

Trade Unions or other Employee Representatives Work Together in a Relationship of Mutual Conviction

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Abstract

Industrial relations in countries, sub-regions and regions, have been influenced by a variety of circumstances and actors such as political philosophies, economic imperatives, the role of the State in determining the direction of economic and social development, the influence of unions and the business community, as well as the legacies of colonial governments. Over several decades IR in many industrialized market economies of the West, and also in Australia and New Zealand in the Asia-Pacific as well as in the South Asian countries, paid less attention to competitiveness than did the younger 'discipline' human resource management. IR fulfilled the function of providing employees with a collective voice, and unions with the means to establish standardized terms and conditions of employment not only within an enterprise but also across an industry, and sometimes across an economy. This was achieved through the freedom of association, collective bargaining and the right to strike. Similar results were achieved in the South Asian sub-region where political democracy, and sometimes socialist ideology, provided enormous bargaining power

and influence on legislative outcomes to even unions with relatively few members.

Keywords: Political philosophies, Industrialized, Colonial governments, South Asian countries.

INTRODUCTION

Industrial relations in countries, sub-regions and regions, have been influenced by a variety of circumstances and actors such as political philosophies, economic imperatives, the role of the State in determining the direction of economic and social development, the influence of unions and the business community, as well as the legacies of colonial governments. Over several decades IR in many industrialized market economies of the West, and also in Australia and New Zealand in the Asia-Pacific as well as in the South Asian countries, paid less attention to competitiveness than did the younger 'discipline' human resource management.

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IR fulfilled the function of providing employees with a collective voice, and unions with the means to establish standardized terms and conditions of employment not only within an enterprise but also across an industry, and sometimes across an economy. This was achieved through the freedom of association, collective bargaining and the right to strike. Similar results were achieved in the South Asian sub-region where political democracy, and sometimes socialist ideology, provided enormous bargaining power and influence on legislative outcomes to even unions with relatively few members.

A different IR regime emerged in some of the South-East and East Asian economies (as we will see), driven by competition in export markets and different political systems bearing little resemblance to the values underpinning Western-style democracies. While we will return to this subject, it is worth noting that during the past decades labour relations were often viewed by Asian governments as a means of minimizing conflict, preventing union agitation, or as in the case of India and Sri Lanka, of controlling employers and winning votes. Conflict resolution was achieved through dispute prevention and settlement mechanisms external to the enterprise, such as conciliation, arbitration and labour courts. In South Asia the objective was also achieved through restrictions and prohibitions on the freedom of action of employers in matters such as termination of employment, closures and even transfers of employees. On the other hand, several South East Asian countries resorted to measures to restrict trade union action and to control unions, as well as to avoid union multiplicity.

In South Asia while the focus of IR was on equity from the point of view of workers and unions, in South-East Asia the emphasis was on economic efficiency and less on worker protection laws. Low unionization in many Asian countries, strong governments in South-East Asian countries and the Republic of Korea, and perceptions that unions can be potential obstacles to a particular direction of economic development, led to a relative neglect of IR. Moreover, hierarchical management systems and respect for authority, which have mirrored the external social system, have been inconsistent with consultation, two-way communication, and even with the concept of negotiating the employment relationship. Japan, however, was an exception where, since the 1960s, workplace relations and flexibility facilitated by enterprise unionism dominated IR in the larger enterprises. Australia and New Zealand have traditionally focused on centralized IR, though the emphasis has radically changed in New Zealand during this decade, and is changing in Australia.

Globalization has led employers to push for less regulation of IR, less standardization of the employment relationship, and a greater focus on the workplace as the centre of gravity of IR. Employers as well as some governments are viewing IR from a more strategic perspective, i.e., how IR can contribute to and promote workplace cooperation, flexibility, productivity and competitiveness. It is increasingly recognized that how people are managed impacts on an enterprise's productivity and on the quality of goods and services, labour costs, the quality of the workforce and its motivation.

