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Industrial Relations

The concept of industrial relations has evolved over the years. Scholars use the term to imply the study of employment relationships and have identified various elements that specify the domain. These elements include actors, processes, outcomes and levels of industrial relations. Farnham (1993) argues that the manager's frame of reference affects the interpretation, usage or non-usage of different perspectives in industrial relations. Heery et al. (2008) identify four keys perspectives: pluralism, Marxism (or radicalism), feminism, and neo-liberalism (or unitarism). Publicis Loyalty call center provides customer service and call center support to QANTAS Club and Frequent Flyer Program members. In 1996, the organization faced a series of problems in employee relationship ranging from high turnover and absenteeism (Industrial Relations Victoria, 2002). Resultantly, the efficiency of the workers and productivity of the firm was jeopardized. In view of these challenges, the management initiated a series of structural and operational reforms meant to create an effective and competitive business by reducing costs and offering high standards of customer service. The set of processes, reactions of employees and outcomes can best fit in pluralism perspective of industrial relations (Cradden, 2011). Pluralism is one of the dominant normative orientations amongst the industrial relations scholars. The orientation comprises a set of beliefs concerning the nature of employment relationship and provides the basis of developing policy advice and the standards for evaluating industrial relations practice (Budd & Bhawe, 2008). This paper critically evaluates the Publicis Loyalty call center to identify the manager's frame of reference by identifying the features in the organization that points towards assumptions of pluralism. Hence, evaluating the various assumptions of pluralist perspectives will create a better understanding of Publicis Loyalty call center change ideas.

Firstly, Publicis Loyalty call center recognizes that there are two equally legitimate sets of interests, which are interest of employers and interest of the employees. This is evident through Consultative Committees that work to improve the employment relationships between the employees and the employers. It acknowledges that, though the employers and employees have different interests, they have compatible interests, which make cooperation and accommodation inevitable. Publicis Loyalty has implemented a series of strategies in efforts to cement the relationship between the employees and the employers. On one hand, the interests of the employees in Publicis Loyalty call center relate to improved working conditions, better wages, and salaries, increased benefits and continued learning. On the other hand, the company required improved productivity, efficiency through reduced cost and also high-quality services to improve the competitiveness of the firm. These interests are conflicting since increasing the wages and benefits would increase the cost of operation (Fox, 1973). However, in this case, both the employee and the employer want sustainability of the firm to acquire the source of livelihood and income. Most importantly, the interests of both parties are legitimate. In this sense, the organization situation falls under pluralist orientations. Since Marxists allege that the only legitimate interests are those of the workers, it cannot fit in this situation. The measures were taken by the organization also point out towards this realization (Budd & Bhawe, 2008). Publicis Loyalty call center began to build its relationship with the employees. These efforts ended in the formation of a Consultative Committee in 2000 consisting of the employees and the management. The committee holds meetings regularly to review employment classification, rewards, assessment, performance monitoring and job redesign. These deliberations minimize possible incidences of conflicts since the interests of both the employees and the employers are taken into account. The orientation differs from unitarism that presupposes that the management

and the employees have common interests and that there is only one legitimate authority, who is the employer (Heery et al., 2008). Though the unitarists agree that the interests of the employees are genuine, they claim that advancing them will result to inefficiencies and the interests of consumers would suffer. However, contrary to this perception, Publicis Loyalty call center has formed a partnership between different stakeholders, acknowledges that the conflicting interests and devises strategies to ensure that the interests of the employees are heard.

Publicis Loyalty call center also leverages on their problems to strengthen the employment relationship (Industrial Relations Victoria, 2002). The management realized that the turnover and absenteeism was high. It then went ahead to find solutions to the problems. Pluralism perspectives acknowledge that conflicts of interests are inevitable and can be caused by different values and opinions between the stakeholders. Thus, once the conflicts occur, they present an opportunity to make things better than they were previously (Fox, 1973). Contrary to the unitarist perspectives that view conflicts as destructive, pluralists view it as beneficial to the organization. The organization uses a consultative approach to resolve the conflicts by carefully identifying and controlling them within the institutional processes. For instance, conflicts help the organization to identify and resolve the underlying tensions in the organization. Moreover, the orientation considers alternative decision- making processes. Publicis Loyalty call center acknowledges this fact and has devised ways of resolving conflicts amicably. For instance, after realizing that there is high employee turnover and absenteeism, the organization went ahead to implement a series of operational and structural changes. The changes implemented in this instance can be contrasted with the Marxist ideologies that seek to implement revolutionary changes in the distribution of wealth and ownership of property (Gennard & Judge, 2002).

Conversely, the changes sought to find a common ground between the employees and the employers.

