**Assignment 10**

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**Module ten questions**

1. **Explain why harmonious employee relation is essential in an organization.**

Employee relationsrefers to an organization's efforts to create and maintain a positive relationshipwith its employees*.* Employee relations can make or break an organization. Organizations that invest in good employee relations can witness numerous benefits namely;

1. Growth and Development

A harmonious relationship between employees and employers contributes to economic growth and development, which then leads to an increase in efficiency. Greater efficiency, in turn, leads to higher productivity and growth. It is important to keep the employees motivated if organizations want to get the best from them. Workers lacking in motivation will reduce productivity in a workplace.

When employees have a positive relationship with their managers, they will work more efficiently. They will put their best efforts (not the minimum effort) to ensure the success of the project. Organizations that have harmonious relationships will be able to ensure continuity of production. Proper use of resources ensures maximum production. Employees will be motivated to work hard, and this will help the organization grow.

1. Reduction in Turnover

Employee relations are the backbone of any business. Poor employee relations will affect productivity and result in high employee turnover. It is only when employees feel valued that they will use their skills and experience to the fullest to contribute to the growth of the company.

Organizations that have good employee relations provide higher wages and other attractive benefits, making it in the best interest of the employee to stay. Even if the employee is not 100% satisfied with their company, they are less keen to suddenly abandon a company for another when they are happy with their work environment. A pleasant work environment improves employee morale and motivation.

Most employees who work in companies are in the high-retention-risk category. The critical skills that they possess help the company progress, and the cost of replacing a skilled employee can be extremely high.

Employees are less likely to leave an organization, however, if those skills are recognized and rewarded.

It is the responsibility of the company to create an engaging work environment to make the employees feel valued. The cost of recruitment, hiring, and training will come down with lower employee turnover.

1. Employees Have Extensive Knowledge of Company Practices

The reduction in turnover ensures that employees stay with a company for longer, which enables them to gain extensive knowledge of company policies, practices, and processes. Employees with substantial institutional knowledge are an excellent resource. They are highly skilled, very efficient, and can provide training for new employees. Most companies find it hard to replace experienced employees, and this is especially true in industries that rely on employees with highly specialized skills.

1. Enhanced Motivation

Disengaged employees can cost organizations millions of dollars in lost productivity. Companies that have engaged workers experience higher productivity. Organizations need to ensure that their workers feel empowered and appreciated to increase morale and motivation.

1. Increase in Revenue

Great employee relations will have a positive impact on the growth and revenue of a company. The benefits of a happier, healthier work environment are not only felt within the business but by the customer or end-user, too. Having more engaged and motivated employees tends to result in greater customer satisfaction and better products and services, which also tends to point to an increase in sales.

1. Conflict Reduction

Workplace issues and conflicts are common. Conflicts are inevitable in any organization and can range from complaints about discriminatory employment practices to working conditions. Conflicts at the workplace will have an adverse impact on the productivity of a company and are likely to contribute to an environment of distrust between employees and employers, which can affect efficiency.

Investigating, mediating, and resolving employee complaints will help create a good work environment, which will reduce conflict in the workplace. Conflict reduction will help employees concentrate on their work and will increase productivity. Resolving conflicts becomes easier when managers work on fostering relationships with employees so that they are on the same page. Organizations that have fewer conflicts have higher morale, motivating employees to give their best.

Employee turnover also slows down when there is less conflict in the workplace. The work environment becomes stable and happy, which improves the overall work culture.

1. Employee Loyalty

A pleasant and productive work environment will have an effect on the loyalty of the employee, encouraging a loyal workforce. Companies that have such a workforce will be able to improve employee retention.

The most valuable asset of a company is its employees. The success of the company will depend on how they work. If they are engaged and motivated, they will strive to meet the expectations of the company. A strong employee and employer relationship will benefit the employee and the organization as a whole.

Great employee relations are the key to success for any company. Regardless of the size and number of employees, all businesses need to pay attention to employee relations. This will help them achieve success. Employee relations are important, as the success of an organization is highly dependent on the engagement and productivity of the workforce.

In conclusion investing in employee relations is as important as investing in any other business practice. Well-managed employee relations will help deal with the challenges and changing of any business environment.

1. **Discuss the basic principles guiding Trade Unions**

Trade Union is an organized association of workers in a trade, group of trades, or profession, formed to protect and further their rights and interests. Labour unions or trade unions are organizations formed by workers from related fields that work for the common interest of its members. They help workers in issues like fairness of pay, good working environment, hours of work and benefits. They represent a cluster of workers and provide a link between the management and workers.  
The purpose of these unions is to look into the grievances of wagers and present a collective voice in front of the management. Hence, it acts as the medium of communication between the workers and management.  
Regulation of relations, settlement of grievances, raising new demands on behalf of workers, collective bargaining and negotiations are the other key principle functions that these trade unions perform. Therefore the basic principles guiding trade unions are;

