

A FRAMEWORK FOR MEASURING LABOUR-MANAGEMENT RELATIONS

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This paper addresses how LMR can be measured empirically in the organisational context as available literature indicates a noticeable dearth of direct theoretical explanations proposing on the measurement of LMR. Seventeen criteria are suggested to use for the purpose of measuring the degree of LMR and also two approaches termed as secondary data passive approach and primary data active approach are proposed.

INTRODUCTION

A nation's ultimate goal is Higher Standard of Living (HSL). In order to achieve HSL a nation endeavours to accomplish goals such as higher per capita GDP, better literacy, high quality physical environment, longer life expectancy etc. These goals can only be achieved through higher GDP growth which heavily depends on productivity. Labour-Management Relations (LMR) is one of prime determinants of a nation's productivity and then HSL. As a matter of fact it is one of the three guiding principles (other two are fair distribution of productivity gains and increase of employment) being followed by Japan Productivity Centre for Socio-Economic Development. Miyai (1995, p.3) points that productivity improvement can not be achieved without sound and constructive LMR. Healthy labour relation climate has been placed second out of fifteen productivity promoting factors by Suri (1995, p.16) for public sector, private sector and small scale industry as well.

There is no limitation for when the issue of LMR affects and where it affects. Inappropriate LMR is a severe problem which can cripple not only industry but the entire country. It will result in the creation of industrial unrest and disruption of industrial peace which causes many evil consequences such as decline of employee morale, damages to organisations' properties

and public properties as well, wastage of resource, decline of foreign and domestic investment, hindering expansion programmes of industrial units, deteriorating law and order, jeopardising political stability, impairment of overall organisational efficiency and effectiveness and many more. Apart from the above, inappropriate LMR is a human problem because it surfaces behavioural problems of managers workers and union officials. In summary, management and labour constitute a kind of private government of the workplace (as identified by Mills, 1978, p.5) which, to some degree, may affect all our lives, even the lives of those who have no direct dealings with either management or labour. Hence the issue warrants scientific investigations. To do scientific investigations or research, measurement of the concept of LMR is imperative.

SOME VITAL QUESTIONS

The following questions are vital in relation to the issue of LMR.

1. What is meant by LMR?
2. What are the aspects involved in LMR?
3. How can LMR be measured empirically?
4. What are the determinants of LMR?

5. How to establish an appropriate LMR in industry?
6. How to maintain an appropriate LMR in industry continuously?

This article is an attempt to answer 1st, 2nd and 3rd questions. Even if the available literature is quite enough to answer first and second questions, a careful analysis of available literature indicates that there is a noticeable dearth of direct theoretical explanations proposing on the measurement of LMR. Available main text books on industrial relations/LMR/Personnel Management/Human Resource Management do not address the issue of measuring LMR. Hence the main objective of this article is to develop and present a framework of measuring the concept of LMR, based on the adapted answers for the first and second questions, using available literature.

CONCEPTUALIZATION OF LMR

As the concept of LMR is somewhat fuzzy and imprecise it is essential to make the concept more specific and precise. LMR is an abstract concept rather than a concrete concept. Furthermore, there is no unanimity on the meaning of "LMR" as different terms such as "Labour Relations", "Union-Management Relations", "Employee Relations", "Industrial Relations" etc. are used synonymously.

While the Dictionary of Personnel Management (Ivanovic, 1988, P.108) defines labour as workers, the Oxford Paperback Dictionary (1979, P.352) defines labour as working people distinguished from management.

The Dictionary of Personnel Management (Ivanovic, 1988, P.117) defines management as group of managers or directors. Management means people engaged in the process of managing a business as defined in the Oxford Paperback Dictionary (1979, P.386). Mills (1978, P.4) describes supervisors as management and nonsupervisory personnel as labour.

According to Collins Birmingham University International Language Database English Language Dictionary (1978, P. 1217) a relation between two people or groups of people consists of all the feelings, connec-

tions, dealings and communications that exist between them. The same Dictionary defines those relations as contacts between different people or group of people and the way in which they behave towards each other.

