INDUSTRIAL (LABOUR) RELATIONS

INDUSTRIAL RELATIONS, DEFINITION AND CONCEPT

- Industrial Relations is that aspect of management which deals with the manpower of the enterprise—whether machine operator, skilled worker or manager.

- Cordial and peaceful Industrial Relations between the employees and the employer are highly essential for increasing productivity and the economic growth of the country. Through good industrial relations only, the enterprise can move towards the welfare of the employees and the management of the concern.

- Industrial Relationship is the composite result of the attitudes and approaches of the employees towards each other with regard to the planning, supervision, direction and co-ordination of the activities of an organization with a minimum of human effort and friction, with an animating spirit of cooperation and with proper regard for the genuine well-being of all the members of the organization.

- The term Industrial Relations has been looked upon and worded differently by different pioneers of the field.

  Integrated programmes of industrial relations are of relatively recent origin. Fragmented attention to employee concerns started around World War I and became inclusive during the 1940s. The human relations approach is a long term trend toward recognizing the individual interests of workers.

  Certain people define Industrial Relations as—the relations between employers and employees in industry.

  Others describe Industrial Relations as—the relationships between employees and management that grow out of employment.

  Still others call Industrial Relations as—Social relations in production.

  However, with the industrial developments after World War II, the term Industrial Relations has been widened in its meaning and now it implies Employers-Employees-Unions and Government relationship in industry.

The basic requirements of an Industrial-relation programme are

(i) To have the support of top management.
(ii) To be based on sound personnel policies
(iii) To follow proper practices.
(iv) To follow up and evaluate the pattern of employee action.

The important functions of Industrial Relations are

(i) Employee Relations.
(ii) Labour Relations.
(iii) Public Relations.
The important aspects of Industrial Relations are

(i) Cooperation.
(ii) Conflict.

Labour Relations and Employee Relations
Whereas Employee Relations is a broader term which represents the relations and contacts between the Management and its (all) employees; Labour Relations has its field of contact between Management and employees, limited. In other words, unlike Employee Relations, Labour Relations represents relations and contacts between Management and employee representatives (or the union) only.

The increased size of today's employers and union organizations have caused the government to become more active in employer-employee relationship and for this reason, Legislation and Government regulations affect considerably the field of Labour Relations.

The Labour Relations department of an industry

(i) Deals with management and the labour union in arriving at a satisfactory resolution of problems such as low wages, poor fringe benefits, etc.
(ii) Carries out all correspondence with the labour unions.
(iii) Participates in Grievance handling.
(iv) Represents the company in arbitration cases.
(v) Participates in negotiations.
(vi) Conducts the necessary correspondence with government labour agencies.

In brief, Labour Relations Department looks after,

(i) Union Relations.
(ii) Collective Bargaining.
(iii) Discipline in the Industry.
(iv) Handling Grievances.
TRADE UNIONS OR LABOUR UNIONS

Definition
The social historians Sydney and Beatrice Webb defined a trade union as:
"A continuous association of wage-earners organized for the purpose of maintaining and improving the condition of their working lives".
This definition was given in 1920; today it has been widened and includes salary earners as well.
A trade union or labour union is a continuing long term association of employees formed to promote, protect and improve, through collective action, the social, the economical and political interest of its members.
A trade union may also be defined as any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers between workmen and workmen or between employers and employers or for imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more unions.

Origin of trade Union
Trade unions are the creation of industrialization and modern industrial conditions.
Industrial Revolution destroyed the earlier way of life and left the individual worker, who was protected by the customary values, to drift by himself in the anonymity of the town, and (also) gathered these workers together around the employer.
The employer did pay as little as possible to the workers; the workers as individual could not protest against it and therefore those (workers) similarly situated, economically and socially and closely associated with the work of the same employer developed mutual understanding and a common solution of their problems of living and this crystallized them into a self-conscious group what we may call as Trade Union.
Trade unions got originated out of the necessity of workers to protect and defend themselves from encroachment, injustice and wrong imposed upon them by the employer or the management of the concern.
The aspects of the process of industrialization those necessitated "the origin of trade union is:
(i) Separation between the ownership of capital and labour, both of which are essential for producing goods and rendering services to the consumers.
A difference got created between the owners of capital and the labour. The former wanted to pay lowest possible to the latter and the latter were interested to secure the maximum possible price for the work done for the former. These two classes with divergent and conflicting interests gave rise to conflicting situations and the workers thought of uniting.
(ii) Since, individually the workers did not have any other source of the livelihood except that of service under the owners of capital, there was no match between the two as regards economic resources or bargaining power or skill, it was the owner of capital who dictated the terms and conditions of employment, Le. wage rate, hours of work, etc and either a
worker had to serve under those conditions or starve. This again infused a spirit of union among the workers.

