

Nature of Labour Management Process.

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Key words: Labour, Management, Process, Systems, Organisations, Components, Planning, Recruitment and Selection, Development, Compensation, Protection and Relation.

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Abstract

Labour Management refers to a social order in an organisation. Labour Management Process plays a crucial role in any factory. In other words, under the labour management process an attempt has to be made to get the labour resource most productive. In the overall production, six major components were included, namely, Labour Planning, Labour Recruitment and Selection, Labour Development, Labour Compensation, Labour Protection and Labour Relation. Several selected approaches were administered in order to analyse the existing organisational structure.

Introduction

This article aims to present the theoretical aspect of the Labour Management Process. For this purpose, certain concepts and definitions related to Labour Management Process will be discussed. Furthermore, theories will be investigated to find out the facts of an efficient Labour Management Process. With a view to providing a better insight of Labour Management Process, three terms which shape the heading Labour Management Process, namely labour, labour management and process are discussed here separately.

Labour

The term labour has been defined in the Concise Oxford Dictionary (1999) as, 'work, especially hard physical work'. Brownstone *et. al.* (1990) defines labour as 'those who work for pay and are not primarily supervisors or owners'. There is an impact among the terms human resources, manpower and labour. Some say human resources include both manpower and labour while manpower includes labour. There is another view that manpower is similar to labour. To Aggarwala (1995) both manpower and labour refer to

the same words. In his book he has termed the word manpower with the word labour simultaneously by including the term labour in the bracket with the term manpower. He views labour as work force including knowledge, skills, creative abilities, talents and aptitudes as well as the values, attitudes and beliefs of the individuals involved, *ibid.* pg. 20.

According to Johannsen and Terry (1983) labour has been defined as 'a workforce or human, physical and mental effort and skills involved in industry, commerce etc...'. It appears there is a similarity between the definitions given by Aggarwala and that of Johannsen and Terry. This can be illustrated with the definition given by the Concise Oxford Dictionary. It says 'manpower is the number of the people working or available for work or service' *ibid.* pg. 868. In other words, manpower means the number of workers or employees engaged in an organisation. Broadly speaking, the term manpower implies the work force which provides mental and physical efforts to achieve organisational goals. Most probably it offers the skills that are expected by an organisation Opatha (1995). Thus it can be said that the term labour means work force or manpower carried out by an organisation.

