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## Report of the Workshop on Employers' Organizations in Asia-Pacific in the Twenty-first Century

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10. [The changing focus of industrial relations and human resource management](#)  
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## Part 1

### A. Background and objectives

1. The role of employers' organizations is basically determined by the services required by employers as a consequence of the direction employers are likely to move in the years to come. The following circumstances will particularly influence such direction:
  - a. the rapid pace of change consequent upon globalization and advances in technology;
  - b. the move towards a market economy, in the case of centrally planned economies;
  - c. the emphasis on competitiveness; and
  - d. the consequent pressure and emphasis on performance measures in enterprises.
2. Employers will increasingly expect their organizations to participate and provide services which would enhance the performance of enterprises. Consequently, it is necessary to first identify the political and socio-economic context in which employers will be operating, the issues which employers are likely to face and the directions in which they are likely to move in the next century. Thereafter, the ways in which employers' organizations need to change and adapt to meet the demand for new services, as well as new issues and challenges, have to be identified.
3. The objectives of the workshop are to:
  - a. identify the emerging socio-economic environment in which employers will be operating in the future;
  - b. identify the changing needs of employers;
  - c. assess how employers' organizations are responding to the needs of employers;
  - d. identify how and in what ways employers' organizations will need to change, and manage the change to be able to serve the future needs of employers.

### B. Venue, participants and programme

4. The workshop was conducted at the International Training Centre of the ILO in Turin, Italy.
5. One representative from each of the employers' organizations from the following countries participated in the workshop: Bangladesh, China, Fiji, India, Indonesia, Malaysia, Mongolia, Nepal, Pakistan, Papua New Guinea, Philippines, Sri Lanka, Thailand, Viet Nam. The Vice-President of the Mongolian Employers' Federation was present on a study tour and as an observer.
6. The programme, list of participants and resource persons are in Part 2.

The Workshop consisted of:

- a. presentations by ILO and external resource persons on key issues of relevance to employers and their organizations;
- b. presentations of papers by participants; and
- c. group work.

### **C. Resource persons and papers**

7. The list of resource persons is in Part 2.
8. The main resource papers reproduced in Part 3, were:
  - a. Mr. G. Hultin's transparencies;
  - b. Mr. R. Chacko's transparency;
  - c. Economic Development in Asia and the Pacific in the Twenty-first Century: Issues and Challenges by Mr. Rizwanal Islam;
  - d. Human Resource Development in Asia and the Pacific in the Twenty-first Century: Issues and Challenges for Employers' Organizations by Mr. Tun Peng Boo;
  - e. Human Resource Development for continued economic Growth: The Singapore Experience by Mr. Tun Peng Boo;
  - f. Employers' Organizations and Human Resource Development in the Twenty-first Century: Views from South Asia by Mr. George Gamerdinger;
  - g. Industrial Relations and Globalization: Challenges for Employers and their Organizations by Mr. David Macdonald;
  - h. Employers' Organizations in Asia in the Twenty-first Century by Mr. S.R. de Silva; and
  - i. Employers' Organizations - Looking to the Future: An Overview by Mr. Raphael Crowe.
9. Two other resource papers distributed were:
  - a. The Changing Forms of Industrial Relations and Human Resource Management by Mr. S.R. de Silva; and
  - b. Human Resources Development for Competitiveness: A Priority for Employers by Mr. S.R. de Silva.
10. These papers were intended to highlight the changing environment in which employers' organizations will operate in the next decade and some of the changes they will have to make. In the context of the possible future socio-economic scenario, some of the resource persons addressed two important sub-themes: the human resource development and industrial relations issues and challenges facing employers. The backdrop was provided by Mr. G. Hultin who covered the business environment in which enterprises operate and how this determines the role of employers' organizations. At the conclusion of the workshop Mr. R. Chacko explained how the work of the Bureau for Employers' Activities fits into the ILO's mandate of strengthening the role of employers' organizations, and how the Bureau's activities are intended to make a difference to the capacities of the employers' organizations to respond to the demands of the market.

### **D. Group work**

11. Two group work sessions took place, for which purpose the participants were divided into two groups. The first group consisted of the participants of the South Asian employers' organizations (Bangladesh, India, Nepal, Pakistan and Sri Lanka), while the second group consisted of the participants from the other Asian and Pacific countries.

