New Issues in
Collective Bargaining

A Caribbean Workers’ Education Guide

Robert L. Morris
Morris, R

Port of Spain, International Labour Office, 2002


The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion what soever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and the publication does not constitute an endorsement by the International Labour Office of the opinion expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

For further information on how to obtain this publication, please write to the ILO Caribbean Office, P. O. Box 1201, Port of Spain, Trinidad and Tobago or e-mail: ilocarib@ilocarib.org.tt Website: www.ilocarib.org.tt

Catalogues and lists of recent and forthcoming ILO books are available free of charge from ILO Publications, International Labour Office, CH-1211, Geneva 22, Switzerland, email: pubvente@ilo.org, or the ILO Caribbean Office.

Printed in Port of Spain, Trinidad and Tobago
Preface

Traditionally, trade unions in the Caribbean, in negotiating wages and conditions of employment for their members, have resorted to the confrontational approach to settle outstanding issues. In the early days of trade unionism, this approach was extremely successful and was effectively used. It can be said that employers were cognizant of the close relationship that existed between the political leaders in most of the Caribbean islands and the trade union leaders. In some instances, they were one and the same person.

As the countries became independent and the impact of adverse economic circumstances began to be felt, employers in both the public sector and private sector responded by resorting to taking tough economic decisions. Invariably, these decisions focused on the way in which wage increases were negotiated, the level of these increases and the impact which they had on government finances and on profits at the level of the enterprise.

As a consequence, collective bargaining took a new turn as trade unions were forced to examine seriously their approach to the preparation of proposals and the presentation of their case. At the same time, alternative approaches to confrontation were examined and in some instances adopted.

Social dialogue has been developed by the ILO as one of the alternative approaches recommended to the social partners (governments, employers and trade unions). In this respect, the ILO Caribbean Office, in collaboration with the US Department of Labour conceptualized the PROMALCO (Programme for the Promotion of Management/Labour Cooperation) project at the level of the enterprise. A number of studies on best practices in selected enterprises in the Caribbean are being developed to demonstrate how effective social dialogue can be in increasing productivity and competitiveness.

Mr. Robert Morris, Deputy General Secretary of the Barbados Workers’ Union and one of the most accomplished trade union negotiators in the Caribbean was commissioned to develop this Manual following his active participation in the ILO/DANIDA Project for strengthening trade unions in selected Caribbean countries. He has been able to bring to bear his
considerable experience in negotiations and his training as a teacher to produce what can be described as a most enlightening and user-friendly Manual on new issues in collective bargaining. He takes the trade union practitioner through some very important and practical steps to successful collective bargaining. It is a Manual that is designed to develop the skills of young practitioners and to sharpen those of the more experienced ones.

The cost of printing this Manual was co-shared by the Workers’ Activities Bureau of the ILO and by PROMALCO.

This publication is one in a series of Workers’ Educational Manuals that have been developed under the guidance of Mr. Evelyn Greaves, Senior Specialist, Workers’ Activities and produced by the ILO Caribbean Office.

Mr. Willi Momm, Director, ILO Caribbean Office (1997-2002) gave every encouragement possible for the development of the series.

Luis Reguera
Director a.i
ILO Caribbean Office
Caribbean industrial relations are being impacted by the swift pace of global changes. There is little sympathy for small, poor, vulnerable island states, as there is a growing perception that the shift to the importance of human capital and technology has helped to remove the difficulties associated with small size. There is an awareness embraced by a few that the small Caribbean countries need not fear for survival in a globalized economy, and that if they restructure and reposition themselves as required, they may well experience unprecedented success in a globalized environment.

For the Caribbean to grow and prosper much emphasis will have to be placed on competitiveness at the level of the individual enterprise. It is a truism that firms compete, and not countries. The state is being required to lead in the establishment of the infrastructure, superstructure and regulatory arrangements necessary for success. At the level of the firm, workers, their representatives and managers need to change the type and quality of their interaction.

The Caribbean people have a unique history. Their institutions have been adapted from the metropolitan countries responsible for their settlement. Current industrial relations are still impacted by vestiges of early relationships. Trade unionists are still likely to see themselves carrying the mantle of slave rebels of an earlier time, and for some managers their roles still reek of the master-servant relationship that once existed.

Caribbean industrial relations can still be considered as characterized by conflict rather than cooperation, as creating contracts rather than compacts, as outcomes. Words such as productivity and competitiveness, workplace restructuring and re-engineering are still seen as plans and stratagems to put trade unions and their members at a disadvantage.

Caribbean trade unionists have generally risen to leadership through their unquestioned commitment to the ranks from among whom they evolved. They have been persons of high moral standards, and of unimpeachable integrity. Their school of industrial relations has been the field of action.

Most of the writings on industrial relations available to trade union practitioners in the Caribbean are from metropolitan sources. Fortunately, some Caribbean writers have in recent times produced academic papers on issues of relevance to Caribbean trade unionists.
Few practising Caribbean trade unionists have had the opportunity to write on issues such as collective bargaining for the attention of their colleagues in the movement.

At this time when change is very important, there is need for reflection on the principles and practices we have come to accept as guiding our behaviours as industrial relations practitioners.

This manual, in modular form, is targeted at trade union leaders and at the rank and file of trade union members. It is aimed at building competencies which are fundamental for success in the practice of industrial relations. The main competencies focused on are: negotiating competencies; conflict resolution competencies; productivity bargaining competencies and organizing competencies.

The modular form is based on the constructionist theory of learning, which shifts the responsibility of learning to the learner. Each module can form the basis of a one (1) hour presentation, but should be able to stimulate deep research and analysis on issues raised in the subject matter.

Special thanks must be given to Mr Willi Momm, Director of the ILO Caribbean Office and Mr Evelyn Greaves, Senior Specialist Workers' Activities of the ILO for their assistance in developing the module. Mr LeRoy Trotman, General Secretary of the Barbados Workers' Union has been sympathetic and helpful in encouraging the work. Many students across the Caribbean have been helpful in responding to the early material that formed the basis of the model. Ms Coreen Gibson helped to type much of the material. Thanks are due to my immediate family for their consideration and support.

This manual was tested at a Meeting/Workshop for the final Evaluation of the ILO/DANIDA Project for Strengthening Trade Unions in Selected Caribbean Countries in Guyana in December 2001. Special thanks for the insights offered by all workshop participants but particularly to Brother Steen Christensen, General Secretary of the Danish Trade Union Council for International Development Cooperation and to Brother Neils Enevoldsen, from the Workers’ Education Branch of the ILO in Geneva.
Practitioners of industrial relations can be found among trade union officers, human resource managers, conciliators, mediators, labour department officials and project managers, among others.

The main focus of industrial relations is on people in the workplace, whether such a workplace is a large transnational organization, or a small family firm, whether those employed are on a contract of service or on a contract for service; and whether or not a union is involved at the workplace. Obviously the larger and more complex the organization, the more elaborate issues of industrial relations will arise.

The field of Industrial relations encompasses the relationships between employers and employees, between employees and other employees, between employers and their unions and advisors, between employees and their unions, between workplaces in the labour market, the environment created by historical, political, legal and social forces, cultural norms as well as the products of the industrial relations systems including industrial action, collective agreements, grievance handling and other problem-solving mechanisms. Indeed, industrial relations can exist even where collective agreements do not materialize.

### Objectives

1. To provide readers with a working understanding of industrial relations.

2. To develop analytical competencies by assessing issues in industrial relations.

3. To provide a brief background to industrial relations in the Caribbean.

### Defining Industrial Relations

Industrial relations, sometimes called labour-management relations is an academic discipline, and a professional area of activity. As an academic discipline, industrial relations is taught at several universities and colleges around the world. It is multidisciplinary, drawing from several academic areas such as law, economics, psychology, sociology and organizational theory.

Practitioners of industrial relations can be found among trade union officers, human resource managers, conciliators, mediators, labour department officials and project managers, among others.
1.2 Historical Background

Current industrial relations practice in the Caribbean has been influenced by the varied historical experiences in the territories. Even though the English-speaking Caribbean islands have experienced similar pre-colonial and post-colonial histories, there are still marked differences in the history and evolution of industrial relations practices in the various territories.

Colonial

The Colonial period, ending in the 1960s for most of the British Caribbean countries, witnessed the development of industrial relations along similar patterns:

(1) industrial relations were closely allied to the anti-colonial struggle, leading to the development of political unionism in most territories;

(2) leaders were seen as biblical heroes, and many were identified as Moses or Joshua, as the movement became the centre of morality in the societies;

(3) these leaders took on 'larger-than-life images', with many of them since being elevated to the pantheons of national heroes in various territories;

(4) English industrial relations practices were translated into the Caribbean, as English law and example was the basis of the establishment of the initial framework, and labour leaders were trained in England and looked to England for guidance;

(5) the state and the trade union acted as countervailing forces against the agents of capitalism. This was particularly pronounced where capitalists were often ‘foreign’ and of a different ethnicity from those who comprised the bulk of the labour force;

(6) conflict was rife in an industrial relations climate which still carried vestiges of the old master-servant relationship, reminiscent of the earlier owner-slave nexus;
(7) Trade and investment patterns were based on concepts and practices of dependency and protectionism with very little exposure to real competition; and
(8) there were relatively high levels of illiteracy among the workers, creating an environment where a relationship existed between the leader as a charismatic ‘hero’, and the workers as a ‘crowd’ which could be easily manipulated.

In spite of these many shared characteristics, patterns of industrial relations still varied. In Barbados, for instance, the development of a large blanket type trade union in the private sector, led by a succession of moderates committed to evolutionary change and the rule of law, created a particular type of industrial relations in that country.

The Jamaica model was somewhat different, with two large blanket trade unions competing against each other in the colonial period, each one tied to a different political party. This created a militance in the Jamaican industrial relations climate which was not evident in Barbados.

The Trinidad model was again somewhat different, with the emergence of several craft and industrial unions which were not markedly connected to political parties in the same way as in Jamaica.

British Guiana, as Guyana was called before independence, also developed large industrial and craft unions which were allied to political parties. As in Trinidad, the large numbers of Africans and Indians in the workforce coloured the industrial relations system in these countries.

The disturbances

The disturbances in the industrial arena between 1934 and 1939, leading to the MOYNE COMMISSION REPORT and its recommendations, as well as other national reports, were impactful on the development of industrial relations in the English-speaking Caribbean and are usually seen as a watershed in the development not only in industrial relations, but also in the economic, political and social phases of the region.

Post-Colonial

Post-colonial industrial relations in the English-speaking Caribbean has been characterized by change. A dynamic shift occurred in the injection of foreign direct investment in a variety of industries, in the hotel and tourism plant and in financial services, among others. As North American companies, whether from the United States of America or Canada, became more prominent, they challenged the old English ‘voluntarist’ model of industrial relations, preferring a more regulated model. The Industrial Stabilization Act of Trinidad and Tobago of 1962, set the stage for a regime of regulation which has spread through most of the English-speaking Caribbean.
Extremism of various forms impacted on the industrial relations climate. The existence of Cuba as a model of socialism attracted many converts to several variants of marxism or socialism among trade union leaders in the Caribbean. Such leaders, who were able to take control of nation states through the ballot box, tried to establish state ownership of the commanding heights of the economy, through a process of nationalization. Populist reformist leaders were convinced that state capitalism was the best development model to follow. Some trade union/political leaders chose more militant modes of taking control of the state and of properties formerly owned by private companies and individuals.

The 1970s and 1980s ushered in significant changes in industrial relations. The oil crisis of the 1970s was a major shock. Escalating rates of inflation created collective bargaining nightmares throughout the region. Many states slipped into poverty, both at the level of the state and of the private sector. The role of the International Monetary Fund and the World Bank took on a new significance for the labour market.

For a while, world unemployment levels reached record levels in both the developed and the developing world. Discussions of a New Economic Order were cut short with the rise to prominence of Post-Keynesian economists who advocated supply-side economics. Political leaders like President Ronald Regan of the United States of America, and Prime Minister Margaret Thatcher of Great Britain, challenged the strength of the trade union movement and set about to weaken the forces of labour and of any social force which seemed to threaten the bastions of capitalism.

The fall of Communism which was dramatic and thorough, ushered in a new climate in industrial relations worldwide, with impact on the English-speaking Caribbean.

The 1980s and the 1990s witnessed disturbing periods of economic depression. Even as the powerful triad countries of Europe, Japan and America have grown, occasional sharp recessions tend to cause severe anxiety often reflected in chaotic stock market performances.

With the recent onset of globalization and trade liberalization, especially after the formation of the World Trade Organization in 1995, new issues are arising in industrial relations in the English-speaking Caribbean.

