

Developing Harmony in Industrial Relations for Organizations

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Abstract: The ample nature of industrial relations has generated the need to establish ways in which industrial harmony can be maintained to ensure industrial peace within organizations. This paper attempts to analyse the changes in industrial relations, its causes and the complexity of such changes. The definitions and concepts that contribute to the change in industrial relations are analysed elaborately. The ways in which collective IR operates in various countries is discussed in the paper. The objectives of management and industrial relations is put forth from the point of view of establishing necessity to develop harmonious industrial relations in organizations. The paper also highlights the significance of industrial relations from the perspective of interpreting the dynamics in developing harmonious industrial relations.

Keywords: Concepts, Definitions, Harmony, Industry, Objectives, Relations, Significance.

I. INTRODUCTION

“Industrial Relations” pose one of the most delicate and complex problems to modern industrial society. With growing prosperity and rising wages, workers have achieved a higher standard of living; they have acquired education, sophistication and greater mobility. Career patterns have changed. Large sections of the people have been constrained to leave their farms to become wage earners and salary earners in urban areas under trying conditions of work. Ignorant and drenched in poverty, vast masses of men, women and children have migrated to a few urban areas. The organisations in which they are employed have ceased to be individually owned and have become corporate enterprises.

At the same time, however a progressive, status-dominated, secondary group-oriented aspirant and sophisticated class of workers has come into being, who have their own trade unions, and who have thus gained a bargaining power which enables them to give a tough fight to their employers to establish their rights in the growing industrial society. As a result, the government has stepped in and plays an important role in establishing harmonious industrial relations, partly because it has itself become an employer of millions of industrial workers, but mainly because it has enacted a vast body of legislation to ensure that the rights of industrial workers in private enterprises are suitably safeguarded (Bayfield & Kay, 2008).

Besides, rapid changes have taken place in the techniques and methods of production. Long-established jobs have disappeared, and new employment opportunities have been created, which call for different patterns of experience and technical education. Labour employer relationships have, therefore, become more complex than they were in the past, and have been given a sharp edge because of widespread labour unrest. In the circumstances, a clear understanding of the factors which make for this unrest and which are likely to eliminate it would be a rewarding experience for anyone who is interested in industrial harmony.

II. INDUSTRIAL RELATIONS- CONCEPTS IN PERSONNEL MANAGEMENT

Broadly, the term ‘Industrial Relations’ is used to denote the collective relationship between management, employees and government in any industrial or non-industrial organisation. Individual relationship of workers with their management is thus excluded from the scope of industrial relations and from part of personnel management.

According to Dale Yoder (1970), “The term ‘Industrial Relations’ refers to the relationships between management and employees or among employees and their organisation that arise out of employment. In modern usage, the phrase ‘Industrial Relations’ includes the whole gamut of matters that arise due to the continuing relationship between the employers and workers. Its scope includes three rarely distinct areas:

- Relations between manager and individual workers
- The collective relations between employers and labour (trade) unions
- The role of government in the regulation of these relationships

These three closely associated areas are often referred to respectively as personnel management, collective bargaining and labour legislation.

The concept of industrial relations has been extended to denote the relations of the state with the employers, workers and their organisation. The subject, therefore, includes individual relations and joint consultation between employers and workers at their

place of work; collective relations between the employers and their organisation and their trade unions; and the part played by the state in regulating these relations.

Thus, Industrial Relations represent an integral part of social relations arising out of employer-employee relations and their interactions in modern industries. This involves a study of the state, the legal statements, and the workers' and employers' organisations at the institutional levels. This also includes the study of patterns of industrial organisation and industrial management, the capital composition, compensation of labour force, a study of market forces at the economic level (Calveley et al, 2017) Personnel Management experts employ the term Industrial Relations to denote collective relationship of the employer and the employees in an industrial undertaking, and excluding individual relationship of workers with their management. Sound industrial relations means absence of industrial disputes between management and labour.

