

## EMPLOYEE RELATIONS STRATEGY

### **INTRODUCTION**

This strategy is concerned with enhancing 'mutuality', improving relationships and establishing policies to which management and employees will co-operate to their mutual benefit.

More and more companies are involved with efforts to improve quality and productivity through changes in employee relations. In the past, line managers tended to leave it to the HR specialists to deal with HR problems and to negotiate with unions. Personal managers or directors devoted a large proportion of their time to industrial relations.

However, many industrial relations problems have occurred because line management failed to take enough interest in relationships with employees, until it was too late. Today, with the growing complexity of organizations, laws, and union-management relations, a more company-wide approach to employee relations is required.

Employee relations activities should be shared with supervisors or line management. In addition to task-related requirements, supervisors should also be responsible for counseling, communicating and disciplining their employees. HR specialists, however, can advise management on industrial relations strategy, legal requirements and trade union agreements. They can also administer communication systems and facilitate quality improvement teams.

HR specialists will also face growing challenges from employee concerns such as those about AIDS-infected co-workers; exposure to hazardous materials; eye strain and radiation exposure from work with video display terminals (VDT); smoking policies and air quality at work; and issues of privacy as computers are increasingly used to measure employee productivity.

## **THE TQM APPROACH TO EMPLOYEE RELATIONS**

The essential features of a TQM approach to employee relations are as follows:

- A concern about the impact of work on people as well as on organizational effectiveness.
- The idea of participation in organizational problem-solving and decision-making.
- It is not limited to changing the context of a job, but also includes humanizing the work environment to improve worker dignity and self-esteem.

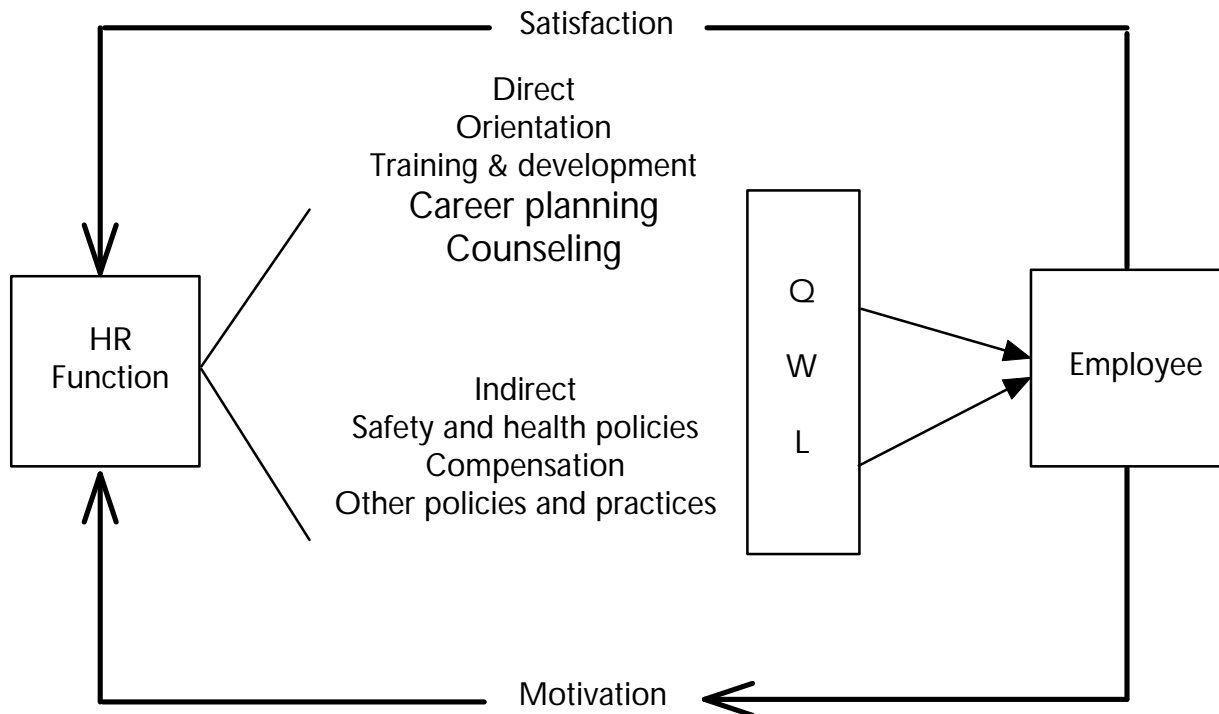
- A belief that employees are the most important resource to improve quality and productivity.
- A drive towards achieving competitive advantage by gaining commitment from employees in continuous quality improvement.
- An emphasis on total employee involvement and empowerment.
- Increased flexibility in work arrangements to provide for a more cost-effective use of human resources.
- An employee retention strategy.
- A strategy of training and developing employees, rather than bringing in new employees.

