

Promoting Collaborative Industrial Relations for Productive Businesses and Decent Work

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COVID-19: Recovery & Growth require social dialogue & cooperation

- *(history of past crises shows)* Countries & Companies with culture of social dialogue tend to address economic & social challenges better and recover faster from crisis;
- Dialogue can help build shared understanding of the challenges facing the business & the economy & promote cooperation - otherwise conflicts will affect implementation of policies, productivity of investments and become hurdles in the recovery process;
- **Social dialogue is not about who is right, but what is right!** It also does not mean end of differences but willingness to overcome them through compromises; Not all problems will have solutions at company level – some issues will need support also from the Government side;
- Social dialogue is necessary for constructive & collaborative industrial relations.

Why business needs collaborative IR culture?

- ▶ Industrial relations sit at the heart of the productive processes – where factories, investments and economic activities are!
- Consultations culture builds trust, creates high morale & workforce committed to company goals – necessary for productive enterprises (***productivity***);
- Helps resolution of differences/disputes (***reduces conflict***);
- Promotes safe workplaces (***reduce social and economic costs of accidents***);
- Lowers need for government & judicial intervention (***save resources***);
- Helps increase rate of return on invested capital and improves capacities for addressing workers and share holders needs (***industrial peace dividend***);

In other words – creates conditions for company growth with decent work!

Compliance with Labour standards promote productive industrial relations culture

- ILS promote social dialogue (consultations, negotiations & collective bargaining) as means of regulating working conditions & employer-worker/workers organizations relations; for example:
- FoA & CB provide a possibility for workers organization & employers to reach mutually agreeable solutions that respect each others needs; *State & Law can promote compliance, it cannot promote cooperation or prevent disputes; collective bargaining can*; conflicts impose additional costs on business – these affect productivity - CB can help avoid these;*
- Compliance with these labour standards reduce conflict & associated costs and also reputational risks that can adversely affect external markets.
- Collective bargaining should not be seen as contracting issue but an opportunity for relationship building in pursuit of common interests;

Development of collective bargaining as an industrial relations institution requires

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- Respect for FoA and civil liberties - in law, policy and governance;
- Suitable framework for functioning of Industrial Relations
[Ex. Labour Law in line with principles of FoA, procedures to facilitate bargaining, dispute prevention & settlement mechanisms, status of CBAs, rights of TUs & Employers & so on]
- Strong & representative workers' and employers' organizations with organizational & technical capacities to make and deliver on agreements;
- ATTITUDE (Enlightened Self Interest) & GOOD FAITH
- Power to take action to support dialogue & negotiations (Right to protest);

Above conditions promote collaborative industrial relations culture based on social dialogue, collective bargaining and cooperation.

- Workplace consultations and cooperation arrangements: How well is Palm Oil business using LKS Bipartite?
- Enterprise level grievance handling mechanisms – Do these work? Or most disputes go to MOM and Judiciary?
- Collective bargaining for collective disputes resolution, addressing interests and sharing in gains;
- All of the above will work better if
 - Supportive HR policies that recognizes social partnership with workers;
 - workers have the right to organize, elect their own representatives and those representatives have the right to represent, dialogue & negotiate agreement(s);
 - Good faith dialogue and bargaining on the part of management;
 - Workplace Cooperation is not be used to undermine TU rights & role of TUs in the workplace;
 - Sharing information, Education & Training

Many areas of collaboration between employers' & workers' organizations

- Joint agenda for dialogue with government on support measures for enterprises and decent work for workers as part of recovery policies;
- At enterprise-level, issues that need labour & management cooperation, such as:
 - Safe Return to Work policies: OSH measures; Improving conditions of work;
 - Grievance handling machinery for individual workers;
 - Initiatives for productivity improvements – improving work practices, addressing bottleneck operations, achievement of targets, energy & material savings efforts;
 - Reducing machine break downs, proper repair and maintenance works,
 - Addressing Absenteeism, labour turn over, discontent, low morale and over time issues;
 - Addressing quality & customer satisfaction issues;

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

So – can Employers in Palm Oil Business take initiatives for promoting collaborative IR?

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- Conflict is inevitable, but costs and consequences are not! Depends on the parties!
- Its return on investment that is at stake – Employers who build fair workplaces, succeed – requires policies that promote communication, cooperation and trust between managers, workers and their representatives – employee commitment contributes to business success!
- What challenges do Employers see as hurdles coming in the way of building constructive bi-partite industrial relations? What stands in the way of labour-management social dialogue & cooperation?

Foundations for constructive bipartite industrial relations culture

On the part of the Management/Employers:

- Recognition of workers right to voice, representation & participation;
- Recognition of social partnership with Labour on the basis of equality;
- Good faith collective bargaining for dispute resolution & sharing in gains of growth;

On the part of the Workers/Trade Unions:

- Commitment to company goals;
- Cooperation toward productivity enhancement & implementation of changes;
- Recognize that management has the final responsibility;

Plus: arrangement for Workplace Consultation & Cooperation & Effective Dispute Resolution