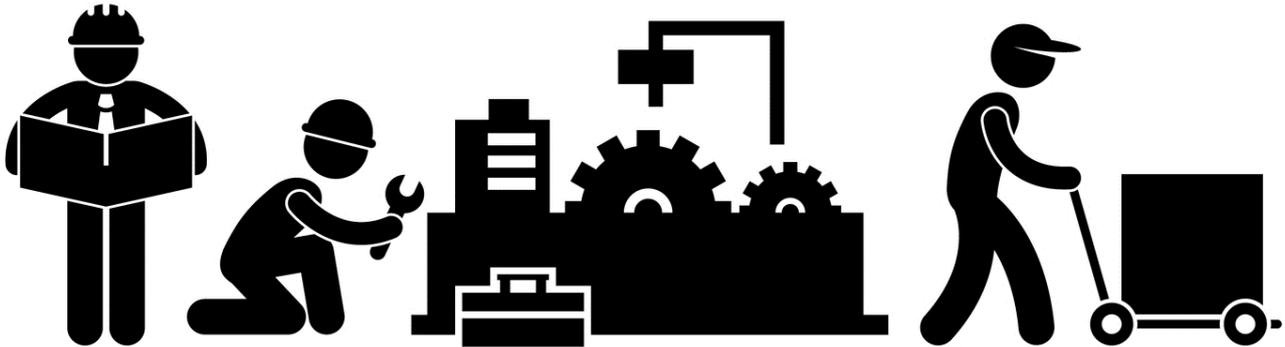


# Handout 1 - What is Productivity

## What Is Productivity?

1. There are many ideas about what productivity is. Some say it's about:



- men and machines;
- smaller workforce;
- better working environment;
- input vs. output;

2. Technically, "*productivity*" is defined as the ratio of outputs over inputs.

$$= \frac{\text{OUTPUTS}}{\text{INPUTS}}$$

Where, **OUTPUTS** are the goods produced or services delivered; and



**INPUTS** are any tangible and intangible things needed to produce the goods and/or deliver the services.



## Types of Productivity

3. There are three types of productivity. These are:

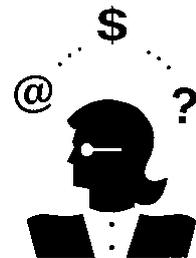
- **Labour Productivity** – where the critical factor affecting productivity is a labor matter.



- **Capital Productivity** – where the critical factor affecting productivity is a capital (money) matter



- **Total Factor Productivity** – where the critical factor is a quality matter involving both (labour skills, capital, systems or technology)



## Handout 2 - Productivity

### Introduction to Productivity



1. In a globalised world we live today, the price that your company gets for the products you produce is continually under the pressure to compete with the prices of similar products made from other countries.
2. Manufacturers try and cope with this situation by increasing “productivity” in every possible area which affects production.
3. There are basically two ways in which manufacturers increase their factory’s “productivity”. They are, either:

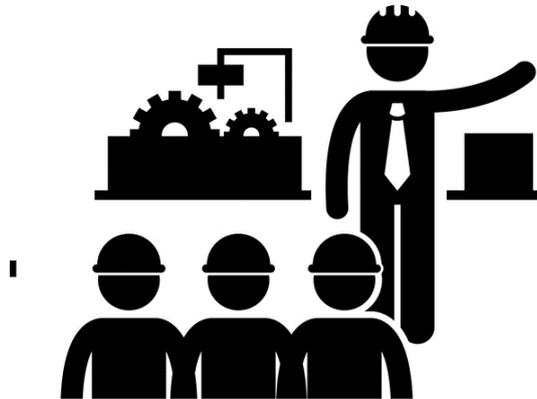


- To increase the goods or services produced (outputs) for the same amount of resources (input) put in to produce the outputs (goods or services); or



- To decrease the resources (input) put in to produce the same amount of goods and services (output).

4. That is why changes are always occurring in the way your factory is organized, or new machines are being installed or new processes are being introduced.



5. In some cases, these changes may have been undertaken because the buyers have been concerned about quality or the level of waste is high;



6. Some changes may have been undertaken because your factory may have failed to meet delivery dates;



7. Some changes might be undertaken because of a concern about inefficient ways of working being the cause of excessive overtime in your factory.

# Handout - Calculation



## 1. Calculating Average

### Average

*Question* Calculate the average of the following 3 monthly payments: 457 TND, 630 TND, 830 TND

*Answer* **Average** =  $\frac{457 + 630 + 830}{3}$  = 639 TND

## 2. Average weighted

*Question* Calculate the monthly average payment in relation to the following information:

104 Storehouse workers earning 700 TND per month  
424 Textile & Garment workers earning 590 TND per month

*Answer* **Average** =  $\frac{104 \times 700 + 424 \times 590 \text{ TND per month}}{104+424}$  =

$$\frac{72800 + 250.160}{528} = 611.66 \text{ TND per Month}$$

$$\frac{\text{A number} \times \text{monthly payment} + \text{B number} \times \text{monthly payment} + \dots}{\text{A number} + \text{B number} + \dots}$$

## 3. Calculating Percent %

### Wages difference

Male: 900 TND per month  
Female: 790 TND per month

*Question* Find the difference in percent (%) of the male and female wages.