## First Session

12. The first session required the groups to address four issues. The first one related to the major economic and social development trends in Asia and the Pacific affecting employers in the twenty-first century. The first group saw these trends as:
- a. failure of governments to maintain consistent socio-economic policies;
  - b. globalization;
  - c. structural adjustment;
  - d. skills shortages;
  - e. unemployment;
  - f. information transfer;
  - g. fundamental changes in employers' organizational thinking;
  - h. widening the gap between the rich and the poor;
  - i. breakdown in law and order;
  - j. cooperation among South Asian countries on economic and social issues; and
  - k. tripartite and bipartite cooperation on socio-economic matters.
13. The second group's response to this question was as follows:

- a. Major economic development trends

1. Globalization

Uneven distribution of benefits of globalization and economic growth may lead to:

- trade and tariff barriers;
- labelling of products;
- linking trade to social issues e.g. child labour and human rights; and
- environmental issues.
- regionalism, e.g. EU, NAFTA and AFTA

2. Information technology

- ☞ change in process and systems of work; and
- ☞ change in organization of enterprises, i.e. flatter.

1. Transition economies

- ☞ difficulty in sustaining current development growth -- need for:
  - consistency and transparency of policy; and
  - greater infrastructure development.

2. Privatisation

More privatisation of activities/services traditionally carried out by government e.g. electricity, water, telecommunications, and hospitals

3. Issues on productivity

Need to:

- -- improve productivity;
- -- linking wage increases to productivity/profitability.

- a. Major Social Development Trends
    - Unemployment
    - Overseas contract workers
    - Foreign workers
    - Rural to urban migration
    - Ownership of land -- agricultural sector
    - Ageing society
11. The second question related to the main HRD issues and challenges (ranked in order of their importance) Asian and Pacific employers and their organizations will face in the twenty-first century arising from these major economic and social development trends.
  12. The first (South Asian) group listed these issues as:
    - a. Skills delivery: training, retraining, employability skills, multi-skilling
    - b. Management development
    - c. Employee involvement
    - d. Bipartite approaches to HRD
    - e. Information capability, national and international
    - f. Technical/financial support for training providers
    - g. Influencing government on HRD issues
    - h. Lobbying for educational reforms
    - i. Employment generation schemes
    - j. Interaction and coordination with NGOs
  13. The second group saw the HRD issues and challenges as follows:
    - a. Education and training
      - national policy -- should adapt education/training to the needs of enterprises;
      - more technical and vocational education/training;
      - education/training -- should continue even after formal education is completed;
      - in-company training -- to be upgraded and expanded; and
      - training, levy/tax incentive.
    - b. Productivity improvement
    - c. Development of data/information base
    - d. Employer/employer organizations -- to be more involved at the policy-making level on education/training
  14. The third question related to the main industrial relations issues and challenges (ranked in order of importance) Asian and Pacific employers and their organizations will face in the twenty-first century arising from these major economic and social development trends.
  15. The first group identified the following:
    - a. enterprise restructuring: redundancy, compensation, redeployment;
    - b. resistance to change: non-cooperation and industrial action;
    - c. unit costs/productivity;
    - d. legal reform;
    - e. bipartism;
    - f. enterprise forms of industrial relations;
    - g. education of trade union leaders; and
    - h. industrial relations in export processing zones.
  16. The response of the second group was as follows:
    - a. Demands by unions/workers for:
      - higher minimum wages;
      - flexible work schedule;
      - shorter working days/hours; and

- stoppage of outsourcing/part-time work
  - b. Reorganization of enterprises may lead to retrenchment/redundancy
  - c. Industrial action by unions -- solidarity strikes
  - d. Strategic use of:
    - bipartism; and
    - tripartism
  - e. Move from central to enterprise level relationships
  - f. Dispute settlement machinery -- review and re-evaluate:
    - ministry and courts pro-union/worker
17. The fourth question required the participants to identify (and rank in order of importance) other social development issues and challenges the organizations will face in the twenty-first century arising from these major socio-economic development trends.
18. The first group identified these as:
- a. improving the image of business;
  - b. infrastructure improvement;
  - c. safety nets;
  - d. child labour and gender issues;
  - e. occupational safety and health; and
  - f. environmental issues.
19. The second group identified the following:
- a. Demands on employers to provide social services for employees and dependants
    - medical and hospitalization benefits;
    - workmen's compensation -- 24 hours coverage; and
    - housing.
  - b. Environmental issues
    - stricter compliance with environmental requirements
  - c. Gender issues
  - d. Re-entry of overseas contract workers
  - e. problems of adjustment -- economic/social; and
    - unemployment.
  - f. Cross-cultural conflict -- MNCs imposing their organizational culture on the local operation

## **Second Session**

20. The Second Session covered five questions the participants were requested to address. The first related to the changes which need to be made to the Constitution and structure of Asian and Pacific employers' organizations to meet the issues and challenges identified by the groups. The participants were requested to identify the difficulties, if any, in ..... bring these changes, and the resources to be taken to overcome them.