(iii) When the workers were suffering in this way, the State or Law remained silent because in its eyes workers and employers were equal. This further increased the exploitation of workers by the owners of capital.

(iv) Though an individual worker was dispensable to an employer, but he could not afford to dispense with the services of a group of workers. The day it was realised by the workforce, they thought to unite and get their reasonable rights from the owners of capital.

Functions of Trade Union

Functions of trade unions are:
1. The provision of friendly services such as a place for leisure pursuits, information about jobs existing in other factories, games and outings, etc.
2. The provision of social services such as insurance against old age, unemployment, strike, pay, payment for hospital fee, legal services, etc.
3. Wage bargaining. i.e. collective wage bargaining with the employers.
4. Safeguarding the job of the workers.
5. Political activities, i.e. the political pressure for reform, e.g. trade union legislation works to protect the union and the workers from such industrial abuses as delay in payment of wages, excessive hours of work, poor working conditions, etc,
6. To develop cooperation with employers.
7. To arouse public opinion in favour of labour.
8. To secure some shares in profit and in the control of the enterprise.

Objectives of Trade Union

Objectives of trade unions are:
1. To take labour out of the competitive process; because if a number of workers freely compete for a job, the employer will definitely offer them less wages.
2. To negotiate at all levels with employers over wages and conditions of work.
3. To protect the workers in their inalienable right to higher and better life.
4. To make workers to take part in union activities and to obey union rules and decisions.
5. To protect and promote the interests of the workers.
6. To provide legal assistance to workers (i.e., union members) in connection with work affairs.
7. To improve economic status of workers.
8. To protect the jobs of the workers against lay off, retrenchment, etc.
9. To ensure that workers get as per rule, the pension, provident fund, compensation for injuries, etc.
10. To ensure for the workers, better health, safety and welfare standards.
11. To have a voice or participation in the factory management.
12. To ensure that workers get respect and human treatment from the foremen, managers, etc.
13. To improve their political status.
14. To offer educational services to the workers.
INDUSTRIAL DISPUTES

Definition and Introduction

(i) An Industrial Dispute means any dispute or difference between employers and employers or employers and workmen or between workmen and workmen which is connected with employment or non-employment or terms of employment or conditions of labour, of any person.

(ii) Every human being (says a worker) has certain needs, e.g., economic needs, social needs and needs for security. When these needs do not get satisfied, there arises, a conflict between labour and capital. A conflict means a struggle or clash between the interests of the employer and the workers. For example, in order to compete in the market, the employer would like to reduce the price of his product and for doing so he will tend to reduce the wages of the workers; the workers would not agree to it and the result will be an industrial conflict between the employer and the workers.

(iii) When an industrial conflict (which otherwise is general in nature) acquires a concrete and specific display or revelation, it becomes an Industrial Dispute.

(iv) A conflict takes the shape of Industrial Dispute as soon as the issues of controversy are submitted to the employer for negotiations.

(v) An industrial dispute may be looked upon as a controversy or disagreement between employee (or management) and the workmen on issues such as
   a. Wages and other benefits,
   b. Work hours and working conditions, etc.

(vi) Industrial disputes cause losses to, workers, management and nation as a whole.
   c. Workers lose their wages.
   d. Management loses its profit.
   e. Public suffers due to shortage of goods in the market.
   f. Nation suffers due to loss of production.

Causes of Industrial Disputes

Some of the common causes of Industrial Disputes have been listed below:

(i) Psychological causes
   - Difficulty in adjusting with each other (i.e. employer and worker).
   - Clash of personalities.
   - Authoritarian Leadership (administration).
   - Demand for self-respect and recognition by workers.
   - Strict discipline.

(ii) Institutional causes
   - Non recognition of the labour union by the management
   - Matters of collective bargaining.
- Unfair conditions and practices.
- Pressing workers, not to become members of union, etc.

(iii) Economic causes

- **Terms and conditions of Employment**
  - More hours of work.
  - Working in night shifts.
  - Promotion, lay off, retrenchment, dismissal, etc

- **Working conditions**
  - Environmental conditions such as too hot, too cold, noisy, dirty, messy, etc
  - Improper plant and workstation layout
  - Old and trouble giving machines.
  - Frequent changes in products, etc.

- **Wages and other benefits**
  - Inadequate wages
  - Undesired deductions from wages.
  - Poor fringe benefits
  - No bonus or other incentives, etc.