*Answer* Difference in EGP per month:  $900 - 790 = 110$  TND per month  
Difference in %:  $\frac{\text{Wage differential} \times 100}{\text{Wages}}$  =

The difference of 110 TND per month can be calculated both in relation to the male wages: 900 or to the female wages: 790 with different results

a. Difference in %:  $\frac{\text{Wage differential} \times 100(\%)}{\text{Wages (male)}} = \frac{110 \times 100(\%)}{900} = 12.2 \%$

b. Difference in %:  $\frac{\text{Wage differential} \times 100(\%)}{\text{Wages (female)}} = \frac{110 \times 100(\%)}{790} = 13.9 \%$

You can mention that the male wages is **12.2 %** higher than the female wages You can mention that the female wages is **13.9 %** lower than the male wages  
You can use the result you like ... both are correct!



#### 4. How does your wage develop in percent?



Average wages for year 2016 is 840 TND a month  
 Average wages for year 2017 is 980 TND a month

*Question* Find the percentage increase in the wage

*Answer* I. – One way to calculate it!

Wage increase a month (2017) 980 – 840 (2016) = 140 TND a month.

Wage increase in % =  $\frac{\text{Wage increase in TND} \times 100\%}{\text{Start /Wage (2016)}} = 16.66 \%$

$$\frac{140 \times 100 \%}{840} = \%$$

*Answer* II – Another way to calculate it!

You start by analyzing how much the wage level was in percent (%) in 2017, in case the 2016 wages was 100 percent (%).

$$\frac{\text{Wages in 2017} \times 100 \%}{\text{Wages in 2016}} = \frac{980 \times 100 \%}{840} = 116.6 \%$$

Increase in %: 116.66 % - 100 % = 16.66 %



## 5. What can I buy with my wage or wage increase?

You can find inflation rate statistics from CIA World Fact Book

Other international web sites as ILO, UNDP, IMF, WORLD BANK will also include statistics. You can also find national information on: [www.XXXX](#). (information from local partners)

Information concerning inflation rates & consumer prices is one of the most important issues you need to analyse before you negotiate about wages.

If your wage increases more than the prices, you will increase your real earning, 😊  
That means that you can buy more after your wage increase

### And opposite

If the prices increase more than your wage, your real earning will decline ☹️  
That means you can buy less after your wage increase

Example:

You were offered 980 TND wage per month in 2017

Your wages in 2016 is 940

980 TND – 940 TND = 40 TND is the wage increase

The consumer price index was increased by 9 %. (Or you can also use the inflation rate)

This means you should earn at least 9 % more to keep your purchasing power/real wage.

$\frac{940 \text{ TND} \times 9 (\%)}{100} = 84.6 \text{ TND}$  you need in wage increase to keep your real wage

(Your wages from 2016) 940 TND + 84.6 TND = Wage you need to keep your purchasing power 1024.6 TND

Your offer from the employer (2017) is 980. You need 1024.6 – 980 you offer from the employer = 44.6 TND

That means your purchasing power have decreased by **44.6 TND** ☹️ .... your loose purchasing power and can buy less than last year

### Opposite

You are offered **1050** in 2017

The consumer price has increased with 9 %

$\frac{940 \text{ TND} \times 9 (\%)}{100} = 84.6 + 940 = 1024.6$  (Your offer from the employer 1050 - 1024.6) = **25.4 TND**

😊 Your real wages has increased with **25.4 TND** you gain purchasing power (you can by more than last year)

## Handout - Info Inflation & GNP

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### Inflation

#### Definition

The overall general upward price movement of goods and services in an economy (often caused by a increase in the supply of money), usually as measured by the Consumer Price Index and the Producer Price Index. Over time, as the cost of goods and services increase, the value of a dollar is going to fall because a person won't be able to purchase as much with that dollar as he/she previously could. While the annual rate of inflation has fluctuated greatly over the last half century, ranging from nearly zero inflation to 23% inflation, the Fed actively tries to maintain a specific rate of inflation, which is usually 2-3% but can vary depending on circumstances. (opposite of deflation.)

### GNP

GNP deflator  
Gross Domestic Product

#### Definition

Gross National Product. GNP is the total value of all final goods and services produced within a nation in a particular year, plus income earned by its citizens (including income of those located abroad), minus income of non-residents located in that country. Basically, GNP measures the value of goods and services that the country's citizens produced regardless of their location. GNP is one measure of the economic condition of a country, under the assumption that a higher GNP leads to a higher quality of living, all other things being equal.

