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Human Relations in Industry

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nor can it trade the best elements of a 500-year-old tradition for the deceptive will-o'-the-wisp of *avant-garde* popularity.

It is certainly not too soon to say that the surprising success of the Bayanihan rests squarely upon this one fact—that under the sensitive direction of Lucrecia Reyes Urtula and with the capable assistance of Lucrecia R. Kasilag, Isabel A. Santos, Rodrigo Perez III and José Lardizábal, the group has successfully and artistically presented the fusion of the many traditional elements that go to make up Philippine culture. A national theater or a national literature must present accurately what the nation has been and is. The plaudits of the Broadway critics is proof enough that the Bayanihan has done just that. It is a beginning. We look for similar ventures in the other arts in the near future. To quote John Martin once again from his vantage point on Broadway: "From now on we shall all look at the Philippines with new eyes."

JOSEPH A. GALDON

Human Relations In Industry

The techniques of labor-management relations and the terms used to describe them are now part of our everyday vocabulary. The union contract, collective bargaining, vacations with pay, fringe benefits, etc., all these enter the stage at one point or another in the drama of modern industry. But far more important than the techniques employed, or the laws passed, is the spirit or outlook which dominates the protagonists of the action. In a very different connection, a famous author once wrote, "I still think it is more important for a landlady to know the philosophy of life of her prospective tenant than it is to know his income." Similarly, far more important than proficiency in the techniques of public relations is the philosophy of life behind the men who sit at the bargaining table, whether they represent management or labor. Sound moral principles animated by a Christian philosophy of social justice can alone lay the foundation of an enduring and harmonious management-labor relationship. In the final analysis good public relations are good human relations.

Costly labor disputes, pickets, strikes—all these have causes. To understand them correctly we must understand the factors present in our industrial scene. They can be reduced to three: 1) the historical evolution of big business in the Philippines; 2) the particular psychology of our people; 3) the rapid organization of labor.

Until a few years ago, the average business unit was small and so was the investment therein. A typical business was owned by one man or one family, who employed a few others to help them. Owner and

employees worked side by side. The owner-employer took charge of hiring, firing, and the fixing of wages and hours; incentives and rewards for good performance depended on him alone; grievances and their adjustment were his exclusive concern. A business establishment in this context was a very personal matter. Frequently members of the family or relatives were employed.

Almost immediately after the war the situation changed. The investment in large corporations increased notably. The small, family-owned operation gave way to the complex, multi-owned corporation popularly known as "big business". This process is continuing and it will continue. No longer do laborers work immediately under the owner but under a team of foremen, who themselves are directed by another team of supervisors, and these in turn take orders from a team of professional managers. Power is delegated all along the chain of command.

In this system production and efficiency are emphasized. To meet deadlines, schedules must be synchronized with faster-moving departments of the same company. Under such pressure, petty executives may easily become arbitrary or unduly harsh with their workers in order to meet the demand from above. Individual capacities and limitations are often disregarded. Personal problems affecting the individual worker tend to be ignored. The laborer increasingly becomes a cog in the machine, a unit of production. Impersonality becomes the keynote of business. Since the identity of the employer is also vague and undetermined, the immediate boss symbolizes the employer, in fact the entire business. More frequently than not the laborer recalling his immediate boss nurtures the feeling that the employer, whoever he may be, is an enemy whose interests are opposed to his own.

The second factor to be borne in mind is the psychology of our people. By nature and social background the Filipino worker tends to be very personal in his outlook. A largely rural background based on tenant-landlord relationships wherein he was usually the underdog has left him with a notable sense of inferiority. He is often a creature of fears and he tries to compensate for this by the warmth of personal friendship, a constant endeavor to look well in the eyes of the boss and an extreme sensitiveness to personal criticism.

On the part of the employer, there often remain strong vestiges of paternalism. He too is a product of his environment. Often he was and still is a large landowner whose labor practices arose from the landlord-tenant relationship. He thinks that he is a father to all his employees; conversely he feels that they ought to be willing to make the same sacrifices for him or for his business that a member of his family would make in the same circumstances. He resents and often represses all attempts on the part of the worker to assert a measure of independence.