**Industrial Relations in the non English-speaking Caribbean**

Through the Caribbean Congress of Labour, trade unions in the English-speaking Caribbean islands have established contact with industrial relations systems in the French, Spanish and Dutch-Speaking Caribbean. For the French-speaking territories, their system is an integral part of the French system as these countries are still French dependencies. The Dominican Republic and Haiti are old independent countries, having gained
freedom from Spain and France, long before the English-speaking countries gained theirs from Great Britain. In both countries, heavy American investment, and prolonged periods of control by America have impacted on their industrial relations systems. The former Dutch territories of Suriname, Curacao, Aruba, Bonaire, and St Maarten reflect a strong Dutch influence in relation to their labour laws, the structure of their trade unions, and their practices of industrial relations.

Like the English-speaking Caribbean, the other territories have also been impacted by the forces of change in the post-1960 period.

Caribbean Integration and Industrial Relations

In 1926, trade unionists met in British Guiana and held the British Guiana and West Indian Labour Conference. This organization changed over time. In 1945, it became the Caribbean Labour Congress, but this organization fell victim to cold war divisiveness. In 1952, the Caribbean Area Division of ORIT was formed, comprising mainly those unions which supported Western ideology. In 1960, after the formation of the West Indies Federation in 1958, Caribbean trade unionists formed the Caribbean Congress of Labour to influence industrial relations at the regional level. In spite of the failure of the Federation, the Congress continues to connect its membership across the region. It has been relentless in its efforts at harmonizing labour legislation and improving industrial relations practices in the region.

1.3. Modern Industrial Relations

There are four main areas of industrial relations practice: (1) Market Relations (2) Human Relations (3) Managerial Relations and (4) Collective Relations.

1.3.1 Market Relations

For most persons the market relations aspect of industrial relations is
predominant. Associated with market relations is the dominance of the trade union as an institution.

From an economic perspective the labour market deals with the supply and demand for labour, and the determinants of the price of that labour.

Trade unions have been blamed for creating asymmetries in the labour markets in some Caribbean territories and have traditionally borne the brunt of attacks from both the private sector and the state for inflating the price of labour, and for establishing various rigidities in the labour market. Since the 1990s, international agencies, including the World Bank, have indicated a different attitude towards trade unions. However, they have been redefining the historical role of trade unions.

After studying the trade union movement for over more than two and a half centuries of its existence, Sidney and Beatrice Webb in 1894 defined it as a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives. GDH Cole described a trade union as an association of workers in one or more occupations mainly for the purpose of protecting and advancing the members' economic interests in connection with their daily work. However, he was clear to indicate that trade unions engaged in other activities such as politics, educational work and establishing friendly societies for the provision of benefits in sickness or old age.

The Barbados Trade Union Act defines a trade union as any combination, whether temporary or permanent, the principal purposes of which are, under its constitution, the regulation of the relations between workmen and employers, or between workmen and workmen, or between employers and employers, whether such combination would or would not, if this Act had not been enacted, have been deemed to have been an unlawful combination by reason of some one or more of its purposes being restraint of trade.

All of the above definitions focus on the market relations aspect of industrial relations. Cole’s definition focused on advancing the members’ ‘economic interest’.

It is through the process of negotiations in the form of collective bargaining that trade unions have sought to advance the economic interests of their members. This mechanism has been used to set wages/salaries and conditions in the market, distribute the wealth created in the enterprise, and provide security for workers after retirement through pension schemes, as well as health care schemes of various types. Trade unions have also used the powers of lobbying and advocacy to ensure the passage of legislation and the creation of institutions that provide safety nets for workers.

The market relations aspect of industrial relations has been conflictual in the Caribbean. It has generated ‘interest’ and ‘rights’ disputes which have
sometimes escalated into general strikes which seem to threaten national political, economic and social security. The union’s dominance in market relations leads to the perception that it has a **monopoly voice**. The major perceived effects of the monopoly voice are that unions:

- are responsible for high levels of inflation;
- raise wages above competitive levels, leading to high wage costs and less employment;
- create work rules which decrease productivity levels;
- increase income inequality by raising the wages of highly-skilled workers;
- create divisions among comparable workers; and
- resort to industrial action for narrow gain but to the detriment of the entire community.

The national press in the Caribbean has been a strong proponent that the trade union movement has been a negative influence in the labour market.

### 1.3.2 Human Relations

The reality is that the trade union movement uses the collective/protective voice in the pursuit of the human relations aspect of industrial relations, but this does not capture the interest of the local press readily.

Some of the human relations benefits fostered by trade unions include:

- providing due process where workers have grievances;
- an involvement in democratic processes at the workplace;
- creating educational, recreational, savings and other institutions;
- giving access to the membership of an international fraternity of workers;
- fostering class mobility for large groups;
- placing emphasis on wellness, safety and health and the working environment;
- paying attention to ergonomics, work layout and work processes;
- ensuring greater job security;
- negotiating employee assistance programmes;
- instituting grievance handling procedures;
- reducing discrimination;
- ensuring a better chance of getting fairness and justice at the workplace; and
- reducing the incidence of child labour.

### 1.3.3 Managerial Relations

Traditionally, capital has been the dominant factor in the workplace. Entrepreneurs use assets including share capital, buildings, equipment, brain power and material to form a company. In many instances, labour is the last major resource to be included in the project to transform some
goods or service into wealth creation. Entrepreneurs took on the management roles themselves or hired others to manage. Structures were top down with policies and programmes developed at the ownership or management level and passed down through instructions. Labour was perceived as just another input, an expense to the organization, but with the important exception that labour could not be disassociated from the human element which produced it. Management felt that it should have the exclusive right to hire, terminate, pay and otherwise dispose of labour.

The growth of the trade union movement has led to the sharing of power relations in the workplace. Those who believe in the dictum that it is management’s right to manage, find trade union’s encroachment into managerial relations as anathema and a threat to their control of the enterprise.

1.3.4. Collective Relations

The existence of trade unions of various sorts: craft, industrial, company, general and federations or congresses, has been accompanied by the formation of employers’ unions. The interaction between these institutions comprise the collective relations of industrial relations.

In an era of social partnership, the collective relations’ aspects of industrial relations are becoming even more prominent.

1.4 Theories of Industrial Relations

Generally there are three basic theoretical models used to analyze and typify industrial relations: Conflict, Unitary and Systems theory.

The **Conflict theory**, which has variants such as marxism and pluralism, is based on a number of assumptions:

1. that there has always been and will always be a divide between the owners and controllers of capital and those who sell their labour;
2. that collective action is best to counter the power of capital
3. that in all workplaces there are a variety of interests, some of which may share common positions, but may still have divergent objectives
4. that there is nothing inherently wrong with the use of struggle to create balance and a return to equilibrium.

**Unitary theory** disputes that there is a meaningful role for conflict in the workplace. Unitarists posit that management should set the rules and workers should cooperate in complying with the rules. Conflict is seen as disruptive. Managers and workers share a common interest and there is no need for ‘third party’ interventions.

The **Systems theory** examines the industrial relations system as an organism which has throughputs, inputs, processes and outputs and...
which should be evaluated constantly. Such a system changes over time and is affected by changes in actors, ideologies, technology and the environment in which it operates.

These theories are ideal types, and each one may possess its own legitimacy and relevance in analyzing an industrial relations practice.

**EXERCISE**

1. What factors led to the development of trade unions in the Caribbean?
2. How important are industrial relations to economic development?
3. Should trade unions emphasize market relations above human relations?
4. Why would management endorse the unitarist theory of industrial relations?
Objectives

(1) To define collective bargaining
(2) To examine the stages in collective bargaining

Collective bargaining is a process whereby trade unions, representing workers, and employers through their representatives, treat and negotiate with a view to the conclusion of a collective agreement or renewal thereof or the resolution of disputes.

A collective agreement is usually an agreement in writing between an employer and a union, on behalf of workers employed by the employer. It contains provisions reflecting terms and conditions of employment of the workers, and conferring to them their rights, privileges and responsibilities.

Sometimes the terms “bargaining” and “negotiating” are used to describe the same process. Theoretically, the term bargaining is probably better used to describe the economic interaction between an employer and an employee which is finalized in the individual contract, whether written or unwritten. When an employer hires a worker, he can demand labour, and agree on a price for that labour. The offer, acceptance, consideration, and intention to create a legal relationship constitutes a bargain to which compliance can be sought in law.

When trade unions negotiate a collective agreement with employers, the process and the outcome are somewhat different. In the first place, trade unions do not sell labour to employers, unlike individual workers. Likewise, employers do not pay trade unions for work done. Trade unions use collective bargaining as a means of setting the rules by which labour in the workplace will be regulated and remunerated.

The process of collective bargaining is in reality a series of negotiations, diplomatic and political manoeuvres, with the influence of economics. The
For the purposes of this Convention, the term “collective bargaining” extends to all negotiations which take place between an employer, a group of employers or one or more employers’ organizations on the one hand, and one or more workers’ organizations, on the other, for

(a) determining working conditions and terms of employment; and/or
(b) regulating relations between employers and workers; and/or
(c) regulating relations between employers or their organizations and a workers’ organization or workers’ organizations.

Voluntaristic vs. legal industrial relations systems

In an industrial relations’ system that is predominantly voluntaristic, collective bargaining processes such as recognition, the collective agreement and industrial action are likely to be based on a gentleman’s agreement made acceptable by custom and practice. Gradually voluntarism has lost ground in the Caribbean and most industrial relations system have legislation covering recognition, the collective agreement, the formation and structure of bargaining units and the management of industrial action.

In countries such as Trinidad and Tobago and Antigua and Barbuda, Industrial Courts play a major role in industrial relations. In Jamaica, the Industrial Disputes Tribunal is very influential. Barbados is still unusual in that there is little or no regulation relating to core collective bargaining processes.

Over time, Caribbean States have ratified the main International Labour Organization’s Conventions on collective bargaining. These include:

- **Convention No. 87**, concerning Freedom of Association and Protection of the Right to Organize;
- **Convention No. 98**, concerning the Application of the Principles of the Right to Organize and Bargain Collectively; and
- **Convention No. 151**, concerning the Protection of the Right to Organize and Procedures for determining conditions of Employment in the Public Sector.

All Caribbean countries have developed a legislative and institutional framework supportive of collective bargaining.
The first step in the collective bargaining process is that of organizing a group of workers, gaining recognition and developing a body of proposals to submit to the employer as the basis of a collective agreement. The development of proposals to be submitted on behalf of workers is a delicate process over which great care has to be taken.

Trade union leaders are required to meet with the general membership and seek a clear understanding of the changes in their contracts which they require. Such a meeting may demonstrate differences among the members on serious issues, such as levels of remuneration. The submission of many issues, including levels of compensation and conditions, will have to be examined against market considerations. **The role of a research facility within a union is thus very important.**

**Elements of submissions**

Negotiators recognize that the submission must encompass various elements. Industrial relations existed at the workplace before the entry of the union. A pattern of benefits, conditions, rules and regulations is usually in place. The negotiator must make an assessment of those provisions that are already adequate and those where improvements can be made.

In terms of wages/salaries and other areas of remuneration, the first agreement is for setting a schedule in place, and must not be confused with a revision. In a situation where wages/salaries are very far below the market value in circumstances that cannot be justified, trade unions can sometimes achieve significant improvements for workers. In some cases, wages/salaries may already be competitive in the market and the union may focus on conditions and other benefits.

Traditionally, the trade union submits a list of changes which forms the agenda for negotiations. In recent times, the list may be enclosed in a draft collective agreement which helps to ensure that a collective agreement is signed early after the closure of negotiations.

With recognition agreed, and proposals submitted, the union will usually inform the employer of the names of the shop stewards at the workplace, and request the extension of courtesies in the performance of their functions.

**Composition of negotiating team**

In some instances, union negotiations are led by paid professional staff members and in others, by shop stewards from the workplace. In many instances, the manager, the human resources manager, and the financial officer or accountant may lead the management’s team.

Many trade union negotiating teams are led by generalists who have to develop expertise on a wide area of subjects such as compensation.
practices, benefit schemes, pensions and safety and health conditions. They must also have some legal training for drafting language in agreements.

There is a growing tendency for specialists to sit on negotiating teams. Thus one person will deal with pension issues, another with health care and so on.

In large companies with Human Resource Management Structures, there are officers who specialize in different areas of industrial relations such as counselling, training, safety and health, negotiations, benefits, management and personnel matters.

**An Eight (8) Step Approach to Collective Bargaining or Negotiating**

With the proposals submitted, and the team selected, the chief negotiator/leader may recognize the importance of the following phases of negotiations:

1. Preparing
2. Arguing
3. Signalling
4. Proposing
5. Packaging
6. Bargaining
7. Closing
8. Agreeing.

Negotiation has already been described as a process involving diplomacy. Some claim that the negotiations forum is a ‘contested terrain’, that the process is akin to an act of war, where words, wit and logic take the place of lethal weapons.