## QUALITY OF WORK LIFE (QWL)

QWL means having good supervision, good working conditions, good pay and benefits, and an interesting, challenging, and rewarding job.

High QWL is sought through an employee relations philosophy that encourages the use of QWL efforts, which are systematic attempts by an organization to give workers greater opportunities to affect their jobs and their contributions to the organization's overall effectiveness. That is, a proactive human resources strategy finds ways to empower employees so that they draw on their 'brains and wits' usually by getting employees more involved in decision-making processes.

These efforts are not a substitute for good, sound human resource practices and policies. Effective QWL programs can supplement other departmental actions and provide improved employee motivation, satisfaction, and productivity. **Figure 13.1** shows the influence of the HR function on QWL.

**Figure 13.1 Influence of the HR function on QWL**

## QWL AND INTERVENTIONS

In the early 1970s, a wide variety of companies have undertaken interventions to create QWL. These include:

- Quality circles
- Job enrichment
- Employee mental health
- Job redesign
- Industrial democracy
- Participative management
- Organization development

The current view of QWL is that 'it is a philosophy of managing the company in general, and human resources in particular.' It is not a program or project; but a way of thinking about people, work and organizations. Its distinctive elements are as follows:

There are eight major categories as a framework for analyzing QWL:

1. Adequate and fair compensation
2. Safe and healthy working conditions
3. Immediate opportunity to use and develop human capacities
4. Future opportunity for continued growth and security
5. Social integration in the work organization
6. Constitutionalism in the work organization (such as, the right to personal privacy, no fear of reprisal from higher authority)
7. Work and the total life space (such as, requesting for overtime work, demanding to travel)
8. The social relevance of work life

## **THE IMPACT OF INFORMATION TECHNOLOGY IN THE WORKPLACE**

Organizations are rapidly moving from the computer age of the 1970s to the information age of the 1990s. Information technology (IT) enabled the disaggregation of large centralized computers into personal computers and workstations scattered around the organization, each having enormous computing power. Moreover, solitary machines have become networks of interacting computers that greatly magnify their power and influence.

It impacts human resource management by changing jobs and skills. One of the greatest potential impacts to jobs may be artificial intelligence. Artificial

intelligence will give a growing number of workers access to expert system-computerized programs that capture the knowledge and decision-making approaches of experts. One estimate suggests, "As many as 90% of all jobs in American organizations will be candidates for augmentation, replacement, or displacement by expert systems and other forms of artificial intelligence between the year 2000 and 2005." This will affect the employment, training, development, compensation, and employee relations activities of the HR function.

## **REVOLUTION OF INFORMATION TECHNOLOGY**

An organization is fueled by changing computing economics that feature, functionality and maneuverability technologies which favor network computing over traditional host-cluttered computing. These advanced information technologies include:

- Multimedia and imaging
- E-mail and groupware
- Video-conferencing
- Pen-based computing
- Mobile computing
- Wireless communication
- Voice processing and speech recognition
- Electronic commerce
- Artificial intelligence
- Object-oriented technologies

- Client/server computing

Those aspects of advanced information technology most significant for administration are:

1. Executive information systems
2. Groupware
3. Electronic communication systems

An executive information system is the use of computer technology to support the information needs of senior managers. Executive information systems have the capacity for non-programmed decisions such as corporate strategy and competitive responses.

Groupware, also called group decision support systems, allow several team members to interact simultaneously through their personal computers, thereby removing communication barriers in group meetings, facilitating the information sharing.

Electronic communication systems enable one-to-one communications via electronic mail and voice mail. E-mail allows local and remote employees working on a common project to share information, such as:

1. Inter-employee electronic communication.
2. Movement of documents and forms between users within work groups (collocated and distributed).

