



Republic of **Mauritius**

**Address by
Honourable Shakeel MOHAMED**

Minister of Labour, Industrial Relations and Employment

**at the
Annual Seminar
Organised**

by the

Association of Human Resource Professionals

ON

**EMERGING CHALLENGES IN PEOPLE
MANAGEMENT**

06 August 2010 at 1530 hrs

Intercontinental Hotel, Balaclava

Mr. Areff Salauroo, President of Association of Human Resource Professionals

Members of the Association

Distinguished Guests,

Ladies and gentlemen,

Good afternoon to everyone of you.

I am indeed very pleased to be among you today and for the opportunity that the **Association of Human Resource Professionals** has given me to address you this afternoon in the context of this seminar.

First of all, I wish to congratulate the Association of Human Resource Professionals for holding this seminar which has become now an annual feature. Today's topic "*Energising challenges in People Management*" cannot be more appropriate and more relevant being given the rapidity with which the very role of Human Resource Managers is evolving due to various factors.

Most of you, Human Resource professionals, who are present this afternoon, must be, more than anyone else, aware of the fact that the world of Human Resource Management is changing more rapidly than we can imagine. Indeed, Human Resource Managers are facing constant challenges due to constant changes in the world of work, as well as in the working environment.

Globalisation, outsourcing, international mobility, talent shortages, Mismatch in the Labour market, an ageing workforce, increased competition, new Labour Laws, and now the Euro crisis, just to name a few. Where, how and for whom people work is, in turn, transforming company structures and cultures. So much so that the very function of Human Resource Management is also changing as a result of increased pressure to demonstrate results from their workforce practices and policies. These issues I have just

mentioned, together with other emerging trends impacting on the role and functions of Human Resource professionals have forced company Directors and shareholders to gradually recognize the link between business performance and the people within their organization. However, I fear there is still a long way to go before every company Director, chairperson and Board member and shareholder understands that people – related issues must be at the heart of the Board room agenda.

Enterprises need to understand that Human Resource Managers are not recruited solely to advance the objective of maximizing productivity, efficiency and profits only. Human Resource professionals have to also respond to changes in government policies, changes in Labour legislation, as well as changes in technology. And more importantly, Human Resource professionals need to give proper attention to such basic factors like – job satisfaction, employee's welfare and compliance with Labour Laws and contract of Employment. The challenge, therefore, is first and foremost on Directors, Board members and on shareholders to ensure that Human Resource Managers be given all the respect they deserve and all the support and freedom they need in order to manage people in strict compliance with our Labour Laws and in strict respect of basic principles governing Industrial Relations.

Ladies and Gentlemen,

It is important for me to underline the fragility and vulnerability of small economies like ours, which are exposed to numerous external threats – like the recent world Economic crisis, and Euro crisis today. In such economies, any threat to industrial peace and social stability may directly or indirectly affect other productive sectors or the whole economy. Peace and stability have been and will remain valuable assets for Mauritius in so far as they encourage investment and employment creation. Human Resource professionals have, therefore, a crucial role to play in ensuring industrial peace and social stability, which are indispensable for investment and job creation. Human Resource is also about Human Relations. It is about

humanising industrial relations. It is about humanising the workplace where the worker spends the best part and the biggest chunk of his life.

Ladies and Gentlemen,

We live in an era of dynamic Labour markets, in which employment relations have become vital for the promotion of social justice and economic development. Since our country's, Independence, the concept of work and Employment relations have undergone far reaching transformations with the advent of new technologies, emergence of new sectors like ICT, Finance and Service Sectors, the widening of the informal sector, influx of Labour migration, increased participation of women in the Labour market and the adoption of flexible market policies.

Never before, has there been such relentless social, economic and technological change. The changing world economic and social order, the process of globalization and the drastic emergence of new technologies and the international economic crisis, and now the Euro Crisis, have certainly an impact on our social and economic structures and systems that necessitate a complete transformation and overhauling.