The term Labour Relations (LR) describes all interactions between labour and management in situations in which employees are represented by a trade union (Stone and Meltz, 1982, P. 360). Glueck (1979, P.430) defines that LR is a continuous relationship between a defined group of employees (represented by a union or association) and an employer. Collective relations between labour unions and management are called LR or LMR (Singh et. Al., 1990, P.365). The Dictionary of Personnel Management (Ivanovic 1988, P. 108) defines LR as relations between management and workers or between groups that represent them. When this definition is compared with other definitions given above, it seems to be broader as it involves both relations between individual workers and manager(s) and collective relations between labour unions and management.

Having taken into account many definitions of LMR provided by available literature, it is possible to draw a conclusion that the concept has been defined narrowly and broadly as well. Narrow definitions involve collective relations between unions and management only. While broad definitions involve individual relations between workers and management in addition to collective relations between unions and management. For the perspective taken in this article, a working definition of LMR would be as follows:

"The continuous relations both between workers and management and between workers' organisations and managers in an organisation".

Having defined the concept of LMR, next the attempt is made towards identifying elements (which are termed as indicators) involved in the concept and defining them as precisely as possible.

Tripathi (1992, P. 467) observes that good industrial relations means absence of disputes between the two parties and existence of understanding, co-operation and partnership between them. Accordingly, there should not be disputes between workers and management and understanding, co-operation and partnership between workers/unions and managers should be

present. Four indicators of, LMR can be derived from this observation, viz. disputes, understanding, co-operation and partnership between workers and management.

According to sec. 48 of the Industrial Disputes Act in Sri Lanka an "Industrial dispute" means any dispute of difference between an employer and a workman or between employers and workmen or between workmen and workmen connected with the employment or non-employment, or the terms of employment, or with the conditions of labour, or the termination of the services, or the reinstatement in service, of any person. The Dictionary of Personnel Management (Ivanovic, 1988, P. 60) defines industrial disputes or labour disputes as arguments between management and workers. There are several forms of disputes.

EXHIBIT - 1 DEFINITIONS OF FORMS OF DISPUTES		
Form of Dispute	Definition	Source
Strike	Organised stopping of work by workers in order to strengthen their position in bargaining with management or because of lack of agreement with management or because of orders from a union.	Dictionary of Personnel Management, Ivanovic, 1988, P. 171
Work-to-rule	Working strictly according to the rules agreed between the union and management and therefore very slowly, as a protest.	Do, P. 192
Token Strike	Short Strike to show that workers have a grievance.	English Business Dictionary, Collin 1986, P. 310
The overtime Ban	Refusal to work overtime when required by the management.	Silva, 1978, P. 29
Picketing	Union members/workers march to and from before the organisation carrying and displaying placards or banners bearing statements regarding the dispute.	Silva, 1978, P. 44 - 5
Go-slow	Workers perform the work as slowly as possible to hinder or slow down the production	Do, P. 29
The running sore strike	The refusal by employees to perform one part of the duties of each worker at a particular time and for a prolonged period.	Knowles, strikes, Oxford, 1952, P. 11 as in Silva, 1978, P. 28

Strikes are the most common form of disputes (Tripathi, 1992, P. 433). Other forms of conflicts include work-to-rule, the running sore strike, token strike, the overtime ban, picketing and go-slow etc. Definitions of these forms of disputes are given in the following exhibit.

Though Tripathi (1992) does not elaborate the term "understanding" the Dictionary of Personnel Management (Ivanovic, P. 182) defines the term as private agreement. Private agreements between unions and management are termed as collective agreements in the field of LMR. Glueck (1978, P. 637) points out that LR includes the negotiation of a written contract concerning wages, hours, and other conditions of employment and the interpretation and administration of this contract over its period of coverage. If the negotiation becomes successful it results in a collective agreement which should be interpreted and administered without violating its any term or condition or rule by both parties over its period of coverage. The absence of collective agreement implies that rules regulating employment relations are not jointly agreed and determined by management and union(s).