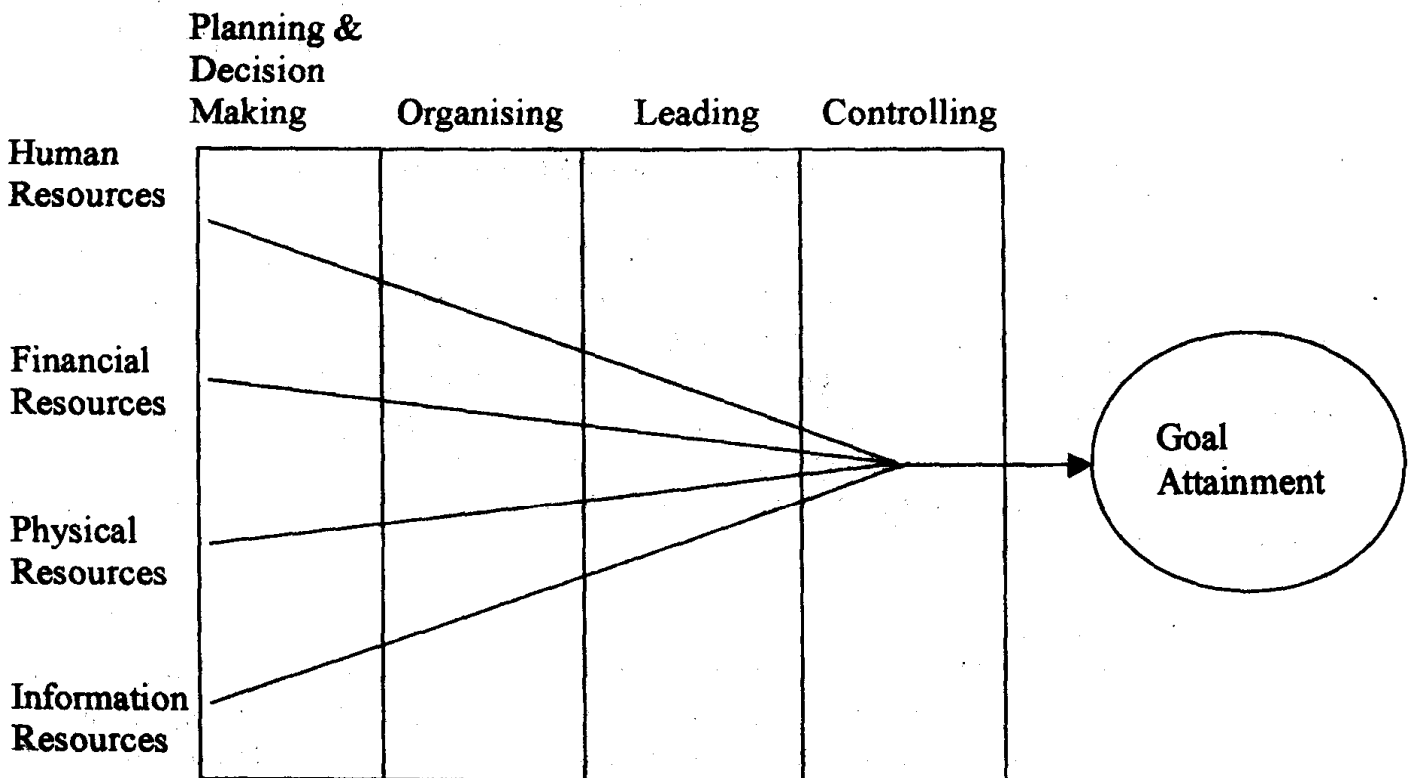
Management

Management is unavoidable in modern society. To obtain a basic picture of management certain selected important definitions are stated here. 'Management is the integration and co-ordination of resources in order to move efficiently and effectively toward desired objectives', Hitt, *et. al.* (1979). In addition, management is described as 'people responsible for directing and running an organisation' Johannsen and Terry, *op. cit.* Further, the Concise Oxford Dictionary defines management as 'the process of managing' *op. cit.* pg. 864. Management has also been defined as 'knowing exactly what you want men to do and then seeing that they do it in the best and cheapest way' Griffin (1984).

Labour Management

In theory, labour management is defined as 'a function of having the right type of people available as and when required and improving the performance of the existing people to make them more effective in their jobs' Davar (1996).

Figure 1. The management process (A schematic diagram of management in organisations)



Source: Griffin (1984).pg.07

Process

Generally, process means a set of operations accruing in an organisation. Theoretically, process means 'a series of actions or steps towards achieving a particular end' Concise Oxford Dictionary *op. cit.* pg. 1139. Further, Longman's 'Dictionary of Contemporary English' defines process as 'a connected set of natural actions or events that produce continuation or gradual change and over which humans have little control', (1995) pg. 825. According to Johannsen and Terry *op. cit.*, pg. 265, process is defined as 'the way in which people in groups behave and interact when they are setting objectives, solving problems or introducing change'.

Labour Management Process

By relating the views discussed under the terms labour, management and process, a better insight can be given regarding the Labour Management Process. It refers to a social order in an organisation. In other words, under the Labour Management Process an attempt has to be made to get the labour resources most productive. When considering management process, Griffin (1984) points out as follows. 'Management is the process of planning, organising, leading and controlling an organisation's human, financial, physical and

information resources to achieve organisational goals in an efficient and effective manner', (see figure 1). According to this definition, Management Process relates to handling and monitoring the resources pertaining to four categories. Of these, it is evident that the human resources are most significant. Figure 1 illustrates the functions of Management Process and direction of the four types of resources towards goal attainment.

