

THE EMPFFED



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MESSAGE FROM THE EDITORS

*"In the middle of difficulty
lies opportunity"*

Albert Einstein

Due to the spread of the COVID-19 virus earlier this year, the world as we know it came to a standstill. Global markets were severely affected, with businesses worldwide facing financial constraints and many new challenges.

At present, Sri Lanka is moving towards easing of "lockdown" restrictions gradually, and resuming business operations. However, it is likely that the impacts of the COVID-19 crisis will last several months. In most cases, this global crisis will potentially impact revenues, demoralize workforces and fundamentally alter how products and services are delivered. These circumstances have resulted in the need for organizations to develop contingency plans and resort to new resilient and adaptive ways to re-organize operations as a response to these challenges, whilst ensuring the health and safety of all at work.

In light of this situation, we hope you will find the contents of this issue of "**The Empfed**" magazine informative and useful. We thank our Members for their interest in the magazine, and for their cooperation in developing suitable solutions to overcome the challenges posed by the pandemic.

Lakshika Siriwardana
Industrial Relations Advisor

Gimhani De Silva
Industrial Relations Advisor



HISTORIC TRIPARTITE DEAL REACHED ON WAGES FOR EMPLOYEES DURING COVID-19

The Employers' Federation of Ceylon (EFC), the trade unions and the Ministry of Skills Development, Employment and Labour Relations have reached what has been described as a historic tripartite agreement to pro-rate wages based on varied levels of deployment of staff.

The agreement reached was on the basis that there can be a distinction between the payment of wages in respect of employees who performed work and those who had to be 'benched' (without any work). This arrangement aims at addressing situations where companies will not be able to bring in the entire compliment of the work force due to restrictions that have been imposed (on account of health concerns).

The scheme will be applied to pro-rate wages in respect of employees who cannot be deployed at work simultaneously due to health restrictions. Members are encouraged to rotate workers wherever possible and give as many opportunities for employees to resume work and supplement their livelihoods under this scheme.

Similarly, the scheme which is applicable to monthly paid employees in all sectors, will be limited in its application for the months of May and June 2020.

The scheme is applicable to all sectors without exception. However, any employer who cannot afford to pay employees based on this scheme could make representations to the Commissioner General of Labour.

Only employees who reported for duty or those who could not do so due to restrictions imposed by employers due to health reasons are eligible to be considered under this scheme.

Nonetheless, employees unable to report for work to due to restrictions imposed by the authorities, could also be considered under this scheme and payments made on the basis that they have been 'benched'.

Employees who absent themselves from work despite being rostered and fail to provide acceptable reasons for their absence should be placed on no pay (in lieu of days of such absence).

Others who may provide satisfactory explanations, should be placed on leave, as appropriate.

According to the agreement reached, employers will apportion and pay wages for days worked based on the basic salary, and for the days not worked (days on the bench without any work) wages will be apportioned and paid either at the rate of 50% of the basic wage or Rs. 14,500, whichever is higher.

Step 1. a. To ascertain the daily rate at which employees who performed work should be paid the following method of calculation should be applied:

b. Divide the monthly basic salary by 30/26 days* (*method of division to ascertain the daily rate in your establishment should be applied)

c. Thereafter, to arrive at the salary to be paid for the days worked, multiply the daily rate by the number of days worked

Step 2. a. To ascertain the daily rate at which employees who were benched have to be remunerated, divide half the basic salary or Rs 14,500, whichever is higher, by 30/26 days* (*method of division to ascertain the daily rate as used in 1 (b.) above).

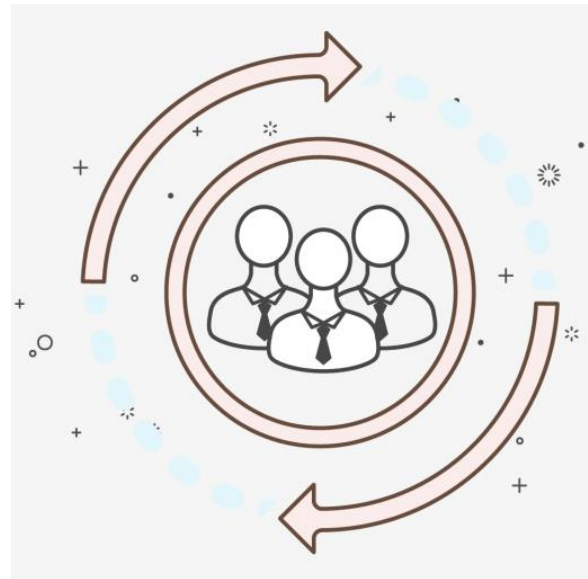
b. Thereafter, to arrive at the salary to be paid for the days not worked, multiply the daily rate by the number of days not worked.