Source: <http://www.investorwords.com>

# Handout - Incentive pay systems

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## HANDOUT – INCENTIVE PAY SYSTEMS

### IMPORTANT BEFORE YOU START CREATING A NEW INCENTIVE PAY SYSTEM

- Payment in an incentive wage system always need to above the minimum wages!
- The incentive system need to be motivating and safe (OSH) for the workers
- The incentive pay system need to be measurable for all parties
- The incentive pay system need to be transparent for all parties
- It should be worth the effort so you can gain a fair extra earning

Incentive wages systems, productivity and increased earning is connected. Therefore incentive pay systems in known in many industries all over the world

This handout briefly describes some of the used systems but do not go into details in relation to how to build up an incentive pay systems. Incentive pay systems need to fit to each specific production and is many times build-up of more than one issue. Incentive systems is many times a mix between the minimum wages as the basic connected with workers skills, duties and experiences as well as result based incentive bonus systems.





## PIECE WORK

Piece work is a very simple way to implement an incentive pay system.

The more pieces you produce you more you earn.

Example if you work in the garment sector, your more shirt sleeves you do, you more you earn.

However, it is a very old fashion way to produce and piece work should be connected with fair timing and should include some restrictions in relation to ensure the human body is not damaged because of during the same movements every day.

Good: It is easy to measure

Bad: Can damage your health in connection with during the same movements and work every day.



## PIECE WORK IN TEAMS AND GROUPS

Piece work can also be build up so example the fully production in a garment company is measured in relation to number of produced pieces per day or per week etc., or it can be measured for smaller groups example for the day shifts only producing shirts.

A piece work contract can also be an amount of money for a specific amount of work.

Example for contract construction workers which agree to build example the front of a building

You quicker they can finish the work you more they can earn per day / per hour.



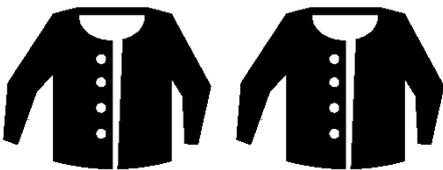
## BONUS SYSTEMS

When we mention bonus systems it covers a lot of pay systems.

Bonus is mainly an amount of money you get if a specific objective is reached.

It can be in matter of quality, time, low absence time, low waste, good profit for the company etc.

Bonus systems can as piece work systems also be made for individuals' smaller teams and larger groups as all the workers in a company.



## QUALITY & STANDARDS

Some buyers needs to ensure their costumers' that the quality of products follow specific identical values. That does not necessarily mean high or low quality but it means the same level of quality in all products.

In relation to these standards incentive pay systems can also be used to ensure the quality or in another word produce a specific standard of products.



## WASTE OF TIME, WASTE OF RAW MATERIALS & WASTE OF PRODUCTS

In nearly all types of production there is waste of materials, products and time.

Waste can arise when workers make a mistake because of inattention when they are doing the work.

It can also be because workers tiredness because of lack of breaks. Badly maintained machines or lack of improved technology is also a reason for waste. Other reason for a high waste rate can be mess, lack of cleaning, lack of planning and structure in the production.

In nearly all producing companies waste rates can be decreased. Example in the garment sector if there is made a production mistake in a shirt maybe the shirt cannot be sold, the time which are already used to produce the shirt is wasted and many times also the raw materials (cloth) is wasted.

It means if we can reduce the waste we can save time, save raw materials (cloth) and increase the production.

Therefore waste bonus or other related incentive pay systems can be used in many producing companies. Example the Union could negotiate a bonus for each % less wasted raw materials the amount saved could be the bonus or 50/50 solution etc.



## TIMING

Incentive pay systems can also be connected to the timing. In many situations is extremely important for companies to ensure a precise delivering date to their buyers to get best possible price for the products.

For the production it also means that your quicker the producers can empty there storehouses you quicker they can put in new stuff (shoes, shirts etc.) in the storehouses, which give the opportunity to increase the number of produced items.

Therefore it is an opportunity also for the Unions to negotiate incentive bonus systems in relation to improving the timing.

## WHY IS IT SO IMPORTANT WITH TIMING?

### Example:

One of the buyers of Cambodian shoes has agreed with the producing company to pick up 20 containers of new produced shoes for outdoor sport.

The buyers have ordered 10 big trucks to pick up the containers in a specific date.

The truck needs also to ship the containers in a specific agreed date.

If the 10 trucks' is not on time the shipment will be delayed.

The buyers need to deliver the shoes to their customers all over Europe and in the United states before a specific planned date. As the buyers do not have any storehouses as that will increase the costs, the timing is very important to ensure the delivering flow follows a very precise schedule.

If the timing is delayed it will increase cost in relation to storing of the delayed goods.

Each of these buyers among the different countries buyers needs to deliver out the shoes to their customers before a given date; the malls, the shoe shops etc. need be ready for the high season for outdoor sport.