**A simple definition of negotiating is a process through which parties move from their divergent positions to a point where agreement may be reached.**

This model suggests that the union will submit a set of proposals which it considers as an ideal. However, it may be willing to settle for less than the ideal. At some point between the ideal submission and the settlement, the union will resist any pressures by the employer to go below the resistance point. The employers are in a similar position. Ideally, they may not wish to make any improvements, but they will establish a mandate for settlement, and also have a resistance point.

This model can be problematic. If the ideal positions of the two sides, and the likely settlement position diverge greatly, the chances of an impasse, breakdown and subsequent industrial action looms.

Clearly also, no negotiator wants his position to be known by those on the other side! In the case of the trade unionist, his members may feel that
they have the right to set his target, and that he cannot settle other than at
the mandate they have given. Such an inflexible position may be difficult to
maintain, as the more persons who are aware of the mandate, the more
likely it is that it may reach the ‘other side’.

Trade union negotiators must be adept at handling meetings and at
communicating with the membership to ensure that their goals and
objectives are congruent.

1. PREPARATION

Preparation for any serious negotiations would be incomplete without a
thorough examination of factors external and internal to the workplace
which has a bearing on the negotiations.

Examining external factors - the macro-economic environment

Part of the ‘mental’ preparation of the negotiator is to be in tune with the
environment impacting on industrial relations. The formation of a
Caribbean Single Market and Economy, the existence of trading blocs, the
imminent formation of the Free Trade Area of the Americas and the Cotonou
Agreement all have implications for areas of economic and industrial life in
the Caribbean, and for the Caribbean workplace and the Caribbean worker.

Trade unionists are very aware that productivity and competitiveness are
key issues at the workplace. Workplaces are in competition with each other
within territories, across territories, and indeed, across the globe. Those
which compete successfully will survive, those which fall behind will
disappear. Labour productivity is an important factor in competition and
part of the negotiator’s task is to examine the productivity of the workplace.

Preparation for negotiations will include an examination of macro-economic
factors such as employment levels, the rate of inflation, the foreign reserves,
investment, interest rates, and growth in the economy, among other things. Where the macro-economic situation appears stable and there are signs of prosperity, employers are more likely to make reasonable settlements. A major difficulty in the Caribbean is that there is a great divergence in macro-economic performance. Some countries have also performed in such a way that even in years of solid growth, the benefits have not accrued to the mass of workers.

**Examining internal factors - enterprise performance**

An examination of the internal performance of the business enterprise is even more important than information on the macro-economic environment. The sharing of business information is critically important for effective negotiations. In too many instances management refuses to provide vital information to trade unions. This is especially so where there are single owner proprietorships, partnership, and private limited liability companies. Branch plant operations of foreign-owned companies also often refuse to share information.

Trade unions should be aware of the profit and loss statements, balance sheets, notes and other information provided in the Financial Reports of companies with whom they are negotiating. They also benefit from awareness of the companies’ budgets and strategic plans.

Analysis of financial information can be useful in providing information on the company’s history and its present status, but will not necessarily point accurately to its future performance.

The profitability, liquidity, leverage and activity ratios shown in Table 1 are useful in examining the performance of a company. The ratios are best applied to a manufacturing plant but some have relevance to other business units.

Such information, along with intelligence provided by the workforce on recruitments, expansions, purchases, investments and other details can assist in the type of settlements one can realistically expect from an enterprise based on its capacity to pay.

Another aspect of preparation for the negotiations relates to physical arrangements including ensuring that meeting rooms are adequate, with room for the occasional caucus, and that seating arrangements are adequate.

**2. ARGUING**

Negotiators are expected to argue effectively in support of their submissions. Negotiations are not discussions, and they are not consultations. They are about persuasive arguments that can win over a case. Negotiators are expected to argue rationally, reasonably, and to use reliable information in support of a claim. Negotiators use a blend of logic, emotional appeals,
Table 1. How to Calculate Profitability, Liquidity, Leverage and Activity Ratios

<table>
<thead>
<tr>
<th>RATIO</th>
<th>HOW IT IS CALCULATED</th>
<th>WHAT IT SHOWS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROFITABILITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Net profit margin</td>
<td>Profits after taxes Sales</td>
<td>After tax profits per dollar of sales</td>
</tr>
<tr>
<td>2. Returns on total</td>
<td>Profits after taxes Total Assets</td>
<td>Return on total investments</td>
</tr>
<tr>
<td><strong>LIQUIDITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Acid Test</td>
<td>Current Assets - Inventory Current Liabilities</td>
<td>Coverage of short term without selling inventory</td>
</tr>
<tr>
<td><strong>LEVERAGE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Debts to Assets</td>
<td>Total Debt Total Assets</td>
<td>Use of borrowed ratio funds for financing</td>
</tr>
<tr>
<td>6. Debt to Equity ratio</td>
<td>Total Debt Total Stockholder’s Equity</td>
<td>Funds created by owners to handle debt</td>
</tr>
<tr>
<td><strong>ACTIVITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Inventory turnover</td>
<td>Sales Inventory of Finished Goods</td>
<td>Is inventory over or under stocked?</td>
</tr>
<tr>
<td>8. Average Collection</td>
<td>Accounts Receivable x 365 Total Sales</td>
<td>Time after making a sale to receive a payment</td>
</tr>
</tbody>
</table>

persuasion, humour, analogies and pleadings in furtherance of their claims. Argument can become heated, and may even become acrimonious and hostile. This is usually a clear sign of the need for a break or for conciliation.

3. SIGNALLING

Negotiating is interactive and dynamic. Active listening is a skill which has to be developed. Also, negotiators have to be able to ask questions to elicit useful responses. Negotiators send signals through words, some plain and easily apprehended, others are more obtuse. Negotiators also send signals through body language. For those who are adept at receiving
signals, the process of moving negotiations onward becomes less onerous. It is through signals that a negotiator begins to perceive:
(a) proposals that will meet with little resistance;
(b) those that can be accepted with some modification; and
(c) those that have low chances of success in the current round of negotiations.

4. PROPOSING

Armed with the reading of signals, a negotiator will then know which proposals can be prioritized with almost certain chances of success.

5. PACKAGING

The negotiator may then decide to package proposals, making concessions and linking strong winners with others with less chances of success. A total package proposal is placed on the table with an agreement of all elements crucial for settlement.

6. BARGAINING

At this stage, it is likely that both sides will be proposing packages, each with a core that signifies ‘the irreducible’ that is required by each for settlement. At this stage, negotiators might be suggesting that their proposals are the ‘last, last’ that they will be making.

At this stage, each negotiator is searching for an advantage, while helping the opponent to feel a winner. It is often wise to break out of formal negotiations and engage in creative scenario building on a menu of options that may provide a settlement. Negotiators talk about taking “pens off the table”, instructing the takers of minutes not be record the creative exercise in problem-solving. In case the creative efforts fail, the negotiators can return to formal discussions at the level of their last formal submissions.

Union representatives and management sign off on a collective agreement.
Bargaining in earnest can be a painstaking and lengthy exercise with all of the features of an Olympic exercise between formidable contestants.

7. CLOSING

Expert negotiators develop a sense of when it is best to close negotiations. Closing too early or too late can lead to the loss of the strategic moment when greatest success can be reached. In assessing the best time to close, consideration must be given to issues such as the mood of the workers and the prevailing economic climate.

At the end of the bargaining session, negotiators should be able to walk back over the negotiations and summarize all of the positions. They should note the agreements reached, issues that are withdrawn and others that are deferred.

Ambiguities should be cleared up and joint language discussed.

8. AGREEING

The final stage in the formal negotiation process is reached when the draft agreement has been vetted, and has been produced in a formal form by the negotiators.

Discussions are then held about issues such as the starting date for the payment of new salaries/wages; issues related to retroactive pay, where relevant; the timing of the introduction of new benefits; and indeed, areas of housekeeping and tidying up the business of the table. The discussions are then closed with appropriate addresses, bringing a civilized end to a round of negotiations.
Communicating with the union membership

Mention has already been made of the fact that negotiation leaders must always keep their principals informed and seek their support in reaching acceptable settlements. To this end, they should hold a general meeting to get workers to vote for the settlement they propose to close on.

A negotiator can receive a shock if his tentative agreement at the table is met by a refusal from his principals, and this can happen if they have not been included throughout the various stages of the process.

Meetings, circulation of minutes and the use of position summaries can all help to ensure the smooth process of collective bargaining.

A skilled negotiator has little difficulty in having a vote at the end of the negotiation process and getting majority support for his agreement. He should not however, be unduly concerned if support is not unanimous. He should be wary, nevertheless, if there is resistance from a substantial minority of his principals.

Breakdown in Collective Bargaining

Trade unions have traditionally recognized the value and importance of industrial action when there is a failure to reach agreement through the established procedures. Industrial action can take many forms:

(1) work-to-rule
(2) go slow
(3) strike

In some countries the strike is highly regulated through statutory provisions.

In most countries **Essential Services** are clearly defined and industrial action in these areas is circumscribed.
EXERCISE

1. Why would trade unions prefer voluntaristic, rather than regulated collective agreements?

2. Is a skilled negotiator born, or can he/she be trained?


4. Should trade union negotiators be considered as ‘experts’?

5. Discuss the sick-out as a form of industrial action.

6. What are the essential services in your country?

7. Under what circumstances can industrial action be legally conducted in your country?

8. Can industrial action take place in the essential services in your country?
Objectives

(1) To examine types of bargaining relationships and their impact on collective bargaining results
(2) To examine negotiation strategies and tactics
(3) To focus on issues covered in collective agreements.

3.1 Bargaining Relationships

Broadly, bargaining relationships may be characterized as Distributive or Integrative. Those who espouse conflict theories are likely to be proponents of distributive bargaining.

Distributive Relationships

Some characteristics of distributive bargaining include containment/aggression, power abuse and ideological posturing.

Containment/aggression describes a situation where the management has had to recognize the union, but uses every strategy to undermine union influence. This includes the use of union-busting strategies, including terminating union leaders and members, promoting non-union workers and engaging in low-road strategies. The union responds by aggression, including a variety of economic sanctions such as sick-outs, go-slows and strikes.

A bargaining relationship of this nature can hardly be conducive to worker motivation and productivity.

Similarly, some relationships are characterized by a blatant display of power by one or both sides. There is no emphasis on mutual gains, but rather a concentration on win/lose, sometimes with the entire nation as a bystander.

A bargaining relationship where the two sides espouse contrasting ideological views can be extremely bitter and negative. A management with a unitarist approach/views negotiating with a pluralist union can find difficulties in negotiating successful conclusions.
Integrative bargaining relationships

Integrative bargaining relationships vary. The recent emphasis on performance-related pay systems at the micro-level, and of social partnership at the national level are good examples of integrative bargaining relationships.

Such relationships are likely to succeed where there is less polarization, more trust, and there is a need by insiders to the system to succeed against hostile external circumstances. Best integrative approaches include cooperation, with a focus on mutual aims and objectives, avoiding extreme display of power, and accommodation, where tolerance and compromise predominate.

Other Bargaining Relationships

There are less savoury bargaining relationships which fortunately are not significant in Caribbean collective bargaining practices. These include deal making, where secret negotiations are made between leaders with little involvement from the rank and file; collusion, where employers and unions agree to control labour prices; and racketeering, characterized by corrupt practices.

Negotiators are in the business of winning gains for their principals. Sometimes this is extremely challenging and they have to tap into sources of power to assist their cause. One such source is the power of competition. Negotiators know that if they fail to deliver, there are others willing to take their place. The power of competition pushes them on to excel at their tasks. A trade union that fails to deliver for its members will witness a membership loss. Successful negotiations are extremely potent organizing and public relations tools.

Many negotiators have a crusading element in the zeal they bring to their work. They believe in the legitimacy of their claims, that they have rights on their side, which transforms and translates into might at the bargaining table.

Because of the love of what they do, negotiators bring commitment and dedication to the task, both powerful tools for achieving success.

Whenever a negotiator finds himself in a difficult position, he starts to search his mind and experience for precedents. Few problems are new or unique. One can draw from past, personal or vicarious experiences to provide answers to difficult problems. Negotiators should read widely including case studies. Such reading can be a treasure trove of precedents. Additionally, court judgements, summaries of cases from Industrial Courts, and from
Severance Payments tribunals as well as Management cases can provide guidance in the methodology of approaching some negotiating problems.

