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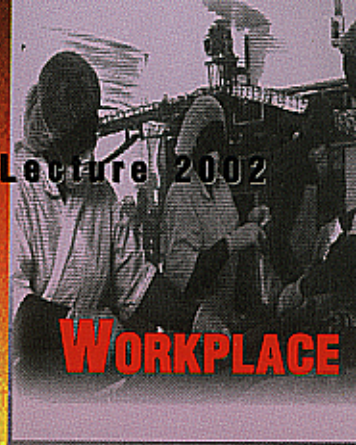
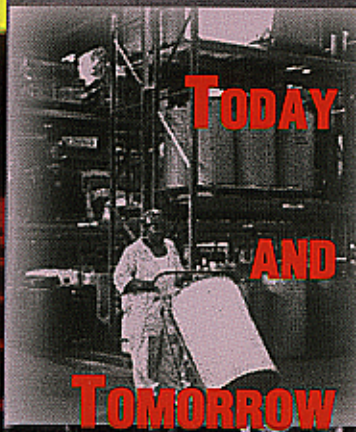
Grace, Kennedy Foundation Lecture 2002

CHANGING with CHANGE:

Workplace Dynamics Today and Tomorrow





Lloyd Goodleigh
Anthony Irons
Neville Ying

The Grace, Kennedy Foundation Lecture, 2002

Changing with Change

Workplace Dynamics Today and Tomorrow

The Grace, Kennedy Foundation

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The Grace, Kennedy Foundation

The Grace, Kennedy Foundation was established in 1982 on the 60th Anniversary of Grace, Kennedy & Company Limited.

The Foundation expresses, in a tangible way, Grace, Kennedy's commitment to Jamaica's development by making grants to deserving community groups, in support of its stated objectives which are as follows:

1. to develop and promote the arts, health, culture, and sports;
2. to establish and carry on programmes for the development of education and skills of people in Jamaica;
3. to develop programmes aimed at the upliftment of the spiritual well-being of individuals.

Guided by clearly formulated policies, the Directors have focused on assistance in three areas: Community Services; Our Heritage; and Education; the last receiving the greater emphasis. The Foundation's Scholarship and Bursary Programme is, therefore, an important component of its activity.

By supporting capable and talented people and those who contribute to the development of their communities, the Foundation works towards achieving its main purpose, the development of Jamaica's human resources on which our future as a nation depends.

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1993	Elsa Leo-Rhynie The Jamaican Family: Continuity & Change
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1999	Barry Chevannes What We Sow and What We Reap
2000	Patrick Bryan Inside Out and Outside In: Factors in the Creation of Contemporary Jamaica
2001	Errol Miller Jamaica in the 21st Century: Contending Choices

(* Out of print)

Please note: Copies of the Lectures in print are available from the Grace, Kennedy Foundation.

The Grace, Kennedy Foundation Lectures

The year 2002 marks two anniversaries worthy of note; The Foundation's 20th and our parent, Grace, Kennedy & Company Limited's 80th year of these events the Foundation decided to present a "different" lecture in which we embrace the three elements that govern the workplace – employer, government and worker – each with their own voice.

The "Lecturer" is comprised of three distinguished Jamaicans whose names, if not their lives, have become household words in the country's workplaces.

As always, we hope that this our fourteenth lecture will raise passionate discussions and also bring changes to our country's productive life.

We look forward to your comments and thank you for your continued support of this series of lectures.

Patricia Robinson
Secretary/Executive Director
Grace, Kennedy Foundation

The Grace, Kennedy Lecture, 2002

Changing with Change

Workplace Dynamics Today and Tomorrow

The Grace, Kennedy Committee has done something rather ambitious this year. Instead of one Lecturer, we have assembled a team of distinguished lecturers to produce what amounts to a symposium on the important subject of "Workplace Dynamics Today and Tomorrow".

Few can doubt, however, the major role of Labour and Unionism in the formation of the modern Jamaican nation. We believe that the Foundation's objective of exploring the important features of our national landscape so as to inform us in the ongoing task of nation building will be enhanced by this year's focus on the workplace.

In recognition of the many faceted nature of Trade Unionism and the role and functioning of Labour in modern Jamaica, we have asked three distinguished practitioners in the field, Professor Neville Ying, the Hon. Anthony Irons, OJ,CD, and Mr Lloyd Goodleigh, to produce the Grace, Kennedy Lecture for 2002 — each from the perspective of where he has been a dynamic contributor to the health and growth of Jamaica's industry.

Changing with Change

Workplace Dynamics Today and Tomorrow

Introduction

Neville Ying

Introduction

As Jamaica and other Caribbean states continue their journey towards the destination of economic success and improved quality of life for their people, they face serious and fundamental challenges. It can be argued that they, in fact, are travelling in a sea of changes and are steering on a course that will carry them into the crosscurrents of international competition, trade liberalization and changes in information and communication technologies. The bombing of the twin towers in New York City and the Pentagon in Washington DC on September 11, 2001, has amplified the intensity of these cross currents as well as highlighting the increasing dimensions of worldwide psychological warfare and economic downturn. Within such a context, the fundamental questions for us in the Caribbean are:

1. How should we respond to these external forces of change?
2. Should we change everything?
3. If not, what should be changed?

If we consider the area of policies, for instance, the answers to these questions are not straightforward. This is so because global policies will not fit neatly with national situations. It is therefore important that in the Caribbean Region we are careful in deciding what aspects of our culture and modus operandi need to be reformed.

The challenge is that there is often an inadequate understanding of environmental and operational dynamics within Jamaica and the Caribbean. The net result is that it becomes difficult to plan for change when one does not know the present scenario for change or even what it is that one wants to be changed. It is therefore clear that there is need for more research and analysis of existing practices in order to decipher what works and what does not, what should be retained and what needs to be changed.

What is clear, however, is that globalization has meant now more than ever that Caribbean states will be directly influenced by global policy trends. Caribbean states have often been caught up in the torrent of international policy cycles with the result that policies sometimes fail to run their natural course. This has meant that the stock of information to develop the region's lesson-learning capacity has been somewhat underdeveloped.

It is within this context that we consider the workplace today and tomorrow. But, as we contemplate the dynamics of the workplace, we are forced to review the images and perceptions that form the frame of reference for our examination and analysis. In particular, we need to probe the following questions:

1. When we think of the workplace, what are the images around which we wrap our thoughts?
2. Is the workplace a financial institution? Is it a hotel? Is it a manufacturing company? Is it a distribution company? Is it a home? Is it a street corner? Is it a government office? Is it a large business with thousands of workers? Is it a small office with a few employees? Is it a one-person operation? Is it a virtual office?

It is all of these and more. When we think of the workplace today, and tomorrow, our images of the workplace must be diverse.

The workplace today and tomorrow is, and will be, radically different from what it used to be. We are no longer speaking about a place that we go to from 8 a.m. to 5 p.m. We are speaking now about a place that could cover the full spectrum ranging from a street corner to a conventional office or manufacturing plant to a virtual office. We are speaking increasingly about different players – informal operators, small and medium-sized businesses and self-employed persons.

We must, of necessity, also have a diverse set of images of people and their needs, their goals and aspirations. Globalization, combined with the impact of technological changes, forces us to recognize this type of diversity. Such diversity dictates that we should look at people in the organization through three different lenses: the psychological, the social and the anthropological (Mullins, 1999).

The psychological lens will focus our attention on personality and attitudes, and their effect on behaviour at the workplace. The sociological lens will give us a view of the dynamics of how people work in groups and the challenges of transforming groups into work teams. The anthropological lens will focus our attention on how the culture of the organization and others of the external environment interact in determining the norms and beliefs that influence the behavior of people at the workplace. Some important revelations will include the extent to which:

1. People prefer to work individually or in groups;
2. People will display the tendency for others to make decisions for them and;
3. People will be willing to make independent decisions and take risks at the workplace.

When we examine the current workplace environment, it appears to be mixed. There are successful technology-driven firms,

there are firms locked in old paradigms fighting to survive, there are new and younger entrepreneurs, there is a growing informal sector, there is a relatively larger number of persons selling rather than producing. There is a knowledge and attitude divide, there is a technology divide, and there is a social divide. This landscape is fascinating to observe if you are a researcher but challenging if it is the scenario in which you are an active participant fighting to eke out a living, satisfy customers, run a successful company, or to improve the quality of life for yourself and others.

It is within the context of a diverse workplace, which is being impacted by internal and external pressures for change, that this presentation will be elaborated. The focus is on the dynamics of this workplace today and in the foreseeable future. These dynamics will be examined from three sets of perspectives. The first set of perspectives will concentrate on the need to build and sustain a culture of high productivity through the important link between productivity and human resources. The second set of perspectives will focus on the dynamic interaction between the state and business, and the third set of perspectives will examine the impact of international forces on the workplace. The presentation will use, as its reference points, organizations in the formal public and private sector although the ideas discussed are also generally applicable to the informal sector.

Changing with Change

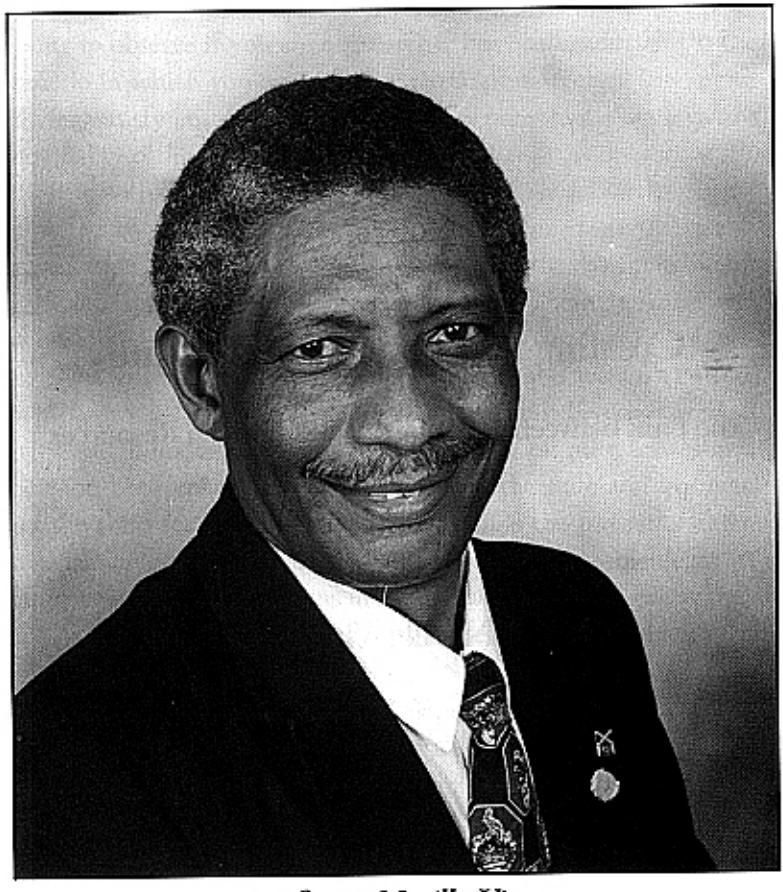
Workplace Dynamics Today and Tomorrow

I

Creating the Productivity Culture

The Link between Productivity and Human Resources

Neville Ying



Professor Neville Ying

Professor Neville Ying, PhD

Dr Neville Ying was born at Morant Bay on December 21, 1940. He was educated at Morant Bay Elementary School, Dinthill High School, Mico Teachers' Training College, the University of the West Indies and the University of Maryland. Late, courtesy the US AID programme, he experienced Manpower Training at Washington, DC.

Dr Ying became the Professor of Business Development at UWI in the year 2000 and he is also now the Director of the Labour Studies Programme at Mona.

A perusal of Dr Ying's extensive and impressive dossier in *Whose Who* will show career interests ranging from the academic to the practical in the development of human society.

Dr Ying was Executive Director of the Institute of Management and Production (IMP) from 1978 to 1987, Project Manager of UWI–USAID Management Project, 1987-1990, and Group Vice President, Human Resource Development, for the ICD Group from 1990 to 2000.

Dr Ying's publications in the fields of Education Planning, Measurement and Evaluation and Human Resource Development are, on their own, an impressive and extensive library. They demonstrate a truly prolifically productive mind of a man whom Jamaica is justly proud.