The third factor in the industrial scene is the rapid organization of labor. With the mushrooming of big business labor here as everywhere in the world found itself immediately on the defensive. This natural reaction is rendered more acute on the local scene for two reasons. First, the concentration of capital in the hands of a relatively few, and secondly, the large percentage of unemployed. Karl Marx did not invent class warfare. It springs up wherever there is injustice and exploitation or where excessive individualism coupled with greed makes profit the sole dominating principle of economic activity. Faced with the growing power of large corporations the individual laborer feels immediately his insignificance.

But the Filipino laborer did not have to go through the long process of forging tools to meet this situation. He found them ready-made in the example of labor experience and organizations already formed abroad in more industrialized countries. With his security shaken, his self-identity obscured, his weakness exploited, he seized the weapons found effective elsewhere—the union organization and all it implies: collective bargaining, the labor contract, and as a defensive weapon, the strike.

Here then we have the basic elements of our management-labor relations problem today. Given the precarious balance of the two forces involved, it is easy to understand how a small grievance can build up rapidly into a conflict of major proportions. Looking at a large company scientifically run, with all the factors of production at its command, we may wonder why it should be the fertile ground of discord. Search farther behind the facade of efficiency and you will probably find that management has overlooked one of the most important and basic conditions of good management—the human side of labor.

Here is where good public relations come in. Public relations may be defined as “good performance publicly appreciated because adequately communicated”.

The goal of public relations, therefore, is *public appreciation* and its necessary prerequisite is *good performance*. Public appreciation comes in various forms: public preference for your product if you are a manufacturer, sales if you are a salesman, conviction if you want to sway public opinion, action if you want action, and so forth.

Applying this definition to the specific field of public relations with which we are concerned, we can use our definition as a yardstick and test management and labor to see whether their performance is *good performance* and hence deserving of *public appreciation*. Will management merit public appreciation if its performance along the lines of human relations with its labor force cannot be described as *good performance*? By the same token, can labor hope for public appreciation if its demands fail to take into consideration its own responsibilities for production and due service?

We may compare labor-management relations to the relationship of husband and wife as it is found in our country. The husband who goes to his office each day sweats out the technical aspects of production. He constitutes "labor". The wife who takes charge of the pay check and budgets the family finances, keeping watch over the activities of her one-man labor force, is "management". Both are bound by a contract. And while it may be richly seasoned with love, it is also founded on justice. Both depend on each other's good performance. The pay envelope—"labor's" product—is given regularly to "management". If she fails to budget it properly, if she wastes it on trifles or mah-jongg, her "labor force" is aggrieved. On the other hand, a serious production lag on the part of the husband will certainly initiate a grave domestic "labor problem", especially if the wife discovers that the deduction is attributable not to mechanical failure but to "representation expenses" incurred in nightclubs.

Thus, as in the marriage partnership, so in labor-management relations, both parties must be willing to cooperate and coordinate their efforts even at the sacrifice of some individualistic tendencies, and there must be a sincere effort even beyond the demands of strict justice to work out a harmonious relationship aimed at the mutual welfare of both parties.

In this delicate relationship between management and labor the responsibility of management is not easy. To fulfill its part of the bargain management must recognize certain fundamental obligations to its employees. These include as a minimum 1) the payment of a living wage, 2) the provision of humane conditions of labor, 3) the guaranteeing of the greatest possible degree of job security, and 4) the extension of a proportionate measure of social security even above the requirements of law.

The first claim of labor and therefore the first responsibility of management is the right of the worker to a living wage. By this term I understand a wage sufficient not merely for the decent support of the workingman himself but also of his family. A wage so low that it has to be supplemented by the wage of wife and mother or by the children before it can provide adequate food, clothing and shelter cannot be regarded as a living wage. It should, moreover, provide for his essential spiritual and cultural needs and enable him to meet not only the present necessities of life but those of unemployment, sickness, death and old age as well. In other words, a living wage rightly understood must include a *saving wage*.

