



INDUSTRIAL RELATIONS VERSUS HUMAN RELATIONS

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“Management should treat workers as people not entity.”
-Elton Mayo

ABSTRACT

This work addresses various aspects of Industrial relations related to Human relations, which, as we all know about industrial relations, are a kind of formal relationship between management and employees of an organization, which is an interdisciplinary academic approach to understanding relationships in the process of work, employers do not only establish relationships between management and employees, but often establish relationships between management, employees and government, as the industry appears to be a miniature social world. Human relationships are also very important in industry for flexible management in industries, they can be in the form of an emotional balance between employer and employee, but this emotional balance also benefits the organization and helps management work and maintain peace in an industrial context. This Paper contains ideas from different scholars about industrial and human relations in the context of management, these approaches are based on the empirical research of scientists in the field of environmental management. Finally, the author summarizes this concept in a positive and logical sense, applying an expressive and effective approach based on the interests of

employees, entrepreneurs, organizational structure and, finally, the interests of employees for society as a whole.

Key Words- Industrial Relation, Human Relation, Administration, Emotional balance, Self Interest, Collective Interest.

INTRODUCTION

INDUSTRIAL RELATIONS

An Industrial relationship refers to the relationship between two organizations, that is, an employer and an employee. In other words, we can say that this is a formal and understanding relationship between management and employees. But many times, we can see that the role of the state is also very important in the industrial environment. We can see the role of government in the context of national labour policy and planning. So, in a broader sense, it is the relationship between management, workers and government, because industry seems to be a miniature social world. According to Professor Dole Young, it is the relationship between your leadership, your people and your organization. He talks about two concepts in the context of industrial relations, namely conflict and cooperation. If cooperation precedes conflict, it is a healthy relationship between them. vice versa; In a cautious sense, his ideas about industrial relations are very reasonable; according to the idea of Professor Dunlop which explains that this is a complex relationship between managers, employees and government agencies, which is complicated because people in these relationships come from a different society, homogeneous, because there are differences in psychology, behaviour, as well as diversity in them. standard of living in society.



According to the above interpretation, we can say that industrial relations are based on mutual cooperation, common goals and are formed on the basis of effective teamwork. These industry relationships play an important role in organizations. In our next section.

IMPORTANCE OF INDUSTRIAL RELATIONS

It establishes democracy in the industry, which means that it allows for the participation of workers at different levels, workers can put their best effort and maximum effort into the organization and can work to advance the organization. In conjunction with leadership, and help create an environment of peace within the organization. There should be a two-way discussion for the benefit of the organization's staff. Now in the future, we will change the way we view human relationships. It also provides a procedure to resolve workers' issues relating to work.² It protects the rights of management too when workers do create the issues of indiscipline, it provides managers with a strict system to tackle indiscipline workers in the organisation. Now overall in case of productivity, Experiences shows that good industrial relations help as the key for maximise the productivity in industrial organisations. Now moving ahead, we will shift our views on human relation.

¹ Smriti Chand, 'Importance of Industrial Relation for Employer and Employee' <https://www.yourarticlelibrary.com/industries/5-importance-of-industrial-relation-for-employees-and-employers/35431> accessed 03 September 2021

² Smriti Chand, 'Importance of Industrial Relation for Employer and Employee' <https://www.yourarticlelibrary.com/industries/5-importance-of-industrial-relation-for-employees-and-employers/35431> accessed 03 September 2021

HUMAN RELATIONS

Human relation is informal or emotional connection between management and workers and helps in motivating people in organisations to establish the teamwork spirit in order to fulfil their needs and to gain the organisational goals effectively, smoothly and economically.³The approach of human relations deals with the psychological factors of organisational functioning in order to maximise the efficiency of organisations. It is the process of summation of man-to-man and man-to-organisational set-up. Although land, labour, capital and enterprise are fundamental factors of production, but without the will and cooperation of managers and workers, it is not possible for the industry to produce anything.

