Employment Relations

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***Introduction***

Organisations work on the basis of its employees. Employees are considered an essential asset of any organisation; without its employees an organisation is nothing. They are the pillars and the building blocks of a firm. Excellent and hardworking employees take the companies to a height of progress and prosperity whereas lazy and no-corporative employees bring doom to the fate of the companies. It is the utmost priority of every organisation to keep its employees happy and satisfied so that the employees can perform best and bring more and more business for the company.

Since the industry is experiencing its boom nowadays, every organisation is trying to maximise its operations and augment its market share. As the globalisation is on the surge as well, many organisations have started expanding their operations internationally. In the current times, it has become a norm that the headquarters of the company is in one country but it is operating and providing its services or products in another one or more than one countries.

***Description***

*United States of America*

The employee relations in the industries of the United States took a sharp turn in the year 1930s, as this was the time of the Great Depression. Many people lost their jobs, and the daily wages fell down to surprisingly low rates. The labour unions started finding ways into big corporations and strike rates went on skyrocketing (Frege, & Kelly, 2013). Considering all these situations, President Franklin Delano Roosevelt suggested an overall new economic policy, known as the New Deal economic policy and with some substantial reforms. The system implemented as the result of this reformal session was known as the New Deal model or the Wagner Model (Roberts, 2017, p. 137).

The Wagner Act implemented in 1935 advocated significantly in support of the unions and promised many rights to the unions (Bamber et al., 2016). The Act allowed the labour and worker unions to form freely and organise. In addition to this, the unions were allotted the right to collective bargaining. During that period, the unions had the authority that they could force the organisations only to employ those union members who were dues-paying.

Things, however, shifted in 1947, with the implementation of The Taft-Hartley Act. This new Act provided more safety and security to the workers as it introduced the concept of “right-to-work” ((Lexology.com, 2019). This updated legislation guaranteed the job security of the workers as it stated that no employee could be terminated just due to the reason that he had not joined the union or was not paying the union dues. However, the decision to adopt or not to adopt this decision was left upon the will of the individual states. Since then, almost twenty-four states have adopted the Taft-Hartley Act, which includes nearly all the Southern states (https://www.bcg.com, 2019).

This resulted in a steady decline to the private sector unions in the United States of America and a surge in the public sector employee unions. The union membership saw its peak in the 1950s (Home.kpmg, 2019, n.d.). The statistics presented by the US Department of Labor, in 2013, an estimated of 11.3 per cent of the workers employed in the private and public sector were a part of a union, which was 20.1 per cent in 1983.

*Germany*

As far as the labour unions or the worker unions of in the companies operating in Germany are concerned, they are much flexible and easy going. The workers of the companies in Germany are given much relaxation and enjoy a number of rights as compared to the workers working in other countries. As compared to their counterparts in the United States, these labour unions are much more relaxed and co-operative. German union of workers follow a system of co-determination (Mitbestimmung) which results in the mutual harmony between the employers and the employees. The representatives from the employee unions are given almost equal rights just like the shareholders, and they get equal opportunities just like the stakeholders to participate in the decision-making process.

The German employer unions are more of a facilitating in nature and focus more on conflict resolution. The nature of the workers' unions and the organisational structure is more democratic in nature, and all the decisions are made with the mutual consensus of the leaders of the labour union.

Here the question arises that how the labour council or the worker unions are formed in the German organisations. The workers working at the lowermost or the first levels are given the right to choose their leaders. They vote to or select their favourite candidate out of them which later on act as a representative to them and presents their demands to the higher management. In this way, the issues and concerns of the labourers and workers at the lowermost level travel above the chain of command (Heywood, and Jirjahn, 2014).

The German Legislation also supports the formation and development of the workers' unions or labour unions and especially the Works Council Constitution Act encourages healthy relationships between the employer and the employees. As a result, 26 per cent of the workforce in Germany is a part of some trade union or labour union. This trend is hugely beneficial for the employees as well as the employers as it provides a platform to the employees to present their demands and concerns and cause fewer chances of friction (Milner, 2015, p.21). In the same manner, the messages and expectations of the employers travel down to the employees via these trade unions.

***Conclusion***

In short, it can be concluded that the globalisation and the increasing competition in the market industry is facing a great deal of tussle among the stakeholders of the economy and the employees regarding relationships. The pressure on the employers to maintain good relations with the employees is ever increasing as the labour and employees are becoming more and more aware of their rights. From the employee’s perspective, the perfect place to start the pharmaceutical setup is Germany as the legislation regarding the relations between employees and the employers are flexible and friendlier. Employees will feel more empowered, as a result, will be more motivated and give out best results.

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