If the timing is delayed it will decrease the time to sell the shoes and the shoe shops will lose earning.

So a big part of the earning in the fully process from production to sale is connected to timing.

That means you more precise the timing is, your better earning for each of the involved companies.

**Remember, the best possible earning for the companies give best possible opportunity increase payment for the workers.**



## BE ON TIME

Traditions and cultures various in societies all over the world. When it comes to the way we look on time we also have different attitudes. It means in some societies workers are often coming late or some days do not meet at the job at all.

That means the productivity decline. At the same time it is difficult to keep the planning and timing.

All together the earning will decrease. So it is important to ensure a motivating attitude among the workers and therefore some companies is bargaining with the unions to develop motivation pay systems to ensure the workers meet every day and meet on time.



## PROFIT AND TURNOVER

In some companies an incentive bonus system is connected to the total of earning or the total of turnover. To implement these systems there should be a high level of transparency in the matter of the company earning and turnover. It means workers organisations need access to the accounts and related documents and at the same time we need to have trust in the figures in the accounts.



## SENIORITY

In some companies seniority decides how much each individual worker earns. You longer you have been working in the company you more you earn. The idea with the pay systems is to pay the workers for the experience they build up through the years. It will also motivate the workers to stay in the company and in that way the company keep the workers gained skills and experiences in the company.

However, this system alone does not directly motivate the worker to improve productivity and could therefore be connected to another incentive pay system to insure maximum motivation.



## EDUCATION LEVEL, QUALIFICATIONS & SKILLS

To attract skilled workers and to motivate already employed workers the level of skills and qualifications also is a factor to take into consideration when you develop incentive pay systems.

You more skills a worker have you more flexible in the matter of handling different kind of assignments in relation to the production. Example if a company produces shirts you can be paid more if you can do all items on the shirt. Or if a company produces shirts, socks, pants you will be paid extra for each type you can handle in the production.

To ensure fairness when you evaluate each worker skills' there need to be set up a specific set of values which is agreed between the Union and the Company. This is to ensure that there is a fair evaluation so the supervisor or employers do not estimate on if he likes or dislikes specific workers but estimate in the matter of skills.

Another matter when you create an incentive pay systems in relation to skills is the access to training. You need to ensure a fair access for the workers to improve their skills by doing training with support from the company, as it is in both parties interest and it will also keep the workers motivated to participate in training.



## TYPE OF JOB FUNCTIONS

As some job functions is more tough and difficult than others also in this area there is a opportunity to build up incentive pay systems. Each job function then needs to be valued.

Examples:

If you handle the sewing machines you get this specific amount.

If you handle the cutting machines you get this specific amount.

If you are repairing the machines you get this specific amount.

If you are cleaning you get this specific amount



## OSH, WORK RELATED ACCIDENTS, ILLNESS

Accidents, Illness and Occupational Safety and Health issues can also be connected to incentive pay systems. If a company has a high rate of work related accidents it will influence the rate of production as the workers either needs to have long sick leave periods or in the worst cases some workers to not return to work because of work related injuries.

It means that the company loose productions hours and many times need to re-train new workers to replace the ones resigned because of work related accident and diseases.

It will increase the cost and decrease the earning. So to create high focus on health issues, the number of accidents and the level of sick leave days could also be an good opportunity to create a new incentive pay system.

Be aware not to create a system which forced sick people to come to work - **so use common sense**

## COMBINED INCENTIVE PAY SYSTEMS

To en sure both fair minimum income for the workers, development of workers skills/education and motivate to a higher productivity a combined incentive pay systems can be a progressive system.

### Example:

Trade Union representative negotiate a system where the workers are paid in relation to the following:  
(The level of wages mentioned below is examples and is not taken from an existing systems)

<u>Minimum wages:</u> (Same for all workers)	500 TND a month for all workers.
	+
<u>Qualifications:</u> (Earning depending of Skills and level of Education)	10 to 200 Extra TND a month
	+
<u>Type of Job:</u> (Earning depending on which task you do the specific day)	10 to 200 Extra TND a month
	+
<u>Bonus/Results:</u> (Depending on production results, profits, or productivity etc)	10 to? (Or no limit)

## 1 - BASIC WAGES

The basic level (green area) should be seen as the Cambodian minimum wages. It means it is a wages you have as a part of your legal rights by the labour law. However, as often Union representatives / Shop stewards negotiate higher minimum wages it could also be seen as the company's minimum wages which can differ in relation to city or province area, type of production etc. In the mentioned pay system below the minimum wages /basic wages is stable. (Cannot be decrease)

## 2 - a. QUALIFICATIONS

2a. In the system the qualification level (yellow area) should be seen as your level of education or the level of skills each specific worker have. The idea is that the workers both get paid for your level of education and level of skills. It means you more education / training you get or you more skills you obtain by your job experience you more you will earn.

