Approaches to Industrial Relations

Everything you need to know about the approaches to industrial relations. The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organizations.

The subject, therefore, includes individual relations and joint consultations between employers and work people at their workplace, collective relations between employers and their organizations and trade unions and the part played by the state in regulating these relations.

The scenario of industrial relations is perceived differently by different people. For some, industrial relations are related to class conflict, others perceive it in terms of mutual co-operation, and still others understand it in terms of competing interests of various groups.

1. Psychological Approach to Industrial Relations

The psychologists are of the view that the problems of industrial relations are deeply rooted in the perception and the attitude of local participants. The influence of individual's perception on his behavior has been studied by Mason Harie. He studied the behavior of two different groups, namely, "Union leaders" and the "Executives" through a test.

For the test, a photograph of an ordinary middle-aged person served as input, which both the groups were expected to rate.

It is interesting to note that both the groups rated the photograph in different manner, i.e., the Union leaders referred the person in the photograph as "Manager" where the group of "Executives" saw "Union leader" in the photograph.

The result of study led Harie to conclude that:

a. The general impression about a person is radically different when he is seen as a representative of management from that of the person as a representative of labor.

b. The management and labor see each other as less dependable.

c. The management and labor see each other as deficient in thinking regarding emotional characteristics and interpersonal relations.

This variance in perception of parties is largely because of their individual perception. It is for this reason that almost invariably some aspect of the situations are glorified, some suppressed or totally distorted by the individual making a judgement in the issue. The conflict between 'labor' and 'management' occurs because every group negatively views / perceives the behavior of other, i.e., even the honest intention of a party is looked with suspicion.

In most of industrial conflicts, not only the interest but also the personalities of actors in the system are at stake. The problem is further aggravated by the unfulfilled needs of power, prestige, recognition, economic motives etc. Also strained interpersonal and inter-group relations breed disharmony in the system.

2. Sociological Approach to Industrial Relations

The industry is a social world in miniature and the workshop is in reality a community made up of various individuals and groups with differing personalities, educational background, family breeding, emotions, likes and dislikes, and a host of other personal factors, such as attitudes and behavior. These differences in individual attitudes and behavior create problems of conflict and competition among the members of an industrial society.

Since ages, the problems of industrial relations have been looked upon as one basically concerned with wages, employment, conditions, and labor welfare. But in fact sociological aspects of the problem are more important than others.

This largely includes various sociological factors like value system, customs, norms, symbols, attitude and perception of both labor and management that affect the industrial relations in varied ways. Though, the workers carry out their jobs in given industrial environment, their work behavior is largely monitored by afforested social factors.

Further, the social consequences of industrialisation like organization, social mobility, and migration generate many social evils like family disintegration; stress and strain, delinquency, personal and social disorganization (leading to growing incidence of gambling, drinking, prostitution, drug abuse, etc.) do influence workers' efficiency and productivity that in turn influence industrial relations system of an industry.

In fact, as industrialisation gets momentum, a set of new industrial-cum-social patterns emerges and in its wake, new relationships, institutions, behavioral patterns and techniques of handling human resources develop. These influences shape the industrial relations in one or other ways.

In analysing industrial relations, the role of social change cannot be overlooked. As it equally influences both labor and management, which is obvious from the fact that today's management has increasingly become professional, there is a greater thrust on the use of behavior techniques in dealing with human side of enterprise.

Decision-making has now been increasingly democratised, ideas about authority, power and control have undergone a sea change. The profile of the industrial worker has also changed; instead of being a migrant, he has now been stabilised in the industrial centers. In this context, the National Commission on Labor has rightly remarked that the worker has become more urban in taste and outlook than his predecessor.

He is no longer unskilled or neglected by society. He has a new personality and shares in the benefits offered by a welfare society. He is secure in his employment once he enters it. A process of the industrial culturisation of the working class has set in social mobility today which accounts for the emergence of a mixed industrial workforce. The role of state and political parties has been redefined in the light of these changes.

All these complex changes had a profound impact on industrial relations which have been lifted from an ideological plane to the business plane, from an "idealistic and philosophical" base to a more pragmatic and the 'matter of fact' base, from a relationship which was indirect and rather passive to a relationship which is direct, involved and perhaps more meaningful in terms of aspirations and achievements by both the groups. The Industrial relations are nowadays determined by power.