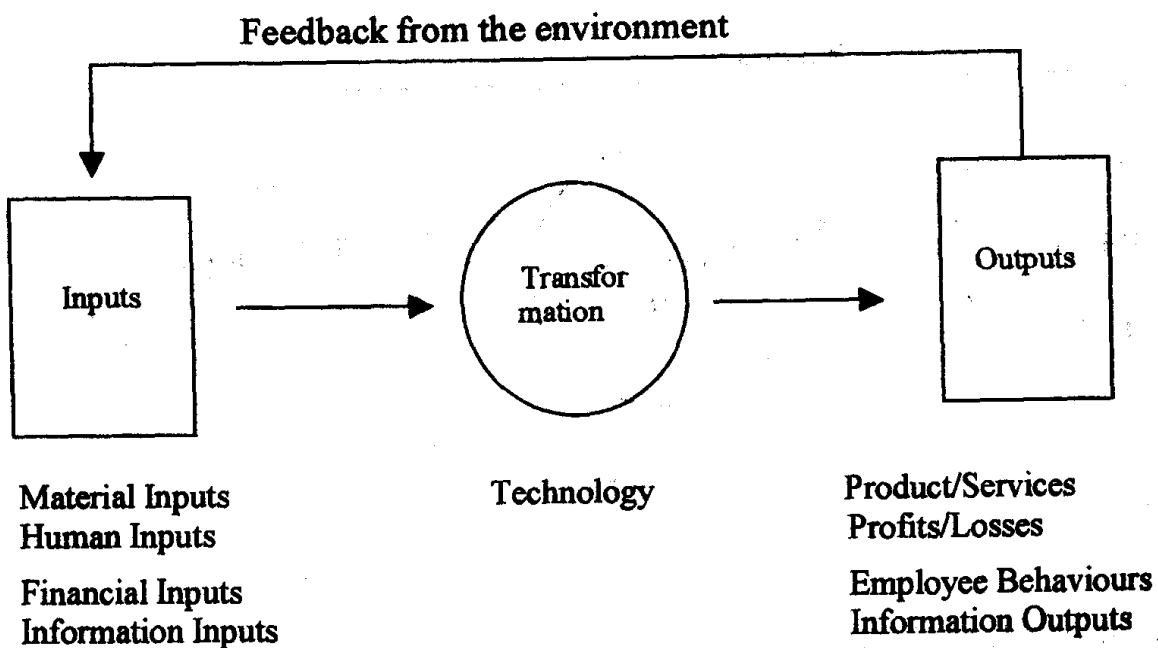
The Approaches Selected to Analyse the Labour Management Process

In analysing the Labour Management Process, different approaches can be applied. Among these are the systems approach and process approaches. Therefore, to analysis the Labour Management Process under this study, these two approaches are explained here. In the case of the systems approach, again it can be divided in to two sub approaches namely systems resource approach and socio-technical systems approach. Eventually, having integrated the systems approach and process approach another alternative approach has been introduced as process systems approach. All these approaches are discussed below separately.

The Systems Approach

A system means an assemblage of different components. It is a complex whole. It is of course a series of activities or parts. Formally, 'a system is an entity made up of two or more interdependent parts that interact to form a functioning organism', Hill *et. al.* pg. 50 *op. cit.* To the Concise Oxford Dictionary system is 'a complex whole' pg. 1453 *op. cit.* In French (1990), it expresses that 'by emphasising the relationships among the parts of a totality, helps personnel managers to understand how a change in one component of an organisation can have repercussions throughout the firm'. Each system has a boundary that separates it from its environment. In a closed system, the system boundary is rigid; in an open system, the boundary is more flexible. Accordingly, an open system is very important to allow organisations to interact with their environment. An open system has been defined as 'a system that interacts with its environment', Stoner *et. al.* (1996). Also, a system is considered as an open system if it interacts with its environments; it is considered a closed system if it does not. All organisations interact with their environment, but the extent to which they do so varies. Thus, an organisation is also a particular system because it consists of different sections and different groups of people. People are strong components in an organisation due to the fact that they are highly dynamic, active and an immensely significant factor in an organisation. People are named as open systems, which seek about environmental forces that interact with their activities. Hence a group of people defined as a system should be catered for very well by their respective managers. They can drive or change the closed systems, which cannot react with environmental forces. As such, the systems approach is mostly important to make an analysis of the Labour Management Process. In respect of an organisation its system covers three major parts with feedback and they themselves are interconnected as follows.

Figure 2. A systems model of organisations



Source: Griffin (1984) pg. 53.

