



***THE ROLE OF INFORMATION AND CONSULTATION IN THE PREVENTION OF INDUSTRIAL TENSIONS AND CONFLICTS AND THE IMPROVEMENT OF SOCIAL PARTNERSHIP AT COMPANY LEVEL - INFPREVENTA (VS/2013/0507)***

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○ **Resume for the presentation:**

- General Info about Cyprus Economy
- General Info regarding the survey
- Info and Consultation in Cyprus
- Main conclusions from the survey
- Best Practises
- Conclusion



# CYPRUS ECONOMY

- Where are we at?
  - Since the second third of 2011, the Cyprus economy follows negative indicators of growth resulting to a constant closure of small and medium enterprises and an increase of unemployment rates (14.522 in 2008 to 70.831 by the end of 2013).



# CYPRUS ECONOMY

- Where are we at?
  - According to the official figures of the Cyprus Ministry of Finance, the economy in 2014 will present a negative growth rate (-4.2% of GDP) and unemployment will be increased reaching 17.6% of the labour force compared to 15.9% in 2013.
  - As regards both public deficit and public debt, they will reach -5.4 of GDP and 111.5% of GDP respectively.
  - Included in the economic analysis report published by the Economics and Statistics Department of SEK (December 2014).



# CYPRUS ECONOMY

- Where are we at?
  - Moreover, it is estimated that prospects related to the Cyprus economy will be slightly improved in 2015. Growth rate is expected to reach 0.4% of GDP and unemployment will be decreased at 17%. As far as 2016 is concerned, it is estimated that growth rate should reach 1.6% of GDP and unemployment will decrease even further at 15.8% of labour force.



## GENERAL INFO ABOUT THE SURVEY

- The survey was concluded at the end of August and it focused on 4 sectors of the economy, Tourism, Financial, Industry and Transportation, mainly because these sectors have been greatly affected by the economic crisis and also because there have been some major changes in some company structures in either sectors in the form of mergers, acquisitions, transfer of undertakings etc.



## GENERAL INFO ABOUT THE SURVEY

- The Survey focused on Employees (Shop-Stewards), Employers/HR Managers, Organizing Officers (TU Officials-enterprise level), TU Federations General Secretaries (in related sectors) and Employers' Associations representatives, in order to get their perspective and experience in the implementation of I&C at the workplace
- This has enabled researchers to distinguish between theory and practice as well as between perception, knowledge and application.



# INFORMATION AND CONSULTATION IN CYPRUS

In Cyprus the Information and Consultation Directive has become legislation in 2005 in line with the Cyprus responsibilities related to full implementation of the Acquis, and the Law provides for a clear definition of Information and Consultation stating that it is Implemented in companies with 30 employees and more.





# INFORMATION AND CONSULTATION IN CYPRUS

Moreover the law states that Information and consultation involves the following grounds:

- Financial condition of the company and prospective future developments
- Developments related to employment issues
- Developments related to work organization/collective bargaining agreements



# INFORMATION AND CONSULTATION IN CYPRUS

The following directives have been transposed to Cyprus legislation

- European Works Council Directive (94/45/EC), 22 September 1994;
- European Company Statute Directive (2001/86/EC), 8 October 2001;
- European Co-operative Society Statute Directive (2003/72/EC), 22 July 2003
- Information and Consultation of Employees Directive (2002/14/EC), 23 March 2002; and
- EWC recast Directive (2009/38/EC), 6 May 2009.
- Collective redundancies (75/129/EEC), 17 February 1975
- Collective redundancies (98/59/EC), 20 July 1998
- Transfer of undertakings (77/187/EEC), 14 February 1977
- Business insolvencies (80/987/EEC), 20 October 1980
- Health and safety at work 'framework' (89/391/EEC), 12 June 1989
- Transfer of undertakings (2001/23/EC), 12 March 2001
- Takeover bids (2004/25/EC), 21 April 2004
- Cross-border mergers directive (2005/56/EC), 26 October 2005



## MAIN RESULTS FROM THE SURVEY

- Economic crisis, high unemployment and employment uncertainty, mistrust on institutions etc are some of the issues prohibiting responders to the survey, in providing adequate information
- Lack of awareness regarding the existence of the law
- Based on this lack of awareness what constitutes information and consultation, depending on the respondent can be either misunderstood or appreciated in a different manner



## MAIN RESULTS FROM THE SURVEY

- It is quite obvious that the right to information of consultation and the correct process to information and consultation is perceived differently from the management part, which is the part making the decisions rather than the employees which is the part called to implement the decisions.
- It seems that there are companies implementing provisions of the Information and Consultation law in much more depth, without even knowing that such practises fall within the framework for the law. (some of these practices will be discussed as best practices in the national report)



## MAIN RESULTS FROM THE SURVEY

- There is a general trend that the right to Information and Consultation supplements the role of TU
- Most of the employers have responded that there is unofficial information and consultation taking place regarding all the elements of question
- All responses from employers agree that Information and Consultation helps in the productivity, competitiveness and company management of an organisation



## MAIN RESULTS FROM THE SURVEY

- We can conclude from the data the information and consultation that took place during or prior to a merger seems to have been helpful.
- Based on the above the same is evident in avoiding disputes during the period that the mergers were executed



## MAIN RESULTS FROM THE SURVEY

- Overall it seems that all the parties involved consider the right to information and consultation to be of utmost importance for the future enhancement of social dialogue and all the parties should work in the direction of the correct implementation of information and consultation.
- The threat surrounding the lack of awareness around the information and consultation rights should be guiding principle for the partners of the project, so as the final results reach the right respondents (ETUC and its affiliates), whom will undertake political involvement so as these rights are fully implemented on an EU level



## BEST PRACTISES

- The idea behind the operations of the KANIKA Hotels revolves around the concept of the KANIKA SPIRIT, which is just an acronym that refers to the core values of KANIKA: Service, Professionalism, Innovation, Respect, Integrity and Teamwork. These guidelines are clearly explained, printed and distributed throughout the whole employee population. This “compass” puts staff and management on the same track, speaking the same language and working towards the same organisational goals and employees know what it is expected from them without guesswork or assumptions.





