

ANALYSIS OF THE CURRENT STATE ON LABOUR POLICIES IN THE ROMANIAN ORGANIZATIONS

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Abstract

The policies on labour relations can be considered as the philosophy or values promoted by an organization and help ensure a unitary approach within it. The existence of such policies in each organization has the maximum utility because helps employees to understand the values promoted by them and the behaviour that must be adopted.

The main areas that can be covered by policies concerning labour relations are human resources planning, the quality of the employees, hiring and promoting employees, work-life balance, non-discrimination, dismissal, work discipline, complains, substance abuse, smoking at work, employment and relations with employees infected with HIV and other fields mentioned in the paper.

Throughout the study, the attention was given preponderantly on three categories of policies: discipline policy, equal opportunities policy and work-life balance policy, the last two also being promoted by European institutions. Therefore, these policies were analysed in practical terms within Romanian organizations. We found that discipline policies are widely used at work, while the other two types of policies exist at a lower percentage within the analysed establishments. Most units having such policies concerning non-discrimination and work-life balance are oversized. This situation requires action from the management of small and medium-sized units in order to draw up and respect the non-discrimination policy and the balance between work and family life.

Key-words: Labour relation, policies on employment relations, organization, discipline, non-discrimination, balance between personal life and work

JEL classification : J5, J7, J 8, K12, K32

1. Introduction

According some Romanian authors [2], the term “labour relations” has reached to be used increasingly in recent years, especially since early 1980s, with the advent of human resources management, when followed a period of steady decline in the importance of industrial relations and collectivism, decrease due to the significant loss of power and the role of trade unions as a result of technological changes, massive restructuring within organizations and restrictive legislation applied to labour actions in most countries.

Unfortunately, as shown in the results of a study [3] both Romanian specialized literature and managers of Romanian organizations still give relatively low importance of employment relations and its policies.

The importance of Human Resources Management for understanding employment relations and changing of industrial relations „consists in its association with a strategic managerial approach, integrated and highly distinctive for leading men” (Salamon, 1998). Preoccupations of the 1980s are increasingly oriented towards determining the human dimension of the organizational changes, for more attention to employees’ involvement and relational system within the organization (Manolescu, 2008).

Policies regarding labour relations represent an important issue for ensuring the competitiveness and success for any organization and the absence of such clear, concrete policies, with a legal and real basis, or the promoting of inadequate policies without coverage results cannot be prerequisites for competitiveness and organizational success. The formulation of such policies helps create and maintain positive labour relations among employees and between them and management [6].

The aim of this paper is precisely to clarify the concept of “labour relations policy”, to present the aspects taken into consideration by managers of the organizations, in the development and implementation of these policies, as well as to include the areas that should be covered by policies concerning working relations.

At the end of this paper are shown the results of a study on managing labour relations, conducted by the authoress on 85 organizations from the North East of the country in 2012, in order to identify the degree of existence of such policies within Romanian organizations and the appropriate measures to be taken by their management in this regard.

2. The policies on labour relations

The policies regarding labour relations are influenced by human resources policy. Human resources policy serves as a guide to the management of human factor and defines the main sides of the employment relationship.

It is important to distinguish between objectives, strategies, policies and procedures in labour relations. The objectives of labour relations express in a concrete form the intended purposes. The strategies of labour relations describe, explicitly and, implicitly, the possible ways forward, procedures and ways of achieving these purposes and serve as a basis for policies on employment relations which, in turn, support the implementation of strategies.[6]

The policies of employment relations serve as a reference point when developing management practices of labour relations. Policies help to define “how to proceed in this organization” and “provide the general normative of the approach adopted by the organization, and therefore by its employees, on various aspects of labour relations. G.A. Cole also stated that “policy does not declare what the organization intends to do but how they intend to achieve their goals” [4].

Procedures express how to act executives and managers when apply certain measures affecting the employees and do, in fact, the formal methodology applicable in solving specific issues, related to policy and practice concerning labour relations.

If the policies of labour relations serve as a guide to the management of the employment relations, they do not specify the measures to be taken on a case by case, they just stipulate procedures and detail what to do and how to act.

3. What are the policies regarding labour relations?

So, we can consider policies regarding labour relations as constant guidelines of the approaches that the organization intends to apply to the employment relations management. These policies define the philosophies and values of the organization in terms of how people are treated, and of these arise those principles on which managers should act in addressing issues related to the relations with their employees.

