

## The Industrial Relations Conundrum

by *Vivek S Patwardhan*

The root of most issues that plague the practice of Industrial Relations (IR) in India is the central dilemma of choosing between Control and Commitment.

IR managers essentially exercise 'Control' to the highest level. The language of many settlements between managements and unions use conditional clauses like, 'If you do not do this, you will entail that...'. Workmen must give the stipulated output else they will not get the incentive, or they will invite disciplinary action. It is not unseemly to include such clauses in settlements because they are operationalized only in the case of certain eventualities. As is obvious, these actions must be taken in the long-term interests of good order and smooth workflow. A manager is, after all, paid to manage things and 'controlling' is an inseparable part of his or her job.

IR managers know that controlling is only half the story when it comes to building a good, productive workplace. The other half, on which happily increasing emphasis is being placed post liberalization, is building 'Commitment.' Stories of how organisations like Toyota and the Tatas built a loyal workforce abound. The grace and magnanimity with which this was accomplished is very appealing, dignified and something that most organisations should aspire to.

Today, a large number of jobs in organisations are not supervised closely, which in turn necessitates discretion. An organisation cannot cultivate commitment through close supervision. Perhaps the only exception is when the supervised person is very new to the job, but such phases are transitional. A manager is paid to get the best performance from his team members and that can be achieved when he builds commitment. Promoting commitment, like controlling, is an inseparable part of his or her job.

So, a manager must both control and promote commitment. There is a constant tussle to balance these polarities. Nowhere is this struggle more visible than in managing Industrial Relations.

### **The delicate balance between power and trust**

Obviously, there is no ready-made solution. The first step would be to understand that Control is synonymous with Power, and Commitment with Trust. So, this is a power and trust game. In an organisational environment, these are opposing forces.

Essentially, this means that when we 'control' people, we are using power, which in turn erodes trust levels. The dilemma is that trusting means allowing people to make choices about which action to take. It also includes not choosing certain actions. This is extremely difficult for a manager to accept.

We understand the situation better when we realise that the space on the continuum between Control and Commitment is occupied by 'Influencing.' Our effectiveness is determined by how well we influence people.

H T Parekh, previously Head of HR at L&T, published a booklet called 'The Sun Rises in the West.' This collection of circulars and letters he wrote to employees imaginatively captured developments in the industry abroad. Through the booklet, he showed employees that their highest priority should be given to - increasing productivity and proactive change. The message in the circulars was sometimes direct, sometimes subtle but what created influence was their regularity.

Asian Paints publishes a magazine 'Tutari,' which is exclusively devoted to the education of workers. Over the past 40 years of its existence, Tutari has broken the mould of a typical house magazine. A good example of how - It captured the prolonged strike and lockout at Hindustan Lever in the late eighties very imaginatively. It picked up the propaganda material of both Management and the Union and published it as a special Tutari issue. The result - workers got a case study in hand.

The catchwords here are 'imaginative' and 'continuous' communication. We often tend to reach out when an 'event' occurs or is on the anvil. We try to reach out when there is a dispute or when we are going for a settlement. Such messages do not make an impact because they are seen as communication that advances the management's agenda. The best way to communicate and influence is to place the facts and raise questions and leave it to employees to draw conclusions. This makes managers with an excessive 'controlling' style very uncomfortable. The best way to influence is to get people to think on an issue and if possible generate a discussion on it. In such instances, people tend to take a more balanced and mature view on industrial relations issues, as demonstrated by the following example.

In a discussion on productivity in a recent training program, one employee pointed out that employment in their factory was falling as the productivity increased. The trainer pointed out that although it was true that the old factory was employing fewer employees, the company had set up two more factories in the recent past adding to the overall employment in the organisation. He also emphasised that more jobs were created in the white rather than the blue collar segment. The employees attending training reflected on this and one of them, an operator, observed that it was not a bad trend as their children will progressively seek and get a job in the white collar segment only. For those who have worked in factories where reduction in the number of employees was spoken about in hushed tones, the response was a surprise.

While the most important rules in influencing are respect and honour, the other more significant one is addressing the fear of the other party with openness and candour. There are several examples of IT/ITES companies, which harshly reduced employee strength during the downturn but could not rehire the same employees or others when fortunes

turned because of their insensitive treatment earlier. Bijoy Sahoo, the Chief of HR, Reliance explained at the Thane HR Group's seminar how Reliance made every effort to manage redundancy with open communication, dignity and fairness.

Influencing gains greater importance because unattended conflicts can snowball into unmanageable situations. There is no better example of this than the current Air India pilots' strike. Their grievances following the merger of Air India and Indian Airlines, voiced long ago, have still not been addressed. This is not good practice. As a factory owner told his IR manager, "You are not paid for running a factory, but for anticipating issues. You are paid not just for anticipating issues, but for responding to them quickly. And you are paid not just for responding to issues quickly, but for influencing employees positively."

### **The power of influence and leadership**

Influencing employees positively requires dealing with an equal hand and a sense of fairness. In an organisation this is not easy to ensure. There will be lapses notwithstanding declarations in policies.

In the final analysis, the leader leaves a stamp on Industrial Relations. It is imperative that he or she makes enlightened choices. While choosing between control and commitment, which includes commitment to one's own principles and values, we have many options. The true choice depends on what we want the history to tell the next set of managers.

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