

Resource Book Employee - Management Cooperation

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Lessons Learned on Employee – Management Cooperation From Selected Companies

ILO/APINDO Project on Capacity Building and Promoting
Sound Industrial Relations at the Enterprise Level in
Indonesia

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Resource Book Employee - Management Cooperation

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Foreword

In Indonesia, the Manpower Act no.13 of 2003 provides the legal basis for the establishment of bipartite cooperation schemes. It is important that bipartite cooperation between management and workers is strengthened to ensure good communication and relations to allow problems to be discussed and resolved through fair processes. Effective communication can create an atmosphere of trust, promote participation and encourage consensus in enterprise level decision-making. It can result in productivity improvements for enterprises and the adoption of new approaches to both protecting workers and rewarding them for their contributions.

While the gateway to enterprise level regulation of industrial relations is facilitated by the bipartite cooperation bodies, collective labour agreements and company regulations for specified companies, there is a need to provide practical assistance on the application and implementation of these cooperation modalities. In a bid to gain further credibility as a professional and representative organization of value to its members, the Indonesian Employers' Association (APINDO) is enhancing its efforts to promote enterprise-level cooperation and to develop related industrial relations services.

In a commitment to support APINDO's capacity building in this area, Employers' Activities Bureau in ILO Geneva (ACT/EMP) and the ILO-Jakarta office, supported by the Netherlands/ILO Cooperation Programme (NICP) are assisting APINDO to strengthen its services to members on industrial relations. This support includes a series of activities:

- (1) benchmarking and compiling lessons-to-be-learned from ten (10) member companies of APINDO on sound workplace relations and employee management cooperation,
- (2) developing guidelines of good enterprise level labour relations to promote labour management cooperation for workplace efficiency, productivity, flexibility and stability, and
- (3) developing training manual and trainers' guide on labour management cooperation for APINDO members.

A set of training materials on labour management cooperation was developed during a Training of Trainers for APINDO members in Bandung in December 2008. The training materials consist of the Training Manual and Trainer's Guide. The corollary objective is to ensure sustainability and to encourage employers to conduct their own activities based on their specific needs.

The publications on Lesson-Learned on Employee-Management Cooperation from Selected APINDO's Member Companies is largely based on actual experiences and best practices as well as challenges identified by companies from various sectors and of different size. There is no single approach in the establishment and operationalization of employee-management cooperation. Each one must adapt and take into account the particular circumstances in each enterprise.

We would like to extend our deep appreciation to Mr.Djimanto and his team in APINDO who have worked very hard to develop the labour management services in APINDO. Our appreciation also conveyed to Mr. Juan Amor Palafox, Mr.Bach Macaraya, Mr. Carmelo Noriel and Mrs. Maretta Dian Arthanti as the consultants and for the formulation and development of the training materials and lesson-learned.

The ILO-Jakarta Office and ACT/EMP wish to express the hope that these publications will be of lasting usefulness to APINDO, its members, and other interested parties for establishing and successful bipartite relations at the workplace.

Alan Boulton

Director, ILO Jakarta Office
June 2009

Jean Francois Retournard

Director, ACT/EMP Geneva
June 2009

Foreword

I would like to congratulate for the publication of manual book for trainers on Employee-Management Cooperation (EMC). This manual book has been tailored through a long-road process of Focus Group Discussion as well as workshops towards expectation that enables this employee cooperation at the workplace could be well transferred by the trainers who have successfully attended the workshops. I should thank the ILO who has put in a lot of efforts to the creation of this manual book and for sure to all parties who have taken participation in it.

It is inevitably doubted that the Employee-Management Cooperation should have been the start point of the development of company. The idea of EMC at a company that has been spreading should be developed simultaneously since the employee or the management must have interest for the future development of a company. EMC is also expected to be able to stand alone as a cooperation institution and would not be falling down into bargaining or whatsoever between the employee and management.

Hence, when seeing the human resources at a company who are direct business partners for the development of the company, therefore, EMC as a cooperation institution between the employee and management that reflects the business interest for the company should be absolutely developed. This is also due to the fact that the management as the manager of company needs workers and conducive working situation to manage the company; meanwhile the workers also need the company as to earn their living.

When talking about a company as the business entity should be placed on the appropriate position. As a business entity, the development will be necessary in the future. EMC will be the only way to develop the company in the future as it also actively incorporates actors within the company. In the other hands, EMC can also be used as the indication of the harmonisation of industrial relation in the company. When the cooperation between the employee and the management goes well, the industrial relations will be much harmonised and conducive for the business climate. At last, it is expected that EMC as the main contributor for the creation of favourable working situation and better work at the company.

Sincerely yours,

Sofjan Wanandi,
President of DPN APINDO

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Lessons Learned on Employee – Management Cooperation From Selected Companies

Background

In Indonesia, the Manpower Act (Act No.13/2003) provides the legal basis to establish bipartite cooperation schemes. Provisions of the Manpower Act include:

- Every enterprise employing 50 workers or more is obliged to establish bipartite cooperation institutions (Art. 106);
- The institutions shall function as forums for communication, consultation and deliberation on labor issues in an enterprise;
- The membership of the institutions shall include the employer's representatives and workers' representatives who are democratically appointed by workers to represent their interests in the enterprise; and
- Rulings concerning the procedures for establishing the membership of the bipartite shall be determined and specified under a ministerial decision.¹

In a commitment to support APINDO's capacity building in this area, ACT/EMP and the ILO Jakarta Office, supported by the Netherlands/ILO Cooperation Programme, are assisting APINDO to strengthen its services to members through benchmarking and by compiling lessons learned from selected companies on sound workplace relations and employee management cooperation. This publication aims to share the lessons learned, both the best practices and challenges, on various aspects of industrial relations, especially employee-management cooperation.

An important objective of the International Labour Organizations (ILO) is the promotion of social dialogue, which is defined to include all types of negotiation, consultation or simply the exchange of information between or among representatives of governments, employers and workers on issues of common interest relating to economic and social policy. Social dialogue can be bipartite in nature. Social dialogue is grounded in the constitution of ILO and is an integral part of its "Decent Work Agenda" covering rights at work, employment and social protection.

1 The Decree of the Minister of Manpower and Transmigration No.32/Men/XII/2008 concerning Procedures for Establishing a Bipartite Cooperation Institution and Its Membership Structure.

Bipartism is a process of determination of a network of rules and regulations concerning terms and conditions of employment, through consultation, negotiation, bargaining or other consensual processes, including through employee-management cooperation.

