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AT THE EMPLOYERS' CONSULTATIVE ASSOCIATION'S AWARD & GALA

DINNER HELD AT THE HYATT HOTEL ON 24<sup>TH</sup> MAY, 2012

*Theme: Labour Relationships the Deciding Factor to Success in Business Leadership*

I wish to thank the Chairman and members of the Employers' Consultative Association for affording me the opportunity to address this Award and Gala Dinner. I am very humbled by your invitation.

***“The industrial world would be a more peaceful place if workers were called in as collaborators in the process of establishing standards and defining shop practices, matters which surely affect their interests and well being fully as much as they affect those of employers and customers.”*** Mary Barnett Gilson (Labour management relations).

There is a lot of uncertainty in the global economic climate even the best economist could not predict the recent financial crisis and many confess that they simply cannot predict what will happen over the next decade. The United Nation's Development Policy and Analysis Division stated in its World Economic Situation and Prospects for 2012 that the world economy is on the brink of another major down turn. This report stated that global economic growth started to decelerate in mid-2011, and economic slowdown is expected to continue into 2012 and 2013. Globally there is tension in the industrial relations arena. A look at the United States shows persistent

high unemployment, several large corporations have folded up, and a housing crisis which is still continuing. In Europe, austerity measures which have been introduced have impacted on employment and the quality of life in that region. This has led to a tense Industrial Relations climate. Europe's sovereign crisis continues to affect consumer and business confidence. Locally we are faced with a sluggish economy and a tense industrial relations climate.

Economists have predicted that developing countries like ours will continue to grow albeit at a slower rate. In order to foster growth, economic and social development, developing countries must put into train a series of strategies including strategies to stimulate more direct job creation and social development infrastructure. Those who are devising strategies and development policies should, in my respectful view, consider this country's history of labour relations.

This history is fraught with antagonism and confrontation between business and labour. In March 1965 Hansard recorded that the then Prime Minister, Dr. Eric Williams, informed the nation's Parliament that for the period 1960 to 1964 there were 230 strikes, 75 of these strikes occurred in 1962. The number of workers involved in strike action during the five year period was 74,574 and the total number of man days lost as a result of the strikes was 803,899. These figures were provided to the Parliament during the debate of the new Industrial Stabilisation Act, and the number of strikes and the loss of productivity were central to the debate. With the proclamation of the Industrial Stabilisation Act, mechanisms were put in place for dispute prevention and dispute resolution. A new system of social justice delivery was created in 1965 in the form of the Industrial Court of Trinidad & Tobago. Since 1965 we have seen an improvement in

labour relations. What does labour relationship mean? Labour relationship is a relationship between management and the workforce or workers' organizations. I would go further to say that this relationship should be collaborative and conciliatory in nature.

In some parts of the world especially in Europe the word "**labour**" is at times associated with a political movement if not a ruling government.

In Trinidad and Tobago many managers and business owners cringe at the sound of the word "**labour**" or union. They conjure images of marches, sick outs, strikes on the one hand, and a reduction in production and profits on the other.

The Unions or labour on the other hand, regard management as a group of individuals with no sense of equity, in terms of distribution of wealth, who are greedy and who exploit workers. There is distrust on each side of the fence 50 years after our independence.

This distrust appears to be permeating our current industrial relations climate. We live in a time of economic and social uncertainty; yesterday the Central Bank's Monetary Policy Report indicated a very marginal growth of 1% for the economy. For there to be any meaningful growth in the economy and for that growth to be sustained there is a need for each side, business and labour, to put aside their distrust and differences and to enter into meaningful labour relations partnerships. These partnerships should be aimed at developing strategies which can impact on the survival and profitability of businesses. Let's face it; what is in the best interest of management is usually in the best interest of workers.

To be successful and to make your business a success you need **“buy in”** from your workers. To get **“buy in”** and to implement your strategies, you should develop and foster a good working partnership with labour. Some of the very successful businesses and business models are those where the workers are **“in”** on the strategies and the goals of the Company. When workers are made to feel that they are part of the process, they work very hard to improve performance because they feel a sense of ownership. A true leader with good leadership skills will implement strategies to quell the mistrust with labour, and will instead encourage the workforce to be a part of the problem solving and the innovative processes.

A Company’s main reason for existence is to make profits. Employees want job security in the company in which they enjoy working. This can be a win-win situation for both sides if employee participation, open communication of the goals of the organization and a good working relationship between labour and management is fostered.