For an organisation, a systems approach is important and according to Figure 2, the organisation functions under three basic components namely: input, transformation and output. The inputs are material, human (labour), financial and information. Further, system approach means 'View of the organization as a unified, directed system of interrelated parts', Stoner et. al. (1996)

The Systems Resource Approach

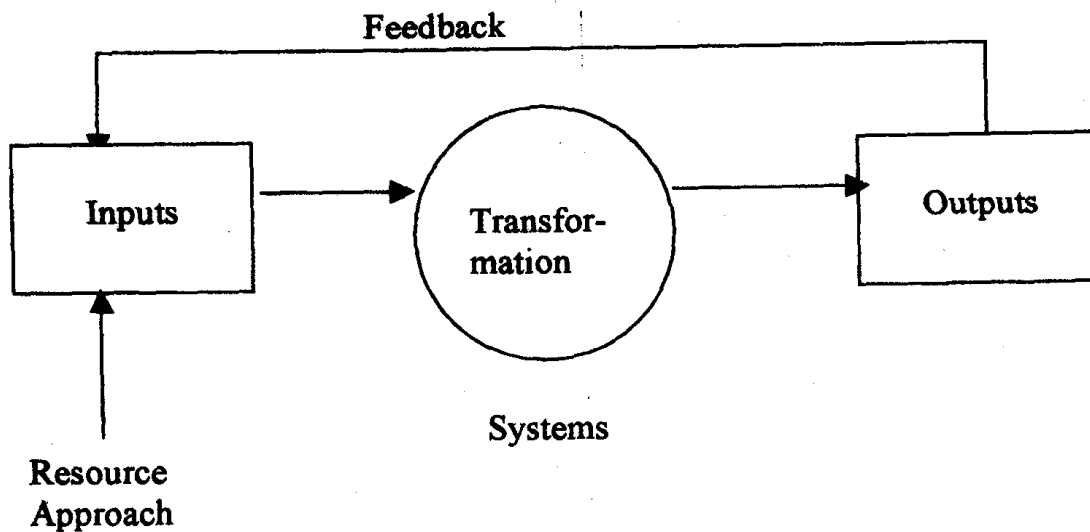
Systems approach totally considers all the four parts of total organizational system. But the System Resource Approach is a development of systems approach with special emphasis to the inputs (resource). In this survey greater emphasis has been given to labour. The systems resource approach is explained below.

The systems resource approach is a development of the systems approach with special emphasis to the input (resource). In this survey, greater emphasis has been given to labour and for the systems resource approach as explained below.

The systems resource approach means, 'an effective organisation is one that can acquire the resources it needs' Griffin, *op. cit.* pg. 573. Furthermore, its organisational effectiveness focuses on inputs that is, on the extent to which the organisation can acquire the resources it needs.

A manufacturer that can get raw materials during a shortage, a college of engineering that can hire a qualified faculty despite competition from industry, a firm that can borrow at

