

**EMPLOYMENT RELATIONS PROMULGATION 2007**

**(No. 36 OF 2007)**

---

**EMPLOYMENT RELATIONS (LABOUR-MANAGEMENT CONSULTATION AND  
COOPERATION COMMITTEES) REGULATIONS 2008**

IN exercise of the powers conferred upon me by Section **264** of the Employment Relations Promulgation 2007 (“the Promulgation”) and acting on the advice of the Employment Relations Advisory Board (“the Board”), I make these Regulations-

*Citation and commencement*

**1.** -(1) These Regulations may be cited as the Employment Relations (Labour-Management Consultation and Cooperation Committees) Regulations 2008.

(2) These Regulations come into force on the 2<sup>nd</sup> day of April 2008.

*Purpose*

**2.** -(1) The purpose of these Regulations is to create a bi-partite forum for meaningful consultation and cooperation between employer’s and workers’ representatives, at the enterprise or organization level.

(2) The Labour-Management Consultation and Cooperation Committee is the forum where information can be exchanged and where views and advice on workplace issues obtained, with the dual aim to promote good faith employment relations and improve productivity.

*Interpretation*

**3.** In these Regulations, unless the context otherwise requires –

“*Accredited training*” means training for LMC Committee members that are conducted under regulation 16;

“Balanced Scorecard” means: a management system that enables organizations to clarify their vision and strategy and translate them into action;

“*Business or Service Excellence*” means: such awards that recognize business enterprises with excellent records or consistency in gaining competitive advantages;

“*Committee*” means the Labour-Management Consultation and Cooperation Committee (LMC) established under section 9(3) of the Promulgation to practice and implement the principles set out in Schedule 1 to the Promulgation, including the functions given to it under these Regulations;

“*Five S’s (5S)*” means: a program that focuses on organization, cleanliness and standardization to improve profitability, efficiency, service and safety. It does so by reducing wasted time and materials; improving daily or shift start up times; reducing maintenance and downtime; improving efficiency and productivity; improving employee morale; and simply the work environment. It is derived from the Japanese words seiri, seiton, seiso, seiketsu and shitsuke. They can be translated as sort, set in order, clean and standardize and sustain

“*Health and Safety Committee*” means a Health and Safety Committee established under Part III of the Health and Safety at Work Act 1996;

“*ISO Quality Management System*” means: a quality management system in accordance with the International Standards Organization’s ISO 9001:2000 to provide an organization with a set of processes that ensure a quality conscious approach to the management of the organization;

“*Knowledge Management (KM)*” means: the newly emerging, interdisciplinary business model dealing with all aspects of knowledge within the context of the firm, including knowledge creation, codification, sharing, and how these activities promote learning and innovation;

“*Labour Productivity*” means: the value of goods and services produced in a period of time, divided by the hours of labour used to produce them;

“*Quality Circle Concept (QCC) and/or Innovative Quality Circle Concept (IQC)*” means: a small group of 6 to 12 workers doing similar work who voluntarily meet together on a regular basis to identify improvements in their respective work areas using proven techniques for analyzing and solving work related problems coming in the way of achieving and sustaining excellence leading to mutual upliftment of

workers as well as the organization. It is a way of creating and innovative power that lies within the workforce;

“*Six Sigma*” means: a set of practices developed to systematically improve processes by eliminating defects. A defect is defined as nonconformity of a product or service to its specification;

“*Total Factor Productivity*” means: the productivity of all inputs taken together. It is a measure of the output of an enterprise, industry or economy relative to the size of all its primary factor inputs; and

“*Total Quality Management (TQM)*” means: a management strategy of an organization, centered on awareness of quality in all organizational processes. The TQM management strategy is based on the participation of all members and aiming at long-term success through customer satisfaction and benefits to all members of the organization and society. TQM relies on all necessary quality management tools to achieve and maintain the desired level of quality in everyday operations, allowing for continual improvement of operations and meeting changing customer expectations.

For all other definitions, reference should be made to Part 1 Section 4 of the Promulgation.

#### ***Application***

4. -(1) These Regulations shall apply to all employers to which the relevant provisions of the Employment Relations Promulgation 2007 apply with respect to Labour-Management Consultation and Cooperation Committees.

(2) These Regulations are to be interpreted and applied in a way that best enables the Committee to –

- (a) support successful employment relationships and the good faith principles that underpin them; and
- (b) promote productivity improvement at all levels of the enterprise or organization.

(3) Subregulation (1) does not limit the activities of the Committee to the consideration of in house matters only and the Committee must give due regard to any direction by the employer that is consistent with the principles set out in the Schedule 1 to the Promulgation.

### ***Establishment of Committees***

5. -(1) Any employer who employs more than 20 workers shall establish a Labour-Management Consultation and Cooperation Committee in its workplace to practice the principles set out in Schedule 1 to the Promulgation, provided that where there are committees consisting of workers and employer representatives already in place, such committees may perform such role.

(2) The Committee is employer based and there must be established at least one Committee for each employer, consistent with sub regulation (1).