A negotiator who has a stock of successes behind him is able to say to himself that he has succeeded before and can do so again. He is unlikely to be daunted by any negotiating dilemma which confronts him.

A negotiator with positive attitudes and enabling competencies looks forward to his task knowing that these are sources of power. It should be a given that negotiators are trained in negotiating. In many cases, however, Caribbean negotiators receive on-the-job training, by being placed to work alongside a senior negotiator, and learning the behavioural skills associated with negotiating through observation and emulation. Others have been trained in collective bargaining at labour colleges, universities or through specialized training. A negotiator’s cognitive knowledge in basic areas of labour economics, statistics, arithmetic, social psychology, labour law, compensation policies, accounting and other core areas impacting directly on performance at the bargaining table, should be sharpened consistently.

A Negotiator’s competencies

But the difference between one negotiator and others may be accounted for in terms of attitudes and personal competencies. Negotiators should not fit easily into stereotypes. Some negotiators prefer to adopt belligerent, militant, gruff attitudes as signals that they are business-like and no-nonsense persons. Their language is aggressive and confrontational. They are quick to threaten strikes, lockouts or withdrawals. Others develop a trademark style of suave persuasion, the use of biblical quotations and references to literature, while cascading ‘sweet reasonableness’ as an enticing strategy. There is nothing to say that either style is better than the other. It has been said that a foolish consistency is the hobgoblin of small minds. So, experienced negotiators know how to shift negotiating postures.

Successful negotiators develop a number of competencies. They develop personal competencies and are in control of their personal lives. They manage their time, are self-confident, well-groomed, are patient and even-
tempered, assertive, self-critical and driven by the desire to exceed. They also have change competencies. They understand the difficulties of rigidity for a negotiator. So they develop menus of options suitable for fall back positions from their ideal. Trade unionists tend to be conservative. Good trade union negotiators have to break out of that mould and be able to apply new solutions to old as well as to new problems.

People competencies are critical to a negotiator. Most important is the skill of communicating effectively and persuasively, of empathizing and sympathizing, of managing relationships and of helping to develop his team.

Analytical competence is important for a negotiator who has to gather and assess information, create syntheses from information heard or received otherwise, use judgement to respond to situations, think laterally as well as logically and be effective in decision-making.

A good negotiator also must have business competencies. Negotiators are fortunate to negotiate in widely varying business environments. Sometimes he/she is involved in public sector negotiations and must develop an awareness of and understanding of public sector business structures and strategies. One negotiator might be involved in sugar, the distributive sector, hotels, banking, utilities and manufacturing. A successful negotiator must strive to understand the varying business cultures. He/she should read widely in the various journals, trade magazines and business papers, take part in trade conferences in the related areas and maintain a network of associates in various business areas.

Finally, good negotiators should develop competencies in establishing standards and benchmarks for quality and performance. Good negotiators are thorough and painstaking in their approach to their work, expect to operate at the level of excellence, and expect excellence from those associated with the negotiating experience. Negotiators are quick to take the initiative and to provide standards for leadership, preferring to lead from the front. For the good negotiator, integrity is the foundation upon which all other qualities are to be laid. His word is his bond. A gentleman’s agreement is as firm as a pillar cast in steel.

Utilizing the needs-based strategy

Negotiators sometimes employ a ‘needs-based strategy’ to help them create power in bargaining relationships. Negotiators should know their own needs. Most senior negotiators are driven by higher order needs such as self-esteem, self-actualization and recognition. Every successful negotiation gains the plaudits of the membership, the Executive Council, and sometimes even the editorials of a usually antagonistic press.

Negotiators know that they help to satisfy the more basic needs of their members – securing their jobs, providing them with income to meet their
needs for food, shelter, clothing and other amenities. They also satisfy the needs of those across the table. A good negotiator must be able to analyse his counterpart and to understand how to satisfy his needs to get the best results. In order to develop a clear understanding of needs-based negotiations, negotiators should be well-trained in understanding human motivation.

**Successful negotiators**

The most successful and enterprising negotiators are creative persons who are able to think quickly, place themselves in the position of the other person, use humor as an important lever, focus on issues rather than persons, and on needs rather than on positions.

Good negotiators can be trained to reach levels of excellence. No training is better than being immersed in the most difficult negotiations and working systematically and thoroughly towards a satisfying result.

Finally, a good negotiator must be a team player willing to work cooperatively with a group of persons including researchers, accounts clerks, secretaries and others who work collectively to conclude successful negotiations.

**Negotiating Tactics**

The practised negotiator uses a number of tactics to get the advantage of his less experienced counterpart. Practised negotiators do not surrender large concessions but tend to concede by small measured steps. This is because they envisage likely settlement. They have a clear idea what the employer can pay and will not settle for less. This tactic of small movements is called the salami.

Some negotiators use the strategy called Boulwarism. This is a tactic of putting a ‘take it or leave it offer’ on the table. The offer is usually well thought out and capable of influencing the other side into considering it without the time consuming process of bargaining. Suppose a negotiator has in mind a settlement position of 6%, and has actually proposed 10%, and his counterpart places 5.5% on the table. It is entirely possible that the negotiator’s principals could be persuaded to concede the .5% and to accept the carefully laid offer.

Negotiators are adept at placing more demands on the table than they really intend to get in a bargaining session. At the appropriate time, the ‘expendable’ proposals can be placed on the back burner, deferred and eventually withdrawn. Fortune may favour the negotiator who may be able to link the ‘expendables’ with ‘strong’ proposals and succeed in getting them as part of a package. Good negotiators know how to say, I will give you A if you will concede B and C, and gain significant concessions by ‘linking’.

Some negotiators practise brinkmanship in a frustrating manner. They appear to be at a point of acquiescence and agreement only to retreat and change position. Sometimes both their verbal and body language signify
agreement. Yet they later claim not to have agreed. The best counter to this tactic is to insist on written summaries on an ongoing basis setting out positions by the parties, and signing off as accepting the summaries.

For some negotiators, the use of red herrings can have devastating impact on the unpracticed. Unsettling and disquieting references to events and persons embarrassing to a negotiator can sometimes throw him off balance. It is a low road tactic, but points to the fact that negotiators should avoid circumstances that will allow for such situations to develop. In small communities, the negotiator’s personal and business life is known to all and sundry. Misfortunes can be used against him with telling effect by those who use such personal tactics.

An astute negotiator can perceive where the opposing team is divided on a position and can use this split to leverage his own claim. He can perceive the difference between the official leader and that person who carries a mantle of unofficial power. He can sometimes throw the opposing team into confusion by dividing them and gaining significant benefits.

A skilled negotiator is ready to grasp if his counterpart is a ‘giver’. Once he discovers this characteristic, he knows how to ask for and get ‘one more thing’, and to pile on gain after gain from one who comes to the table with a cornucopia of benefits.

Sometimes negotiations stall because of the participants at the table. Where the two chief negotiators are unyielding to each other’s strategies and tactics, it is often better to bring a new face to the table. Two unbending and unflinching negotiators are likely to stalemate and break down. This is equally true of two indecisive and muddling negotiators.

The above tactics are frequently found in the armoury of skilled and principled negotiators. Less principled negotiators will occasionally try incorrect summaries of positions with the hope of catching their counterparts off-guard and so gain concessions by a sleight-of-hand method.

Others try to use tactics to place their counterpart on the wrong foot. This includes blaming them for delays in the negotiations. Managers often spread propaganda among their members to the effect that the union negotiators are to be blamed for delaying negotiations.

3.4 Public Sector Negotiating

Public sector industrial relations and collective bargaining need special consideration, as most texts tend to focus on the private sector.

The state has traditionally been a large employer of labour in the Caribbean. For many, employment in the public sector was sought after because of the security, relatively high level of wages and status that were associated with that area. For those who had the necessary qualifications and gained appointments as clerical officers, teachers, and other officers in the Civil
Establishment, their security was guaranteed as they could only be disappointed by a lengthy and complex process involving service commissions and the decision of the head of state. Employees in the Civil Establishment are beneficiaries of several legislated benefits, including pensions, and movements in their salary scales through almost automatic annual increments.

Civil Service Associations, which became later transformed into Public Sector Unions, recruited wide swathes of members from the level of permanent secretaries, through to maids, janitors and watchmen. Governments did not concern themselves much with questions about defining bargaining units. In the case of the Guyana Public Service, an Agency Shop was operational for years.

It is usual for distinct employment areas in the public service to have their own unions, thus teachers and nurses are likely to have their specific unions.

Where the government has to negotiate with competing unions over the same collective agreement, it is difficult for all the unions to have convergent negotiating positions, especially where union rivalry for membership is an important issue.

Public Service negotiations are very significant for national and macro-economic policy. In many instances, settlements in the public service are used as a pattern setter for the private sector.

Trade unionists benefit from the fact that government’s financial information is usually available as the yearly Estimates of Revenue and Expenditure and give a clear indication of the areas in which government intends to spend. The budgetary exercise gives an indication of projected revenue to be earned from named sources.

It was once considered that the ability to pay was not an issue with governments, since it was presumed that they could pay the demands of the unions and tax the citizens. The 1980s and 1990s saw situations where, with declining economies, not only were governments unable to pay wage increases, but in even the more prosperous countries, wages and salaries cuts, and other forms of concessionary bargaining, were engaged in.

**Public sector reform**

The Caribbean island states have been forced to divest and privatize many of the businesses which they have nationalized in the 1960s and 1970s.

Public Sector Reform is currently a major issue facing trade unionists in the public sector. Institutions that were formerly part of a Ministry, such as hospitals, airports and seaports are now being controlled by autonomous
boards. Corporatization and commercialization are frequent strategies for transforming former public sector areas. In some countries, areas like post offices are contracted out to private sector entrepreneurs, not necessarily from the Caribbean.

**Trends in job evaluation and recruiting strategies**

The public sector in the Caribbean is adopting job evaluation strategies similar to those used in the private sector, rather than maintaining the job classification strategies used hitherto. Performance appraisals, associated with performance-related pay and the award of increments, are being promoted far more vigorously in the public sector than before.

Some Caribbean countries like Jamaica have started a programme of recruiting senior public sector officers from the private sector. Some of them are taken also from the University and then are awarded fixed-term contracts.

In the public sector, seniority principles which have traditionally been the most important criteria for promotions have now been given less significance, and much more emphasis is being placed on merit, qualifications, training and competencies. Trade unionists have been heard to object strongly to **supersession** but little has been done to rewrite and reshape the rules of the game.

**Re-positioning the Public Service in an era of globalization**

In Barbados, the Cabinet in 1999 gave a mandate to a Committee to recommend a policy framework within which legislation that impacts on the administration of the public sector would be consolidated and revised, resulting in greater efficiency and effectiveness in the management of the public sector. The pieces of legislation to be examined included the Services Commissions (Public Service) Regulations, 1978; the Service Commissions (Police Service) Regulations, 1978; the General Orders and the Civil Establishment (Qualifications) Order. The Committee was requested to pay special attention to issues such as the secondment of public officers, and temporary posts. The impetus came from the need for a new Public Service Act to locate the bureaucracy in the current era of globalization and to position it for the coming twenty years.

Among the areas examined by the Committee were discipline and grievance handling; management of training; financial management; management of the public service; conditions of service; accountability and a code of ethics; secondment of public officers; temporary posts in the public service; and the role of the Internet.

The Committee assessed the current situation in each area, pointed a way forward and made recommendations. The Committee received views of the public at a series of public meetings.
When finalized, the new Public Sector Act should be very impactful on industrial relations in the Barbados Public Service.

At least two other Caribbean countries have taken initiatives in this area. The Commonwealth of Dominica passed a Public Service Act 1991, and the Government of Saint Lucia has a draft Public Service Employment Bill, 1994.

Because of the large size of the public sector, and also because of the mixture of voluntarism and regulation which characterizes its industrial relations, it is not usual to have a collective agreement signed off by management and union for public sector workers.

The conditions of service including salary, allowances, appointments, including promotion and transfers, discipline, leave, training and retirement benefits can be found in a plethora of sources including Regulations and General Orders.

When changes are made to some of the conditions, administrative directives are issued and these constitute the ‘agreement’, the basis for implementing the agreement.

Trade unionists and negotiators in the public sector have an onerous task of learning and understanding a great deal of laws and regulations and have to develop the patience and skills to plough through much red tape and bureaucratic hindrances to solve their problems.

**EXERCISE**

1. Describe the qualities of your ideal negotiator.
2. What strategies and tactics can influence the conclusion of successful negotiations?
3. How do negotiations in the public sector differ from those in the private sector?
4. How would you evaluate the success of negotiations?
Objectives

1. To examine the difference between the rights in an individual contract and those in a collective agreement.
2. To focus on the major areas covered in a collective agreement.
3. To highlight integrative industrial relations strategies at the micro and macro levels.