A simple study of the prices in any city market and the rentals charged in the humblest of dwellings amply demonstrate that here in the City of Manila the legal "minimum wage" does not meet the definition of a living wage as given above. Recognizing that fact, enlightened management in many large companies has set the example by raising salaries above the legal minimum. Modern industry tries

to supplement the take-home pay with bonuses, guaranteed annual wages, and in some areas profit-sharing has been tried with no small success. In so acting, management is not just being charitable. It is being realistic. It is facing up to its first and primary obligation, one which is prior to the claim of owners to profits—and that is the right of labor to a living wage in the full sense of that term.

Lest I be misunderstood, I wish to make it clear that management is not to be diverted from its fundamental purpose, which is to insure a fair return from its investment. Business must have its profit if it is to survive, especially in these times of threatened devaluation and inflation, of the 25% foreign exchange tax, of the scarcity of dollars and many other problems. In the face of all these uncertainties, acutely felt by businessmen throughout the nation, management should not lose its head and augment the difficulty by remaining cold to the rights of labor and only acting when goaded thereto by the worker's ultimate weapon, the strike.

In this connection, may I suggest that poor public relations are engendered at the very outset when management shows itself annoyed merely because workers organize? This right to organize is a simple natural right of all men and is not reserved merely to Chambers of Commerce. To seek to intimidate uneducated laborers by dismissing their union leaders and officials merely because they seek to organize is not only unjust in itself but is the first spark that will surely set off the strike and discredit that particular management group in the eyes of all its workers. Organized labor is in the final analysis the individual workers' sole protection against unenlightened big business.

On the other hand, in establishing a standard of wages it is necessary to consider not only the workman's needs but also the state of the industry in which he works. Hence it would be unjust for the union to demand wages so high that an employer cannot pay them without ruin, and without consequent distress amongst the working people themselves. Between these two extremes is the area left to sincere collective bargaining.

But wages are not the only possible bone of contention. For it is a truism in business that management cannot afford to ignore that phase of business which when properly handled can accelerate the rate of production, perform it more economically, or ensure continued industrial harmony. As early as 1926, an authoritative book on progressive management stressed the need to refocus managerial attention on human relations and its significance in industry. "The industrial world is only a little beyond the threshold of a new evaluation of administrative ability in terms of effectiveness in directing people, and in terms of application of scientific methods of using human energy." A new focus in administration is the *human element*. The new center of attention and solicitude is the individual person, the worker. This shift comes about fundamentally because the enlistment of human

cooperation, of the interest and good will of the workers, has become crucial in the conduct of economic organizations."

This is the phase of management wherein public relations has the leading role. In Delgado Brothers where I am employed, we have to deal with some two thousand employees and laborers and negotiate with several labor unions. Each of these men and women in our outfit has his or her own personal problems and difficulties. One day it is a laborer who breaks an arm or a leg in the performance of his duty. Tomorrow it may be sickness in his family; or in some instances, an employee's wife barges into the office complaining of her husband's non-support. No sooner have you seen her out of the door and slumped back in your swivel chair with a sigh of relief than in comes a lady employee, asking for maternity leave with pay before and after the blessed event.

It is precisely at this point that I must refer back to the fundamental concept with which this discussion began. For here above all the employer's attitude, his philosophy of life, enters the picture. If management conceives its only goal to be profit for profit's sake; if the laborer is just another unit in the supply and demand schedule, an item of production, performing certain mechanical functions and responsible for definite quotas, then all the personnel techniques and grievance machinery in the world will not prevent friction.

Labor is not a commodity to be bought and sold, used and discarded like any other tool in the factory. There is no law of economics which would justify a callous disregard for the dignity of man. Workers are people, human beings just as much as the men in management. They have feelings, hopes, ambitions; they are subject to the same drives, the same human failings; they are subject to sickness, sorrow and death.

An employer may have all the material resources for production at his fingertips, he may know his business from every angle, but this is no guarantee that his business will prosper. These techniques must be infused with an attitude of genuine respect for the dignity of the worker. If this is lacking, then the most ingenious plans will fail.

In an effort to come to an understanding and appreciation of the scope of human feelings on the part of the worker, it might be helpful to list five relevant motives or drives. First, there is his sense of dignity as a man. Secondly, his need for the esteem of others. Third comes the basic instinct for survival. Fourthly, the desire for security. And finally the social instinct whereby men naturally tend to associate with those who share their interests and thus develop teamwork in pursuing common undertakings.