This will motivate the workers to take all the training and education they can get. At the same time it will normally support the productivity, so also the employer / companies earning opportunities will increase. (Profit)  
This area is also a stable income for the workers depending but on their individual levels in the system.

## b. TYPE OF JOB

2b. The type of job level (yellow area) the earning is depending on which specific job you do every day, week or month.

Example:

Normal production: You control two machines in the period. You are paid extra	200 TND a month.
Low production: Not a lot to do, you control only one machine and you are paid extra	100 TND a month.
High production level: You control three machines and you are paid extra	75 TND a month
Production breaks down or no work to do	0 TND a month.

## 3 - BONUS/RESULT

In the systems bonus/result level (red area) workers are paid in relation to the company earning, the level of production of the individual worker or a team. I can also be in the matter of level of decreasing waste, or declining production time, or improving quality. A lot of issues can be part of the results /bonus systems. This level is not stable and can go from 0 to as high as you is able to negotiate with the manager. This level is also made both to increase productivity and company profit but of course also to motivate and increase workers earning.

## ADVANGES OF COMBINED SYSTEM 1+2+3:

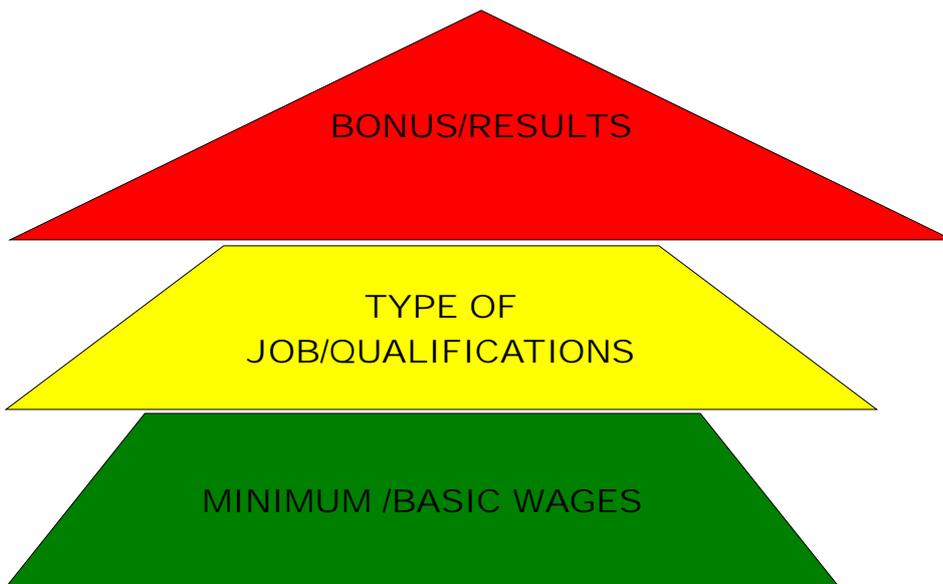
It will normally increase workers motivation to learn more skills and increase productivity. At the same time it give more opportunities for the individual worker to earn extra so you do not need to be expert in all level to earn extra.

**PITFALLS:**

When /if you proposed a combined pay system remember:

- To ensure all workers fair access to education
- Work smart not fast (Ensure safety and health)
- Pilot Test the system in example six month and re-negotiate / adjust.
- Make it understandable and motivating for the workers so they believe in the system
- Make it fair so it is a matter of what you can do and what you do and NOT who you know.

So agree about each level in a pre made monitoring system. In that way it will be clear who is entitled to extra payment after each defined period (Example monthly) See illustration in page 10



# Introduction / Activity Sheet 1

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- ACTIVITY:** Introduction of participants
- OBJECTIVES:** To get to know each other better.  
To practice interviewing skills  
To practice taking notes of interview
- TASK:** Please choose a partner you know the least interview her/him seeking information on the following points:
1. Name
  2. Age
  3. Position in union
  4. Trade union experience / Company experience
  5. Expectations from this seminar
  6. Experience in CBA matters  
( Reality actions and Training)
- TIME** : Talk to your partner for 5 - 10 min and introduce her/him to the rest of the class.  
**Introduce your partner by using either a flipchart or the whiteboard**



## Productivity game/Activity Sheet 2

**ACTIVITY:** Introduction to Productivity: Wage Costs, Overhead Expenses, Income, and Profits

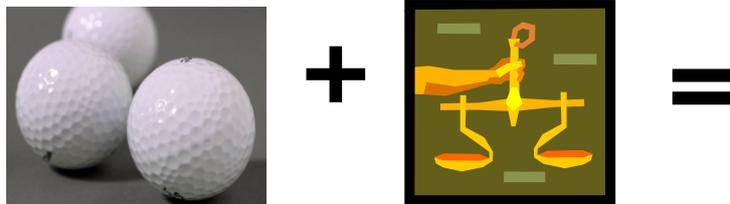
**OBJECTIVES:** In connection with CBA negotiations involving productivity, this series of exercises was designed to:

- Provide the participants a basic introduction to the concept of productivity
- Introduce to the participants some of the many elements involved in discussing productivity
- Provide introductory discussions on some of the more basic factors affecting productivity

**TASK:** Task 1 – Which is the heavy one?

Jordan Green Golf Company has given the class 8 golf balls which look exactly the same – same colors, same size, and same weight – except that one of the 8 golf balls is heavier than the other seven.