Few Caribbean countries provide legislative support for employees to receive written contracts of employment when they are first recruited for work. Many workers are engaged by oral contract. After they are given an initial interview, they may be given details of hours of work, vacations, pay and a few other details. Very seldom are they given a job description. In many instances, they are not fully initiated into their workplace and many know little about the wider scope of the enterprise in which they are employed. Their contacts will be with a supervisor who gives orders, and colleagues. In very few institutions are there regular staff meetings where they hear about company policies and programmes. In many instances, they know little about the ownership and structure of the company.

As employees on contracts of service, they are paid at fixed intervals based on a unit of time – hourly, daily, weekly or monthly. In many cases, they have little influence on the rate of pay offered to them.

Many are drawn to trade unions when they realize that the conditions of employment they enjoy are not to the standard they want for themselves. Collectively, they endeavour to extend their conditions and their rights at the workplace. The collective agreement captures the rights and benefits which the unions can gain for members.

4.2 Standard areas in Collective Agreements

The four (4) standard areas in mature collective agreements can be classified as:
(a) Economic
(b) Contract Management
(c) Hours and Standards of Work and
(d) Personnel Administration.
The Economic section of the collective agreement calls for careful negotiation. Some bargaining units comprise ungraded hourly-paid employees. Others comprise a mixture of graded hourly paid; weekly graded; monthly employees paid on a scale or a range, with additional incentives, merit schemes and other performance-related bonus schemes. The same bargaining unit may have workers on shift, rostered workers and workers on rota. Trade union research departments should keep a record of clauses covering all of the standard economic areas; they should also have data across industry segments to help establish benchmarks. A negotiator who wishes to make a proposal for improved vacations, shift differential or other conditions should be provided with up-to-date information on the standard provisions.

Trade unionists negotiate health care and pension schemes as a means of ensuring the personal security of members.

In both cases, trade unionists should acquaint themselves with the best health care standards and pensions on the market and there should be competent on-staff officers to deal with these issues.

Severance payments and other separation packages are now provided for in the national legislation of some countries. However, trade unionists should try to establish job security protocols in agreements, providing the right to have full discussions on intended serious job cuts, and of negotiating packets including voluntary severance, early retirement packages and severance formulae that improve on the legal maximum.

This is a procedural area of the agreement and seldom causes problems in a collective agreement. Most of the clauses in this section are standard and the procedures are generally accepted. Where unions once demanded agency, union and closed shops, the current paradigm is not conducive to such practices.

Every effort should be made to enshrine a code that allows shop stewards to function in a partnership relationship with supervisory management to provide an efficient industrial relations environment at the workplace.
This section is closely allied to the economic area. Time is a significant input variable which impacts on effectiveness and contributes to the bottom line. Much emphasis is being placed on 24/7 business operations. In situations where workers were accustomed to a 40-hour week Monday to Friday, with Saturdays and Sundays as premium days, traditional trade unionists find it difficult to surrender the norm. There is also growing demand for flexible work hours and flexitime arrangements for individuals. The electronics revolution, including the cell phone and the internet, is leading to some intrusion in an employee’s time off from work, as they can be accessed for workplace-related matters at almost all hours.

This is a very important part of the collective agreement and speaks to the human relations aspect of industrial relations. It is an area where established codes and policies can be very helpful and remove elements of discretion and arbitrariness. For instance, in addition to the clauses in the agreement, codes and policies on discipline, promotions and demotions; maternity leave; acting appointments; transfers and shift preferences; sick leave and other authorized leaves of absence; employee physical exams; sexual harassment prevention procedures; safety and health; recreation and other facilities.

The negotiation of a contract with the above elements should be seen as beneficial at any workplace. An enterprise with such a body of rules and regulations and with trained industrial relations actors committed to the highest principles, should be a place of productivity and order.

In some countries of the Caribbean, the collective agreement is a legal contract conferring legal rights and obligations on the parties to the contract. In Barbados the collective agreement is a gentleman’s agreement. Employers have to transfer rights from the agreement to the workers’ individual contract to make it enforceable in law.

In reality a contract is adversarial in nature, representing a compromise between the separate interests of each party to an agreement. In contrast,
a **compact** is fundamentally a cooperative document, providing for a mutual vision and a joint system for achieving common goals that foster the general well-being of all stakeholders in a given endeavour.

Part of a ‘high-road’ strategy for industrial relations is a shift from the **contract** approach of industrial relations to a **compact** approach.

The negotiator is a key change agent in bringing about such a transformation. A checklist of personality features for the type of negotiator who might be a **champion for change** would include some of the following characteristics:

1. Extraversion and sociability;
2. An absence of arrogance and condescension;
3. Respect for others’ comments and statements;
4. Openness to others’ points of view;
5. Discriminatory judgement separating wishfulness and reality
6. A sense of humour and a balance;
7. Utmost integrity, truthfulness and a commitment to bargaining in good faith;
8. Seeking to win agreements rather than specific arguments;
9. Allowing for face-saving; and
10. Maintaining mutual respect.

The first level at which compacts should be developed is at the enterprise level. Many labour-management issues will continue to be controversial, but clearly labour and management have more in common than in conflict. Together, embracing a common vision of the future, they can join in a compact that benefits all stakeholders in our Caribbean nations.

Moving away from the view of labour as simply a cost item to be minimized and of unions as organizations to be avoided, is the first step towards the enterprise **compact**.

**At the CORE of the Enterprise COMPACT may be the following provisions:**

1. The union and management agree to pursue mutually established productivity growth targets;
2. Wage and compensation goals are set consistent with productivity growth in order to maintain global competitiveness;
3. Price setting in the company is subject to joint action by union and management;
4. Quality becomes a “strikeable” issue;
5. Employment security is guaranteed for the company’s workforce;
6. Extra financial rewards are provided through profit and gain-sharing throughout the enterprise; and
7. The union and management agree to joint decision-making throughout the firm, including labour representation on the company’s board of directors.
The role of the negotiator in the COMPACT involvement requires the following:

1. See all negotiators as problem-solvers;
2. Goals are seen as wise outcomes reached efficiently and amicably;
3. They separate the people from the problem;
4. They are soft on the people, but hard on the problems;
5. They proceed independent of trust of their opponents;
6. Exploration of interests;
7. Focus on interests, not positions;
8. Invent options for mutual gains;
9. Insists on using objective criteria;
10. Reach results based on standards, independent of will;
11. Reason and be open to reason;
12. Yield to principle, not to pressure.

Issues for Compact Negotiations

Among the business operations which could be included in the Compact because of their overall importance to workplace well-being are:

1. Quality management
2. Strategic Planning and Forecasting
3. Budgeting
4. Ergonomics/Environmental concerns
5. Workplace design
6. Product design
7. Process planning
8. Project management
9. Maintenance
10. Marketing
11. Productivity management
12. Training
13. Customer relations/customer charters

These areas have normally been considered to be exclusively within the realm of management rights.

The International Labour Organization, through its Caribbean Office, has been examining Caribbean enterprises, which by the consensus of management and labour alike, have been moving towards the Compact model.

Jamaica

In Jamaica, the trade union movement has been at the forefront of developing Framework Agreements at the industrial level. In a landmark
agreement, the leaders of the trade union movement in the area of Bauxite reached an agreement with management, at a time of business restructuring, to maintain job security in return for a union commitment to meet future levels of productivity in the industry. Such framework agreements are the basis of compacts to be developed at the industrial level.

**Barbados**

The Barbados Government, the Private Sector Organization of Barbados and the Congress of Trade Unions and Staff Associations of Barbados have negotiated four social compacts at the national level.

The four compacts cover the periods 1993-1995, 1995-1998, 1998-2000 and 2002-2004. Two governments: the Democratic Labour Party and the Barbados Labour Party have given their support to the compacts. The main focus has been the maintenance of sound macro-economic policies, particularly resisting devaluation of the Barbados dollar. The compacts provided at first for a wage freeze. Incomes could be improved, except in special circumstances, only by bonuses resulting from increased productivity or increased profitability.

The Barbados compact has evolved from being a response to a crisis and has developed proactive mechanisms which have a new relevance to industrial relations in Barbados. Among these are a job security protocol; a functioning sub-committee of the social partners chaired by a Minister; and the quarterly meeting of the social partners chaired by the Prime Minister.

The most recent compact has been broadened to include non-market relations issues such as the disabled, poverty, gender relationship and

*The signing of the 4th protocol for Barbados. Seated at the table, left to right, are Senator Leroy Trotman, President of the Congress of Trade Unions and Staff Associations of Barbados; Hon. Owen Arthur, Prime Minister of Barbados; and Mr. Allan Fields, President of the Private Sector Organizations of Barbados.*
other national human relations issues. It also includes the national policy on HIV/AIDS in the workplace.

Further, each of the social partners has made specific pledges and commitments to foster the spirit of social dialogue and the social compact.

**National Productivity Council - Barbados**

An Act to provide for a National Productivity Council for Barbados received the assent of the Governor-General on the 4 September 1996. Like the social partnership, the Council is tripartite. The Board of the Council comprises a chairman and eight (8) other persons appointed by the Minister of Economic Affairs.

Two directors are nominated by workers’ organizations in the private and public sectors; two are nominated by organizations representing employers or private sector interests; and one director represents professional or academic interests. The Permanent Secretary in the Ministry of Economic Affairs and the Permanent Secretary, in the Ministry of the Civil Service or their nominees are ex-officio members of the Board; the other person on the Board is the Executive Director of the Council. Traditionally, the Chairman has been an academic.

The functions of the Council are:

(a) to create and develop methodologies for productivity measurement, management and improvement in the public service and the private sector;

(b) to provide technical advice and assistance for devising productivity-related payment schemes;

(c) to engage in consultations with any fact-finding body or arbitration tribunal on any matter related to the functions of the Council;

(d) to promote and monitor all aspects of productivity growth;

(e) to assist in the development of improved methods of work organization, geared to the enhancement of productivity levels;
(f) to design, advise on, and conduct educational programmes;
(g) to disseminate information intended to stimulate public awareness and promote understanding of the need to improve the quality of work performance nationally and in the context of international trends and standards;
(h) to assist in creating a climate which would maximize the use of productivity gains in collective bargaining exercises; and
(i) to do such further things that are necessary to carry out effectively the purposes of this Act.

Productivity is defined in the Act as:

“The relationship between the output generated by a production or service system and the input provided to create that output”.

Empirical research studies are indicating that between 1993 and 2000, the years of the three compacts, the industrial relations climate in Barbados benefited from few strikes, and that minimal man days were lost due to industrial action.

The Barbados situation has attracted the attention of the International Labour Organization which has mandated an empirical study on the impact of the social compact on labour-management relations in Barbados.

**Guyana**

Trade unionists in Guyana, under the enlightened leadership of the Trade Union Congress, has been working assiduously to create a social compact at the national level and has been advocating government and the private sector for a workable model.

In other areas of the Caribbean, trade unions are embracing the concepts of productivity and social dialogue.

---

4.5 **Social Capital as Comparative Advantage**

One of the leading requirements for the development of an environment in which compacts can flourish, is the existence of a high degree of social capital.

Social capital is like beauty, hard to define, but easy to recognize where it exists. Countries with a high degree of social capital spend large sums of money over time on education and health, and provide proper infrastructures to support the living standards of their people. This is buttressed by a super structure that provides for the rule of law, democratic processes, the enjoyment of basic human rights and other freedoms, positive self-images and chances for a long life.
In spite of the small size of the Barbados market, Barbados businessmen have generally transcended the inclination to retain family businesses and have opted to form public companies. Even those companies which started as family enclaves have since transformed to recruit staff at the highest managerial levels to provide strategic leadership for their businesses.

The Barbados public sector has also evolved against an ethos of merit, and one can easily discern a professional and managerial elite developing which owes little of its progress to ascriptive criteria like race or ethnicity, but more to merit. Leadership falls to those who display integrity and high academic and professional achievements. This creates an element of trust in the society.

The existence of a Social Partnership and an industrial relations environment characterized by a proliferation of compacts can serve as a comparative advantage for a country seeking to attract foreign direct investment, and seeking to promote trade in goods and services in a fiercely competitive arena.

The Barbados model, from its unique resistance to the IMF model of adjustment by devaluation, to its development of social compacts, is still in its early stages.

The role of the social partners in helping to defend and promote the model, especially in times of difficulties, will be critical to its evolution.

EXERCISE

1. Distinguish between a contract of service and a contract for service.

2. What factors present challenges to the development of compact negotiations?

3. How can collective bargaining contribute to the development of social capital in the enterprise?

4. Comment on the significance of ‘new’ strategies like social compacts and productivity councils in industrial relations.

