey of more than 1500 full time workers, 61 % of employees work overtime every week. More than a quarter of the respondents worked overtime because they did not want to be the first person leaving the office or before the boss leaves the office.

These kinds of attitudes are troubling, said study leader Dr Robert Chung of Hong Kong University. While respondents pegged an ideal balance between work and life at about 60:40, the reality was closer to 85:15, he said. Yet, 44% still believe their work and private lives are "balanced".

More Findings

- 76% of survey respondents are unhappy with their work. The main reasons: poor relationships with their supervisors and colleagues (20.4%), pay benefits (17.1%) and workload (12.3%).
- Primary obstacles for work-life balance: Long working hours (16.0%), poor personal financial management (13.8%) and lack of job security (11.7%).
- 61% suffer from prolonged fatigue levels and extreme tiredness at work; 41% suffer from insomnia and poor diet due to work pressure.
- The cost to business: 33% of employees reported reduction in productivity and quality of work as a result of long working hours; 31% are more prone to sickness and increased absenteeism due to heavy workload.

Benjamin Hung, head of consumer banking at Standard Chartered Bank, said Hong

Kong's efficiency and work ethic were largely responsible for the territory's prosperity. But at a certain point, he said, that work ethic begins to bring diminishing returns. Those at the leadership level must engage in dialogue with employees to make sure workers are not burning out.

(Source: Press Release October 18, 2006
Community Business, Hong Kong)

INTERNET

Who's in Control – 2?

This is a follow-on article to one published in June 2006.

Trading on the Internet has brought about legal issues that buyers and sellers have to be concerned about. Apart from the fundamental problem of jurisdiction (i.e. which country and therefore which law had to be used for cross boundary transactions), there are technical issues that need to be considered.

Contracts

A factor determining the validity of contracts is whether there had been factual offer and acceptance. Application of the postal rule (which governs the time when an offer and acceptance must be given) could be difficult for transactions carried out and completed instantaneously through a server.

The postal rule provides that acceptance of a contract by post is completed when a letter is dropped into the post box. By extension, an Internet instruction or email would be regarded as having been received (and accepted) the moment it arrives at the receiver's server. The receiver not opening his electronic mailbox will have the same consequence as him not opening his mails in the traditional way.

Security

The main security issue from a legal point of view is authentication of instructions received, such as the verification of signatures in an agreement or payment approval.

A handwritten signature provides, in law, valuable evidence as to the authenticity of documents and particularly



contracts. Encryption technology goes further than the traditional signature by setting up links between signatures and contents of electronic messages. Such links would have to be certified by an external certification authority.

However, it must be noted that till now, validity of digital signatures have not been challenged at court, therefore their legal status has yet to be established. So, in order to avoid disputes, it is advisable that for contracts to specify the acceptable means of completing an agreement or task.

Intellectual Property

Generally, published materials on the Internet are protected by laws, so web site owners should be sure that the materials they disseminate are legitimate and they should warn readers that while they may read such materials on screen, they may not download or store them unless permitted by the original creator. However, it must be noted that patents and trademarks are often registered for specific countries and protection may not be freely transported with the Internet.

Domain Names

Domain names are not trademarks and their registration is not backed up by legislation. There are cases where well-known names were registered by third parties and 'sold' to the 'rightful' owner for significant sums. There are no laws yet to recognise ownership of the domain names but there have been cases where well known companies have successfully brought action against domain name 'squatting' or 'hijacking' by claiming their rights are protected by trademark or 'passing-off' laws.

Internet Tax

Many countries tax residents on all income derived in their jurisdiction. The tax



authorities however are encountering difficulties with assessment of income from Internet transactions:

- ◆ A web site can be located in several places each carrying out a different function of a business.
- ◆ Components of a web site do not have to be physically located at the place of the business transactions (so, where is the source?)
- ◆ A web business can move quickly from one country to another.
- ◆ Assessment of profit could be difficult because 'stock on hand' can be merely a set of data files, which can be updated periodically and automatically.
- ◆ Customer orders and payments can be channelled somewhere entirely unconnected with other parts of the site.
- ◆ Goods can be delivered by third parties on an agency basis.

Governments fear that some small countries will establish 'computer money

havens', just as they have established tax havens. The current wave of governmental thinking around the world is that there should not be new taxes for use of the Internet.

Internet Ethics

Anyone engaging in business activities should be aware of the obligations imposed on them by legislation and industry codes of practices. However, without clear laws, what should be the guiding principles in establishing and operating an Internet business?

It is here that ethical considerations play a part, as the moral dimension to business. Most professional or trade bodies have established codes of ethics to regulate their dealings with the employers, members of the public or clients to ensure that their respect interests are safeguarded. Internet business operators are guided by their conscience and therefore should always ask themselves:

- ◆ Are there hidden facts?
- ◆ Are there misleading claims in sales messages?
- ◆ Are there unfair or harmful demands on customers accepting a promotional offer?

EXECUTIVE COMMUNICATION

Report Writing

A well-written report presents information clearly and succinctly and is more effective in getting people to do what you want them to do.

It also saves time because it is quicker and easier to read, understand and act upon: a factor that will be appreciated by those whose job it is to read it.

On the other hand a poorly written report may confuse, irritate and be counter-productive as its intended recipients may not bother to read it properly. What's more, you risk giving the impression that you are a bit of a muddled thinker or someone unable to express himself clearly, which is not a great career move.

Report writing is about preparation and organising information in an easy to read form. The key for good report writing, in fact good writing generally, are:

- ◆ Planning and preparing
- ◆ Editing and writing
- ◆ Identifying the elements for precise and concise writing
- ◆ Avoiding common pitfalls
- ◆ Deciding on the format for presentation and layout

Formatting and logical organisation of a report is also important for your views and recommendations to be listened to. A good report will normally have a structure like this:

- ◆ Title
- ◆ Summary – synopsis of what the report's about
- ◆ Contents list – with page numbers
- ◆ Introduction (including terms of reference)
- ◆ The main body of the report, broken down into sections
- ◆ Your conclusions

- ◆ Your recommendations – call to action
- ◆ Full references, enabling anyone reading the report to check quotes, facts etc
- ◆ Other supporting documentation

Remember also the following tips for good writing:

- ◆ At the start of the reports, clearly state your aims, scope and objectives
- ◆ Stick to the point
- ◆ Be objective and analytical
- ◆ Write clearly and avoid jargon and any hint of ambiguity
- ◆ Stick to your deadline

Practicing these steps will increase the chance of having your reports accepted.

*(Adapted from
Professional Manager – November 2006)*

ENGLISH

Words Worth

WRONG	RIGHT
X It's a dress with golden buttons.	✓ It's a dress with gold buttons.
<ul style="list-style-type: none"> ▪ 'Golden' is rarely used to mean 'having the colour of gold' except when referring to 'golden hair'. 	
X It was a valuable golden ring.	✓ It was a valuable gold ring.
<ul style="list-style-type: none"> ▪ In modern use, things which are made of gold are described as gold rather than golden. 	
X The commercial was broadcast on TV at golden time.	✓ The commercial was broadcast on TV at prime time.
<ul style="list-style-type: none"> ▪ 黃金時間 in Chinese is translated as 'Prime time' 	

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