Using a balancing scale, and using as many weighing combinations as you can think of, and without any set limitations on the number of tries, the class is to find out which of the eight (8) golf balls is the heavy one.



**Question1:** In how many weighing tries will you be able to find out the heavy lead ball?

Please write your answers on the whiteboard, and also demonstrate how you came up with your answer.

You do not need to do so if your answer is already among the answers written on the whiteboard.

**TIME:** Analysis/Problem solving individually - 30 minutes

Presentation of responses - 30 minutes - all participants individually

## Productivity and earning / Activity Sheet 3

---

**ACTIVITY:** Introduction to Productivity: Wage Costs, Overhead Expenses, Income, and Profits

### Task A. – Which is the most productive one?

Once everyone has their answers already reflected on the whiteboard, the next task is to assign the following values to the equipment and procedures involved in the exercise, as follows:

Cost of Weighing = 20 TND per weighing try

Rent of Balancing Scale = 50 TND per 8 hours or less

Then compute for the total costs involved for each number of tries.

For Example: **Total Costs = TND 20 x 8 tries = TND 160+50= 210**

**Question 1:** Which of the number of tries shown on the whiteboard will give the golf ball company owner the biggest profit?

**Question 2:** Which of the number of tries shown on the whiteboard will result in the golf ball company owner incurring the biggest loss?

### Task B – Group Discussions on Productivity

a. After completing the above 2 exercises/questions, and in groups of 4 – 5 members per group, please identify and discuss the many ways in which the owner of the golf ball company can further increase his profits.

b. Please also identify and discuss the many ways in which your group collectively can increase your income.

Write your group's answers in headline formats, and on flipcharts.

Choose a group member to present your answer in plenary.

**TIME:** Group Discussion - 60 minutes



## CBA & Productivity / Activity Sheet 4

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**ACTIVITY:** Group discussion on why trade unions should be involved in productivity issues

**OBJECTIVE:** To create an understanding of why productivity also is a trade union issue

**TASKS:** Kindly discuss following question:

- How is productivity related to CBA demands and what can trade unions gain from increasing productivity at the company?
- Brain storm in your group which issue your group would suggest to improve productivity in your workplaces in the industrial sector / specific branch?

Transfer your answers to a flipchart in headlines and present your answers in plenary

Enjoy your group work!



**TIME:** 30 minutes

## Sources of information / Activity Sheet 5

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**ACTIVITY:** Group discussion on pointing out suitable data information sources in relation to preparation for CBA negotiations

**OBJECTIVES:** To create an overview of information sources

**TASKS:**

Kindly discuss and brainstorm with your group members in relation to:

How, and where do your organization collect data and statistic information in relation to following key issues:

- Level of local wages
- Wage in the sector
- Consumer prices & inflation rates
- Local company figures
- Overview of the different branches in the industrial sector / other sectors current situation (Orders/figures/buyers, etc)
- National & community labour market figures
- Other data information

Please prepare a list with the names of the organizations/ institutions and write down which type of data you get from each of them



Enjoy your group work!

**TIME:** 30 minutes

## Collect information / Activity Sheet 6

**ACTIVITY:** Group exercise on collecting statistical data in relation to the preparation of CBA negotiations

**OBJECTIVES:** To give participants an opportunity to discuss and practice how to collect statistics and to create awareness on the importance of CBA preparations

**TASKS:**

Kindly search on following questions:

**It is important that your group will precisely explain the source of information to each of the question, organization, year, report etc.**

1. What were the Tunisian inflation rates during the last 3 years (the newest figures you can find)?
2. Kindly collect the statistical wages of the participants/company wages in this workshop (Wage levels and useful statistics higher than the law allowances'/additional payment/branch)
3. How was the development in relation to export of industrial products in the last 3 years?
  - Textile and Garment sector (Group 1)
  - Food Industry (Group 2)
  - Processing industries (Electronic, Metal, etc.) (Group 3)
  - Development in total Export (Group 4)
4. How many workers were there in the private industrial sectors in Tunisia?  
(Please present the 3 newest figures you can find?)
5. How many percent (%) of these workers were women?
6. Kindly find the latest figures on minimum wages information from Morocco ,Turkey & Lebanon

**Please discuss with your group members if you can use the above mentioned information in relation to CBA negotiations?**

**Please present your ideas on how you can use the different information in relation to each question?  
Please mention other issues which would be important to collect before CBA negotiations?**

Please write your answers on flipcharts and present it in plenary



Enjoy your group work!