5. What role should trade unions play in pension schemes which they negotiate?
Objectives

(1) Examining the importance of productivity and competitiveness to workers’ well-being.

(2) Establishing the connection between flexibility and productivity.

(3) Assessing various forms of flexibility.

(4) Suggesting trade union responses to flexibilization.

Historically, trade unions have been sceptical of efforts by employers to squeeze labour out of workers without paying more for the extra effort expended. Some employers used ‘speed up’ and sweatshop methods to exploit labour output.

The current environment is stressing the role of human capital, and the corollary social capital in driving productivity and competitiveness. In the work environment, the productive employee will ensure the efficient utilization of materials, money, machinery and processes to ensure that the organization reaches its goals and targets, satisfies its customers, both internal and external, maintains a safe and healthy environment, and sustains social and economic well-being.

There is an integral link between productivity and profitability, and it is accepted that productivity is the plasma of the organization’s economic system. The survival of the business organization is dependant on its ability to generate profits or surpluses, however titled. In the long run, sustained profitability is the best guarantee of income security for employees.

The key to competitiveness is the willingness of customers to continue purchasing the goods and services of an enterprise at a price that will guarantee adequate returns to the stakeholders in the business enterprise.

Wages/salary determination is one of the major aspects of collective bargaining. The economic aspect of pay determination relates to the price at which labour will be bought and sold. The worker wants to maximize income and improve his living standards while management wants to reduce
input unit costs. In terms of equity, the concept of ‘a fair day’s wage for a fair day’s work’ has long been accepted.

The base rate received by workers should be able to guarantee a living wage rather than a mere subsistence wage. Periodic increases in wages should help to improve the worker’s standard of living. This base rate becomes a fixed cost of doing business. It reflects the employer’s evaluation of the worth of an employee’s job.

In addition to basic pay, employees often have access, through collective bargaining, to premium payments, such as overtime, which provide an extra source of income for the employee.

5.3 Pay Flexibility

Recent attention is being placed on results-oriented, variable payment schemes which may be defined as

“An alternative compensation system that ties pay to business outcomes and supports a participative management process.”

The schemes may be classified as follows.

<table>
<thead>
<tr>
<th>Types of Payment Schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Individual (output-based), inclusive of piece work, commission, individual bonus, and individual performance-related pay.</td>
</tr>
<tr>
<td>2. Individual (input-based), including merit pay, skill-based pay, knowledge-based pay and competency-based pay.</td>
</tr>
<tr>
<td>3. Group (output-based), including productivity gainsharing, goal sharing and profit sharing.</td>
</tr>
<tr>
<td>4. Group (input-based) such as employee share ownership schemes.</td>
</tr>
</tbody>
</table>

5.3.1 Individual Output-based Schemes

**Piece work** has traditionally been used in areas such as garments and agriculture and is based on the number of units produced.

**Commission** is usually based on volume of sales achieved and is still useful in remunerating sales personnel.

**Individual bonus** is paid to employees who exceed some performance target that is agreed.
5.3.2. Individual Input-based Schemes

Merit pay is based on a performance appraisal by a supervisor and is usually folded in the employee’s pay on a scalar or range system.

Merit bonus is paid as a lump sum.

Skill-based pay relates to paying employees for the number of different skills they learn and actually perform in the organization.

Knowledge-based pay relates to rewarding employees for acquiring expert knowledge and skill within the job category.

Competency-based pay relates to paying employees on the basis of competencies which are needed to drive the success of the organization. These may include personality traits, work attitudes, self-concept and values, which help to motivate superior performance.

5.3.3. Group/Team-based Schemes

The following model performance-based incentive schemes have been widely utilized for productivity gain-sharing, goal-sharing and profit sharing.

MODEL 1: Scanlon -Single Ratio Plan
MONTHLY REPORT

1. OUTPUT REVENUE = sales, less $1,200,000
   Sales returns, allowances, discounts
   Add increase in inventory at cost or Selling price
2. LABOUR COST ALLOWED (20% of $240,000 value of production baseline) $240,000
3. ACTUAL LABOUR COST 210,000 (comparison month)
4. BONUS POOL (line 2, minus line 3) 30,000
5. EMPLOYEE SHARE (50% of line 4) 15,000
6. RESERVE FOR DEFICIT MONTHS (25%) 3,750
7. NET BONUS for immediate distribution 11,250
8. PARTICIPATING PAYROLL COSTS 168,750
9. BONUS- 5 as a % of 8 (11,250/168,750) 6.7%

INDIVIDUAL EMPLOYEE’S PAY

<table>
<thead>
<tr>
<th>TOM SMITH</th>
<th>GROSS WAGE</th>
<th>OVERTIME</th>
<th>TOTAL</th>
<th>BONUS %</th>
<th>BONUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>100</td>
<td>1,100</td>
<td>6.7%</td>
<td></td>
<td>$73.70</td>
</tr>
</tbody>
</table>
**MODEL 2: RUCKER PLAN**

This scheme is based on a baseline ratio of labour costs to value added.

**MONTHLY REPORT**

1. Output (sales value of production, adjusted)  1,000,000
2. Less outside purchases e.g. materials and supplies, energy and other non-labour costs  660,000
3. Value added  340,000
4. Allowed labour costs (from historical analysis)  142,800
   42% of Value Added
5. Actual labour cost (employee costs)  132,800
6. Bonus Pool  10,000
7. Employee share (50%)  5,000
8. Reserve for deficit month  1,000
9. Bonus Pool  4,000
10. Participating payroll  80,000
11. Bonus percentage payroll 4,000/80,000  5%

**MODEL 3: PROFIT SHARING**

In this model, the Company agrees to contribute 10% of net profit before taxes to profit sharing bonus pool.

- Net profit before taxes = $50,000
- Profit sharing bonus pool = 5,500
- Participating payroll = 80,000
- Profit sharing bonus as % of payroll = 6.25%
- Thomas Clarke’s gross salary = 24,000 pa
- Bonus = 24,000 x 6.25%
- = $1,500
MODEL 4: IMPROSHARE

This scheme is usually applicable to a manufacturing concern where time and motion studies or accounting data are used to provide baseline standards.

GIVEN:
(1) Company X manufactures components for export sales. There are two (2) basic products: Product 1 and Product 2.
(2) There are 40 direct employees, factory workers; and 20 indirect employees; non-factory workers.
(3) The standard work week = 40 hours.

The Work Hour standard for each product = \( \frac{\text{Total Production hours}}{\text{Units produced}} \)

For product A, assume 20 direct employees
Product A = \( \frac{20 \text{ employees } \times 40 \text{ hrs}}{1,000 \text{ units}} \) = .8 hours per unit or .8 x 1000
= 800 hrs

Product B = \( \frac{20 \text{ employees } \times 40 \text{ hrs}}{800 \text{ units}} \) or 1 x 1000
= 1000 hrs

Total standard hours (BASE PERIOD) = 1800 hrs

Base Productivity Factor = \( \frac{\text{Total Production + Non-Production Hours}}{\text{Total standard hours in Base Period}} \)

Production Hours:
40 Direct x 40 hours
= 1,600 hours

Non-Production Hours = 20 Direct x 40 hours
= 800 hours

Total hours = 2400 hrs

Basic Productivity Factor : 2400
1800
= 1.33%

Bonus Calculation for Worker X

Product A = .8 hrs x 800 units x 1.3 = 832
Product B = 1.0 hr x 1000 units x 1.3 = 1300
Standard Hours for actual units produced = 2132
Less actual hours for period 1920
Savings in hours 212
Employee share = 50% of 212 = \( \frac{106}{1920} \) = 5.5%

Hours worked = 40
Hourly rate of pay = $8.00
Bonus hours = 40 x 5.5% = 2.2 hrs
Bonus payment = $8.00 x 2.2 hrs
= $17.60
MODEL 5: Key Performance Indicators

Family of Measures

<table>
<thead>
<tr>
<th>Measures</th>
<th>Value Range</th>
<th>Weight</th>
<th>Actual</th>
<th>Performance Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0 1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Quality</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Efficiency</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Attendance</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This is a group incentive scheme designed to measure and reward performance based on more than one measure and which focuses on long-term goal achievement. The stress is on team work and integrative approaches. It helps a process of continuous improvement.

It is important that management and workers:

1. agree on appropriate performance measures,
2. develop a weighting scheme for each
3. specify a base value for each measure and
4. develop targets/goods for some future period.

There is usually an agreed minimum performance to be reached before any form of variable pay will be shared.

The plan can be funded from profits. For the model plan, the following definitions are provided:

- **Attendance**: A percentage of total paid for man days
- **Quality**: Percentage of rejects to total output
- **Efficiency**: Outputs generated to total man hours of production workers within a specified period.
- **Overall Performance Scores**: The sum of performance scores by weight.

In the model, a value of 0 is attached to the baseline performance. The value of 5 is a target that can only be reached by highly improved performance.

The above five (5) models provide tools for implementing different performance measuring and award schemes. Their application depends on the type of business enterprise.
5.3.4 Employee Share Ownership Schemes

Some companies develop schemes which allow employees to gain shares in the company in preference to lump sum payments. Some countries have developed fiscal and financial plans to encourage this development.

Clever employers can use this measure as a means of providing capital for the company, without sharing real power with workers. Some may also use it to build loyalty to the company and weaken the hold of the union.

5.4 Other forms of flexibility

**Job flexibility**
This can take the form of requesting workers to take on a wider set of tasks; requiring them to work at tasks that are normally considered ‘above’ them, as well as those considered ‘below’ them. They may be required to move from one location to another.

**Time flexibility**
This includes completing 40 hours in less than 5 days; flexitime; the elimination or reduction of break time, among others.

**Functional or task flexibility**
This includes multi-skilling, blurring job boundaries, and the use of team work and group work.

**Labour flexibility**
This involves dividing the work force between core-labour, and peripheral labour. The core workers are treated to full-time, permanent work. Peripheral workers are offered an atypical work contract. This leads to numerical flexibility and attempts to reduce the numbers of the workforce.

Trade unionists need to be wary of all forms of flexibilization. While they must always be watchful of the need to be productive and competitive, they should also be aware that many of these strategies are being deliberately undertaken to weaken the trade union movement.
EXERCISE

1. Should trade unions be supportive of national strategies to improve productivity and competitiveness?

2. What factors should be taken into consideration in developing a performance related pay scheme for a company?

3. How would trade unions have to prepare themselves for productivity bargaining?

4. Are there positives for the workers in any form of flexibilization?

5. Examine the clipping below which is an employers’ view of share ownership.
Module 6

Evaluating the employee and the job

Objectives

1. To distinguish between job evaluation and performance appraisals.
2. To discuss the merits of assessment tools.

6.1 Performance Appraisals

There is still some concern among employees on the use of performance appraisals as an assessment of individual performance.

This is partly accounted for by a lack of trust between those responsible for appraising and those to be appraised. It is usually felt that supervisors may bring personal bias to the task of appraisals, and that the employee would have little recourse against a subjective evaluation.

Performance appraisals should, as far as possible, be used to assess the contribution of the employee to the organization’s policies and programmes and should be linked to the individual’s job description. The appraisal instrument should be discussed and agreed with the union with bargaining rights at the workplace.

Trade unions should play an active role in the development of appraisal systems in the workplace, and should try to ensure that they have a development focus, aimed at improving the human resources employed.

In developing the appraisal instrument, attention should be paid to the key success factors to be evaluated which may include knowledge, skills, competencies, targets and other variables. These should be clearly detailed and defined.

A matrix of degrees of performance should be developed, and the factors should be weighted and points awarded to the various factors.

The rating of an employee should be done by the immediate supervisor who should be knowledgeable about the employee’s work through first hand observation. Sometimes this close relationship may introduce bias. One difficulty of a personal nature between supervisor and employee may colour future assessments beyond what is acceptable.
It is important that the appraisal interview should allow for frank and free discussion between the interviewer and the interviewee. It is also important that the personnel department should be able to facilitate reviews of appraisals, when requested to do so by an employee who feels aggrieved by an appraisal.

Companies should ensure that those who are responsible for conducting appraisals are well-trained, and should attempt to standardize the gradings to ensure as far as possible that their gradings are similar.

There is a notable tendency for appraisers to adopt the central tendency in appraising. Few wish to give high or low appraisals, and prefer to place most employees in the average range. Where appraisals impact on payments, some companies use the forced distribution method, ensuring that the results fit into the standard bell curve.

Properly administered performance appraisal schemes are invaluable for determining merit increases along scales or ranges, for promotions, and in helping to make selections for lay-offs.

Trade unions have a decided role in advising their members of the value of performance appraisals, and of ensuring that any scheme adopted allows for transparency and fairness.