Step 3. To ascertain the monthly salary to be paid to an employee, add the figures finally arrived at (sum totals) as set out in item 1 (c.) and 2 (b.)

According to EFC sources, it was agreed that employers will consider the basic salary considered in pro-rating wages for the purpose of calculating gratuity.

EFC has requested members to make use of social dialogue tools at enterprise level to educate, discuss and thereafter implement this scheme. Establishments that have recognised unions as bargaining agents as well as instituted worker councils will be expected to engage with such bodies. EFC also clarified that though reported in the media, there was no understanding whatsoever that employers would not resort to terminations of employment. For the time being, such matters will have to be dealt with under existing laws.

EFC said though this scheme was an initial step, nonetheless it was a historic agreement since it was a rare occasion in our history where all stakeholders agreed – at national level – to ‘pro-rate’ wages.



Importantly, it also paves the way to further discuss and solidify schemes such as ‘job sharing’ which we envisage to be very much part of our work routine in the months/years to come. Similarly, it also creates an environment for employees to get accustomed to apportioning of wages, etc.,” EFC sources said.

It has made arrangements to assist members to formulate new clauses to be inserted in letters of appointment/agreements to reflect these new terms as well as the requirement to re-visit terms and conditions of employment in case of situations that are beyond the control of both employers and employees – both man-made and natural disasters, including pandemics.

The EFC will continue to pursue its endeavours to obtain further relief for its members at this critical yet important time in Sri Lanka’s history.



The Tripartite Agreement has been extended for a period of three (03) months commencing 01st July 2020 (please await member communique).



REMOTE WORK POLICY

Given the global implications of the spread of COVID-19 Virus, businesses are faced with a large number of challenges over a short period of time. In order to maintain productivity, a quick adoption of remote working is a must. A comprehensive Remote Work Policy is important to ensure that remote working takes place in a structural and effective manner.

Contact the EFC's HR and Legal Solutions Unit to develop a comprehensive Remote Work Policy for your organization.



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DURING COVID-19

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AND HEALTH

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ON 077 3362208



PREVENTION OF COVID 19

GUIDELINES FOR WORKPLACES



Encourage work from home or introduce a roster when reporting back to work

Wash your hands frequently, for at least 20 seconds



Wear a face mask and avoid touching your eyes, nose and mouth.

Avoid crowded places by having meetings, discussions and training via video or audio platforms



Cover mouth and nose with a tissue when coughing or sneezing and dispose the tissue appropriately. If you do not have a tissue, use your upper sleeve or elbow.

Maintain 1 meter distance between co-workers and visitors



Do not share personal items, eating utensils, glasses, plates, etc., with others.



Clean all high touch surfaces and high traffic areas everyday.



Thoroughly ventilate the workplace using natural or mechanical ventilation on a regular basis.



If you don't feel well, inform your supervisor and stay home. Contact authorized health services.



Watch out for symptoms; runny nose, sore throat, fever, headache, cough. If you experience difficulty in breathing with any one of the above symptoms, seek medical attention by calling 1390.



Encourage employees to avoid crowded public transport especially at peak times. Special protection measures should be taken by those using public transport.



**Occupational Safety and Health (OSH)
Training Unit, EFC**

SOCIAL DIALOGUE AND THE COVID-19 CRISIS



What is Social Dialogue?

Social dialogue is defined by the International Labour Organization (ILO) to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

***The Policy Brief by the International Labour Organization (ILO) ; “The need for social dialogue in addressing the COVID-19 crisis”, May 2020, can be accessed from the ILO website; www.ilo.org**

The Policy Brief of the ILO issued in May 2020* discusses the need for social dialogue in addressing the COVID-19 crisis.

