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Employee Participation and Organizational Communication in Mitigating Industrial Relations Conflict : Evidence from District of Bandung, West Java Province

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Abstract: Industrial relations are an absolute social phenomenon that occurs in every organization in which there are two actors involve in production, namely employers and workers as executors of work. Therefore, industrial relations become one of the catalysts for growth and development of enterprises and workers' welfare. This study will attempt to investigate to what extent the influence of communication factors and the participation of workers in the organization can assist the implementation of harmonious industrial relations. District of Bandung at West Java Province will be our case study in which we proceed mixed method through the observation design to the target group participation. Cluster random sampling and stratified data sampling technique are chosen due to heterogeneity in the population and qualification of the companies. This will produce 77 companies that constitute 18 large companies, 11 medium enterprises, 32 small enterprises, and 16 micro companies. The research showed that the organizational communication and employee participation can have a significant influence to prevent and to overcome the occurrence of industrial relations conflicts.

Keywords: Industrial relations; conflict; organizational communication; employee participation

INTRODUCTION

In any development process of a country, the employment issue is always an interesting phenomenon to study. In addition to unemployment problems, limited employment, low quality and labor productivity, high rates of occupational injuries and income that do not support the human quality of life index, industrial relations conflicts are often the trigger for other socio-economic problems.

The economic history of various European countries in the nineteenth-century tends to explore industrial relations conflicts in terms of political economy, inspired by Karl Marx's theory of class opposition. In principle there are two class groups, the bourgeoisie class as the capitalist owner who is judged to always

strive to exploit the labor (the proletariat). Here, earnings results are regarded as a symptom of exploitation, whereas interest is the income earned without working and capital. Overall, the sociological concept of the class will always induce a danger in society, because it contains the typical fluctuations (Dahrendorf, 1959).

In a circumstance of class opposition, workers and employers move into opposite positions and tend to mutually exclude each other, because it is based on suspicion and cause hostility. Such conflicts can be destructive as they interfere with the productivity of work, as well as hamper the sustainability and the development of the enterprise, which ultimately affects the income and welfare of workers. The conflicts in industrial relations that should only be one form of organizational dynamics have even become a widespread social conflict (Greenberg and Baron, 2003). In Indonesia, besides to political economy nuances, the handling of industrial relations conflicts tends to use a formal juridical approach. Take the example of implementation of Law No. 13/2003 on Manpower and Law No. 2/2004 on Industrial Relations Dispute Settlement that both regulations only identify such disputes in the corridors of employment relationships. Therefore, solutions can only be done through legalistic mechanisms which overcome disputes that have already occurred.

Industrial relations conflicts can be identified as phenomena of failure in industrial relations processes. For that, the handling can not only be curative and juridical, but also must be preventive and even promotive, through a multidimensional and interdisciplinary approach, and take into account environmental factors (Balnave *et al.*, 2009). Of all factors that trigger the emergence of industrial relations conflicts, the organizational communication and the level of worker participation is considered to be variables that have a significant level of influence. In the former, failure to communicate between workers and employers can lead to differences in perceptions both of the goals to be achieved and those relating to their rights and responsibilities (Gordon, 1993). Meanwhile, in the latter, a high level of participation will encourage people to increase their involvement, contribution, and responsibilities in achieving organizational goals (Davis and Newstorm, 1996).

Empirical data from Bandung District Manpower Office during the period 2010 – 2015 has shown an increase in the number and frequency of industrial relations conflicts by 20% each year cumulatively. This is in line with the non-optimal increase in the number of means of communication and participation in industrial relations, such as: Bipartite Cooperation Institutions, Trade Unions and Collective Labor Agreements, which adds only about 8% per year. Based on these factual findings, it is expected that there is a rise in growth of research that studies on communication and participation in industrial relations conflict. However, such studies are very limited in Indonesia, especially in our case study. Therefore, our study will be the first to examine how big the influence of communication factors and the participation of workers in the organization can support the implementation of harmonious industrial relations, so as to prevent the occurrence of industrial relations conflicts.

LITERATURE REVIEW

Industrial relations: Industrial relations is stated by many scholars as the rule-making process in the workplace (Dunlop, 1958); job regulation (Flanders, 1965); social regulation of production (Cox, 1971); the antagonism in the employment relationship (Edwards, 2005); social regulation in market forces (Hyman, 1995); governance in conflict of interests and pluralist forms (Kochan, 1998); class mobilization and social justice (Kelly, 1998); the efficiency, equity, and voice in the employment relationship (Budd, 2004). In

principle, there are three perspectives which can explain industrial relations, namely: unitary; pluralist; and structural.

