



March , 2012

| HUMAN RESOURCES |

HR's Diary Understanding the Industrial Relations Situation

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Setting the course right would be the first step in the stormy waters. There was no scope for trial and error; Zahid was pretty sure about it. The only alternative available to him was getting drowned - which even a child would opine as a nightmarish and self-destructive choice. Zahid spent first few days in prioritizing the steps he could embark upon. In the wake of his first encounter with the union leaders he thought dealing with the industrial relation (IR) situation should be his immediate focus. He could very well sense -- a mild dissonance due to his inept handling of IR could lead to disastrous impact on the production floor. He concentrated on gathering the current stock of the situation which shaped the industrial relation situation of Dhaka branch as well as the Company.



He tried first to understand the relation between the management staff and the union leaders; to his utter surprise he found it to be no different from the prevailing notion at the national level - 'totally adversarial'. The management in general believed that the union leaders were only good at creating pressures to gain undue benefits and privileges without increasing their contribution to productivity. On the other hand, the union leaders were strong in their beliefs that the

management was out there always to exploit them. The inherent trend was totally confrontational which was like sitting on a volcano ready to erupt at any time.

There was a general tendency to disregard the laws, rules and regulations on the part of the union leaders and workers. Perhaps, the tendency got brewed owing to the adversarial relations. Union leaders thought that rules and regulations always favoured the management as such were very much the tools given to the management to exploit them. Any step taken by the management no matter how good it was for the workers' welfare in general was perceived negatively by the union leaders.

Zahid got utterly surprised to watch an incident helplessly just the following week. Owing to company safety policy management decided to issue ear plugs to the workers. Union leaders were not briefed in advance for fear that they would as usual object to this. When the first worker was about to be issued the ear plug, the Assistant General Secretary of the union rushed to the spot and snatched away the ear plug and tore it apart. Reacting to this legitimately, when the management tried to issue charge sheet to the said Assistant General Secretary for his misconduct, other leaders of the union snatched the paper and tore the same apart also. There was pandemonium at the production floor and resultant work stoppage for two hours. Zahid remembers now he had to spend one full month on this to bring back normalcy in the branch.

There was a lack of discipline in general in the production floor -- the union leaders very often forced the managers to concede to their illegal demands without regard to the legal rights or procedures.



However, he also found similar attitude of the management to disregard the specific provisions of the labour laws or even they settled with the CBA agreement which did not favour them. There was a continuous hitch as regards setting the manning level. The management always thought that it was their management right to set the manning level whereas union leaders forced them to settle the manning through mutual discussion. Zahid found an inherent conflict in the whole industrial relations situation - legally union leaders could raise dispute on the 'employment and non-employment of any person' whereas the management would always think setting the right manning was an important means for improvement of the productivity leading to better efficiency and profitability. In its crude sense - more productivity always meant less employment to the

union. This had been the sole factor for leading them to exercise their right to raise dispute on manning.

Another factor bothered Zahid very much - politicization of the unionism - internally and externally; internally participation by the rival union leaders as well as some of the management staff (patronizing their favourite leaders) and externally by the political leaders. It was true that the prevalent industrial democracy leading to the election of the trade union leaders and CBA gave birth to such political factor. It has been the constitutional right of the workers (and of the employers as well) to have their own trade associations and electing their own leaders as the office bearers thereof. Zahid knew that this phenomenon had to be accepted and taken into consideration for moving forward. Nevertheless, he was pretty sure that it could very much be used positively.

Zahid experienced the ear plug issue which exemplified the fact that the union leaders could go on doing many things without observing the legal formalities; but the management could not afford to for the sake of continuation of uninterrupted production. Succumbing to the national trend - the administration in this MNC was also labour leaning in most of the cases (for the fear of rocking the boat).



