

# INTERNATIONAL EMPLOYEE RELATIONS ESSENTIALS”

SITGES : April 2024

# An Employee Relations strategy

“ A value driven framework for managing relationships with workers that optimizes engagement, productivity and flexibility and identifies, predicts and manages risk wherever the business operates in the world. ”



Today it's about “listening and responding to employee voice”



# How did it all go international?

- Your business, brand and reputation are global.
- Technology has changed where and how things can be done.
- New countries have joined the world's market economies.
- Investors think globally.
- Regulators increasingly think globally.
- Your reputation is in the hands of people you don't directly control in countries you have no employees.

## Game changers





# Global agendas and priorities are converging

Pay equity and transparency

DE&I

Supply Chain labor standards

The Gig Economy

Employee and trade union rights  
centered legislation

Artificial Intelligence

Data protection

Return to the office

Cost cutting and productivity

Employee expectations and voice

... and trade union power and influence

***BUT Managing the international agenda has never been so complex***

# Key concepts in understanding and managing international employee relations successfully

“The “three Rs” that determine management ability to act”

Regulation

Representation

Reality

“Four factors that influence national differences”

Power, rights and control

Maturity

Culture

Risk



## Regulation



Economy	Ease of Doing Business Rank 
New Zealand	1
Singapore	2
Hong Kong SAR, China	3
Denmark	4
Korea, Rep.	5
United States	6

## Representation

Co-determination

Consultation

Information

Communication

... or simply POWER

## Reality

France may be more complex than the United States

*... but not if you have a CBA with the UAW*

# Power, rights and control-based systems

## POWER

Unions “earn” the right to represent workers collectively by majority employee support

United States, Canada, UK,  
Singapore, India, Turkey, Australia,  
New Zealand

- Binary system – all or nothing based on membership
- Employee relations OR Labor relations
- Defined rules on recognition ... organising campaign driven
- Concession bargaining

## RIGHTS

Unions have a legal right to represent workers without majority employee support

Western Europe – works councils  
Eastern Europe & Nordics – trade union committees  
South America – sectoral bargaining

- Social dialogue – NOT necessarily social harmony
- Membership largely irrelevant
- Employee relations = Labor relations
- Constant tension/balance of power
- Works councils or union committees
- Sectoral bargaining
- Separation of pay bargaining and change management
- Negotiated work rules

## CONTROL

Rights to represent workers are controlled by the authorities

China, Vietnam, Middle East,  
Much of Africa

- State intervention
- Unions seen in opposition to State or under state control
- Low union membership and bargaining coverage