'Industrial Relations' refer to a dynamic and developing concept which is not limited to 'the complex of relations between trade unions and management but also refers the general web of relationships normally obtaining between employers and employees a web much more complex than the simple concept of labour- capital conflict'.

The ILO has dealt with the relationships between the state on the one hand and the employers and employees organisations on the other or with the relationships among the occupational organisations themselves. The ILO has used a expression to denote such matters as freedom of association and the right to organise, the application of the principle of the right to organise and the right of collective bargaining of collective agreements, of conciliation and arbitration proceedings, and the machinery for co-operation between the authorities and the occupational organisations at various levels of the economy.

V.B.Singh (1968) gives the definition as, " 'Industrial Relations' are an integral aspect of social; relations arising out of employer-employee interaction in modern industries, which are regulated by the state in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the state in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the state, the legal system, and the workers' and employers' organisations at the institutional levels; and of the patterns of industrial organisations (including management), capital structure (including technology), compensation of the labour force, and a study of market forces-all at the economic level".

Collective IR operates in three ways.

- One way is through national or industry level agreements between unions and employers' organizations.
- A second way is through agreements between a single employer and a union.
- A third way is through legislative enactments applicable to employers and employees generally, or to particular sectors, or to particular categories of employees.

National agreements may sometimes stipulate general principles, leaving the details to be worked out through negotiation at the enterprise level.

In Asia, for instance, governments have had (as we have seen) a significant impact on IR. In Continental Europe unions in some countries (Germany and the Nordic countries) have had a major influence on shaping IR. In the UK the Thatcher governments had a significant influence in changing the direction of IR. In the USA it has been more employer-driven. However, it has been too infrequently appreciated by IR specialists that IR are shaped to a large extent by the way enterprises are managed, and that when fundamental changes occur in management they create changes in IR as well (Hamann& Kelly 2008). This is particularly so in the context of globalisation; many of the changes taking place in IR - indeed the increasing shift from collective IR to more enterprise (and in some cases, individual) focused IR - are spurred by employers. It is significant that the collective standardized model of IR evolved during the era of the classical model of the enterprise which itself sought standardization at the expense of creativity and innovation.

III. OBJECTIVES OF IR IN ORGANIZATIONS

According to Louis Allen, "Objectives are goals established to guide the efforts of the company and each of its components." Objectives are key to effective planning. In fact, planning has no meaning unless it is related to certain well-defined objectives or goals. Objectives are not only useful in planning, but also in other managerial functions like organising, directing and controlling. They are important aid in decision-making in any area of business. Clear-cut objectives encourage consistency in decision-making in the long run.

Objectives are end towards which the activities of an enterprise are directed. They provide direction to various activities of the enterprise. They depict a future state of affairs, which an organisation strives to realise. They lay down guidelines for various activities and also constitute a source of legitimacy, which justifies the various activities of an organisation and also its very existence. Objectives serve as benchmarks of measuring the performance of various people working in the organisation and the overall effectiveness and efficiency of the organisation.

It is wrong to presume that there can be only one objective of an organisation. Peter Drucker (2005) has exposed the fallacy of single objective. 'Much of today's lively discussion of management by objectives is concerned with the search for the one right objective. This search is not only likely to be as unproductive as the quest for the philosopher's stone; it does harm and misdirects. To manage a business is to balance a variety of needs and goals. And this requires multiple objectives.'

Peter Drucker suggested the following eight key areas in which objectives must be set:

- Marketing
- Innovation
- Human organisation
- Financial resources
- Physical resources
- Productivity
- Social responsibility and
- Profit requirements

Koontz and O'Donnell (1976) say that the objectives in key areas enable the management

- To organise and explain the whole range of business phenomena by such objectives
- To test the objectives in actual experience
- To predict behaviour
- To appraise the soundness of decisions while they are still being made, and
- To set managers on all levels analyse their own experience and as a result, improve their performance.