**TIME:** 2 ½ hour

## Calculation / Activity Sheet 7

**ACTIVITY:** Exercises on calculation

**OBJECTIVE:** To raise awareness on how to handle basic figures in relation to preparation for CBA negotiation

**TASKS:** **BASIC CALCULATION**

Calculation is a tool we need when we prepare our arguments and statistics before a CBA negotiation. From year to year, the changes in inflation rates and consumer prices influence our living conditions. Therefore, it is important to calculate how much wage increase we need to at least ensure that we keep our purchasing power. Other issues concerning wage development/increase should also be taken into consideration when we prepare for CBA negotiations.

Purchasing power = (How much you can buy with your wages)

Real wages = (The value of your wages) after deduction of inflation (raise in consumer prices)

Look at the attached calculating formula sheet, kindly calculate the following points:

1. Average

What is the average wage?

Three garment workers: 562 TND per month  
671 TND per month  
465 TND per month

1. \_\_\_\_\_

2. Average weighted

What is the average weighted wages?

501 Food sector workers with 560 TND per month  
217 Storehouse workers with 690 TND per month

2. \_\_\_\_\_

3. Calculating percent/wages difference

Food sector workers earn 560 TND per month  
Male Storehouse workers earn 690 TND per month

3a. \_\_\_\_\_

3b. \_\_\_\_\_

4. How does your wage develop in percent?

Wages 2017: 688 – wage 2016: 628 = 60

4. \_\_\_\_\_

5. How much is my purchasing power increased/decreased?

Inflation/consumer prices raises with 10.5 % in 2017  
Your wages has increased from 636 to 684 JOD

5. \_\_\_\_\_



TIME: 60 minutes

## Incentive pay systems / Activity Sheet 8

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**ACTIVITY:** Group discussions on incentive pay systems

**OBJECTIVES:** To raise awareness on incentive pay systems in relation to productivity and CBA negotiations

**TASKS:**

In connection with the lecture and plenary discussion, kindly take a second look at the opportunities concerning incentive pay systems

Please discuss with your group members the following:

A.  
Which of the discussed “new” pay systems would be most suitable to introduce in the Tunisian production?

and why? (During your group presentation explain why you have chosen this specific pay system)

B.  
How do the group think the private industrial employers will react to the CBA demands on incentive pay systems?

Kindly transfer your answer to flipcharts and present it in plenary.

**TIME:** 45 minutes



## Alternative CBA demands / Activity Sheet 9

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**ACTIVITY:** Group discussions on alternative CBA demands

**OBJECTIVES:** To create focus on alternative CBA demands and to strengthen participants' skills in negotiation techniques

**TASKS:**

During the CBA negotiations, we often by tradition only create CBA demands which are selected by members and leaders, and these are typical issues in relation to improvements of working conditions.

When deadlock appears in CBA negotiations or when, we, as negotiators find that our demands cannot be accepted by the employer, alternative demands to re-open negotiations can be possible or could be the last example 3 to 5 % of the total demands which ensured the agreement between the parties & avoided a conflict.

Therefore, kindly discuss/brainstorm in your group which areas you believe could be ideas for alternative CBA demands?

Please transfer your answers to flipcharts and present it in plenary.

Enjoy your group work!



**TIME:** 30 minutes

## Role Play - Joint Info / Activity Sheet 10

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- ACTIVITY:** To practice to use the methods and information obtained during the workshop
- OBJECTIVES:** To raise awareness on the importance in combining statistics, and collected information with preparation for CBA negotiations
- TASKS:** FOR BOTH UNION AND MANAGERS GROUP

Following issues to consider in relation to planning of your negotiation strategy:

1. **Preparation time:** 2 to 3 hours
2. **Negotiation time :** Maximum 45 minutes
3. **Time out:** During the negotiation each group can have time out for 5 min so he negotiation time will stop during the time out. Each group decides when to take their own time out.
4. **Number of negotiators:** Each group can maximum chose 4 negotiators. It is okay to shift negotiators during the time outs.
5. **Feedback groups:** The participants who are not chosen as negotiators controls if their own group follows the planned strategy and can give feedback/inputs during the timeout and evaluation after the negotiation.

**TIME:** 2-3 hours

## Union / Activity Sheet 10 a

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- ACTIVITY:** To practice to use the methods and information obtained during the workshop
- OBJECTIVES:** To raise awareness on the importance in combining statistics, and collected information with preparation for CBA negotiations

**TASKS:**

### UNION SHEET

Your group represents the Trade Union at the European owned JKN Agro Products.

The company employs 910 workers with an average wage of 510 TND a month

JKN Agro Products have been hit by the crises in the region and is on the way to get out of export problems in relation with the crises. The export rates are steadily rising but not in the speed as competing companies in the region. The Company owner claims that the workers are not producing enough and the level of production is too low. In some occasions, the owner has mentioned to move the production further to rural areas or to another country if the production does not improve.