The capacity to identify policies is an important skill for human resources manager and labour relations specialist, too.

Policies on labour relations contribute to a uniform and coherent approach throughout the organization, in line with its values. They provide conceptual frameworks necessary for consistent decisions making and promoting fairness in the way people are treated. [6] Given that they are a guideline of what managers should do, these policies facilitate decentralization and delegation. We believe that these policies regarding working relations can help to shape an organizational culture, even if its defining must correspond to the organizational culture.

4. Develop and implement labour relations policy

Aspects that have to be taken into account in the design and implementation of labour relations policy are external and internal factors of the organization: the legislative, political, economic context and, as mentioned above, the organizational culture.

It is important to be aware of the type of policies formulated by other employers in the same business sector or industry. This can have a positive impact within the organization. For example, the fact that another organization adopts a particular position on employees’ involvement as a means of maintaining key employees, could have an impact on the ability to retain staff. Many employers when developing policies and procedures in labour relations act only on the surface. Either they do not take into consideration how their policy might work in practice and whether it would meet the needs of their employees, or they are careless in its operation so that it does not meet the criteria of „best practices” – which is an important standard in the employment relations (Gennard and Judge, 2010).

All the organizations need policies regarding: non-discrimination, discipline, equal opportunities, health and safety, remuneration and other benefits, sick leave, and these policies should be always written and consistently applied. Written policy benefits are obvious, but there are also disadvantages: policies drawn up in writing may prove inflexible and restrictive.

Policies regarding formalized labour relations can be used in inductive instruction by managers/specialists in labour relations and by team leaders, to help employees understand the philosophies and values of the organization and how to behave in this context.

In units where there is a union labour, employment relations policies are included in various clauses of the collective agreements, clauses covering important aspects of labour relations management: non-discrimination, health and safety at work, aspects related to complains, discipline, layoffs, and so on.

Gennard and Judge (2010) consider that, to meet the purposes for which they were formulated and to make possible their implementation, labour relations policy should:

- correspond to the objectives, strategies and general policies of the organization and those regarding human resources;
- reflect the organizational valuables;
- be in line with relevant legislation, the provisions of the collective labour agreement and the official codes issued by organisms or professional institutions in the field;
- be drawn and notified, preferably in writing;
- be clearly defined and transparent enough to attract a larger number of employees or managers in designing, developing and transpose them into practice;
- be the result of explicit or implicit negotiations, and of discussions and consultations at all levels throughout the organization, including employees' representatives.

5. Domains covered by policies concerning labour relations

The following areas are covered by policies concerning labour relations (Armstrong, 2003):

a) **Human resources planning.** Human resources planning express the organization's commitment to plan ahead the needed human resources in order to maximize the opportunities for employees to develop their careers within the organization, and to reduce to a minimum the possibility of forced redundancy.

b) **Quality of the employees.** The organization can settle in policy statement that, as an organization dedicated to excellence and professionalism, it believes in the idea to recruit only people who possess the ability or the potential to achieve high standards of performance expected from them.

c) **Promotion.** The policy will state the organization's intention to promote people from the inside, as a way to meet the requirements of a high quality staff. On the other hand, however, the policy will recognize that, in certain situations, the organization's present and future needs could be fulfilled only by recruiting from outside. Policy could indicate that employees will be encouraged to apply for vacant posts advertised in-house, and that their managers will not oppose to promote them, no matter how reticent they would be to lose them. In the same field of promotion, certain policies could be adopted, in which, the personal merit would be the basis criterion for deciding a promotion, and, in equal terms, the preference might be headed for the oldest worker.

d) **Employability.** A policy of increasing the employment potential of an individual, providing opportunities for career development and knowledge accumulation through learning.

e) **Balance between work and personal life.** Beginning in the late 1990s, growing concerns about the need for family-centred work arrangements and a balance between work and personal life had a significant influence on labour relations policy. This policy has in view the organization's intends to achieve a proper balance between work and all other aspects of employees 'life.

Policies on work-life balance are often presented by employers and perceived by employees as advantages or supplementary benefits. These policies determine the improvement of their morale, increase loyalty, motivation and reduce absenteeism.