### ***Membership of Committee***

6. -(1) A Committee must be composed of equal numbers of workers and employer representatives, including workers engaged within the enterprise or organization who are members of any trade union.

(2) A Committee shall not be less than 6 members.

(3) A Committee must have representatives from all levels of labour and management, including different occupational groups, gender and the disabled, if any.

(4) The representatives to the Committee must include individuals with the requisite authority of the employer to make decisions and to speak on the issues of concern.

(5) The employer and the workers are responsible for selecting their respective representatives to the Committee.

(6) The Committee may, by mutual agreement, invite additional persons to attend to any of its meetings for the purpose of providing advice or information pertaining to a particular subject on the agenda.

### ***Registration of Committee***

7. The employer must, upon payment of the prescribed registration fee, register a Committee with the Permanent Secretary responsible for the administration of the Promulgation.

### ***Functions and Work of Committee***

8.-(1) A Committee must meet at least once every 3 months or as directed by the Board.

(2) A Committee must regulate its own procedures to implement the following:

- (a) to have a clear sense of purpose and direction of the organization activities and exchange views on matters of mutual interests towards building good labour-management relations and promoting productivity improvement with everyone in the organization;
- (b) to have strong commitment by top management in the implementation of LMC programmes and support by all levels of management in the promotion of consultation and cooperation at all levels of the organization and to ensure the training of middle and lower level management in people management skills to enable them to be responsive to the needs of workers;
- (c) to have effective communication strategies such as the development of awareness, induction and orientation programmes to enable workers to be well informed and understand the corporate objectives and organization performance;
- (d) to explore different structures of labour management consultation mechanisms to meet the needs of workers and employers;
- (e) to facilitate continuous exchange of information, including budget, financial data and productivity performance where appropriate and to develop better information sharing and communication among the workers, unions and management;

- (f) to create and maintain an enabling environment to foster the promotion of good faith and productivity improvements at all levels of the organization;
- (g) to create a continuous learning environment to promote innovation and creativity, supported by progressive education and training of managers, union leaders and workers to change attitudes, boost LMC programmes and realize the benefits of LMC;
- (h) to consult and cooperate on occupational health and safety issues, workers development, productivity improvements and the sharing of productivity gains and better benefits for workers; and
- (i) to ensure that decisions made at the LMC are expected to be implemented by management because it is assumed that the management nominees to the LMC have the requisite authority of the employer as required by regulation 6 of these Regulations.

(3) A Committee must complement the work of other committees of workers and employer, and the Committee may also assume the role of a Health and Safety Committee, but will not directly engage in the collective bargaining process apart from providing advice on request.

(4) An employer shall permit his or her Committee members to take such time off work with full pay as is necessary in order to perform the functions and work of the Committee under these Regulations.

(5) The employer must provide administrative and secretarial support to the Committee.

### ***Terms of Reference***

**9.** The terms of reference of the Committee must be jointly developed by the members of the Committee, and can include a provision to amend the terms of reference.

### ***Chairpersons and Agendas***

**10.** –(1) The Committee must democratically elect two co-Chairpersons of the Committee from its members, one to be elected from the workers representatives and one from the employer representatives.

(2) The co-Chairpersons of the Committee must discuss and prepare the agenda, in conjunction with inputs from the other Committee members and additional items may be added at the meeting with agreement of the parties and urgent issues may be added to the agenda at any time.

### ***Minutes of the Meeting***

**11.** The secretary of a Committee must ensure that minutes are produced as soon as possible after each meeting, and the issues discussed, decisions or follow-up actions and consensus or disagreement by the parties should be reflected in the minutes.

### ***Meeting Location and Time***

**12.** –(1) The Committee meetings must be held on the employer’s premises, or other mutually agreed location, and at times determined by mutual agreement of the Committee members.

(2) The committee may determine the order in which the co-chairpersons will conduct the meetings.

### ***Limitation of Powers***

**13.** A Committee’s powers must be limited to its functions under these Regulations and it must not involve itself in the management of the enterprise or organization.

### ***Relationship with the Board***

**14.** –(1) The subcommittee appointed by the Board may consult with the Committee on matters regarding its establishment and performance.

(2) The Committee must keep records of its activities and the records prescribed under regulation 17 of these Regulations are to be made available to the Board at the end of every quarter.

#### *Accredited Training for LMC*

**15.-(1)** For the purpose of section 19(5) of the Promulgation, all members of the Committee in an enterprise or organization must undergo accredited training on the functions and work of the Committee so as to facilitate consensus on good faith, foster good labour management relations and enhance productivity improvement.

(2) The Permanent Secretary shall cause to be provided accredited training mentioned in subregulation (1).

(3) The Board may approve other accredited persons to conduct accredited training under these Regulations.

(4) An employer shall permit his or her Committee members to take such time off work with full pay as is necessary in order to undertake accredited training under these Regulations.

(5) The employer is responsible for the prescribed costs of training undertaken under subregulation (1).