# Power, rights and control-based systems

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# Maturity

United States, UK, Germany, France, Japan, Singapore

## Characteristics of MATURE systems

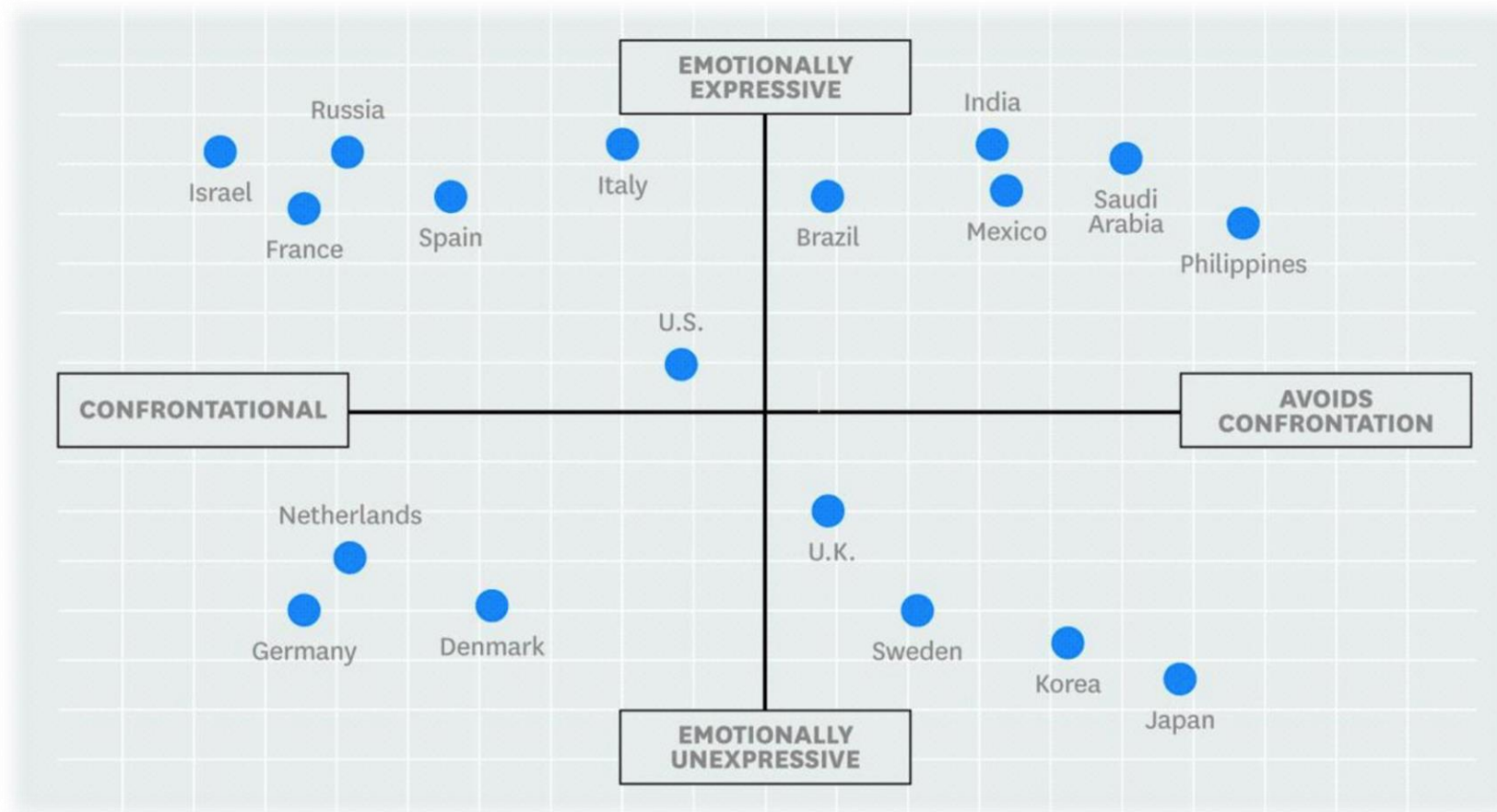
- The “legacy economies” that dominated world trade before 1990
- A long history of employee relations
- Strong, balanced and trusted legal system with a record of compliance
- Well organized trade unions
- Understanding of interest-based bargaining – quid pro quo
- Clear rules on trade union recognition and rights
- Stable economies
- Well-ordered rules for collective bargaining
- A history of Works Councils or Trade Union committees
- Clear rules on escalation of conflict