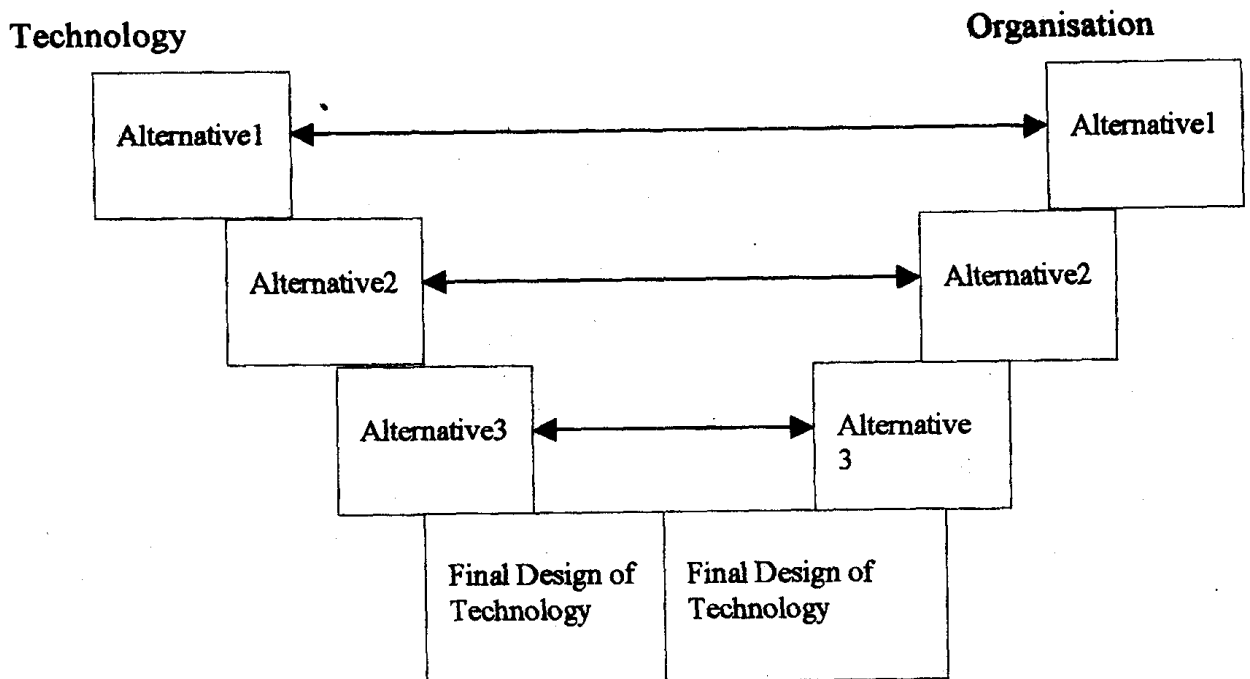
Figure 3. Systems Resource Approach



Source: Griffin (1984) pg. 575.

reasonable interest rates, and an organisation that is doing a good job of monitoring its environment are all effective forms of the systems resource perceptive. That is, they are acquiring the material, human, financial and information resources they need to compete successfully in the market place Griffin, *ibid.* (see figure 3).

Figure 4. Socio-technical design and choice



Source: Laudon and Laudon (1988).pg.18

The Socio-technical Systems Approach

In the previous systems resource approaches, input (resource) was considered in detail. Now transformation is considered. On the other hand transformation or technology is an important element in this system. So with regard to technology, socio-technical system has been developed. In this survey the term process has been generally emphasised under the socio-technical system approach. This means that technology must be changed and designed according to organisational and individual needs. In other words, the conversion process is designed in accordance with the needs of both organisation and people. Through training, learning