The ILO observes that the COVID-19 pandemic is a complex crisis, with far-reaching consequences for all. Due to this reason, it needs to be addressed by a whole-of-society approach through action by governments acting together with their social partners in the world of work. It calls for effective tripartite social dialogue and cooperation, bringing together governments and employers’ and workers’ organizations to undertake a comprehensive needs assessment covering all dimensions (health, social and economic) and design effective strategies and policies to mitigate the socioeconomic consequences of the crisis, protecting workers and their families, especially the most vulnerable, from the loss of jobs and income, and enterprises from bankruptcy.

Social dialogue in response to the COVID-19 pandemic: The ILO’s assessments of country responses to the COVID-19 crisis point to the fact that social dialogue has been used to good effect in the stages of crisis response in many countries. Governments of many countries have involved the social partners from the very outset in the design of measures to address the crisis and its consequences.

What have we learned from past experiences? -The ILO has observed that countries having experience of social partnership and well-established social dialogue institutions are more likely to formulate rapid and effective tripartite responses. The ILO further observes that free, independent, strong and representative employers’ and workers’ organizations, trust among the actors and respect by the government for the autonomy of the social partners are essential preconditions for effective social dialogue. It has also been stated that while social dialogue is an important tool for bridging differences and building consensus, it cannot solve all the problems on its own. Sound public policies and regulations and appropriate fiscal space are especially crucial in the crisis context. The Policy Brief also recognizes that each country situation and each industry is different and there is no “one-size fits all” type of dialogue, and that all forms and levels of social dialogue will be crucial in the current and coming periods.

THE EFC'S ROLE IN SOCIAL DIALOGUE DURING THE COVID-19 CRISIS



As the National Employers' Organization, the EFC has worked closely with our social partners, including Trade Unions, in order to support the efforts of businesses to overcome the challenges posed by this crisis.

During the early stages of the "lockdown" period, a detailed questionnaire was sent to member companies of different sectors, to ascertain the impact of the pandemic on businesses. Upon conclusion of consultations with business representatives from key sectors, we put together submissions that were furnished to the Hon. Minister of Employment and Labour Relations as well as to the Commissioner General of Labour for their immediate attention and support.

As a result of extensive discussions with stakeholders, the concession pertaining to delaying of remittance of Provident Fund contributions for limited periods without having to pay a surcharge was obtained, and the Tripartite Agreement to pro-rate wages based on varied levels of deployment was reached (Please see page 4). This Agreement can be cited as an example of finding interest-based solutions during a crisis at national level, with the use of Social Dialogue tools.

Recognizing the importance of dialogue between countries to share their views and best practices in dealing with the impacts of the crisis, the EFC took steps to participate in periodic meetings with Employers' Organizations in the South Asian region via the South Asian Forum of Employers (SAFE).

The decision by the EFC to continuously engage with its membership during the "lockdown" period using communication technology also enabled us to assess the impact of the pandemic in relation to individual members/industries, and offer solutions that enable members to overcome the difficult conditions that they continue to encounter.

The EFC has also taken steps to advise member companies on the role of dialogue in attempts to 're-negotiate' terms of employment. Such re-negotiation would very much depend on whether employees are on board with the company's objectives or not. Hence, it is for this reason that we encouraged members to discuss and obtain employee concurrence prior to implementing necessary as well as sometimes inevitable changes to terms. The ability of the EFC to guide member companies in relation to engaging their employees using communication technology was an essential part of keeping in touch with employees during these crucial times.

In addition to the above, the EFC has also taken care to act in a responsible manner which takes cognizance of the interests and sensitivities of all stakeholders, while being mindful not to act in any ad hoc manner that will be perceived as traversing on each other's rights. The EFC we will continue to find equitable solutions with our social partners during this critical period, thus ensuring good governance and business continuity.



“The EFC hosted a series of webinars on the theme **“Business Continuity”** to assist our members overcome the many challenges faced due to the outbreak of the COVID 19 pandemic. The first webinar was held on Friday, 24th April on the topic **“Business Continuity – Navigating through Challenges”**. The webinar was conducted by Mr. Kanishka Weerasinghe; Director General, EFC, Ms. Yashoravi Bakmiwewa; Assistant Director General- Advisory Services/Head of Training, EFC and Ms. Sewwandi Wijesekara; Assistant Director General/ Head of Legal & HR Solutions, EFC. The webinar focused on addressing and clarifying the issues and concerns raised by participating member companies in relation to employment related aspects, such as payment of salaries and allowances, making EPF/ETF remittances, working from home related matters, revocation of offer letters issued etc.