The conflict and collaboration are now looked upon as interrelated phenomena. Sociologically speaking, in the process of change, industrial relations are becoming more complex that would further complicate with the passage of time. Hence, it calls for scanning of such factors both at macro and micro level to deal with the dynamics of the system.

3. Human Relations Approach to Industrial Relations

Among all the areas of management, perhaps one of the most delicate and tricky ones is concerned with human resources management. Their handling is radically different from that of physical, material and financial resources because these are not inanimate or passive, but are composed of pulsating human beings having their own emotions, perception, attitude, personality etc.

These characteristics make them complex individuals and when they interact with others, either individually or in groups, their complexity further multiplies. So when such resources are not properly managed, the problem of industrial relations surfaces which can be only managed by deciphering and managing the dynamics of human behavior both at the individual and group level.

As the management of people at work is an exclusive prerogative of Human Resources specialists, the various Human Resources Management policies including those relating to leadership and motivation have profound influence on their work behavior. Certainly, every style of leadership elicits a peculiar response from the people.

For instance, a manager, using an autocratic style, designs, a close supervision system and feels that display of authority would drives people to work.

But this style leads to dissatisfaction and hatred among people, whereas, in a democratic style, it is held that a desired organizational behavior can be cultivated if employees' needs and wants are properly satisfied. The manager working with such a style positively motivates people. In fact,

no style is good or bad is every situation demands a specific leadership behavior on the part of HR specialist.

Dissatisfied Needs Produce Tension and Lead to Conflicts?

Another important factor that is like a common denominator in all conflicts is the dissatisfied needs of the individual. Hence, for maintaining good human relations in general and industrial relations in particular, the study of human needs is of paramount importance. Broadly speaking, there are four types of basic needs, namely, physiological, safety, social and egoistic needs. The physiological needs are the ones in-born needs that include needs for food, water, clothing, shelter, etc.

These needs are vital for the very preservation of a human being and maintenance of his efficiency at a particular level. The safety and security needs refer to the avoidance of any danger which comes in one's life including the need of physical security, financial security and job security. The social needs are largely acquired ones and are the result of one's socialisation. These needs are of companionship belonging, affection. The egoistic needs are higher order needs, and relates to one's desire for self-esteem and esteem from others.

Generally, it is believed that the needs are interdependent and overlapping. Each higher order need emerges only after the lower level needs are satisfied. But in all the cases, the needs do not necessarily follow a fixed pattern as the human behavior is multi variant and multidimensional.

So, it is necessary for management to design a suitable motivational strategy to provide environment for their optimum need satisfaction, required for maintaining good human relations in the organization.

Employee Perceptions Too Play a Major Role:

As every organization has its problem, limitations. Employees also have their own preconceived notions, needs, problems. No specific diagnosis can be made for maintaining good industrial relations in the industry. It has now been increasingly recognised that much can be gained by the manager and the worker if they understand and apply the techniques of human relations to industrial relations.

The workers are likely to achieve greater job satisfaction, develop greater involvement in their work and achieve a measure of identification of their objectives with the objectives of the organization. The manager, on his part, would develop a greater insight and effectiveness in his work.

It has been rightly said that "the industrial progress of the future will ultimately depend upon how far industry is willing to go in for establishing a community of mutual responsibility between the highest paid executive and the lowest paid production worker. One of the principal objectives of this human relations movement must be this much-needed integration".

4. The Approach of Dr. V. V. Giri to Industrial Relations

V. V. Giri has laid stress on collective bargaining and mutual negotiations between employers and employees for the settlement of disputes. His emphasis is on "voluntary efforts of the management and the trade unions to wind up their differences through voluntary arbitration rather than through compulsory arbitration."

He observed, "There should be bipartite machinery in every industry and every unit of the industry to settle differences from time to time with the active encouragement of government. Outside interference should not encroach upon industrial peace."

In his opinion, industrial peace is to be secured through the machinery of collective bargaining. Giri declared, "Compulsory adjudication has cut at the very root of the trade union organization. If workers find that their interests are best promoted only by combining, no greater urge is needed to forge a bond of strength and unity among them. But compulsory arbitration sees to it that such a bond is not forged. It stands there as a policeman looking out for signs of discontent and at the slightest provocation, takes the parties to court for a dose of costly and not wholly satisfactory justice. The moment the back of the policeman is turned, the parties grow red in the face with redoubled determination, and the whole cycle of litigation starts all over again. Let the trade unions become strong and self-reliant and learn to get on without the assistance of the policeman. They will then know how to organise themselves and get what they want through their own strength and resources. That will also be the means of their achieving greater self-respect. It may be that until the parties have learnt the techniques of collective bargaining, there are some unnecessary trials of strength; but whoever has heard of a man learning to swim without having to drink some gulps of water?"