I

Creating the Productivity Culture

The Link between Productivity and Human Resources

Productivity is of central importance to all countries. It is a key determinant of organizations and nations operating successfully in an internationally competitive marketplace. The following statements by Allan Larson support this position:

1. Productivity is a matter of great importance. It is the basis for competitiveness and business success. It is the basis for real wages and improved working conditions, the necessary economic basis for decent work, and the way to fight poverty. It is a matter of common interest for employers and workers, for governments and global actors.
2. Productivity is created by change, by expanding trade, by new technology, by business and entrepreneurial initiatives. Thus, the promotion of change is a cornerstone of a successful employment policy. This side of employment policy, often neglected, has to be strengthened.[1]

Because of the central importance of productivity, it is a developmental imperative for which we must have a clear working knowledge and appreciation of the dynamics that influence it at the work-

place. In this regard, it is posited that the single most important task at the workplace today, and tomorrow, is achieving and sustaining high levels of productivity. The most important related challenge in this task is building and sustaining the productivity culture. What are the dynamics of doing this? Is it cost reduction? Is it skill development? Is it strategic partnerships? Is it technological changes? Is it a combination of people and technology? Is it reward based on performance? Is it a change of mindset and attitudes? Building a productivity culture is all of these and more. Building a productivity culture can be about achieving the optimum balance between people, technology, profits, service, and quality.

The thesis of this perspective is that the human resource factor is the most important determinant in creating and sustaining this balance for the building of a high performance and productivity culture. What then are the critical ingredients of building this type of human centred productivity culture? The five critical factors I am positing are:

1. Transformational Leadership
2. Building High Performance Work Teams
3. Building Meaningful and Effective Partnerships
4. Decision-making driven by Objective Information
5. Managing Diversity

What, then, are the key features, workplace issues, challenges, and approaches related to these factors?

Transformational Leadership

Transformational Leadership focuses on establishing and promoting a vision for the organization, competencies, and value systems of the leader, and the empowerment and development of followers (Daft

2002; Mullins 2001). It is to be contrasted with transactional leadership in which the focus is on the achievement of objectives and the efficiency with which specific tasks are executed. Both types of leadership are critical for the success of the organization, hence the challenge is to find the optimum balance of both. However, I support the position that, for effective creation and management of change in an internationally competitive marketplace, Transformational Leadership must have the greater emphasis. Creating the productivity culture in this scenario is a major change management effort. It requires more than the normal incremental changes. It requires quantum leaps in the change process at the workplace. The change effort required can be likened to the impact of the speed of light in Einstein's Theory of Relativity. This theory essentially says that a small mass can generate high energy if it moves with the speed of light squared. If we apply this theory to small economies like that of Jamaica it could be translated to mean that we can achieve high levels of productivity if there is a large change effort at the workplace. In mathematical terms the relationship between productivity and transformational leadership could be stated as follows. P = S * T2 where P is productivity, S is the size of the country, T is Transformational Leadership. Further, T represents the combined transformational leadership efforts in all organizations in the country.

My thesis is that transformational leadership can create this quantum leap in the change process at the workplace. Most importantly, its impact at the workplace will be the achievement of Beyond Normal Performance (BNP) at the individual, team and organizational levels. For these reasons transformational leadership must therefore be emphasized over transactional leadership in creating the productivity culture we need today and tomorrow.

Peter Morse, in commenting on the inadequate understanding of managers of small and medium enterprises in Canada about pro-

ductivity, illustrates the dangers of focusing on transactional leadership by positing that such leadership is a) primarily focused on the "day to day" issues of their own company and b) they find it difficult for them to know, while trying to meet the challenges of "global competitiveness", against whom they are competing and what the key competitive factors are in the global marketplace.[2]

In the past, there has been a tendency more towards a transactional leadership style, which focused on inputs, procedures and "getting things done on time". Globalization and the reforms under the heading of new public management have necessitated a new form of leadership, that is, outcome driven: one that is driven by the need to attain certain standards not only in performance but also in quality.[3] This is evident in industries such as tourism and telecommunications.

The dynamics of today's work world requires leadership that is flexible and motivational, one that leads by example, and one that is more responsive and responsible for total organizational performance. These are important criteria in engineering the level and quality of customer and stakeholder satisfaction that will enhance Jamaica's competitiveness.

The dilemma is that the work world in Jamaica is more focused on the transactional aspects. One should, however, resist the tendency to see this as a sign of backwardness, given the peculiarities of the island. In a country where there exist capacity and financial constraints and a turbid policy environment that often defies attempt at long-term planning and problem solving, there is the need for transactional leadership. That is, one that will ensure that projects follow a specific timeline and that there is adherence to certain procedures and protocols. On the other hand, effective response to globalization points to a greater need for transformational leadership.

What this hints at is a need to combine these two leadership

styles. It might even be necessary to have a multidimensional leadership style that sees one option (transformational or transactional) being utilized in different instances with a combination being used in others. Of course, the choice will be dictated by organizational type, size and objectives. In the final analysis, though, if the intent is to build a productivity culture and enhance one's global competitiveness then I posit that their needs would be met by a greater focus on Transformational Leadership.

The challenge of transformational leadership in building the productivity culture is summed up in a statement by Jens Dinsen (2001): "As a group, global CEOs will be seen as captains of small ships in turbulent seas – rarely able to chart a steady course and to maintain control of their own fate." However, the key to the approach of transformational leaders is suggested by Michael Beer and Nitin Nohoria (2001) in their comments about the position taken by advocates of Theory O that: ". . . companies, rather than driving change from the top, need to ensure the involvement of all their employees".

In support of this position for greater emphasis on Transformational Leadership, this type of leadership should give priority to two actions:

1. Empower individuals and, according to Hall and Benn (2000), "increases popular participation".
2. Give individuals and workers a stake in the success of organizations and country. It is important for individuals to have a stake not only in the success but also in the failure of businesses and the economy.

Building high performance work teams

In building the productivity culture, a strategic imperative is to develop, nurture, manage, motivate and reward high-performance work teams. The goal of these teams is, through the synergistic efforts of their members, to consistently demonstrate Beyond Normal Performance (BNP). Consequently, these teams should have two important characteristics. They should consist of persons with:

1. A diverse but complementary set of technical, professional, entrepreneurial and interpersonal skills; and
2. The willingness and competencies to achieve strategic objectives directly related to the critical success factors of the organization.

One fundamental challenge in building high performance work teams at the workplace is to break the behaviour pattern of individualism and create one that engenders cooperative efforts. Aligned to this is the challenge of employing a skilful combination of performance-based rewards for individuals and teams. Here a contentious issue to be addressed is the need for more equity, especially in the distribution of salaries and the rewards from the collective output of the organization. Occupational wage differentials in Latin America and Africa are quite high. As for the South African case, Stading et al. (1999) comments on what some see as the "appallingly and unnecessarily wide . . . dysfunctional and inequitable . . ." salary differentials in the country. This is also the case in Jamaica. Reports presented by the Jamaica Employers Federation (2000) also reflect a significantly high occupational wage differential.

The recent uproar over salaries in the public sector in Jamaica is some indication of the importance that the public places on these

issues. Such wide differentials are indeed a demotivational factor for mid- and low-level workers and, as a result, will influence their attitude to work and productivity. This issue is however not as simple as it may appear. The Jamaican public sector, like those in other developing countries, has had to contend with competition from the private sector and from migration in its attempt to maintain needed skills and talent. One may, therefore, justify such high salaries in light of this problem. Stading, et al. (1999) also verifies, ". . . others have defended them (high salaries) on the grounds that . . . wide differentials are necessary to motivate highly skilled people and to retain skilled and managerial employees in the country". This principle could also be argued for the private sector. The fact, though, is that these differentials represent a serious perception of and attitude to work problems and contribute to labour-management tensions which, in turn, will tend to have a negative impact on productivity at the workplace.

Building meaningful and effective partnerships

Another fundamental strategy in creating the productivity culture is that of building meaningful and effective partnerships. I will single out three types of partnership that I adjudge to be of critical importance to productivity at the workplace in Jamaica and the Caribbean region. These are management-labour cooperation; partnerships between business enterprises and the community; and partnerships between business enterprises and educational and training institutions.

Management-labour cooperation is an important dimension that must be addressed in building a high-level productivity culture at the workplace. Aihara (2001) concurs by asserting, "The key to improving productivity is mutual trust between labour and man-

agement respecting three points: 1) Security of employment. 2) Fair shares of the fruits of productivity. 3) Consultation between labour and management."

The importance of management-labour cooperation is critical in the scenario today and tomorrow for us to survive and succeed in the internationally competitive marketplace. But in order to achieve the level and type of cooperation required we must recognize and appreciate the dimensions of the problem involved. This can be viewed in terms of a workplace today and tomorrow as being affected by four sets of forces. The first two sets of forces relate to the adversarial and sometimes hostile relationship that has developed between trade unions and employers. From a behavioural perspective, what have been created are employees who have been schooled in antagonistic tactics as the approach to resolving conflicts at the workplace. The challenge for trade union leaders and leaders in the public and private sectors is how to get them to unlearn these behaviours.

This is another case in point of the need for transformational leadership to create this type of behavioural change. Will the transformational leaders for this task from the private and public sectors, the political directorate and the trade unions step forward please?

The third and fourth sets of forces relate to currents in the international arena. Here I will consider forces related to the International Labor Organization (ILO) and the World Trade Organization (WTO) to illustrate.

The ILO has been promoting the observance of Core Labor Standards at the workplace. These are (a) freedom of association; (b) right to collective bargaining; (c) elimination of all forms of forced or compulsory labour; (d) abolition of child labour and (e) elimination of discrimination in respect of employment and occupation (Hansenne, 1998). The WTO is also attempting to have the Core Labor Standards applied to the trade sector. A significant point, though, is that although Core Labor Standards have been widely

accepted, as can be seen by the number of countries ratifying them, putting them into effect has not been as widespread (Maskus 1997; Elliot 2001).

This situation has raised the question of which organization should oversee compliance. Should it be the ILO or the WTO? The specific issue being debated is whether or not the WTO should use Core Labor Standards as a basic criterion in making decisions about trade preferences and access to markets (Liemt 1999; Tapiola 1999). Supporters for one side of the debate argue that respect for fundamental human rights is a necessary condition for the effective operation of the labour market and that this strategy would encourage the practice at the workplace. Supporters of another side of the debate posit that multilateral agencies such as the WTO should work in partnership with the ILO in their efforts to link labour standards with matters of trade to capitalize on the benefits of tripartite consensus (Tapiola 1999). The workplace is caught in the middle of this debate as the WTO and the ILO attempt to resolve the conflict surrounding the locus of control for compliance with respect to core labour standards.

Despite these major forces of conflict, we must seek to build a meaningful and effective management-labour partnership as a precondition for creating the productivity culture we so urgently need. A significant number of industrial issues and actions are present in Jamaica, pointing to the need to improve management-labour cooperation with expedition. Two significant indicators of these are the number of man-days lost and the number of work stoppages each year. The first shows that, for the period 1996 to 2000, the average number of man-days lost per year was 59, 883; the second, from the same source, shows that the average number of work stoppages per year was 52.[4] The losses in productivity resulting from work stoppages are related primarily to wages, conditions of employment, and dismissals/suspensions.

In this context there are two important questions that are worthy of serious consideration:

1. Did management-labour cooperation influence the rethinking and relocation of investors such as free zone operators and garment manufacturers?
2. To what extent can improved management-labour relations assist in attracting and retaining investors?

Without awaiting exhaustive cogitation on these questions, we can reasonably conclude that if Jamaica and the region are to become more competitive in the international marketplace then there is a need for a radical transformation of the behaviour of both unions and employers. It means, therefore, that the building of the productivity culture will necessitate a new type of partnership between trade unions and employers. Such a new partnership will require, at a minimum, a change of mindset and perceptions and more effective communication between employers, the government and trade unions.

There are, however, some encouraging steps toward improved management-labour relations. In Jamaica, for the period 1996 to 2000 (op. cit.), there is an encouraging downward trend in the number of man-days lost and the number of work stoppages. The number of man-days lost moved from a high of 94,996 in 1998 to 22,500 in 2000 while the number of work stoppages moved from a high of 70 in 1997 to 28 in 2000. These signals are consistent with the trend towards improved management-labour cooperation in Europe and the Caribbean region. Robert Taylor (2001), in commenting on the changing face of labour relations, draws our attention to the following changes in business enterprises in Europe:

1. Recently a significant number of employers have displayed greater readiness to negotiate with trade unions to

promote workplace change by consent. Under the fashionable term 'partnership', companies seek to improve productivity.

2. Trade unions in the UK and elsewhere in Europe are being rebranded as allies in business-led innovation rather than as forces of resistance to change. Modernization, work restructuring, and job redesigning are recasting more positive and flexible attitudes among shop-floor workers.
3. There is a shift from traditional forms of industrial relations. This trend is moving away from voluntary accommodations, negotiated compromises, and a recognized acceptance of differing interests towards a system that balances a partnership model with agreed concerns and employee acceptance of at least a basic framework of rights.

Since the year 2001, the ILO Caribbean office, through funding from the Department of Labor of the USA, has been implementing a project for the promotion of management-labour cooperation (PROMALCO) in the Caribbean region. The project aims at demonstrating that good management-labour relations can contribute positively to productivity and competition in business enterprises in the Caribbean region.