In a bid to gain further credibility as a professional and representative organization of value to its members, APINDO is seeking to enhance its efforts to promote enterprise level cooperation and to develop related industrial relations services. APINDO considers that employee-management cooperation is at the heart of industrial relations at the company level given the workers and employer management is the main actors in industrial relations. Employee-management cooperation should be mainstreamed at the company level to reduce external influences and issues that can disrupt the relationship. The performance of the employee-management cooperation should be measurable through professional and healthy measures.

Compilation of the Lessons Learned

This publication presents selected examples of good practices and challenges from various companies, including challenges in setting up, implementing and making sure the continuation of the employee-management cooperation. There are ten (10) companies selected to share their employee-management cooperation practices. The ten companies range from medium to big enterprises in terms of number of workers and modalities, various sectors and geographical locations.

The research on employee-management cooperation at the selected companies was organized by the following stages:

- ♦ Identifying APINDO members that will voluntarily participate in sharing their practices and successes at the work place (in August 2008);
- ♦ National board of APINDO (DPN APINDO) selected the participating companies (early September 2008);
- ♦ DPN APINDO and ILO organized a focus group discussion with the selected companies to review and confirm good practices criteria and challenges identified by the companies (mid-September 2008);
- ♦ APINDO's consultant and representative of DPN APINDO drafted the report based on focus group discussions and conducted field visits to the selected companies to verify the report. The consultant also interviewed the representatives of the companies to provide details about their particular experiences (October 2008); and
- ♦ DPN APINDO and ILO reviewed and finalized the report on the lessons learned and disseminated to APINDO members and other interested parties including trade unions and government agencies (initial implementation in December 2008).

Identifying Good Practices in the Employee-Management Cooperation

The ten (10) companies' case studies examined for this publication revealed several good practice elements in their implementation of the employee-management cooperation. These elements are summarized as:

1. Building mutual trust and respect between labour and management at plant level
2. Respect for fundamental rights of workers and employers to freedom of association and collective bargaining
3. Understanding the mutuality or commonality of the purpose, interest and benefits of employers and workers
4. Workplace democracy
5. Good faith behavior
6. Effective dispute prevention and resolution
7. Open two-way communication
8. Commitment to change for mutual benefit
9. High level support for labour management cooperation
10. Labour management cooperation program as a permanent part of company operations

Identifying Challenges in the Employee-Management Cooperation

The ten (10) companies' case studies also revealed challenges faced by the companies in the various stages of the employee-management cooperation. These include:

- a. In the process of employee-management formation:
 - ♦ hesitation from the trade union to establish the EMC;
 - ♦ challenges to ensure that each party participated in good faith and was committed to the success of the EMC; and
 - ♦ challenges to eliminate differences and determine the common interests of the workers and employer.
- b. In the implementation of the employee-management cooperation program:
 - ♦ regular meetings were not held due to time constraints from the members of the Bipartite cooperation Institution (LKS Bipartite);
 - ♦ management had to initiate most of EMC meetings. Greater participation from workers of their representatives was needed; and
 - ♦ challenges to ensure workers had appropriate representatives in the EMC.

- c. In the monitoring and evaluating the employee-management cooperation:
- ♦ although some companies were successful in applying the non-formal EMC, it is difficult improve it as a formal body in the form of LKS Bipartite as regulated by national laws; and
 - ♦ the outcomes of meetings between workers and employers need to be well-documented and implemented effectively.

Case Studies on the Employee-Management Cooperation

The case studies presented in the following pages summarize how the members of APINDO have made a significant move away from awareness raising on the value of employee management cooperation and sound workplace relations to the implementation of it for the benefit of the company and workers. It has been described as a bridge for its sharp focus on what actually takes place in the workplace as opposed to the broader-based economy-wide initiatives.

There is no single approach to the establishment and operationalization of employee-management cooperation. Each enterprise must adapt and take into account the particular circumstances of its enterprise. Although the case studies in each company address different aspects of the employee-management cooperation, they all endeavored to identify and resolve issues of common interest and concern and serve as an organizational communication mechanism for harmonious and productive work relations.

The case studies presented in the following pages include:

- ♦ Case Study 1: Employee Housing, Maximum Employee Age (Textile/Manufacture/Big Scale/National Company)
- ♦ Case Study 2: Retention program, Foundation Reposition (Holding Company/Big Scale/Multi-National Company)
- ♦ Study Case 3: Work environment safety, committee in social & sports activity to socialize company program/policy (Manufacturing/Medium Scale/Multi-National Company)
- ♦ Study Case 4: Reducing Disputes and Strikes (Agro-business/ Big Scale/National Company)
- ♦ Case Study 5: Equal Opportunity in Health Benefits (Bank/Big Scale/National Company)
- ♦ Case Study 6: Work Hour Re-Shifting, Disclosure of Individual Productivity Assessment (Mining Contractor/Big Scale/National Company)
- ♦ Case Study 7: Team Work and Sense of Togetherness among Employees, Creation of Tidy and Orderly View of Store (Retailer/Big Scale/Multi-National Company)
- ♦ Case Study 8: Recognition of the formal and non formal workers' leaders (Manufacture/ Big Scale/Multi National Company)

- ♦ Case Study 9: Collective Labour Agreement Negotiation, Productivity Regular Meeting in Respective Department (Manufacturing/Small Scale/Multi-National Company)
- ♦ Case Study 10: Occupational Safety and System Improvement (Manufacture/Medium Scale/Multi-National Company)

Case Study 1: Employee Housing, Maximum Employee Age (Textile/Big Scale/National Company)

Good Practice Elements:

1. Membangun rasa saling percaya dan menghormati antara pekerja dan manajemen di tempat kerja.
2. Memahami tujuan, kepentingan dan keuntungan masing-masing atau bersama dari pengusaha dan pekerja.
3. Pencegahan dan penyelesaian perselisihan yang efektif.

Summary of Industrial Relations Situation:

The company is one of the largest textile companies in Indonesia with a total of 11.000 employees comprising 60% female and 40% males. The worker union in the company has been active since the 1990's, and its members are all employees of the company. The company has a Collective Labour Agreement (PKB).

The Employee Management Cooperation (EMC) was established in 1995. However, after the enactment of Ministerial Decree No. 255 of 2003, the management and employees, as represented by the trade union, held initial dialogue and discussions on technical aspects of EMC formation in the company. Since its formation, there have been no critical obstacles. The employees and management have a sound understanding of the purposes and objectives of EMC formation and both have been willing to establish a joint institution between Management and Employees.