The second webinar of the series of webinars hosted by the EFC was held on Friday, 30th April on the topic **“Business Continuity – Working Healthy”**. The objective of the webinar was to discuss the role of employers to ensure health and safety at the workplace. Guidelines to control the spread of the COVID 19 and effective workplace ergonomics were discussed at the webinar. The panelists for the webinar were Dr. Champika Amarasinghe, Director; National Institute of Occupational Safety and Health (NIOSH) and Eng. Gayan Fernando; General Manager OHS and Sustainable Businesses, Hayleys Advantis Limited. The webinar was moderated by Mr. Prasad De Silva; Senior Assistant Director General/Head of Plantations, EFC and Ms. Yashoravi Bakmiwewa; Assistant Director General-Advisory Services/Head of Training, EFC.

Ms. Simrin Singh; Country Director, ILO made a special intervention to outline the UN-ILO assistance to spread awareness and enhance health and hygiene at the workplace.

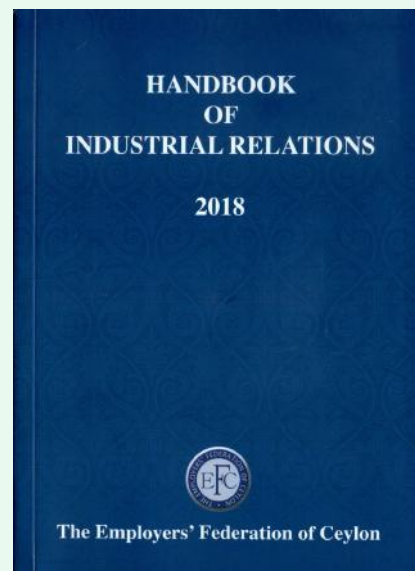
“Business Continuity – IR and HR Challenges” was the topic of the third webinar of the series of webinars hosted by the EFC which was held on Tuesday, 12th May. The focus of the webinar was to discuss the Industrial Relations and Human Resource Management related challenges encountered by member companies due to the prevailing situation in the country and with the planned resumption of work. The webinar was conducted by Mr. Vajira Ellepola; Deputy Director General, EFC, Mr. Prasad De Silva; Senior Assistant Director General/Head of Plantations, EFC, Ms. Sewwandi Wijesekara; Assistant Director General/ Head of Legal & HR Solutions, EFC and Mr. Adhil Khasim; Assistant Director General-Industrial Relations, EFC.

Due to the overwhelming positive feedback received, the EFC conducted a repeat session of the webinar; **“Business Continuity – IR and HR Challenges”** on Thursday, 21st May. The webinar was conducted by Mr. Kanishka Weerasinghe; Director General, EFC, Mr. Prasad De Silva; Senior Assistant Director General/Head of Plantations, EFC, Ms. Sewwandi Wijesekara; Assistant Director General / Head of Legal and HR Solutions, EFC and Mr. Adhil Khasim; Assistant Director General-Industrial Relations, EFC. The webinar focused on addressing and clarifying the issues and concerns raised by participating member companies in relation to Industrial Relations and Human Resource Management related challenges, in addition to queries on the tri-partite agreement to pro-rate wages. The webinar also dealt with issues relating to shift patterns, overtime payments.

Featured Book



HANDBOOK ON INDUSTRIAL RELATIONS 2018



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NON-MEMBERS - RS.5000/-

EFC MEMBERSHIP SUBSCRIPTIONS FOR THE FINANCIAL YEAR 2020/21

Being mindful of the fact that our valued membership is navigating through difficult waters, the Council of the EFC has decided **not** to revise membership fees for the financial year 2020/21. The rates of membership subscription shall remain the same. As access to several important services you avail of, including advisory services, are linked to the payment of subscriptions, members are kindly requested to complete the process by the **30th of June 2020**.

As recommended by the Council, the Secretariat will make arrangements to offer several value-added services through its Solutions (Legal & HR) and Training Units at discounted rates considering the financial difficulties that you are currently faced with. These include development of **Remote Work policies, OSH linked workplace ergonomic guides**, etc. We are also geared to provide services related to **re-structuring and business continuity planning** for employers.



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