- **Denial of legal and other rights of workers**
  - Not proceeding as per labour laws and regulations, standing orders etc.
  - Violation of already made mutual agreements (*Le. between employer and workers*).
STRIKES

Introduction
- Whenever workers feel any grievance and if the same is not removed by the management, the workers unite together to fight it out and this causes industrial unrest, conflict and dispute. The industrial disputes generally result in Strikes, Lockouts, Picketing or Gherao.
- The word *strike* is an innovation of the early 19th century but the phrase *to strike work* was used in the eighteenth century.
- Strike is the ultimate weapon of the trade union by which it can threat the employer.
- Strike implies that,
  a) There shall be cessation of work or refusal to work by a body of workmen; and
  b) Workmen should be acting in concert in order to enforce a demand against the employer during an industrial dispute.
- Success of strike depends upon the ability of the workmen to stop the employer from continuing to operate.

Causes of Strikes

Finding the causes of strikes means searching the causes that lead workers to strike in preference to other methods available to achieve their objectives.

The various causes of strikes are,
  a) Wage disputes (including bonus, etc.)
  b) Working arrangement and conditions.
  c) Discipline and other factory rules.
  d) *Demarcation, dismissals, suspension, retrenchment, etc.*
  e) Dispute over hours of work.
  f) Trade union recognition.
  g) Internal union disputes.
  h) Victimizations of membership.
  i) The closed shop.
  j) Undeserved punishments.
  k) Assaults, abuses and misbehaviors (from supervisors or management).
  l) Sympathetic strikes.

Effects of Strikes

a) Strikes are costly to workers. They may not have money to feed themselves and their families.

b) Strikes cause emotional tensions and mental strains.

c) Strikes deplete trade union funds.

d) Strikes result in mass unemployment.
e) Strikes may result in violence and thus injuries to many workmen.
f) Strikes result in loss of output and profits.
g) Strikes involve loss of valuable man hours.
h) Strikes sometimes lead to damage to property and costly equipments.
i) Public suffers from shortage of products of the striking industry.
j) If the strike fails, it:
   - brings misery, dismissal and even withdrawal of already given privileges;
   - terrorises workmen and degrades their morale.

Forms of Strikes

(i) **Official and unofficial strikes**
   An official strike is one which is called by the union.
   An unofficial strike is one which has not been approved by the union.

(ii) **General and Particular strikes**
   A general strike is one where there is concert or combination of workers' in'stopping or refusing to resume work. A general strike covers a wide range of industries and is over quite a large part of the country, e.g. General strike of 1926 in Great Britain. Particular strikes have smaller coverage, e.g. they may remain confined to one or a few factories in a city.

(iii) **Go-slow strikes**
   Workers come to the factory, but they work at pace slower than the normal; this lowers down the production and results in loss to employer.

(iv) **Quickie strike**
   Workers come to factory but they stop work for few minutes or few hours.

(v) **Sit-down strikes**
   Workers come to factory, report to their duties but do not work.

(vi) **Sympathetic strikes**
   A sympathetic strike for a day or so is conducted in sympathy with another group of workers who are already on strike, in order to boost their morale.

**LOCK-OUT**

**Introduction and Definition**

Just as strike is a weapon in the hands of workers to force employers to accept their demands; similarly lock-out is the weapon of employer to pressurize workers to come down in their demands.

A lock-out means, "Closing the place of employment or suspension of work or the refusal by an employer to employ any number or persons employed by him". As the employer declares a lock-out, he tells workers to keep away from the work. Lock-out is the outcome of an industrial dispute.
**PICKETING**

**Introduction and Definition**

Picketing is almost a standard practice when a union strikes against an employer. Some workers are placed at the factory gate to discourage others, from entering the work premises. Pressure on the employer increases when employees of other companies refuse to cross picket line to deliver or pick up goods from the struck employer. In picketing, workers may-parade with banners to inform public about the dispute with the employer and to enlist popular support for the workers or unions. Picketing may be designed to interfere with business and thus to pressurize the employer to Comply with union demands. Picketing by one group of employees often stops other employees from working in the same factory.

In doing so, the pickets sometimes insult and even block physically the path of those (employees intending to) enter the factory.

**GHERAO**

Like strike and picketing, Gherao is also a method to pressurize employer to fulfill union demands.

In gherao workers force the employer or managers to remain confined in their offices for hours or even days. The employer sometimes is forced to remain without water and food; he is not allowed to go out even for natural calls.

Workers encircle the office of the employer, close all the exits and sit around in batches.

In contrast to strikes which put economic pressure on the employer, a gherao involves physical, coercion, i.e. it tends to inflict physical duress on the employer or manager.

Thus a gherao besides endangering industrial harmony creates problems of law and order also. Actually gherao is a primitive method which used to be employed in England by early trade unions.
SETTLEMENT OF INDUSTRIAL DISPUTES

The ill effects of industrial disputes pressurize employees, employers and the state to settle such disputes for the settlement and welfare of all the parties involved. The different methods employed for settling the disputes are:

(i) **Without state intervention**
   - b. Voluntary arbitration.