The industrializing Asian countries which recognize limited labour rights are gradually coming to terms with union pluralism and agitation, and the need for less hierarchical and paternalistic approaches to managing people. On the other hand, traditional IR, which developed in the context of mass manufacturing, is viewed by many employers as less appropriate to the growing service sector, the emerging knowledge workers, and the proliferation of work performed outside the enterprise, under arrangements which do not fit the traditional IR concepts of standardized employment terms and conditions for people working within an enterprise. The diminishing role of the State as employer (still important as it is in several countries) may correspondingly reduce the State's interest in intervening in IR. The direction in which economies in transition is heading is uncertain, but indications are sufficient to raise the question whether over-regulation of the labour market through legislative activity is a possibility, in which event it will stifle the flexibility employers will need in time to come to compete in the global marketplace in more value-added industries than the ones they are engaged in at present.

Employers and employers' organizations need to influence the industrial relations system (including the labour law) in the context of competitiveness. Not all employers' organizations in Asia-Pacific are adequately equipped to do so, so that they have to acquire the requisite knowledge base needed to influence the policy environment. This also implies that employers' organizations will have to develop a strategic perspective of IR, in the same way that employers are seeking to develop HRM policies and practices which

foster competitiveness. In this task it is inadequate to merely espouse the familiar claim that labour markets should be deregulated. It is sometimes not clear whether this claim means that we should dispense with labour laws, or whether it means that there should be a careful identification of the legitimate areas of legal prescription. If it is the former, it is difficult to see how there can be social stability if one group is to be granted unrestricted freedom of action. If it is the latter, it means being able to identify the interventions which obstruct the efficient functioning of the market.

Efficiency (on behalf of which deregulation is espoused) and equity are not antithetic concepts. Rather, it is efficiency and inequity which are antithetic as inequity leads to inefficiency. What we need to do is to develop a perspective of labour law and IR which is based on the premise that it is not economies which compete, but enterprises and clusters of competitive industries, (2) a theme we will return to. Policy makers and unions also need to address the issue of IR in the context of competitiveness. If they do not, it will further compel employers to resort to HRM as the more relevant means for achieving corporate objectives. It has to be appreciated that IR did not grow out of a need to develop competitive strategies, while this has been precisely the background and impetus to the development of HRM, even if effective HRM in practice still remains islands of excellence. With the declining importance of collective IR, the increasing interest in workplace relations and the weakening of unions in many industrialized countries.

IR will have to accommodate employment relations in the non-union sector and the individual employment relationship. As such, it may even need to change its name or label to 'industrial and employment relations' to more accurately reflect the reality. Despite the shift of emphasis away from collective IR in the 1990s, there is a growing interest in Asia in the IR systems of other countries, both within and outside the region. This is most evident in economies in transition, as we shall see. These governments, as well as representatives of employers and employees, are looking for models from other countries which can be adapted to their own conditions. This search is prompted because of the need to establish an IR system relevant to the emerging business environment. It is also a result of the recognition of the necessity to develop an IR system which contributes to social stability which can otherwise be eroded by disputes and conflicts. This search is not confined to economies in transition. In Thailand, for instance, the labour administration authorities have commenced, with the support of the ILO, a project aimed at encouraging employers and workers to establish better workplace relations and mechanisms. Here again they are seeking to identify successful models and experiences for purposes of benchmarking and adaptation.

Employee Relations:

Human resource (HR) specialists play a crucial role in employee relations. For example, if they develop communications and procedures that apply appropriate information tools in a timely manner, employees can access more abundant, higher quality information and can communicate more effectively with management, resulting in being more effective

in their work. Managers and human resource specialists must work in partnership to ensure effective communication to foster better employee relations climate, since to develop and sustain such relations, employers must keep employees informed of company policies and strategies (Gomez Mejia et al., 2001). Additionally, to foster good employee relations, managers must listen to and understand what employees are saying and experiencing and provide employees with the freedom to express grievances about management decisions. Such employer-employee behavior is part of the corporate culture, which can have an impact on employee expectations and in turn productivity (Ivancevich, 2001, p. 47). Good employee relations providing fair and consistent treatment to all employees so that they will be committed to the organization.