1. A Union is built on its members. The strength, understanding and unity of the membership can determine the union’s course and its advancements. The members who work, who make up the union and pay its dues can best determine their own destiny. If the facts are honestly presented to the members in the ranks, they will best judge what should be done and how it should be done. In brief, it is the membership of the union which is the best judge of its own welfare; not the officers, not the employers, not the politicians and the fair weather friends of labor. Above all, this approach is based on the conviction that given the truth and an opportunity to determine their own course of action, the rank and file in 99 cases out of 100 will take the right path in their own interests and in the interests of all the people.
2. Labor unity is at all times the key for a successful economic advancement. Anything that detracts from labor unity hurts all labor. Any group of workers which decides to put itself above other workers through craft unionism or through cozy deals at the expense of others will in the long run gain but little and inevitably will lose both its substance and its friends. No matter how difficult the going, a union must fight in every possible way to advance the principle of labor unity.
3. Workers are indivisible. There can be no discrimination because of race, color, creed, national origin, religious or political belief, sex, gender preference, or sexual orientation. Any division among the workers can help no one but the employers. Discrimination of worker against worker is suicide. Discrimination is a weapon of the boss. Its entire history is proof that it has served no other purpose than to pit worker against worker to their own destruction.
4. “To help any worker in distress” must be a daily guide in the life of every trade union and its individual members. Labor solidarity means just that. Unions have to accept the fact that the solidarity of labor stands above all else, including even the so-called sanctity of the contract. We cannot adopt for ourselves the policies of union leaders who insist that because they have a contract, their members are compelled to perform work even behind a picket line. Every picket line must be respected as though it were our own.
5. Any union, if it is to fulfill its appointed task, must put aside all internal differences and issues to combine for the common cause of advancing the welfare of the membership. No union can successfully fulfill its purpose in life if it allows itself to be distracted by any issue which causes division in its ranks and undermines the unity which all labor must have in the face of the employer.
6. The days are long gone when a union can consider dealing with single employers. The powerful financial interests of the country are bound together in every conceivable type of united organization to promote their own welfare and to resist the demands of labor. Labor can no more win with the ancient weapons of taking on a single employer in industry any more than it can hope to win through the worn-out dream of withholding its skill until an employer sues for peace. The employers of this country are part of a well-organized, carefully coordinated, effective fighting machine. They can be met only on equal terms, which requires industry-wide bargaining and the most extensive economic strength of organized labor.
7. Just as water flows to its lowest level, so do wages if the bulk of the workers are left unorganized. The day of craft unionism – the aristocracy of labor – was over when mass production methods were introduced. To organize the unorganized must be a cardinal principle of any union worth its salt; and to accomplish this is not merely in the interest of the unorganized, it is for the benefit of the organized as well.
8. The basic aspiration and desires of the workers throughout the world are the same. Workers are workers the world over. International solidarity, particularly to maritime workers, is essential to their protection and a guarantee of reserve economic power in times of strife.
9. A new type of unionism is called for which does not confine its ambitions and demands only to wages. Conditions of work, security of employment and adequate provisions for the workers and their families in times of need are of equal, if not greater importance, than the hourly wage.
10. Jurisdictional warfare and jurisdictional raiding must be outlawed by labor itself. Nothing can do as much damage to the ranks of labor and to the principle of labor unity and solidarity as jurisdictional bickering and raiding among unions. Both public support and strike victories and jeopardized by jurisdictional warfare. This code for rank and file unionism is implemented by the membership’s participation in organization, negotiations, strike machinery, contract enforcement and every other aspect of union life. Thus, its discipline springs out of participation, conviction and the right of the membership to decide its own course of action. The above principles and steps to implement them, and an informed and alert membership make the union what it is.
11. **Explain what would happen if the government outlaw Trade Unions.**

Outlawing trade union by government will lead to serious violation of the ore labours standards name;

* Freedom of Association and the Right to Collective Bargaining.
* Discrimination and Equal Remuneration
* Child Labour
* Forced Labour

This would make the labour force of a Country vulnerable and subject to exploitation by employers and governments. For example according to a report delivered to the World Trade Organisation’s (WTO) regarding a review of the Gulf Kingdom’s trade policies on 25th January 2012, it was found that Saudi Arabia is in violation of all core labour standards and that there is not a single trade union in Saudi Arabia, as the law does not allow them to exist.

In regard to freedom of association and the right to collective bargaining, Saudi Arabia did not allow workers the right to form unions and prescribes penalties for those who try to undertake organising. Workers are allowed to have workers’ committees in enterprises with more than 100 workers, but the employer and the Ministry have the right to participate in the committee and receive the minutes of every meeting. The many foreign workers in Saudi Arabia are barred from serving in such committees. Only one committee is allowed per workplace and the government must approve their statutes and membership lists. The competences of workers' committees are limited to working conditions, health and safety issues and productivity. The Ministry of Labour can dissolve a workers’ committee for violating regulations or threatening public security. The law does not provide for collective bargaining or strikes. Public demonstrations are also prohibited. The ban on organising is enforced strictly in practice too and collective bargaining does not take place.

What has happened is that despite the strike ban, some unauthorised strikes did take place, frequently as a result of non-payment of wages. Among other such reports, on March 23 2010 approximately 80 workers of the Habona General Hospital went on strike protesting at a four-month non-payment of their wages. Migrant workers have also staged strikes, however the government responded ruthlessly in such cases. In May 2010, approximately 30 Nepalese cleaners at the King Abdulaziz international airport were deported after they went on strike over the non-payment of salaries and substandard accommodation conditions. In October 2012, 16 Chinese workers were arrested for participating in a strike involving at least 100 Chinese workers in a rail construction project. The strikers demanded a salary increase and improved working and living conditions.