Central and Eastern Europe, India, China, Brazil, Mexico

## Characteristics of IMMATURE systems

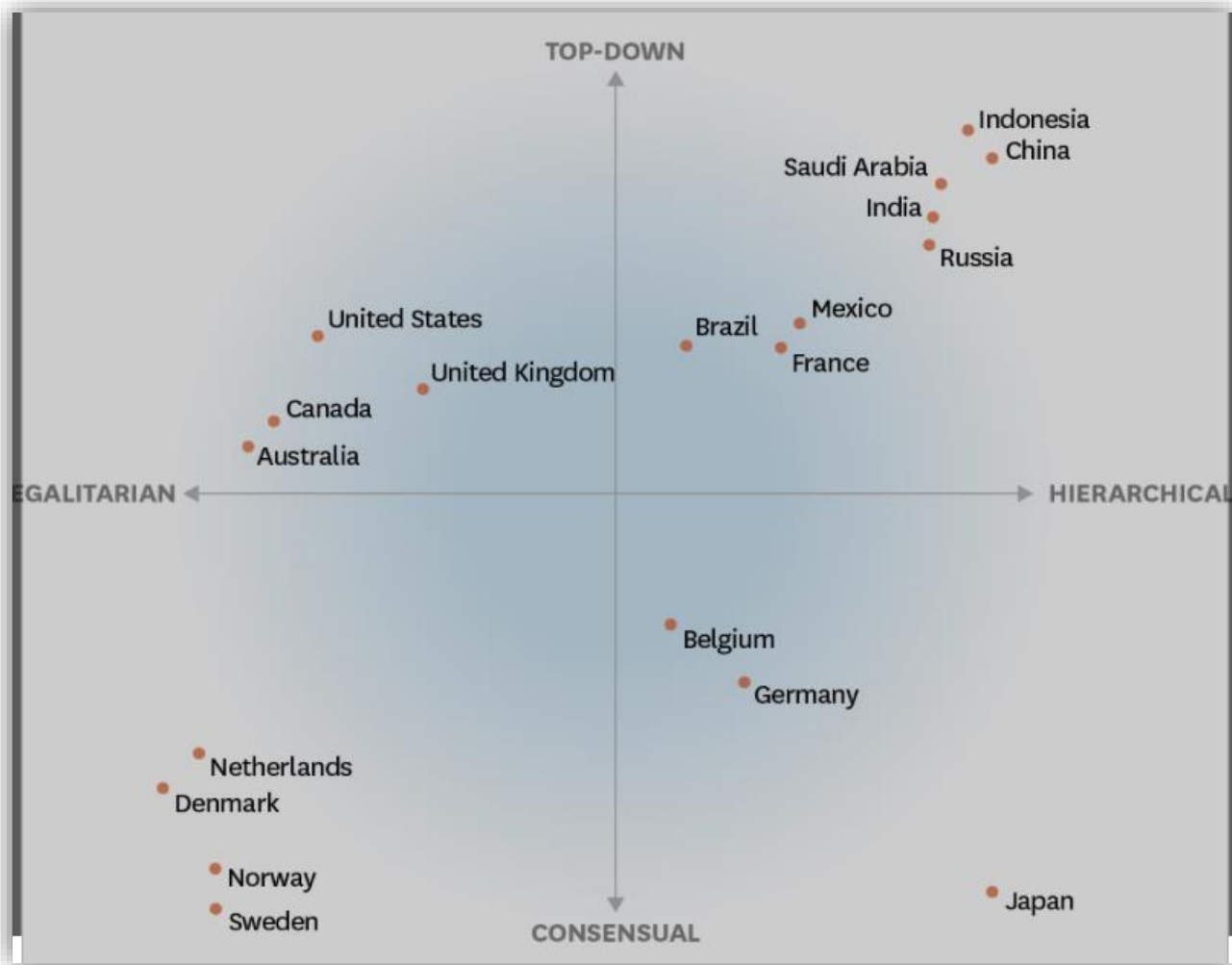
- The “new economies” emerging over the last 30 years
- Short history of HR management beyond record administration
- Biased or immature legal system, often with low employer compliance
- New and often poorly funded trade unions
- Excessive worker demands without consideration of affordability
- Trade union power based on ability to hurt the company
- Volatile behaviors
- No history of cooperation
- Rapid conflict escalation as a source of power
- Workers cannot afford a protracted strike

# Culture – Erin Meyer “Getting to si, ja, oui, hai and da”





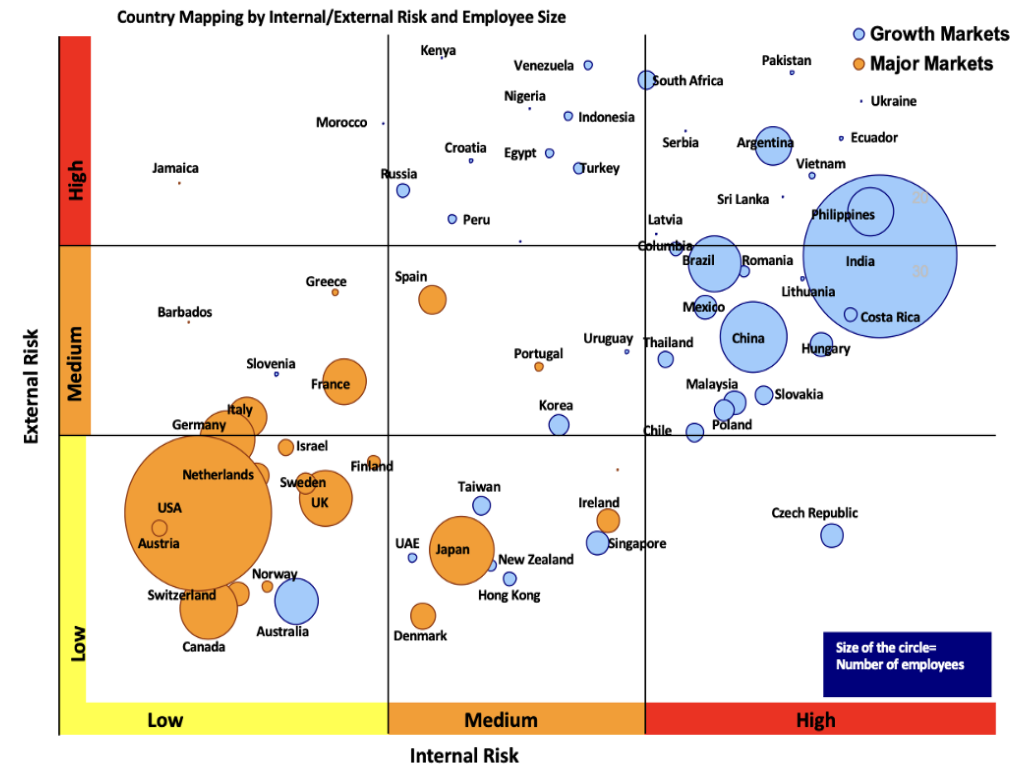
# Culture - Management style by national origin