Under this economic and social background not only the government, but also many institutions and organizations have been compelled to review their strategies, and to initiate a number of reforms. We, too, at government level, we have initiated, in addition to economic, social and institutional reforms, **reforms in our Labour legislation**. Many of these reforms that have challenged the comfort of traditional and outdated practices and expectations, have revealed themselves as being necessary and instrumental in order to better respond to the on-going challenges.

The world of work is now governed by a new Industrial Relations legal Framework which has replaced the outdated IRA and Labour Act. With regard to the new Labour, legislation, I recall having spoken lengthily at the opening of the **Annual General Meeting** of your organisation on the

need for Human Resource Professionals to ensure a better understanding of the relevant provisions of the new Labour Laws, and also to initiate corrective measures to ensure proper implementation of each and every provision of these Laws, regulations and Collective-agreements. I have given instructions to my officers to closely monitor those who deliberately and repeatedly have recourse to unfair labour practices at the expense of workers. I rely on the efforts of the President of the **Association of Human Resource Professionals** to discourage and deter any such practices which are not conducive to sound Industrial Relations.

At the AGM of your organisation in May this year, I recall having also highlighted on various important issues on which I wanted your members to give some attention. I spoke on the need for **promoting Collective-Bargaining, on the exaggerated number of cases of Industrial disputes that could have been resolved at the level of the enterprise, on the reluctance shown to recruit workers aged over 40, non-compliance with Occupational Safety and Health Standard, on Poor Health & Safety condition of Dormitories.** I also spoke about the **Decent Work Country Programme** which is being finalized in collaboration with the ILO, and also on the need to remove all types of discrimination in our labour legislation and national laws.

I seize this opportunity today to also comment on some other pertinent and practical issues – particularly in relation to our two new Labour Laws and to the World of Work. It is already 18 months since the new labour legislation is being implemented. These new laws, I should say, have had a very positive impact in the World of Work particularly with regards to protection of workers, mechanism and institutions for mediation, conciliation and Collective-Bargaining.

The **Employment Relations Act**, indeed, marks a major change in the Mauritian statutory industrial relations system. The concept of employment relations shifts the focus to the workplace on the principle that sound relations should be built within the organisation and that disputes

should be settled through dialogue at the workplace by the parties themselves.

However, Collective-Bargaining also raises the issue of Freedom of Association and Trade Union membership. Trade Union membership is indeed an important corollary of Collective-Bargaining. Human Resource Practitioners must understand that Trade Unions will continue to play an important and crucial role in our present Industrial Relations System under the new labour legislation. It is only through sound and healthy employment relations between workers, unions and employers that we can expect to enhance performance, equity and fairness.

In this regard, I would suggest that you refer to Section 35 of the **Employment Relations Act** relating to the **promotion of good employment relations** as elaborated in the Code of Practice. The Code of Practice provides practical guidelines for the grant of **negotiating rights** and assists employers and trade unions to bargaining effectively.

Ladies & Gentlemen

Although the average rate of unionized workers in the country is about 18%, it should be noted that only 12% of workers in the private sector are unionized. This means, therefore, that more than 80% of workers in the country are unorganized. With a view to facilitate interactions and consultations between workers in general and management, the Employment Relations Act provides for the setting-up of a **Joint Consultative Committee**. Although this committee can be set up even in the absence of a recognized trade union, this should not be construed as an excuse to prevent workers from joining a Trade Union of his own choosing. I understand that already, in some enterprises, there exist similar consultative structures also known as **Works Councils** which are functioning to the satisfaction of both Management and Workers. I suggest HR Managers to ensure that all necessary support be given to such Advisory and Consultative Committees so as to enable them to play their role as they should.

Despite the comprehensive nature of our new labour laws in dealing with a broad spectrum of industrial problems

and issues, I view it with much concern that some trade unions are unduly penalized, and discriminated against, with regard to **their right to recognition**, that Trade Union representatives are still victimized in some enterprises, that Trade Union rights to negotiation and consultation are deliberately refused by some Human Resource Managers. I am also disappointed of the total disregard shown by some enterprises to comply with the basic standard as provided in our labour regulations. There are still many enterprises, including para-statal organisations, who have yet to sign **Procedural Agreements** with Trade Unions as provided for in the **Employment Relations Act**.