Cooperation means the ability to work harmoniously with others in the interest of overall organisation and have good human relations with others (Tripathi, 1991, P. 218). Umstot (1984, P. 435) defines that cooperation is working together to achieve mutual goals. Explaining the roles of management and trade unions in bringing about a positive work culture, Pinto (1995, P. 64) points out that.

"In voltas, a start has been made, by first of all organising a joint training programme for unions and management. Renowned speakers from the trade union movement as well as management consultants and industrialists were invited to address the participants. Considerable debate was engendered and the conclusion unanimously arrived at was that the company would find it hard to progress unless management and unions sought to cooperate with each other than take adversarial stands". Accordingly, cooperation between workers/unions and management is an important indicator of sound LMR.

Partnership is a relationship in which two or more people work together as partners (Collins, Birmingham

University International Language Data Base English Language Dictionary, 1987, P. 1047). Based on this dictionary definition, workers and managers should work together as partners in LMR in order to achieve organisational goals and objectives. As partners of the organisation workers should participate in managing or making decisions to accomplish organisation's goals and objectives. Hence, Workers' participation seems to be an indicator of LMR.

Finding correlates of quality of work life, Gani and Ahmad (1995, P. 15) considered LMR as one of relational factors and defined it as the extent to which the union and management recognise mutual goals and are working together. Two important indicators which emerge from this observation are: recognising mutual goals and working together.

Mutual means reciprocal. In order to recognise mutual goals both workers and managers should understand goals of each other. Having obtained this understanding workers should recognize that managers have goals to be accomplished on behalf of the organisation and managers should recognise that workers have their own goals to be achieved by working for the organisation. The second indicator derived from the definition given by Gani and Ahmad (1995, P. 15) is working together, which is in fact cooperation between workers and managers.

One of the consequences of unhealthy relations between supervisors and subordinates is absenteeism (Mamoria, 1991, P. 301). Tripathi (1992, P. 279) shows that relations with supervisors is one of causes of absenteeism. According to Mamoria, absenteeism signifies the absence of an employee from work when he is scheduled to be at work; it is unauthorised, unexplained, avoidable and wilful absence from work. There are many factors affecting absenteeism such as industrial fatigue, unsatisfactory family conditions, social and religious ceremonies, alcoholism, indebtedness, inappropriate personnel policies, inadequate leave facilities, transport difficulties, etc. Absence of workers from the regular work owing to bad relations with management seems to be an indicator of LMR. If there is no absence of workers owing to bad relations with management if other things being remained constant or

favourable, it probably implies that LMR is not unsatisfactory.

Labour turnover seems to be an indicator of LMR. Turnover is the process in which employees leave an organisation and have to be replaced (Mathis and Jackson, 1988, P. 536). One of the avoidable causes of labour turnover is bad relations with supervisors (Singh and et. al, 1990, P. 348). The number of workers who have resigned and left the organisation owing to bad relations with management (owing to grievances, conflicts etc.) seems to be an indicator of LMR. If the workers' turnover owing to bad relations with management is zero for a particular period being concerned (if other things being remained constant or favourable) it is probably a sign of good LMR.

Presence of workers' grievances indicates that LMR is being weakened or poor. Davis (1971, P. 34) defines, a grievance as "any real or imagined feeling of personal injustice which an employee has concerning his employment relationship". A Grievance, whether expressed or unexpressed, real or imaginary, may be a serious potential source of conflict. Absence of workers' grievances probably implies good LMR within the business organisation.

OPERATIONALIZATION OF LMR

Now the attempt is focused on specifying a concrete empirical procedure that will result in the measurement of LMR. The degree of LMR in an organisation may be measured by using the following criteria/variables.

