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Employment relationship and the industrial relations

Asadi Rahil

Ph.D. student at ASE, Bucharest University of Economic Studies, Romania,

rahil.asadi65@yahoo.com

ABSTRACT

The term 'employee relations' was conceived as a replacement for the term 'industrial relations' but it's precise meaning in today's workplaces needs clarification. In 2010/11, CIPD undertook research into the changing nature of employee relations work in UK organizations, through interviews with HR and Employee Relations managers to provide a snapshot of current attitudes and practice.

'Industrial relations' is generally understood to refer to the relationship between employers and employees collectively. The term is no longer widely used by employers but summons up a set of employment relationships that no longer widely exist, except in specific sectors and, even there, in modified form.

Consistent with the theory that human capital management influences organizational performance and risk, we find that employeerelations explain the cross-sectional variation in credit risk. We construct an aggregate measure for the quality of employeerelations based on the firm's engagement in employment practices and policies, and document that firms with stronger employeerelations enjoy a statistically and economically lower cost of debt financing, higher credit ratings, and lower firm-specific risk. These findings are robust to the inclusion of a comprehensive set of controls and to alternative explanations.

This review highlights some of the more important employee relation aspects involved in starting, establishing, or expanding an existing in an organization. Despite a competitive compensation package, staff-related conflicts can sometimes hamper the progress of a organization. Such conflicts can be reduced by having policies and procedures in place for each employee that set expectations concerning the hours of operation, professional manner, dress code, job tasks, performance evaluations, disciplinary actions, and termination if violations occur. Understanding the legal requirements set by various governmental agencies, it can help ensure that the rights and well-being of every employee are protected.

Keywords: Industrial relations and employment protection law, Industrial relations management and reform, Communication, Participation and involvement, Developments in collective bargaining

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Introduction

Employee Relations involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Essentially, Employee Relations is concerned with preventing and resolving problems involving individuals which arise out of or affect work situations.

Advice is provided to supervisors on how to correct poor performance and employee misconduct. In such instances, progressive discipline and regulatory and other requirements must be considered in effecting disciplinary actions and in resolving employee grievances and appeals. Information is provided to employees to promote a better understanding of management's goals and policies. Information is also provided to employees to assist them in correcting poor performance, on or off duty misconduct, and/or to address personal issues that affect them in the workplace. Employees are advised about applicable regulations, legislation, and bargaining agreements. Employees are also advised about their grievance and appeal rights and discrimination and whistleblower protections.

Employee Relations is a leading international academic journal focusing on the importance of understanding and merging corporate, management and employee needs to achieve optimum performance, commitment and effectiveness, addresses research, practice and ideas about relationships between employments. International issues are covered in all areas of HR and industrial relations. A stringent double-blind review of each paper is undertaken to ensure its relevance and validity.

Coverage

- Communication, participation and involvement
- Developments in collective bargaining
- Equal opportunities
- Health and safety
- HRM
- Industrial relations and employment protection law
- Industrial relations management and reform
- Organizational change and people
- Personnel and recruitment
- Quality of working life

Today's turbulent business environment makes increasing demands on managers and workforces, as competitive standards rise and expectations of individuals increase. Managers must respond positively to changes in contemporary workforce attitudes if they are to get the performance levels they need.

Key Benefits

The journal of ultra tech cements, addresses key issues through authoritative, refereed papers by distinguished international academics and practitioners, Internet site critiques and publications. It suggests alternative strategies for improving working conditions and developing constructive relationships between managers and workforce.

Need of study:

A common place that we see the need to apply Relations is in the work place. In the work force, we can see Relations play a key role in leadership success. A person unable to grasp Relations and apply it, will not become or stay a leader. It is critical that anyone seeking to lead or Relations understand "Hewlett's Hierarchy of Work Motivators."