(ii) **With state intervention**
   - b. Bipartite committees.
   - c. Compulsory arbitration.
   - d. Compulsory conciliation and Mediation.
   - e. Compulsory investigation.

COLLECTIVE BARGAINING

Introduction
- Collective Bargaining constitutes the negotiations between the management and the union with the ultimate objective of agreeing on a written contract covering the terms and conditions of settlement of the disputed issues.
- Collective bargaining is basically a give-and-take process involving proposals and counters proposals.
- Meetings between management representatives; and union leaders are conducted in an attempt to arrive at an agreement or at the settlement of the dispute.
- In such meetings, the two parties bargain with each other on disputed issues (which may be such as salary and fringe benefits, terms and conditions of employment, etc,) to arrive at an agreement.
- The agreement is signed by both the parties and the length of time the treaty will operate must be specified.
- Collective bargaining introduces an element of democracy in the field of Industrial Relations and Management.
- Collective bargaining imposes certain restrictions upon the employer. Unilateral action is prevented. The employer is no longer free to make and enforce employment decisions. Management must bargain with the union on appropriate subjects.
- The collective bargaining is not an easy process and it is often exasperating.

**Procedural steps**
The steps involved in collective bargaining process are:
1) Putting up before the management by the employees; their demands and grievances collectively.
2) Discussing and negotiating with the management representatives, with a view to settle the disputed issues.

3) Signing a formal or informal agreement mutually arrived at.
   - The mutual agreement may be as regards the following:
     (a) Union security.
     (b) Wages, bonus and other "benefits.
     (c) Terms and conditions of employment: Hours of work.
       a. Holidays
       b. Safety and health.
       c. Promotion, transfer and discharge, etc.
     (d) Grievance procedure.
     (e) Incentives.
     (f) Management responsibilities, etc.

If either of the party, later on, feels reluctant in abiding by its commitments under the mutual agreement, the other party can employ economic pressures to force 'that party to meet its obligations.

4) In the event of no agreement, various pressures are brought to bear upon the management by the union (such as strikes, picketing, gheraos, etc.) or on union by the management (such as lock-out) to reconcile.

But both the parties, i.e. management representatives and union officials have a basic obligation to establish a constructive relationship of working, harmony in the settlement of disputes and in the advancement of labor-management peace.

VOLUNTARY ARBITRATION
- In this method of settling disputes, a third neutral party as a judge (to decide the disputed issue) hears and collects the facts from the two primary parties and proceeds to make a decision which is usually binding upon the union i.e. one primary party and the management (i.e. the second primary party).
- Many industrial disputes have been (e.g. those between union and management of Rohtas Industries Ltd., Dalmia Nagar etc.) and are being settled today through voluntary arbitration.
- The Industrial Dispute Act 1947 recognizes voluntary arbitration as a method for settling industrial disputes.

ESTABLISHMENT OF COMPULSORY COLLECTIVE BARGAINING
- If either union or management resists the establishment of voluntary collective bargaining, but the state feels that collective bargaining will be useful, it may advise, encourage or even impose collective bargaining compulsorily on the two parties to settle their disputes through negotiations and discussions.
COMPULSORY ESTABLISHMENT OF BIPARTITE COMMITTEE
- A bipartite committee consists of representatives of workers as well as of the employer (at the factory level).
- Such committees work on the principle of “nip the evil in the bud” and settle labor-management disputes as soon as they appear and do not permit them to grow large and take an unmanageable shape.
- The main purpose of such Bipartite committees or works committees is to:
  a. promote measures for securing and preserving amity and good relations between workers and employers;
  b. comment upon matters of their common interest;
  c. compose any material difference of opinion in respect of such matters and to
  d. Encourage workers and management to settle their differences without the Arbitrator.

COMPULSORY ARBITRATION OR ADJUDICATION
- Unlike voluntary arbitration, in Adjudication, the Arbitrator or Adjudicator is appointed by the government.
- In adjudication, the industrial dispute is referred for arbitration by the government and both the parties have to accept the decision of the arbitrator.
- The objective of adjudication is to maintain industrial peace by stopping the parties from causing work-stoppages and providing a method for settling the industrial dispute.