This view served as the basis of what has been known as the "Giri Approach" to the attainment of industrial peace. This approach to labor problems encourages mutual settlement of disputes, collective bargaining and voluntary arbitration and not compulsory adjudication. In other words, it can be said that it puts ethical pressure on the parties for the maintenance of good industrial relations through peaceful settlement of disputes.

5. Gandhian Approach to Industrial Relations

Gandhi believed that all money and property originally belongs to society and those who are possessing it are only the trustees of the society whose duty is to increase the earning and value of the trust property. He should charge only that much from the trust property as is absolutely essential for his subsistence and honorable living. Excess of one's income over and above one's is a social surplus to be employed for the benefit of the society. Breach of trust is a crime and is punishable under law.

Gandhi wanted that the rich should become the trustees of the society by sharing their surplus wealth with the poor and under- privileged. Gandhi was deeply influenced by Ruskin's Unto This Last and he was of the firm opinion that by nature all human being were equal and there should not be any economic discrimination or disparity among different individuals in respect of income, consumption and other bare necessities of life.

Gandhiji's views on industrial relations are based on his fundamental principles of truth and non-violence, and non-possession or aparigraha. Out of these principles evolved, the concepts of non-cooperation and trusteeship on which his philosophy of industrial relations rests. This philosophy presumes the peaceful coexistence of capital and labor, which calls for the resolution of conflict by non-violent, non-cooperation (i.e., Satyagraha), which actually amounts to peaceful strikes in ordinary parlance.

Gandhiji has accepted the workers' right to strike, but remarked that this right is to be exercised in a just cause, and in a peaceful and non-violent manner; and it should be resorted to only after employers fail to respond to their moral appeals. The principle of trusteeship held that the present capitalist order can be transformed into an egalitarian one.

It does not recognise the right to property except to the extent permitted by society for its own welfare; the individual does not have any right to hold or use wealth in disregard of the interests of society; and the character of production is to be determined by social necessity rather than by personal whims or greed.

The capitalist is expected to hold industry in trust for the community; and it is envisaged that, as individual workers in collaboration with employers, they, too, are expected to be co-trustees with the latter.

The trusteeship theory implies that there is no room for conflict of interests between the capitalist and the laborers. Though, wealth legally belongs to its owners, morally it belongs to society. If capitalists fail to pay minimum living wages to workers, workers should appeal to the employers conscience. If this does not work, they should resort to non-violent non-cooperation. As a precondition to this two things are expected from workers- One is an awakening and other is the unity among them.

By awakening among workers, Gandhiji meant developing and nurturing faith in their moral strength and their awareness of its existence which means that the workers should realise the fact that without their cooperation, capitalists cannot work and if the workers resort to non-cooperation, their exploitation by capital would stop.

Gandhiji advocated that for resolving disputes the following rules to be observed:

a. The workers should seek redressal of reasonable demands only through collective action;

b. If they have to organise a strike, trade unions should seek by ballot authority from all workers to do so, remain peaceful and use non-violent methods;

c. The workers should avoid strikes as far as possible in industries of essential services;

d. The workers should avoid formation of unions in philanthropic organizations;

e. The strikes should be resorted to only as a last resort after all other legitimate measures have failed; and

f. As far as possible, workers should take recourse to voluntary arbitration where efforts at direct settlement have not succeeded.

India's industrial relations system has been largely influenced by Gandhian thought. A basic element in this thought is the emphasis on peaceful settlement of industrial disputes. In tune with the Gandhian philosophy, the government expects the parties to resolve their disputes peacefully; it also emphasises the need for mutual negotiations as a means of resolving disputes. Only after exhausting the available means of resolving differences are the parties free to take direct action.

Besides, the provision for the arbitration of disputes in case the parties desire to refer their disputes to arbitration, it is imperative on the part of trade union to serve a 14-day notice of strike on the employer.

6. UNITARY APPROACH

The unitary approach is based on the strong argument that there is only one source of authority i.e., the management, which owns and controls the dynamics of decision making in issues relating to negotiation and bargaining. Under unitary approach, industrial relations are grounded in mutual co-operation, individual treatment, team-work, and shared goals.