Human relations are the psychological study of the paths in which people connect to each other in group situations, mainly how- work, and how communication skills and sensitivity to other people's feelings can be flexibly improved. According to Keith Davis 'human relations talk about motivating people in organizations to frame a better teamwork which effectively attains their objectives and achieves organizational goals smoothly.

Human relations mean the pleasant atmosphere in an organization in which people practice the form of living in such a

³Vishakha B, 'Human Relation – Meaning and Approach', <https://www.economicdiscussion.net/human-resource-management/human-relations/human-relations/32398#:~:text=In%20literal%20terms%2C%20human%20relations,organisational%20goals%20efficiently%20and%20economically>. Accessed 04 September 2021



way that they communicate, act, interact and connect in an amiable manner, recognizing needs of each other, views, values and intellects so that every interaction and concerns taking place in an organization would have arrangement for each other's interests and feelings, leading to better inspiration and morale of people at all levels in the organization.

It is also an interdisciplinary field because the observance of human behaviour in organizational settings draws on the grounds of communications, arrangement, psychology, and sociology. It is an important field of study because all employees engage in human relations activities. Now a days several trends have given more importance to human relations due to the changing nature of workplace. Now we will see the importance of human relations.

IMPORTANCE OF HUMAN RELATIONS

It helps in improving the creativity of the employees. The importance of good relations in the workplace is that it will serve in improving quality of intellect of the workers. And as we all know that the success of the entire organization is dependent upon coming up with new, creative and innovative ideas. When you have a relaxed and smooth environment in the workplace, employees can easily share their ideas and come up with something inventive and resourceful and fruitful for the industry.⁴The concept of flexible human relationships becomes more

important as it helps to motivate employees to do better. When the relation between them is smooth and fine, the environment in the workplace will also be cheerful and optimistic. This will keep the employees energetic and motivated. Improving and maintaining healthy connection in the workplace will result in employee better engagement. It is a proven fact that organizational set-ups with a high level of engagement of employee have managed to grow at a greater rate of acceleration than their competitors in the market.⁵The employees are more likely to do their better for an organization that offers them an opportunity to improve their skills and learn different new skills through training. Better human balance will lead to increased loyalty as employees want to engage around in the organization that will serve them to enhance their skills and helps in professional growth and it will result in the overall organisational growth.

Now we will see the importance of both in context of flexible administration, but before going to discuss that first of all we take a look on the concept of administration.

ADMINISTRATION- MEANING AND SIGNIFICANCE

Administration is collection of activities for accomplishment of some goals and objectives. Administration focuses on the two core ideas, the first is the co-ordination part, and the second one is common purpose and objective. When we talk about the co-

⁴ Hitesh Basin, "Human Relation- Meaning and Importance" <https://www.marketing91.com/human-relations/> accessed 04 September 2021

⁵Vishakha B, ' Human Relation – Meaning and Approach', <https://www.economicdiscussion.net/human->

[resource-management/humanrelations/humanrelations/32398#:~:text=In%20literal%20terms%2C%20human%20relations,organisational%20goals%20efficiently%20and%20economically.](https://www.economicdiscussion.net/human-resource-management/humanrelations/humanrelations/32398#:~:text=In%20literal%20terms%2C%20human%20relations,organisational%20goals%20efficiently%20and%20economically.) accessed 04 September 2021



ordination part, here the role of management comes in the picture and with this co-ordination management along with the workers have to achieve those common goals and objective. In the words of Brooke Adams, it is concerned with the task of co-ordination and it is mainly co-ordinated with social energies which also includes conflict between them but they operate it as a unity. Brooke Adams simply talks about the interaction of social energies as unity and management tries to reduce their conflicts to attain that targeted goals. Social energies according to him is the actual potential of an individual. As per the view of LD White, Administration is an art. Here art means the way the individuals are suitably placed by the organization to manage the affairs. It is all about the direction, control and co-ordination of many people to achieve some purposes, objectives. In his ideas, human resource is more important than machinery in any organization. After all these understandings about the administration, we can say it is nothing but makes a thing possible when you want to get objective. Without proper administration, it is almost impossible for any organization to fulfil the targeted goals in a definite time period. The administration is a systematic process of co-ordinating the management of a business organization or any non-profit organization.⁶