Your members and the workers are aware of rising overtime work and export. Therefore, they have demanded a wages increase on the monthly payment with 40 TND. Since the JKN Agro product is placed/located 50 km away from the main cities in the region, there are around 20 % of the most skilled workers who often come late because of transportation problems and in some occasions workers do not show up as planned because of lack of transportation opportunities/ lack of funds for transportation.

Kindly prepare for the CBA negotiation:

- Your demand and argumentation in relation to the wages.... by calculating the wages increase you need from the inflation rate at 5.7 %.
- Prepare a proposal to a new incentive pay system to improve the productivity. Explain during the negotiation with the managers why you want the incentive pay system and how it will increase productivity / or how it will save cost so both the company and workers will earn from it.
- Prepare also two alternative CBA demands /proposals and explain during the negotiations how they will work.
- 15 minutes before the negotiation starts you exchange your written CBA demands/proposals with the managers

**YOUR GROUP TASK IS TO ENSURE AN AGREEMENT WITH THE MANAGERS AND STILL ENSURING AT GOOD NEGOTIATION RESULT FOR THE WORKERS.**

**Estimated:** 3 hours

## Company / Activity Sheet 10 b

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**ACTIVITY:** To practice to use the methods and information obtained during the workshop

**OBJECTIVES:** To raise awareness on the importance in combining statistics, and collected information with preparation for CBA negotiations

**TASKS:**

### MANAGERS SHEET

Your group represents the managers at the European owned JKN Agro Products.

The company employs 910 workers with an average wage of 510 TND a month.

JKN Agro Products have been hit by the crises in the region and is on the way to get out of export problems in relation with the crises. The export rates are steadily rising but not in the speed as competing companies in the region

The owners have demanded you to find ways to increase the productivity with 10 % during the upcoming 12 month or shareholders and Company board members will investigate in moving the production. The owner informed you that the increase in wages cannot be more than 5 % if JKN Agro Products should increase their competitive power.

As experienced managers, you know it will be very difficult to increase the productivity without cooperating with unions and workers' representatives. You also know you need to create motivation among the workers to create a possibility to increase in the production.

One of the major problems is the level of skills which is very low among the 80% of the production workers because they are earlier farmers and the more skilled workers come from the cities and the company is located 50 Km from the main cities. That means the workers are not so flexible in the production. Therefore, the rate of mistakes and waste is high. Around 10 % of the products are wasted or need to be re-produced.

Kindly prepare for the CBA negotiation:

- Prepare a proposal to a new incentive pay system to improve the productivity. Explain during the negotiation with the Union why the company want the system and how it will increase productivity / or how it will safe cost so both the company and workers will earn from it.
- A cost calculation on which amount you can invest in motivation (total pay increase) actions to ensure you keep in the expenses frame of 5 % and still ensure an increase in the production.
- Prepare also two alternative CBA demands /proposals and explain during the negotiations how they will work.
- 15 minutes before the negotiation starts you exchange your written CBA demands/proposals with the Union.

**YOUR GROUP TASK IS TO ENSURE AN AGREEMENT WITH THE UNION AND STILL ENSURING THAT THE EXPENCES DO NOT INCREASED MORE THAN 5 %**

**TIME:** 2-3 hours

## Trainers / Activity Sheet 10 c

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**ACTIVITY:** To practice to use the methods and information obtained during the workshop

**OBJECTIVES:** To raise awareness on the importance in combining statistics, and collected information with preparation for CBA negotiations

**TIME:** 3 hours

**TASKS:**

### TRAINERS SHEET

The managers can offer maximum of 28.50 TND increase if they should keep the limit of 5 % but at the same time need to get 10 % more production.

The Union needs at least 29.07 TND to ensure the purchasing power/ real wages but need to take into consideration the claims from the members at 40 TND.

The objective for the role play is:

- To practice calculation
- To practice preparing and selecting a new incentive pay system
- To practice to think alternatives and analyze the situation to create a win – win solution

Opportunities in the role play (Get the participants to realize/see the opportunities):

- Upgrade skills of workers by offering education and motivating pay systems
- Solve the transportation problem
- Reduce the high waste rate/ analyze why ( maybe more skilled workers is needed)
- Using incentive pay systems to focus on productivity
- Can they find a solution with the difference of at least **0.57 TND** (difference between 28.50 and 29.07)

As Trainer remember to focus on explaining the:

- Task/opportunities for both Union and Managers groups
- Timing and time out opportunities ( se joint activity sheet)
- Number of negotiators ( max 4)
- Participants which do not act as negotiators act as observers for their own group
  
- **That it is important for both the managers and the union to reach an agreement**
  
- During the feedback point out solutions if an agreement is not reached
- Remember to involve the observers in giving feedback