The work of this project has demonstrated three important points. The first is that there is still a serious problem at the workplace in terms of lack of trust between labour and management. Secondly, that an encouraging movement towards improved labour-management relations is emerging. There are cases of best practices in management-labour relations from Jamaica in the north to Suriname in the south of the Caribbean region. Some of these cases were showcased in Trinidad at PROMALCO's Caribbean Enterprise

Forum, including presentations from the Shipping Association of Jamaica and Alcoa Jamaica Limited (now WINDALCO). The cases selected represented a cross-section of large, medium and small business enterprises in both the public and private sectors. The third point is that there is still a long way to go on this journey towards labour-management cooperation in the Caribbean region. There is need for greater thrust to spread the message to the unconverted enterprises that, at the moment, far outnumber those demonstrating best practices in management-labour cooperation.

In building the productivity culture required, it is important that, in addition to improving management-labour cooperation, there is need to build partnerships not only in the region of a tripartite arrangement involving employers, trade unions and government but also on a level which includes citizens. Social partnerships and the building and maintenance of social capital readily come to mind. The problem of crime and violence reinforces the need for this wider type of partnership. Crime and violence together have been identified as the number one problem in Jamaica, creating a climate of fear across the nation and frustrating the development of an environment favourable to increased investment in business enterprises.

The situation demands a new type of partnership and engagement between business enterprises and the communities in which they operate. A partnership of this kind must demonstrate corporate citizenship concerned with social problems in the community such as the high rates of unemployment, unacceptable levels of illiteracy, health and lifestyle problems such as HIV/AIDS and substance abuse as well as environmental issues such as poor sanitation and disposal of waste. Corporate citizenship must have higher priority in the strategic management of business enterprises.

There have, however, been useful starting points in this direction. Some examples of these are the Multicare Foundation spon-

sored by the Caribbean Cement Company, Cable and Wireless Jamaica Limited, and the Industrial Commercial Development, the Kingston Restoration Company, the Grace, Kennedy Group, Red Stripe, the Gleaner Company, and Wray and Nephew, all focusing on the development of inner-city communities. There are also many examples of companies that focus on education, health, and varied areas of community development. Examples of these are the Bank of Nova Scotia Foundation, the ICWI Foundation, the Jamaica National Building Society, Victoria Mutual Building Society, the Carreras Group, the Jamaica Flour Mills Foundation, LASCO, WINDALCO, Kaiser Jamaica Operations, the Shipping Association of Jamaica and Blue Cross.

There are also positive signals towards the consolidation of this type of corporate citizenship in Jamaica. In the *Financial Gleaner* of December 15, 2001, Lavern Clarke reported on Oliver Clarke, the new President of the Private Sector Organization of Jamaica (PSOJ). She commented on his priorities and approach and stated: "Now he wants to address a mix of social and business issues from the platform of the PSOJ, a body which incorporates the most powerful businesses in the island." His strategies will include ". . . working with elected representatives and encouraging workable strategies for crime, new investments and jobs".

Another important partnership in building the productivity culture concerns the business world and the educational and training institutions. The ILO World Report of 2001, while pointing out that there are important opportunities for workplace practices, makes the important point that we cannot leapfrog the basic educational skills of reading, writing and mathematics. In Jamaica we still have unacceptable levels of illiteracy. To remedy the situation, an urgent objective is needed to remedy the situation: an effective partnership bringing together education and training institutions, business enterprises, and the community, all working to achieve 100

per cent literacy in Jamaica. At the tertiary level, graduates are needed to provide the managerial, professional and entrepreneurial skills that will maximize the opportunities for improved and increased productivity that will result from the rapid changes in technology, especially information and communication technologies.

The examples of corporate universities and cooperative learning, research work of institutions fusing into the development and operation of business enterprises demonstrate the type of meaningful partnerships that can exist between education and business, at the same time, need to become widespread, systemic and sustained.

Decision-making driven by information

An important process in building the productivity culture is to create and sustain an environment in which decision-making is based on objective information. This has several dimensions. I will single out two of these. The first is that objective information can be used to reduce or eliminate perceptions based on gossip and hearsay. These tend to create interpersonal problems and tensions at the workplace and have a negative impact on productivity by providing a fertile ground for blame and lack of trust. The second, and positive, dimension is the use of information to identify critical success factors. These can assist the organization to establish strategic vision and action. At the operational level, use of this type of information can help to direct the efforts of staff to the areas that will produce the greatest effect on the success of the organization.

In this regard, a useful principle to look at is the Pareto rule. This can be translated to mean that we should direct 80 per cent of our efforts to that 20 per cent of the problem that will have the greatest impact in solving the problem. Of course, in order to determine the 20 per cent to tackle, one must engage in a problem iden-

tification and problem-solving exercise based on objective information. The example I like to use to illustrate this is in the area of accounts receivable collection. In this case, if one hundred customers owe us money, a productive approach would be to focus our collection efforts on the 20 per cent of customers who represent 80 per cent of what is owing to us.

It is very puzzling that, with the nature and types of advanced and emerging information and communication technologies available to us, we still have problems with the effective use of information to make personal, policy and business decisions. After all, information should, in most cases, be just a click away. What this is saying to us is that availability is not equal to effective use. This being the case, it should draw our attention to the task before us, that of building decision-making, and realize that it must be built on an objective information environment. Aligned to this, one of the primary tasks is that employees must be trained how to utilize computers and technology in order to enhance productivity and efficiency and continuously harness more innovative work practices. It is necessary to accomplish this task throughout the organization, from the executive and senior management to the ancillary and support staff.

Diversity management

Another important aspect of building a productivity culture is the way in which we manage diversity at the workplace. In Jamaica, the aspects of diversity on which we should focus our attention as they relate to productivity are age, education, culture and gender.

In relation to age, we have issues at the two ends of the spectrum. At one end, we have a predominantly young working population and at the other end we have older workers who are living longer.[5] There

are conflicts inherent in this generation gap related to value systems and views of life. Younger workers have different views from older workers in areas such as pensions and benefits, dress code, loyalty and commitment, and the use of technology. These opposing views all detract from the building of a high productivity culture.

One of the vexed issues that have dominated the current discussion about flexible work arrangements in Jamaica is intertwined with our local culture: the day of worship. The Seventh Day worshippers are advocating Saturday to be the day of worship while the Sunday worshippers are advocating Sunday as the day of worship. An early inference that could be drawn from the discussion to date is that the two positions when combined are, in essence, advocating that there should be no work on both Saturdays and Sundays, except in special cases to be decided on nationally. The government has recently tabled a Green Paper on Flexible Work Arrangements in relation to the Jamaican workplace for public debate. It is very clear that the settlement of this debate will have a direct influence on the building of the productivity culture in Jamaica.

Another area of cultural diversity that is important to examine in Jamaica today, and tomorrow, is that related to mergers and acquisitions. These business strategies have inherent in them cultural diversity issues that can be both opportunities and threats to the type of productivity culture that we require. In Jamaica we need to put under the cultural microscope productivity issues resulting from local companies that are acquired by foreign owners. For instance, two clusters of companies should make interesting study. Those companies acquired by companies from our Caricom neighbours, Trinidad and Barbados, and those that have been acquired by other foreign investors. Entities such as Guardian Life, Life of Jamaica, Caribbean Cement Company, and Royal Bank of Trinidad and Tobago, Jamaica Flour Mills, Red Stripe should be excellent case studies. We are likely to see in these organizations an

interplay of conservatism with high risk-taking, laissez-faire and laid back approaches juxtaposed with high energy and nimble movements in the marketplace, ostentatious offices scaled down to more modest quarters, reduction in the physical distance between different levels of staff.

In all this cultural intermingling at the workplace, the impact on the productivity culture will be directly related to the psychological distance between different levels of staff. In particular, if the perceptual gaps related to mistrust and blame are reduced the result will be a positive impact on productivity. Conversely if the status quo remains or the perceptual gaps widen there will be a negative impact on productivity.

The major issues for us in Jamaica, in relation to education as a diversity factor that affects productivity, are our unacceptable levels of illiteracy, relatively poor performance in mathematics and English in CXC and the ratio of male/female graduates from tertiary level institutions.[6]

An area of diversity management that should be elaborated upon due to its fundamental importance on workplace dynamics in the twenty-first century is that of gender.

Education data (*Jamaica Employers Federation Report, 2000*. UWI, 2001) show that females are taking greater advantage of educational opportunities and performing at higher standard. That being the case, it might be expected that women would be better equipped to succeed and better positioned than men in Jamaican society. However, higher levels of educational attainment have not always translated into better social status for Jamaican women nor has it resulted in greater empowerment of Jamaican women.[7] For example, the Jamaica Employers Federation report states:

> Despite increases in the number of women possessing executive positions, women still hold a significantly small portion

> of executive positions in Jamaica. Some companies, for example had only male senior executives whilst females dominated the managerial positions although many of the females were often more qualified.

Jamaica's experience in this regard follows international trends with the ILO *World Employment Report 1998/1999*:

> Whilst school enrolment rates for girls and women have risen in almost all countries in recent decades and though female students have demonstrated their ability to perform as well and even better than their male counterparts, academic performance by itself has not translated into correspondingly equal employment and training opportunities in the labor market.

The UNESCO *Report on Education in the Caribbean* states:

> Despite the advances made by women in education and in attaining economic independence when compared to men they still have less access to opportunities and rewards and to the corridors and board rooms of political and economic power.' [8]

This is borne out by data contained in the *Report on the Status of Caribbean Women* prepared by the CARICOM Secretariat for the fourth World Conference on Women. Data generated for Jamaica substantiate the findings of the CARICOM report that, *inter alia:*

1. Strong and persistent income disparities exist between males and females in spite of the fact that the female population is being better educated.

2. Even though more women are moving into management positions, women are still under-represented in upper level management; women hold ten per cent of senior positions in the public and private sectors despite the fact that they constitute two-thirds of university graduates. These current data support earlier findings that while they are the majority within the professional labour force women are in a less favored position than their male counterparts in terms of compensation, areas of assignment and unemployment.
3. Women are under-represented in Parliament, Local Government, and the Judiciary, on school boards and in private sector organizations.[9]

The *Planning Institute of Jamaica Report, 2000,* shows that, although more women have entered the labour force since the 1970s, they are still experiencing higher levels of unemployment than men – 22% compared with 9.8% – in spite of their generally higher levels of education. In fact, data from the 1998 *Labour Force Survey* indicated that 60% of all persons in the employed labour force without any training were male. Added to this, 66.3% of all persons with vocational training but no certification were male. On the other hand, most of the persons (61.5%) who had vocational training with certification were female, as were those with professional training with a degree or diploma (59.7%). These data suggest that unqualified males are more likely to be employed and find employment than females. Data from this source also indicated that, in spite of their higher levels of education and qualification, the majority of females are concentrated in "elementary occupations" (21.4%) and in the "service workers and shop and market sales" (23.9%) categories of work. The data further reveal that almost one half of all females in the labour force are concentrated in the

lower-paying jobs that, for the most part, attract the minimum wage legislated by government.

Analysing the situation on a global level, the Jamaican experience, however, is unfortunately consistent with global trends. Over the past twenty years, for example, the *World Employment Report 1998-1999* states:

> Women have provided the bulk of new labor supply in developed and developing countries. In every region, except Africa, the proportion of women in the labor force has grown substantially. Women, for example, account for nearly 80% of all labor force growth in the European Union since 1980 while in some countries — Ireland, Italy, Sweden and the United Kingdom — the figure almost reached 100%.[10]

These gender issues will pose significant challenges in building the productivity culture we require in Jamaica. A multi-faceted approach will be required to deal effectively with them. One approach will require strategies to deal with equity and fairness in relation to recruitment, promotion, conditions of work, compensation, appointment to leadership and executive senior management positions and type of decent work as it affects women. A concurrent approach will be that of motivating a relatively larger percentage of males to stay in the formal education system and graduate from tertiary educational institutions.

Essential to this approach will be the use of education and training systems that give equality of opportunity and emphasis to both males and females as the centrepiece of our effort to build a competitive labour force for the future.

Conclusion

The challenge of building a productivity culture for survival as well as for success and growth in an internationally competitive environment is daunting but manageable. It requires taking a strategic and proactive approach rather than a reactive approach. This means that we should not rely on crises to force us into action.

What then are some strategic actions on which we should focus?

