

Working together for Productivity and Decent Work:

Role of Workplace Consultations, Cooperation and Bipartite Dispute Resolution

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Promoting Growth, Productivity & Decent Work requires social dialogue & cooperation

- Social dialogue is not a cure-all for all problems but countries and enterprises with culture of social dialogue tend to address economic & social challenges better and are more productive (Ex. JPN, SNG, many countries in Continental Europe);
- Productive businesses need employee commitment to company goals – social dialogue culture can help to promote this – by creating conditions for trust and cooperation;
- Of course, not all problems will have solutions at enterprise level – some IR issues will need support also from the Government side;
- **View:** Labour relations anchored on effective workers' rights & compliance → labour-management cooperation → increases productivity;*

Over the last 5 years, these Employers have shown stable or improved: Revenue growth, Market share, Profitability and Customer satisfaction;

Common factor in these successful companies?
employee-centric strategy that aims at promoting highly engaged & motivated workforce that helps to achieve successful business results;



Link between employee engagement & increased productivity

► IKEA Effect:

- Consumers tendency to 'value more' something that they have helped to create! * Same human behaviour also applies at work
- Significant link between rate of employee engagement# and increased productivity, innovative companies and profitability (check for example: <https://hbr.org/2013/07/employee-engagement-does-more>)
- Effective employee engagement # policies lead to higher productivity at little to no extra cost - through higher motivation, improved health, lower absenteeism & labour turnover, fewer safety incidents; fewer quality incidents, higher defect-free work;
- Workplace consultation & cooperation arrangements, which include dispute /grievance resolution mechanisms – under certain conditions – promote employee commitment & contributions towards productive, competitive enterprises;

So, what does ILO mean by Workplace Cooperation?

(Arrangements for..) Consultations and cooperation between employers and workers at the level of undertaking on matters of mutual concern not within the scope of collective bargaining machinery, or not normally dealt with the other machinery concerned with the determination of terms and condition and employment

(Art 2 of ILO Recommendationn°94);

- Consultation means asking for & considering employees' views when making decisions. Cooperation means working together to find joint solutions to challenges in the workplace
- Workplace Cooperation arrangements & practices should not be used to undermine TU rights of the Workers;
- Arrangements & practices of workplace cooperation differ widely in countries – from bodies based on law to arrangements based on collective bargaining agreements;

Consultation & Cooperation Arrangements:

Some examples

- **Singapore:** Cooperation through Tripartism - relationship built on Trust, Mutual Respect & Reciprocity – has led to collaborative bipartite industrial relations at enterprise level;
- **Korea:** Labour Management Councils – by Law; in workplaces with 30 or more employees, equal representation, includes grievance handling;
- **Denmark:** Cooperation Councils (in workplaces with at least 35 employees) by agreement at national level between National Employers and Workers organization;
- **South Africa:** Workplace Forum in workplaces with 100 or more employees – wide mandate (by law);
- **Company/European Works Councils in Europe** – by Law; ensures employees voice at work;
- **Japan:** labour-management consultations at different levels of company – by CBA, not by law; (CB for ‘distribution’ issues & Cooperation at every level for ‘increase of results/pie’);
- **Australia:** Law requires CBAs to include a consultation clause to implement changes that are likely to have significant effects on employees* - by law/FW Act.
- **Philippines:** LMCs;

Addressing Grievances & Disputes important part of workplace cooperation

- Social relations in production impact cooperation@work & productivity of investments!
- **Worker's grievances and disputes usually have negative effects on L-M relationships and lead to:**
 - Low morale, loss of motivation & interest in work
 - Absenteeism
 - Indiscipline, unrest; strike(?)
 - Increase in accidents
 - Poor quality of production
 - Increase in wastages and increased costs
 - Low production & productivity

All of the above adversely costs and return on invested capital - this harms the interests both of workers & employers & creates environment that is not conducive to attracting new investments.

R 130: ILO Recommendation on Grievances ⁸

- **R. 130 on the Examination of Grievances:** Encourages establishment of a grievance procedure at enterprise level as a first step before resorting to other procedures, such as intervention by MoL or by Courts (applies to rights disputes & not to interest disputes);*
- **Procedures:** written, simple/easy to follow, time bound & with minimal formalities; → Agreed through a CBA or part of HR policy, established in consultation with worker representatives);
- **Policy** should ensure rights of the worker to participate, to be assisted &/or represented (such as time off, no loss of remuneration due to participation in grievance procedure, protection against retaliation (for both the workers & his/her representative, etc);
- **Step-by-step process** - no one prescribed model – but intention should be to ensure a real possibility of achieving settlement of the grievance at each step;
- Procedures should not limit the right of a worker to go directly to competent labour authority or to a labour court or other judicial authority in respect of a grievance;

for details, check: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R130

Many areas of collaboration between employers' & workers' organizations

- Joint agenda for dialogue with government on support measures for enterprises and decent work for workers – speaking with one voice gets Government support;
- At enterprise-level, many issues need labour & management cooperation, such as:
 - Compliance with OSH measures; Improving conditions of work;
 - Disputes & Grievance handling;
 - Initiatives for productivity improvements, achieving targets;
 - Maintenance and housekeeping issues that help save resources;
 - Addressing quality & customer satisfaction issues; Building Brand Image;

All of the above help reduce costs, improve capacity utilization & increase return on investments.

So – How can social partners in PHL promote collaborative IRs?

- Businesses & workers face unanticipated contingencies – to deal with these companies & TUs need a relationship based on cooperation, trust & reciprocity; because everything cannot be put down in employment contracts or CBAs;
- Role of Law v/s role of social dialogue/collective bargaining (compliance v/s cooperation)
- So, the question is:
 - Why labour-management cooperation works in some companies and not in others?
 - What is needed to move labour relations in PHL from conflicts to social dialogue, cooperation & negotiations for addressing workplace challenges?
- *“Relationship is product of history, it’s the past; if we can learn new ways of relating, we have a possibility of a new relationship”**