COMPULSORY CONCILIATION (MACHINERY) AND MEDIATION
- Conciliation is a process by which the discussion between workers and employer is kept going on through the activities of a conciliator i.e., third party. A conciliator aids resolving the differences between two parties and keeps them to understand and appreciate the situation better.
- Mediation is a process by which the third party attempts to stimulate labour and management to reach some type of agreement. The mediator cannot decide the issue. He is strictly neutral who can only listen, suggest, communicate and persuade.
- What has been described above, it is voluntary conciliation and mediation.
- In compulsory conciliation and mediation, the government imposes a n obligation on the workers and management to refer their disputes to the conciliation and mediation service. The government also prevents both the parties from work-stoppages till the conciliation or mediation is going on.
- Conciliators and Mediators are asked to furnish their report within a time period. If the efforts to reconcile fail, workers are free to go on strike and the employer is free to declare a lock-out

COMPULSORY INVESTIGATION
- Government may set up machinery to investigate into any dispute. Machinery may be a Court of Inquiry to explore facts and issues involved, A wide publicity may be given to it because,
quite possible, the public opinion may compel the two parties to leave their rigid and obstinate attitudes and try to arrive at a settlement.

- Moreover, the period during which Court of Inquiry is being conducted, may serve as a cooling off period for the two primary parties to reconsider their stands coolly.
- Court of Inquiry is given almost same powers as remain with a civil court.
HANDLING OF WORKERS' GRIEVANCES AND GRIEVANCE PROCEDURE

Introduction and Definition of Grievances
- Individual employees generally have some complaints called grievances against the working rules of the business enterprise, e.g. wages, bonus, working conditions, behavior of supervisors etc.
- The one thing which is very harmful to good relations between workers and management is the feeling among workers that the management does not look into their problems and difficulties.
- This results in dissatisfaction in the minds of workers and distrust towards management which in turn introduces inefficiency and lack of co-operation from the worker's side.
- Hence, if no systematic way exists for bringing workers' complaints or grievances to the surface, they may pile up and explode into an industrial Dispute.
- A Grievance may be defined as any feeling of discontent or dissatisfaction, whether expressed or not and whether valid or not, arising out of anything connected with the company that an employee thinks, believes or even feels is unfair, unjust or inequitable. A grievance may be:
  (i) unvoiced or stated by the worker
  (ii) written or unwritten, and
  (iii) Valid or ridiculous, and may arise out of something connected with the company e.g. company policy or actions.

Examples of Workers Grievances
- Regarding wage structure, wage calculation, deduction, incentive, etc.
- Regarding factory working conditions such as light, noise, smoke, fumes, too hot or too cold, environments, dampness, inadequate toilet facilities, lunch rooms, impure drinking water etc.
- Regarding supervision such as rigid rules, regulations not clearly posted, foreman being partial, inadequate job instruction, etc.
- Regarding partial attitude of management towards deciding seniority, promotions, transfers, discharges, lay-offs, penalties, night shifts, etc.
- Regarding collective bargaining, e.g., management violating agreements, not attending to union grievances, penalizing workers who belong to union etc.

Grievance Procedure
- If an enterprise wants to get maximum out of its workers/employees, it must attempt to satisfy them by providing good working conditions, fair wages, settling grievances and taking them into confidence.
Thus, an adequate and effective procedure must be developed by the management to handle and settle grievances of its employees. A good grievance procedure is essential to develop sound labour relations.

A good grievance handling procedure should:

a) be simple, easy to understand and to operate
b) settle grievances at lower level
c) Systematically handle the grievances and promptly remedy the conditions complained of;
d) depending upon the nature of grievance, refer it to appropriate authority;
e) ask the employee to give his complaint in writing;
f) permit the worker to appeal against the decision taken at lower level, and lastly
g) The grievance procedure should be made, realising the importance of industrial harmony and good labour relations.

Steps involved in grievance handling procedure

Following Figure shows steps involved in a grievance procedure.

Step-1: The aggrieved employee presents his grievances in writing to his foreman or supervisor; he puts his grievance to union representative who also is a full time employee of the company. If the foreman, aggrieved employee and the union representative fail to work out a settlement of grievance, the dispute in the written form is sent to a higher step in the procedure.

Step-2: The grievance is looked into by the middle management and the union committee man; a union committee man supervises several union representatives and is specialist in union
management negotiations. If the situation still remains unsettled, as the third step, the case is forwarded to management and top-union officials.

**Step-3:** Top management representatives and top union official discuss the grievance which by this time has now become issue that has political implications. Thus it is very difficult to secure an Integration of interests at this high level.

**Step-4:** If top management and union leaders fail to settle the issue, the fourth step, then, is to submit the same to an impartial Arbitrator for a final decision as to the action required. A failure to settle the issue at step-4 may result in strike, picketing, Gherao or lockout. It is the best if the grievance gets settled at the level of supervisor and union representative.
WORKER'S (EMPLOYEE'S) PARTICIPATION IN MANAGEMENT

Concept
- Worker's participation in management can be in any shape, from establishing work-commit to auto-management by the employees.
- The aim of management is to get work through others. Workers, if they are permitted participate and involve themselves in some of the decisions relating to work situation, etc. perhaps more effectively the company objectives can be achieved.