First, the issue of leadership must get urgent attention. We need to focus on transformational leadership that (a) enables vision and strategy to drive action; (b) advocates innovation, creativity and excellence as the norms for behaviour in our public and private sector organizations; and (c) stimulates and fosters performance beyond the normal on a consistent basis, across time, and within and across organizations. It should therefore be mandatory for ministers of government, permanent secretaries and senior directors in the public sector, senior and executive managers in the business enterprises, leaders of private sector organizations, leaders of the trade union movement, and leaders of our educational and training institutions to complete a training programme in transformational leadership before assuming office. While giving emphasis to transformational leadership we should also blend it with transactional leadership to ensure that (a) all the time is not spent analysing and planning without ever reaching implementation; (b) there is planned urgency to achieve set objectives; and (c) attention is paid to performance management and, in particular, accountability.

Second, the area of continuous training and development is central for us to maximize the opportunities provided by new and emerging technologies. A range of initiatives is important from improving basic literacy and numeracy skills to interpersonal, entrepreneurial and professional skills.

Thirdly, the building of teams and partnerships is crucial. This must be multifaceted in approach, including cross-functional teams at the workplace, effective and meaningful partnerships between government and the public sector, between the private sector and the community and business, and between business and educational and training institutions. In building and sustaining teams and partnerships, we must pay particular attention to diversity issues related to age, education, religion, and gender.

Those are some of the useful building blocks that must be laid to provide the motivation and the foundation to create and sustain a culture of high levels of productivity at the workplace and also a culture that is centred on human beings.

Notes

1. See statements by Allan Larson in the ILO *Productivity E-forum*, 2001.
2. See statements by Peter Morse in the ILO *Productivity E-forum*, 2001.
3. See Ted Gaebler and David Osborne. *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. Reading, Mass.1992.
4. *Statistical Bulletin*, Ministry of Labour and Social Security, Jamaica.
5. *Economic Survey of Jamaica, 2000*, prepared by the Planning Institute of Jamaica (PIOJ) states, for example, that the working age population has increased from 59.5 in 1991 to 62% in 2000; of a labour force of 1.1.m and an employed labour force of 933,000 persons aged 14–34 years comprised 65% of that total; a life_expectancy of 72 years comparable to first world economies suggests a country that is making significant progress in its demographic transition to lowered fertility and declining infant mortality rates.
6. Figures from the PIOJ of Jamaica's *Economic and Social Survey of 2000* show (a) an illiteracy rate of 20.1%; the target is achievement of full literacy by 2005, and (b) that in 2000, the percentage of the population that had tertiary level education stood at 14.5%. This figure had increased from 7.5% in 1997 as a result of redefinition of the formulas used to calculate these percentages. The 1997 PNP Manifesto aims at increasing tertiary level enrolment of 15% by 2005.
7. See article by Barbara Bailey, "Myths and Realities; Education and Social Advancement in Jamaica." In *The Construction of Gender Development Indicators for Jamaica*, edited by Patricia Mohammed, as cited in the bibliography.
8. *Education for Development and Peace: Valuing diversity and increasing opportunities for personalized and group learning: An Overview of Education in the Caribbean*. UNESCO.
9. See *Jamaica Human Development Report*, PIOJ, 2000, as cited in References.
10. See *World Employment Report, 1998—1999*, as cited in References.

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Changing with Change

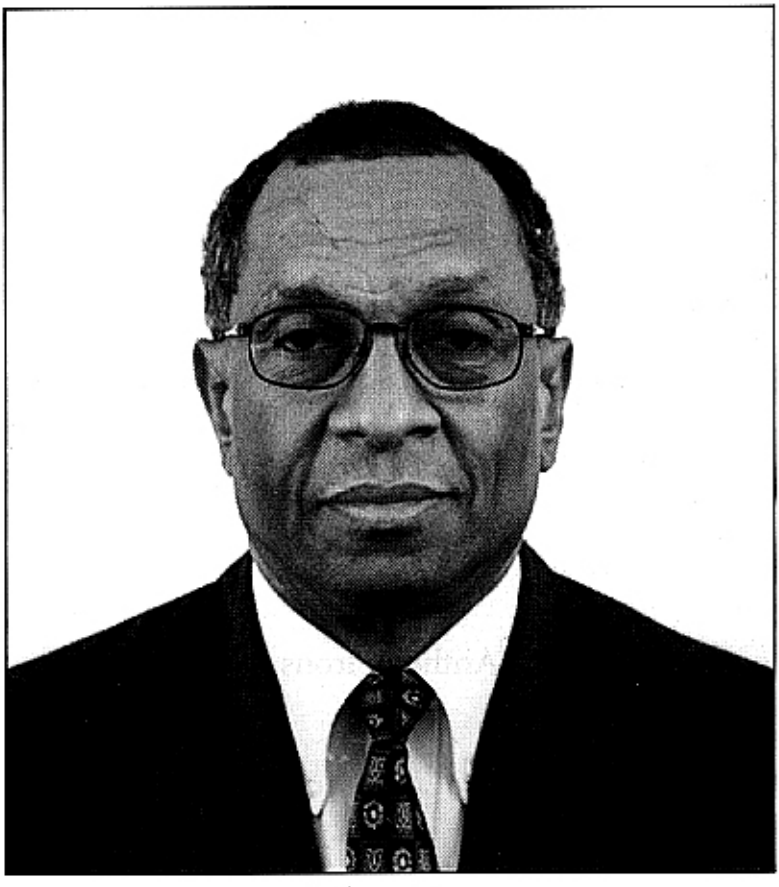
Workplace Dynamics Today and Tomorrow

II

Workplace Dynamics in the 21st Century

Government-Focused Dimensions

Anthony Irons



Anthony Irons

The Hon. Anthony George Russell Irons, O.J., C.D.

Anthony Irons was born in Kingston in the year of the Labour upheaval of September 1938. He seems to have been destined to be a big player in the development of a sophisticated Jamaican Labour force. Graduating from St George's College, he entered the Jamaican Civil in 1955. He has wide experience in that service, having held assignments at the Collector's Department, the Accountant General's (Pensions), the Ministry of Finance and the Ministry of Public Service from its establishment until 1977. Appointed to the Ministry of Labour in 1978, he became Director of Industrial Relations in 1979.

No study of the evolution of the management of Industrial Relations in Jamaica would be complete without recognition of the vital and outstanding role of this servant to the nation in this field of endeavour. The Foundation is very pleased to have him as a contributor to this symposium.

II

Workplace Dynamics in the 21st Century

Government-Focused Dimensions

Introduction: The Jamaican Workplace

Certain pressures for change in the twentieth century, comprehensively symbolized by the globalization movement, continue to affect structures, relationships and strategies in the public and private sector today. Among other things, this movement has reduced the ability of the public and private sectors to act unilaterally and has placed greater emphasis on economic performance as a means of enhancing productivity and competitiveness.

Internationalization has also signalled the need for new approaches to the organization of work as well as relationships in the workplace. Moreover, an underlying core theme of globalization is "dynamic consistency" (Stiglitz). This notion strongly suggests a climate of on-going change and the need to respond in a planned way. It engenders a renewed interest in governance, not only in terms of the guarantee of traditional democratic freedoms and other impulses but also in terms of new state-business-labour relations. Specifically, the notion of dynamic consistency suggests the construction of development policy rooted in processes of social co-operation and consensus building.

Operating within the framework of dynamic consistency also requires that at least three conditions must be fulfilled. One is the development of new patterns of social cooperation. The second is reliance on policy instruments that stress investment in capital, institutions and incentives. The third requirement is a better understanding of the diversity and complexity of the prevailing workplace culture and surrounding environment. The state has a central role to play in all three processes. Yet that role must be strategy-based, embodying strong independent and voluntary action, balanced against the realities of "coercive conditionalities" from outside. A discussion of these and related themes, particularly as they relate to the interactions between the state and business and the social organization of labour, forms the substance of this section.

First we briefly consider the profile of the contemporary Jamaican workplace. It is remarkable for its diversity and complexity. Its diversity embraces the conventional office setting, the organized factory situation, the home-based workstations, and the outdoor field context, including the fast-growing street corner business enclaves. Here too, a formal productive sector functions alongside a relatively disorganized informal wing, preoccupied with survival. Unionized and non-unionized workers co-exist. Education, skills levels, and the cultural traits that normally define the quality and quantity of productive inputs are at different levels of development and generally in short supply. Available conflict resolution mechanisms are said to be weak, engender little trust, and are incapable of curbing irrational individual or corporate behaviour. Here, moreover: "Traditional hierarchies at the workplace, low levels of communication and information sharing between management and labour, exclusionary decision making and authoritarian practices all translate to low levels of labour productivity" (Munroe 2001).

Significantly, too, a programme of labour market reform has begun to impose itself on the prevailing workplace culture. For

"experience is demonstrating that new qualities of transparency, dialogue and employee involvement in systems of corporate governance are proving to be vital elements in improving efficiency and raising the competitiveness of Jamaican firms and enterprises" (Munroe, op. cit.)

Additionally, workplace relations and transactions take place in a small, open economy, mainly dependent on foreign capital investment flows and generally influenced by the impulses of globalization. In effect, the Jamaican workplace embodies and is articulated by a complex network of structures, laws, relationships, and values. All these features portend the possibility of workplace tensions and conflicts as well as the possibility of change. The emerging situation requires the style of dynamic consistency' to manage development strategy in general, and workplace dynamics in particular. The starting point is a focus on central international issues that shape the role of the state in responding to the workplace situation.

The international context

Global integration and increased mobility of capital have become the hallmarks of the new international economic order. Both of these developments significantly impact the labour market situation and some of the effects acts are evident in employment trends and the growth of the service economy. Other effects can be seen in the changing character of work, in the workplace itself and in the composition of the skills among the workforce. Certain labour market pressures also determine new employment trends that affect workers and their families. Downsizing, intended to meet the challenge of increasing competition at the regional and international levels, is one such trend. The disappearance of blue colour jobs in the manufacturing sector is another. Where employment has tended to

grow, it has been fastest in the service economy: retail, hospitality, tourism, entertainment, health care and personal services and, noticeably, in the financial services sub-sector (Report by the Committee on Labour Market Reforms, 1996).

Generally rising trends toward unemployment are being accompanied by very substantial growth in non-standard jobs. These include part-timers, self-employed, independent and dependent contractors. At the same time, polarization of working time or significant increase in both long-hours and short-hours of work also affects them. Polarization of working hours also tends to be associated with polarization of income. As a result, issues of equity and poverty have emerged as central concerns for policy makers.

According to the Committee on Labour Market Reform: "Two counteracting trends are also apparent in the workforce: 'de-skilling', as skilled jobs give way to relatively low- paying service jobs, and 'up-skilling' as information technology transforms the structure of economies, creating and placing so-called "knowledge workers" at the centre of the labour force. The combination of increased competition and increased mobility of capital has served to exert strong pressures on employers to reduce costs; but cost reduction ends up by being directed at variable costs, the most vulnerable of which is labour.

Employers, too, are moving toward the least costly separation benefit packages. They are focusing on core operations or leaner and meaner organizational structures and downsizing. Along with reducing the number of permanent employees, there is recourse to workers whose status can be changed easily: temporary, part-time workers and self-employed contractors. All these trends are becoming evident in Jamaica.

Globalization affects the Jamaican labour market situation in other ways. The progressive globalization of production and finance pressures governments to minimize and harmonize, or eliminate, national barriers. It has also meant some weakening of economic

sovereignty and adjustment of internal labour markets and production decisions. The transition to a global marketplace has also given rise to the emergence of trade or economic blocks. The result has resulted in fierce trading rivalries, marginalization of weaker trading "partners", and creation of adjustment problems in the labour market and economy in general. Within this framework, developing countries can no longer expect their preferential trading arrangements to continue. In fact, they are now steadily being eliminated. Complicating all this are the ever-new technological developments that also drive corporate re-organization. Both technological changes and corporate re-engineering influence the dynamics of the domestic workplace. They too affect production by progressively reducing the raw material content of certain finished goods. They change the profile of the workplace and the workforce. They eliminate certain jobs while, at the same time, encouraging an outflow of highly skilled, highly trained and professional workers to the developed economies (Richard Richard 1994).

Some well-known structural features of the Jamaican political economy aggravate these unwanted effects of "borderlessness" or lack of all limitations. For here, the social policy regimes are rudimentary, under-resourced, and therefore fragile. There are also inherited particularities promote competition over social cooperation, signalling weakness in social capital formation. The spectre of poverty is still pervasive and a significant percentage of the population lives below the poverty line. Instability of the social base, reflected in a growing culture of crime and violence, continues to affect investment. In a context of slow economic growth, there is an excessive social demand on the limited stock of public resources. Some management incapacity exists, limiting the ability of the public sector to sustain policy analysis, and that of the private sector to introduce flexible responses. Moreover, a significant proportion of the population is young, many in need of training and skills.