Work place conflict is seen as a temporary aberration, resulting from poor management, from employees who do not mix well with the organizational culture. Unions co-operate with the management and the management's right to manage is accepted because there is no 'we-they' feeling.

The underlying assumption is that everyone benefits when the focus is on common interest and promotion of harmony. Conflict in the form of strikes is not only regarded as necessary but destructive.

Advocates of the unitary approach emphasize on a reactive industrial relations strategy. They seek direct negotiations with employees. Participation of government, tribunals and unions is not sought or is seen as being necessary for achieving harmonious employee relations.

The unitary approach is being criticized as a tool for seducing employees away from unionism and socialism. It is also criticized as manipulative and exploitative.

From employee point of view, unitary approach means that:

- Working practices should be flexible. Individuals should be business process improvement oriented, multi-skilled and ready to tackle with efficiency whatever tasks are required.

- If a union is recognized, its role is that of a further means of communication between groups of staff and the company.

- The emphasis is on good relationships and sound terms and conditions of employment.

- Employee participation in workplace decisions is enabled. This helps in empowering individuals in their roles and emphasizes team work, innovation, creativity, discretion in problem-solving, quality and improvement groups etc.

- Employees should feel that the skills and expertise of managers supports their endeavors.

From employer point of view, unitary approach means that:

- Staffing policies should try to unify effort, inspire and motivate employees.

- The organization's wider objectives should be properly communicated and discussed with staff.

- Reward systems should be so designed as to foster to secure loyalty and commitment.

- Line managers should take ownership of their team/staffing responsibilities.

- Staff-management conflicts - from the perspective of the unitary framework - are seen as arising from lack of information, inadequate presentation of management's policies.

- The personal objectives of every individual employed in the business should be discussed with them and integrated with the organization's needs.

7. Pluralistic Approach

The pluralistic approach totally departs from the unitary approach and assumes that the organization is composed of individuals who form distinct groups with their own set of aims, objectives, leadership styles, and value propositions.

The organization is multi structured and there will be continued tension due to conflicts within and between the various sectional groups. In contrast to the unitary approach, the pluralistic approach considers conflict between management and employees as rational and inevitable.

The pluralistic approach perceives:

i. Organizations as coalitions of competing interests, where the role of the management is to mediate amongst the different interest groups.

ii. Trade unions as legitimate representatives of employee interests.

iii. Stability in industrial relations as the product of concessions and compromises between management and unions.

Legitimacy of the management's authority is not automatically accepted. Conflict between the management and workers is understood as inevitable and, in fact, is viewed as conducive for innovation and growth. Employees join unions to protect their interests and influence decision-making by the management.

Unions, thus, balance the power between the management and employees. In the pluralistic approach, therefore, a strong union is not only desirable but necessary. Similarly, society's interests are protected by state intervention through legislation and industrial tribunals which provide orderly process for regulation and resolution of conflict.

The theories on pluralism were evolved in the mid-sixties and early seventies when England witnessed a resurgence of industrial conflicts. However, the recent theories of pluralism emanate from British scholars, and in particular, from Flanders and Fox.

According to pluralists, industrial conflict is inevitable and it needs to be contained within the social mechanism of collective bargaining, conciliation, and arbitration.

According to this approach, collective bargaining is the mode of participation and is the method of solving the disputes between management and the workers by negotiation.

Conflict is endemic in an industrial organization. According to this conflict theory of trade unionism the management shows an inherent tendency to overlook the interests of workers and it always tries to exploit labor and due to that, management must, therefore, be coerced and threatened with obstructive policies and practices in order to safeguard and promote the interest of workers.

So it is the responsibility of the workers or the union to oppose the management's proposal, it is the objective of the other to oppose it and so with the result negotiations start and common matters are settled in between. It is the prime function of the trade unions to protect the interest of the workers in this perennial conflict. This approach suffers from certain drawbacks. It is incorrect to believe that workers can derive permanent benefit from any arrangements that overlooks the largest interest of the community, the consumer and the industry.

It is also not correct to believe that unions can derive their strength only by withdrawing co-operation and that the interests of the workers can be served only by adopting restrictive and obstructive practices. On the other hand, the workers are the worst sufferers, if and when productivity is impaired. Conflict is destructive passion and constant pre-occupation which drives to encourage basal tendencies in human nature. Moreover, collective bargaining is on the verge of vanishing and out-dated now- a- days.