The proportion of management to employees in EMC is 5:5. The representatives from company management were elected from the Human Resources and Legal Departments. This consists of 5 people, some of whom work at managerial level. Previously, management representatives came from all divisions in the company, however, in the course of its operation, this representation was viewed as less effective. Conflicts mostly concerned the activities in each department. Meanwhile, the employee representatives were elected by administrators or the Chairman of Trade Union from workers in each department. Members elected to the EMC must have served a term of service of at least 5 years, be permanent employees, be respected and accepted by the relevant parties and possess a sound understanding of the company's overall business.

The EMC consists of a Chairman who is currently represented by the management, a Secretary, also from management and general members comprising of management and workers. The term of service in the organization is 2 years and may be extended or renewed.

Explanation of Good Practices

To date, the activities organized by the EMC include meetings/consultations to consider the concerns and issues related to the working relationship between the employer and employees. Initially, EMC meetings were regularly held once a month, however, as a result of its operations and improved relations between employers to employees, these meetings are now only being organized for incidental purposes, to promptly consider and resolve emergency situations. During this period, EMC meetings did not discuss issues associated with production as such issues had been adequately handled by each department. Most discussions included matters related to the agreements set forth in the Collective Labour Agreement, but growing concerns which have not yet been contemplated in the Collective Labour Agreement have been continuously communicated. Solutions are such as initiating an employee housing allowance plan and a policy for maximum employee age has been discussed. In the EMC forum, a maximum employment age was discussed and the company adopted the policy that the maximum age provisions are not only intended for females, but for all employees in the company. The same maximum employment age for female and male employees now applies.

During this period, in the course of maintaining a working relationship, the employer and workers have attempted to:

1. Build trust and mutual respect between the workers and management. Management communicates information and accountability reports on a regular basis, initiates the provision of assistance for employees and the workers have continuously complied with the policies and regulations with a sense of responsibility.
2. Develop an understanding of the objectives, interests and benefits of the employer and employee relationship by organizing proper employee trainings linked to industrial relations from which employees and employers discern their rights and obligations in the company.
3. Effectively minimize and settle disputes and grievances through amicable negotiations in the EMC forum and best problem solving practices for both parties through which the employees' work performance is not affected.

Main Problem Encountered:

There are no major issues arising from the EMC serving its function in the company. It has developed a good relationship of mutual trust and respect with the local Manpower Office. Parties only have to notify the other of a case of gross negligence in order to resolve an issue.

Future Plan to Strengthen EMC:

It is envisaged that the beneficial activities of EMC will be continued. Positive values achieved to date will be maintained to promote a better, conducive work environment for the employees and employer.

Case Study 2: Retention program, Foundation Reposition (Holding Company/Big Scale/Multi-National Company)

Good Practice Elements:

1. Building mutual trust and respect between employees and management at plant level
2. Open two-way communication
3. Good faith behavior

Summary of Industrial Relations Situation:

As a holding company, this company has several business units with prominent public recognition: automotive, financial services, heavy equipment, agri-business, information technology and infrastructures. At present, the numbers of employees in the company total approximately 528 workers, all of whom are members of the Trade Union. The company has company regulation.

Employee Management Cooperation (EMC) was formed on December 2005 in compliance with the Government Regulation on the EMC at enterprise level. At the outset, HRD (management only) discussed the establishment plan of EMC in the company. The management also invited the Trade Union to discuss the implementation of forming EMC and to build a uniform perception of EMC. EMC has not faced critical setbacks as each of the parties has developed an awareness of the importance of mutual cooperation between employers and workers in the company. In addition, the employees and management have also built a relationship of mutual trust. In other words, the EMC has developed a good relationship between the employees and management and this has, of course, facilitated the implementation of EMC activities.

The proportion of EMC members elected from management and employees is 6:6. Representatives from management are elected from Human Capital Service and General Affairs (GA) at managerial level. The representatives of employees are elected from the Trade Union authorities to EMC. In the election of EMC members, no specific qualification is required; however, the most important aspect is that the members being elected must, in general, have a sound understanding of company business, good communication skills and demonstrate professional conduct in the company. After determining the names to be elected as representatives, the formation of EMC is registered with the local Manpower Department.

The EMC organization consists of a Chairman, Vice Chairman, Secretary, Vice Secretary and General Members. The term of membership in EMC is a minimum of 2 years and no limitation applies to the maximum term of membership. Currently, the Chairman is elected

from management, the Vice Chairman from employees, the Secretary from employees and the Vice Secretary from management. The remaining members are General Members.

Explanation of Good Practices:

EMC meetings were held when deemed necessary. Some of the EMC's greatest achievements are its involvement in activities related to the retention program and to serve as mediator between management and employees in the course of the foundation reposition by the company. Initially, dissemination of the foundation reposition was discussed at the EMC meeting. This discussion is not continued at the management level of the company. The retention program is held annually for employees to strengthen their affiliation to the company and to create a conducive working environment. The recent reforms to the retention program include linking productivity to employee development training, and training in household finance and communication skills. Other activities include employee competitions, charity fairs and 'best cafeteria award'. These activities are usually organized biannually in which members of EMC actively participate.

The success achieved of EMC is the result of the effort of all parties in building trust and mutual respect between workers and management. This was also supported by concrete steps that demonstrated the good faith of each party in the initiative. One example of this is the attention paid to the welfare and creation of a conducive working environment by management. Management has also promptly responded to all grievances. The employees have also tried their best to maintain and increase their production targets. In addition, establishing two-way communication has been an effective way to support the success of EMC. This can be attained by maintaining an informal relationship with the workers either by casual conversation or in "coffee breaks" with the worker union, rather than in the formal meeting at EMC.

Main Problem Encountered:

The limited availability of the members of EMC to meet has resulted in irregular scheduling of EMC meetings. Monthly meetings of EMC to consider the topics or issues that arose in the irregular meetings are also not always held.

On the other hand, it is the HRD who has always taken the initiative to call the monthly EMC meetings; employees have sometimes been more focused on achieving the work targets in each department. Moreover, employees have often also relied on management to discuss and settle the issues which actually require the involvement of EMC.

Recalling the above conditions, the following solutions have been sought:

- ♦ Good and effective preparation of meetings to ensure all discussions will generate useful outcomes for all parties.