#### *Assessment of Consultation and its Results*

**16.-(1)** The Committee must periodically undertake an assessment of its performance and the functioning of its sub-Committee at least once a quarter. The following are some of the success indicators that could be used in measuring performance -

- (a) Committees are in place and well attended and productive;
- (b) consultation and dialogue are ongoing and not restricted to formalized meetings;
- (c) consultation is constructive and participants feel they can raise issues and have them addressed positively;
- (d) discussions are genuine and both parties have a sense of accomplishment;



(e) action items effectively implemented in a timely manner; and

(f) there is an improvement in labour-management relations and productivity.

(2) The Committee must also quantify improvement to the overall work environment, that should be discernable from the periodic survey of the enterprise or organization, as summarized in the Record Form for Labour-Management Consultation and Cooperation Committees, prescribed under regulation 17.

***Record Form for Labour-Management Consultation and Cooperation Committees***

17.-(1) For the purposes of promoting the effectiveness of Labour-Management Consultation and Cooperation Committees, the employer who employs more than 20 workers is required to complete the Record Form set out in the Schedule to these Regulations.

(2) The employer is required to submit to the Board a duly completed Record Form referred to in subregulation (1) at the end of every half year.

(3) This Record Form should be a summary record of Labour-Management Consultation and Cooperation Committees activities and achievements for the period under review.

***Process improvement methods***

18. A Committee shall consider implementing these process improvement methods in each workplace:

- (a) Quality Circle Concept (QCC) and/or Innovative Quality Circle Concept (IQC)
- (b) Five S's (5S);
- (c) Six Sigma;
- (d) ISO Quality Management System;
- (e) Knowledge Management (KM);
- (f) Total Quality Management (TQM);
- (g) Balanced Scorecard;
- (h) Business or Service Excellence;
- (i) Others.

***Productivity measurement tools***

19. A Committee shall utilize these productivity measurement tools in each workplace.

- (a) Labour Productivity Factor;
- (b) Capital Productivity Factor;
- (c) Total Factor Productivity;
- (d) Key Performance Indicators (KPIs);
- (e) any other Productivity indicators;

DATED this                                  day of April 2008.

.....

**Lekh Ram Vayeshnoi**

**Minister for Labour, Industrial Relations, Employment, Local  
Government, Urban Development & Housing**

**SCHEDULE**  
**(Regulation 17)**

**RECORD FORM FOR LABOUR-MANAGEMENT CONSULTATION AND  
COOPERATION COMMITTEES (LMCs)**

---

**1 - Administration**

Name of Employer:

Registered Office of Employer:

Number of employees:

Location of the Committee:

**2 - Employment Relationships**

- (a) Do you have a LMC?
- (b) When was it established?
- (c) How many LMC members are there?
- (d) Did you have any accredited training for LMC members?
- (e) How many members attended the training?
- (f) When was the training conducted?
- (g) Who conducted the training?
- (h) How many meetings did you have in the last quarter?
- (i) How many times did you discuss the items listed below in the last quarter-
  - 1. Dismissal –
  - 2. Disadvantaged –
  - 3. Discrimination –
  - 4. Sexual Harassment –
  - 5. Duress –
  - 6. Others-
- (j) How many strikes did you have for this period?
- (k) How many lockouts did you have for this period?
- (l) Did you have any training on the Employments Relations (ER) Promulgation?
- (m) If yes, how many attended the training?

- (n) What other comments do you wish to make?

### 3 – Productivity Improvement

- (a) Did you have any productivity training for your LMC members?
- (b) How many members attended the training?
- (c) When was the training conducted?
- (d) Who conducted the training?
- (e) Tick the system and process improvement methods used within your enterprise or organization -
1. Quality Circle Concept (QCC) and/or Innovative Quality Circle Concept (IQC)
  2. Five S's (5S) –
  3. Six Sigma -
  4. ISO Quality Management System -
  5. Knowledge Management (KM)-
  6. Total Quality Management (TQM) -
  7. Balanced Scorecard -
  8. Business or Service Excellence -
  9. Others -
- (f) Do you have an OHS Policy?
- (g) Do you have an OHS Committee?
- (h) Has any OHS training conducted in your enterprise/organization?
- (i) Tick the work planning style you are using?
1. Individual Work Plan –
  2. Business Plan –
  3. Corporate Plan –
  4. Strategic Plan –
  5. Others -
- (j) Tick below how do you measure the productivity in your enterprise/organization-
1. By key performance indicators (KPIs) –
  2. By productivity ratios –
  3. Other methods -

- (k) What is your Labour Productivity Factor?
- (l) What is your Capital Productivity Factor?
- (m) What is your Total Factor Productivity?
- (n) List any other Productivity indicators?
- (o) Do you have a productivity-based wage system?
- (p) What other comments do you wish to make?

---

**Signatures of LMC Co-Chairpersons:**

**Co-Chairperson (Employer):** \_\_\_\_\_  
[Insert Name]

**Co-Chairperson (Worker):** \_\_\_\_\_  
[Insert Name]

**Date:**.....