6.2 **Job Evaluations**

Job evaluation is the process of determining the relative worth of the various jobs within the organization.

It is based on the following assumptions:
- that it is logical to reward the most for jobs contributing the most to the organization's attainment of its goals;
- that people feel a sense of fairness if remuneration is based on the relative worth of jobs;
- that the goals of the organization are furthered by maintaining a job structure based on relative worth; and
- that ideally, there is some consistency between the internal structure of wage rates and the structure of wage rates in the wider society.

**Benefits of Job Evaluation**

There are many benefits to be derived from conducting a job evaluation:

1. It provides the basis for equality and uniformity in improved morale, motivation, and reduction in personnel turnover.
2. It provides the basis for removing anomalies in the remuneration of jobs. Such anomalies usually develop imperceptibly over time as a natural consequence of the growth and development of the organization and changes in technology.
3. By setting the question of “job worth” it can add clarity and consistency to pay progression policies related to “job holder worth”.

Job Evaluations
4. It clarifies whether personnel moves are promotions, lateral transfers or demotions.
5. It assists the organization in responding to pay levels in the wider society.
6. It provides the basis for positioning jobs whose content has changed.

**Systems of Job Evaluation**

The four main systems of job evaluation are:

1. job ranking
2. job classification
3. factor comparison
4. points rating.

**The Points Rating System**

The points rating system is most commonly used among the job evaluation systems. It usually involves the following stages:

1. Compensable factors which are common to all jobs are identified. These usually include:
   - (a) effort
   - (b) responsibility
   - (c) problem-solving ability
   - (d) working conditions
2. A weighting, reflecting the importance of the factor to the organization, is allocated to each factor.
3. The varying degrees of each factor are described in writing and points are allocated to each degree.
4. Job descriptions are prepared for each job.
5. Using the job descriptions, jobs are evaluated against the various factors and points allocated for each factor, depending on the intensity of the factor in the job.
6. The total points scored for each job represents its worth.
7. Jobs are ranked according to the total points scored.
8. Job grades are established.

**6.3 The union’s role in job evaluations**

Where the union is satisfied that a job evaluation is necessary, it has a very important role to play in ensuring that the workers understand the process, and that the results are acceptable.

Job evaluations may result from changes in technology which impact on job worth; from historical circumstances which led to anomalies, from workplace re-engineering and from other circumstances.

The union should be involved from the ground floor level in selecting the job evaluation plan to be used. They should have some say in determining the professional firm usually associated in conducting this expert function.
It is always useful if a committee, comprising management and labour, is established to oversee the evaluation. It is advisable that the union negotiator not sit on the team.

The union should hold general meetings at all stages of the evaluation process to ensure that the workers are aware of the proceedings.

They should encourage the workers to be meticulous in writing their job descriptions as this can impact heavily on the evaluation.

It is not unusual in job evaluations that some jobs are discovered to have lost job worth and are consequently downgraded. The union has to develop a strategy to satisfy the job holders.

Job evaluations can sometimes take more time than was anticipated. The union, at the start, should insist on an effective date for the implementation of the scheme, in order to safeguard any issues about retroactivity for pay purposes. The union should try to keep the process on a tight time frame.

It can be anticipated that job evaluations will increase in importance as jobs are changing rapidly in a globalizing environment. It is essential that workers’ representatives should develop their skills and knowledge of the process.

EXERCISE

1. List key success factors in the following jobs (a) cashier (b) mechanic (c) policeman (d) fireman (e) teacher.

2. How can performance appraisals help to develop employees?

3. How can the value of a job (a) improve (b) decline?

4. Should all jobs in a labour market be evaluated?
Module 7

Contract Administration - Servicing of Collective Agreements

Objectives

(1) To examine the rights and responsibilities of employees

(2) To focus on the role and process of grievance handling

(3) To develop an understanding of the role of discipline in the workplace

(4) To examine redundancy and termination issues.

The day-to-day administration of the labour/management agreements play an integral and significant part in the broad collective bargaining process. The grievance process in particular, along with any joint problem-solving committees, is the focal point for union-management relationships during the period between the signing of a contract and the time for its renegotiation.

7.1 Rights and Responsibilities

A right can be considered as ‘a just or legal claim to title’, that which is due by law, tradition or nature. A responsibility is a duty, an obligation or a burden.

Trade union rights enjoyed by workers derive from a multitude of sources, including international conventions, national constitutions, statute law, the collective agreement, custom and practice, and the common law.

At the same time, workers have responsibilities which derive mainly from the employment contract.

The main responsibilities of employees are summarized below:

1. To perform his/her work with reasonable skill.
2. To exercise reasonable care in the performance of his/her duties.
3. To serve his/her employer with good faith.
4. To protect his/her employer’s confidential information.
5. To account for his/her employer’s property placed in his/her charge.
6. To be willing and ready to serve in his/her job function.
7. To indemnify his/her employer for damage or injury for which the employee becomes liable to a third party as a result of the employee’s failure to exercise reasonable skill or take reasonable care.
New Issues in Collective Bargaining

7.2 Definition

Grievances are defined as breaches of the collective agreement, custom and practice, the statute law, common law, natural justice or as any problem of a sufficient nature to cause a disturbance of the workplace equilibrium.

It is usually considered that a grievance moves to the dispute stage once a shop steward becomes involved in the process of grievance handling.

Some grievances are individual, others are group grievances. Some are symptomatic, others are deeply-rooted. Some are rights grievances, others are interest grievances. Rights grievances speak to the breach of an established right; interest grievances relate to a dispute about an attempt at creating a new right.

Major causes of grievances

The major causes of grievances have been discovered to be:
1. Loose, faulty or ambiguous contract language
2. Management strategy to undermine the union
3. Union strategies
4. The prevailing social and political environment
5. Historical factors
6. Faulty systems
7. Lack of appropriate codes and processes.

Investigating a grievance

Grievance handling requires investigative skills and skills of advocacy. One of the major issues in the investigation is to determine what is the breach of the employee's right.

Once it is established that a breach has occurred, then a report should be prepared based on the use of the five ‘w’s’:
1. Who were involved?
2. When did the breach occur?
3. Why did the breach occur?
4. Where did the breach occur?
5. What happened?

It is usually agreed that action will not be taken on any breach until the full grievance procedure is utilized, giving the person whose right has been breached, full opportunity to ventilate concerns.

A grievance procedure should provide a formal framework, setting limits on the arbitrary exercise of management authority and power.
Grievance Handling Procedures

1. The person aggrieved raises the issue with the immediate supervisor;
2. Failing settlement, the matter is referred to a manager;
3. Failing settlement, the aggrieved workers can refer the issue to the shop steward;
4. The shop steward or delegate can enter the case and request a meeting with the manager or someone from the personnel or human resource department;
5. Failing the above, a senior trade union official can intervene;
6. Failure at the domestic level can lead to a third party intervention eg an employers’ federation (in some countries eg Trinidad and Tobago, Antigua and Barbuda and Jamaica, there are industrial courts or industrial tribunals);
7. The final stage is conciliation or arbitration.

Grievance handling requires skills of advocacy and can be considered to be semi-judicial in nature.

The grievance handler should try to set time limits for the resolution of grievances, should ensure that the person to make the decision on the grievance is competent to decide and free of bias, and should develop a menu of solutions- a variety of options to decide on the outcome.

Discipline

Discipline is a control mechanism employed to ensure compliance with organizational objectives. It is used to control those who deviate from performance and behavioural standards.

There are three stages in the development of a disciplinary process:

(1) legislative
(2) administrative and
(3) interpretive.

Trade unions should be involved in the legislative stage, to ensure that the disciplinary code that is devised is acceptable. They must be involved at the administrative and interpretive stages to ensure that workers are treated fairly.

In developing a disciplinary code, there are usually two approaches. The code can be seen as punitive. Alternatively, it can emphasize a corrective and developmental approach.

Most codes distinguish between infractions which constitute minor misconduct, and which will attract verbal or written warnings, as against gross or serious misconduct which may attract severe discipline including summary dismissal.
Dismissal

Dismissal is the ultimate sanction and is seen as retributive. Dismissal can be with notice; it can also be summary, without notice or payment in lieu of notice; or instant, but may include pay in lieu of notice.

Constructive dismissal relates to a situation where an employee is unable to perform a job function through employer obstruction.

Dismissal is considered to be fair where there is clear evidence that the employee:
(1) is incapable of performing the job through lack of qualification, capability or health;
(2) conducts himself/herself in such a way as to breach the contract of employment;
(3) is redundant;
(4) contravenes the law in such a way as to make continued employment untenable.

When addressing the ‘fairness’ of the punishment, questions should be raised on:
(1) Were proper procedures followed?
(2) Were similar breaches condoned in the past?
(3) Was all admissible evidence allowed?
(4) Was the dismissal for an admissible reason?
(5) Did the offence or the employee’s record justify dismissal as a suitable sanction?

Punishments

Except for cases where the total sanction of dismissal is required – there are several lesser punishments such as warnings, transfers, demotions, fines and deductions from pay, which can help to keep the employee on the payroll.

Where dismissals are shown to be unfair, demands can be made for re-instatement, or re-engagement, or for compensation.

Redundancy

Redundancy occurs where changes in the organization results in the displacement of labour or changes the nature of work significantly.

The legal definition of redundancy usually relates to situations where:
(1) the employer ceases to carry on the business, and the business closes in the place where the employee was employed
(2) requirements of the business have ceased or diminished or are expected to cease or diminish for a variety of reasons - natural, economic or technological.
Some countries have provided legislation to deal with redundancies where others have not. Whether or not the law provides for redundancy, trade unions should negotiate such provisions within collective agreements.

The modern period is witnessing mergers, amalgamations, buyouts and other strategies which create conditions for redundancies.

The trade union should try to create an environment where workers’ employment is protected. At the same time, it should provide for those who do not wish their services to be transferred from employer to employer in a unilateral way.

There are three main phases for trade union involvement in redundancy situations:

1. Where it is anticipated that redundancies will occur, it should be discussed, along with possible alternative approaches. There must be a determination of manpower needs.
2. Once it is decided that redundancy is inevitable, there should be agreement on the selection of employees to be made redundant, the level of compensation to be paid, and the provision of assistance to redundant employees.
3. Finally, the individual employee targeted for redundancy must be notified and counselled in a sensitive and mature manner.

Role of the Shop Steward

The union elected shop steward or delegate has a special role in terms of contract administration and grievance handling. By educating work colleagues about the contract, the shop steward can help to ensure that workers are aware of the terms and conditions under which they are employed. The shop steward also alerts union staff members of difficulties which are likely to lead to grievances at the workplace.

The delegate should be highly trained in industrial relations matters as both a negotiator and an advocate. Trained, respected and effective shop stewards are able to solve grievances even before they reach the level of the union. Such shop stewards are usually effective communicators. They hold meetings with members at the workplace. They invite union staff to the workplace.

They constantly seek training and re-training programmes offered by the union.

Contractual clauses under which grievances constantly seem to arise usually need careful examination and correction.
Protection of the Shop Steward

ILO Convention No. 135, and ILO Recommendation No. 143 concern the Protection and Facilities to be afforded to workers’ representatives in the undertaking.

Workers’ representatives in the undertaking shall enjoy effective protection against any act prejudicial to them, including dismissal, based on their status or activities as a workers’ representative or on union membership or participation in union activities, in so far as they act in conformity with existing laws or collective agreements or other jointly agreed arrangements.

(Article 1, Convention No. 135)

It is usually agreed that a shop steward, while in a duly constituted meeting representing a member, is not subject to discipline, unless the shop steward behaves in a way that offends fundamental principles.

The cut and thrust of advocacy will allow the use of vigorous debate, and strong language may be used, once they remain within the bounds of decorum and decency.

1. Workers’ representatives in the undertaking should be afforded the necessary time off from work, without loss of pay or social and fringe benefits for carrying out their representation functions in the undertaking.

2. In order to enable them to carry out their functions effectively, workers’ representatives should be afforded the necessary time off for attending trade union meetings, training courses, seminars, congresses and conferences.

(Paragraphs 10 and 11, Recommendation No. 143)
Apart from the grievance handling process, other committees may be included in the agreement to assist with contract administration. They include committees for

1. Safety and Health
2. Works Council
3. Productivity Enhancement Committees

**EXERCISE**

1. What are the duties of the employer to his employees?
2. What management rights are usually included in collective agreements?
3. To what extent is behaviour and performance in the workplace dependent on trust between employers and employees?
4. Develop a draft disciplinary code.
5. Create a format for the recording of grievances for use by a grievance officer.
6. What skills should a grievance officer possess?
7. What role can Safety and Health Committees, Works Councils and Productivity Enhancement Committees play in making the enterprise more competitive?
A Simulation Exercise

In the following simulation exercise, participants are required to volunteer to perform as (a) management and (b) the union negotiating teams.

