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# HR's Diary

## Industrial Relations and Union Politics

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Zahid spent his initial days learning voraciously about the Industrial Relations scenario prevalent in Dhaka Branch. The deeper he ventured, the more the degree to which union politics shaped these IR dynamics became increasingly apparent. The most intriguing aspect was the nature of the politics in itself, relating to a concept coined "industrial democracy". This is an innate phenomenon of the IR system, which was legally recognized by the Industrial Relations Ordinance 1969 (and is now embodied in Chapters XIII and XIV of the Bangladesh Labour Act 2006). Although the labour laws were covered in his in MBA courses, he could confess now that he had not foreseen such a scenario to realistically prevail in the practical field.

Dhaka Branch had one union, registered with the Registrar of Trade Unions. Legally, the workers could have opted for registration of three unions (each having 30% of the workforce as its members). The workers of Dhaka Branch chose to have only one union with the provision in its Constitution that the members of the executive committee were to be elected by them after every two years. Zahid was curious to know the reason behind this, but was not able to get to the answer right way.

He had once, very naively asked one of the leaders, 'Why don't you have three unions when you are legally allowed to?'

At the question, the leader had dissolved into laughter. 'Sir, the convoluted just one union arises is not enough? Just think of a situation when there are three unions the issues would

undoubtedly be three times as much." Zahid thought for a moment and wholly empathized with the sentiment. However, after a bit of digging, he discovered the true intent behind the policy, the credit of which he attributed to the management. The then management had successfully convinced the labour leaders and their supporters about accepting the idea of having one single union in favour of avoiding all sorts of future complications that could contribute to regular escalating conflicts. This was the prevalent trend of the industrial sectors of the country. Zahid took this strategy to be the most positive thing on the part of both the union leaders and the management of Dhaka Branch.

He considered the IR situation in the Adamjee Jute Mills and Chittagong Port. Whereas the labour laws restricted it to three registered unions in any establishment, each of these places had four to five unions registered with the Registrar of Trade Unions. He did not understand how this had been allowed. A couple of years later, when he had become a member of a Labour Court, representing Bangladesh Employers' Association, he discovered the answer.

Back in Dhaka Branch, where there was only one registered union - that was the Collective Bargaining Agent (CBA) - there was no requirement for electing a union as CBA. Thereby, this single union entity became the CBA of Dhaka Branch by default. Every two years, there were elections held, and the workers would elect their leaders of choice to become the members of the executive committee to assume the 'power' of CBA. Therefore, the leaders were committed to prove their leadership's worth by continuously demonstrating their capability of solving 'issues' with the management. Otherwise, they would no longer have the support of the workers in the next election. So, willingly or unwillingly, the existing or prospective leaders would have to resort to different kinds of activities to establish their legitimacy. There lies the built-in phenomenon of 'politics' in the labour laws directing the industrial relations situation in any industrial or commercial establishment. Zahid knew now; he understood why, the other day, the Assistant General Secretary of the union had torn out his ear plug immediately after they were issued to the employees of Dhaka Branch. Keeping up appearances was very much important, and so was playing the part of the so-called demonstrations of their 'concern'.

Once the relationship with him grew more congenial, Zahid asked the Assistant General Secretary point blank, 'Why did you have to tear the ear plug when you knew for a fact that it was a necessary safety item and issued to the workers for their betterment only? There was no hidden agenda, didn't you know?'

The assistant general secretary answered, 'Sir, you will come to realize the reasons if you stay with us for some more time. You have to understand our point of view also.'

'Which is what?'

'Sir, this is very simple - first of all, the management had not involved us in the decision-making process. We were aware of the procedural development and the preparations by the management in importing the safety devices and the subsequent program they undertook to issue those to the workers. The importance of the step of communicating with the workers' union was completely ignored, even though the project was for the workers' health and safety. If we had accepted the issuance, without voicing our objections for not being consulted, we would not have sufficiently made a statement about the union's right to know and be involved in workers' affairs. As well, the management needed to understand the importance of communication with us - be it regarding petty or big matters. Secondly, had we allowed the issuance without making any noise, the opposition candidates would have gone to the workers with a skewed take on the circumstances. They would have availed the opportunity of claiming that we, the currently elected union members, were not concerned for the workers, or making an issue that the ear plugs were of low quality (although those were not in fact), and that we had collaborated with the management in accepting those; amongst many other such stakes, they would have propagated that we do not have any

voice.'

Things were getting clearer, and Zahid started to realize the rationale behind such acts.

Zahid had yet to clarify matters. 'But you knew that ear plugs were going to be issued on that day,' he said to the AGS.

'Yes we knew and as such we also took the preparation that would make us be heard, if we were not communicated formally. We held out till the last moment, but as the management did not care to talk to us, we had to make some noise. Even a formal sitting for five-ten minutes would have sufficed.'

More needed to be understood, 'You managed to make your point adequately and could have stopped there. But you decided to go further and create more issues with the charge sheet matter. Why?'

'Sir, the management did not provide us with any 'face-savers', and gave us no leverage of an escape route. You are new here but the management of Dhaka Branch should have thought about this a long time ago.'

Zahid became more amazed as he uncovered more facets of this complex phenomenon. So many intricacies were involved in every little matter, and so much of detail and proactive thinking needed consideration when handling IR matters effectively. Two buzz points held his interest-

- The importance of formal communication with the union in introducing anything involving the workers, and
- Keeping a face saver as an escape route for the party in dispute to diffuse an IR situation.

After encounters as such, Zahid became quite aware about union politics and recognized that to be a reality. He was also sure about the fact that it was a part of any industrial relations system (IRS). It also became very clear to him that he would never be able to avoid union politics, and had to live with it, and adapt.

