

# MHRM IV Sem.

## International Human Resource Management



### Unit – 4

### Topic – Labour Relations

# Introduction



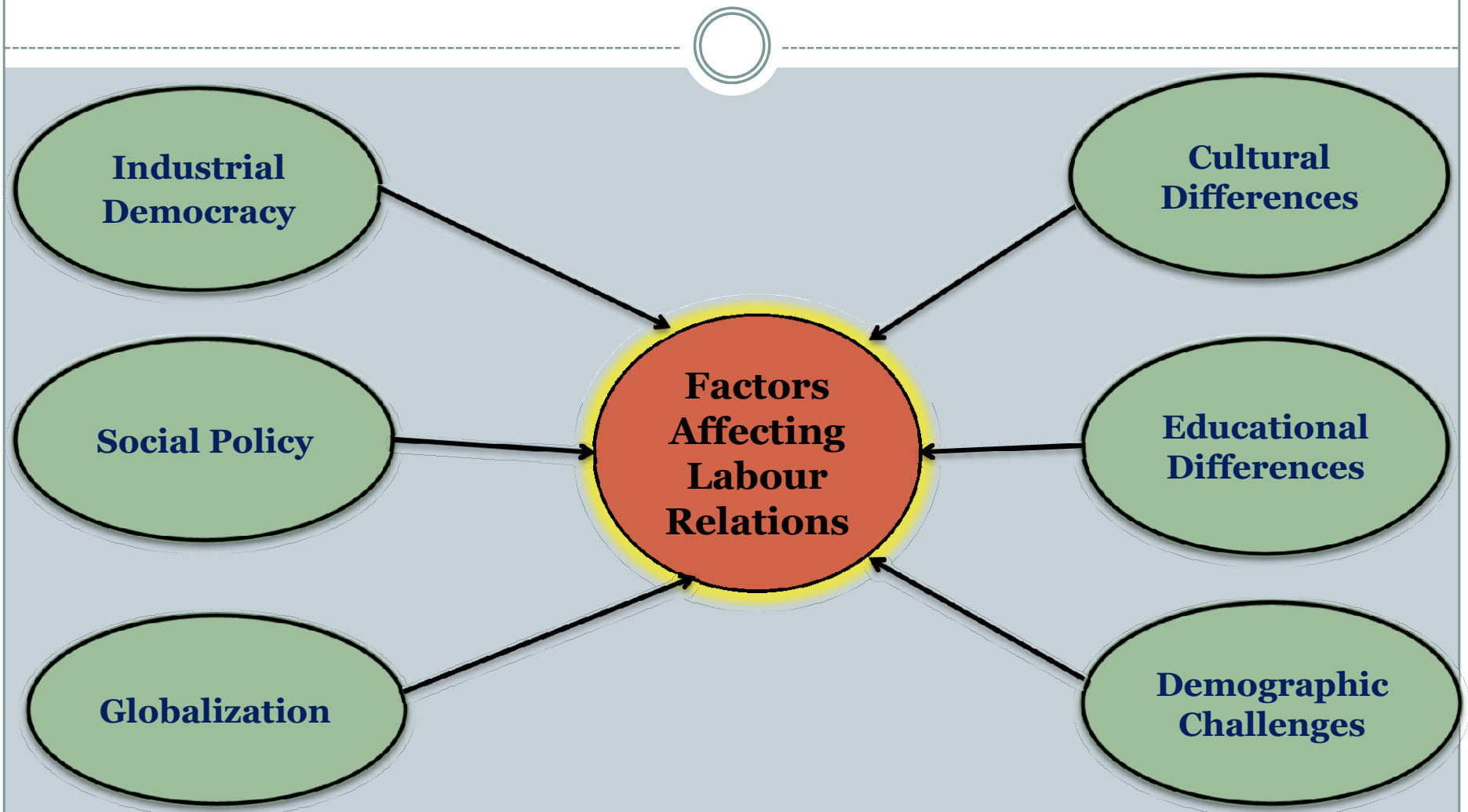
- Labour relations are the term used to define the process between employers and employees, management and unions in order to make decisions in organizations.
- The decisions taken refer to wages, working conditions, hours of work, and safety at work, security and grievances.
- Specific approaches to labour relations varies from one country to other.

# Factors Affecting Labour Relations



- Industrial Democracy
- Social Policy
- Globalization
- Demographic Challenges
- Cultural Differences
- Educational Differences

# Factors Affecting Labour Relations



# Industrial Democracy



- Industrial democracy means that the management in industrial units is by the people, of the people and for the people. Here people include all those who are concerned with the industrial unit.
- Industrial democracy connotes an equilibrium between the rights of the dominant industrial hierarchy and the rights of employees with a broad social objective.
- The concept of industrial democracy is a complete departure from the traditional concept of autocratic management or one man rule. Industrial democracy means the application of democratic principles in managing industrial units.
- In such type of system, workers are treated as responsible partners of an enterprise and are allowed to participate in the decision making process through different methods. Workers are given the right of self-expression and an opportunity to communicate their views on policy formulation.

# Social Policy



- The ILO Constitution, in the Declaration of Philadelphia, states that "all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity" and that the fulfilment of this objective "must constitute the central aim of national and international policy". Social policy formulated through dialogue between the social partners has the best chance of achieving the aims agreed upon by the international community.
- The general principle that all policies shall be primarily directed to the well-being and development of the population and to the promotion of its desire for social progress. Furthermore, the improvement of standards of living shall be regarded as the principal objective in the planning of economic development. It also provides additional requirements concerning migrant workers, independent producers and wage earners, minimum wage-fixing and payment of wages, non-discrimination, and education and vocational training.

# Globalization



In terms of the labour market, the most influential effects of globalisation include the following:

- flexibilisation of labour markets;
- increasing labour migration;
- rising atypical and non-standard forms of employment;
- changes in work content and working conditions;
- skills mismatch, multi-skilling and the need for lifelong learning.

# Demographic Challenges



- Age
- Sex
- Income level
- Ethnicity
- Employment status
- Living status
- Location
- Political affiliation
- Religious affiliation
- Social class
- Nationality

# Cultural Differences



- **Dress** - Some cultures have specific clothing such as headscarves or turbans that are worn at all times.
- **Religious practices** - Some religions require time during work each day for prayer or time off for special religious days.
- **Customs** - Some cultures can or can't have specific foods and drinks, or may have rules about how food is prepared.
- **Social values** - Ideas about appropriate social and sexual behaviour, work ethics, wealth and personal growth vary between cultures.
- **Family obligations** - Some cultures have high family priorities which may sometimes conflict with work.
- **Non-verbal behaviour** - Eye contact, facial expressions, hand gestures and how people interpret them vary between culture

# Educational Differences



- Differences exist between employees who equate academic credentials with success and employees whose vocational and on-the-job training enabled their career progression. The differences between these two groups may be a source of conflict in some workplace issues when there's disagreement about theory versus practice in achieving organizational goals. For instance, an employee who believes that a college degree prepared him for managing the processes and techniques of employees in the skilled trades may not be as effective as he thinks when compared to employees with years of practical knowledge and experience.

# Key Issues in Labour Relations



- International HRM approach
- Cultural Differences
- Legal issues
- Management's attitude towards labour relations and labour unions
- National differences in economic, political and legal system
- Different IR systems across countries
- MNC's prior experience in labour relations



Thank you!