21. The results of the first group's work were as follows:

<b>Changes</b>		<b>Constraints</b>		<b>Measures</b>	
(i)	Professional and technical capacity of staff in economic issues, industrial relations, legal, training and information	(i) and (ii)	Inadequate finances, lack of qualified staff and vision	(i)	Strategic plan
(ii)	Public relations function			(ii)	Marketing drive among staff and membership
(iii)	Strategic alliances	(iii)	Lack of capacity to add value, lack of vision, power equation	(iii)	Enhanced subscriptions, special levies for services
(iv)	Regionalization/ international	(iv)	Institution, legal, financial, lack of vision and qualified candidates	(iv)	Quality products
				(v)	Recruitment policies

22. The second group's responses to the first question were as follows:

a. Changes to the Constitution

- No need for Constitutional change (except where subscription rate is specifically stated in the Constitution and there is a pressing need to increase the subscription rate)
- Most EO's Constitutions contain an enabling clause wide enough to allow them to engage in other related activities to further the interests of members
- Difficulties
  - financial constraints
  - staff
  - professionalism
  - skills/multi-skilling
  - acquiring and retaining staff
- Measures to overcome difficulties
  - Improve and upgrade income generating activities, e.g.
  - training/seminars
  - sale of surveys/publications
  - consultancy -- user pay basis
- Trust fund (one-time payment/(or more) for special purposes)
- Outsourcing
- Strategic alliances with other institutions, e.g. university

- b. Structural changes
    - Broader membership base should include
    - Chambers of Commerce and Industry
    - Trade associations
    - Special interest employers' groups, e.g.:
    - EPZ Associations;
    - Labour suppliers' associations; and
    - Exporters' association.
    - Upgrade and automate the office/secretariat
    - to introduce state of the art information technology
23. The second question related to the changes which the employers' organizations need to make to their role and activities to deal with the issues and challenges, the difficulties in making these changes and how they would be overcome. The first group saw the changes as:
- a. a focus on enterprise needs;
  - b. competence in economic issues;
  - c. a focus on public relations;
  - d. an international focus and interactive relationship;
  - e. bipartite approach to DR, HRD and to other issues;
  - f. pro-active relations with government; and
  - g. interaction with business organizations, bodies and with NGOs.

The constraints were seen as the same in regard to the first question.

24. The second group's response was as follows:

Changes to EOs role and activities:

- a. Networking with other EO's in all aspects of work
  - b. Include small and medium enterprises in EO's activities/membership
  - c. Pro-active/preventive rather than re-active attitude
    - among members
    - reach out to
    - Trade unions; and
    - relevant government agencies
  - d. Image building/public relations of EOs
  - e. Strengthening the lobbying functions -- increase usage of the mass-media
  - f. Increase/upgrade data collation/analysis and dissemination to members and relevant bodies
25. The third question related to the changes required to be made to the engagement of employers' organizations. The first group identified two requirements:
- a. an executive board of persons with vision; and
  - b. quality secretariat staff with vision of commitment, for which adequate financial resources are required.
26. The second group's response was as follows:
- a. professional and business-like management of employers' organizations; and
  - b. staff development.

Lack of financial resources was identified as the constraint. The group thought that:

- c. the staff's terms and conditions should be reviewed to recruit and retain capable staff;
  - d. productivity linked payments/rewards should be introduced; and
  - e. the staff's specialized skills should be used to develop services on a user-pay basis.
27. The fourth issue related to the role that the Bureau for Employers' Activities can play in assisting the employers' organizations to make the necessary changes. The first group identified the following:
- a. more inputs from the multi-disciplinary teams;
  - b. facilitating bilateral technical cooperation;
  - c. facilitating exchange of information and ideas between regions and globally;
  - d. facilitating regional relationships;
  - e. transfer of information;
  - f. fellowships and study tours; and
  - g. regular regional meetings to discuss organization development issues.
28. The second group identified assistance in networking of information and data; programmes for decision-makers in employers' organizations on the necessary adaptations to change; further technical cooperation and assistance in developing, training and research activities; and training of staff of employers' organizations.
29. The fifth question required the groups to identify the role employers' organizations in other Asian and Pacific countries can play to assist employers' organizations to make these changes and the programmes that can be worked out in that regard. The response of the first group was as follows:
- a. information provision;
  - b. provision of training packages and modules;
  - c. fellowships and study tours;
  - d. assistance to develop and upgrade staff skills; and
  - e. training programmes.
30. The second group identified:
- a. the establishment of regional or subregional employers' organizations; and
  - b. increased cooperation among employers' organizations through, for example, information sharing, training attachments, joint conferences/seminars, exchanges of training materials and methodologies.

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*For further information, please contact Bureau for Employers' Activities (ACT/EMP)*

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