1. Extent of co-operation
2. Extent of participation
3. Degree of understanding mutual goals/interests
4. Frequency of strikes (work stoppages)
5. Average duration of strikes (work stoppages)
6. Frequency of other disputes such as work-to-rule, token strike, the overtime Ban, Picketing, Go-slow and the running sore strike
7. Extent of attempts to reach collective agreements
8. Extent of collective agreements made

9. Frequency of violating a term/rule of agreements
10. Extent of absenteeism owing to bad relations
11. Extent of worker turnover owing to bad relations
12. Amount of grievances suffered
13. Amount of grievances presented
14. Amount of grievances settled
15. Amount of grievances settled for grievant's satisfaction
16. Availability of formal grievance settlement procedure
17. Suitability of existing grievance settlement procedure

Through the use of the above criteria it will be possible to do empirical investigations representing the concept of LMR in the real world. As the concept of LMR is so abstract that many criteria (seventeen) are suggested to use to tap the concept. Four criteria i.e., 1, 2, 3, and 17 are considered as subjective criteria as they are qualitative, difficult to measure directly and are attributed with values based on individual judgement. The other fourteen criteria are objective as they are quantitative, possible to measure directly and verifiable by others.

The degree of LMR can be measured for a certain period of time (this may be one year or two years or 5 years etc.) and two approaches are suggested to use in measuring LMR. First approach measures LMR by the reference of records maintained at the management and the union office(s) of the organisation being concerned without querying individuals. As this approach uses secondary data (data collected or prepared by others) and does not query individuals this is termed as Secondary Data Passive Approach (SDPA). Second approach measures the phenomenon of LMR by the querying of respondents in respect of the phenomenon. As this approach uses primary data (data which have to be gathered for the purpose from original sources) and queries individuals, allowing them to actively participate in the act of gathering data this is termed as Primary Data Active Approach (PDAA).

While SDPA can not be used to measure the subjective criteria (i.e. criteria 1, 2, 3 and 17) by limiting it to mea-

asuring the objective criteria only, PDAA is possible to use in measuring all the criteria mentioned above. Under PDAA three separate questionnaires can be developed and administered to workers, managers and union officials. Administration of three questionnaires to workers, managers and union officials as respondents enhances the accuracy of the measurement of LMR by considering perceptions of all the three parties involved in LMR. The responses to the questions under each criterion can be elicited on a 3 point scale of 'agree, undecided, disagree' or 'none, one, more than one' or 'not at all, several, all' depending on the questions (use of summated scales). Weightages of 1, 2 and 3 are given to these responses taking the direction of the question items (whether they are negative or positive) into account. Alternatively Likert Scaling of 'strongly agree, undecided, disagree and strongly disagree' can be used by assigning scores of 0 to 4 or 1 to 5, taking the direction of the items into account. Figure 1 depicts a typical questionnaire which could be given to workers to get their perceptions of LMR in an organisation.

Exhibit - 2 - Questionnaire For Workers

LABOUR - MANAGEMENT RELATIONS

(For One Year)

Please indicate whether you (a) agree, (b) are undecided or (c) disagree with the following statements:

Co-operation

1. You and your supervisor have worked together to achieve organisational goals/targets. (Agree / Undecided / Disagree)
2. When your help is requested you help your superior willingly. (Agree / Undecided / Disagree)
3. You always feel like cooperating your managers Plans, works etc. (Agree / Undecided / Disagree)
4. You always trust your superior (Agree / Undecided / Disagree)
5. You generally trust the management of the organisation. (Agree / Undecided / Disagree)

6. You have to work collaboratively with the superior because of the fear to him/her (Agree / Undecided / Disagree)
7. You have seen a considerable opposition to Your superior (Agree / Undecided / Disagree)