and planning organisational change in order to allow the technology to operate and prosper, figure 4 illustrates how the socio-technical design and choice is made, Laudon and Laudon (1988).

The Process Approach

The facts discussed earlier focussed on the concepts and definitions relevant to the term process. In addition, functions such as planning, organising, leading and controlling which are included in figure 1, are also considered under the management process. Thus the process approach reveals that managing human resources comes under this particular process. It highlights that all the necessary elements are interconnected and interdependent; figure 5 illustrates such a position.

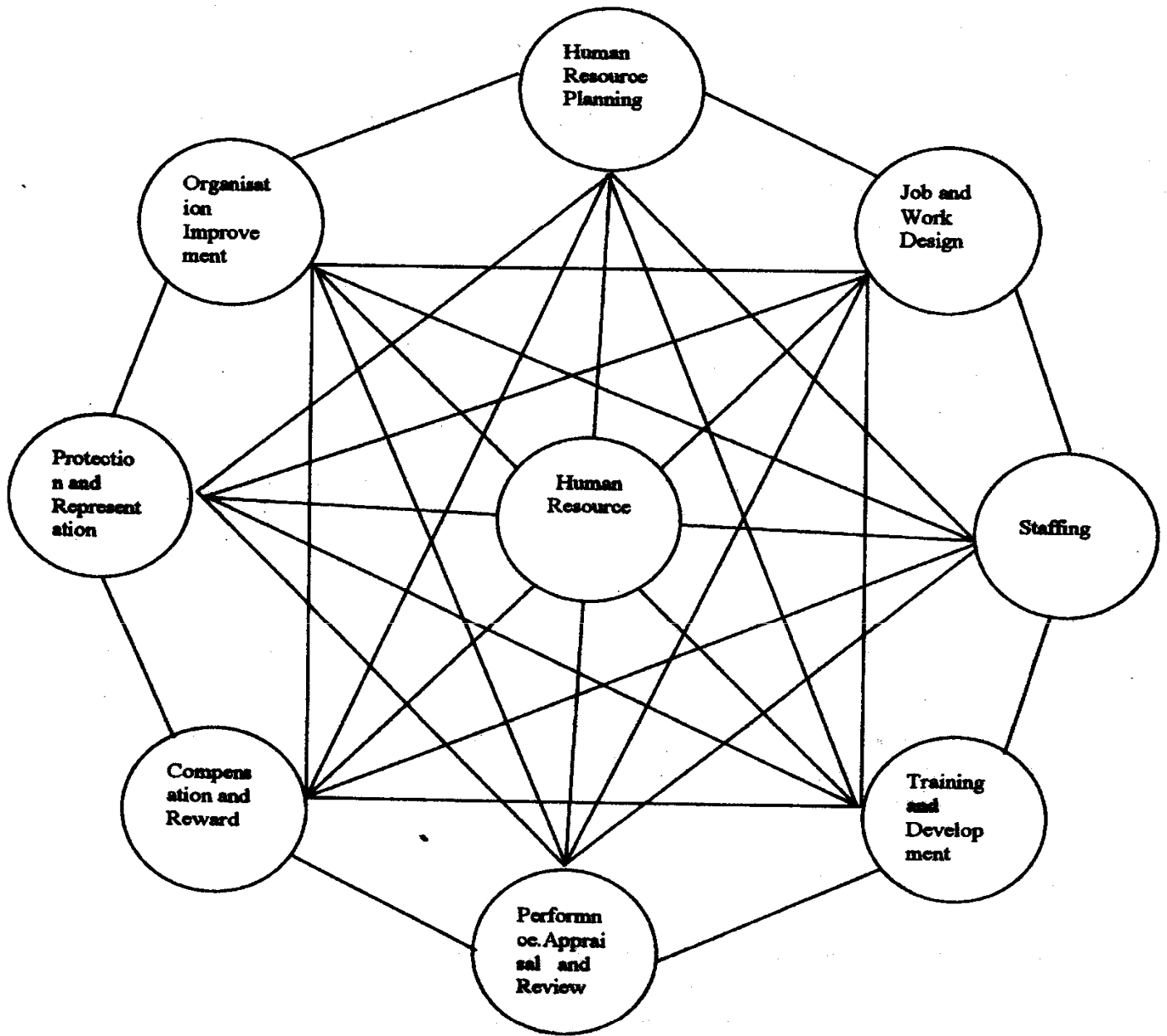
The fundamental process in human resources management is shown in figure 5. All the processes are linked in the diagram to depict the idea that they interact and are interdependent. Present survey has given greater attention to the process because this has relevance to the Labour Management Process. Further attention towards human resource management also becomes important because labour management is a sub component of human resource management.