- ♦ Positioning EMC as an important component of the KPIs (Key Performance Indicators) in the Company.

Future Plan to Strengthen EMC:

- ♦ Continuously maintain the existence of EMC by developing good communication channels and mutual trust.
- ♦ Create a bipartite LKS in other business units in the company group in which no EMC is present.

Study Case 3: Work environment safety, committee in social & sports activities to socialize company program/ policy (Manufacturing/Medium Scale/Multi-National Company)

Good Practice Elements:

1. Understanding the commonality of the purpose, interest and benefits of employers and workers.
2. Leader in the effort to educate workers through top-down support for labour management cooperation.
3. Workplace democracy.

Summary of Industrial Relations Situation:

This manufacturing company has 161 employees and two branches in two cities. The company already enforced Company Regulation. The Trade Union was established in 2004. Since the beginning of the Trade Union establishment, not all employees were registered as members and until now the amount of employees registered with the Trade Union had members reduced. A total of only 35 employees are recorded as Trade Union members.

Employee-Management Cooperation (EMC) was been established in 2004, not long after the Trade Union was established in the company. Before the establishment of EMC, any problems that arose were dealt with at incidental meetings between management and workers' representatives. The establishment of EMC was based on the aspirations of management to comply with the Regulations stipulated by Government about the establishment of EMC within the company as the communication forum between management and employees with formal and maintained relationship documentation. The company's decision to establish EMC was also informed by a comparison study between two other factories that had incorporated EMC. Following this comparison study, management and employees established EMC in the company on August 1, 2004.

There were unrealistic expectations and perceptions of the EMC and its functions at the time of its establishment, especially given, at that time, the Trade Union had just been established and they were overly enthusiastic about the creation of an employee/ management forum for communication. This communication forum was initially interpreted by employees as a forum to facilitate the negotiation of workers' grievances and wishes. Even the management at that time, gave the functions of EMC (particularly the workers' representatives) wider scope than envisaged in the legislation. For instance, they saw it as a forum to discuss company regulations, and to receive input from and listen to the

desires of employees. In the beginning of EMC there was also reluctance in the Trade Union to establish EMC based on workers' representation. They wanted all problems to be discussed in a negotiation forum between company representatives and the Trade Union. Almost the majority of employees became Trade Union members at this time. However, it was eventually determined that the employees' representation on the EMC would be 5:5. Its current proportion is 3:3 because it is thought to be more effective with fewer members and will not disturb company production.

Election of EMC representatives is conducted as follows: representatives for management are determined by a senior leader after hearing input from a HRD leader. Representatives of management are those in managerial levels in HRD, Production/Operation and Finance. Employee representatives are determined through a democratic, direct election by employees. In electing representatives, members do not have to meet any specific criteria, however, the representing party must have a good comprehension of company business and be able to submit information and communicate well. The company is only involved in organizing a venue and a schedule for meetings that does not disturb the production process. The current representation of EMC involves three representatives from management and three from employees. The employees' representation consists of two non-members of the Trade Union and one member of the Trade Union. The proportion of workers' representatives from the non-Trade Union member pool grew when the number of employees registered with the Trade Union declined and the majority of workers were not members. The organizational structure of EMC at the enterprise level consists of a Chairman, occupied by a management representative, a Secretary, which is occupied by a non-Trade Union member representative. The remaining EMC members are general members.

Explanation of Good Practices:

The EMC activities relatively smoothly and occur routinely each month. One of the greatest achievements of EMC is the preparation of the Company Regulations of 2005-2007 and discussions about PKB. The efforts of management to create a mutual trust relationship and to continuously provide greater understanding of the role of EMC through programs in EMC, management can now properly accommodate employees' aspirations without involving the negotiation element within EMC. Currently, the activities of EMC are much more focused on various sports and social activities in which it has successfully integrated into several company programs. For instance, the Human Resource (HR) program based on competency introduced a futsal competition among departments. EMC has been much more involved as the core committee, for instance, for Team Building and Family Gathering activities.

Since the establishment of EMC at the enterprise level, the EMC has directly demonstrated a greater achievement in the continuity of work operations and company

business sustainability. One of the achievements was also to create safety in working environments indicated by the zero accident awards from the government and the BOD award. They achieved, with more than two million working hours, three consecutive wins in 2005, 2006 and 2007.

The success of EMC in the company is aligned with the effort of each party to promote democracy, where each party can be represented and respected for obtaining/struggling for their rights, in the workplace. Besides that, the role of the Leaders can be turned into examples in an effort to educate employees. It can also mean that support for the cooperation should come from top level namely top management to group management. In order to create a good relationship based on mutual trust and respect, the company has held routine meetings with employees once a month, every 4th Friday in the month, and management has delivered company policies and reports relating to company productivity during these meetings.

Main Problem Encountered:

Initially, the Trade Union was very reluctant to support the establishment of EMC because they feared the EMC would take over the role and function of the Trade Union in protecting and negotiating various work terms and conditions. However, slowly, EMC separated itself from being a negotiation forum to one of consultancy and communication with employees. EMC is now regarded as a beneficial forum as an early detection medium and for reciprocally providing and receiving general information and work input.

Future Plan to Strengthen EMC:

EMC of the company will continue to operate and be well-maintained. Meetings should be more structured and can be followed up for the development.

Study Case 4: Reduce Disputes and Strikes (Agro-business/ Big Scale/National Company)

Good Practice Elements:

1. Effective dispute prevention and resolution
2. Open two-way communication

Summary of Industrial Relations Situation:

The company engages in Palm Oil agro-business/agriculture and categorized as a large-scale company with a total of 33,000 employees distributed around Indonesia (total employees in principal company and affiliated companies). The company owns 14 affiliation companies with different legal enterprises as representatives in each region. The company already operates under Company Regulation. Affiliation companies also already have Collective Labour Agreements. Given it is such a large-scale company with a focus on palm oil agricultural business, management should be able to anticipate the specific activities of each region and their different characteristics. Currently, entire areas already have Trade Union affiliation in line with national legislation and independent Trade Unions.

Employee Management Cooperation (EMC) has been established in almost all companies in the region. The beginning of the establishment of EMC is due to the company's aspirations to adhere to the regulation stipulated by Government. Around the middle of 2004, EMC was established under the coordination of the Manpower Department in each region. Initially, the establishment of EMC did not experience any significant obstacles in the majority of regions due to the cooperation with local Manpower Departments for socialization. The employees also recognized that EMC was supported by the Government. However, because each region had its own "specialty", instant there were some challenged. For instance, in Bangka, the Trade Union disputed the establishment of EMC since they thought EMC will diminish the Trade Union's functions at the company level.