As we look at the global and national considerations outlined above, two conclusions are immediately evident. One is that the vitality of market capitalism in this island is not enough to engineer or maintain either effective workplace dynamics or national development. The other is that the state must therefore remain a central player in shaping the context for the emergence of appropriate labour market transactions and dynamic consistency at the workplace.

Role of the State

Government has a direct and an indirect role to play in coping with the workplace dynamics. Assumption of a flexible and adaptive policy approach to implementing its facilitative, regulatory and monitoring functions is one essential role of government. That policy involves the provision of a social and economic infrastructure to facilitate both labour and capital. Labour Market Reform as a means of ensuring social and economic well-being, therefore, becomes a crucial public policy issue.

Government also has "a catalytic role to play in improving the knowledge base of the country by the way of improving systems of education and training and stimulating Research and Development" (Nettleford 1992). Such catalytic work on the part of government would aim to improve the general quality and technological sophistication of labour and business; create or maintain employment opportunities within the society; help to attract investment and aid processes of social learning about economic and labour market transactions.

Further, government must inevitably give direct attention to alleviating the situation of underprivileged groups. Included among them are workers adversely affected by economic change, the long-

term unemployed, and those with limited skills and assets Neither labour market stability nor economic development can be achieved if deliberate measures are not taken to address their situation. Labour policies should also attempt to address issues of discrimination in the workplace across sectors, as well as improving access to employment opportunities and better quality of employment — "decent work".

The role of the Government in industrial relations matters should always be perceived in a dynamic context, requiring adequate and timely responses to emerging problems. This calls for strong public administrative machinery with a reform orientation. That orientation must, therefore, be focused on law reform aimed at strengthening institutions, improving the ethical climate and improving conflict resolution mechanisms.

Within a dynamic workplace environment, the state should increasingly focus on determining policy through the widest possible consultations and in dynamic arrangements of co-management and social cooperation. Several dimensions to the social cooperation paradigm are central to identifying workplace-related problems that must be solved and the means for addressing them. To yield problem-solving effects, these forms of social cooperation, and the risks they may engender, must first be understood. Social cooperation takes different forms, often relying on similar techniques but generally advancing the goal of successfully operating in dynamic contexts. Overlapping concepts of inter-organizational linkages, social capital, partnerships and governance are the efficient building blocks of social cooperation on which the state may rely.

Inter-organizational linkages

Inter-organizational linkage is a principal building block of social cooperation. This notion reflects the recent managerial trend of

viewing organizations as communities. It has to do with efforts made to facilitate cooperation between and among organizations on a formal and informal level. These efforts can be seen in coalitions, alliances and networks involving the whole range of workplace players (Harris: 2000). Others view the concept as a "process whereby two or more organizations create and/or use existing decisions that have been established to deal collaboratively with their shared task environment". (Kiggundu: 1989). Usually the motivation to participate is in order to be better able to deal with environmental complexity and uncertainty.

Perhaps now more than ever there is the need for the state to function as the "strategic broker in trying to reconcile divergent interest among the partners, and to facilitate their effective discharge of their respective responsibilities" (Nettleford). A focal point for government intervention and leadership is in the realm of social security and social protection. Such linkages would be vital in assisting government to cushion some of the stress of coping with the ever-changing global and workplace dynamics.

However, there is need for "credible commitment" among organizations in the public, private and civic spheres if such linkages are to be long term. Where the public bureaucracy is professional, neutral and efficient, citizens and groups within the network are predisposed to comply with rules and policy initiatives. Inter-organizational linkages in such frameworks help to build the trust and reciprocity needed for successful networking.

Inter-organizational linkages are important in enhancing productivity and exchange of best practices among and within agencies. This process can aid lesson-drawing and experiential learning for the players involved. Moreover, they also help to foster an environment in which teamwork can thrive. However, building teamwork will mean persuading workplace players to think beyond the needs of their individual sections and sectors. Members within the

networks must, therefore, develop a set of skills that complement the activities of the others and involve some amount of reciprocity. Trust must be present for the sustainability and effectiveness of such linkages and, therefore, must be institutionalized.

In an interdependent and interconnected world, inter-organizational relationships and networks are useful tools for avoiding gaps in information that some organizations might experience, especially in smaller organizations. Ultimately, inter-organizational linkages would provide the foundation on which to build and sustain social capital.

Building social capital

Social capital is defined as the "shared knowledge, understandings, institutions and patterns of interactions that a group brings to any activity" (Ostrom: 1997). It represents the ability to work together for common purposes in groups and organizations. Social forces cooperate when they share core values, norms and a common view of the future. By utilizing social capital in the production process, individuals are able to reduce the level of input required from each unit of the workforce. It is essential that each member of the workforce be aware of, understand and support the objectives of the organization in order to maximize the value of their participation. The process also requires a body of rules and regulations outlining clear lines of responsibility and defining both appropriate sanctions for non-performance and incentives for performance. Such capital can be enhanced through opportunities for collegial interaction and mutual learning.

Trust and reciprocity are important components of social capital. Trust would create credible commitments and thereby facilitate spontaneous cooperation and willingness to invest in each one and others' enterprises. In practice, it would engender willingness to

repose confidence in strangers as trading partners; stimulate recognition of the interdependence of workplace actors and encourage respect for contracts (Levi: 1997). Reciprocity suggests that each individual contributes to the welfare of others, with the expectation that others will do likewise. In other words, reciprocity would lead to a stable climate of expectation or a series of games in which players are comfortable and realize that what they give is what they get. This also means that the manager or CEO who is not dedicated to his job and spends little time at work should not be surprised when staff follow suit.

Social capital strengthens the effect of other forms of capital, whether human or physical. It is claimed, for example, that social capital can have a "balancing effect" on human and cultural capital (Ostrom 1997; Schuler 2000) because the very process of building social capital typically requires a programme of general education and other capacity-building interventions to build claim-making, bargaining and other skills.

Building social capital to enhance productive relationships in the workforce is not a straightforward process. At a minimum, it will need a management team supportive of blending top-down with bottom-up operational techniques. Additionally, inside-out consultations will be necessary. Social capital formation will always be delayed unless there are in place conflict resolution mechanisms that are accepted, owned and respected by the players in the workplace. Equally, it requires the facilitating condition of a strong, ongoing reform orientation. Organizational goals will have to be shared across the board. Moreover, frameworks for regular interaction, dialogue and exchange among workplace players are a pre-condition for effective social capital formation. In practice, the stock of social capital tends to be reinforcing and cumulative. In other words, successful collaboration in one endeavour builds trust and connection and enables social capital to grow. Likewise, it is a

resource that is depleted if it is not used (Ostrom 1997). Then, too, especially in low trust workplace jurisdictions, the process of building social capital will take time and patience to cultivate new norms, agree on rules, cement trust and fulfil the usual demands of "extensive monitoring".

In order for social capital to yield its full potential in the dynamic workplace environment, it must be accompanied by equality, for and among actors. It must be expressed in the sharing of benefits and sacrifice, the sharing of successes and risks. This equality should be reflected not only in the number of tasks that individual members perform but also in the reward and remuneration packages. Gross disparities in wages and conditions of work do serve as a bottleneck to the rapid development of social capital. Other expressions of inequalities in the workplace, particularly those relating to lopsided application of rules and standards, would also inhibit the emergence and maintenance of social capital. Experience of industrial instability here and elsewhere has validated the view that social capital cannot be juxtaposed against inequality. To be sure, for the equity principle to deliver on its promises it must be associated with transparent workplace transactions. Which is why leading scholars and practitioners agree that "social capital is a complement, not an alternative to egalitarian policies" (Schuler 2000:10). The much-celebrated Barbados case of the development and utilization of social capital to stimulate economic growth and relative industrial peace also validates many of these views.

Social capital can therefore bring significant benefits within a dynamic workplace context. It has indeed served as a vehicle of capacity building and workplace stability. It is a proven framework for providing mutual learning experience. It also provides a stable climate of expectation and predictability that will carry positive implications for investment attraction and the stability of the industrial relations system. Observe too, that social capital permits actors

to "attain collective ends, that in its absence would not be possible". In economic terms, social capital helps to produce economic growth as well as reducing associated transaction costs, for example, with processing legal contracts and investment of time (Ostrom 1997).

Nonetheless, it must be noted that not all forms of social capital are positive or useful, a point sometimes neglected in analyses. On the down side, it may be harmful in cases where lateral trust results in solidarity among the workers and encourages collusion against management (Schuler 2000: 17). Equally, shared values, understandings, knowledge and institutions can provide solidarity and coherence among gangs. Their behaviour can have adverse effects on social stability and economic investment and growth.

Social capital formation is not merely an end. It is a means to an end. The end here is to improve relationships and productivity in the workplace as well as making society more governable. Such ideas have been enshrined in the notion of 'good governance'. It is to this concept that our discussion now turns.

Governance

Social capital and governance are but two sides of the same coin; they reinforce each other. In the context of dynamic workplace environments, the Caribbean Development Bank (2001:1) has offered an appropriate definition of governance. It is seen as:

> The processes by which power and authority are shared and exercised in society, and influence exerted over policies and decisions concerning human development and well-being. Good governance . . . emphasizes the equitable, efficient and responsible management of public and corporate resources for the benefit of all stakeholders.

As such, it is a system of co-management that relies on structures, systems and processes which:

- include all stakeholders and encourage their participation;
- are responsive and transparent to all and facilitate the free flow of information;
- hold individuals and institutions accountable; and
- are guided by well-understood rules that are justly enforced (CDB 2001).

The state has a role to play in the search for good governance in the workplace of the twenty-first century. One of its tasks is to modernize the machinery of public administration within the governance framework just explained. Yet the re-engineering process must go beyond downsizing. It must include the fundamentals of building capacity for policy development and management, transforming values in favour of the four Es – efficiency, effectiveness, economy and ethical responsibility – and it must de-politicize the administrative realm and the building of a technological sub-culture. Central to this broad programme of reform must be the vision of better service to the broadest community of client-customers. All this is in order to promote the social learning necessary to discipline commitment to norms of governance or co-management while sustaining the capacity to manage in a dynamic context.

Administrative reform as a governance strategy is not a one-step process. Rather, it should be treated as "an incremental, sequential process, which also depends on learning (starting here with information sharing) and stimulating self-transformation of participants (starting with the reframing of problems as a result of that information sharing)" (Harris 2000:234). Within the dynamic Jamaican labour market environment, the production and "sharing" of information must "re-frame" at least two central problems.

First, government must revise its methods of creating winners and losers in order to increase the stake for cooperation. The task, then, is to fabricate an anti-corruption ethos and 're-frame' public managerial behaviour and distributive policies. If public policies were decided on the bases of need and allocation and technical efficiency, more and more people could join the ranks of winners.

The second problem to be re-framed concerns what has often been termed "the irresponsible" use of power in the public and private corporate worksites. Within the government–business–trade union nexus, each has tended individually to exercise power conferred by "constitutional prerogative", "managerial discretion' and the availability of the "strike weapon" in self-regarding ways. Public and private predation is at the heart of the problem. All these patterns put at risk prospects for better economic and social sector performance. One supporting strategy is to re-frame development policy and institutions on the governance model. Yet another would require the collectively designed establishment of peaceful mechanisms for adjudicating disputes. Related to this are property rights that must be strongly enforced so as to help preserve the efficiency of capital investment. Other measures to preserve rights, engender stability and check on executive power can be defined through public discourse on how to reform the state. But perhaps the most feasible approach to re-framing the policy agenda for coping with the dynamics at the workplace resides in the governance-related idea of social partnerships.

Social Partnerships

Social partnership is the final variant of the parent concept, social cooperation/inter-organizational linkage. Tendencies of borderlessness and interdependence within the globalization movement largely account for its currency. It also reflects the reality that no single

partner possesses the capacity to effectively manage the complex policy fields shaped by globalization, the development challenge and fiscal constraints. Rosenau (2001:1) defines public-private partnership as a "division of labour between government and the private sector across policy spheres as much as to any specific collaboration between government and the private sector on particular policy projects". Typically, for-profit groups, non-governmental organizations and communities make up the consortium of partners. Such partnerships may take the form of outsourcing, franchising contracting out and privatization. Social partnership agreements or understandings are, therefore, shared approaches to production and delivery of service and other aspects of industrial and public management.

In order to be fruitful, these forms of "mixed" or "joined up" government need the facilitation of transformational leadership, authoritative and technically strong administrative machinery, as well as both credible commitments and credible threats to ensure that rules are obeyed and that sectors see it as their benefit not to deviate from the rules of the game. Appropriate incentives always have important reinforcing effects in ensuring that groups pull together.