Several alternative decision-making processes were also utilized. These alternatives to solving the problems in the organization are proposed by the pluralist perspectives (Gennard & Judge, 2002). These alternatives included restructuring work tasks and departments leading to the creation of two customer service groups. Consequently, the customer service has become faster and better. The organization also outsourced some of the tasks to increase efficiency. Thirdly, the organization has invested in new technology such as voice recognition systems. Thus, the employees can pre-sort customer calls and disseminate them to the appropriate unit. Thus, Publicis Loyalty considers alternative decision-making processes that will see the relationship between the management and the employees improve (Industrial Relations Victoria, 2002).

In addition, pluralists believe that the workers have a right to join trade unions and other types of collectivity as a means of accumulating power. The unions would counter the dominant power (employer) and pursue their legitimate and separate interests. They presuppose that the unions are legitimate part of workplace relations and not a cause of conflict. Hence, they express the diverse workplace interests within an organization (Cradden, 2011). Publicis Loyalty call center does not only engage the employees but also with Australian Services Union and other industrial relations organizations (Industrial Relations Victoria, 2002). Through this engagement, the parties have successfully negotiated employee wages and salaries. For instance, the employees are now entitled to pay raises of up to 10% over two years, as well as better leave entitlements. Reforms have also been witnessed in structural, cultural and operational areas. Thus, the unions have not served as a source of conflict but enhanced relationship between the management and the employees. Change in Publicis Loyalty call, thus, deviates from unitarist

frame of reference, which perceives unions as unwanted third parties whose existence and interventions interfere with the productive employer- employee relationship in the organization (Industrial Relations Victoria, 2002).

The involvement of unions and other industrial relations organizations is out of realization that power inequalities exist between the employer and the employees. These inequalities put employees in a vulnerable position since the employees are dependent on the employers for the means of subsistence. In this regard, the employees can easily be intimidated and denied their rights (Cradden, 2011). Thus, the presence of unions ensures that the employees have power to demand for their rights. Thus, Unitarianism addresses the one of the greatest weakness of unitarism. Unitarism fails to recognize the fact that power inequalities between the employees and the employer generate different interests within the organization. Consequently, the management exerts power over the employees in terms of determining the working conditions and benefits. In such a case, the employees have no option but to submit to the power and accept the decisions without their input. Publicis Loyalty gives power to the employees by allowing them to join unions. These unions play a big role in the negotiations concerning the benefits and working conditions. Moreover, the organization subscribes to various regulations within the industry. For instance, it was the first to sign ACTU Charter for Call Centers. The charter sets the minimum employment standards for this particular industry.

Further, resolving of conflicts in the organization is done on collective basis. Pluralists have a tendency to focus on collective approaches to solve problems instead of individual approaches (Budd & Bhawe, 2008). Conflicts between the management and the employees can be resolved through negotiations and concessions through the process of collective bargaining. Publicis Loyalty replaced individual contract system with union- negotiated Workplace

Agreement. This marked the beginning of a new mode of partnership approach between the ASU and the employees. The partnership continues to date and has contributed to improvements in the working conditions, benefits and employee training. Collective bargaining is also viewed as the most appropriate way of institutionalizing employment rules and a fairer way of balancing the management and employee power (Gennard & Judge, 2002). Publicis Loyalty call center made significant changes in the management structure. The top- down approach was changed to a collaborative approach. Hence, the employees have power to make decisions on specific customer issues, minimize the workflow and build trust.

Lastly, on the outcomes, the benefits have not served public interests. In the study, the benefits can only be noticed to the organization and the employee but the public interests cannot be established (Moscardo, 2013). The outcomes include improved productivity and efficiency of the workers. For instance, the number of Qantas Club and Frequent Flyer members serviced by each employee increased from 2500 in 1996 to 10,500 in 2000. Moreover, absenteeism rate reduced in the organization and the figures were also lower in comparison to the industry. However, the impact of the initiatives in the larger industry cannot be explicitly identified in the organization. Moreover, the benefits to the larger society cannot be established. The role of the state has also not come out in the paper. Pluralists assume that the role of the state is to promote public interest. In this aspect, the company seems to reflect the unitarists. Unitarists presuppose that the state is an independent actor and plays a role in shaping the labor relations. Similarly, in the case of Publicis Loyalty call center, the state enacts laws that are supposed to be followed by all stakeholders in that particular industry. Consequently, the policies of the organizations within the industry are in one way or another influenced by state legislations or directives. For instance,

by signing the ACTU's Charter for Call Centers, Publicis Loyalty call center agreed to the minimum employment standards in this industry.

In conclusion, Publicis Loyalty call center best fits in the pluralist perspectives. It recognizes and appreciates the role of trade unions in employment relationships and actively engages them in resolving conflicts. Moreover, it recognizes that there are two different legitimate interests and conflicts are inevitable in such situations. However, the dependence of the employees on the employer for means of subsistence put the employees in a vulnerable situation. Consequently, Publicis Loyalty call center has formed a Consultative Committee that meets to discuss various issues, as well as respond to the diverse interests of the organization. Moreover, it involves the Australian Services Union to resolve the issues with the employees. Nonetheless, the aspect of serving public interest cannot be identified in the organization.

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