The membership comprises of equal representation of employees and management: three representatives from management and three from employees. The election system is made is through appointment for management. Representatives from management are the Managers in each work unit consisting of the Administration Head, Manager and Assistant to Agronomy. Representatives for the workers are submitted to the Trade Union of each region, and representatives are usually selected from the informal leaders among workers who have a good comprehension about the workplace regulations. The organizational structure of EMC consists of a Chairman, Vice Chairman, Secretary and Treasurer with alternate composition between management representatives and employees' representatives. Election of EMC members are conducted once every 2 years and each establishment of a new EMC and its regular activities are reported to the local Manpower Department.

Explanation of Good Practices:

EMC meetings are conducted once a month. The EMC activities include discussions about policies and changes to structures before being applied to employees. EMC has been successful in reducing the occurrence of disputes related to discharges, minimizing strikes and increasing solidarity within the company by conducting collective fasting breaks and Halal Bi Halal (family meetings after Idul Fitri) with all employees.

In an effort to open two-way communication, the company conducted information sessions for employees to explain the limits of the EMC forum so that the EMC meetings could run effectively. Management and employees also created a relationship of mutual trust through EMC. Communication between management and the informal leaders who represent the workers has been an effective way to resolve complaints by employees and convey information from management to employees given the informal leaders' substantial influence for other workers.

Main Problem Encountered:

The main problem encountered is in ensuring "sincerity" in EMC meetings and that each party is willing to disassociate themselves from their role as a management representative or workers representative. Each party needs to be aware that the EMC forum is not the appropriate forum to struggle to promote the interests of either party, but is a forum to promote their common interests and to advance the company as a common ground where all parties work to earn their living. This issue can be resolved by providing information about why manpower matters to all employees. The workers' representative should also act as a role model and example for his fellow employees by having a positive attitude and working effectively. Here, the role of the informal leader is important for creating attitude changes.

Future Plan to Strengthen EMC:

- Improving communication, both formal and informal.
- Making arrangements in the areas of institutional and administrative functions within EMC organization to be able to more effectively and efficiently run the forum.

Case Study 5: Equal Opportunity in Health Benefits (Banks/Big Scale/ National Company)

Good Practice Elements:

1. Building mutual trust and respect between labor and management at plant level
2. Good faith behavior
3. Effective dispute prevention and resolution
4. Open two-way communication

Summary of Industrial Relations Situation:

This is a banking/finance company. The company has a total of 5.416 employees comprised of 2.385 male and 3.031 female employees. As one of the 10-largest banks in Indonesia, the company has established 269 branches throughout Indonesia. The company was incorporated as a result of a merger among private banks in Indonesia in 2002. Two years later, a Trade Union was formed in the company as an organization representing the interests of employees. Currently, the employees registered as members of the Trade Union are 3.372 persons. The company has a Collective Labor Agreement.

Employee-Management Cooperation (EMC) was formed in 2004 after the establishment of the Trade Union. At the outset of EMC formation, there were difficulties in accommodating the different employee benefits and cultures of the banks that merged to form the current bank. However, after using its best endeavors, employee awareness strategies and applying a sound understanding of the importance of EMC to both the company's management and employees, EMC was successfully realized. Moreover, EMC's purpose is to unite the employees from the banks merging to form this new company.

The composition of representatives from management to employees in EMC forum is 10:10. The representatives of management are mostly from the HR and Legal Department and are authorized by the Board of Directors in the form of an Appointment Letter. Meanwhile, the members from the Trade Union are from the Head Secretariat of the Trade Union. Representatives of workers from non-union workers are volunteers. The selection criteria for members of EMC from the Management are as follows:

1. General Manager (GM) / Department Head or equivalent.
2. General Manager of Division / Operating Unit responsible for coordinating many staff members
3. Good negotiating skills and good interpersonal and communication skills.

The selection criteria for members from workers are as follows:

1. Key management and informal leaders in each Working Unit

2. Good negotiating skills and good interpersonal and communication skills.

In serving its functions in the company, EMC sets up an organization structure which consists of a Chairman (Management Representative), Secretary (from Employee Representative) and general members. Unfortunately, the serving of their functions are still not optimum as all forms of administration and documentation of meeting results and activities of EMC are still performed by the IR Department.

Explanation of Good Practices:

EMC meeting is regularly held every 2-3 months to discuss the needs and growing concerns in the company. To this date, the topics discussed in EMC do not take the form of negotiations as each of the parties are fully aware of the limitations by which the topics will be brought to the forum of EMC and in the bipartite forum (negotiation) once every 2 years. Examples of topics considered in EMC include the dissemination of new enactments of regulations by the government, facilities at the workplace, provision of Cash Aid (BLT), etc. One of the best accomplishments in the EMC forum is the equality of health benefits for male and female workers (health benefits for female employees cover their legitimate children and husband). This is regarded as the best achievement by EMC.

In achieving the above, the company has managed to:

1. Build mutual trust and respect between labor and management at plant level

EMC is a forum to build trust and mutual respect among the workers and management at a corporate though the meetings. The opportunity for transparency is always set as priority in all discussions held by Bipartite. The EMC functions to share information between the workers' representatives and management.

2. Good faith behavior

The good faith behavior of the employees and management has been continuously promoted by cultural values and a code of ethics for employees in the Company. A code of conduct was established by the management and was disseminated to the employees for mutual acceptance and agreement. The employees' agreement with the code of conduct is not reached through negotiations with the employee, but through a joint communication between the company and employees. It also applies to the cultural values in the company. It is the commitment of the company to allow the participation of employees to discuss and consider the changes to the code of conduct and cultural values in the company.

3. Effective dispute prevention and resolution

The growing concerns and issues among the workers are discussed at EMC meetings. It has been an effective channel to minimize issues and to clarify corporate policies through which other issues can be minimized.

4. Open two-way communication

EMC is an effective channel to establish two-way communication in the case of disputes arising between the management and Worker Union. EMC is permitted to re-establish communication despite its non-obligation to settle the issues.