The unitary views that the organization as a unified authority and loyalty structure. It emphasizes on common values, interest and objectives (Rose, 2008). Here, all organizational participants act as a team that shares values, goals and has a common outcome. Conflict is viewed as irrational and they object to consultation or negotiation. According to Rose (2008), under the unitary perspective, trade unions are regarded as an intrusion into the organization, which compete with management for the workers' loyalty. The underlying assumption is that the organization exists in perfect harmony and all conflict is unnecessary.

Meanwhile, the pluralist views that the organization may have sectional groups with different values, interests and objectives (Rose, 2008). Here, workers have different aspirations from those of management, and such circumstances are always in conflict. They argue that conflict is inevitable and rational in organizations, that can be resolved through compromise and agreement or collective bargaining. They view that trade unions as legitimate representative organisations which enable groups of employees to influence management decisions (Rose, 2008). Based on such explanation, the pluralist perspective would seem to be much more relevant than the unitary perspective in the analysis of industrial relations and congruent with developments in contemporary society.

The system theory is derived from the structural perspectives of social system (Otobo, 2000). Here, the industrial relations system is not coterminous with the economic system. In some cases, the two might overlap and both have different scopes (Otobo, 2000). The provision of a work force and the setting of compensation for labour services can be point of interest in explaining the characteristics of industrial relations and economic system. For example, a systematic explanation of production is outside the scope of industrial relations but is within economic system. In addition, the full range of rule-making governing the work place is central to an industrial relations system but is outside economic system. Overall, the structuralist views that organization might struggle for power and control due to structural inequality. Here, similar to the pluralist, conflict is normal and inevitable. However, they view that militant unions, extra-institutional, and social movement can be a form of workers' representation that provide a means for societal change.

Conflict in industrial relations: Based on the pluralist and structural perspectives, it is undeniable that unions and management might have opposite views. This is due to the gap between the expectations of management and the hope of labour in organizations which often leads to conflicts. Nevertheless, conflict by nature is a constant phenomenon in any human organization, which it has been isolated by some as the basic unit for understanding social existence (Alimba, 2010). The nature of conflict in the group of people has been motivated by the pursuit of interests, goals and aspirations by individuals and/or groups in shaping social and physical environment (Otite, 2001). With such condition, conflict remains the most permanent feature in humanity aspect.

Conflict could be transmitted into a positive change if constructively handled although it is generally perceived as something abnormal and dysfunctional (Edwards, 2000). Many scholars has defined conflict based on the context and their understanding of the concept. Lederach (1995) described it as an ongoing situation due to the differences of values, ideologies, and goals. In line with this argument, Fisher *et. al.* (2004) argued that conflict occurs when two or more parties whether in the form of individuals or groups

think that they have different direction of values and goals. Thus, it is viewed as a continuous interaction through peoples' or groups' everyday life.

Conflict can also be described as struggle over values and it claims to suppress status, power and resources. Such claims are needed by the opponents to neutralize or even eliminate their closest rivals (Coser, 1956). This is the reasons why workers are often ready to put down all productive activities through labour strike in an attempt to meet their demands or aspirations. In line with Coser's definition, Constantino *et. al.* (1995) described conflict as an expression of dissatisfaction, disagreement or unmet expectations with any change in organization. However, Otite (2001) argued that conflict can be a way to settle with problems originating from opposing interests and from the continuity of society. In summary, Ajala (2003) took discourse on conflict as the mechanism to keep society going.

Meanwhile, industrial conflicts are viewed as the clash of interest and this will result disputes between individuals, groups and organizations in the industrial relations system (Akanji, 2005). Fajana (2000) shed some lights on industrial conflict as the inability of such parties either between employers and employees or within their groups to reach agreement. Such agreement can be translated into the objective of employer-employees interaction and this might or might not create numerous workers' situation whether in the form of strikes or lockout or other forms of protestation. In terms of sociological perspective of industrial conflict, Kornhauser *et. al.* (1954) viewed conflict as a set of behaviour and attitudes that express a diversity in orientations between individual owners and managers on the one hand, and working people and their organizations on the other. In line with this argument, Onyeonoru (2005) defined industrial conflict as all expressions of dissatisfaction within the employment relationship, which mostly emphasizes on the employment contract and the bargaining power. This includes either in the formal expressions of conflict, which was voiced by trade unions and employers associations, or in the informal ones such as covert grievances that may be expressed in the form of industrial sabotage, absenteeism, or lateness.