So, his major option for excelling in IR was to learn, monitor and control the industrial relations related politics existing in Dhaka Branch. After all at the end of the day, it was the HR guy's duty to ensure that all these events do not hamper the productivity or environment of the Branch. Zahid was no exception - he also had to be party to the whole IR framework. Zahid committed himself to taking up the challenge to monitor and control the IR by playing his due part but in a positive light.

The legitimizing procedures for the CBA went as such: The members of the executive committee of the CBA were chosen through workers' votes. The aspirant leaders launched their campaigns before the election. For making the campaign successful, the leaders in power and their opposition both had to resort to making promises and commitments to the workers that ultimately would lead to increasing workers' salaries and benefits. Management could not obstruct or state objection to these for fear of unfair labour practice on their part. However, as per the labour laws, union leaders could also be held to committing unfair labour practice if they resorted to the campaign during working hours.

Being the HR Head of the Branch, Zahid was wary of the fact that he had to be very careful not to be blamed for practicing unfair labour practice by obstructing, and at the same time he had to ensure that the working hours were never affected. Zahid also started

understanding that the campaign kept continuing throughout the year directly or indirectly. So, he also had to be equally alert by closely monitoring so that nothing got out of hand. Zahid sensed that this would not be an easy job at all, and rightly so.

During the initial interaction, Zahid had identified strong negative sentiments from the union leaders regarding management intervening in their politics. They despised such involvement. It also came to his knowledge that some of the management staff was indirectly involved in union politics. With some effort on his part, he was able to unearth the traditional ways adopted by some of the management staff to control the IR. These managers believed in the traditional methods through:

- nurturing and maintaining loyal informers by giving extra facilities out of the way,
- keeping the opinion builders under control by providing undue advantages,
- creating adverse situation for leaders who were not in favour of the management so that they would not come to power through election, and
- manipulating the situation in favour of the leaders whom the management wanted to bring to power so that they would support the management action.

Zahid knew that the tactics stated above were a means to an end adopted by some of the managers, not to serve their own purpose, but to gain control of the situation. This was to ensure that the IR situation was in favour of the management actions - whatever they may be. These practices consequently gave birth to constant irritants, which in the long run did not favour management actions, but perpetuated the distrust between management and the union. The management ultimately lost sight of the big picture or obvious omens which then exacerbated into unnecessary conflicts, like what he had experienced during the event of the ear plug issuance.

Zahid analyzed all available factors from top to bottom and evaluated his own stance and future approach. The main obstruction he felt was the continued 'distrust' between the management and the union which got augmented by the traditional views of the management and the approaches to deal with those. This approach not only was nurturing the distrust but also creating communication gap which cemented it further.

To Zahid, this approach was too conventional and lacked creativity or flexibility in terms of creating an IR situation congenial to productivity and efficiency. He figured as time is constantly changing, and life and its circumstances along with it, so are the attitudes and outlooks of the workers and their leaders. He thought that something of more modern practices needed to be followed which would not only adapt to the changing landscapes, but also bring forth the expected result in terms of improving the productivity and efficiency, contributing to the significant improvement in profitability.

He found that the union leaders were also beginning to understand his attitude and approach. They gradually started opening up to him. He would have to make them see and believe that he was different and that his attitude towards the leaders was not like his predecessors. He wanted to facilitate for an environment of trust and cooperation. Although that would be a tall order, Zahid believed it could definitely be achieved. He wanted to have his own direction shaping the following:

- He did not feel the necessity at all to promote favouritism of convenience. He was unwilling to wrangle special person(s) loyal to him who would continuously feed him with information

about union leaders' activities and their plans and programs. He knew that for this he would have to give them extra facilities unduly. This would definitely create weakness on his part and leave scope for the union leaders to exploit such. He could assume that the union leaders knew for sure had such management staff pinpointed. In fact he would not be surprised if these persons were used to feed 'dis-information' to the management to divert the attention from their main actions. Moreover, they were likely to be used to learn the advance information on management intentions.

- He wanted to spend some time identifying the real opinion builders or key persons behind the scene. He negated the idea of keeping the opinion builders under control by providing undue advantages. Rather was opting for gaining their insights by engaging them into different activities or events which nurtured new ideas or concepts in narrowing the gaps between the management and the workers. He would also create a forum or briefing sessions where ideas would get generated, heard and discussed, as well as critiqued and ideas accepted, in the process seriously, in order to give them a sense of empowerment and inclusion in decision making processes.

- In creating adverse situation for the leaders who were not in favour of the management Zahid believed that it would require getting involved in nasty politics so that they wouldn't come to power through election. This would definitely make him a controversial character in front of some of the leaders and in the long run would make him lose his credibility to the entire leadership - both in power or opposition. This would neutralize his effectiveness in implementing management actions as well as make the situation difficult to sell new ideas or concepts of productivity among the workers.

- He could not accept the idea of manipulating the situation in favour of the leaders whom the management wanted to bring to power so that they would support the management action. What would happen if they would not come to power in the next term - would be then the main point of concern. This would negate all the efforts of the management and render them obsolete. Further, this would negatively impact the management's efforts to come out of the non-cooperative situation. Distrust and discredited management would not be able to take forward actions which could bring in win-win situation.

Having analyzed the factors contributing to and shaping union politics, Zahid felt that it had to be accepted as a necessary reality from the point of view of labour laws, and needed to be negotiated positively. There was no alternative available to him but to 'establish not only his own credibility but that of the management as a whole.' Although union politics is considered to be synonymous with industrial democracy, the latter has to be considered in the sense more of 'participation in decision making.' Zahid at this stage wanted to concentrate on union politics only and at later dates on 'industrial democracy' when the situation would mature enough to call for that additive lens.

(This is sequence 8: to be continued)

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