Main Problem Encountered:

The major concerns faced by EMC include::

- ♦ Time constraints and tasks of each member of EMC (related to work location & responsibilities) when meetings are held.
- ♦ Background issues (culture and types of benefits) of each ex-legacy bank prior to the merger.
- ♦ High turnover of employees by which administrators/members of EMC have been frequently replaced or vacant and difficulties in seeking employees willing to fill such vacant position.

The company has been trying to cope with the above issues by:

- ♦ Allocating the time to hold meetings outside of operating or business hours.
- ♦ Disseminating and building sound understanding of cultural values and codes of conduct for employees in the company after the merger.

Future Plan to Strengthen EMC:

It should be admitted that EMC has not been running as expected. The company will remodel the institutional structure of EMC, mainly the administration of activities, periodic activities, and establishment of EMC at regional level and company branches in which no EMC exists, and rearrange the list of present members either from the management or workers through which better organization will be realized.

Case Study 6: Work Hour Re-Shifting, Disclosure of Individual Productivity Assessment (Mining Contractor/ Big Scale/National Company)

Good Practice Elements:

1. Building mutual trust and respect between labour and management at plant level
2. Respect for fundamental rights of workers and employers to freedom of association and collective bargaining
3. Workplace democracy
4. Open two-way communication

Summary of Industrial Relations Situation:

This company was incorporated in Indonesia in 1993 and presently has 2 subsidiaries. As one mining contractors, the company hires about 8.000 employees, 95% of whom are male. The company also has representatives assigned on 10 sites outside of the Java island. There are 9 sites in Kalimantan and 1 site in Sumatera. The Worker Union in the company was formed in 2000 and all employees are automatically members of the union. The rules governing employment in the company are outlined in the Collective Labour Agreement. To date, industrial disputes rarely occur and when it has, it has never been referred to the Court of Industrial Relations (PHI). All industrial disputes or labor disputes are usually brought to an internal bipartite forum in the company. To settle disputes, they usually adopt a pro-active approach, disseminate/disclose information and are transparent with fair negotiation in order to reach an amicable agreement with which both parties are satisfied.

As a communication forum between the management and workers, Employee Management Cooperation (EMC) was formed in 2003. The reason EMC was formed was due to the awareness and commitment of the top management of its importance beyond mere compliance with government rules set forth in the Decree of Minister No 255 of 2003. This was also keenly encouraged by the internal Trade Union. They demonstrated their enthusiasm and good sense of cooperation in forming EMC. Prior to the formation of EMC, management and workers had already established communication and cooperation; however, this consisted of only regular meeting between the management and workers. The employer and employees have now built uniform understanding of the importance of Bipartite at corporate level and there is likely to be no critical restraint in the future.

To carry out their representative functions, each person involved in the administration of EMC should be elected from representatives of management and workers with equal

representation. The composition of representation may vary in different regions/sites. The composition of representation at the Head Office is 9:9, meanwhile, on site it is 6:6 or 8:8 depending on the number of employees at the site. Representatives of the management include the Managers from all departments as directly nominated by the Top Management. Meanwhile, the representatives of workers are independently elected by the Trade Union. The criteria for qualification as a members, has not been outlined in writing, however, only competent and qualified persons will be elected. The organizers are usually nominated from permanent employees with a minimum service term of 5 years as they are considered to have a good understanding of the company's conditions. In addition, the organizers of EMC are elected from employees who have a sound ability to communicate and negotiate.

The organizational structure of EMC applies equally to the Central Office and local sites. EMC consists of: Chairman, Vice Chairman, Secretary, and Member. The Chairman and Vice Chairman are proportionally nominated from the representatives of the management and employees. If the Chairman is elected from the management representatives, the Vice Chairman is nominated from the employee representatives and vice versa. The seat of Secretary is usually held by representatives from HRD or the Industrial Relations Department to organize, document and follow up the activities of Bipartite LKS.

Explanation of Good Practices:

Following the formation of EMC it has shown all that restraints can be dealt with to minimize major issues and it is acknowledged that no critical dispute has occurred. EMC is also a more effective forum to address matters related to the productivity and dissemination or policies in the company. The importance of EMC activities has been acknowledged by its inclusion as one of the Key Performance Indicators in HR.

EMC has regularly conducted bimonthly meetings. Additionally, incidental meetings have also been held to address issues of high urgency besides regular meetings. There are also National Bipartite Forums organized every 6 months to discuss and address issues that not settled at the local level and are thus raised to the national level. These usually include the introduction to newly enacted government regulations which may lead to different interpretations and are not yet communicated at the regional level.

The company has also received three awards for Best Implementation of EMC issued by the Manpower Office. The criteria for the awards are as follows:

1. Continuous existence and activity of EMC
2. Following up activities of EMC
3. Documentation and filing

One of the achievements made to date is the addition of working hours from two to three shifts. This presents a likely difficult situation for the company if they wish to reduce working hours, which also means reduced income for the employees. In the discussion,

there has never been a need to strike a bargain since survey and disclosure of information has been well conducted with the supervisors. It equally applies to the assessment of individual performance of employees. EMC has been running effectively as the discussion materials have been well prepared and communicated at all times. The management and workers do not consider the activities of EMC as worthless. This is shown by the fact that in all meetings, EMC has contributed positive inputs for decision making related to employee welfare. In addition, the provision of proper trainings for the supervisors and maintenance of good relationships with site leaders is considered an effective measure to create a mutual relationship of trust. The company has provided continuous support by funding numerous activities of EMC and views the activities as demanding on resources, but ultimately as cost saving because of its ability to avoid disputes.

In general, the success of EMC in the company is the result of a relationship of mutual trust and respect between the workers and management at corporate level. All industrial disputes have been amicably brought to the forum to prevent and minimize conflicts of interest and to protect the interest of both parties. The rights of workers and employers to freedom of association and to negotiate are respected in the EMC forum. EMC is also a forum to share opinions, ideas or suggestions without fear or embarrassment and involves a learning process for the management to observe the workers' perspectives and vice versa. Another important aspect in ensuring the success of EMC is to establish two-way communication through which each of the parties is allowed the opportunity to be heard.

Based on the above description, conclusions can be drawn that the success of EMC is dependent on fulfillment of the below criteria:

1. Building mutual trust and respect between labour and management at plant level;
2. Respect for fundamental rights of workers and employers to freedom of association collective bargaining;
3. Workplace Democracy; and
4. Open two-way communication.