The fact that there is no sign of conflict in a given period does not mean that other forms of industrial conflicts are not occurring (Otobo, 2000). Here, Dahrandorf (1959) took a view that conflict of interest between employer and employee is inevitable and this is due to an authority relationship that will lead to divergent views on the basic employment. Such relationship will always potentially create conflicts between those in authority and those without authority to make some degree of conflict inevitable at the work place. In line with this argument, Yesufu (1984) stated that it is a normal and inevitable part of everyday life. Conflict will lead to low productivity, retrenchment, dismissal, and alienation. It can turn to labour unrest, strikes, sabotage, absenteeism, work to rule, lock out, and so on.

Most conflicts are caused by motivational factors (Ubeku, 1983). Sometimes an employee cannot work effectively because they feel unhappy against a manager, a supervisor or against the company as a whole. Thus, satisfaction at work is the key to boost workers' morale. If the individual performing the job feels that he or she is being unfairly treated, his morale will be negatively affected, given other factors such as salary and innovation. In line with this argument, clearly individuals, group, organization or institution are not always in the equilibrium condition and that conflict is a natural and inevitable in human condition. Here, conflict is not viewed as similar to a dead-end in communication but rather, a different type of communication might be the ideal mode of expressing ideas. Conflict management can be one of the liable treatment to breakdown communication problem rather than conflict resolution. Since not all conflict

can be detrimental to the individual, group or organization, there can be no change without conflict and without change there can be no development whether in the form of personal or social.

Communication in organization: Weihrich and Koontz (1994) stated that the function of communication in the organization is to connect the employees of that organization in order to reach mutual goals. Communication in the organization is important due to several reasons such as: 1) the company's goal setting and its implementation; 2) the development of plans towards its realization; 3) human and other resources management in the most successful and appropriate way; 4) the choice, the progress and the performance evaluation of the organization members; 5) the management, guidance, motivation that creates a climate in which people want to contribute; and 6) the control over realization. In general, communication in the organization represents a complex system of the flow of information, orders, wishes and references made out of two partially complementary systems: formal communication network and informal communication network (Fox, 2001). The former is a systematic and formal process of information transmission in spoken and written form planned in advance, and adjusted with the needs of the organization. While the latter does not follow the line determined in advance, but there is an undisturbed communication between particular groups within the organization.

The conceptual foundation of organizational communication can be traced back from Frederik Taylor's scientific management (1913). Accordingly, the managers are needed to communicate in a clear-cut and candid manner. Further, employees do not need to provide input, they just need to know how to execute their jobs, instead of building rapport among workers. To sum up, scientific management in general tends to weaken the competitive power of the individual worker and group solidarity. Meanwhile, in Max Weber's (1947) type of authority, bureaucratic is viewed as the best way to delegate authority in organization. He emphasizes on formal communication where all decisions, rules, regulations, and behaviors are recorded. This information and communication will be shared in terms of the chain of command. Hence, everything is documented and accounted. Similar to Weber's perspective, Henri Fayol (1949) argued that communication has two functions, namely: control and command. Here, he believed that organizations must limit their communication to precise and explicit words for task design and implementation. Thus, communication is not spontaneous and is more centralized in a classical organization.

The scientific management ala Taylor and the structure of organization ala Weber and Fayol have been criticized by human relations and human resources approach as one-way communication. In the former, they shifted the viewpoint from the task to the worker (Miles, 1965). For the first time, workers were viewed as an important part of the organization that should be viewed holistically instead of bundles of skills and aptitudes. Here, managers were urged to create a sense of satisfaction among their subordinates by showing interest in the employees' personal success and welfare. In summary of human relation approach, communication between a worker and a manager was like a dialogue instead of having "unintentional" communication. Furthermore, communication can be a tool used by management to "buy" cooperation from subordinates.

Meanwhile, in the latter, Miles (1965) believed that all workers are reservoirs of untapped resources. Accordingly, workers not only have physical skills and energy, but also have creative ability and the capacity for responsible, self-directed, self-controlled behavior. Here, the managers should avoid the control on employees or getting them to "buy-in" to decisions, which are the principle of scientific management and human relations approach. Instead, the primary task of management should be the creation of a working

environment that fosters employee creativity and risk taking in an effort to maximize and tap into the resources employees bring to the job. To sum up, communication must be constant and bi-directional. In addition, participation in decision-making must include both management and workers. Furthermore, it is important to unleash potential of most organizational members and to endorse participation as a means of achieving direct improvement in individual and organizational performance.