Objectives or Necessity.
The objectives or the necessity of permitting workers to participate in management can be:

(i) To achieve industrial peace and harmony.
(ii) To develop internal motivation in the workers.
(iii) To boost the morale of employees.
(iv) To raise the levels of the employee production, productivity and product quality.
(v) To satisfy workers by making them feel that they have their voice in the management
(vi) To give workers a better understanding of their role in the working of industry.
(vii) To develop better mutual understanding so that the workers do not resist a change for the betterment of the concern (e.g., introduction of work study, etc).
(viii) To reduce labour turn-over, absenteeism and tardiness.
(ix) To minimize the number of grievances and therefore industrial disputes,
(x) To make managing the subordinates easy.

Types of Worker's Participation
Worker's participation in management may take many forms, e.g.,

(a) Formal participation.
   (i) Ascending participation
   (ii) Descending participation,
(b) Informal participation.

(a) Formal Participation: It consists of some plan for labour-management cooperation, i.e., to some degree, recognised as a modus operandi between management and workers, frequently through a union. Workers and management may work together on such plans as

- Accident prevention
- Elimination of waste and defective work
- Attendance & Absenteeism Employee insurance plans, etc

In Ascending type of participation, the elected representatives of, workers participate in managerial decisions at higher levels such as in the board of directors of the enterprise.

In Descending type of participation, workers participate in the planning and deciding their own work on the shop floor.
Collectively, workers can participate in

- **Works Committees** which are meant for promoting measures for securing and preserving amity and good relations between workers and management. A works committee comments upon matters of common interest and attempts to settle any material difference of opinion between the two parties.

- **Joint-councils** of workers and management may decide the issues on which interests of management and workers are identical, *e.g.*, accident prevention and safety measures, determination of production standards, worker's training, welfare measures etc.

- **Information sharing** in which workers are told about certain aspects of the company, *e.g.*, plans for expansion, financial position of the company, etc.

- **Employee's director, i.e.,** an elected representative of the (employee's or) worker's is one of the Board Directors.

Individually workers can participate in management through

(i) **Suggestion System**

(ii) **Delegation and job enlargement** in which workers plan and decide their own work.

(b) **Informal Participation**

It is more typically at the work-group level, where the foreman develops the opportunity for the group of workers to take part in a problem-solving or decision making process. Typically, the matters on which decisions are taken are those within the prerogatives of the foreman or supervisor.

**Conditions for the Success of Worker's Participation in Management**

(i) There should be an atmosphere of cooperation and trust between the management and the workers.

(ii) Workers those who are participating must be capable of understanding the problems, their complicacies and interactions.

(iii) The participating workers should be able to express themselves to their own satisfaction.

(iv) Workers should be permitted to participate in the decision on maximum of company matter, *e.g.*, introducing new machinery, newer methods of operation, etc.

(v) The participation of a worker must not adversely affect his status or role.

(vi) Discussions should be frank and free and without any reservation.

(vii) Besides caring for the immediate interests of itself, both the parties should respect each other’s interests also. For example, workers need not remain solely interested in their wages and welfare and employers in raising efficiency and reducing cost of production.

(viii) It is generally commented that "most of the relatively rare successes of such consultations to occur where an unusually progressive manager is blessed with unusually competent union officials.
UNION-MANAGEMENT RELATIONS

- Union organisations, when studied in regard to group concepts of human relations, offer a tool to improved union-management contacts.
- In large business organisations where the channels of communication are often blocked vertically upward direction, union provides the channels of communication for the workers.
- Unions are more concerned than management with the feelings and attitudes of workers.
- Union-management relations can be good as well as bad, this depends upon the attitude of towards the other.
- Many successful firms have enjoyed peaceful union-management relations on the basis acceptance of collective bargaining, union's widespread creative participation, negotiations ducted in a problem solving atmosphere and an effective grievances procedure.
- Management gave unions the chance to participate in discussions of problems affecting work e.g., safety studies, workstudy, promotion, etc.
  
  Grievance procedure provided excellent communication channels which further improved union-management relations and gave union the opportunity to carry out its function of representing' workers.
  
  - On the other hand, if union thinks management as unintelligent, stubborn, arrogant a hypocritical; and Management calls union leaders as dishonest, greedy, emotional and unscrupulous, and thus they mutually develop sharp divergence in altitude, resistance to participation, lack of understanding, failure to communicate, etc, naturally the union-management relations cannot become cordial and peaceful.
  
  - It is agreed that the conflicts or disputes between workers/union and management is inevitable because both management and union want something, it is actually, the selfishness of management as well as of union that gives rise to disputes and prevents cooperation and relations being established between the two.
  