Among other things, this integration approach offers opportunities for all the players to develop essential partnership skills. It would expand the scope for the diffusion of public service values, private sector entrepreneurial styles, and the increasingly pragmatic and egalitarian orientations of certain wings of the NGO community (Hulme and Turner 1997: Linder 2000: 26-27). It is also suggested that such arrangements be seen as the "epitome of a new generation of management reforms, especially suited to the contemporary economic and political imperatives for efficiency and quality" (Linder 2000: 19). Transnational partnerships within trading blocks, such as Caricom, offer new opportunities for lesson-drawing across policy

fields. Yet it would be naïve to assume that arrangements of "joined up government" are ever problem free. On-going programmes of formal and informal education are but one strategy that may be used to reduce inherent "risks". For example, education must serve to mitigate the effects of "cultural factors", myths and power relations that have grown up around and within the respective sectors.

To sum up this section, the role of the state in a dynamic workplace situation turns essentially on the task of leading the programme of investments in capital, institutions and incentives. This expansive policy role is intended to enable broad engagement in socially constructive activities by its decisions, example and persuasion. As we have seen, government's activism would proceed principally through the vehicle of good inter-organizational networks and relations. These would yield lower transaction costs, re-frame institutional design, provide appropriate incentives, avoid or resolve conflict and settle rules of the game in a programme of dynamic consistency (Stiglitz 2000:271-272).

Specifically, the state's role in the workplace at this time is to invest in physical capital or the productive infrastructure, understood as the "stock of material resources (e.g. roads, buildings) that can be used to produce a flow of future income; invest in human capital – "the health and acquired knowledge and skills that individuals bring to an activity . . . and which is formed consciously through education and training and experience: investment in social capital or the body of shared knowledge about how to organize people for common purposes in productive relationships" (Ostrom 1997: 157-158).

Investment in incentives is essentially about the use of rewards and sanctions to induce appropriate performance: the results of the rules used to constrain the cost and benefits of diverse developmental activities. Incentives may be used to stimulate movement at the individual, organizational and sectorial levels. Creative use of

incentives relates rewards to performance; perverse incentives reward people for poor rather than good service. The state's role in the contemporary workplace is, therefore, to model the use of incentives that ensure cooperative behaviour that can advance productivity and national development, avoiding the allocation of wrong or perverse incentives.

Essentially, institutions involves designing "the rules of the game of a society, or, more formally, are the humanly designed constraints that structure human interactions . . ." They are composed of formal rules (statute law, common law, regulations), informal constraints (conventions, norms of behaviour and self-imposed codes of conduct), and their enforcement characteristics" (Harris et al 1995: 23). Particularly under the market-driven dispensation, it is necessary to invest in institutions that can enforce contracts impartially and speedily, thereby making property rights secure over the long run while creating a stable climate of expectation. We turn now to some of the other dynamic issues that continue to articulate labour market transactions in Jamaica.

Labour market transactions and dynamics

Many of the twentieth century issues and patterns in labour market transactions now coexist alongside emergent patterns. Yet the search continues in the workplace, principally for improvements in social organization, productivity, corporate democratic governance in the public and private domains and in the quality and quantity of employment, among other elements. This search is fundamentally about implementing a vision of structural and institutional reforms with the workplace at the centre.

One of the enduring vexed issues is about the building of a maintenance culture. For the most part, investment in the building

of a productive infrastructure at the workplace, and in the wider task environment, has been lopsided. There are many problems in this arena. Fiscal constraints are often cited as an inhibiting factor. The underdevelopment of transformational management styles aggravates the problem. Official allocations for infrastructure development projects are often mismanaged. Public attitudes to the proper use of the public infrastructure tend to be warped. And perhaps the worst sin of all is that a culture oriented to timely maintenance is yet to be shaped and institutionalised. Few budget instruments carry an independent head for maintenance. Promptly carried out maintenance activities are observed more in the breach than in the observance. Relative to the treatment of newly completed infrastructure projects, few maintenance projects are publicly celebrated; even fewer are handed over to community surveillance and care. It is not possible to transform the workplace and national well-being significantly where there is no vision for on-going development of the productive infrastructure and its timely maintenance.

Institutional re-engineering and strengthening of the offices of the Ministry of Labour and Social Security would also liberate a new dynamic in workplace matters. However, things are changing. Not so long ago, no extensive research or discourse would have been necessary to comprehend the nature and urgency of this need. Today, the outward appearance and the quality of some of the Labour Ministry's inner rooms are now "investment friendly" and conducive to good management and enhanced productivity. The decentralization scheme has not yet reached its optimum limits and the growth of the organization's technological sub-culture is being fast-tracked to twenty-first century standards. Although there have been technical gains resulting from the Public Sector Modernization, many desks, including those dealing with the Industrial Disputes Tribunal matters and Policy Analysis, are now being strengthened in order to meet new demands and challenges

effectively. Where technical competence is not available internally it can be rented from without, including by drawing on available forms of international assistance.

When all considerations about "rights" are set aside, securing better workplace dynamics for tomorrow depends on how the twin issues of labour migration and the health of the workforce are treated today. As has been unequivocally established by growth accounting studies, higher levels of skill formation and a healthy workforce have been a regular factor in stimulating an expansion of production and productivity. A strategy of developing/acquiring/renting and retaining of such skills must be considered as feasible options. Consolidation of proposals for the freer movement of "skilled" people within the CARICOM region is one such option. The presence of an adequate pool of skilled technical, managerial and professional manpower in the economy could very well help to create employment at other levels. Moreover, the migration from Jamaica of some members of its skilled workforce could find compensation in the form of further development of those skills, sharpening the "training industry", not to mention the possibility of additional remittance inflows.

Alongside these considerations, the issue of the status of health at the workplace embodies its own dynamics. The growing prevalence of HIV/AIDS is costly in social and economic terms and also puts at risk the productive capacity of the workforce. Usually the most vulnerable are the most productive people. Thus, no government or society can avoid sustained, activist response, aimed at limiting spread and reducing prevalence. None but an intervention strategy oriented to dynamic consistency and partnership between government and social forces would suffice. At least four strategies, some already in train are available for development and expansion. Now, the public education programme aimed at reducing risks must be intensified to mitigate the role and damage of myths, cultural forces, misguided power relations and ignorance that tend to

underline the spread of HIV/AIDS. Secondly, we must tackle these issues in "partnership" scenarios, already discussed. Equally, the priority response strategy must seek to arrest vertical transmission between mother and child, giving more active expression to mandatory testing of pregnant mothers as public policy. Fourthly, negotiations with the international pharmaceutical companies must be pressed with the aim of reducing the cost of retroviral HIV drugs.

Certain gender-related issues have not fallen off the old workplace agenda. Relative expansion of the services sector has been modifying the Jamaican workplace demographics somewhat. It has been attracting more and more women, with implications for family life. An International Labor Organization report, *Equality of Opportunity and Treatment for Women Workers,* has revealed that, for working women around the world, the tension between the family and the occupation was a major problem. (ILO 1974:57). This phenomenon has been blamed for the breakdown of family life and for childhood deviance. Especially for the single parent, working hours have been lost when workers are faced with family crises. Such a "private problem" tends to affect the level of productivity and workforce commitment. The related issue of childcare produces similar effects, particularly preoccupying women workers in work centres lacking corporate provision of day care facilities. From its vantage point, the ILO continues to record a wide variety of forms of gender inequality suffered by women. All these circumstances and developments signify the need for new relationships and greater public and private corporate sponsorship of childcare facilities such as nurseries and student workstations. Trade Unions for their part must also devise frameworks of responsibilities and codes of discipline that would specifically refer to the workers they represent, who are disadvantaged by gender inequality.

There are, however, positive signs in the labour force relating to gender roles. Women have traditionally filled mostly lower level

jobs in productive organizations. However, with their now greater command over educational qualifications and skills, increasing numbers of women are filling senior management positions, albeit at a faster rate in the public as against the private sector. This drift is manifest in the dominance of women within the community of permanent secretaries and chief executive officers of the eight existing executive agencies. Many of the directors' desks within the line ministries are also occupied by women. They too, are positioned to make the transition to the top.

Further, although the majority of managerial positions are still filled by men, their so-called marginalization also threatens that long-standing dominance. The relatively small number of males in the tertiary institutions and the increasing instances of deviant and criminal activities by male teenagers and young adults are likely to affect the composition of the labour force in the future. This development may bring unwanted sociological consequences and implications for social relationships in general and family life in particular. While certain feminists are wont to interpret any special focus on males as evidence of gender prejudice, it remains true that for any society to fully realize its productive potential it must avoid the under-representation and neglect of any group.

A confluence of human behavioural issues, many in need of further research, recommend themselves for priority treatment today. They do so because, left by themselves, they tend to undermine the moral and economic foundations needed for national development. They also weaken the sense of collegiality within the productive sector and limit the space for practice of dynamic consistency on the part of all players. To be brief, one aspect of this problematic is the need for swift elimination of socially wasteful tendencies toward subversion by techniques of omission and commission, *as* well as politicization of issues of production, especially evident in the tenure of the public discourse.

Both disrespect for public property and the fatalist tendency to denigrate, rather than celebrate episodes of personal and governmental successes are themes that explain the sense of social alienation the "grudgeful" mentality, evident among all social sections in Jamaica today. There can be no efficient cooperation in such environment. These tendencies represent stumbling blocks to individual and collective initiatives. This is why sound policy regimes, drained of any suggestion of private and social predation, must guide the national effort in this century.

Three other related considerations would illustrate the human behavioural and organizational gaps that must be bridged as a precondition for a new dynamic in the workplace and society generally. One is the need to move toward institutionalizing policies of measuring and rewarding performance as opposed to currently dominant and perverse systems of universal pay packages. The second is the pressing need, in our time, to retire the tendency to overdifferentiate between the private and the public sector workforce. Needed, instead, are better private-public synergies through flexible personnel exchange schemes. That should be a rationale for the programme of ultimately equalizing public-private managerial pay structures. One challenge, however, is to devise a strategy for the preservation of public service values and the other risks associated with such an approach (Jones 2001). Thirdly, a developmental dynamic will not quickly emerge in the workplace unless corrupt practices and frontline abandonment of responsibilities are reduced to a minimum. There is a variety of coping tools available for that purpose, including administrative reform techniques and leadership codes, effectively enforced; the right mix of incentives and sanctions; and the example of transformational leadership that is virtuous, transparent and results-oriented. Other strategies are cited in the Nettleford Report (1992) and the Oran Report (2000). Even when the workplace dynamics are changed along these lines, indus-

trial relations in the twenty-first century will require greater democratic space. This may extend to giving individual employees the right to choose whether they want to negotiate for themselves or through unions. Beyond the creation of more opportunities to exercise voice and exit options, democratic space could be extended by way of greater worker stakeholding in productive enterprises and exposure to best practices in other jurisdictions to do with industrial relations.

Conclusion

Two contemporary reform initiatives, the Public Sector Modernization Programme and the slower-moving Labour Market Reform process, indicate commitment to a new industrial relations order, including transformation of workplace relations. However, the dynamic consistency needed to transform the workplace and wider economy has not yet been fully realized largely because the systems of social cooperation/inter-organizational linkages are at a rudimentary stage. Much more research into the phenomenon of dynamic consistency is needed to inform institution building and practice, fortified by a new "collective will".

Even in the context of an emerging market economy, the public sector must continue to play a major role in reorganizing systems of decision making and consensus building as well as providing the regulatory and facilitating arrangements needed to change workplace relations and the balance of the production culture.

This presentation has, therefore, highlighted the need for the state to discharge the core task of guiding investment in institutions, capital and incentives. Yet workplace transformation also requires to resolve deeper problems associated with long-standing power relations, socio-cultural norms and management and infra-

structure issues. None of that can be implemented effectively without highly developed technical competence in public administration and considerable reliance on trust and reciprocity.

Attempts to reform and modernize the workplace also need to be conducted in a holistic, synergistic manner (Jones 2000). The things we do to sharpen any one dimension of process or strategy should be made to impact positively on the other dimensions because they are so closely interconnected. We must ensure that improvements in education, training, infrastructure and incentive positively affect learning and commitment. And as we improve learning skills and commitment to change, we must insist on purposeful and high-quality performance. Efforts to renew the workplace must also take into account the fact that wider societal values directly influence workplace behaviours. Workers are also citizens. Thus any systematic approach to transforming workplace relationships, practices and culture must be linked to a programme of change in the wider society.

