

Labor-management cooperation key to higher productivity

Productivity is one of the most important factors in organizational success. In a competitive business world, the dynamic between productivity and labor-management relations is critical for survival. The APO organized the thirteenth forum in its Labor-Management Cooperation series in Colombo, Sri Lanka, 4–7 December 2007, to identify the latest issues in industrial relations and productivity-based wage systems and identify practical strategies to enhance labor-management relations to increase the productivity and competitiveness of member countries. The forum was attended by 25 participants from 15 countries, representing labor, management, and government.

A major theme of the forum was the linkage between productivity and labor-management cooperation. In the globalized economy today, a cooperative culture can ensure enterprise competitiveness in an increasingly harsh business environment. Such a cooperative culture relies on the establishment of trust and communication, which in turn allows labor and management to share information and knowledge to combat internal or external challenges in tandem.

Labor-management cooperation is a voluntary, mutual process. Therefore, the role of the government is to maintain a sound industrial relations environment and to establish the necessary mechanisms to facilitate cooperation. Forum participants noted that most Asian governments have been moving in this direction, although some countries may have better leverage to deal with the issue than others. Nonetheless, it is vital that all member countries initiate programs that promote labor-management cooperation.



Discussing productivity-based wage systems

One of the highlights of the forum was discussions on how to establish a productivity-based wage system, in particular how the parties could take advantage of such schemes to achieve a win-win outcome in labor-management negotiations. Participants agreed that in Asia, especially in economies relying on manufacturing, exports, and labor-intensive industries, labor-management relations based on productivity are essential to enterprise success and employee morale. Therefore, wage negotiations based on productivity can help achieve better relations. It will be necessary for all parties to explore productivity-based wage systems thoroughly, with further training. The forum thus provided a platform for essential social dialogue on a sensitive yet vital topic. 🌀