Good labour relationships can only be achieved in my view, with Unions **“buy in”** and with the acceptance that Unions and labour organizations are critical to productivity. It is incumbent that business leaders encourage open discussions on issues and disputes with labour, and for parties to adopt a joint and common approach towards problem solving in the work place. I would advocate that internal structures be less autocratic and more team oriented to facilitate openness. I am not advocating for one minute that there be no management. However, in my view, a team environment with a

healthy partnership between management and labour would assist parties in maintaining and sustaining a successful business.

When I looked at your topic for tonight, I could not help but think that what is central to the dialogue was the word ***“leadership”***. I am sure you have heard from time to time views of the qualities and characteristics of a successful business leader. Qualities such as hard work, resilience, confidence, assertiveness, readily come to mind. I want to focus on the characteristics which I believe a true leader should embody along with all the other qualities, of course. A leader should be receptive to new ideas. Some leaders in business are overly confident, they know it all and they cannot fathom that a mere worker may have a view or a new creative idea. A true leader should recognize his limitations and embrace the possibilities that others, including workers, may have new ideas which can improve his way of doing business.

A leader should be unselfish, by that I mean he must be able to recognize and appreciate the value which others bring to the table and the importance of motivating the workforce to give the best result. Motivation is far more effective than bullying. This requires that the leader spends time understanding his workers - how they think. It is not about merely assigning a job to someone, but it is about offering them the support they need to do the best job. My third and final characteristic of an effective leader is the managing of power. As a leader in business, you will have a certain amount of power. Indeed, some of you in this room are considered very powerful and influential members of society. Your decisions and your use of power can have a great impact on the lives of others, particularly your employees or subordinates on the job. We can sit

for the next few days and tell horror stories of abuse of power by persons with power. However, a true and effective leader understands power and uses it responsibly.

Former US President Dwight D. Eisenhower described Leadership as “***the art of getting someone else to do something you want done because he wants to do it.***”

There has been a lot of focus on Business leaders, but what about labour leaders? For labour relationships to work and be the deciding factor in the success of business there is need to consider labour leadership. Labour plays a critical role in the productivity, transformation and development of societies. Some of us do not really appreciate the value of leadership in labour and its role in society. There is no denying that Business plays an important role in terms of profit and growth, but leadership in labour is also important. The marrying of the two types of leadership will definitely enhance productivity, profitability and society as a whole. An effective labour leader, who appreciates the value of labour partnerships, can sit and exchange ideas with a business leader who shares similar goals. This will greatly assist in the transformation and success of business. So when we examine the theme tonight, from my perspective, not only is it important for business to foster good and effective labour relationships, but it is also critical that there be effective business leaders and labour leaders. Leadership, in my view, is the invisible thread which is interwoven between labour relationships and business success.

Leaders (business and labour) of 2012 are required to properly navigate through this period of economic uncertainty to a future of transformation and growth. The businessman of 2012 is required to have an understanding of the economic effects of

his actions and his business activity in addition to a sense of what is happening in the real economy. His management style should be centered on encouraging and motivating workers while by the same token pursuing opportunities and driving change. Leadership, power and labour relationships are inextricably linked to the success of a business. With that understanding, the argument for the need to foster good labour relationships, in my view, is a no brainer.

One cannot deny that work stoppages, strikes and lockouts affect productivity, and if they are prolonged they can have disastrous effects on the economy. We have the example of the early 1960's, and we have made remarkable strides since then , in terms of establishing mechanisms for dispute prevention, dispute resolution and maintaining social peace. The strides which we have made in Industrial Relations, as an independent nation, were made largely due to the resilience and hard work of our labour leaders and our business leaders.

Any return to the industrial climate of the early 1960's will retard our progress. Leaders of business and labour should continue to develop healthy and productive relationships to assist in the continued transformation and development of our nation.

I think we all wish to enjoy a peaceful and stable industrial relations climate and the economic progress which comes with it. Although we have evolved as a nation over the last 50 years and we have made inroads in the resolution process, there is still a lot to be done. We should focus on strengthening labour relationships and improving employee engagement by creating synergies. This will encourage an Industrial Relations culture which promotes more joint dialogue, consensus and fewer discords.

Such a culture can only redound to continued growth, profitability and productivity for Trinidad and Tobago.

Thank you again for the invitation and do enjoy the rest of the evening.