Participation

8. You are encouraged to give your suggestions to the superior on various job matters (Agree / Undecided / Disagree)
9. Unilaterally your superior makes decisions which affect you (Agree / Undecided / Disagree)
10. To get your ideas, opinions and suggestions etc. your superior consults you before making final decisions. (Agree / Undecided / Disagree)
11. Your suggestions are considered carefully and Accepted, if found suitable. (Agree / Undecided / Disagree)
12. Your superior joins with you in making decisions (Agree / Undecided / Disagree)
13. If you are asked to participate in decision making, you would like to do so as much as possible (Agree / Undecided / Disagree)
14. You are happy to be consulted before making decisions by your superior. (Agree / Undecided / Disagree)

Understanding mutual Goals/Interests

15. You understand that your superior has objectives to be attained so as to achieve organisation's goals & objectives (Agree / Undecided / Disagree)
16. You have been communicated clearly about the goals and objectives of the organisation (Agree / Undecided / Disagree)
17. You understand that organisation's goals and objectives lead to fulfil owners' needs and desires only (Agree / Undecided / Disagree)
18. You have been clearly informed about your Job's goals/objectives and you perceive them as reasonable (Agree / Undecided / Disagree)

19. Your superior understands that you have Your own personal goals/objectives (Agree / Undecided / Disagree)
20. You have communicated your personal Goals/objectives to your superior (Agree / Undecided / Disagree)
21. It is essential to advance well-being of all concerned-owners, managers as well as workers including yourself. (Agree / Undecided / Disagree)
22. Success of your life depends heavily on the Success of the organisation in which you are working (Agree / Undecided / Disagree)

Strikes

Please tick () the appropriate box

23. During the last year, how many strikes in which you had to participate?
- None
- One
- More than one
24. In average how long did strikes last?
- Several days
- Several weeks
- Several months
25. To what frequency did the following conflicts occur in your organisation during the last year?
- 25.1 Work to rule (None / One time only / More than one time)
- 25.2 The Running-sore-strike (None / One time only / More than one time)
- 25.3 Token strike (None / One time only / More than one time)
- 25.4 The overtime Ban (None / One time only / More than one time)
- 25.5 Picketing (None / One time only / More than one time)

- 25.6 Go-Slow (None / One time only / More than one time)

(Definitions in Exhibit - 1 should be given under each conflict so as to help the respondent to understand)

Collective Agreements

26. Do management and your union work according to collective agreement/s?
- Yes No
27. Since the last year how many times did your union attempt to reach an agreement with management over employment matters such as wages, incentives, benefits, holidays etc.?
- None
- One time
- More than one time
28. How many times did your union and management come to agreements since the last year?
- None
- One time
- More than one time
29. How many times did the management violate a term of collective agreement?
- None
- One time
- More than one time

Absenteeism

30. How many times were you absent to bad relations with your superior over the last year?
- None
- One time
- More than one time

31. As you know, how many colleagues or workers were absent owing to bad relations with managers over the last year?

- None
- One time
- More than one time

Worker Turnover

32. As you know, how many colleagues or workers have resigned and left the organisation owing to bad relations with supervisors/managers over the last year?

- None
- One
- More than one

Grevances

33. How many grievances did you suffer from in relation to your job, working conditions and other related matters during the last year?

- Not at all
- Several
- All

34. To what extent did you present those grievances to your superior or management for redressal?

- Not at all
- Several
- All

35. To what extent did your superior/management solve your grievances presented?

- Not at all
- Several
- All

Please indicate whether you (a) agree, (b) are undecided or (c) disagree with the following:

37. There is a formal grievance settlement procedure by which you can present your grievances (Agree / Undecided / Disagree)
38. Existing procedure is suitable (Agree / Undecided / Disagree)

As the questionnaire consists of 38 statements the following score values would be revealing.

- 38 X 3 = 114 Favourable response
- 38 X 2 = 76 Neutral response
- 38 X 1 = 38 Unfavourable response

The scores for any respondent would fall between 38 and 114. If the score happens to be above 88, it shows favourable perception to the degree of LMR, a score of below 63 would mean unfavourable perception. A score of exactly 88 would be suggestive of a neutral perception of the degree of LMR. The overall score represents the respondent's position on the continuum of favourable-unfavourableness towards the issue of LMR.

