

BUSINESS

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Industrial relations and management

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Industrial Relations mean relations between the employer or the management and the workers who have sought employment in a given industry or enterprise.

The employer who invests capital expects to maximise profits and expand the market, holding production costs down. Workers expect to receive a fair wage and safeguard their interests. The Government or the State has to safeguard the interests of the community at large, to provide the people with goods and services at reasonable and within the reach prices whilst having concern for the employer interests and safeguarding the workers' rights.

Thus, in economic activity, the employer, the worker and the Government have different interests for a common cause - provision of goods and services. In this context, the employer and the worker have to work in unison to achieve set goals with the state playing the role of the guide and referee.

Industrial relations

Industrial Relations, in fact, is a system of rules and practices. These are in the form of legislation, trade union regulations, collective agreements, arbitration awards and accepted customs and procedures. They are the instruments that regulate industrial relations. These rules, regulations and practices have changed from time to time, to meet new thinking based on experience, research and new situations. In the present situation of rising inflation, demand recession and advances in science and technology, the survival and viable functioning of an institution or enterprise will depend on higher productivity. The industrial relations system has therefore to be geared to meet this corporate goal.

There has been three stages in the development of industrial relations:

The first was the **Scientific Management** movement that existed in the industrial revolution period in the late 19th and early 20th century. Under this system workers were considered as programmable elements in the production processes so that better output and productivity could be achieved. Conditions of work were based on company or enterprise rules, standards formulated and enforced by the employers and the management. The employee has no voice at all in that process.

Scientific management procedure, as it progressed, did not achieve the desired results to the fullest extent, due to over-management without any respect of chance for input from those who best knew what they were doing - the workers.

Scientific management gave way to the Human Relations school of thought which viewed workers as reactive actors in the industrial relations system and recognised the value of informal organisation in the work-place. Workers reacted to the physical and social environment and such response affected attitudes and work performances. The human relations school of thought gave in to a number of hierarchy of needs motivational theories. Collective bargaining had support in human relations thinking and that signalled the beginning of worker participation.

The third phase in industrial relations was worker participation. Contrary to human relations thinking worker participation is based on the view that workers are not reactive actors but could be initiators of action if given the opportunity to participate in decision-making. Japan and certain western countries have adopted worker participation effectively for the benefit of the organisations.

Organisations

We are born to organisations, brought up in organisations and live and work for organisations. When we are not working we use the leisure also in organisations - sports, religious, entertainment etc. When we die that too is finalised through organisations. The society, as a result is made of a large number of organisations, so much so, that another set of organisations have become necessary to organise, reorganise, maintain and supervise them. We are all interwoven in these organisations being products of those organisations, which we create and influence by which we are dominated.

Organisations have action systems that are often inter-related and any disorganisation in one could adversely affect the other and even made life unhappy and miserable. In a broad sense, organisations are social units and enterprises seeking different and specific goals. Where an organisation is structural for a specific purpose, it becomes a formal organisation such as the Government, a Company, Church or Temple. Friendship or cultural societies too fall into that category.

Robert G. Hicks in his book "The Management of Organisations" has defined organisations as 'a structured process in which persons interact for objectives'. Any organisation needed proper functioning for the achievement of its objectives. Proper functioning needs proper management.

Management

The function to create conditions which will bring about the maximum use of available resources in labour, systems, materials and money in an organisation is the general definition of management. Management get things done in the proper way for survival and existence of the organisation. According to Peter Drucker 'Management is the dynamic life giving element in any organisation'. Management is concerned with people at work, keeping them together for the viable functioning of the organisation. Management, as such, has to be orderly scientific as against scientific management.

Good management requires the appliance of basic requirements of effective human relations:

Communication

Communications from the superior downward to the subordinates are less effective.

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The subordinate will

question what is said

and tends to hear what

he likes to hear. If,

however, there is joint

consultation, and the

subordinate is held

accountable for the end

product, communication

becomes easy and

what is said will be

heard and acted upon.

Teamwork

Accountability leads to teamwork. It results in work effectiveness. Employees come forward voluntarily to meet the demands of the task to complete the job putting together knowledge and skills, when there is teamwork.

Self-development

There should be room for self-development. The person would have the freedom to think of the contribution he could make towards the efficient functioning of the institution, acquire the required self-development and set the standards that he has to set himself.

Development of others

Others should be stimulated to develop themselves whether they be of equal rank, superior or subordinate. Without achievement and attainment people will remain static and stunted. Through development they will grow in stature and efficiency which in turn will help the organisation.

A worker needs achievement, fulfilment and preservation of values. The organisation has to function to set goals. A good industrial relations system and effective management should be present to meet economic goals and serve the objectives of the organisation and meet the needs of the employees.

With the market economy in force and globalisation taking root, workers appear to be being pushed back to the scientific management era or even further back, whilst Industrial Relations systems being sent back stage. This certainly may be counter productive as future events will prove.