Salary, benefits, working conditions, supervision, policy, safety, security, affiliation, and relationships are all externally motivated needs. These are the first three levels of "Hewlett's Hierarchy" When these needs are achieved; the person moves up to level four and then five. However, if levels one through three are not met, the person becomes dissatisfied with their job. When satisfaction is not found, the person becomes less productive and eventually quits or is fired. Achievement, advancement, recognition, growth, responsibility, and job nature are internal motivators. These are the last two levels of "Hewlett's Hierarchy." They occur when the person motivates themselves (after external motivation

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needs are met.) An employer or leader that meets the needs on the "Hewlett's Hierarchy" will see motivated employees and see productivity increase. Understanding the definition of motivation, and then applying it, is one of the most prevalent challenges facing employers and supervisors. Companies often spend thousands of dollars each year hiring outside firms just to give motivation seminars.

Objectives and scope of this research:

1. To find out the present Relations level of the employees.
2. To find out the blockages for the Relations (i.e: disciplined).
3. To study the Relations as a discipline Point;
4. To study the hygienic and Relational content factors.
5. The study is confined and relevant only to Capital IQ not applicable to any organization.
6. The study covers motivational practices in Capital IQ at various levels of employees.
7. The study assists the management in determining the decision regarding the performance of the employee.

Methodologies:

The basic principle in the research has been adopted in the overall methodology. The following methodology has been used for meeting the requirements,
1) Defining objectives
2) Developing the information sources
3) Collection of information
4) Analysis of information
 5) Suggestion
The methodology followed for collection, analysis under interpretation of data is explained below:
1. RESEARCH DESIGNS
There are generally three categories of research based on the type of information required, they are:
1. Exploratory research
2. Descriptive research
3. Causal research
The research category used in this project in descriptive research, which is focused on the accurate description of the variable in the problem model. Consumer profile studies, market potential studies, product usage studies, Attitude surveys, sales analysis, media research and prove surveys are the, Examples of this research. Any source of information can be used in this study although most studies of this nature heavily rely on secondary data sources and survey research.
a. Primary Source: Discussions with plant staff, Interviews, Questionnaire administered.
b. Secondary Source: Journals Magazines and articles from prominent newspapers.
Population and Sample: There are 140 Officers & Supervisors and 100 Managerial staff .The questionnaire is administered to 50 Officers and Supervisory staff and 50 Managerial staff.
3. SAMPLE DESIGN
a) Sampling unit: the study is directed towards the executive of managerial level.
b) Sample size: sample size of 100 is taken of the study
4. DATA ANALYSES: Simple analysis method is followed for analyzing the data pertaining to different dimensions of employees. Simple statistical data like percentage are used in the interpretation of data pertaining to the study. The results are illustrated by means of bar charts.

Limitations of the study:

There are certain limitations of the concept of empowerment. It may be cost consuming in selecting personnel, training costs and labor costs may be high, it may result in slower or inconsistent services and poor use of the technique of empowerment. At the outset, managers must also accept the fact that not all employees want to be empowered. Many workers just work better in jobs that are clearly defined

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and closely supervised. Once both employees and managers have received proper training, the next step is go give employee's control of the resources needed to make the improvements in their job and work processes.

By giving employees information, resources and training and by following with measurements and reinforcement, human resources can create an empowered environment. But empowerment should be continuous process like quality improvement and it is like a race without a finish line. Those companies that take the first step by creating an environment conductive to empowerment will be at the head of the pack.

The conclusions so far drawn from the study tempts to offer the following suggestions for making the organization ready for empowerment. The conclusions drawn above convince anybody to identify the following areas to chart out training programs for the executives to make them completely ready for empowerment

1. A general training program covering the importance of and need for employee empowerment in the light of global competition is to be designed in brainstorming session involving internal and external experts.

2. The present study identifies the following areas in which training is to be undertaken.

✦ A training program may be undertaken for Executives in general and to Senior Executives in particular to convince and make them accept the empowerment concept.

✦ Executives working in technical areas to be trained effectively in the areas of their role and interpersonal dependence and relations to make empowerment more fruitful.

✦ A training program may be undertaken about "Shared Leadership" which brings high morale and high productivity and makes the empowerment a success.

