

Guide to Workplace Cooperation

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I. INTRODUCTION

With globalisation and the rapid development of information technology, Hong Kong enterprises have to respond to the ever-changing market and keen competition from around the world. To ensure the continued success of their enterprises, it is crucial for employers to inspire confidence in employees and forge effective partnership with them. Indeed, employees, especially those in the front line, usually have first hand knowledge of customers' needs and market information.

1.2 The challenge is how to utilise to the full their valuable experience and knowledge, to the mutual benefit of employers and employees. The key is that employers should adopt an open attitude towards workplace cooperation. This practical guide sets out the benefits, modes and points to note in workplace cooperation. The Labour Department hopes that the guide will serve as useful reference for employers on the subject.

1.3 *Workplace cooperation* can mean:

- ✧ labour-management cooperation
- ✧ participative or cooperative practices in an enterprise
- ✧ employees' participation or involvement in decision-making at various levels

1.4 Workplace cooperation is a process whereby employees or their representatives participate with management, through consultation and discussion, in resolving issues of common concern. It is a communication mechanism enabling both parties to understand each other's needs, interests and difficulties.

II. BENEFITS OF WORKPLACE COOPERATION

2.1 The competitive edge in any business can be enhanced when an employer is able to build up a highly motivated, dedicated and efficient team of employees to serve their customers. To have an effective

workplace cooperation mechanism in place is one of the means to achieve this end. The dominant spirit underlying workplace cooperation is management support and employees involvement. For workplace cooperation to be effective, top management's commitment is crucial.

2.2 An effective workplace cooperation mechanism helps minimize unnecessary misunderstanding, especially in times of changes and uncertainties. While setting up or strengthening the mechanism for workplace cooperation may sound complicated, costly and time consuming, it is worthy investment which will bring enormous benefits to the enterprise in terms of enhanced efficiency, productivity and competitiveness. Specifically, an effective workplace cooperation mechanism helps an enterprise to:

- ✧ **Improve its decision making process and organizational performance**
- ✧ **Improve the employees' performance and commitment**
- ✧ **Build up mutual trust between management and staff**
- ✧ **Increase job satisfaction**
- ✧ **Improve working environment.**

III. FORMS OF WORKPLACE COOPERATION

CASE 1

A café with an employment of 15 employees experienced a sharp decline in sales since the opening of a big-chained fast food shop next to it. It soon started to register operating deficits, forcing the boss to find ways of cutting costs. The first thing that came to his mind was retrenchment. But before he resorted to such a course of action, one of his oldest employees whom he trusted suggested that he should hold a meeting with all the employees to see if they could come up with practical solutions to turn the company round. The boss was a traditional and conservative person. He had never had any meeting with his employees because he always thought he knew how to run his own business. Somewhat to his surprise, all the employees seized upon the chance to speak up. A number of practical ways of cutting costs were suggested, including adding new items of food on the menu and introducing lunch and tea sets to attract new customers such as housewives and students.

An informal weekly meeting was then held regularly to keep track of progress. The dialogue helped to build up mutual trust and a spirit of genuine cooperation between the boss and his employees. This facilitated the two parties to have sincere and frank discussions covering not just ways of cutting costs but also other issues of common concern such as staff welfare and safety and health. Eventually, the boss did not have to carry out any retrenchment. On the contrary, the staff was given an extra one-month bonus in the Lunar New Year and their work environment was also improved.

3.1 Workplace cooperation can take various forms:

Information sharing

This is a two-way flow of information. It involves the regular provision by management of comprehensive information on a range of personnel and financial matters as well as those of concern to employees. It also involves employees reflecting issues of concern to staff, as well as providing feedback from

customers and suggestions to improve company performance.

Consultation

A process by which management seeks the views of employees on certain issues, but retains the power to make decisions on these issues.

Joint decision-making

A process by which employees' and employers' representatives come together to consider and take decisions on matters of common interest.

Voluntary negotiation

The process by which both the employers and employees or employees' representatives voluntarily discuss and negotiate matter of common concerns, reach consensus and draw up agreements most beneficial to both sides.

3.2 The mode of workplace cooperation to be adopted can vary depending on the size of an enterprise. For small enterprises with only a handful of employees, a less formal workplace cooperation mechanism such as on-the-spot briefing sessions, informal discussion groups, lunch meetings and tea gatherings in a canteen may suffice. Experience suggests that if the employees are inactive and less outspoken, it pays to invite a representative who is widely respected to participate in such gatherings so as to facilitate the candid exchange of views between management and staff.

3.3 For medium-sized enterprises, a more structured mechanism such as working groups, task forces and quality circles can be adopted as the basis for workplace cooperation. The working group may include representatives from senior management and a balanced mix of line management and functional management. The presence of representatives from senior management ensures there is accurate information on company policy and adequate authority to give proper consideration to views and recommendations. The knowledge and expertise from different line and functional management provide accurate

information to the working group on any operational and technical details of the production or workflow.