Companies with good employee relations are likely to have an HR strategy that places a high value on employees as stakeholders in the business. Employees who are treated as stakeholders have certain rights within the organization and can expect to be treated with dignity and respect. The management should also give employees the freedom to air grievances about management decisions. Effective employee relations require cooperation between managers and employee relations representatives. ER representatives may also develop new policies that help to maintain fairness and efficiency in the work place (Gomez-Mejia et al. 2005). Corporate culture provides a benchmark of the standards of performance among employees. It provides clear guidelines on attendance, punctuality, concern 3 about quality, and customer service. Moreover, the management style of line

managers directly affects employee relations, since line managers are crucial links to the human resource function and orchestrate the distinctive skills, experiences, personalities, and motives of individuals.

Managers also, must facilitate the interactions that occur within work groups. In their role, managers provide direction, encouragement, and authority to evoke desired behaviors (Eichinger and Ulrich, 1995). Effective employee relations in any business unit achieved through rewards and recognition, transparent communication system, proper care towards employee grievances (Srivastava et al., 1998, p.134). A positive feeling about the company is considered to be an ethos that binds people together and discourages the constituent members of the company from leaving (Sayeed, 2001, p.254). The management should develop and implement adequate HR strategies such as empowerment, joint decision making, multi skilling, etc. for optimum utilisation of existing human resources in the competitive environment (Saini, 2000). The fundamental shift in the relationship between employers and trade unions, following the gradual realisation that the interests of all are best served through harmonious rather than adverse employee relations (Pettinger, 1999, p.313).

The employers gained assistance from the unions in implementing their corporate programmes, whereas the unions enjoyed additional opportunity for enhancing their power through widening the scope of negotiation into new issues other than traditional bread and butter issues (Satrya and Parasuraman, 2007, p.613). Although employers clearly need to consider labour

relations from strategic perspective, union representatives must do so even more if they are to keep their unions viable for tomorrow's organizations (Mello, 2003, p.360). Labour and capital need to cooperate and create a win- win relationship in post LPG era. The HR professionals should play the active role to synergise the roles of labour and capital and to build a relationship based on concepts such as respect to each other, team effort, joint goal setting and problem solving through direct participation, performance based reward, transparency in communication, prompt grievance redressal, etc. which are more challenging in practical aspect and both the actors has to think these measures for industrial peace, progress and prosperity .

Employment Relations in the Indian Railways:

An ex-manager from the Indian Railways (Seghal, 2011) in his doctoral work, identified a number of challenges facing the Indian Railways: managing changing customer needs and expectations of a one stop shopping experience and a technology-based interface; conflicting goals of economic sustainability and delivering a social good; complex bureaucratic structure; limited autonomy due to political interference and control; and the lack of a clear vision for the future. However, we identify ER in IR as a further challenge. Traditionally, the employees of the Indian Railways were/are not treated at par with the rest of their civil servant counterparts (James & Rao, 1969). Following the first Indian public sector employees' strike in 1960, when the Indian public service witnessed its second-strike action (James & Rao, 1969), it sparked an interesting debate and divided the camp regarding whether strikes are legitimate or not,

especially in the case of large public sector utility undertakings, which typifies the Indian Railways. Inadequacies in the joint consultative mechanisms and poor resolution of employee concerns by the Ministry of Home Affairs led to a second strike in 1968; there were numerous excessive and adverse consequences for its employees and other public sector undertakings, such as the Indian Railways loss in freight and fares as a consequence of the strike. Public sector trade unions in India, since the late 1960s, have flourished and have been affiliated to major political parties (Thakur, 1976). Labour legislation and rule of law Although there have been a number of labour laws enacted in the Indian ER context to protect the interests of workers, the remit of these laws is generally also enforceable on railway employees, unless otherwise specified by other acts of law. The most relevant pieces of employment legislation are:

- The Industrial Disputes Act, 1947 (the key legislation governing industrial disputes)
- The Workmen's Compensation Act, 1923
- The Minimum Wages Act, 1948
- The Factories Act, 1948

In addition to the above, there are several additional employment legislations, rules, regulations, procedures and standing orders of the Railway Board that specifically pertain to employees of the Indian Railways. These are briefly listed below. Laws, rules, regulations, procedures and Railway Board orders The President of India lays down conditions of service as a part of his/her constitutional duties, under Article 309 of the Constitution of India. The President's office has promulgated various statutory rules in exercise of this power. These statutory rules, which specifically apply to the Indian Railways and its undertakings, include.

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