Discrimination and Equal Remuneration. Saudi Arabian law discriminates against women and women are deprived even of their basic rights. In September 2010 a Ministerial Order provided that “any discrimination in wages shall be prohibited between male and female workers for work of equal value” but there is no information on the Order's application in practice. There are no laws criminalising violence against women nor prohibiting sexual harassment at the workplace. Women are not discriminated against as employers as well as employees: discriminatory provisions provide different obligations for owning or running a business and investing, depending on sex. Women must seek permission of their guardian in order to perform work that is not “deemed appropriate for a woman”. This provision is interpreted broadly. Partly because of this, Saudi women account for only 4 per cent of the total workforce and 10.7 per cent of the national Saudi workforce. Women have difficulty finding employment but some women are employed in education and health-care, and in recent years also in ministries and social services. However, women are disproportionally concentrated in low skilled, low paid jobs. The labour market is segregated and the average working woman earns only 16 per cent of what a working man earns. Moreover, women and men are often kept in separate departments at the workplace. Women are essentially barred from a wide spectrum of professions, such as legal services and engineering, because they are not allowed to enrol in schools of those academic disciplines.

Other prohibitions that women face affect their employability. For example, women are not allowed to drive and many public transportation companies, including those with the largest network and range in Riyadh and Jeddah, do not allow women in their buses: consequently, every employer has to pay for personal transportation costs of female employees.

There is limited information on sexual harassment at the workplace. Raising a complaint is also problematic. In rape cases, the courts routinely punish both the victim and the perpetrator and the approach is similar for sexual harassment at the workplace or elsewhere. In January 2010, a court sentenced a woman to severe flogging and two years’ imprisonment for filing “spurious” harassment complaints against court officials and for “visiting government offices without a male guardian”. One of the two judges was the alleged perpetrator.

There is no law prohibiting discrimination against disabilities and building accessibility is not required by law. The Labour Code provides that enterprises with more than 25 workers allocate at least 4 per cent of their positions to persons with disabilities. However, information on the application of this provision in practice is limited.

The law prohibits racial discrimination. However, reports show that persons of non-Arab African and Asian origin were often victims of violence including at the workplace. In most of the cases, domestic workers were victims of exploitation in conditions akin to slavery. Similar conditions are faced by many migrant workers in other sectors (see part IV on Forced Labour). The Shia minority also face discrimination in various aspects of life, including in employment. The ILO Committee of Experts on Application of Conventions (CEACR) and Recommendations has identified weaknesses in the existing system: “lack of effective inspection, complaints mechanisms and enforcement regarding issues of discrimination, linked to lack of physical access, lack of awareness among judges and members of the commissions of discrimination issues, and the absence of women on the courts and commissions.” In practice, the violations are numerous and the CEACR has previously noted the potential for the Human Rights Commission to take a leading role in this area.

Homosexuality is punishable by death or flogging. Reporting discrimination against lesbian, gay, bisexual or transgender workers to the authorities could threaten their lives.

The law stipulates the deportation of every migrant worker who is found to be HIV positive at the test upon arrival or when hospitalised for other reasons. There are no recorded HIV/AIDS workplace programmes.

The law discriminates against women, and women face difficulties in finding employment. Those who work earn disproportionally little income. There are also extreme cases of abuses of migrant workers' rights, especially female migrant domestic workers.

Child Labour. The Labour Code sets the minimum age for admission to work at 15 years of age but it excludes agricultural workers and domestic workers. Children are allowed to be employed in family enterprises as well as family farms and herds. The Code stipulates that children younger than 18 years old may not perform hazardous work such as mining. It is not clear whether this provision, as well as the Ministerial Order of 2003 which identifies the types of hazardous work in which the employment of young persons is not authorised, apply to children employed as domestic workers and in agriculture. Moreover, CEACR has criticised the fact that the laws do not impose “sufficiently effective and dissuasive penalties for the offence of hiring children for the purpose of begging.” The laws also prohibit trafficking, including for the purpose of forced labour, but not forced child labour. According to CEACR, the laws also fail to sufficiently protect children from camel jockeying.

Child labour occurs in Saudi Arabia. The 2007 UNICEF Trafficking Report estimated that in Saudi Arabia there are over 83,000 children selling small goods and begging on the streets. Moreover, it is also reported that children from Asian countries like Cambodia, trafficked with forged age documents, work as domestic workers. The UNESCO Trafficking Statistics Project estimates that approximately 10 per cent of female prostitutes are under 18 years of age. The majority of these girls were trafficked from Indonesia to Saudi Arabia for the purpose of sexual exploitation. Furthermore, reports show that child labour is on the rise.

The Ministry of Justice has prosecuted few cases of alleged child labour violations. Special centres in big cities deal with the problem of beggary.