Such policies are favourable to family life and may include arrangements for granting days off and time off to deal with family emergencies, fix-term or part-time employment contracts, flexible work arrangements, work at home, when necessary; recognizing that parents or those who care for others cannot always work outside the normal schedule; recognizing that the number of hours at work is not a criterion for assessing the performance; the existence of nurseries and kindergartens inside the enterprise and of an allowance system for childcare and establishment of new rights such as paid parental leave. Of all these arrangements, the flexible working time is the most common in organization's practice for supporting the employees. Flexible schedule helps employees to manage their work and family responsibilities, by allowing them to reduce the work-life conflict and improve the functioning and performance at work and at home (Downes and Koekemoer, 2011).

f) **Equal opportunities.** Since the 1970s, employers were increasingly involved in equal opportunities, in particular through their proclamation as „employers interested in equal opportunities” and by adopting formal policies concerning the equality (Dickens, 2000); (Jewson, 1995). This trend continued with greater fierceness in 2000.

The policy of equality is a basic principle in the practice of labour relations because in essence, it refers to the fair and equitable treatment for every employee, regardless of gender, race, religion or marital status.[7] Discrimination can occur when hiring, in the setting of working conditions, in compensation, training, promotion, disciplinary issues, dismissals and in the relations between employees.

While in the past, policies of equal opportunities were generally limited to issues such as gender, ethnicity, age, religion, there is evidence that under the present legislation their field was expanded to cover the problems of disability and sexual orientation (Walsh, 2007). Therefore, one could say the organization's policy statement will make all possible efforts to offer equal opportunities for people with disabilities and for those with certain sexual orientations.

Equal opportunities policy should look like, according to M. Armstrong, the extent to which the organization wants to take “positive discrimination” measures (affirmative action) to remove exaggerated disparities between the number of workers differentiated by sex or race or the disparities in terms of levels of qualifications or acquired skills.

There are positively discriminated people (who are given privileges) based on their disadvantaged situation or the injustice they were subjected in the past. [1]

There has been also some criticism about using these policies. For example, Kirton and Greene (2005) consider that there are often statements of intent, simply rhetoric, helping to hide the presence of discriminatory practices at work. In other words, just because there is a policy of equal opportunities, this thing should not be taken as a sign that negative discrimination is absent (Aitkenhead și Liff, 1991); (Bradley and Healy, 2008).

An obstacle against the employer's initiatives on equal opportunities is related to attitudes and behaviour of line managers, often male. These initiatives regarding equality are many times treated as unimportant by those managers that see them as a violation of their prerogatives (Kirton and Greene, 2005).

An important aspect of the policy of equal opportunities is the monitoring: starting from some information related to the employees, the organization can determine where could appear arbitrary discriminations. [4]

Equality policies are frequent among large organizations and within those organizations where a Human Resources specialist exists. According to a study conducted by Bradley and Healy (2008), 92% of units with a Human Resources specialist enjoy such a formal policy comparative with less than half of those who have no such specialist.

However, in most cases, such policies concerning equality are insufficient to ensure compliance. Other measures have to be taken, related to the known causes and the features of the inequity at work, and, if an organization took into account seriously the observance of equality, it would evaluate from the beginning the policies and practices to determine whether they are in agreement with the objectives of complying the equality.

Examples of policies and practices that should be included in this assessment are:

- Practices and procedures for recruiting, selection, evaluation, promotion, procedures related to complains, disciplinary and dismissal procedures.

- Job evaluation schemes and employment conditions in general.

After making such an assessment employers should then consider the conclusions of the evaluation, the initiatives or improvements they should adopt to remedy the drawbacks (J. Gennard and G. Judge, 2010):

- Improvement programmes for human resources and line managers to understand the issues of equality and prevent discrimination;

- Equality awareness programmes which can encourage changes in attitude and understanding of the problem;

- Use of opportunities to implement positive actions, such as programmes for recruitment, selection and training targeted at women or members of certain minorities;

- Development of plans for employment of females, people from ethnic minorities, people with disabilities, and so on;

- Develop mechanisms for monitoring the implementation of policies and procedures in order to be able to define the exact nature and incidence of inequality and take measures to remedy the situation;

- Encouraging the involvement of females, people from ethnic minorities, or other vulnerable categories in various processes and mechanisms of decision making within the organization.

g) **The management of diversity** – how the organization manages the issue of cultural diversity of the labour force. The approach to the management of diversity has become increasingly influential, especially in the USA, as a means to challenge discrimination and disadvantage in working relations. A policy concerning the management of diversity recognizes that there are differences between employees but, managed properly, they allow work to be more efficient and effective. The management of diversity involves valuing differences between employees and various skills they invest at work, which helps to create a stimulating work environment.