Main Problem Encountered:

One of the major issues mostly arising in EMC forums is the time allocation for EMC meetings which at times conflicts with the fulfillment of official tasks. Nevertheless, this has been dealt with by the following measures:

- Meeting schedules at the beginning of year set out the Calendar of Events (CoE) from Management.
- Preferably one month or, at minimum, two weeks prior to the meeting, HR/IR must have sent a reminder about the meeting to all LKS administrators.
- At the close of a meeting, an agenda for subsequent meetings is fixed including dates for activities to follow after the meeting.

Future Plan to Strengthen EMC:

The following measure will be adopted to improve the performance of EMC:

1. Establish criteria for membership and task qualifications in EMC.
2. Prepare discussion material of EMC in more detail to ensure the effectiveness of EMC meetings.

Case Study 7: Team Work and Sense of Togetherness among Employees, Creation of Tidy and Orderly View of Store (Retailer/Big Scale/Multi-National Company)

Good Practice Elements:

1. Respect for fundamental rights of workers and employers to freedom of association and collective bargaining
2. Effective dispute prevention and resolution
3. Open, two-way communication
4. Make the labour management cooperation programme a permanent part of company operations

Summary of Industrial Relations Situation:

As one of the growing retailers in Indonesia, this company has opened 42 branches and will continuously expand its business throughout the regions in Indonesia. The current number of company employees is approximately 11.000 persons with a male to female ratio of 80:20. Since its establishment in Indonesia in 1998, the company has formed an internal Trade Union, however the members comprise of only about 10% of all employees. This company has its own Company Regulation. Based on experience and observations, industrial disputes rarely occur, and if they do occur, the number of cases is small.

In the company, there is an informal bipartite forum which carries out the functions to negotiate; however, there is no formal bipartite forum in place. The communication and cooperation between workers and management have been facilitated through internal gatherings or forums created in each store. Through the presence of a communication forum during the internal group gatherings of employees, the company has received considerable benefits to increase productivity and to promote the growth of the company.

This internal gathering group (Paguyuban) was formed in 2000 to carry out its functions as a communication forum between the employees and management and to facilitate team work and a sense of unity in the company. The forum was officially established and fully supported by the company. The company also provides the necessary facilities and exemptions for employees actively involved in related activities. All activities performed by the internal group are reported to all members and the head management in the company.

This organization consists of a Chairman, Vice Chairman, Treasurer and field Coordinators for activities such as Sports, Islamic Spiritual activities, Christian spiritual activities and Arts. All employees are automatically members of the internal group. Organizers of the internal group are directly and openly elected from employees without discrimination based on group or position including their status as representatives of either the management or

employees. The activities of internal group gatherings are mostly organized and controlled by HRD staff. Employees who are nominated as organizers include those with adequate capacity to communicate and manage activities, are well respected, trustworthy and have a sound understanding of the company's business operations. The election of the organizers of internal gathering group (*Paguyuban*) is held once per year and a Time Shift scheme applies due to the high mobility rate of employees.

Explanation of Good Practices:

The activities in which the internal gathering group engages include monthly meetings to address all forms of employee activities such as sports, arts, and religious activities involving a form of fair competition. These activities have in turn developed a sense of unity among employees. This has been demonstrated by:

1. Minimum number of disputes among the employees to prevent potential dispute.
2. Reduced number of customer complaints.
3. Low employee "turn over".

In addition, there morning coffees with the organizers has been organized to discuss and address the issues on orderliness of the store, office, canteen and others issues. Issues relating to dissemination of government regulation and company policy are usually brought up at the special training meetings held by the company. The activities of internal gathering groups are running smoothly and none of the discussions thus far have led to polemical negotiations and problems. This outcome is supported by employees' understanding that the internal forum is not the appropriate place to raise debate or initiate negotiations. Through the internal gathering group the parties have managed to respect and uphold the rights of workers and employers to freedom of association and to negotiate through open two-way communication. Workers and management will in turn set up an integral program for the company's operations to effectively deal with and prevent industrial disputes.

Main Problem Encountered:

In principle, there are common functions of the internal gathering groups and Employee Management Cooperation (EMC). However, EMC has not been officially formed due to the perceived differences between the management and workers of the purposes and objectives of EMC. Workers have raised objections to EMC because they assume that the formation of EMC will restrict the role of the Trade Union in the Bipartite forum at corporate level. This has made it difficult for the management to replace the internal gathering group with EMC. The management has also admitted that they do not yet have a concept plan for EMC in place. The management has recently begun to consider the formation of EMC more seriously.

Future Plan to Strengthen EMC:

In the formulation of an effective communication forum, management will formalize the internal gathering group as EMC at corporate level by effectively communicating to employees the aims of EMC and build a consistent perception of the utility and role of EMC.

Case Study 8: Recognition to the formal and non formal workers' leaders (Manufacture/Big Scale/Multi National Company)

Good Practice Elements:

1. Understanding common objectives, interests and benefits from EMC
2. Good faith behavior
3. Open two-way communication

Summary of Industrial Relations Situation:

The company has been involved in concrete manufacturing since 1971. The total number of workers is 1,600, in 3 of the company's branches. The company has Company Regulations. Initially, the company had 2 trade unions, but currently both unions are inactive because many of their officials and members have resigned and there has been no reorganization of the unions.

The concept for a Bipartite Cooperation Institution was formed in 2006, but there was no follow up to formalise this institution. Some of the reasons for this include:

1. There was no common understanding between the management and workers.
2. The provisions concerning the bipartite body were not appropriate for the company's situation and context.
3. The union existence did not represent the majority of workers.
4. The high mobility of the workers meant they had no time to participate in the bipartite body.

To create good communication and cooperation, the management treats the workers as part of a collaborative team. Communication and cooperation also occurs in the context of work implementation. Management approaching and working with the "informal leaders" of the workers in each department. The informal leaders are normally senior workers. Management also approaches the supervisor in each department to discuss problems and solutions.

Explanation of Good Practices:

To improve productivity, the management felt that it would be impossible to make rules without involving the workers in the field. The management called for mostly incidental meetings with workers; however, these have been well documented by the management. The representatives of the workers, both formal and informal, are involved in the discussion and meetings. One example of good practice concerns efficiency improvements in the usage

of gasoline and the work system for concrete pouring. The pouring is not easy work. It takes 24 hours non-stop for about one week to complete. Therefore, it requires solid team work. Management and workers discussed ways to arrange this work to ensure it was successful, including how to ensure that workers are able to rest at times without stopping the work.