Forced Labour. The Labour Code prohibits forced labour and prescribes penalties for offenders. The 2009 Suppression of the Trafficking in Persons Act criminalises all forms of human trafficking providing for up to 15 years’ imprisonment and fines of up to USD 266,000. The law is supplemented by a decision of the Council of Ministers which prohibits the practice of withholding workers' travel documents and establishes the right of trafficking victims to remain in Saudi Arabia during an investigation while providing incentives to participate in the prosecution procedure. However a 2005 Royal Decree excludes all domestic workers, depriving them of rights granted to other workers including a weekly day off and maximum working hours.

Approximately 8.3 million migrants, who make up 90 to 95 per cent of the private sector workforce, are legally employed in Saudi Arabia. There are 1.5 million female domestic servants mainly from Asian countries, especially Indonesia and Philippines. Many reports show extreme use of violence, intimidation, confinement and threats against many migrant workers, especially female domestic workers. Migrant workers are forced to work long hours, often all day long with little to no time for rest. They do not enjoy a rest day and when they fall ill it is up to their employer to decide if they should adapt their tasks. Domestic workers' accommodation is usually poor as they are often given only a parking place or a storage room to sleep. Moreover, they lack access to medical services due to the limitations imposed on their mobility.

The HRW reports: “We documented several cases of physical and psychological abuse by employers, and in some cases by agents. Examples of abuse included beatings, deliberate burnings with hot irons, threats, insults, and forms of humiliation such as shaving a domestic worker’s head. Food deprivation was a common abuse. We interviewed women who reported rape, attempted rape, and sexual harassment, typically by male employers or their sons, and in some instances, by other foreign workers whom they had approached for assistance.”

With regards to migrants’ work permits a “sponsor” system, also known as kafala system, ties migrant workers to particular employers, limiting their options and freedom. A migrant worker is not allowed to change employer or leave the country without written consent of the employer. Workers cannot leave their job and in case a worker escapes the employer, then she/he cannot search for a new job, nor leave the country. This system in conjunction with the practice of confiscating travel documents and withholding wages puts workers under conditions akin to slavery. In case of a violation of the Labour Code's provisions on forced labour, the law prescribes fines and the banning of an employer from being a “sponsor”.

The Labour Code does not apply to domestic employees, many of whom are practically slaves, and agricultural workers. Such workers may have to seek assistance from their Embassies to be returned. Indeed, Human Rights Watch has documented numerous cases where workers were unable to escape from abusive conditions or even to return home upon completion of their contracts because their employer denied them permission to leave the country.

The workers are recruited, usually in Asia, by labour brokers and recruitment companies which send them to recruiters in Saudi Arabia. According to the Human Rights Watch (HRW) report “As If I Am Not Human”, commissioned especially concerning the problems domestic workers face in Saudi Arabia, “[t]he business of recruiting workers in Asia and placing them with employers in the Middle East has thrived as migration flows grew exponentially in the past few decades. In labour-sending countries, recruiters may charge exorbitant fees, provide incomplete or misleading information about working conditions, and, in Indonesia, subject women and girls to forced confinement for months and other pre-departure abuses in training centres.” Similar cases of confinement to “training centres” have been reported recently by the ITUC in Cambodia.

The authorities repeatedly discourage complaints by not showing interest, refusing to start prosecution and even deporting victims of torture without further investigations. Saudi authorities frequently prosecuted sexually abused victims who endeavoured to file complaints against their employers and employers' sons under allegations of adultery, fornication, or other moral “misconduct.”

Courts have routinely failed to protect workers who became victims of cruel torture. Indeed, a Saudi court awarded a tortured Indonesian domestic worker a mere US$670 in compensation for being severely beaten and confined in a cellar with little food for a month in 2005. The victim developed gangrene resulting in amputations. In practice, reports of torture of domestic workers being unfairly treated by the Saudi authorities are numerous. After Saudi Arabia beheaded a 54-year old Indonesian grandmother in June 2011, for stabbing her Saudi employer to death, Indonesia declared a moratorium on the migration of its nationals for domestic employment. However, Saudi Arabia stopped issuing work visas for domestic workers from the Philippines and Indonesia because of increased tensions between the sending countries and Saudi Arabia.

The authorities have often failed to protect victims and redress the violations by providing complaints procedures and immediate investigations and prosecutions. For example, in August 2010, a 49 year old Sri-Lankan domestic worker was repatriated after being tortured by her employers who had driven nails into her arms, legs and forehead because she had complained about her long working hours. The authorities denied her medical services and she was operated on only in Sri Lanka. In November 2010, a 23 year old Indonesian woman was admitted to hospital in Medina suffering from scissor incisions to her face, burns and a broken finger. She reported being tortured by her employers since her first day at work. The same month, the corpse of another tortured Indonesian worker was discovered. After international outrage her torturers and murderers were arrested.

In 2010, the authorities processed just 23 cases of trafficking which resulted in 13 investigations and 10 prosecutions and one conviction. This was the case of a 54-year old Saudi woman who tortured her Indonesian domestic servant. The court sentenced the perpetrator to three years’ imprisonment but denied to award compensation.

The CEACR has urged the government to launch an investigation into the foreign sponsorship system, to follow up issues relating to discrimination and the abuses of migrant workers, particularly the situation of female domestic workers, in a systematic manner and to put discrimination issues at the heart of national equality policy.