What underlies the management of diversity is the assumption that an organization should recognize that it has to change, to adapt to differences of its employees than to expect employees to match of its existing practices.

h) **Ethnic monitoring** – the way the organization manages the issue of employment of ethnic minorities.

i) **Old staff** – the policy will define the approach of organization applied to the employment, training and promoting old employees.

j) **Dismissal** – redundancy policy could show that the organization intends to make efforts to avoid redundancy, by its redistributing procedures and retraining staff. However, if redundancy is inevitable, those affected will receive fair and equitable treatment, the maximum possible notice and all the help the organization can give to find another suitable job. An example of redundancy policy might take the following form [6]: „The Company intends to develop and expands its activities, in order to maintain its competitive advantage in the existing market. To achieve these goals we need the cooperation and the commitment of the entire workforce. Instead, our goal is to provide a stable working environment and a high level of security at work. However, it must also ensure the economic viability of the business in the competitive world we must operate now. In such a society, with market changes, the technology or the environment may cause us to consider the need to reduce staff. To mitigate the impact of cutbacks, the following procedures will be adopted...”

k) **Discipline** – disciplinary policy should state that employees have the right to know what is expected from them and what might happen if you break the rules of the organization. The policy will also point out that, in

dealing with breaches of discipline, the organization will treat employees in accordance with the principles of the natural law.

The disciplinary policy of a unit will ensure the right of the staff to appeal against the decision of applying disciplinary sanctions. Disciplinary organizational rules must be drawn up in writing and sufficiently explicit for the benefit of both the employer and the employee. Rules of behaviour are formulated in various company documents, such as the Rules of procedures or Employee handbook as well as the Codes of ethics and Professional Statutes. Their purpose is to define and explain what behaviour is accepted at work and what is not permitted. In practice we find that there are few organizations that specify in writing each and every rule of conduct, it might exist unwritten rules or implicit rules. If a violation of rules will result or not in disciplinary action depends also on the circumstances it occurred, the stance taken by the management in the past, and on the organizational culture [3].

Typically, disciplinary rules cover the following fields: respect for working hours, absences, health and safety, misconducts (for example smoking in prohibited places, alcohol and other harmful substances), personal use of company's goods, the confidentiality of data and information related to work, attitude towards colleagues, to management or to clients (e.g. abusive behaviour and uncivilized conduct, insult, hitting and damaging body integrity or health or human dignity, and so on).

l) **Employees' complaints** – policy should state that employees have the right to express grievances against their manager, be accompanied by a representative if they so desire and to appeal in front of a board, if they believe their complaint has not been resolved satisfactorily.

m) **Sexual harassment** – policy will show that the organization strongly disapproves the sexual harassment and state the measures taken to eliminate it.

n) **Intimidation** - policies to prevent violent behaviour at the workplace.

o) **Smoking** – the policy will define the rules to ban smoking inside the enterprise. The policy on smoking provides a healthy work environment and avoids any conflict, and should be drawn up in consultation with the employees.

p) **Unhealthy substance abuse** – the policy will indicate the way organization treats employees having problems with alcohol and drugs. It is necessary to adopt such a policy because within enterprises many employees have problems with alcohol and even drugs; substance abuse could be due to work related issues for which employers must take some responsibility; employers have to provide a safe work environment.

q) **Aids** – the way organization addresses the issue of employment and relations with employees who are infected with HIV or already suffer from AIDS. Being a dangerous disease, it is necessary for the organization to define such a policy.

r) **Internet** – the policy regarding the use of the Internet at work for personal purposes and the monitoring of Internet communications. Drawing such policies fixes the rules that prohibit sending offensive e-mails, watching some materials that are not related to work, and applies disciplinary measures to those who violate them.

The above policies set up in paragraphs m) to q) can be named generically policies on health and security at work.

