

# The UNI Road to UNIonism

12/03/2009

Indonesia



In recognition of the social partnership industrial relations by Hero Supermarket Union in Indonesia, an affiliate of UNI, a road has been named after UNI Global Union - "JI UNI Global"



Jl Hero Union - the road named after Hero Supermarket Union

The Partnership Industrial Relations in Hero Supermarket has taken off and developed tremendously well. This model of industrial relations has motivated and inspired trade unions and employers in the Indonesia to emulate. Hero Union is gaining positive reputation from Indonesian trade unions, employers' organization and the Indonesian government and has now even been endorsed by the community at large.

This week, the local community leaders at the province where the Hero trade union office is located have decided to name a road after the Hero Union called **"Jalan Hero Union"**.



Hero Supermarket Workers

Hero Union was founded in 1998, in a context after the Asian financial crisis where Indonesian workers were finding much hardship with a country wide inflation of almost 80%. The union then employed desperate and aggressive tactics under this harsh environment to protect the rights of members and to agitate for better terms and conditions of employment. In response, the management fought back and resisted the union. The relationship between the union and management were tense and hostile and negotiations often ended in a deadlock.

Hero Union – affiliated to UNI Global Union's affiliate, Aspek Indonesia, sought the solidarity support of UNI Apro – the Asia and Pacific Regional Organisation for UNI in a dispute over collective bargaining. In responding to their request, UNI Apro President Joseph De Bruyn and the Regional Secretary, Christopher Ng met with Ian McLellan, the then COO of Hero Supermarket in November 2000, and was able to facilitate an amicable settlement. Given that Joseph De Bruyn and Ian McLellan were both from Australia and that Ian was aware of the Shop Distributive and Allied Employees of Australia (SDA Australia) – the union that Joe represented as Secretary Treasurer - have helped in opening initial dialogues and in the eventual peaceful settlement.



General Chairman of Hero Union, Rusdi Salam and the Workers at Hero Supermarket

Despite this initial settlement, the union and the management nevertheless still had to undergo a period of confrontations and resolutions. It was through this period of trials and errors that the bi-partite partners soon reach its own compromises and innovative solutions to the problems.

Things eventually did turn for the better with the collaboration of Christopher Ng of UNI Apro and Michael Kok, then the Regional Director of Dairy Farm and Chan Kah Fai of Dairy Farm South Asia headquarters in Singapore who, decided to work closely together to improve existing management-employees relations at Hero. It was then where both the regional organizations, UNI Apro and Dairy Farm Holding Company, each representing its constituents, both decided on a working principle and commitment to develop the social partnership industrial relations at Hero Supermarket where matters would be dealt with in a fair, just and impartial manner.

This formed the very foundation for partnership industrial relations to flourish.

Thus, the union had to raise awareness to garner confidence and support from its membership to attempt in working together with the management while at the



CBA signing ceremony attended by the then Minister of Manpower and Transmigration, Dr Ir Erman Suparno (centre), CEO of Hero Supermarket, John Callaghan (right) and Chairman of Hero Union, Rusdi Salam (left)

same time serves as a check and balance to the process of developing a true partnership relation between union and management.

Recently, the management sought the assistance of the union where the union launched a campaign on a “War on Shrinkage” in a bid to reduce shrinkages in various branches. As a result, 7 out of the 8 targeted branches reported dramatic decrease in shrinkages in just 6 months. This is a clear indication of the commitment by the union to work together with the management in building a strong and competitive retail company.

Today, workers at Hero supermarket enjoy decent work, favourable terms and conditions of employment and are among the highest paid in the retail sector in Indonesia and where the union has almost 100% union membership. Supervisors and managerial staff are gradually becoming Hero Union members as well. Some members of the Hero Managers Club are also active Hero union members. In fact, Hero Union grown such that now even has a Professional and Managerial Staff (P&MS) specially catered to the interests of this group of membership.



Regional Secretary, UNI Apro, Christopher Ng (centre), with John Callaghan (right) and Chairman of Hero Union, Rusdi Salam (left) at a Press Conference in Indonesia

As such, in the recently concluded collective agreement in July 2009 which was graced by the presence of the then Minister of Manpower and Transmigration of Indonesia, Dr. Ir Erman Suparno, the CBA has also extended its coverage to include professional and managerial staff. This year, employees at Hero Supermarket also received their highest bonus as compared to other years.

Today, a road in Jakarta, Indonesia has been named after the Hero Union, “**Jalan Hero Union**”, along one of the streets that the union office is located. Correspondingly, an adjacent road is named after UNI Global Union, “**Jalan UNI Global**”, in recognition of the instrumental role and contributions of UNI Apro in making this possible.

UNI Apro would like to congratulate Mr. Rusdi Salam, General Chairman of Hero Union and Mr. John Callaghan, CEO of PT Hero Supermarket for their hard work and commitment to this successful partnership.

We would also like to thank Dr Ir Erman Suparno and Ms Myra M.Hanartani SH., Director General of Industrial Relation and Social Security at the Ministry of Manpower and Transmigration, Indonesia, for their invaluable advice and support.

These achievements are also due to the guidance and support provided to Aspek Indonesia by UI Zensen, FES Germany and SASK Finland over the past few years.

Jalan Hero Union is truly a landmark in the episode of the story of Hero Union while partnership industrial relations is UNI Apro’s road to trade unionism that brings sustainable growth and shared prosperity for all.

To know more about this social partnership industrial relations at Her Supermarket, please refer to “*Social Partnership in the Making: Trust, Reciprocity and Social Capital at HERO*”. To receive hard copies of the book, please send an email with your complete mailing address to: [secretariat@uni-apro.org.sg](mailto:secretariat@uni-apro.org.sg)