The main task of administration is the formation of plans, framing policies, and procedures, setting up of goals and purposes, enforcing rules and regulations, etc. Administration lays down the basic

framework of an organization, within which the management along with the workers of the organization functions. The idea of administration is bureaucratic.⁷ It is a wider concept as it includes forecasting, planning, implanting functions at the top most level of the organization. It represents the upper layer of the management hierarchy of the organization because as we all know that most of the decision-making powers of an organization is vested in the hands of higher authorities. And if the higher authorities have powers, then they have liabilities too. And the main role of administration which comes out from the overall concept is that to co-ordinate among the workers and manage the balance of liability and their power because a matchstick works to reduce the darkness and provide us the light but excess of the matchsticks can also destroy the house. So, administration have to make a balancing approach to tackle all the situations in the organization.

Now we will see the approaches of various scholars about the importance of industrial relations and human relations in context of flexible and effective administration.

CLASSICAL APPROACH OF HENRY FAYOL

By profession, he was an engineer. In French mining company, his role was significant. According to him, Administration is process of managing the structure as well as function to get the desire objectives. He mainly talks about the six functions in every organization and those six functions are technical function,

⁶ Surbhi S, “ Key Concept of Administration and Management in Buisness sector” available at <<https://keydifferences.com/difference-between-management-and-administration.html>> accessed 05 September 2021.

⁷ Surbhi S, “ Key Concept of Administration and Management in Buisness sector” available at <<https://keydifferences.com/difference-between-management-and-administration.html>> accessed 05 September 2021.



Accounting, Finance management, Commercial function, Security function and administrative operation.⁸ Among these six functions, administrative operation is the most important because without it we cannot manage all other functions. It is related to command, co-ordination, control, planning and organising etc. Planning laying down the objectives that how we can achieve it in a given time period. Co-ordination is also very important among management, workers and other resources. Sometimes command is also important to execute the proper planning. These wholes can make the administration possible. In my opinion, his ideas support the industrial relation more as compared to human relation. But the good thing is that he also cannot neglect the human relation between management and workers because excess of industrial formality and commanding power of management may degrade the human relation and it may result in loss of the organization. When we see his 14 fundamental principles of administration then we find the two concepts of discipline and kindness which show both industrial and human relation is important for smooth functioning.⁹

SCIENTIFIC MANAGEMENT APPROCH- F.W TAYLOR

Taylor discussed the ideas based on the observations from mid-19th century to early 20th century. In the field of administration, he is popularly known as father of Scientific Management. His ideas deal with how best within an industrial set up, both the objective of management and the interest of workers can be fulfilled. This idea is based on his

working experience in a Steel Company in America. His main focus is on the maximum outcome from least possible input. According to him, the overall output is measure in context of hard physical labour and how much task be accomplished everyman hour. He said that the efficiency level was very slow in industrial set up because of lack of co-ordination and to increase the efficiency they have to do work in scientific management. In his opinion, low level of efficiency is also result of skiving and soldering. The workers tend to skirt their works and in this condition the manager may remove that kind of worker to raise the level of efficiency. In my opinion his focus is on industrial relation more but it may lead to degradation of the efficiency because he mainly focuses on the structural part of that organization. He is treating human like a machine. In his ideas, there is no concept of human relation and co-operation because soldering and skiving may lead to the downfall of moral of staff. If we are not able to maintain the human relation then definitely, we will not able to make a balance between management and workers.

HUMAN RELATION APPROCH- ELTON MAYO

He was born at Australia and in tribute to his contributions Elton Mayo School of Research and Management was established in Australia. He was also known as father of Human Relation theory. This theory focuses specifically on needs of the individuals and human treatment of individuals and groups. It takes a social relational approach to

⁸ Neupane Surendra; Parajuli, Ram Prasad; Jha, Deepak Kumar; Chhetri, Tuk Bahadur; Dulal, Gopal Prasad;. "Business Studies class: XII." Kathmandu: Nawakala Publications, 2011 A.D. 33.48.