In addition to their primary objective of bringing about good and healthy relations between employers and employees, industrial relations are designed

1. To safeguard the interests of labour and of management by securing the highest level of mutual understanding and goodwill among all those sections in the industry which participate in the process of production
2. To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country
3. To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequent absenteeism.
4. To establish and nurse the growth of an industrial democracy based on labour partnership in the sharing of profits and of managerial decisions, so that an individual's personality may grow to its full stature for the benefit of the industry and of the country as well
5. To eliminate as far as possible and practicable, strikes, lockouts by providing reasonable wages, improved living and working conditions, and fringe benefits
6. To establish government control of such plants and units as are running at a loss or in which production has to be regulated in the public interest.

The state endeavours to correct, through good and harmonious industrial relations, an imbalanced, disordered and maladjusted social order with a view to reshaping complex social relationships following technological advances. It also controls and disciplines both employees and employers, and adjusts their conflicting interests; it protects some and restrains others, and tries to evolve a healthy social order.

In short, the objectives of industrial relations are

- To facilitate production;
- To safeguard the rights and interests of both labour and management by enlisting the co-operation of both;
- To achieve a sound, harmonious and mutually beneficial relationship between employers and employees.

According to Mamoria.C.B.(1992), "Industrial Relations in a country are intimately connected with the form of its political government; and the objectives of an industrial organisation may change from economic to political ends." He divides the objectives into four categories:

1. Improvement in the economic conditions of workers in the existing state of industrial management and political government
2. Control exercised by the state over industrial undertakings with a view to regulating production and promoting harmonious industrial relations
3. Socialisation or rationalisation of industries by making the state itself a major employer and
4. Vesting of a proprietary interest of the workers in the industries in which they are employed.

If political objectives are likely to contribute to disunity in the trade union movement, it would be necessary to provide better and more effective safeguards and exercise greater restraint in order to avoid such a situation

IV. SIGNIFICANCE OF INDUSTRIAL RELATIONS

The significance of good industrial relations in any country cannot be over-emphasized. (Kumar & Mittal, 2001) Good industrial relations are necessary for the following reasons:

- To boost the discipline and morale of workers. Maintenance of discipline ensures orderliness, effectiveness and economy in the use of resources. On the other hand, lack of discipline means waste, accidents, loss and confusion. It also means insubordination and non-co-operation
- To help management both in the formulation of informed labour relations policies and in their translation into action.
- To help establishing and maintaining true industrial democracy which is a prerequisite for the establishment of a socialist society.
- To encourage collective bargaining as a means of self-regulation. They consider the negotiation process as an educational opportunity, a chance both to learn and to teach.
- To help in the economic progress of a country. The problem of an increase in productivity is essentially the problem of maintaining good industrial relations. That is why they form an important plank of the economic development plan of every civilised nation.
- To help government in making laws forbidding unfair practices of unions and employers. In a climate of good industrial relations every party works for the solidarity of worker's movements. Unions gain more strength and vitality. There is no inter-union rivalry. Employees give unions their rightful recognition and encourage them to participate in all decisions. Unions divert their activities from fighting and belligerence to increasing the size of the distribution cake and to making their members more informed on vital issues concerning them

V. CONCLUSION

Industrial Relations do not constitute a simple relationship between the employers and the employees. They are complex and multi-dimensional resting on economic, historical, social, psychological, ethical, political, legal and other variables. It is a dynamic concept, which depends upon the patterns of the society, economic system and political set-up of the country and changes with the changing economic and social order. It is an art of living together for the purposes of production, productive efficiency, human well-being and industrial progress (Davar, 1976)The existence of good human relations, organised labour movement, collective bargaining, fair dealing by management with the workers, joint consultation at all levels, etc.is necessary for the establishment and maintenance of harmonious industrial relations and for building up healthy attitudes and institutions.

It is therefore necessary to establish Industrial Peace. The responsibility of creating Industrial Peace rests with employers, employees and the government. It is possible only if all the three parties take suitable steps for maintaining cordial relations. It is always desirable to have industrial peace and for this, constant vigilance is required. Whatever causes disturbing that peace should be noticed and prompt steps must be taken to remove them. This is how cordial industrial relations and industrial peace are possible. The objectives must be set in such a way that it ensures healthy industrial relations.

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