1. **Discuss the functions of Trade Unions.**

Some of the most important functions of the trade union are as follows:

Increasing Co-operation and Well-being among Workers: The modern indus­try is complex and demands specialization in jobs. This results in extreme division of labor, which leads to the growth of individualism and development of imper­sonal and formal relationships. There is no common unifying bond among the workers. It is in this context that the trade unions come into the picture and they promote friendliness and unity among the workers. Besides this, the trade unions also discuss the problems, which are common to all the workers. It is a platform where workers come together and know each other. The trade unions also provide some kind of entertainment and relaxation to the workers.

Securing Facilities for Workers: Most of the industrialists are not very keen on providing the facilities and proper working conditions to the workers. They are more interested in getting their work done to the maximum extent. In such con­ditions, trade unions fight on behalf of the workers and see that the facilities have been provided by the management.

Establishing Contacts between the Workers and the Employers: In present days, there are many industries, which have grown into giants. A single unit in a particular industry may employ hundreds of employees. Many times a worker or employee may not have a chance to see their managers. In this situation, the workers are not able to express their grievances before their employers, and even the management does not know the difficulties faced by the workers. The trade unions play an important role in bringing to the notice of the employers the diffi­culties and grievances of the employees. They try to arrange face-to-face meetings and thus try to establish contacts between the employees and the employers.

Trade Unions working for the Progress of the Employees: The trade unions try to improve the economic conditions of the workers by representing their cases to the employers and try to get adequate bonus to the workers.

Safeguarding the Interests of the Workers: Most of the industries try to exploit the workers to the maximum. They do not provide any benefits such as increas­ing their wages, granting sick leaves, giving compensation in case of accidents, etc. The workers are not made permanent even after many years of service and in some cases they are removed from service summarily. The trade unions provide security to the employees in such situations.

Provision of Labor Welfare: The economic conditions of the industrial workers in India are very poor. The standard of living is very low. A majority of industrial workers in India are illiterate or semi-literate. It is the responsibility of the trade unions to get them proper housing facilities and promote the socio-economic welfare of the laborers. The trade unions also try to arrange educational facilities for the children of the workers.

The main functions of the trade union are to protect and defend the interests of workers by serving as a mediator between the workers and the company. Trade unions exist to help workers ban together to have a stronger collective voice of influence. The breakdown of those functions is as follows:

* Advocating for fairness and equality for workers' compensations.
* Securing better working conditions for workers.
* Trade unions will organize strikes and demonstrations on behalf of worker demands.
* Fight for social welfare for workers.
* Promote and advocate for education and proper training for workers.
* Advocate and fight the government for legislative protection for workers.
* Promote and advocate for organizational growth and stability.
* Trade unions act as representatives of workers in national and international forums.
* Involved in collective bargaining agreements and disputes with management to settle any conditions on employment.
* Advising management on correct personnel policies and procedures.
* Involved in collective and personal collective grievances between management and workers.

1. **Explain the major reasons why employers would like to dissuade their employees to join Trade Unions.**

It is a general perception that employers believe that unions cost a company. Not just in direct costs, but in indirect costs as well. Slowed work process, lessened productivity, poorer employee relations, and more have been cited as the costs associated with unionism. A study by the Heritage Foundation: (*What Unions Do: How Labor Unions Affect Jobs and the Economy; May 21, 2009*) puts a bit more concreteness to this argument. This study finds:

“Unions function as labor cartels”. A labor cartel restricts the number of workers in a company or industry to drive up the remaining workers’ wages. Companies pass on those higher wages to consumers through higher prices, and often they also earn lower profits. Economic research finds that unions benefit their members but hurt consumers generally, and especially workers who are denied job opportunities.

The average union member earns more than the average non-union worker. However, that does not mean that expanding union membership will raise wages: Few workers who join a union today get a pay raise. ….The economy has become more competitive over the past generation. Companies have less power to pass price increases on to consumers without going out of business. Consequently, unions do not negotiate higher wages for many newly organized workers. These days, unions win higher wages for employees only at companies with competitive advantages that allow them to pay higher wages, such as successful research and development (R&D) projects or capital investments. Unions effectively tax these investments by negotiating higher wages for their members, thus lowering profits. Unionized companies respond to this union tax by reducing investment. Less investment makes unionized companies less competitive.

Economists consistently find that unions decrease the number of jobs available in the economy. The vast majority of manufacturing jobs lost over the past three decades have been among union members–non-union manufacturing employment has risen. Research also shows that widespread unionization delays recovery from economic downturns.

Some unions win higher wages for their members, though many do not. But with these higher wages, unions bring less investment, fewer jobs, higher prices, and smaller 401(k) plans for everyone else.

Economic theory consequently suggests that unions raise the wages of their members at the cost of lower profits and fewer jobs, that lower profits cause businesses to invest less, and that unions have a smaller effect in competitive markets (where a union cannot obtain a monopoly).

Union contracts compress wages: They suppress the wages of more productive workers and raise the wages of the less competent. Unions redistribute wealth between workers. Everyone gets the same seniority-based raise regardless of how much or little he contributes, and this reduces wage inequality in unionized companies… But this increased equality comes at a cost to employers. Often, the best workers will not work under union contracts that put a cap on their wages, so union firms have difficulty attracting and retaining top employees. Studies typically find that unionized companies earn profits between 10 percent and 15 percent lower than those of comparable non-union firms.”