There is another area where we need to put some order. It has been brought to my knowledge that some employers knowingly and intentionally employ workers for a period of 11 months and thereafter re-instate them with a view to break the continuity of service. The objective is to deprive such workers from enjoying prescribed benefits such as entitlement of sick leave, casual leave, maternity leave, etc... Such malpractices are not within the ambit of decent work principles that I want to personally promote. Such unscrupulous practices must be stopped, and consequently I make an appeal to all Human Resources Professionals to discourage such unfair practices. It is my firm intention to ensure that necessary remedial actions be taken by bringing amendments in the relevant laws.

As I have stated before, I am determined to bring necessary amendments in the Labour Laws to deal more firmly and harshly against any enterprise that violates the fundamental rights of workers.

Ladies and gentlemen,

Since my appointment as Minister of Labour, Industrial Relations and Employment, I have ensured that social dialogue and tripartism be enhanced as fundamental approaches in the search for appropriate and lasting solutions to industrial relations. In order to further consolidate social dialogue and tripartism, as promoted by

the ILO, I am setting-up a **National Tripartite Forum**. This forum will not only comprise of traditional constituents, but also of other stakeholders, such as Professional Associations and NGOs - with a view to discuss specific issues related to the world of work.

As announced in the Government Programme, the **National Pay Council** will be phased out and be replaced by a Tripartite Mechanism on salary compensation. Discussions on the setting-up of the mechanism have already started. Further, discussions will be held with my colleague, the Minister of Finance and Economic Development, and also with other stakeholders. Extensive consultation will be held so that we come up with a mechanism to the satisfaction of one and all. This Tripartite Committee is expected to be ready to operate before the presentation of the Annual Budget this year.

Ladies & gentlemen,

According to recent ILO reports the global economic crisis will have a profound effect on the World of Work, with a significant impact on safety and health in workplaces around the globe. Organisations are cutting costs, outsourcing, subcontracting and increasing part-time work, with possible cuts in occupational safety and health budgets. The contraction in resources is likely to lead to more workplace accidents, diseases, fatalities and ill-health. According to the ILO, every 15 seconds a worker dies from a work-related accident or disease and every 15 seconds 160 workers have work-related accidents. We must all be concerned when it comes to questions of safety and health at work.

As Human Resource Professionals you have a key role to play in the management of occupational safety and health as any occupational safety and health risks to which your workforce is exposed may have a direct bearing on the enterprise productivity and public image. You have the responsibility to ensure that you recruit the right persons and that these persons have the necessary competence to perform the jobs they are recruited for. This might entail

providing induction trainings and refresher trainings as already provided for in the law.

The Occupational Safety and Health Act 2005 clearly spells out the duties and responsibilities of the employer, whom you are the representatives, which inter-alia includes:

- the preparation of an **occupational safety and health policy** where enterprises have more than 50 employees and the implementation of same; and
- the carrying out regularly of a **risk assessment** at the workplace with a view to identifying hazards, evaluating the risks arising and taking corrective measures as necessary.

The world is going through rapid transformations in different fields and the workplace is not spared. There are various threats and challenges which organisations should address to be able to manage safety and health. Stress is the scourge faced by the modern man in its everyday life and alongside tobacco, drug addiction, alcoholism, violence and HIV/AIDS is on the rise. We should be well-equipped to address these new forms of problems affecting the workforce. It is only through awareness raising that the necessary changes in mindset and behavior can be brought about.

It is, therefore, in the interest of every employer to ensure that due consideration is given to occupational safety and health matters as poor safety and health standards impact negatively on the enterprise productivity and reputation. In this world of cut-throat competition there is no room for complacency.

Dear friends. I am personally fully committed to strengthening and consolidating social dialogue with all our social partners, and particularly between employers, trade union organizations as well as with professionals organizations such as the **Association of Human Resource Professionals**. I have always said to one and all that confrontation does not resolve disputes. The answer to many

of our industrial relations problems lies in social dialogue, good communication based on mutual respect.

I am sure I can rely on you, Human Resource Professionals, in our efforts of formulating and implementing the best policies for the promotion of sound industrial relations.

I thank you for your attention.