

INFLUENCE OF HARMONIOUS INDUSTRIAL RELATIONS ON THE PERFORMANCE OF THE FIRM

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ABSTRACT:

Attaining peace and harmony at the workplace is a vital ingredient in achieving business survival and economic growth. This study is on securing a Harmonious Working Environment through Effective Industrial relations a workplace. The study is motivated by the need of create harmonious working environment void of strike actions in companies through good labour management relations. Therefore, the study recommended the organisations should create enabling environment for union activities to thrive by assisting them where necessary so as to stabilise the organisation. This paper is a descriptive analysis of the various perspectives in labour management relations with the objective of its impact on the performance of the firm. Further the paper is aimed at studying whether harmonious industrial relations can be used as solution for organisational problems especially that relating to human resources management.

Key Words : Industrial relations, harmony, Trade unions, Harmonious working environment, Firm performance.

INTRODUCTION:

The environment in which an individual works is crucial to the overall performance of the workers in such organisation. It can go a long in determining workers productivity at the end. It is such that, where the working environment is favourable, workers naturally work with less hassle of with become of their welfare but if contrary the productivity of the workers can be easily jeopardised.

Many organisation (no matter the type) are suffering from a myriad of problems and ailments caused by inefficient and ineffective management style or strained relationship between management and the labour union. There are other ailments that emanate from influence of external forces such as fiscal policy shocks, wrong government policies, environmental factors and the global economic recession,. Management labour disagreement remains crucial because it is firm specific and therefore can be addressed by harmonious working environment secured through effective industrial relations. The harmonious relationship that exist among the work groups that constitute themselves into industrial union is very critical to the success of the organisation. In view of strategic relevance of the inter-group relationship, it became imperative to study and understand if the dimension and direction of such relationship is conflictual and its impact on the industrial harmony, which in itself is a major

ingredient, that enhance productivity and goal attainment in organisation (Donnelly, Givson, Invancevich 1984). The aim of this article therefore else do identify major aspects of the organisation problem and investigate harmonious industrial relations as panacea.

OBJECTIVE OF STUDY :

The objective of study is to investigate how performance of the organisation can be secured through effective industrial relations. In general the study aims to document and good practices in industrial relations at the firm level, as policy options to maintain harmony at the workplace and enhance social dialogue at the firm level. The promotion of the innovative strategies and practices in workplace dispute resolution are tools in balancing productivity and competitiveness while improving workers welfare and employment conditions to achieve inclusive growth. Specifically, the study aims to :

Documents the relation between smooth industrial relations and organisational performance.

Define best practices to create harmony at the workplace.

Describe the effect of harmony at the workplace in workers behaviour.

Recommend policy options and other best innovative practices in industrial relations.

INDUSTRIAL RELATION :

The relationship between Employer and employee or trade unions is called Industrial Relation. Harmonious relationship is necessary for both employers and employees to safeguard the interest of the both the parties of the production. "Industrial Relation is a relation between employer and employees, employees and employees and employees and trade union" (Industrial Dispute Act, 1947). The term 'Industrial Relations' comprises of two terms, Industry and 'Relations!'. Industry refers to any productive activity in which an individual (or a group of individual) is (are) engaged." Relations we mean "the relationship that exist within the industry between the employer and employee." According to the student Support Services Department at the Queensland University, Australia (2001) Industrial Relations involve every aspect of the relationship between employers and employees in the organisation of resources and production, such as :

Distribution of industry rewards through the determination of wages and conditions;

Negotiation and resolution of conflicts in the workplace;

Regulation of employment and labor markets;

Training and skills development; and

Monitoring the influence that major institutions or individuals (management, unions, government, and so on) can have on all of these processes.

Industrial relations issues may seem most prominent when employers and employees do not agree on the way in which these processes are managed; yet industrial officers are also constantly working to prevent disagreement. Fajana (1995) defined work place industrial relations broadly as "the totality of orientations, policies, concepts, theories, procedure and sound practice of management conflict at work." Onasanya (1990) defines industrial relations as concerning "the relationship between trade union and the employers in the industry, and the intervention of government in that relationship." He opines that the function involves the relations and interactions between employers or management and employees, either as individuals or as groups; between supervisors and workers and his trade union, and between one trade union and the other and covers employment problems and security; conditions of work: remunerations; labour and employment grievances and disputes: level of production efficiency, safety, health and welfare of workers; social security and employee development. Industrial relations are therefore viewed from two angles: the relationships of one worker with another in production or factory floor and the relationship between labour union and management.

INDUSTRIAL/ORGANISATION HARMONY :

Industrial/organisational harmony refers to a friendly and cooperative agreement on working relationships between employers and employees for their mutual benefit (Laden, 2012). According to Pullapalli and Vram (@012), industrial / organisational harmony is concerned with the relationship between management and employees with respect to the terms and conditions of employment and the work place. In effect, it is a situation where employees and management cooperate willingly in pursuit of the organisation's aims and objectives. Industrial. organisational harmony requires that:

All Management personnel understand their responsibilities and what is required of them, and have the training and authority necessary to discharge such duties and responsibilities efficiently;

Duties and responsibilities for each group of employees are stated with clarity and simplicity in the organisation structure:

Individual employees or workgroup know their objectives and views between senior management and members of the work group;

Supervisors are briefed about innovation and changes before they occur so they explain management's policies and intentions to the work group.