# Internal and External Risk

External risk is a “given”  
... inherent to being in the country  
or in a particular industry

Internal risk varies ... based  
on specific company circumstances  
and behaviors





# Global principles of ER management



**RESPECT THE PEOPLE**

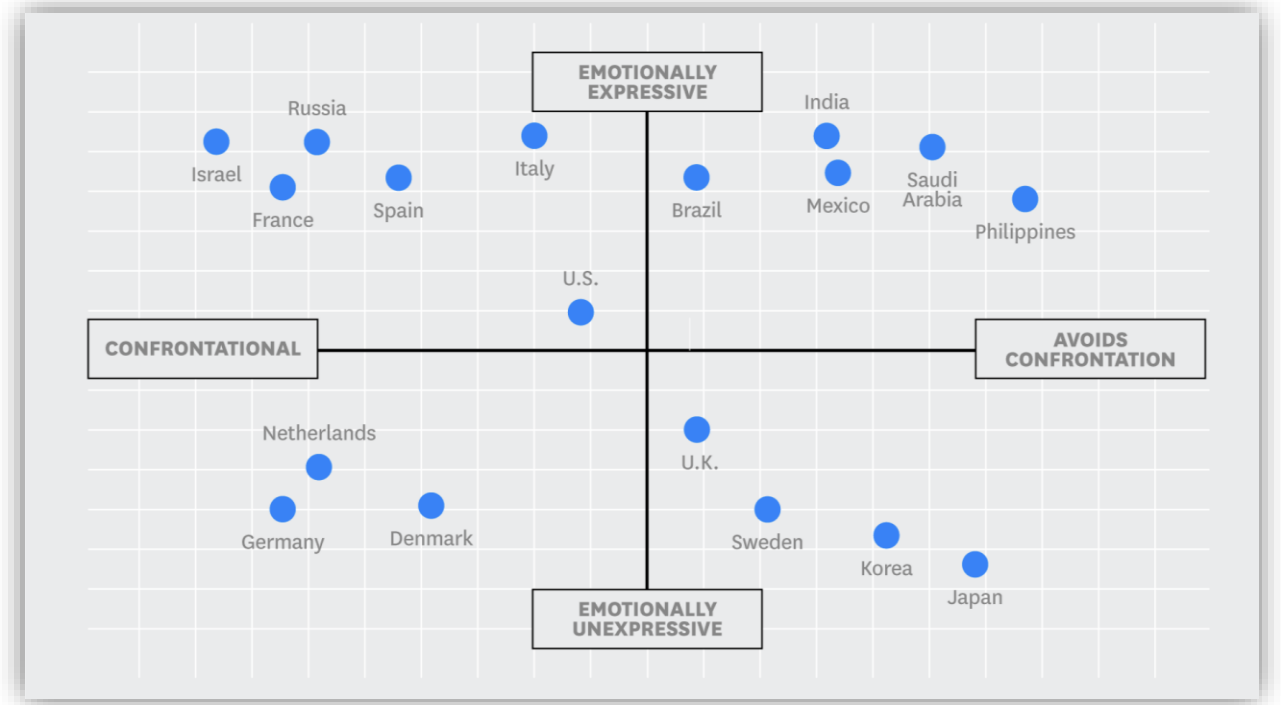
**RESPECT THE PROCESS**

**MINIMIZE EXPOSURE**

**MAXIMIZE LEVERAGE**

**DON'T REWARD BAD  
BEHAVIOR**

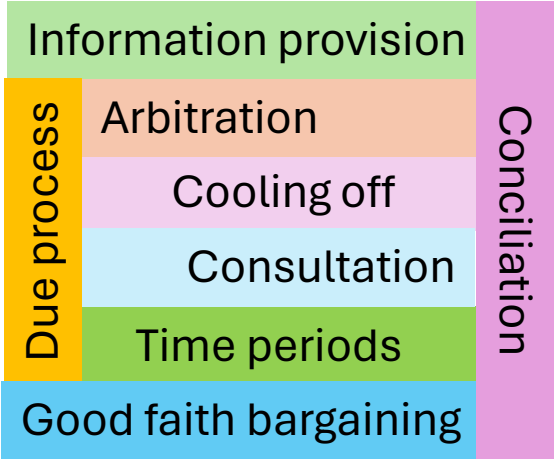




*“Listen to people you don’t like, saying things you don’t want to hear”*



Often just “being right” is not enough



... even when the other side doesn't play by the rules





## **MINIMIZE EXPOSURE**

- Choose the issue
- Choose the time
- Choose the turf
- Have plan B and C ... and D
- Prepare stakeholders
- Internal communications
- Media support





## MAXIMIZE LEVERAGE

- The key to every negotiation ... if you don't have any, then find or create some.
- An issue is not the same value to each side.
- Leverage is not always what you have ... it is what the other side thinks you have.