We give some examples of long-term policies designed by G.A.Cole (1997), which express the organization's perspective on the way it intends to run its relations with the employees:

-“In matters of employment and occupation, the company will comply with both the spirit and the rule of law”;
- “all vacant posts will be displayed in the organization. They will be occupied only on merit and there will be no discrimination on grounds of sex, ethnic origin, age or any other factor than the ability to competently fulfil the job requirements”;

-“In negotiations with unions' representatives the company will always act in good faith”;

-“Any organizational change will be implemented only after a solid consultation with those directly affected by this change”;

-“Employees will be encouraged to participate in training and development activities for the mutual benefit of the individual and the company”;

-“Every employee shall be entitled to equal treatment in matters of discipline”;

6 .The existence of policies on labour relations within Romanian organizations

6.1. Methodology

To identify the current stage of the existence of policies on labour relations, we conducted a study on the management of these relations within 85 organizations from the North East of the country, with the help of more than 10 employees. Most of the units surveyed are located in Suceava, Botoşani and Neamţ Counties, due to the ease of distribution and collection of questionnaires, and management receptivity. In this respect, two questionnaires were developed: one for managers (C1 questionnaire) and the other addressed to the employees of the same organization (C2 questionnaire) in order to achieve an accurate picture of the management of labour relations. Thus, the sample is probabilistic. Of all organizations surveyed, 40% are state-owned enterprises, 45, 9 % are Romanian private capital, 11,

8% are foreign private capital and 2, 4% are joint ventures. When referring to their size: 44, 7% are small organizations, 34, 1% are medium-sized organizations and 18% are oversized, with different economic activities.

To the no.1 questionnaire answered human resources managers in a proportion of 48, 3%, the general manager in a proportion of 29, 4%, members of the Managing Board in a proportion of 16, 5%, and 5, 9% were administrators.

The no.2 questionnaire was applied to a number of 473 employees, in executive positions within the same organization.

Two computer programmes were used to process date information obtained from direct application of the questionnaires: Microsoft Office Excel 2007 and SPSS 15.0.

The full results of the survey are presented and interpreted in the doctoral thesis of the author. [2]

6.2. Results

As mentioned, the survey includes some questions about the existence of policies on the management of work-life balance, a policy of equal opportunities and treatment in employment relations, and a policy on labour discipline.

- If the majority of managers (62, 36%) reported the existence of discipline policy at work, this result is because according to the Romanian legislation, any unit, no matter of its size, must have a Regulation Procedure. The situation is different in the other two policies on labour relations.

- Regarding the existence of a policy on managing the balance between work and personal life, only 23% of managers confirmed the existence of such a policy within their organization. However, when employees were questioned about the existences of those practices that support this balance, 31, 7% of them said they could have, if necessary, a flexible schedule, and 7, 8 % of them could perform at home. If employees need to modify their programme for a family emergency, 39, 53% of them indicated that they use the annual leave days, and 32, 98 % of them take days off that they recover later (Fig.no.1). These data revealed that, although few units have a formal policy on managing work-life balance, there is understanding from managers, at an informal level, for family emergencies.

Perhaps the biggest obstacle to the adoption of practices on managing work-life balance is that practices are often under the control of line managers that might be reticent to allow employees to use them, despite what the organizational policy could state (Williams, Adam-Smith, 2010). This difference between written policy and what managers actually allow to happen represents a significant impediment to the adoption of labour agreements focused on work-family balance. When they were questioned whether the organization has an official written policy on equal opportunities and non-discrimination in labour relations, 56,5% of the managers answered that they do not have such a policy and 34,1% responded affirmatively (Fig.no.2). Small percentage where exists such a policy is due to the fact that 44, 7% of the establishments surveyed are small or medium-sized businesses where there is no human resources department. Only 21, 2% of units are oversized. These data reinforce the statement that policies on equal opportunities are more frequent among large organizations, where the human resources managers, due to their professional training, understand the advantages of such a policy. These policies are found rather in public establishments (63, 3%) than the private ones (51, 9%).