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Changing with Change

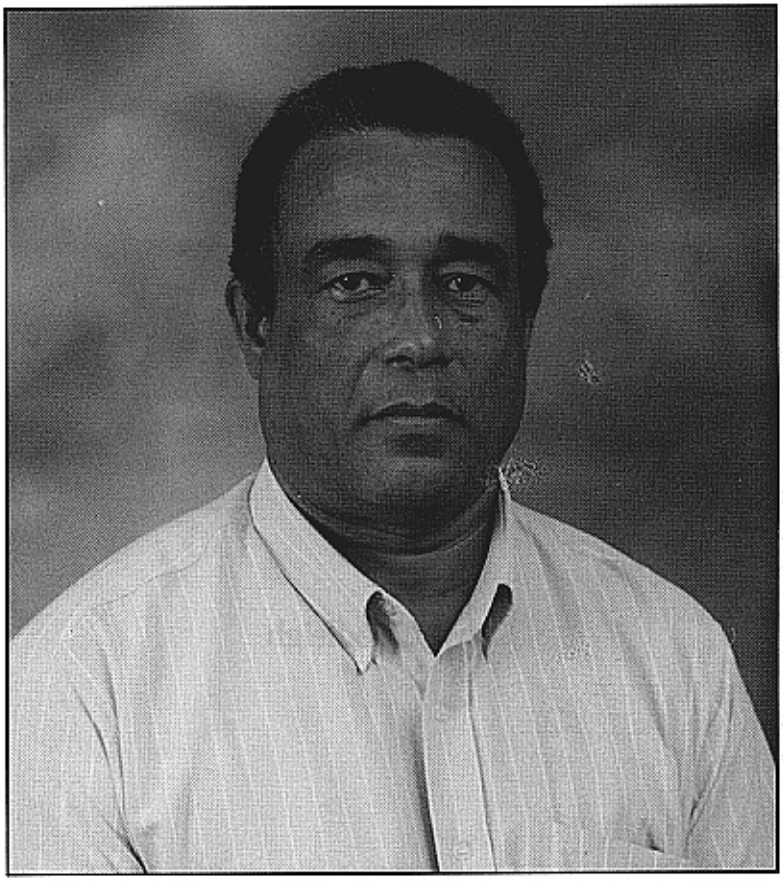
Workplace Dynamics Today and Tomorrow

III

The Way Forward

Change, Adaptability and Equity

Lloyd Goodleigh



Lloyd George Goodleigh

Lloyd George Goodleigh

Lloyd Goodleigh is a Kingstonian — born in the city and schooled at Calabar High School. He read Political Science at the University of Portland and at Portland State University in Oregon, USA. He holds a Bachelor's degree from each Portland institution.

His chosen area of career endeavour is the organization and welfare of the worker. In pursuit of these important goals he lives a very busy life as the General Secretary of the National Workers Union and also as the General Secretary of the Jamaica Confederation of Trade Unions.

The international dimension of his career includes Worker Representative at the Annual Conference of the International Labour Organization (ILO); Representative of the Caribbean on various committees of the ILO; Representative of Jamaica and the Caribbean at the Commonwealth Trade Union Council's Annual Congress; Representative of the Caribbean Labour Movement in consultative Committees with agencies such as the ILO Labour Ministers' Conferences, etc. He has lived up to his namesake, Lloyd George, the first Labour Prime Minister in the UK.

Lloyd Goodleigh has served his country as a Senator of the Government of Jamaica. He now holds the post of General Secretary of the Jamaica Confederation of Trade Unions

The Grace, Kennedy Foundation is honoured to have Mr Goodleigh as a contributor to our symposium in this year, 2002.

"The Way Forward: Change, Adaptability and Equity", Mr Lloyd Goodleigh's contribution to this exploration of the workplace, is the final section of a longer paper on the Union perspective of the Jamaican workplace.

III

The Way Forward

Change, Adaptability and Equity

I will contend that, for Jamaican workplaces in a globalized world, change is ubiquitous and adaptability is essential but equity has to be assured. If those are our objectives, the framework of Jamaica's current response is inappropriate.

Since the end of the cold war and the intensification of the forces of globalization, Jamaica's workers have been subjected to a call to work harder and longer. At the workplaces we are aware of determined efforts to ensure the loosening of regulations and collective agreements that protect the conditions of hiring and firing, and also the emergence of what can be termed a cost-based approach. In practical terms, it means a downward spiral of wages and working conditions, downsizing, the creation of flexible enterprise, adversarial relations and union busting. In Jamaica, this call seems to come from three sources: those who experience competitive pressures and are unable to cope; those who regard regular wage labour as being overly protected by legislation and collective agreements; and those who seek to avoid any form of labour legislation.

Beyond the Jamaican circumstances, neoclassical economic theory contends that a free labour market is one devoid of institutional

distortion. Whatever the source, this version of flexibility is not sustainable, does not enhance productivity and destroys the cohesion of the society. It "produces short-term savings but that, in the long run, may destroy the trust and mutual commitment needed to sustain work organization, innovations and flexibility".[1]

The approach is short term, is aimed at profit maximization and impairs the ability of the organization to reform itself. More critically, it will aggravate the growing levels of inequality in Jamaica. Regarding the distribution of wealth, Jamaica already has one of the worst records in the world. The distribution of income is skewed as is evident from the fact that the poorest 20% of the population account for 1.9% of total consumption, according to the latest UNDP statistics – a circumstance that would be aggravated by unfettered flexibility. Economist Richard Freeman of Harvard University and London School of Economics posited the following views on unfettered flexibility:

> The growth of flexibility, notably of the unfettered right to hire and fire, has a largely re-distributive effect; I am convinced that flexibility has no impact on output and employment levels, but that it strongly influences the redistribution of incomes in favour of the employer . . . The real problem is that of restoring strong economic growth conducive to massive job creation, not seeking to move people around more easily from one job to another.[2]

Besides the redistribution implications mentioned by Freeman, there is a wealth of evidence supporting the Latin American experience that "the notion underlying current policy proposals in some Latin American countries, namely that flexibilization of dismissals and employment contracts is sufficient to improve economic performance, is a gross misconception."[3]

What Marshall found was that it was "not apparent that individual labour law had identifiable effects on the performance of aggregate manufacturing productivity". Rather, that low investment, low labour costs (thus not stimulating labour substitution), regressive restructuring of manufacturing, opening up of the economy, played a much more crucial role in influencing productivity trends. More specifically, that "permissive legislation on dismissal did not foster growth of labour productivity in Chile and Brazil, neither did comparatively tighter regulations hinder the increase of labour productivity."[4]

Beyond those practical issues, what about the distortionary neoclassical claims? The International Labour Organization (ILO) argues that there is no clear-cut empirical support for the claim that high, non-wage labour costs necessarily hamper economic performance.[5] For example, studies have found that higher levels of social security contributions were associated with higher, not lower, total employment growth and had no significant effect on output growth in Latin America and the Caribbean. They also show that severance pay, maternity leave and paid annual leave had no significant effect on the growth rate of either total employment or output in this region. Thus, none of the labour market policies traditionally emphasized by the distortionist view shows any of the hypothesized negative effects on employment and growth.

As the debate intensifies in Jamaica about unfettered flexibility and cost-based approaches, we are forced to look back to the realities of our experiences in sugar in 1840. We had better make sure that, empirically, we identify the real causes of our economic dilemma if we are to enhance our competitive capabilities. Sentiments and preconception masquerading as fact will not accomplish that. If we are not having unfettered flexibility, how should we proceed? What degree of flexibility should we have? How inflexible are

Jamaican labour markets? What is the empirical evidence? Is the call for unfettered flexibility a ploy for profit maximization and redistribution of income?

Is Jamaica's Worker Protection Index appreciably higher than her counterparts in the region, the hemisphere, the world? In the past, the problem has always been, when assessing the benefits or losses associated with labour legislation, how to measure protection. The Inter-American Development Bank in 1998 attempted to resolve that problem (See Appendix). What the evidence indicates is that Jamaica's Workers Protection Index could not be classified as highly protective or even moderately protective.

What is instructive is that there are those who argue that a critical component in the US economic boom under the Clinton administration was the flexibility of US labour markets and the world we live in. The USA market is held up as the model of flexibility. What the evidence indicates is that, although Jamaica's labour market is very flexible, we have failed to experience an economic boom. Maybe this is because what really turned the American economy around in the 1990s was "the long delayed productivity premium from investments in information technologies pioneered through public investment in basic research, education and training, and infrastructure and brought to market by private companies. Productivity growth in the high-tech sector has turned budget deficits into surpluses, tamed inflation and made it possible to contemplate another era of true prosperity."[6] So much for the advocates of unfettered flexibility.

Jamaica must acknowledge change. It must promote adaptability in the context of equity and social justice. We need agreement that is based on the evidence and, given Jamaica's socioeconomic circumstances, unfettered flexibility is not a policy option. Not only would it be counterproductive, but also, the international variables I alluded to militate against this approach. Jamaica must be aware

that a globalizing world has a low tolerance for systems divergence. We must therefore craft a response that is sustainable and demonstrate the tenacity to implement it.

What should we do? Flexibility cannot be introduced by imposition, which implies that one of the social partners is in such a dominant position that it can simply implement the desired changes. We will not support this approach. In the Jamaican context, it is not conducive to the creation of trust. In the final analysis, flexibility is about relations – industrial, employment, human. We will support regulated flexibility – a process of consultation that creates a balance between the interest of the organization and its employees.

As a society, we must belatedly agree that the Industrial Age is over. It has drawn to a close. Its institutions,. its patterns and its attitudes are in transformation. The world has moved into the age of access, information, a new economy, and globalization. We have no choice but to understand our new environment and redesign our competitive capabilities as a people and as a nation. Given the issues of globalization, the need for the Jamaican labour market to adapt to those circumstances and our own national priorities, we must move beyond a reliance on the World Bank's single objective for labour markets – efficiency. We must embrace the following objectives of our own:

1. Efficiency, meaning maximum returns to human resources, maximum output and maximum income corresponding to the economic criterion for judging the allocation function of labour markets
2. Equity, meaning equality of opportunity for all in access to jobs and training, equal pay for work of equal value – a concept which contributes to a more equitable distribution of income

3. Growth, meaning that labour market operations today should contribute to, not impede, higher productivity, income and improved employment in the future
4. Social justice, meaning that since labour market outcomes may have positive or negative impacts on workers' welfare, society should, under certain circumstances, act to minimize negative outcomes and redress their effects when they occur.

It is instructive that the Organization for Economic Cooperation and Development (OECD) has always relied on efficiency and equity as the objectives of its labour markets. Given those objectives, we need a value-added response to the challenges of globalization. The way to enhance our competitive capabilities is to:

a. encourage collaborative institutions and a collaborative society
b. stress teamwork — education/training/productivity, quality re-configure institutions in the labour market
c. pursue a new model of industrial relations
d. stress cooperation between labour and management through framework agreements and memoranda of understandings. The goal is to pursue strategies designed to achieve fundamental transformation in employment relations – transformation to achieve outcomes of mutual benefit to enterprises and their employees.

In order to achieve those goals, the social partners have some specific roles that I will now outline.

The State

In Jamaica, the state has historically played a major interventionist role in the economy and the workplace; whether it was the Spanish through Las Siete Partidas, or the English through the Slave Code, the Apprenticeship Act, the Master and Servants Act or, in our current circumstances, through the LRIDA and other measures of labour regulations; fiscal policy, education, training, health and transportation policies. This circumstance is unlikely to change any time soon. We cannot therefore speak of Jamaica's workplaces without a major reference to the State and its critical role in workplace reform.

International Cooperation

Having accepted globalization, the state must seek greater international cooperation on monetary and fiscal matters. It must seek international understanding as to what political actions can be taken to regulate the consequences of globalization and develop a growth strategy.

Trade is the glue that binds the world's economy together. In matters of trade and labour standards, the government must cooperate in establishing procedures and institutional frameworks for the worldwide adoption of ILO Core Labour Standards Conventions 29, 105, 111, 100 and 138 as a minimum requirement in the world's workplaces. These Conventions have been said to be:

> ... essential to prevent destructive competition worldwide as they discourage a country from presupposing that it would gain an economic advantage by the use of forced labour, child labour, discrimination or the downscaling of wages or social security, or occupational health and safety, or the suppression of worker or management rights of association.

> Labour standards promote competition based on better products, higher quality products, enhanced productivity, better production processes and new markets.[7]

There are two specific areas that must be addressed: inclusion of core labour standards into the FTAA process, and moving the World Trade Organization beyond its sole "precautionary principle", the protection of health and safety, to embracing concerns about ILO Core Labour Standards and issues related to the environment. In a world where there is no equality of power, standards are Jamaica's only workplace protection.

The state must also seek a resolution to the dilemma posed by the unilateral stance of US "commercial diplomacy" that contends that the prime purpose of US foreign policy is the promotion of US exports. The approach of the USA and Europe of having individual Generalized System of Preferences (GSP) should be replaced by an agreed international GSP.

Regional standards

The state must push for the completion of the harmonization of labour regulations in the Caricom Single Market and for the finalization of Caricom's Labour Market Information System (LMIS), as well as for the certification of Caribbean workers.