3.4 Large enterprises may choose to adopt a more formalised and structured mechanism, normally in the form of a committee, because of its larger employment size and multiple layers of hierarchy. Details of setting up a formal workplace mechanism will be discussed later in this booklet.

IV. STEPS TO ESTABLISH A WORKPLACE COOPERATION MECHANISM

CASE 2

A construction materials company planned to increase its productivity through the introduction of multiskilling. Nevertheless, after a lapse of one year, little improvement had been made. The company then conducted a review of the project and identified that the main reasons for the slow progress were the adversarial industrial relations and the workplace culture of resistance to change. A long history of authoritarian management had bred mistrust on both sides and engendered adversarial labour-management relations.

The existing communication mechanism was the monthly departmental meetings in which only the top management and the heads of departments participated. The top management took initiatives to revise its communication mechanism. New partnerships in the form of a joint steering team comprising management and employees from all levels was formed to educate the workforce about the need for change. The team structure was then extended across business unit teams, departmental teams and down to work-area teams. It was a new attempt and throughout the whole process regular evaluations from its participants were conducted with a view to continuous improvement.

With total commitment from the top management, a cooperative arrangement involving the major participants was formalized. Finally there was widespread and growing acceptance of the need for change amongst the vast majority of employees and the management. Consequently the multiskilling was implemented smoothly with full support from the employees and the management, resulting in marked increase to productivity.

4.1 In setting up a workplace cooperation mechanism, some pointers are as follows:

- ✓ **Review** communication policies and existing channels of communication system;
- ✓ **Identify** the major communication problems in the existing communication channels;
- ✓ **Design** alternatives either by improving the existing channels of communication system or setting up a new mechanism having regard to such factors as management philosophy, company culture, employees' attitude and sentiment, nature of business, employment size and organizational structure;
- ✓ **Implement** and **monitor** the revised communication system/new voluntary negotiation mechanism;
- ✓ **Evaluate** the effectiveness of the system/mechanism so as to fine-tune it for better result.

V. HOW TO OVERCOME THE RESISTANCE TO CHANGE IN ESTABLISHING A WORKPLACE COOPERATION MECHANISM

CASE 3

A petroleum company wanted to have greater participation from its employees in its change program. The aim is to achieve a higher level of awareness of customer needs and to enable the company to compete more effectively in the market. Nevertheless, there was strong resistance from the workforce because of a long history of adversarial relationship and a strong sense of employment insecurity associated with fluctuating product demands.

To overcome the problem, the management appointed the plant manager as a management representative who was widely respected by staff. The plant manager enlisted some volunteers to participate in a pilot scheme of change programme. After its successful implementation, he and the volunteers formed a promotional team to explain to employees at all levels the difficulties the company was facing. They impressed upon them the need for change and what that would mean to the company and the employees. They shared their experience with the co-workers and appealed for their active participation in the consultative committee as their first hand knowledge on customers' needs would facilitate better product design and enhance the company's competitive edge. They also stressed the point that successful implementation of the change program would mean greater job security for all.

With the drive and enthusiasm of the plant manager and his promotional team, greater employee involvement in decision-making process was achieved to the mutual benefit of the company and the employees.

5.1 People tend to resist change and employees are no exception. There are many reasons why employees resist change. These may include apathy, misunderstanding, lack of knowledge, fear of losing existing rights and benefits, lack of trust as well as lack of top management commitment and support. Resistance to change can manifest in many ways, including complaints and anger, increase in work errors and accidents, being apathetic and clinging to old practices, etc.

5.2 To encourage employees to embrace change, the management should:

- ☞ **Educate** employees on the disadvantages and weaknesses of the existing system;
- ☞ **Explain** how the new system will benefit the enterprise and, more importantly, its employees;
- ☞ **Clarify** each of the specific steps needed to reach the set goal;
- ☞ **Encourage** employees' participation in the change process to foster their sense of ownership and secure their commitment to change. It is important that employees' involvement should start as early in the process as possible.

VI. ELEMENTS OF A WORKPLACE COOPERATION MECHANISM

Formal Mechanism

6.1 A formal workplace cooperation mechanism should have adequate representation of the interests of management and employees, although the number of members may vary depending on the size of the enterprise. The mechanism should include the following major elements:

✧ COMPOSITION

✓ *Chairman of the Committee*

The Chairman should be a member of senior management with authority to make decisions.

✓ *Representatives of Management*

They should consist of a mix of line managers and supervisors.

✓ *Representatives of Employees*

The interests of different groups of employees should be adequately represented in the committee. The employees' representatives can be selected either by appointment, nomination or ballot. They should be provided with all the information they require for active participation in discussions.

