

Firms tread political tightrope as tensions in HK escalate

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As Hong Kong enters its third month of street protests, fund companies face a tricky balance of maintaining neutrality, support and freedom of expression to employees in an increasingly fractious atmosphere, as well as ensuring they do not jeopardise business interests, experts say.

The escalating protests have seen tensions flare up in commercial districts and residential neighbourhoods across Hong Kong, but it has also meant that tensions, heated debates and inevitable differences of opinion have invaded offices.

Renee Conklin, RC HR Consulting



In the current climate, many fund firms in Hong Kong now have much more to worry about than just their bottom line.

Employers cannot ignore what is happening in Hong Kong as the protests have encompassed the city, says Renee Conklin, founder of human resources consultancy RC HR Consulting.

Conklin, who works with asset managers, private equity firms and hedge funds, says her clients are now having to find the right balance between acknowledging that their employees may hold strong political views on one side or the other, while ensuring the company itself does not take a political view.

Angela Lee, A.L Consulting

Angela Lee, human capital consultant and founder of A.L Consulting, stresses that all employees should be given the right to share their opinions, but management must be aware of how political conversations take place to minimise grievances and conflict within the office.



“You have to embrace the diversity of views and opinions, but how you manage that is really something you have to do carefully, but also in an open manner,” says Lee, who counts regulatory bodies and law firms among her clients.

But there have already been reports of political tensions spilling over from the streets to some offices.

At Mingsheng Bank in Hong Kong, tensions flared up between the head of finance, a Hong Kong local, and one of his mainland staff regarding comments made over the recent protests.

The employee has reported this to the company and expressed her frustration with the situation, claiming that it was unprofessional for a manager to impose his political views on his employees.

Minsheng Banking issued a statement on August 13, saying that finance head and the employee had reached an agreement and that the head had apologised.

The company statement also expressed that both employees have love and respect for the mainland and Hong Kong, and that it will promote a peaceful, respectful working environment in the future.

Maintaining open conversations

Grace Lau, atrain Ltd.

Grace Lau, organisational psychologist and Asia-Pacific managing consultant at consultancy atrain, says employees should have open conversations about the protests, but there is a difference between talking about what happened and sharing an opinion that overly demonises one side or another.



In particular, senior managers should consider whether or not they express their own political views in the office and how that would impact their employees.

It does not matter if the manager is on the side of the protesters or pro-establishment, as soon as they express a strong political stance, there is likely to be more tension in the office, says Lau.

While managers might not be forcing employees to do anything, there could still be “perceived pressure” put on what colleagues do or say, as people can be hypersensitive about what their managers think of them, she says.

Lau mentions one contact who decided to avoid wearing black outfits to the office starting in June, when she learned her boss had pro-government sympathies.

In addition to not inadvertently pressuring employees, companies also need to make it clear that there will not be any negative consequences for political opinions, she adds.

The wave of strikes and demonstrations that took place in Hong Kong on August 5, when public transportation was severely disrupted across the city and protesters clashed with police late into the evening, forced fund firms and other companies to deal with these issues head on.

Asset managers in Hong Kong told *Ignites Asia* that they took a [flexible](#) stance towards employee attendance that day, granting leave to employees who participated in demonstrations and allowing other employees to work from home.

Not all financial services companies took as lenient a stance, however, as one Chinese brokerage firm in Hong Kong threatened severe consequences to its employees if they were identifiable in media coverage of the Monday protests, according to an anonymous source.

Companies may also need to address the impact of protests on their employees' mental and emotional health.

The employer's role is around providing flexibility with work attendance and mental health resources, more so than they would typically, RC HR Consulting's Conklin says. Employees will be increasingly concerned about the safety of their families and friends who are protesting, their own safety when protests take place in their neighbourhoods, and the future of Hong Kong in general.

Management and employees can both benefit from stress management and empathetic communication training, says A.L Consulting's Lee, in order to maintain professionalism and cooperation in situations where there might be wildly divergent political views.

Business vs corporate values

Maintaining a neutral and pacifying stance in managing employees' political leanings may help keep internal harmony within a fund company, but firms may soon need to consider if and how their corporate approach to Hong Kong's political unrest may affect future business prospects.

Cathay Pacific was recently [targeted](#) by Chinese state-owned publication the Global Times for the role that some of its employees had played in the anti-extradition bill protests, despite the Hong Kong-based airline not taking an official stance.

Other non-asset management companies have been targeted for their perceived support of Hong Kong protesters, including Japanese [sports drink](#) brand Pocari and Taiwanese [bubble tea](#) chain Yifang Taiwan Fruit Tea.

In the current political climate, it is possible that an employee's judgment and quality of work could be affected if a business takes on a client about which employees have very strong opinions, says atrain's Lau.

If that client does not align with the company's corporate mission and values, such as a Hong Kong government or government-affiliated organisation, for example, employees will see hypocrisy, she says.

These conversations need to happen in the coming days because these protests may end up pushing Hong Kong companies to take a stance sooner than they expected, she adds. But any political stance would undoubtedly be risky.

During the 2014 Occupy Central protests, the Big Four global accounting companies, [EY](#), [KPMG](#), [Deloitte](#) and [PwC](#), put out press advertisements in three Chinese-language newspapers stating their [opposition](#) to the democracy movement due to client concerns, receiving some backlash in the process.

The potential for companies to have their businesses and operations impacted by the Chinese government's response to protest-related developments is increasing, and asset managers in Hong Kong are not immune.

[Huarong Asset Management](#)'s Hong Kong-based overseas arm, Huarong International, told its Hong Kong-based staff to [avoid](#) flying on Cathay Pacific for business and personal reasons, for example, and other state-owned banks and securities brokers issued similar directives to their staff.

Hong Kong is still seen as the gateway to China and fund firms are established here to take [advantage](#) of its access to the Chinese market.

There may well be upcoming conflict between a Hong Kong asset manager with Chinese-driven business strategies and its employees who harbour pro-democracy political views, where the asset manager is forced to take a stance, one way or another.

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