**DON'T REWARD BAD  
BEHAVIOR**

The most obvious,  
the most important,  
... and the most difficult



# Universal Human Behaviors



People want more

No one likes change

Everything's negotiable

Not everyone values the same things equally

Effectively executed leverage wins

Relationships matter



# Understanding your boss and your peers



“ If you don't understand their world  
... you can't help each other ”

# You will fail if you don't grasp these ideas

- What it means in the US to be Union free;
- Managing a CBA in the US compared to anywhere else in the world;
- Power and rights-based systems ... the “table” or “the people in the chairs”?
- The influence of “employment at will” ... on everything;
- American views on compensation and benefits;
- Individual rights and “class actions”;



# Let's talk about sport

Sport matters more than you can imagine



Winners win big ... and losers lose





# Being union-free in the US REALLY MATTERS!!

... the problem is they think that applies to the same extent in the rest of the world

## Starbucks's union-busting may cost it \$240 million

In a letter to the SEC, a labor group called on the company to disclose costs from anti-union campaigns.

## Starbucks closed 23 stores to deter unionizing, US agency says

By Daniel Wiessner

December 15, 2023 2:08 AM GMT+7 · Updated 3 months ago

## Amazon Spent \$14 Million On Anti-Union Consultants In 2022

Labor consultants have been a key ingredient in the company's counter-campaign against labor unions.



By Dave Jamieson

Mar 31, 2023, 08:03 PM EDT | Updated Mar 31, 2023

## Amazon Goes into Union-Busting Overdrive to Fight Campaign at KCVG Air Hub

December 20, 2023 / Josh Crowell and Tamara Dowell

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... and this is why

207 Pages  
45 Articles

**NATIONAL MASTER  
UNITED PARCEL SERVICE  
AGREEMENT**



For The Period  
August 1, 2023  
through July 31, 2028

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# Looking at the world through a New York lens

- For non-union companies in the US ... everything looks difficult ... everywhere
- For all companies in the US ... their experience of trade unions and works councils is influenced by CBAs at home
- For union companies in the US ... the last thing they need is a US style agreement elsewhere in the world
- All unions everywhere are the enemy
- No notion that trade union recognition is a part of the “social license to operate” in some countries.



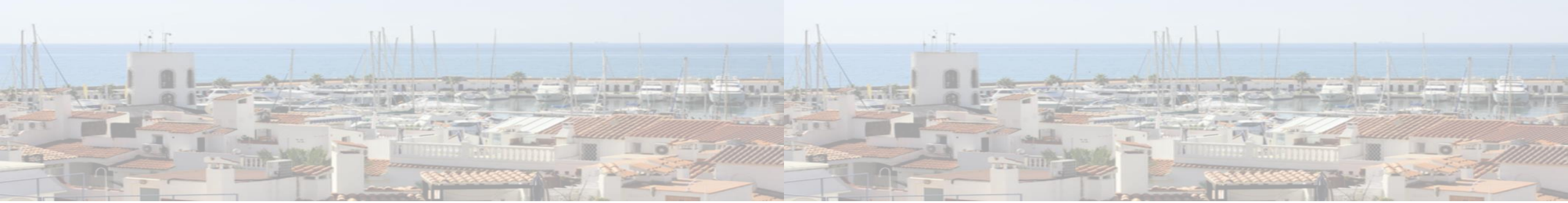




- “Employment at will”.
  - Not just hire and fire but contract types
  - The world view is that dismissal is not a “nice thing”
  - Short term contracts are not needed to secure employment flexibility
- Individual rights and class actions more important than collective representation;
  - DE&I trumps everything – not just morally but in court
- Compensation and benefits;
  - Cash is king
  - Disproportionate influence of healthcare

# So What?

- Power-based countries ... ER is driven by leverage. In non-union companies, relationships with unions are frowned on.
- Rights- based countries ... leverage is given. Business success relies on constructive relationships with works councils or unions.
- Don't wait for your boss or peers to understand your system ... it's your role to teach them and to interpret their requests and demands.
- Replace the feeling of “push back” with learning and trust.
- Get involved in policy making at the early stage to assure a global and not colonial viewpoint.
- Secrets and surprises are not your friend.



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