The Process – Systems Approach

The above two important approaches i.e. systems approach and process approach has been combined to form the process systems approach. The significance of the process systems view is that it: (i) takes into account the interdependence of all aspects of human resources management and (ii) recognises the relationship between human resources activities and organisational goals. A process is an identifiable flow of interrelated events moving toward some goal, consequence, or end. A system, on the other hand, is a particular set of procedures or devices designed to control a process in a predictable way. According to the process systems view, human resource management is the systematic control of a network of interrelated processes affecting and involving all members of an organisation.

This process includes human resources planning, job and work design and analysis, staffing, training and development, performance appraisal and review, compensation and reward, employee protection and representation and organisational improvement. French (1990) *op. cit.*

Figure 5. Major process in human resources management

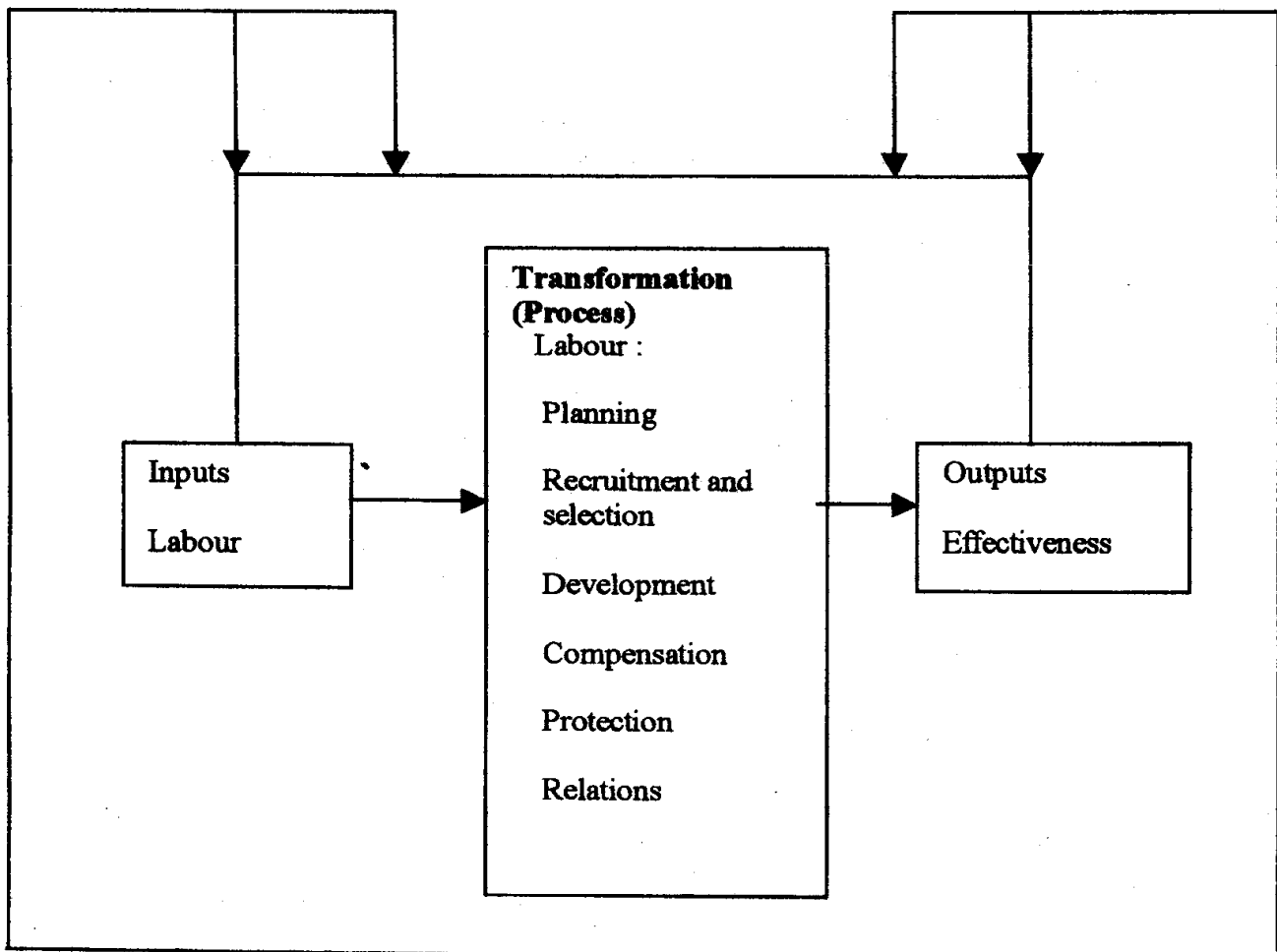


Source: French (1990) *op. cit.* pg. 12.

Components of the Labour Management Process

Having discussed the various approaches to study management process, the next attempt is to move toward identifying components of the Labour Management Process. For this study it is important to find out what labour management functions are and labour management process through various theoretical surveys of management. Also, to find out the components of the Labour Management Process it is necessary to pay attention to human resource management. The reason for this is that labour management is small part in the field and human resources management is a vast area. Accordingly, the facts relevant to human resource management can be taken from the contents of the references. Figure 6. Approach to the study of labour management process. The model developed for studying Labour Management Process in the organisation.

Figure 06. Approach to the study of Labour Management Process



Aggarwala (1995) indicates Manpower Planning, Manpower Selection, Manpower Training and Development. Bratton and Gold (1994) deals with Planning and Selection, Rewards and Development, Employee and Labour Relations. Milkovich and Bondreau

(1997) indicate Assess Conditions, Plan and Set Objectives, External Staffing, Employee Development, Compensation and Employee Labour Relations. Dessler (1998) deals with Recruitment and Placement, Training and Development, Compensation, Labour Relation and Employee Security. French (1990) shows an overview of Human Resource Management, Organisational Considerations in Human Resource Management, Job Design and Staffing, Development Appraisal, Compensation and Reward, Employee Protection and Representation, the future of Human Resource Management.

With the aid of above mentioned different approaches and references it can be noted that labour management is a particular process including components such as:

- Labour Planning
- Labour Recruitment and Selection.
- Labour Development
- Labour Compensation
- Labour Protection
- Labour Relations

According to figure 6, it is noted that labour management follows a particular series of activities depicting a transformation (process). In that process there are interconnected components such as Labour Planning, Labour Requirement and Selection, Labour Development, Labour Compensation, Labour Protection and Labour Relations. Therefore, as a whole, this process can be regarded as a system.

Conclusion

Labour Management Process includes six major components: (i) Planning (ii) Recruitment and Selection (iii) Development (iv) Compensation (v) Protection and (vi) Relations. Labour Management functions as a process in an organisation. But it is an integral part of a system.

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