Zahid found the following major constraints in the IR environment:

- Absence of industrial culture: like most of the industries in the country, there was conspicuous absence of industrial culture in this MNC also. Compared to the sister concerns of this MNC in other countries especially in the western regions, this tendency was considered by the top management to be a major hindrance to increasing investment in Bangladesh.
- Inexperience in people management: much more attention was given to the exposure and competency in technology compared to the worker management. This led to leaving the IR situation to be handled by inexperienced management staff and the tendency got perpetuated.
- Low level of literacy: the workers in general were having low level of literacy which contributed greatly to misunderstanding and skepticism. Lots of issues which could easily be settled on the table spilled over to production floor due to misgivings and lack of clear concepts.

- Inadequate training on industrial relations: no effective training was imparted to the union leaders on labour laws or industrial relations fearing that they would be more uncontrollable if they knew more without understanding the actual ramifications or implication of those laws.
- Lack of interest in general to develop professionalism in IR handling: this type of career was considered to be the 'hot seats' and as such were not coveted positions. Both career wise and in terms of management's interest - there was not much visible effort to develop professionalism in IR handling.

Zahid analyzed further and zoomed in on the following specifics for prioritizing his action plans for the next few months:

- HR management in the branch who was supposed to deal with only IR matters got tagged with a variety of other administrative functions and as such had very little time to concentrate on monitoring the IR matters.
- The person who was dealing with IR matters was relatively a junior level manager both in terms of position and maturity.



- Top management used to get involved only to deal with major crisis situations; as such most of the time the development in IR scenario in the branch was left in the hands of the union leaders to serve their own internal political interests.
- No importance was given in terms of continuity of action or thought to control the IR situation molding in favour of atmosphere congenial to productivity.
- The managerial response to any particular IR crisis quite often was ad hoc in dealing with a problem - basically a patch-up job not in continuation with well rooted thought.
- Most of the time, when an IR situation hell broke, no detailed understanding of the situation was reached. The result was embarrassment to the management in most of the cases.

- Lack of long term strategies was observed in dealing with IR matters resulting in compromise in buying the peace only.

Zahid did not want to waste much time on further analysis and researching out. He set his own targets and decided to concentrate on the following both on short and long term bases:

- He would have to re-examine the concept of 'give' and 'take' which actually shaped the IR situation in the branch at that moment historically being the sole basis of union negotiation.

- He wanted to set a greater degree of institutionalization in terms of quickness in responding, or formulation of rules and procedures, which would govern one and all equally and fairly.

- He was sure that he had to go for some kind of productivity accounting for re-looking at the cost of human resources as a percentage of operating expenses for achieving a better blend and harmony of organization goals and individual goals and aspirations.

- He thought that more attention had to be paid to productivity bargaining, production planning and control and systems design.

- To his understanding, softer areas where behavioural dimensions were involved to be utilized meaningfully like workers participation, job enrichment schemes, career planning and development schemes.

- Along with the daily privation of life coping with inflation and lower purchasing power of taka, the management also would have to deal with the psychological dimensions of workers reacting to the technological changes.

- Cost accounting should also include the issue of real wage vis-a-vis productivity increase. He believed that productivity did not depend on the workers' efforts alone. There was other management decision factors which equally contributed and as such needed to be exposed.

- He thought that development of bipartite relationship within the organization was very important for maintaining congenial IR situation, i.e. between the HR department and the union.

- Developing and empowering HR department to perform a pro-active role was felt very important so that he could plan strategies for the future both in terms of anticipated demands from union and plans/schemes to be put forward by the management.

- Creating desired 'work-ethic' was another area which he thought would need to be implemented for a better integration of goals between the individual and the organization.

- He committed himself to maintaining HR function on par with other functional heads at the top level of the branch.

- Grievance machinery and disciplinary procedure contributed to IR situation both negatively and

positively and as such needed immediate revisit by him.

- Establishing an effective two way communication was the single most important area which shaped the IR situation in the branch. He would have to spend most of his time in the next couple of months on improving two-way communication alone. To him the ear-plug issue was nothing but a manifestation of distrust resulting from poor management-union communication.

To achieve the plan of action effectively, Zahid singled out one factor that would be required before anything else - that is 'establishing his own credibility both with the union leaders and the management.'

(This is sequence 7: to be continued)

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