  - Development of semi-automatic and automatic equipments and machines is also responsible spoiling (worker) union-management relations. Earlier, workers used to respect their supervisors because the supervisors possessed some definite skill to teach to workers, but later on the machines became all important, the supervisor's job was simply to enforce a set of Moreover, it became a practice to import personnels for higher levels from outside the factory. The existing staff, thus, could not work its way up in the factory organisation and this created contentment in their minds.
NEGOTIATION

Let us first go through a real life situation to understand negotiation better.

Your friends want you to come for a late night movie with them. However you very well know that your parents will never appreciate your staying away from house at late nights and you don’t even want to miss the movie as well as the company of your friends.

**What would you do? Will you fight with every one?**

Another situation

Tom went to a nearby mall and after a day of extensive shopping came across a CD player which he instantly liked. The cost of the CD player was around $30, but unfortunately he was not left with much cash. There was no way he could leave the CD player as it was an exclusive model and Tom was eyeing the product for quite some time.

**What would Tom do in such a situation?**

The answer to all the above questions lies in a simple word “Negotiation”. You negotiate so that you achieve whatever you want without the fear of conflicts or misunderstandings. It is a peaceful way of accomplishing things without making anyone angry.

We all will agree that nobody has ever gained anything out of conflicts and disagreements. Disputes in turn increase our stress and we feel restless always. One loses focus and eventually his interest in the organization goes down. It is always wise to discuss among yourselves and reach to an alternative best suited to all through negotiations.

WHAT IS NEGOTIATION?

Negotiation is a technique of discussing issues among one selves and reaching to a conclusion benefiting all involved in the discussion. It is one of the most effective ways to avoid conflicts and tensions. When individuals do not agree with each other, they sit together, discuss issues on an open forum, negotiate with each other and come to an alternative which satisfies all. In a layman’s language it is also termed as bargaining.

Elements of Negotiation

- **Process**: The way individuals negotiate with each other is called the process of negotiation. The process includes the various techniques and strategies employed to negotiate and reach to a solution.

  Negotiation
  ↓
  Process + Behaviour + Substance (Agenda)
- **Behaviour**- How two parties behave with each other during the process of negotiation is referred to as behaviour. The way they interact with each other, the way they communicate with each other to make their points clear all come under behaviour.

- **Substance**- There has to be an agenda on which individuals negotiate. A topic is important for negotiation. In the first situation, going for the late night movie was the agenda on which you wanted to negotiate with your parents as well as your friends.

To conclude, negotiation is simply a technique, a discussion among individuals to reach to a mutual agreement where everyone gains something or the other and conflicts are avoided.

**NEGOTIATION MODELS**

- **Win-Win Model** - In this model, each and every individual involved in negotiation wins. Nobody is at loss in this model and everyone is benefited out of the negotiation. This is the most accepted model of negotiation.

  Let us understand it with the help of an example:

  Daniel wanted to buy a laptop but it was an expensive model. He went to the outlet and negotiated with the shopkeeper to lower the price. Initially the shopkeeper was reluctant but after several rounds of discussions and persuasion, he quoted a price best suited to him as well as Daniel. Daniel was extremely satisfied as he could now purchase the laptop without burning a hole in his pocket. The negotiation also benefited the store owner as he could earn his profits and also gained a loyal customer who would come again in future.

- **Win Lose Model** - In this model one party wins and the other party loses. In such a model, after several rounds of discussions and negotiations, one party benefits while the party remains dissatisfied.

  Please refer to the above example once again where Daniel wanted to buy a laptop. In this example, both Daniel and the store owner were benefited out of the deal. Let us suppose Daniel could not even afford the price quoted by the storeowner and requests him to further lower the price. If the store owner further lowers the price, he would not be able to earn his profits but Daniel would be very happy. Thus after the negotiation, Daniel would be satisfied but the shopkeeper wouldn’t. In a win lose model, both the two parties are not satisfied, only one of the two walks away with the benefit.

- **Lose-Lose Model** - As the name suggests, in this model, the outcome of negotiation is zero. No party is benefited out of this model.

  Had Daniel not purchased the laptop after several rounds of negotiation, neither he nor the store owner would have got anything out of the deal? Daniel would return empty handed and the store owner would obviously not earn anything.
In this model, generally the two parties are not willing to accept each other’s views and are reluctant to compromise. No discussions help.

Let us understand the above three models with an example from the corporate world. Mike got selected with a multinational firm of repute. He was called to negotiate his salary with Sara- the HR Head of the organization.