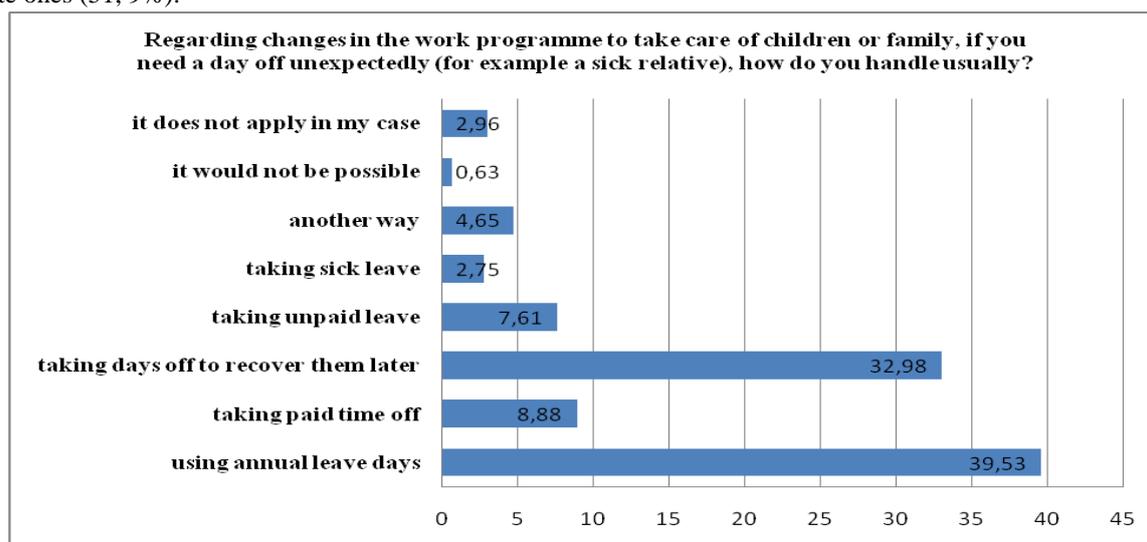


Fig.no. 1. Opinion on changing employees work programme for family emergencies

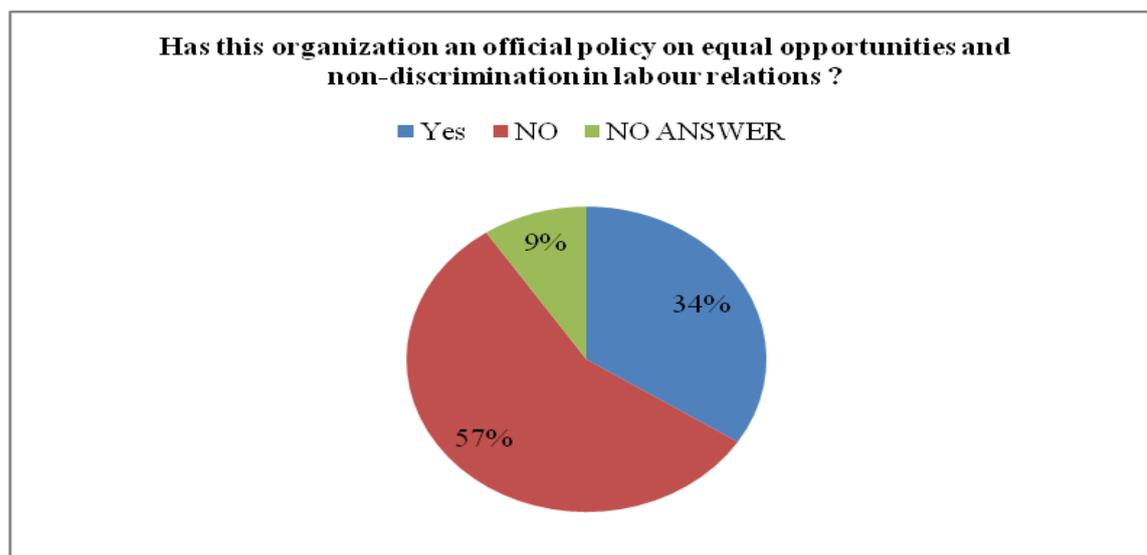


Fig.no. 2. The existence of a policy on equal opportunities and non-discrimination in labour relations

7. Conclusions

All these policies on labour relations are ultimately reflected on programmes or labour specific procedures. We think these policies should exist in any organization, not just within the large ones, as shown our study. Even if they are not explicitly and formally expressed, and, in many cases, they exist implicitly as an attitude of managers towards their subordinates, these policies are determined by the values of the organization.

We believe it is important that the managers of the Romanian organizations recognize the need for such policies that come as a benefit both for the employees and their organization. They must realize that drawing up such policies helps to create and maintain positive working relations among employees, and between them and management. On the other hand, policies affecting labour relations influence the organizational culture, and have to be capable „to add value” to the business. One of the solutions could be better training of human resources managers and line managers on issues related to employment relations.

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