

Minimizing Industrial Unrest

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THE answer to the mounting industrial unrest is better personnel administration. In many peaceful, progressive firms there are so-called industrial relations departments, with broad powers and responsibilities, the principal function of which is to keep man-power efficiency at its maximum all the time.

Specifically, the term "industrial relations" now includes all contacts between labor and all levels of management. These contacts have become so broad and rich that they may be classified under the following heads: (1) personnel work, such as recruiting, hiring, placement, transfer, training, discipline, promotion, lay-off, termination of service; (2) financial relationships, as wages and salaries, overtime rates, bonuses, gifts, and employee savings; (3) education on the job; (4) health, safety, and sanitation; (5) recreation; (6) housing; (7) hours of work and vacations; (8) accidents; (9) old age, disability, and death; and (10) adjustment of complaints.

Generally, then, the term refers to a complex of attitudes, policies, and procedures which largely determines whether or not a laborer or employee is *efficient and happy* at his work.

Industrial relations departments attempt to substitute

PEACE	for	STRIFE
COOPERATION	for	ANTAGONISM
CONFIDENCE	for	MISTRUST
JUSTICE	for	INJUSTICE
EFFICIENCY	for	POOR WORK

Modern industry depends to a large measure on what may be called the three M's of production: Management, Material, and Men. These are equally important and are so inter-lined that it would be impossible to undo them without the danger of partial or complete disruption of operation.

Making a laborer or employee efficient and happy at his work is a tremendous job, especially when an industry employs a numerous personnel. In the Philippines there will be an increasing demand for men who can run industrial relations departments on a functional basis.

An industrial relations man is one who knows the psychology of the people and who sincerely likes them, one who can maintain a proper balance when he is caught between conflicting labor and capital interests, one who has enough foresight to forestall trouble. In-

dustrial unrest is extremely expensive in money and feelings both to management and labor.

The attitude of an industrial relations department is not one of paternalism. People resent charity. It attempts rather, through concrete and definite procedures, to give to both labor and management what is their due. Both have rights and prerogatives, some of which are not covered by statutes but are nevertheless binding.

A program of industrial relations takes into account that to a laborer or employee there are three basic things in his life: security, salary, and service. We may call these the three S's of Employee Contentment.

Security means security of employment, which means security of a livelihood; security of health and life and old age, — an eventual peaceful, contented retirement.

Salary means a fair return for work in consideration of efficiency, length of service, qualifications, and personal qualities. Salary is not always tied up with the cost of living. It is remuneration for service rendered. It considers the other industries in the vicinity and the general economic structure of the society to which the laborers and employees belong. Industrial relations tries always to work for fair wages in relation to many other factors.

Service has come to include such benefits as most progressive companies have extended to their employees: medical and dental care, free quarters, vacation with pay, sick leave, transportation to and from work, subsidies for prime commodities like rice and corn here, company stores, recreation, religious services, counselling, Christmas gifts, etc.

The extension of only a few of these benefits has been made compulsory by law; the others are voluntary on the part of management. The great error of labor as regards these services is to *demand* instead of to *request* of management what is not inherently its right; and one great error of management is to be extremely niggardly in benefits even when it can afford to extend them.

Personnel administration is in many cases based on personal relations. Sincerity, honesty, cooperation, mutual understanding, a process of give and take are as essential in production as in friendship.

HOWEVER good the theoretical case for planning, it is quite clear that some governments today cannot plan successfully. To give only three preconditions of planning, — the civil service must be reasonably efficient and honest, citizens must be reasonably ready to pay their taxes, and, in general the conception of respecting the regulations laid down by the government must be reasonably widespread. These conditions are present in Britain, in Holland, in Scandinavia. They are absent in France and Italy. Very few generalizations about the possible scope of planning based on the five former countries would be really applicable to the two latter. — Barbara Ward in *Foreign Affairs* for January.