Figure - 1 Continuum of LMR

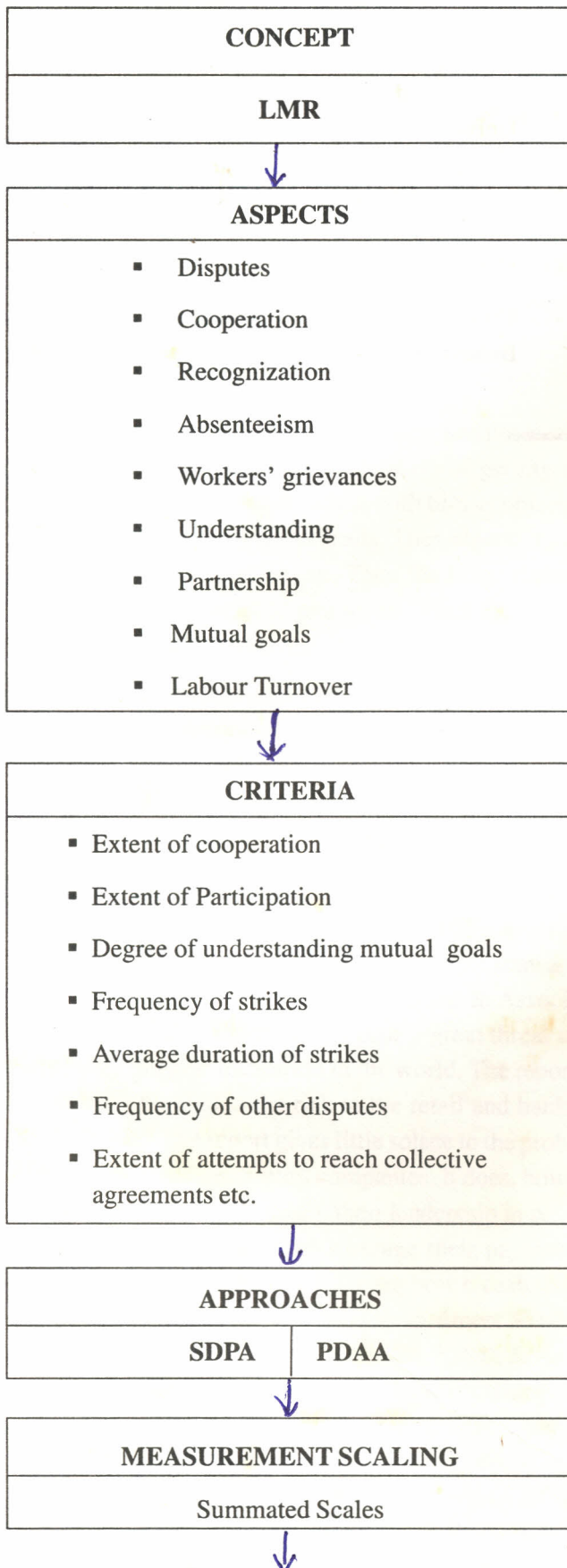
Unfavourable	Medicore	Favourable
38	63	88
		114

Also it is possible to calculate the arithmetic average or mean (total score ÷ number of items) to determine whether the degree of LMR is unfavourable (appropriate) or indifferent (mediocre) or favourable (inappropriate). The summary of this article is depicted by Figure-2.

CONCLUSION

LMR is a very significant concept in industry which is one of prime determinants of a nation's productivity and then HSL. Even if the concept of LMR is abstract it may be measured through the use of seventeen criteria. Two approaches i.e., Secondary Data Passive Approach and Primary Data Active Approach are suggested to use in measuring the concept.

Figure - 2 Measurement of the Concept of LMR



DEGREE OF LMR		
Unfavourable	Mediocre	Favourable

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