National uncertainty

The State's macroeconomic policy of stabilization is founded on a fiscal and monetary policy that is tightened to the point of creating a recession/depression large enough to break indexing, stop inflationary expectations, and force wages and prices to fall. This policy has adversely affected most Jamaican workplaces. It has aggravated

the nation's unemployment situation and posed many unanswered questions. For example, how much unemployment is acceptable? What are the social consequences of continued use of these deflationary measures? Given financial globalization and the need to guard against the sudden outflow of funds, has the state lost the ability to pursue expansionary policies? These are some of the crucial questions that need clarification and a call for a major study of the relationship between macroeconomic policy and workplace issues.

The link between the state's macroeconomic policy and workplace instability and underproductivity has rarely been made in Jamaica. I feel compelled to establish, in a general way, that linkage. The state, by a policy of liberalization – those stabilization measures I alluded to – continued to raise interest rates to astronomical levels that proved destructive, in the sense that they exceeded the rates of return on all but the most profitable investments in physical capital. The equity of most existing firms was therefore reduced, discouraging risk-taking and the creation or expansion of business. In a perverse way, what occurred was the redistribution of wealth from debtors to creditors:

> The real wealth of holders of interest-bearing deposits was raised at the expense of firms and those who had large debts. Workers, as bank depositors or privy to other investment instruments, were receiving the benefit of high interest rates. On the other hand, the firms and organizations for which they worked, and whose productive initiatives should have been the basis for this rise in income, were being pushed to closure because the value of their own equity was being pushed to zero because of the payments they had to make to their creditors. For the workers in the indebted companies, their employment is put at risk as the situation is both unstable and unsustainable.[8]

The state, in an effort to re-establish quasi-stability, introduced "financial bail-outs" in order to prevent a generalized collapse of the productive sector. It does so by widening the state deficit and, in my view, there will be a resurgence of inflation that the original stabilization measures were put in place to resolve.

I sincerely hope I am wrong, but those are assumptions based on other scenarios. In my view, the state must move towards a macroeconomic policy that nurtures economic growth and jobs.

The social partners must conclude all the arrangement for the establishment of a national productivity centre for the sharing of information, and the promotion and adoption of ideas and practices that promise long-term gains to organizations and employees.

Greater coordination or a merger of the Ministries of Health, Education and Labour is desirable to accomplish two major goals:

1. The state must start to assume the responsibility of making sure that a basic package of workers' social security rights are citizenship related instead of being primarily employment related. This will allow for greater employer and employee flexibility in terms of workers changing jobs and the growing incidence of atypical forms of employment. The state must put in place the institutions that facilitate a more mobile workforce.
2. The state must ensure that all Jamaican citizens have access to quality basic and secondary education and initial training that ensures employability and portability of those skills and the capacity to absorb new technologies. The aim must be not only to improve the technical and competitive capabilities of the individuals, but also their social and cultural capabilities.

Finally, the state must redesign its own procedures and move from hierarchical authority in critical areas. It must become more concerned with results than procedures and make processes more flexible instead of standardized and routine.

Unions and Employers

Unions and employers must accept the fact that we exist in an uncompromising international economic environment, where all the social partners must, in the first instance, ensure that they undertake the reform of their own institutions, that they jointly define new tasks and actively seek new ways of cooperation. Beyond their own institutions, they must cooperate to ensure that they rebuild the capacities of our workplaces.

Work Organization

In the mid-1980s, Quality of Work Life (QWL) or the humanization of work, gained popularity in some organizations. The aim seemed to have been to reduce economic cost. The efforts were, by and large, unsuccessful, primarily because the programme did not deal with the basic question of the reform of work organization. The fact is that Jamaica's sole reliance on hierarchical and bureaucratic systems of management and organization are unsuited to a world that demands meaningful adjustments and speed of response. Clearly, for example, they do not lend themselves to flexible working hours or overlapping work roles, and financial participation schemes work best when employees have a close working relationship with management and are involved in the decision making process.

Jamaica, where appropriate, must put in place flexible, post-Taylorist organizations in which organizational charts are flatter, job

descriptions are broader and teamwork is emphasized. Traditional forms of payment systems, planning, and administration must be adjusted and training and knowledge must be broad. Managers must become leaders, committed to the organization and, instead of only giving orders, they must seek to remove barriers, expedite resources, conduct studies and act as consultants. Workers will feel morally committed to the organization because of its inclusionist policies and continuous improvements and innovation in the way that things are done.

It is important in the future because as "new skill groups arise and demand recognition of their expertise, a self-conscious form of knowledge introversion and the desire to control the market for their skills bring professionalization. Soon, specialists attempt to redefine the conditions of organizational participation while hierarchical élites insist that the question of 'what should be done' remains their prerogative. Soon, specialists insist that they are entitled to a larger role in substantive policy. Knowledge, in a word, challenges hierarchical legitimating of authority and role."[9]

Clearly, in a society in which most managers and workers are weaned on Taylorist principles, that change represents a great challenge. That form of organization had insulated the privilege of individuals with power such as owners, members of management and groups of privileged workers and staff.

We can say with assurance that organizational structure influences performance and culture. Ideally, the organization's culture should be a reflection of the wider society's culture. I am quite aware that in Jamaica most employers and unions regard work organization as solely a management prerogative as reflected in management's rights in collective agreements. If, however, Jamaica intends to deal with reconfiguring our organizations, all the stakeholders will have to take an active part. Unions will have to move beyond those ancient beliefs and join their colleagues in

Scandinavia, Australia and the USA in becoming actively involved in organizational redesign.

Labour-management relations must be seen as more than a mechanism for addressing problems of salary and working conditions but as a method for changing work attitudes and values and creating a collaborative culture. These discussions must take place within the ambit of collective bargaining or through framework agreements. Whatever the obstacles, we must clearly understand that the administrative rigidities associated with Taylorist approaches to organizing work do not do well in periods of flux. It will be impossible to change organizational structures unless we are able to establish a "collaborative culture" within our organizations. Again, traditionally, both unions and employers have regarded the establishment of organizational culture as the domain of organizational development specialists. While OD specialists are necessary, it is unions and employers who must commit themselves to the process and become the agents of change.

In order to arrive at that point, unions and employers must discard their reliance on the price auction explanation of the workplace, accept the fact that:

> ... labour supplies are endogenously acquired and the labour market is not an auction market based on price but one that is structured to maximize transfer of knowledge (training) over time. Static efficiency is relatively less important than dynamic efficiency. The productivity of each individual worker is unknown and variable motivation is important since individual workers control their own productivity and can offer a wide range of productivities. Wages are not the only motivation for workers. Total output is heavily determined by team as opposed to individual productivities.[10]

It will not be enough to change our organizational structures and their culture. Jamaican workplaces must move beyond a reliance on time spent at the disposal of the organization and a rigid system of guaranteed wages in which rewards are independent of effort. They must move to schemes that give workers, in addition to a fixed wage, a variable portion of income directly linked to productivity cost or profits, all measures of organizational performance. The bonus must be linked to organizational results and should not be expressed as a predetermined portion of pay. The traditional ways of accomplishing this are gain sharing, profit sharing or worker share ownership plans. A series of reasons given in the literature for the support of financial participation schemes:

1. The ILO considers it to be a means of improving motivation and productivity. "The change from a rigid system of guaranteed wages in which rewards are independent of effort to a system which provides workers with an income that is more directly linked to enterprise, performance is considered likely to lead to greater commitment, lower absenteeism and labour turn-over, greater investment in firm-specific human capital and reduced intra-firm conflict.[11]
2. The second argument in favour of financial participation conerrns wage flexibility.
3. The third argument has been put forward by American economist, Martin Weitzman (1984).[12]

Profit-sharing would promote employment by significantly reducing the marginal cost of labour as it would not include the flexible part of remuneration.

To sum up, these approaches not only promote collaborative

behaviour, team work between individuals, and set the framework for improved flexibility and productivity but they also cushion our workplaces in times of macroeconomic shock by reducing the incidence of lay-offs and unemployment in times of recession.

Worker Status

The neoclassical economist has long argued that legal and collective agreements and rules restricting the use of atypical forms of employment affect levels of employment and the ability of organizations to adapt. As I previously indicated, Jamaica has always had part time, temporary, casual, contract and seasonal work as our primary forms of employment. How can the society continue to rely on and promote these forms of employment and hope to maintain social cohesion in the absence of national and organizational social safety nets? The social partners must move beyond arguing about the definition of workers and contract work and focus on the larger issues. If atypical forms of employment are the predominant forms of employment in Jamaica and are likely to be expanded, how can we ensure that we create a regulatory and policy framework that ensures that Jamaican workers will be reasonably protected, that their wages are comparable and that they have career prospects?

Clearly, the state must assume the lead role in providing these workers with social protection. Unions must be fully aware that the representation of these workers is crucial and seek to promote their protection.

Working Time

As society becomes more complex, there is an increasing call by both unions and employers for new types of working time

arrangements. Flexibility in working time can cover a variety of working patterns – annualization of working time, part-time work, night or weekend shifts, flexitime, innovation in daily and weekly hours of work, longer vacations, working at home, new retirement plans (early and phased, flexible retirement), and unpaid study leave. From the union's standpoint, flexibilityoffers workers the opportunity to supplement their income and to choose working hours to fit family commitments. From the employer's vantage point, it can enhance the ability of the organization to respond quickly and efficiently to fluctuations in demand for goods and services. From the union's vantage point, however, working time cannot be agreed to be separate and apart from the question of remuneration and conditions of work and social protection.

In closing, let me state our challenges. Globalization and its issues will not go away, because they are technology based. We ignore them to our peril. We are confronted by a complex international environment in which:

a. There are competing systems for the organization of economic and political authority
b. There are major sovereign and non-sovereign actors
c. There are geographic and electronic markets
d. There are local, political and global economies
e. There are fragmenting states and regions and the formation of regional blocs
f. Bilateralism and multilateralism are at work.

Given those international circumstances, Jamaica has to understand that individuals can be induced to work creatively in a variety of ways: "People may be induced to work in many ways; through financial and other economic incentives, positive or neg-

ative; through the promise of advancement, or through direct coercion."[13] Humans cannot work creatively under continuous threat in a globalized world. They always have the option of migration. The choices we make must promote change, adaptability and equity.

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APPENDIX

Employment protection index

Country	Definition of just-cause for dismissal	Tenure-related severance payment			Probationary period	Severance at 20 years	Reinstatement	Employment protection index
		1	3	10				
Argentina	27	33.5	28	30	13.5	9	14	24
Bahamas	6.5	7	4.5	2.5	13.5		14	2
Barbados	6.5	14.5	7	4	35	2	14	8
Belize	6.5	7	4.5	11	33	3	14	5
Bolivia	27	35.5	35	34	13.5	21.5	14	35.5
Brazil	27	21	12	5	13.5	6	14	13
Chile	27	26	33	33	13.5	11	14	25.5
Colombia	27	28	31	35	13.5	26	14	34
Costa Rica	27	25	28	30	13.5	21.5	14	27
Dom. Rep.	27	7	4.5	2.5	13.5		14	6
Ecuador	27	37	28	30	13.5	21.5	14	31
El Salvador	27	22.5	25	28	29.5	21.5	14	28.5
Guatemala	27	17	22	26	23	21.5	14	22
Guyana	27	14.5	13	19	35	12	14	16
Haiti	27	7	15.5	8				12
Honduras	27	22.5	34	32	23	21.5	14	33
Jamaica	6.5	7	15.5	8	13.5		14	4

Mexico	27	19	19	21	35	14	34.5	30
Nicaragua	27	33.5	36	36	35	30.5	14	35.5
Paraguay	27	24	22	20	29.5	5	14	21
Peru	27	17	22	26	13.5	32	34.5	32
Suriname	27	3	15.5	14	23		14	15
T and T	6.5	27	22	23	29.5	16	14	17
Uruguay	27	17	22	26	13.5	21.5	14	19.5
Venezuela	27	30	37	37	13.5	30.5	14	37
Belgium	6.5	31	15.5	8	6	13	14	11
Denmark	6.5	35.5	30	16.5	13.5	7.5	29	18
France	6.5	13	8	5	27	15	14	10
Germany	15.5	20	9.5	13	5	17	31.5	14
Greece	13.5	32	26	24	23	7.5	31.5	25.5
Ireland	6.5	3	4.5	10	35	27	29	9
Italy	6.5	10	18	12	32	28	34.5	19.5
Netherlands	13.5	3	2	6	23	4	29	7
Portugal	27	11.5	11	18	29.5	21.5	34.5	23
Spain	15.5	29	32	22	26	29	14	28.5
UK	6.5	11.5	19.5	16.5	2	10	14	3
U.S.	6.5	1	1	1	1	1	14	1

Source: Marquez, *Employment Protection and Labour Market Outcomes in Latin America.* Inter-American Development Bank Working Paper Series 373, 1998, p. 5.