3. The subordinate staff whom is going to be empowered must be ready to take up this responsibility. A study is to be conducted among the subordinate staff to find out their readiness to discharge the new roles under this empowerment program. This helps in identifying the training areas, to make the subordinate staff completely ready for undertaking empowerment.

Employee relations and improving it:

Employee relations must be strengthened in an organization. To do so, following points must be taken care of:

i. Employee has expectation of fair and just treatment by the management. Thus, management must treat all employees as individuals and must treat them in a fair manner. Employee favoritism should be avoided.

ii. Do not make the employees' job monotonous. Keep it interesting. Make it more challenging. This can be done by assigning employees greater responsibilities or indulging them in training programmers.

iii. Maintain a continuous interaction with the employees. Keep them updated about company's policies, procedures and decisions. Keep the employees well-informed. Informed employees will make sound decisions and will remain motivated and productive. Also, they will feel as a member of organizational family in this manner.

iv. Employees must be rewarded and appreciated for a well-done job or for achieving/over-meeting their targets. This will boost them and they will work together as a team.

v. Encourage employee feedback. This feedback will make the employers aware of the concerns of employees, and their views about "you" as an employer.

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vi.   Give the employees competitive salary. They should be fairly paid for their talents, skills and competencies.

vii.   Be friendly but not over-friendly with the employees. Build a good rapport with the employee. The employee should feel comfortable with the manager/supervisor rather than feeling scared.

The importance of employee relations and organizational communication cannot be emphasized enough. To maintain a strong relationship the culture must be acknowledged and looked upon frequently. There are several different sub organizations or organisms within a company that need to communicate well in all directions, up, down and horizontally.

There are three hard questions that should be asked when analyzing effective organizational communication.

1. Is management able to communicate effectively with employees?

2. Is communication trusted and does it relay appropriate information to employees?

3. Has management communicated its commitment to its employees and to fostering a rewarding work environment?

There is one thing that can be trusted in all fields of communication and that is that it is messy. An organization need to function like the body that has many different organisms that work together to build on whole unit. If communication is cut off in any way the whole body will have a problem, therefore the emphasis on free-flowing communication.

The five principles to a smooth and cohesive organization are, 1. Respect-without mutual respect and value for both parties there may be a resistance that hinders a good working relationship.2. Honest Feedback-Candid feedback helps employees understand what is going on and therefore has the opportunity to correct and improve. 3. Recognition Employees need to feel like they are a part of the organization; their opinion and effort should be recognized to make it a team.4. Voice everyone needs to have a say in what is going on, this does not diminish the managerial authority but merely lets everyone have an opinion. 5. Encouragement-Money and benefits may serve as an incentive for employees to take part and work harder but workers need to be acknowledged to know their value and status.

All of these components are essential to a greater working relationship within an organization to improve results and maintain harmony. The most important and often most expensive resource a company has is its "human" resource. Because of its cost and importance it makes sense to ensure that this resource is operating as productively as possible. Sometimes this may mean dealing with conflict issues in the workplace and at other times it may mean finding proactive ways to keep employees happy and productive.

Employee Relations often includes:
- Employee issues
- Management coaching
- Discipline
- Harassment

Strategic HR inc. can assist with Employee Relations by:
- Coaching managers and employees on how to handle employee relations issues to avoid escalation and legal impacts on the organization
- Advising on how to handle and document corrective action plans and disciplinary actions
- Investigating, obtaining statements, and making recommendations for further action
- Identifying retention solutions to help improve turnover and employee morale
- Developing training solutions to help build a collaborative workforce
- Community Relations Programs
- Recreational/Social Events
- Employee Recognition Programs
- Suggestion Programs
- Absenteeism

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- Termination
- Retention strategies

Industrial relations: are a multidisciplinary field that studies the employment relationship. Industrial relations are increasingly being called **employment relations** because of the importance of non-industrial employment relationships. Many outsiders also equate industrial relations to labor relations and believe that industrial relations only studies unionized employment situations, but this is an oversimplification.