Individualism. “Final union contracts typically give workers group identities instead of treating them as individuals. Unions do not have the resources to monitor each worker’s performance and tailor the contract accordingly. Even if they could, they would not want to do so. Unions want employees to view the union as not their individual achievements but as the source of their economic gains. As a result, union contracts typically base pay and promotions on seniority or detailed union job classifications. Unions rarely allow employers to base pay on individual performance or promote workers on the basis of individual ability.”

Unions cost a company, not just directly but even in many indirect manners. They have caused a slower work process in companies, reduced productivity and poor employee relations along with more adversity.

There are long-term contracts which can limit flexibility, strikes may cripple in a monopoly situation, and it limits technology, job security as a value will lessen necessary termination.

1. .**Trace the evolution process of Industrial relations Movement in your country.**

***(Period before General Amin came to power.)***

The 1900 Agreement that brought Uganda formally under British rule as a Protectorate was preceded by one year by the Caravan Porters ‘Regulations of 1899, the first official action to regulate terms and conditions of employment. For the next sixty formative years the growth of the industrial system was to be imbued with British colonial philosophy, itself strongly influenced by United Kingdom custom and practice. The link between the Protectorate Government and the UK Government, whose powers were exercised through the Colonial Office, was of considerable and growing importance during the colonial years. The power relationships were subtle. Ultimately control rested with the Colonial Office, but it was the UK Government's Philosophy, possibly making a self-dependence virtue out of a poor communications necessity, that the people on the spot usually knew best. There was, moreover, nothing that could be called a labour policy for the dependencies.

In the early years of the century interest in colonial labour matters was aroused only when particular events brought them to the fore. Violent clashes between workers and police might briefly arouse a public reaction, particularly when deaths resulted, but interest was usually short-lived. However internal opinion was not the only factor to take into account. UK governments were aware, after the First World War, of the growing importance of the ILO and the labour code. Britain, as a colonial power, and as one of the main initiators of the ILO, voluntarily undertook to improve standards not only at home but in her overseas territories.

In 1929 the advent of a labour government and an enlightened colonial secretary interested in labour matters seemed to promise greater UK intervention. The Government was, however, defeated before very much could be achieved. Nevertheless a more active UK policy was increasingly taking effect. A Colonial Office Labour Committee was established in 1930. This looked at draft legislation and other proposals for implementation in the dependencies and kept an eye on UK ratification of ILO conventions with a view to monitoring their implementation. Much of the labour legislation in Uganda during the interwar years was due in practice to UK pressure and the influence of the Labour Advisor to the Colonial Office, who made many visits to the dependencies and wrote useful reports.

The 1940 Colonial Development Act gave the Colonial Office a further lever in that considerable sums were voted by the UK Government for colonial development. These, however, could be withheld at the discretion of the Colonial Office, where it was felt that labour policy was neglected or insufficiently progressive. This active policy continued after the war and many African Labour Officers came to Britain for training and a number of conferences were held. Colonial Office policy on labour matters, therefore, can be clearly seen to have been developed from inaction, through crisis management, to a coherent and sustained attempt to raise the standard of labour throughout the dependencies.

Interest in labour matters in Uganda itself and the origins of the present day Ministry of Labour were centred on the question of labour supply. Uganda is a fertile country. Buganda, the major region, lies astride the equator, much of it at an altitude of 4000 feet. This gives an equitable year-round climate with an adequate rainfall. Other regions are not so well endowed, but it is a reasonable generalisation to say that subsistence agriculture is possible in most areas and in many it requires no great effort for peasants to live a comfortable traditional life. This is good for the peasants but bad for the plantation owners looking for abundant supplies of labour offering itself for low wages. Forced labour, although a pre-colonial tradition, was never widely resorted to except for public works and was gradually abolished between the wars. The alternative of driving peasants out into the wage market by means of a poll-tax was also entirely inadequate to meet local needs. Labour shortages were first seriously encountered during the First World War and reached a crisis due to a bumper cotton crop in 1918.

In 1919 a Uganda Development Commission was established to report upon the future economic development of the protectorate. It too drew attention to the problem of labour shortages. As a result the first Labour commissioner was appointed with a brief to increase the supply of labour.

***(The Post-Independence Industrial Relations.)***

After independence a new industrial relations framework was put in place. The frame work emphasised tripartism, reinforced the state control tradition of industrial relations and closer supervision of trade unions. A very important act of this new industrial relations frame work was the 1965 industrial relations act. This act was conceived in the wake of several strike actions after independence. But most importantly the act was conceived within the framework of the ideology of economic development which as earlier mentioned, became the overriding justification for the restrictive industrial relations regime of this post-colonial period.

Among other provisions, the new act provided for compulsory registration of all unions and union branches. It gave the minister of labour powers to order any person or persons or organisations which have relations with a trade unions or labour relations to notify the registrar (section 11). This was in addition to the Minister’s residual powers to order inspections or investigations into any union with ultimate powers to order prosecution or de-registration of a union. Other provisions included the exclusion from positions of leadership any foreigners, non-citizens working in Uganda.