## BEST PRACTISES

- From the above it is quite obvious that KANIKA Hotels has put in place a great emphasis on the management of its Human Resources and hence its employees. It is through this practise that they implement the tool of the **good relations committees** at every hotel. It is a process under which the management wants to be in direct communication with the employees and at the same time informing and consulting with them.



## BEST PRACTISES

- These committees take part in every hotel and they consist of a number of employees representing the staff at each hotel. They meet every month, whereas the law on I&C states that the meetings should take place every 3 months. These committees discuss on a wide spectrum of issues and usually there is an open agenda and each member can bring up everything of concern for the employees.



## BEST PRACTISES

- The management does not want to be at the Headquarters and just provide directions, on the contrary they rather prefer to listen to the employees, and it is indeed a management practise that they need to be aware of whatever concerns the employees. Besides the employees, the minutes of the meeting reach the Chairman of the Group; therefore the managements of the hotels are indirectly forced to take close attention to the needs, suggestions and consultations provided by the employees.



## BEST PRACTISES

- Through the Employee Involvement Groups, the Company informs, involves and consults with its people on the matters that affect them. The Company's commitment to these groups means that colleagues have the chance to voice their opinions and ideas, get answers and have their views represented when the business considers changes that affect them. This means everyone has an opportunity to positively influence the business we work in.



## BEST PRACTISES

- Every store and every business area has representatives, elected by their colleagues to represent their views. In practise this committee consists of 5 employees, two elected from the main store and 1 employee elected from the additional three stores.



## BEST PRACTISES

- The Company engages regularly with these representatives on a local level, to keep colleagues up to date with developments that affect them. The group's involvement can include discussing and debating changes that affect the employees, gathering specific feedback from colleagues, and where appropriate suggesting solutions.



## CONCLUSION

In concluding, it should be highlighted that, it is quite clear that the positive role of information and consultation is recognised by all actors in industrial relations, according to the results of the qualitative research. However, practice is yet again different from theory thus; the positive approach should be used as an element and tool to build on.



## CONCLUSION

In a similar approach, the role of institutional developments and dialogue in the E.U including information and consultation becomes central, based on the win-win consensual situation. This could lead to the promotion of industrial democracy which has led so far to the increase in productivity and responsibility of workers, having a positive influence on enterprises .





## CONCLUSION

According to an ETUI recent research , workplace representation is vital since trade union members view the performance of the union to be superior to that of management on various workplace tasks. On the contrary, the management performs in superiority when such representation is not in place. In this framework, the role of information and consultation, as well as the application of the existing legislation could be seen as important and vital in order to keep a balance among the two parties.



## CONCLUSION

In concluding, it would be interesting to highlight results through a SWOT analysis indicating specific points to be taken into consideration:



# CONCLUSION

## *Strengths*

- A high level of unionisation is evident in all sectors/ enterprises concerned which sets the necessary conditions for further improvements to be achieved and observed in the future
- There are existing and established structures referring to EWC, in which workers representatives already participation and an information and consultation culture and practice which can be supportive to any further steps forward
- There is a positive approach by employers towards the existence and well functioning of EWC which can set the right footing for information and consultation practice
- Employees representatives are already appointed in such structures and social partners are familiar with such practices in addition to negotiations and conclusionsof collective agreementsLong standing tradition of trade union and representation structures at the workplace complement and support the whole attempt and process, in a promising way



# CONCLUSION

## *Weaknesses*

- The Directive does not apply due to size (it only applies in 3% of local enterprises)
- Lack of awareness amongst social partners in promoting Legislation
- Confusion in the general application of information and consultation practices and Legislation itself
- There is very limited information available on the existence of the Legislation
- There is limited trade union intervention in promoting Legislation itself
- Existence in theory, malfunction or even abandonment in practice
- Employees are more interested on issues related directly with their workplace
- Interpretation problems in common approach related to definitions (i.e. information/ consultation)

# CONCLUSION

## *Opportunities*

- Problems in the economy and enterprises themselves might give boost to adequate implementation of the Legislation, although this has not been the case so far despite the fact that social partners are working together in dealing with existing problems in the labour market
- Trade union motivation due to participation in this project/ reaffirm of priority during the last SEK Executive Committee meeting
- The Conference in Cyprus has given employees the opportunity to participate in an information and consultation related activity



# CONCLUSION

## *Threats*

- On-going financial crisis drives employees away from trade unions and increases mistrust towards the organised society
- Lack of information and training opportunities minimise employees motivation to participate
- National disappointment on developments and prospects let alone European related affairs
- Lack of motivation since information and consultation has an abstract importance, not clearly understood or identified
- Negative approach of employers on legal arrangements in ruling industrial relations Reluctance of trade unions in promoting policies which might have a negative impact on their role



# CONCLUSION

‘It is essential to highlight the fact that ‘human nature does not change, but when nations and [people] accept the same rules and the same institutions to make sure they are applied, their behaviour towards each other changes. This is a process of civilisation itself’. In this context and framework, information and consultation directives become important in promoting industrial democracy and workers’ involvement, although neither the employers nor the employees responded adequately to its implementation.



# CONCLUSION

*Thank you very much.*