Overview of Industrial relations

Industrial relations has three faces: science building, problem solving, and ethical In the science building face, industrial relations is part of the social sciences, and it seeks to understand the employment relationship and its institutions through high-quality, rigorous research. In this vein, industrial relations scholarship intersects with scholarship in labor economics, industrial sociology, labor and social history, human resource management, political science, law, and other areas. In the problem solving face, industrial relations seek to design policies and institutions to help the employment relationship work well. In the ethical face, industrial relations contain strong normative principles about workers and the employment relationship, especially the rejection of treating labor as a commodity in favor of seeing workers as human beings in democratic communities entitled to human rights."The term human relations refer to the whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of modern industry."It is that part of management which is concerned with the management of enterprise -whether machine operator, skilled worker or manager. It deals with either the relationship between the state and employers and workers organization or the relation between the occupational organizations themselves.

Industrial relations scholarship assumes that labor markets are not perfectly competitive and thus, in contrast to mainstream economic theory, employers typically have greater bargaining power than employees. Industrial relations scholarship also assumes that there are at least some inherent conflicts of interest between employers and employees (for example, higher wages versus higher profits) and thus, in contrast to scholarship in human resource management and organizational behavior, conflict is seen as a natural part of the employment relationship. Industrial relations scholars therefore frequently study the diverse institutional arrangements that characterize and shape the employment relationship— from norms and power structures on the shop floor, to employee voice mechanisms in the workplace, to collective bargaining arrangements at a company, regional, or national level, to various levels of public policy and labor law regimes, to "varieties of capitalism" (such as corporatism), social democracy, and neoliberalism).

When labor markets are seen as imperfect, and when the employment relationship includes conflicts of interest, then one cannot rely on markets or managers to always serve workers' interests, and in extreme cases to prevent worker exploitation. Industrial relations scholars and practitioners therefore support institutional interventions to improve the workings of the employment relationship and to protect workers' rights. The nature of these institutional interventions, however, differs between two camps within industrial relations. The pluralist camp sees the employment relationship as a mixture of shared interests and conflicts of interests that are largely limited to the employment relationship. In the workplace, pluralists therefore champion grievance procedures, employee voice mechanisms such as works councils and labor unions, collective bargaining, and labor-management partnerships. In the policy arena, pluralists advocate for minimum wage laws, occupational health and safety standards, international labor standards, and other employment and labor laws and public policies. These institutional interventions are all seen as methods for balancing the employment relationship to generate not only economic efficiency, but also employee equity and voice. In contrast, the Marxist-inspired critical camp sees employer-employee conflicts of interest as sharply antagonistic and deeply embedded in the socio-political-economic system. From this perspective, the pursuit of a balanced employment relationship gives too much weight to employers' interests, and instead deep-seated structural reforms

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are needed to change the sharply antagonistic employment relationship that is inherent within capitalism. Militant trade unions are thus frequently supported.

History

Industrial relations have its roots in the industrial revolution which created the modern employment relationship by spawning free labor markets and large-scale industrial organizations with thousands of wage workers. As society wrestled with these massive economic and social changes, labor problems arose. Low wages, long working hours, monotonous and dangerous work, and abusive supervisory practices led to high employee turnover, violent strikes, and the threat of social instability. Intellectually, industrial relations was formed at the end of the 19th century as a middle ground between classical economics and Marxism, with Sidney Webb and Beatrice Webb's *Industrial Democracy* (1897) being the key intellectual work. Industrial relations thus rejected the classical econ.

Institutionally, industrial relations were founded by John R. Commons when he created the first academic industrial relations program at the University of Wisconsin in 1920. Early financial support for the field came from John D. Rockefeller, Jr. who supported progressive labor-management relations in the aftermath of the bloody strike at a Rockefeller-owned coal mine in Colorado. In Britain, another progressive industrialist, Montague Burton, endowed chairs in industrial relations at Leeds, Cardiff and Cambridge in 1930, and the discipline was formalized in the 1950s with the formation of the Oxford School by Allan Flanders and Hugh Clegg.