This had the effect first of keeping out experienced union members especially those from Kenya who had been involved in earlier struggles and secondly to weaken the general trade union independent organisation given that a substantial part of the labour force was of alien origin from Rwanda and Burundi. Thirdly the act also strengthened the earlier provisions of 1952 ordinance which were meant to encourage democracy and accountability and brought in such provisions as those which ensured the keeping of the books of accounts, having them audited and open to inspection, by members and the making of annual returns. Section 20 of the act provided for every trade union to hold an annual general meeting failure to do which would lead to extortion of fines from union leaders.

The government through the minister of labour, justified these provisions on the grounds that government was the custodian of the common good hence the need to take responsibility for trade unions. He argued; "in the interest of the workers, the community and the country as a whole, the government has an inescapable responsibility to ensure that the administration of these organisations whose activities determine the economic progress of this country is properly undertaken, especially by the people who have the interest of the nation at heart" .(UG 1965: 1767). The 1965 Act despite its effect in streamlining the trade unions by encouraging amalgamation which saw a reduction from 40 small and ill organised to 26 after re-registration, the trade unions were generally strengthened only in a formal institutional sense. Trade union's capacity to mobilise workers, run their business democratically and relate to the wider society as a united force was minimal. As reported by Barya (1990) trade unions became divided and government encouraged this division. For instance the government sponsored Federation of Uganda Trade unions (FUTU) and the independent UTUC supported by ICFTU continued to divide workers allegedly on ideological lines. In 1966 FUTU merged with UTUC to form ULC (Uganda Labour Congress), the merger was short lived because in 1968 a faction in ULC staged a coup and overthrew the leadership.

The period between 1968-1971 during the Uganda Peoples’ Congress 1 (UPC) regime advanced the move to the left policy and sought to create state capitalism under the rubric of socialism which was the ideological catch word in Africa of the late 1960's and early 70's. The Industrial relations act (act4011970) was put in place to pave the way for incorporating trade unions and in it the workers within the state capital institutions. Therefore while during the period between 1962-68 restrictive labour policies were justified by the requirements for economic development, the new policies were based on the need to install socialism. At the centre of the new policy was the declared Common Man's charter or document 1 as it was called whose overriding objective was the achievement of socialism -an ideology that even surpassed that of development. This was to be achieved through the nationalisation of private enterprises. This indeed happened in 1970 through what came to be the Nakivubo pronouncements or Document no.4 when on May Day 1970 the President of Uganda announced that 60% out of 84 major industries most of which were foreign owned were nationalised. Trade unions were supposed to acquire part of the 60% of the nationalised industries. Also in another document (no. 4) government declared its intentions to create one public service with a uniform salary structure for all government officers, teaching service, parastatal, and the UPC party itself and trade unions.

Decree after another were issued among which was the 1976 decree and which is still in operation. It contained a range of provisions whose concern was freedom of association, democracy, accountability, and state control and supervision of trade unions. The rest of the provisions were as they appeared in the earlier decrees. But fundamental changes were introduced like the requirement that no foreign aid be received by unions unless approved by the minister (s .43) and that the purposes on which union funds may be used were fixed by law (s.44). The decree also empowered the registrar to apply to the trade unions tribunal against union officers for fraudulent misuse of funds (S .52). It also specifically gave powers to the registrar to interdict or suspend any union officer if satisfied that he/she is guilty of misuse misappropriation or mismanagement of the funds or the union affairs by the union leaders.

Although those aspects of the labour law which favoured trade union accountability were rarely invoked, in the few cases that they were, they were used for opportunistic purposes by government to push its position to the unions. These were used to negate democracy for example as when during the Uganda People's Congress second leadership between 1980-1985, the regime deployed the law to frustrate the holding of the Annual Delegates Conference (ADC) and even elections for NOTU because the government was not sure whether the leadership that would emerge would be sympathetic to it. When in 1984 the unions finally confronted the minister of labour demanding to be allowed to hold ADCs and elections, the minister opportunistically deployed the law against them; apart from saying that NOTU must maintain" the understanding reached in the president's office" ( this was about ensuring UPC leadership of NOTU and the Unions (see Barya 1990:278-280), the Minister insisted that ADC's would not be held until all legal requirements were observed namely; sending annual returns to the registrar (s. 48 industrial relations decree) and that unions had to be up to date in their subscriptions to NOTU. He then directed the registrar "to make sure that all unions were up to date in their contributions to NOTU and that the trade union inspector of books must ensure that the law is followed before NOTU Delegates conference is held". He then concluded without much discussion that "he was not going to succumb to any pressure whether internal or external and that if unions fail to fulfil the conditions he set, he will dissolve the unions and appoint caretaker committees" (NOTU 1984). This belated concern by the labour ministry over the need for unions to adhere to constitutional provisions was opportunistic in that it was meant to ensure that failure to follow the law could be used by the ministry to impose its wishes on the union.

The state intervention in the industrial relations becomes even more pronounced and effective through the state instituted subsidiary legislations purportedly put in place to safeguard all the interested parties to the Industrial Relations system. A look at some of the legislations would suffice to bring the state's position home.

***(Current Situation)***

**We have the** National Organisation of Trade Unions (NOTU) which was established by Decree No. 29 of 1973. It is currently the most representative Labour Centre in Uganda with Twenty labour union affiliates.  
NOTU is a non-profit labour organization that represents millions of Ugandan workers.  NOTU works with labour unions and community groups in all districts of Uganda.