Nowadays, wireless communication allows communication without the use of wires, which increases the reach of information in both local and wide areas. The technology of voice processing has been used to facilitate:

- Voice messaging
- Voice response

- Interactive voice response
- Transactional voice processing
- Text to speech
- Speech translation

Because of the improved capabilities of voice processing, many business processes have been simplified. These applications include:

- Order processing
- Customer service
- Marketing
- Employee support
- Financial service
- Scheduling and dispatch
- General information and retrieval

## **THE IMPACT ON ORGANIZATION DESIGN**

Information technology is once again being portrayed as a major force for organizational change. The impact of advanced information technology on organization design is as follows:

### **1. Flatter Organization Structure**

It has enabled the lean structures that many organizations are adopting.

The information processing power and programmed decision-making capability of computer-based information systems have

caused drastic reductions in employees, including middle management and supervisory personnel. Managers freed from 'number crunching' chores must now face tougher strategic/policy questions in order to develop the realistic alternatives required for effective decisions.

The use of telecommunications networks and real-time inquiry/response systems is another example of the impact of information technology on management. Middle managers no longer need to serve as conduits for the transmission of operations feedback or control directives between operational managers and top management.

## **2. Greater Decentralization**

Information processing, analysis, and decision-making can be moved to lower levels who are aided in the performance of these tasks by new, sophisticated, and more 'intelligent' software.

## **3. Greater Involvement**

Employee involvement becomes easier than in the past. The sharing of information is of critical importance to employee involvement in order to sustain performance, and IT makes the sharing possible. Electronic messaging systems, executive information systems, and groupware all enable managers to communicate with one another and be aware of activities and outcomes.

## **4. Fewer Narrow Tasks**

IT that processes and delivers data and information must be managed as an integrated system of organizational resources. Managing information system resources has become a major responsibility of the management of an organization at all levels

and in all functions. Thus, end-users now use personal computer workstations and software packages to develop and apply computer-based information systems to their own business activities. There will be fewer administrative tasks subject to narrowly defined policies and job descriptions.

#### **5. Larger Professional Staff Ratio**

The implementation of IT means that employees have to be highly trained and professional to both operate and maintain such their systems. Fewer employees were needed to type letters, file memos, and fill out forms. Middle-and upper-level managers can use new technology to type their own memos and send them instantly through electronic mail.

## **MANAGEMENT PROCESSES**

It enables managers to be better connected with the organization, the environment, and with each other. Specific improvements in management process are as follows:

1. Improving analysis of information
2. Co-ordination between tasks and processes
3. Eliminating intermediaries from a process
4. Elimination human errors from a process
5. Shortening the times of communication
6. Closely monitoring process status and objectives

## **THE IMPACT OF IT ON JOB DESIGN**

There may be wide scope for changing the way work is done and also the information that is provided due to IT. With the introduction of IT, jobs tend to be simplified and enriched.

Job simplification is possible because the number and difficulty of tasks performed by a single person are reduced. Job enrichment implies that managers with a variety of information and diverse capabilities can avoid boring and repetitious jobs that provide little satisfaction.

The number of people in organizations who use or want to use computers to help them do their jobs has outstripped the capacity of many information services departments. As a result, a revolutionary change to end-user computing has developed. Each end-user can develop applications to his or her own tasks.

It has eliminated monotonous or onerous tasks in the workplace that formally had to be performed by people. In many instances, this allows people to concentrate on more challenging and interesting assignments, upgrades the skill level of the work to be performed, and creates challenging jobs requiring highly developed skills. Thus, IT can be said to upgrade the quality of work life because it can upgrade the quality of working conditions and the content of work activities.

The relation between a new technology and an organization seems to follow a pattern, beginning with immediate effects on the content of jobs followed by impact on design of the organization. The impact of IT on employees can also be understood through the concept of a 'people-machine' relationship.

The people and groups who work in an organizations refer to the 'socio' system and the tools and machines used in the work process refer to the 'technical' system. The 'sociotechnical systems' combine the needs of people with the needs of technical efficiency. The organization will function best only if socio and technical systems are designed to fit the needs of one

another; which can be regarded as 'joint optimization'. This joint optimization will improve performance, safety, quality, absenteeism and turnover.