

ASEAN Guidelines on Good Industrial Relations Practices



one vision
one identity
one community

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

For inquiries, contact:

The ASEAN Secretariat
Public Outreach and Civil Society Division
70A Jalan Sisingamangaraja
Jakarta 12110, Indonesia
Phone : (62 21) 724-3372, 726-2991
Fax : (62 21) 739-8234, 724-3504
E-mail : public.div@asean.org

General information on ASEAN appears online at the ASEAN Website:
www.asean.org

Catalogue-in-Publication Data

ASEAN Guidelines on Good Industrial Relations Practices
Jakarta: ASEAN Secretariat, November 2012

331.4959

1. Industrial relations – ASEAN
2. Industrial management - Guidelines

ISBN 978-602-7643-17-8

The text of this publication may be freely quoted or reprinted with proper acknowledgement.

Copyright Association of Southeast Asian Nations (ASEAN) 2012
All rights reserved



ASEAN Guidelines on Good Industrial Relations Practices

The ASEAN Secretariat

Jakarta



ASEAN GUIDELINES ON GOOD INDUSTRIAL RELATIONS PRACTICES

Whereas in the time of globalization, growing economic integration, and a rapidly changing and highly competitive business environment, establishing good industrial relations practices is a progressive and essential step to enhance the competitiveness of ASEAN and make it a choice destination of global investments and businesses;

Whereas one of the important principles in the ASEAN Charter is respect for fundamental freedoms, the promotion and protection of human rights, and the promotion of social justice;

Whereas industrial relations practice is developed through tripartite cooperation and requires constant improvement and adjustment, it generally adheres to and is consistent with internationally recognized principles, obligations and standards including the fundamental

principles and rights at work and the need to maintain the link between social progress and economic growth;

The ASEAN Ministers of Labour, lay down and adopt the following set of guidelines on sound and good industrial relations practices for the guidance and benefit of all ASEAN members in their continuing quest for harmonious and productive industrial relations based on social justice, as a cornerstone of quality workplaces and economic success, that should be respected and promoted by ASEAN Member Countries:

I. LEGAL FRAMEWORK

A sound legal framework remains to be an important requirement and basis of good industrial relations practices in ASEAN countries. Such legal framework needs to take into account national economic and social conditions and in particular guarantee and protect the basic rights and requirements of employers to manage their business and to grow and that of the workers to just working conditions, stable employment, minimum standards, a safe and healthy working environment and to express their views as well as participate in

decision-making that have significant implications for themselves or their workplace. Labour laws must also be clear, reasonable, practical and effectively and evenly implemented.

II. FUNDAMENTAL RIGHTS OF EMPLOYERS AND WORKERS

The basic rights of employers and workers to freely organize and pursue their own affairs must be respected and protected. Workers need to be able to exercise their right to influence work-related matters that directly concern them. Their voice needs to be heard and taken into account in good faith. Employers also have the right to responsibly and reasonably manage their business.

Freedom of association and the effective recognition of the right to collective bargaining is one of fundamental principles at work, subject to Member States' practice on international convention relevant to this. This basic human right goes together with freedom of expression and is the basis of democratic representation and governance. Collective bargaining is a process through

which employers and trade unions discuss and negotiate their relations particularly the terms and conditions of work with a view of reaching mutually acceptable collective agreements. In their absence of union representation, workers and employers should consult one another to manage labour disputes according to the terms and conditions set out by the laws and/or regulations of individual countries. This should include an adequate grievance handling mechanism to facilitate the amicable resolution of disputes.

III. BIPARTITE COOPERATION AND COLLABORATION

It is generally recognized in ASEAN countries that sound bipartite relations based on genuine cooperation and collaboration in workplaces represent the anchor of successful country-wide sound industrial relations. Harmonious, productive and stable industrial relations depend on what happens at the shop-floor. At the shop-floor level, various subjects of common interests to labour and management are discussed in bipartite mechanisms including productivity improvement, gain-sharing, recruitment and dismissal, safety and health and

grievance handling. The strengthening and development of effective bipartite collaboration and cooperation including the negotiation skills of workers and employers are important requirements of good industrial relations.