**Case 1** - Sara quoted a salary to Mike, but Mike was not too pleased with the figure. He insisted Sara to raise his salary to the best extent possible. After discussions Sara came out with a figure acceptable to Mike and she immediately released his offer letter. Mike got his dream job and Sara could manage to offer Mike a salary well within the company’s budgets - A Win win Situation (Both the parties gained)

**Case 2** - Sara with her excellent negotiation skills managed to convince Mike at a little lower salary than he quoted. Mike also wanted to grab the opportunity as it was his dream job and he was eyeing it for quite some time now. He had to accept the offer at a little lower salary than expected. Thus in this negotiation, Mike was not completely satisfied but Sara was - A win lose negotiation

**Case 3** - Mike declined the offer as the salary quoted by Sara did not meet his expectations. Sara tried her level best to negotiate with Mike, but of no use.-A lose lose model of negotiation. Nobody neither Mike nor Sara gained anything out of this negotiation.

- **RADPAC Model of Negotiation**

RADPAC Model of Negotiation is a widely used model of negotiation in corporates.

Let us understand it in detail

Every alphabet in this model signifies something:

R-Rapport  
A-Analysis  
D-Debate  
P-Propose  
A-Agreement  
C - Close

**R - Rapport:** As the name suggests, it signifies the relation between parties involved in negotiation. The parties involved in negotiation ideally should be comfortable with each other and share a good rapport with each other.
**A - Analysis:** One party must understand the second party well. It is important that the individual understand each other’s needs and interest. The shopkeeper must understand the customer’s needs and pocket, in the same way the customer mustn’t ignore the shopkeeper’s profits as well. People must listen to each other attentively.

**D - Debate:** Nothing can be achieved without discussions. This round includes discussing issues among the parties involved in negotiation. The pros and cons of an idea are evaluated in this round. People debate with each other and each one tries to convince the other. One must not lose his temper in this round but remain calm and composed.

**P - Propose:** Each individual proposes his best idea in this round. Each one tries his level best to come up with the best possible idea and reach to a conclusion acceptable by all.

**A - Agreement:** Individuals come to a conclusion at this stage and agree to the best possible alternative.

**C - Close:** The negotiation is complete and individuals return back satisfied.

Let us again consider Mike and Sara’s example to understand RADPAC Model

**R - Rapport between Mike and Sara.** They must be comfortable with each other and should not start the negotiation right away. They must first break the ice. The discussions must start with a warm smile and greetings.

**A - Both Mike and Sara would try their level best to understand each other’s needs.** Mike’s need is to grab the opportunity while Sara wants to hire an employee for the organization.

**D - The various rounds of discussions between Mike and Sara.** Mike and Sara would debate with each other trying to get what they want.

**P - Mike would propose the best possible salary he can work on while Sara would also discuss the maximum salary her company can offer.**

**A - Both Mike and Sara would agree to each other, where both of them would compromise to their best possible extent.**

**C - The negotiation is complete and probably the next course of action is decided, like in this case the next step would be generation of the offer letter and its acceptance.**

**NEGOTIATION SKILLS**

- **React sensibly -** A good negotiator must react sensibly. He should never lose his temper or over react. If you are unhappy with the deal, show your displeasure. Don’t keep things to yourself or assume that the others will understand it on their own. One has to voice his opinions. Make the other person realize that you are not satisfied with the deal and it must be revised. Show your unhappiness to others.
- **Patience** - One needs to be patient enough for a good negotiation. It is not always that the other person will accept your suggestions in the first attempt itself. You need to convince him and it needs patience. Never be in a hurry to close the deal.

- **Confident** - One needs to be confident enough for an effective negotiation. You might need something but never show your desperation to anyone. They will take undue advantage of your helplessness. Take care of your facial expressions. Never be nervous in front of the second party. Don’t start sweating.

- **Be dignified** - One should maintain the decorum of the place and should not stoop to any level for getting the best deal. Present your ideas in a dignified way. Remember it is just a discussion, not a battle field. Avoid shouting or using derogatory statements against anyone. If you are not satisfied with the deal, it’s better to quit rather than fighting and using abusive languages.

- **Be very clear in your communication** - Stay firm on your quotes and do not change statements quite often. Don’t play with words or try to confuse others. One needs to be straightforward from the very beginning.

- **Be a good listener** - Don’t jump to conclusions; instead listen to what the other party offers. Understand his situation well. It’s okay to think about your personal interests but don’t be mad for it. If the deal is not benefiting the other party, he will obviously not accept it, don’t be after his life. If you don’t listen to others, they would obviously not respond to you.

  When a customer goes to purchase something, he must not forget that the store owner also has to earn his profits. The store owner should also understand the customer’s needs and pocket. Negotiation depends on mutual understanding.

- **Be reasonable** - Don’t quote anything just for the sake of it. Be reasonable. Don’t quote imaginary or unusually high figures. Don’t ask for anything you yourself know is not possible. It will just be wastage of time and no one would benefit out of it.