⁹ team, Mind tool editorial. www.mindtools.com/pages/article/henri-fayol.htm. n.d. <<https://www.mindtools.com/pages/article/henri-fayol.htm>>.



managing human beings¹⁰. In the organization, there are both formal and informal elements. The formal elements are related its structure and the informal aspects include the interactions between people that's why the organization is one of the types of social system.¹¹

In his opinion, management should treat workers as people not entity. He believed in social interaction. The very fine idea of him is he looks administration in socio-economic context and responsibility in terms of social being. Not only by the ideas he also implemented his ideas in organizational set-up. He introduced two rest periods one in the morning for 10 minutes and one in the afternoon for increasing the output level. He introduced the bonus system to the workers and suggested that the workers should earn the rest period for finishing a task in given time. According to him, the non-economical awards are very important for the supporting behaviour of the workers because social factor at the workplace is important. The output of this theory is largely influenced by social environment. In my opinion his ideas are very crucial in context of organizational set-up because when the management provides the healthy environment for the workers, then automatically the profit of that organization will increase. It is very important to maintain the emotional balance from the side of the management. In my best understanding, without self-interest we cannot imagine collective benefits of the organization. For ex- A worker in an industry is not work only for the betterment of the

society but also to earn the meal and needs of his family. Without the fulfilment of his own interest by his working in the industry, he cannot work only for the betterment of that industry. So, human relation is much important than industrial relation to achieve the objectives of the organization along with the betterment of the workers.

Now after observing the views of the Scholars, i am in good condition to conclude the topic with few suggestions.

CONCLUSION

In concluding the debates on Industrial relation versus Human Relation, i can say both of them are important in the organization. And if an organization wants to achieve the goals in a definite time, the management should make the balance between them. Industrial relation means a formal relation and understanding between management and workers and also co-operation with government. It is crucial task for the management to maintain a formal gap from the employees to execute their command to achieve the goals of that organization. But at same time human relation is also important as it reduces the ego conflict and provide a social healthy fresh environment to the workers to do their tasks in more fruitful manner. The concept of Elton Mayo is very much significant in context of administration in any organizational set-up that the workers want non-economic awards more to maintain a balance between their pockets and their dignity. And as we all know that without dignity also a person cannot

¹⁰ Jason Gordon, "Human Relation- Theory of Management"<<https://thebusinessprofessor.com/management-leadership-organizational-behavior/human-relations-theory-of-management>> accessed 06 September 2021

¹¹ Jason Gordon, "Human Relation- Theory of Management"<<https://thebusinessprofessor.com/management-leadership-organizational-behavior/human-relations-theory-of-management>> accessed 06 September 2021



survive in a society. When we talk about the difference between Human Relation and Industrial relation, we see Human relation deals with managing the human resources in an organization effectively and the industrial relations is all about maintaining a formal co-operation between employers and employees. In IR we can see the linkage of four parties i.e., employees, employers, trade unions, and government but in HR, there are mainly two parties interconnected with each other such as the employees and employers.¹² In my opinion, human relation is more important because without a healthy emotional relation with management, it is not an easy task for a worker to do his best for the management. It is very logical fact that initially, all employees do the work for the fulfilment of needs of the family not to achieve the goals of the organization and we cannot consider this behaviour as self-interest because without this self-interest for the family, no organization can generate the collective interests. There is a very good example related to this, once on the occasion of Deepawali, a Diamond businessman gifted the cars and flats to the employees who were in need of that. Although it was not his formal obligation, but as a rational human being he knew the importance of this human relation. now after that all the employees did the work in full flexible manner for the benefit of that company and within few months the company had generated the profit more than the costs of all flats and cars. So, it is the connection of emotions of employers and employees which resulted in profit. So, to maximise the collective profit along with the smooth industrial relation, human relation is also very important and the management

should treat the employee as a person not as an entity.

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