The national organization of Trade Unions receives support for its activities through subscription by labour union affiliates, donations from international and national organizations.  
NOTU is a non-profit labour organization that represents millions of Ugandan workers.  We work with labour unions and community groups in all districts of Uganda.

1. **Kamau teaches at Jamu High School under the supervision of the Headmaster. He earns a monthly salary of $250.The school is private and provides Kamau with teaching resources that he requires. Kamau is also provided with office space. State FOUR factors that are considered in determining that Kamau is an employee of the school.**

The four factors that are considered in determining that Kamau is an employee of the school are:

### Legislative benefits,

### Entitlements and statutory protections

### Has a contract of service.

### All new emerging employment relationships are covered.

1. Employees receive direction and report to another person (Headmaster) as a dependent worker.
2. Fourth, an employee receives a salary, which is payment in return for the employee’s services.
3. Finally, an employee personally provides services. In other words, an employee cannot simply choose another person to provide the agreed upon services. Rather, the employee is the only person who provides the agreed-upon services.

### **8 State the meaning of each of the following terms of employment:**

(i) Permanent terms**.** Permanent employment is a situation where an employee works regular hours and are paid a salary or hourly rate. The contracts are ongoing until terminated by either the employer or employee and may be for full or part time work. Employees on these contracts are entitled to the full range of statutory employment rights.

(ii)Casual terms**.** An employee situation where the casual employment contract is suitable for scenarios where you want an individual to commit to working for you, but you’re not sure how many hours of work you’ll be able to offer them each week and cannot guarantee a regular working pattern. The contract should specify the minimum number of hours that you expect them to work each week, with the expectation being that the working pattern, and hours offered above this minimum, is likely to fluctuate.

(iii) Probatory terms.Probationary periods are defined periods of time that employees are exempt from certain contractual items, most importantly the notice period required for termination. ... Contract workers or those working part-time may be given shorter probationary periods. It is period i.e. 3, 6 or 12 month whereby your employer will monitor your performance to assess your capabilities and appropriateness for the job. Once the probationary period is over, you might be eligible for other opportunities, like confirmation, promotion, raise, or other position.

(iv) Temporary terms. An employment situation where an employee is expected to remain in a position only for a certain period of time. Temporary employees may have the opportunity to achieve permanent employment status after the time period has lapsed, Temporary workers may also be referred to as seasonal employees or temps. Employment term may be based on the completion of a project, the availability of funding, or other circumstances.

**9. Outline SIX causes of industrial conflict.**

1. Low wages.
2. Poor communication within the employer organisation.
3. Political Interference.
4. Multiplicity of Labour Laws.
5. Expectations.
6. Disparity with increases awarded to senior people.
7. Level of consumerism.
8. Union Rivalry.
9. Employee debt.

**10. Under the common law, employees owe specific duties to their employers. Outline SIX**

An employer owes their employee the following duties, which can be implied by the law or may be found in the employment contract. These duties will include;

1. Duty to pay the employee the agreed amount if the employee arrives for work and can work.
2. Provide the employee with work to do, (this is limited). However, for example, if the employee is paid by commission and the employer does not give the employee any work or if not working could damage the employee's reputation, for example, if you are a senior executive in a company. Then the employer may have broken their duty to the employee.
3. Observe Health & Safety Regulations.
4. Give employees correct information about rights under their contract.
5. Give employees reasonable opportunity to have their complaints looked at.
6. There is no duty to provide references to an employee, (except where the reference is required by the Financial Conduct Authority). However, if a reference is provided by the employer, the employer owes a duty to the employee to make sure the reference is completed with reasonable skill and care and is true, accurate and fair. The employer also owes a duty to the receiver of the reference not to make any negligent statements about the employee.
7. The employer and employee also owe each other a duty of "Mutual Trust & Confidence", basically they must show respect for each other and avoid of breaches like;

* Harassing or victimising employees, particularly in front of other employees who are less senior than the victim.
* Physical violence by the employer or employee.
* Theft by employee.
* There is no duty to pay Contractual Sick Pay. There is an obligation on an employer to pay statutory sick pay for the prescribe period when an employee is absent due to sickness in the case of Uganda.

**11. Identify FOUR ways of lawful termination of employment**

Lawful or legal employee termination is when a person's employment is ended in accordance with the employment Act 2006 law (section 65 in the case of Uganda) on the national, state, and local levels… This means that employers technically cannot fire a person just because they don't like something about them. Termination of employment can be initiated by either of the parties to a contract of employment under common in the following 4 ways below:

* Termination of employment by agreement: When the employer and employee agree to bring a contract of employment to an end in accordance with an agreement. This may be in case of terminating a contract of apprenticeship; where the period of training expires then the contract will obviously come to an end.
* Automatic termination: A contract of employment may be terminated automatically in circumstances such as death or loss of business of the employer.
* Termination of employment by the employee/resignation: This happens when an employee due to material breach of the contract by the employer decides to resign from his/her employment.
* Termination of employment by an employer: An employer may also terminate the employment of an employee but there is a need to comply with the provisions of the law and contract relating to termination.

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