✓ *Secretary of the Committee*

Initially, the management may appoint someone such as the human resources manager/officer to be the secretary. When the committee has operated for some time, the committee should have the authority to appoint its own secretary.

✧ TERMS OF REFERENCE

The committee may discuss the following issues:

- ✓ Wage adjustment mechanism
- ✓ Benefits and remuneration

- ✓ Arrangement of work schedules e.g. total quality management, work improvement, work simplification
- ✓ Performance management
- ✓ Promotion system
- ✓ Grievance and disciplinary procedures
- ✓ Any other matters employers and employees are willing to discuss

✧ **THE AGENDA**

Agenda items can be put forward by both sides with sufficient notice.

✧ **FREQUENCY OF MEETINGS**

The meeting should be held regularly but not less than twice a year. Apart from regular meetings, ad hoc meetings can be held to address urgent or specific issues as and when they come up.

✧ **RECORDS OF MEETING**

Proceedings, recommendations, decisions and agreements should be recorded and communicated to all staff.

Informal Mechanism

6.2 The above mechanism may look rather formal and is more applicable to large enterprises which usually enjoy more manpower and financial resources when compared with the small and medium sized enterprises. Nevertheless, it does not mean that the small and medium sized enterprises cannot have its own mechanism of workplace cooperation. A workplace cooperation mechanism should not be rigid but flexible. The small and medium sized enterprises do not have to strictly adhere to all the above elements but can modify them to suit their own circumstances. For example, meetings need not be held in a conference room but can take place in a canteen during lunchtime or tea break. Informal discussions or on-the-spot briefing sessions on issues of mutual concern can also be effective in promoting operational efficiency, mutual understanding and job satisfaction.

VII. HOW TO MAKE A MECHANISM OF WORKPLACE COOPERATION A SUCCESS

CASE 4

In a medium-sized lighting manufacturing company, the management took the lead in improving workplace cooperation by introducing a “Quality Hour” session. Under the new mechanism, divisional heads held weekly meetings with their subordinates. Separate weekly meetings were held between the division heads and the manufacturing director. The arrangement was meant to improve internal staff communication but employees’ participation was lukewarm. Staff generally perceived such meetings as faultfinding sessions and so few would voice their opinions.

The management became aware of the problem and took a series of remedial actions. Firstly, division heads were trained up as facilitators by a consultancy firm. They were equipped with the communication skills for canvassing views from the employees. They were trained to explain company policies and the reasons for rejecting staff suggestions at the “Quality Hour” session. Secondly, any suggestions accepted by the management would be implemented immediately and rewards would be given to staff making such suggestions. Thirdly, If problems were too difficult to resolve by only one division, representatives from relevant divisions would be invited to form a task force to tackle them.

Through education, explanation, clarification, support and encouragement from the management via the facilitators, the "Quality Hour" session succeeded in fostering a better understanding of both parties' needs. The management was willing to make joint decision with the employees as it knew that their involvement and commitment would be vital for the company to keep in pace with the fast moving business world. The staff was forthcoming in contributing practical suggestions to improve work procedures and innovative ideas to enhance the competitive edge of the company.

7.1 If employees can have a better knowledge of the company's policies, objectives and the reasons behind the decisions affecting them, they will be more loyal, motivated and committed in giving their maximum contribution to the organisation.

7.2 To make workplace cooperation a success, it is important for both sides to understand their own roles and responsibilities.

Management's responsibilities

✧ Sincerity and Commitment

To make the whole process of workplace cooperation meaningful and fruitful, the management must be ready to honour the decisions and agreements made by both parties and take prompt follow-up actions.

✧ Support to employees' representatives

The management should maintain good communication with employee representatives and ensure that accurate and adequate information is passed to them at all stages of consultation. Various forms of support should be provided to the employees' representatives so that they can have resources to participate into the consultation process. These include:

- ✓ Appropriate physical facilities such as a meeting place or room to enable them to carry out their functions promptly and efficiently;
- ✓ Sufficient time for employees' representatives to have consultations with other staff;
- ✓ Protection should be given to employees' representatives against any act prejudicial to them arising from their status or activities as employees' representatives, insofar as they act lawfully;

- ✓ Training should be provided to employee representatives to improve their skills for communication, leadership etc.

✧ Respect to the right of employees

Employees may choose the existing informal leaders or spokesmen to be their representatives, or they may consider having the trade union representatives of their enterprise to be their representatives. The management should respect the right of employees to elect their own representatives.

✧ In-house unions

Where trade union representatives and employees' elected representatives coexist, the management should ensure that the position of either party is not undermined by the other. Cooperation between the two parties should be encouraged.

✧ Regular review

The work of the workplace cooperation mechanism and other communication channels should also be reviewed regularly to ensure their effectiveness.