All participants, including the negotiating teams, have access to the financial information and the proposals submitted.

However, the Management team is given a brief which is not shared with the Union team, and vice versa.

During the simulation, participants are given copies of both briefs.

### NEOTIATION OF WAGE INCREASES AT JAMBOX CORPORATION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales/Revenue</td>
<td>800,000</td>
<td>800,000</td>
<td>850,000</td>
<td>900,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Labour Costs</td>
<td>200,000</td>
<td>215,000</td>
<td>230,000</td>
<td>225,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Other Costs</td>
<td>520,000</td>
<td>525,000</td>
<td>567,000</td>
<td>570,000</td>
<td>650,000</td>
</tr>
<tr>
<td>Total Costs</td>
<td>720,000</td>
<td>740,000</td>
<td>797,000</td>
<td>795,000</td>
<td>850,000</td>
</tr>
<tr>
<td>Gross Profits before Interest, taxes and dividends</td>
<td>80,000</td>
<td>60,000</td>
<td>52,000</td>
<td>105,000</td>
<td>150,000</td>
</tr>
<tr>
<td>No of employees</td>
<td>15</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Cost of Living Increase</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>National Economic Growth</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Average Settlement Levels</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>4.5%</td>
<td>5%</td>
</tr>
</tbody>
</table>
1997-09-01
The General Manager  
Jambox Corporation  
Smith Road  
SMITHTOWN

Dear Sir

I am directed by the Executive Council of the Jambox and Allied Union to submit the following proposals to review the collective agreement between our two parties.

A. **Period of Agreement**: 2 years

B. **Effective Date**: 1998-01-01

C. **Salaries/Wages**

1. The basic salaries/wages and allowances shall be increased by 20%.

2. A performance related pay scheme shall be introduced (SCANLON MODEL).

3. The Corporation shall introduce non-contributory pension and health care schemes for all workers.

We stand ready to begin these negotiations and suggest a date to meet at our headquarters.

Yours faithfully

**Tom Jones**

Tom Jones  
General Secretary  
Jambox & Allied Union
Two cases have been selected for analysis: THE PICO AFFAIR and BARCASTLE LIMITED

In studying the two cases concentrate on the following:

1. What are the main problems/issues addressed in the case?
2. Identify the role of management in relation to the problem.
3. Identify the role of the worker or workers in relation to the problem.
4. Identify the role of the union in relation to the problem.
5. Are there other problems, either internal or external to the company to be considered?
6. Suggest possible solutions for a positive outcome.

THE PICO AFFAIR

The Commercial Technical and Allied Workers’ Union (CTAWU), a general workers’ union in St Vincent and the Grenadines had succeeded in organizing the workers at PICO Ltd., a garment factory which had been operating in the country for some three years. At the time, the company employed a total of 136 workers, mainly female, in respect of whom a collective agreement had previously been concluded. Negotiations had commenced in January 1984 on a second agreement to replace the original one.

Following are some of the key developments occurring subsequent to the negotiations:

i) Subsequent to the negotiations, the company dismissed Ms Louise Glasgow (a shop steward of the union) for allegedly -
   a) leaving her work and going outside of the factory before the 10o’clock break had arrived;
   b) disobeying an order given by the Quality Control Manager (this caused her dismissal); and
   c) abusing the Quality Control Manager after working hours (this led to her dismissal).

Ms Glasgow who had been employed for about three years was known to be a very good worker and had been instrumental in organizing the workers.
ii) The union accused the company of “unfair dismissal” and the matter was reported to the Labour Commissioner for conciliation;

iii) About three days before the Labour Commissioner was due to commence the hearing, some members of the union picketed the company’s premises, reportedly in a disorderly manner, harassing management in the process;

iv) Before the “hearing” could be completed, the President of the company flew into the country and closed down operations in February 1984, on account of the union’s demand for unconditional reinstatement of Ms Glasgow, and the harassment of management by the picketing workers;

v) Evidence presented during the “hearing” suggested:
   a) that Ms Glasgow had actually taken her break after the clock struck 10 o’clock;
   b) Ms Glasgow admitted disobeying the order given by the Quality Control Manager;
   c) Ms Glasgow had never disobeyed orders before even from the said manager;
   d) the Quality Control Manager admitted that the order given to Ms Glasgow (namely the counting of rejected units) had never been given to anyone at the factory before.

vi) The Labour Commissioner found that the charge on which the dismissal was actually based was not “adequately substantiated”. He also condemned as unjustified the reported action of harassment of management by the workers;

vii) Early in March the company held discussions with the Minister of Labour on possibilities of recommencing operations. Management made clear its intention not to have any negotiations with the union. Furthermore, all former workers would have to re-apply for employment, and choose a union other than the CTAWU.

9.2 BARCASTLE LTD.
Case Study #2

On his return to work from leave on January 11, 1988, Mr Henry Smith, Personnel Manager of Barcastle Ltd in Barbados, knew that he would be forced to make an urgent decision. He had visited the company for a short while on Friday, January 8, 1988, when the General Manager (Ag),

---

1This case study was written by Lawrence Nurse during the 1998 Case Writing Workshop, Regional Management Development Pilot Project, UWI/USAID.

The case material was prepared as a basis for classroom discussion.
Mr St Clair Brewster, informed him that he had suspended Mr Timothy James, a production worker and shop steward, for the remainder of that day for refusing to comply with a managerial request.

After officially discussing the incident with Mr Brewster and other members of the Management team at Barcastle Ltd, Mr Smith invited Timothy to explain the circumstances surrounding his suspension. Not only had Timothy refused to comment, but the President of the “local” union, Mr John Francis, who had accompanied Timothy, informed Mr Smith that the issue had been referred to the National Workers’ Union.

Mr Smith referred James to Section 4 of the Code of Discipline (See Exhibit I-II) for selected articles from the Collective Agreement) and informed Timothy that his suspension would remain effective until the circumstances were investigated.

Mr Smith wanted to have this issue settled quickly. Yet, he wanted to be sure that he could defend any action taken by the company. He wrote the Union the following day, explaining briefly the circumstances of Timothy’s suspension, and requested a meeting.

**General Company Background**

Barcastle Ltd, was a public company registered in 1959. It commenced operations in September 1961. It manufactured a select range of products sold on the local market. The company had a generally high public profile both in terms of the quality of its products and their popularity with consumers, and its level of involvement in and support for community activities.

In 1987, Barcastle Ltd employed one hundred and ten (110) persons, twenty-five (25) of whom constituted the clerical, administrative and professional staff. Eighty-five (85) workers were employed in the three (3) sections of its production department. Relations with the workers and their union had been generally cordial. The company concluded its first collective agreement with the union in 1970.

**The Conversion Department**

The conversion department received and processed the raw material for the final product. Because of the nature of the company’s product, a high premium was placed on the maintenance of hygienic conditions in this and other departments.

Twenty-two (22) employees worked on a three-shift system in the conversion department. The standard shifts were 7.00 a.m. - 3.00 p.m.; 3.00 p.m. - 10.00 p.m. and 10.00 p.m. - 7.00 a.m. There was a superintendent, assisted by shift-supervisors, shift assistant supervisors
and shift relief supervisors in different areas of the conversion department. Two operators also worked on each of the three shifts.

The activities performed in this department were critical to the quality of the final product. At the lowest level of the production line, the raw materials were received in bulk and fed into a bin, from which it is fed through a conveyor belt into the boiler section of the plant for processing. The semi finished product passed through different stages before final packaging.

The Incident - Suspension of Timothy James

Timothy James worked at the beginning of the production line in the raw material handling section of the department. He had joined the company in 1969 as a casual worker in the packaging department. In 1972 he was transferred to the conversion department. In December 1972, he was warned for sleeping on the job. In February 1973, he was given a raise in pay on satisfactory completion of training. Nothing extraordinary seemed to have characterised his work history up until 1984, when he received the company’s fifteen (15) year award. The conferral of such an award meant that Timothy no longer had to “clock-in or out”.

As part of their normal routine duties, operators were required to keep the area around the bin free from extraneous matter. Each operator was required to perform that duty once every six (6) weeks for a week.

On Friday, January 8, 1988, Leroy Drakes, the shift supervisor on Timothy’s shift, noticed that there was extraneous matter around the bin. Drakes twice drew the above to his attention. When Timothy refused to comply, the shift supervisor drew the matter to the attention of the Departmental Superintendent, Mr Edward Jacobs. The latter requested Timothy to perform the function, but he again refused. Jacobs then reported the incident to St Clair Brewster, who as (Ag) General Manager, was also a Company Director and the Plant Manager.

Mr Brewster, in the presence of both Messrs Drakes and Jacobs, instructed Timothy James that if he had no intention to performing the function, he (James) would be suspended, pending investigation. James was advised by Brewster to “go home” and to return to work on the following day. James complied.

The Personnel Manager requested James to see him since he wanted to have the matter resolved before further conflict developed. Mr Smith was aware that stocks of the company’s products were low as a result of the heavy sales during the previous month. An interruption in production was therefore not in the company’s best interests.
EXHIBIT II
BARCASTLE LTD

Code of Discipline Sections 4 and 5

<table>
<thead>
<tr>
<th>OFFENCE</th>
<th>1ST OFFENCE</th>
<th>2ND OFFENCE</th>
<th>3RD OFFENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Insubordination or rudeness</td>
<td>Suspension or Dismissal</td>
<td>Dismissal</td>
<td>Dismissal</td>
</tr>
<tr>
<td>5. Wilful disobedience of reasonable instructions</td>
<td>Suspension or Dismissal</td>
<td>Dismissal</td>
<td>Dismissal</td>
</tr>
</tbody>
</table>

EXHIBIT III
BARCASTLE LTD

Management’s Rights Clause

1. Employees are obligated to carry out their immediate Supervisor’s instructions.

2. The Company offers employment and will pay for same on the understanding that a standard is produced in return for the wage paid. It is understood that the general duty of all is to produce the best possible products according to modern standards of hygiene and to offer the utmost satisfaction to the general public.

3. The Union recognises the exclusive right of the Company to organise, conduct, and manage their operations to provide for efficiency and to perform other functions of Management such as, but not limited to, the introduction of technical improvement, to modify or cease operations, to designate the type of work and the manner in which it is to be accomplished provided however, that in the exercise of these rights this agreement is in no way violated and further provided that the Union may at any time raise any matter with Management in the scope of this agreement.

4. The Company has the right at the discretion of Management to engage, retrench, promote, demote, transfer, reprimand, suspend employees and dismiss them for cause. The Union will be informed of proposed or intended retrenchments.
EXHIBIT III
BARCASTLE LTD

Procedure for the Avoidance and Settlement of Disputes

1. All requests, complaints and differences must, in the first instance, be discussed with his/her immediate Supervisor, by the worker immediately concerned.

2. After the procedure laid down in Paragraph 1 above has been carried out, and if no satisfactory settlement has been arrived at, the Delegate shall enter into discussion with the Supervisor, before any disciplinary action is carried out.

3. Failing settlement under Paragraph 2 above, Management shall be contacted and will investigate the problem in consultation with the worker, the Supervisor and Delegates.

4. Failing settlement under Paragraph 3 above, deputations of workers who may be accompanied by an Officer of the Trade Union shall be received by the Employer without unreasonable delay, for the mutual discussion of any question in the settlement of which both parties are concerned.

5. Failing settlement under the above Paragraph 4, it shall be competent for either party to bring the question before a joint conference to be held between the Company and the Trade Union. Such a joint conference shall be held within seven (7) working days, unless otherwise mutually agreed upon, from the receipt of the application by the Secretary of the Company or the Secretary of the Trade Union.

6. Failing settlement under Paragraph 5 above, either side may request the Barbados Employers’ Confederation to convene a joint conference to further discuss the matters in dispute.

7. Failing settlement at the joint conference, under the above Paragraph of any question brought before it, it shall be competent for either party to refer the question to the Chief Labour Officer for conciliation.
Bibliography


Belcher, J: *Gain Sharing.* (Gulf Publishing Co, 1991)


Dunlop, J: *Industrial Relations System.* (Holt N York, 1958)


Millward, N: *The New Industrial Relations.* (Policy Studies Institute, Poole, 1994)

Nurse L: *Trade Unionism and Industrial Relations in the Commonwealth Caribbean.* Greenwood Press. USA. 1992


Organising to Win ILP Press. Inthaca and London, 1998


Hawkins K: Trade Unions. (Hutchinson, 1981)


Roberts, B: Trade Union Government and Administration. (Bell, 1959).