Industrial relations were formed with a strong problem-solving orientation that rejected both the classical economists' laissez faire solutions to labor problems and the Marxist solution of class revolution. It is this approach that underlies the New Deal legislation in the United States, such as the National Labor Relations Act and the Fair Labor Standards Act.

Theoretical perspectives

Industrial relations scholars have described three major theoretical perspectives or frameworks that contrast in their understanding and analysis of workplace relations. The three views are generally known as unitary, pluralist and radical. Each offers a particular perception of workplace relations and will therefore interpret such events as workplace conflict, the role of unions and job regulation differently. The radical perspective is sometimes referred to as the "conflict model", although this is somewhat ambiguous, as pluralism also tends to see conflict as inherent in workplaces. Radical theories are strongly identified with Marxist theories, although they are not limited to kosala.

Unitary perspective

In unitary, the organization is perceived as an integrated and harmonious whole with the ideal of "one happy family", where management and other members of the staff all share a common purpose, emphasizing mutual cooperation. Furthermore, unitarism has a paternalistic approach where it demands loyalty of all employees, being predominantly managerial in its emphasis and application.

Consequently, trade unions are deemed as unnecessary since the loyalty between employees and organizations are considered mutually exclusive, where there can't be two sides of industry. Conflict is perceived as disruptive and the pathological result of agitators, interpersonal friction and communication breakdown.

Pluralist perspective

In pluralism the organization is perceived as being made up of powerful and divergent sub-groups, each with its own legitimate loyalties and with their own set of objectives and leaders. In particular, the two predominant sub-groups in the pluralistic perspective are the management and trade unions. Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. Trade unions are deemed as legitimate representatives of employees, conflict is dealt by collective bargaining and is viewed not necessarily as a bad thing and, if managed, could in fact be channeled towards evolution and positive change.

Marxist/Radical perspective

This view of industrial relations looks at the nature of the capitalist society, where there is a fundamental division of interest between capital and labour, and sees workplace relations against this background.

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This perspective sees inequalities of power and economic wealth as having their roots in the nature of the capitalist economic system. Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital. Whilst there may be periods of acquiescence, the Marxist view would be that institutions of joint regulation would enhance rather than limit management's position as they presume the continuation of capitalism rather than challenge it.

Industrial Relations Today

By many accounts, industrial relations today is in crisis. In academia, its traditional positions are threatened on one side by the dominance of mainstream economics and organizational behavior, and on the other by postmodernism. In policy-making circles, the industrial relations emphasis on institutional intervention is trumped by a neoliberal emphasis on the laissez faire promotion of free markets. In practice, labor unions are declining and fewer companies have industrial relations functions. The number of academic programs in industrial relations is therefore shrinking, and scholars are leaving the field for other areas, especially human resource management and organizational behavior. The importance of work, however, is stronger than ever, and the lessons of industrial relations remain vital. The challenge for industrial relations is to re-establish these connections with the broader academic, policy, and business worlds.

CONCLUSIONS

In the above perspective, the present chapter makes an attempt to draw some conclusions. It should be confessed here that the investigator is conscious of the limitations of the study and the conclusion drawn on the basis of the sample from a single unit cannot be generalized about the entire manufacturing sector.

The study examines the readiness for employee empowerment in six aspects, namely effective Communication, Value of people, Clarity, Concept about power, Information and Learning.
A perusal of data pertaining to combination makes us to conclude that the Executives have agreed to the effective downward communication flow, which is a prerequisite for empowerment.
With regard to value of people, the analysis leads to the conclusion that the Executives give a reasonable value to the Human Resources in the Organization. However, in respect of concept about power, they are somewhat agreed to share the power.
As far as information sharing with lower rungs is concerned, they are very positive.
 One significant conclusion with regards to learning opportunities, which is a basic for empowerment, is that the executives are favorable and feel that sufficient learning opportunities should be there for the rank & file.
As far as clarity is concerned, the executives are somewhat agreed i.e., neutral. The aspect wise percentage analysis leads to the conclusion that the organization is somewhat ready for employee empowerment because the majority of the Executives in almost all aspects are concentrated in somewhat ready group.

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