Employees cooperate with trade unions in establishing effective procedures for the negotiation of terms and conditions of employment and for the settlement of disputes.,

Employers encourage the establishment of effective procedures among member organization for the settlement of grievances and disputes at the level of the establishment or undertaking;

The organisation maintains a communication system which secures the interchange of information and views between different levels in the organisation and ensures that employees are systematically and regularly kept informed, factually and objectively, of changes and progress in the system.

Industrial/organisational harmony thus covers four broad areas of cooperation; responsibilities, employment policy, collective bargaining, and communication and consultation. Industrial/organisational enhances labour productivity and in turn improves performance in the education sector, achieving economic growth, and enhancing living standards and quality of life. It creates a peaceful working environment conducive to tolerance, dialogue and other alternative (to strike) means of resolving industrial/labour disputes (such as negotiation, mediation, arbitration, conciliation and litigation or court adjudication) (Laden 2012). This creates a high level of employee satisfaction

BRIEF HISTORICAL DEVELOPMENT AND TRENDS IN LABOUR MANAGEMENT RELATION:

The theme, labour-management relation is discussed under the concept of industrial relations. It is traced to the work of professor John Dunlop of Harvard University who first employed the term in 1958 in his work, titled Industrial Relations Systems. Beal and Begin (1982) remarks that every human society and culture creates some kind of an industrial relations system or system of relations between the people who head organisations and those who do the work. Put in another way, relationship has changed overtime in accordance with the prevailing socio-political and economic settings of the time. The relationship has variously manifested in history as that between slave and master of the various period of slavery, the between the serf and baron of feudal societies, that between the master and workman of the industrial revolution era, and that between the employer and employees of the present day.

The industrial revolution that began in the 19th century in Europe awoke the workman, from their slumber, labour started to gain more ground in making necessary demands for fairness in the relationship. Right from that time, the assertion of the explicit superiority of labour among the factor of production became common place. The efforts to enhance labour favourable policies became critical with Karl Marx's (1818-1883) writings and that of many other socialist thinkers (e.g. Lenin, Asobie and Nnoli) who were concerned with annihilating the exploitation of labour by the owners of capital. Marx's thesis and commitment of his followers led to the great socialist revolution and labour union movements that dominated the politics and economic thinking of the greater part of 20th century.

By 1919, the international community under the leadership of the United Kingdom was already apprehensive of the possible consequences of the revolutionary movements embarked upon by workers in most industrialised nations which had culminated in the great Russian revolutions, took steps to form the International Labour Organisation (ILO) as an arm of League of Nations and also pursued the policy of voluntarism in labour management relations. There was also the influence of discoveries in the study of human behaviour in work organisation. Studies in industrial management and other behavioural sciences led to emphasis on motivation and human groups as important factor to achieve higher productivity. Starting with scientific managers, whose concerns were 'the search for the optimum or best method of work organisation in industrial undertaking. They did not view the work force as a group, but rather as amorphous pieces of individuals or productive equipments.

The chief proponent of this organisational theory was F.M. Taylor who felt the individual workers could be related to their work rather like machines. Taylor's time and motion study and piece rate compensation system aroused much controversy and opposition even at that time. This conception was not significantly different from the master slave relationship. The organisation is seen as a unitary system in which the management directs and controls the workforce to achieve economic and growth objective. It is therefore right to say that labour management relations were to a very great extent in favour of the management from the first quarter of the 20th century down into the history.

The Human Resources theory resulting from the Chicago Experiment by Elton Mayo and associates at the Hawthorne Works of the Western Electric Company (1927-1932) significantly contributed to the growth of industrial relations and the nature of labour-management relations. The implication of the Hawthorne experiment for labour management relations was that workers could no longer be regarded as socially isolated individuals acting independently of their work mates to maximise income. It produced a reaction against the individualistic and over-rational emphasis of scientific management and also tended to show high level of group satisfaction with democratic rather than authoritarian leadership style, allowing workers to participate in the decision making process. It encouraged a pluralist view of industrial relations.

Pluralism recognise the existence in organisation of a balance of power between two organised interests and a sufficient degree of trust within the relationship for each side to respect the other's legitimate and on occasions, separate interests, and for both sides to refrain from pushing their interest separately to the point where it became impossible to keep the show on the road (Cave, 1994). The pluralist view of industrial relations encouraged the tradition of bargaining and other democratic process of resolving labour management conflicts.

The global economic trend is inclining towards the dominance of synergistic approach to industrial relations. Thus labour and management should treat each other as partners in organisational progress. The conclusion therefore is that harmonious industrial relations are the most important factor for organisational performance because it will only take the combine team of committed management

with the technical knowhow and resolved cooperating and understanding employees who believe they have a stake in the scheme of things to solve organisational problem like ineffectiveness, inefficiency, fraud and under production, conflicts , etc.

Industrial harmony at workplace is crucial to the attainment of organisational goals and objectives. Our aim in this study is to find out, it industrial harmony at workplace can be secured through effective industrial relations; the result obtained showed that organisational performance can be achieved through effective industrial relations. That is, there exist a significant relationship between harmonious industrial relations and organisational performance. Thus harmony at work improves relationship between employer and employees that increases the productivity of the organisation.

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