In every meeting, all parties can convey their opinions freely and be respected by other parties, in order to devise a solution that is acceptable to both parties. Both parties should also contribute to meetings in good faith and understand the common interests and goals that that strive for.

This approach has been quite effective, but would not have worked if the meetings were to include work negotiations. If the meetings involved work-related negotiations, discussions would be over focussed on the rights of workers and obligations of the company as provided in the law.

Main Problem Encountered:

The main problem in implementing EMC has been its socialization in the company. Management and workers still have different understandings of the EMC's purpose. However, in terms of communication, the approach through team work has been quite effective at enlarge the scope of the company's activities.

Future Plan to Strengthen EMC:

The dialogue between workers and management needs to be improved because it helps management identify problems and seek solutions.

Case Study 9: Collective Labour Agreement Negotiation, Productivity Regular Meeting in respective department (Manufacturing/Small-scaled/Multi-National Company)

Good Practice Elements:

1. Commit to change for mutual benefit.
2. Support for labour management cooperation must come from the top.

Summary of Industrial Relations Situation:

This company is a manufacturing company with total of 86 employees of whom, almost 70 are plant workers. The other 16 are back office (office affairs) employees. The company established a Trade Union in 2007 and already had a Collective Labour Agreement (CLA) in place. Approximately 60 people are trade union members in the company. The company has experienced a change in management several times over the years. There have also been several industrial relations problems, both prior to after changes in management. Most of these problems have come as the result of a lack of trust between management and workers.

Employee-Management Cooperation (EMC), as stipulated by legislation, is a communication and cooperation forum between workers and management. This particular forum is not yet established in the company. However, a bipartite forum currently functions as an arena for negotiation and runs well. Various company policies are discussed in this forum. Some of the policies discussed so far include policies on employees' transport, canteen and meal allowance. The bipartite forum is routinely conducted once every two months and incidentally in case any urgent issues need to be discussed. Three representatives of workers and three representatives of management participate in the bipartite meetings. Representatives of the trade union (workers) hold the positions of chairman, secretary and treasurer in the forum, while Management representatives are appointed from the managerial level of the Plant, HRD & GA divisions.

Explanation of Good Practices:

Daily meetings for the purpose of improving productivity usually occur and are discussed in each internal department. Furthermore, meetings involving the entire department are held weekly and monthly and include formal leaders when required.

In the past, the company has had a lot of issues that did not resolve to the satisfaction of either party. Many workers were demotivated as a result and consequently behaved poorly and did not cooperate adequately with management. During bipartite meetings, the HRD department attempted to show and make both parties realize the inter-dependence of workers and management to achieve common goals. In these discussions it was also demonstrated that win-win scenarios could occur for both parties. The management attempted to

compromise and find a common goal. This began to include a new way of thinking that aims to create harmonious relations between employees and management. However, to be successful, management needed the employees to compromise their own interests as well. The company requires formal and informal role models to change behavior and attitudes to work. Once top management demonstrated its commitment to cooperative discussions with workers, greater commitment to cooperation from all employees emerged. The best ongoing achievement in EMC has been the constructive meetings that discussed the interpretation of the CLA and the preparation for implementation guidelines of the CLA.

Main Problem Encountered:

The main problems encountered by the company in creating effective cooperation were:

1. Lack of trust between workers and management due to workers' trauma from past relationships with management.
2. Difference of opinion and understanding of the purpose of EMC between employees and management during the creation of EMC.

Future Plan to Strengthen EMC:

By conducting a collaborative approach to EMC, an attitude of cooperation has been developed among the workers. However, greater clarification of the position and scope of EMC should have been developed at the outset.

Case Study 10: Occupational Safety and System Improvement (Manufacture, Medium-Scale and Multi-National Company)

Good Practice Elements:

1. Good faith behavior
2. Open two-way communication
3. Understanding the commonality of the purpose, interest and benefits for employers and workers.

Summary of Industrial Relations Situation:

This company was incorporated in 2005 as a manufacturer of automotive & motorcycle parts and has established five branches in Indonesia. The company has around 300 employees. A Trade Union has not been formed in the company, but it has adopted an internal Company Regulation.

There have been no significant issues related to industrial relations that have lead to negative events in the company. All industrial relations issues have been settled amicably by workers and management as a result of a common understanding of their mutual role to maintain the continuity of the company. EMC is not yet present in the company, however the communication and cooperation between workers and management in relation to increasing productivity has been continuously maintained. Employees and the HR and Production Managers hold monthly meetings to address various issues, mostly those linked to improving productivity. Meetings are organized each shift and employees attend a meeting with HR and the Production Manager on a rotating basis, based on their employee registration number. In addition, there are also monthly meetings between the employees, top-management and the Director. These meetings mostly involve discussions about productivity and occupational safety issues in the company. All aspects of employee welfare are set forth in the internal policy and this area remains the prerogative of the company given no Trade Union is present yet in the company.

Contoh praktek-praktek yang baik:

Meetings with the employees have been effectively conducted to address matters linked to productivity. Employees do not pursue personal or group interests in the meetings. Rather, they try to understand the mutual objectives, interests and benefits of the workers and employer. Employees are providing ample scope to express and share opinions and suggestions in the meetings. This all contribute to the commitment and good faith of each party to accelerate the growth of the company and to create a conducive work environment.

One of the most notable achievements of the company was its discussion of and approach to occupational safety. Occupational safety is considered one of the most important aspects in operating the business of the company. All units in the company must ensure compliance with their internal procedures for occupational safety. Each meeting with employees sets an occupational safety target to follow up within 7 days after the meeting. The success or failure of this is then evaluated by each department. The company has paid considerable attention to the needs of employees in meetings and has provided sufficient support and facilities to pursue occupational safety goals.

Main Problem Encountered:

Some of the major issues faced by the company in forming Employee Management Cooperation (EMC) as required under the applicable laws are as follows:

- As a newly-incorporated company, it required time to gain a decent understanding of applicable rules and regulations, including the organization reform.
- Dealing with employees' "fear" / reluctance to EMC formation. This possibly occurred as a result of employees' lack of understanding of the true functions and role of EMC.
- Stronger commitment to advancing the company is needed within EMC.

Future Plan to Strengthen EMC:

The management is now making all necessary preparations for the formation of EMC as required under the applicable laws. One of them is to adopt a positive approach with the employees, either through a formal or informal forum, to enhance their understanding of EMC. The management has begun this process and prepared draft plans for EMC formation in collaboration with a number of workers.