Today, procedures for settling grievances arising from working conditions are commonly set forth in the union contract. With the right attitude on both sides most of these troubles can and should be settled

at the lowest level by direct dealing between the supervisor and the worker. The satisfactory settlement of grievances depends on intelligent management attitudes and the correct training of supervisors.

In industry as in life education furnishes the way to success. Many firms have achieved very positive results in labor-management relations by undertaking a broad educational program jointly with the employees or the union. This is supplemented by various devices of two-way communication aimed at maintaining understanding and a free flow of information. This relieves the monotony and purposelessness of routine. A worker is given pride in his job and in his company. Skills are developed which permit advancement. All this boosts worker morale, increases efficiency and cements good labor-management relations.

A further refinement of the traditional grievance-adjustment machinery is found in the so-called industrial counsellor. This arrangement sets aside a trained personnel or social worker to assist employees in handling individual personality problems. He listens to the problem of the employee, tries to discern the underlying causes of his difficulty and offers suggestions for self-adjustment. Sometimes this may necessitate a change of supervisor or environment; or the adjustment may have to come from the worker himself along the lines of individual attitude or the resolution of home problems. This of course represents a relatively new field in large industry but it shows the lengths to which management can and should go to achieve harmony, which is the purpose of public relations.

There is no need to emphasize that a far different philosophy of life is spreading in our country today. It is a philosophy of violence and class hatred. It seeks to divide, to magnify difficulties, to set labor and management apart as if they were born enemies doomed to fight until one destroys the other. Against this rising swell, there is in the final reckoning but one alternative—it is the best and ultimately the only approach to good management and good labor relations. It was introduced into the world two thousand years ago. It is still good today. It is the Christian way of life—a way of life based on both justice and charity. The principles of true social justice, of industrial peace, of sound labor-management relations, are really nothing more than Christianity in action in the market place. As one author puts it: "Christianity in action is the way of life of a God who was a carpenter, who lived among fishermen, and who died between thieves." He was the best teacher and example of public relations at their finest. His work in the dignifying of human labor was not merely good but *perfect* performance; His effectiveness is *appreciated* right up to the present day; His principles have been adequately *communicated* down through the centuries. To Filipino businessmen He offers the greatest challenge in public relations—to bring

His way of life into the industrial world of the Philippines, and on this, the only firm foundation, to build the economic security of our people.

FRANCISCO C. DELGADO

Pacific Crossing

God in his infinite wisdom has given life to man for a purpose and man's success in life lies in fulfilling his mission in the divine scheme of things. The measure of his accomplishment contributes to progress; if he were to go through life impelled simply by self-preservation, without thought of serving God, country and people, his life would be utterly shallow and meaningless.

As a matter of fact each man has the solemn obligation of contributing to national efforts at progress and success. A nation earns international respect and admiration not by just keeping in step with the rest but by striving for the lead.

These considerations played a vital role in the trans-Pacific crossing of a light plane, an accomplishment in which I had a modest share with a fellow Filipino.

I am a Filipino, and proud to be one. I love my country and its people. While my profession as industrialist and publisher has enabled me, in all modesty, to participate in the economic development of our country, I have nurtured for a long time a desire to do something that would redound to the credit of the Philippine Air Force, to which I belong as an active reserve officer pilot.

Realization of my dream began to take form about the middle of 1959 when my company arranged for the purchase of a twin-engined Beechcraft Bonanza aircraft to replace an older aircraft which had been in use for years in connection with the firm's development of its agricultural industries in Mindanao.

The new airplane, called an H-50 model Twin Beech Bonanza, is a more modern version of the old one in use. It has super-charged fuel-injection engines, giving it greater speed. This type seemed ideal for the project I had in mind — a trans-Pacific flight from San Francisco to Manila via Honolulu, Wake and Guam. It was proposed that two men, a pilot (myself) and a navigator, man it for the long flight home in early December.

On the surface, the problems involved in the flight appeared simple. Yet it took six months to complete preparations. This is because error at any stage of the project would have given cause for criticism. More, such error could have resulted in failure of the mission. How-