IV. BUILDING MUTUAL TRUST AND RESPECT

Mutual trust and respect are essential and must be fostered to pave the way for frank and productive discussion and exchange of views and genuine consensus between labor and management on the strategic direction and response to common challenges and issues. They also ensure meaningful regular interaction and consultations and confidence in the mutual benefit of working together. The lack of mutual trust and respect leads to hostile, confrontational and unproductive relations

V. MUTUALITY OF PURPOSE AND BENEFITS

Government, employers and workers can develop together a meaningful and measurable statement

of common goals and purposes. It is important for them to identify and agree on shared objectives, build a shared vision and formulate win-win approaches. There should be a common understanding of industrial relations policies and programme and the increasingly complex and diverse challenges confronting them. The needs and expectations of all stakeholders should be taken into account and the resulting benefits be clearly seen and understood by employers and workers. Government, employers and workers have an important role to play and responsibility to discharge to bring about sustainable economic and social progress. They need to commit to work together, as a shared responsibility, to reach consensus on various workplace, economic and social issues including competitiveness, productivity and employment stability.

VI. DIGNITY AT WORK AND HIGHLIGHTING BEST PRACTICES

Labour is not a commodity. Workers and employers have the right to pursue both their material well-being and spiritual development in conditions of freedom and

dignity, of economic security and equal opportunity. They are entitled to be accorded dignity at work which includes being treated with respect, recognized and valued for the functions they perform and protected from various forms of bullying and harassment. Work ought to be a source of dignity and fulfilment and not of exploitation and frustration. Successful and best practices or procedures employed by workers and employers can be identified, catalogued, reported and widely disseminated for the purpose of replication. This includes the publication of case studies that provide in-depth analysis of important joint action of labour and management on various aspects of the employment relationship.

VII. GOOD FAITH BEHAVIOUR

Productive employment relationships must be built on good faith behaviour. Employers and workers must deal with each other honestly, openly and with integrity. The principle extends to collective bargaining which could only function effectively if conducted in good faith by both parties. Every effort must be made to reach an agreement through genuine and constructive negotiations. Unjustified delays in negotiations should

be avoided and agreed terms of employment must be performed by every worker and employer in good faith. Industrial relations particularly negotiations must be conducted professionally and competently and the parties should work together to resolve issues fairly and expeditiously.

VIII. EFFECTIVE LABOUR DISPUTE SETTLEMENT

The effective resolution of labour disputes is an integral component of a successful industrial relations system. Workers and employers have the right and the obligation to participate in good faith in dispute resolution processes especially bilateral efforts of labour and management to resolve a grievance or dispute. The right extends to access to independent and efficient machineries for mediation, conciliation, arbitration and adjudication which should be fair, inexpensive and expeditious. It shall be ensured that during a labour dispute settlement process, the employers have to fulfil the workers' rights properly. Such processes and machineries also cover the minimization and prevention of conflicts such as by providing relationship development, training programs

in problem-solving techniques to resolve problems on an ongoing basis, and assisting parties to navigate the process of change and jointly agree on a strategy to create or take advantage of new opportunities.

IX. TRIPARTITE PARTNERSHIP AND SOCIAL DIALOGUE

Tripartism and social dialogue involving government, employers and workers can be a key competitive advantage underpinning economic competitiveness, harmonious industrial relations and overall national progress. A more structured framework can provide the necessary platform to tackle problems and work together more effectively to overcome even the most complex challenges and issues. Fair terms of employment, decent working conditions and economic and social development are best achieved with the broad-based efforts, collaboration and consent of workers, employers and government. It is therefore imperative to strengthen tripartism and social dialogue and the role of governments, employers' and workers organizations specially their capacity to engage in and promote labour management cooperation and tripartite partnership.





www.asean.org