7.3 Certainly various forms of support would take up some resources of a company. Nevertheless, depending on the manpower and other resources available, individual company can apply flexibility in providing such resources. For example, meeting place is not necessarily a conference room but a clean and tidy room can do well. Training can be arranged for a selected number of employees' representatives who can be coaches for others.

Employee representative's responsibilities

CASE 5

A hospitality company facing serious financial difficulties had to cut costs. It decided to consult its employees on how best this should be done. Employees' representatives were nominated from every division/unit to form a joint staff committee chaired by the management.

Prior to the first meeting, the employees' representatives had collected views from colleagues of their own units/divisions. At the meeting, the management briefed them on the company's dire financial situation while the employees' representatives reflected the views and sentiments of staff. After the meeting, the employees' representatives conducted a survey to collect staff suggestions on cost-saving alternatives. Findings were then consolidated and reported back to the joint staff committee.

Following further brainstorming sessions with the employees' representatives, the management finally adopted a series of practical and viable cost-saving measures proposed by its staff, resulting in remarkable reduction in operating costs. There was no need for the company to either retrench staff or reduce their salaries.

7.4 Employees' representatives should be diligent in collecting the employees' views and faithful in reflecting them to management. As employees' representatives, they should:

- ✓ Get prepared before attending meetings and consult the employees before making any decision in meetings or reaching any agreement with management;
- ✓ Be responsible for keeping all employees informed of the progress of the meetings including the issues discussed, decisions made and the progress of implementation;

- ✓ Report back to the employees as soon as possible after the meetings so as to avoid speculations and rumours;
- ✓ Put forward the majority views of the employees they represent rather than their personal views in order not to undermine the effectiveness of cooperation;
- ✓ Honour the decisions and agreements made by both parties.

Strategies to resolve a deadlock

7.5 While workplace cooperation is an effective tool for resolving matters of common concern, there are bound to be occasions when management and employees are unable to reach a consensus. In times of deadlock, there should be an agreed mechanism to iron out the discrepancies such as a recess to adjourn the meeting so that both parties can reconsider their original stand or proposal. Once a consensus is reached, it should be set out in writing to avoid future misunderstanding. To maintain mutual trust between the management and employees, both sides should honour the agreements reached.

VIII. MAJOR SERVICES RENDERED BY THE LABOUR DEPARTMENT

8.1 If your company is interested in improving internal communication or setting up a workplace cooperation mechanism, the Workplace Consultation Promotion Division (WCPD) of the Labour Department is happy to give you advice and assistance. The WCPD has been set up to strengthen the promotion of effective communication, consultation and voluntary negotiation between employers and employees. To achieve the objective, it

- ✧ provides information and guidance to employers and employees through publications, Internet and mass media;
- ✧ organises promotional activities such as seminars, workshops and talks;
- ✧ conducts promotional visits to individual establishments;
- ✧ assists employers to set up machinery or improve their existing machinery, for effective communication, consultation and voluntary negotiation; and
- ✧ draws up codes of practices on the subject for reference by employers and employees.

8.2 For enquiries, please contact the Workplace Consultation Promotion Division at:

Address : 5/F, Mongkok Government Offices,
30 Luen Wan Street, Mongkok, Kowloon
Hong Kong

Tel. : 2121 8690

Fax. : 2121 8695

8.3 If you need information on other services provided by the Labour Department, you may visit our homepage at

<http://www.labour.gov.hk> or call our Enquiry hotline at 27171771.
Details of our major services are also set out as follows:

☞ **Labour Relations Division**

Advises employers and employees on all aspects of labour relations, provides conciliation of labour disputes in the non-government sector and administers the Employment Ordinance.

Tel : 2717 1771

☞ **Employees' Compensation Division**

Provides assistance to employees who suffer injury arising out of and in the course of employment to obtain compensation under the Employees' Compensation Ordinance.

Tel : 2852 3708

Fax : 2314 3350

☞ **Employment Services Division**

Provides a wide range of free employment and recruitment services to the public. Its local Employment Service acts as a public employment agency and provides free and professional employment services in local employment and recruitment

Website : <http://www.jobs.gov.hk>

Tel : 2503 3377

Fax : 2566 3331

☞ **Occupational Health Service**

Seeks to protect the health of employees at work. It advises the government and the public on workers' health and workplace hygiene, promotes awareness of occupational health and supervises compliance with health standards and relevant legislative requirements.

Tel : 2852 4041

Fax : 2581 2049

∞ Occupational Safety Service

Promotes the safety and health of those working in factories, building and engineering construction sites, catering and cargo handling establishments and other workplaces. It conducts inspections, investigations and safety audits, organizes safety training and promotional programmes.

Tel : 2559 2297

Fax : 2915 1410