The differences between human relations and human resources theories can be broken down into two categories, namely: motivation and decision making. In the former, Maslow (1943) tried to understand what motivates people. He came up with five needs that need to be satisfied at one stage before moving on to another stage from physiological needs, safety needs, love, affection, and belongingness needs, esteem needs, to self-actualization needs. To sum up, communication is very important because it reflects our employees' needs in order to motivate them to work more productively. Another researcher who enter the framework of human motivation is Herzberg *et. al.* (1959). In general, motivation on the job should satisfy workers. They predicted that the factors that lead to positive job attitudes (motivation) were different from the factors that lead to negative ones (demotivation). They called the factors that led to positive job attitudes as motivators and those factors that led to negative job attitudes as hygiene factors. To sum up, the positive ones are related to achievement, recognition, advancement, the work, responsibility, potential for promotion and personal growth, and salary. While the negative ones are associated with policy and administration, micromanagement, relationship between supervisors, peers, and subordinates, job security, personal life, work conditions, and status.

In the latter, McGregor (1960) felt that there are two different perspectives based on assumptions of managers have about their workers. They are categorized as theory X and theory Y. In theory X, the approach is similar to the scientific management, where workers are expected to only work. Here, managers believe that workers are very apathetic towards work and people needs direction. In addition, managers believe that workers are not smart, do not seek advancement, and avoid responsibility. Meanwhile in theory Y, the approach is similar to the human relations approach. Here, managers believe that people want to succeed and they can excel if you give them the right to be creative. In addition, people want to work, seek direction, and are ambitious. Unlike McGregor, in a bid to support human resources approach, Likert (1967) believed that supervisors supported by strong worker productivity tended to focus on subordinating problems while creating teams that emphasize on high achievement. In other words, these supervisors believed that effective management requires treating employees as humans and subordinates in the decision making process. He then created a series of four distinct management styles from exploitive authoritative, benevolent authoritative, consultative, to participative.

Participation in employee: Employee participation is a politically intricate and technically indeterminate category that has various meanings, which refer to the industrial democracy (Arrigo and Casale, 2011 cited in Leonardi, 2016). Industrial democracy constitutes involvement of the workers in decision-making that focusses on production strategies and working conditions (Macpherson, 1987). Such definition is totally different from economic democracy which emphasizes more on macro-level redistribution, as well as cooperation or financial participation at micro level,

Originated from the British tradition of industrial relations, in principle, industrial democracy could be achieved in the form of full autonomy and organized opposition within the structure of capitalist (Clegg, 1960). Here, participation can be regarded as a tool to stimulate working perspective into being the

subject of production, instead of being the object. Industrial democracy allows workers to control work organization, while at the same time, ensures the sustainability of businesses and enables the integration of the working class in the organization. This will prevent and overcome conflicts in industrial relations. Pizzorno (1966, cited in Leonardi, 2016) stated that employees participation will also endorse a political aspect in the organization such power, authority, legitimation and control. With various aims that need to be achieved, Baglioni (1995, cited in Leonardi, 2016) distinguished participation into three categories, namely: subordinated participation; collaborative participation; and conflicting participation.

Participation can be direct or indirect (Lippert *et. al.*, 2014). The former takes place when it is executed informally within the work organization. This will contribute to a rise in autonomy without any mediation of workers' representatives. Meanwhile, the latter occurs when representative bodies (trade union delegates, works councils, board representation) which is acknowledged by the company take over mediation process. Here, such approach can consist of rights to give information, consultation, co-determination and co-management. In line with this argument, participation can also be Board Level Employee Representation (BLER) in nature. Vitols and Kluge (2011) stated that BLER might influence employees' representatives in the company affairs. Here, they have the right to elect or appoint some of the members of the company's supervisory. However, such approach do not correspond to the common conceptualization, where participation can cover a diverse range and scale of workers' rights amongst its concrete tools and achievements.

In the context of industrial relations, employee participation is always associated with collective bargaining. Here, Treu (1989, cited in Leonardi, 2016) believed that participation is regarded as association while bargaining is related to exchange. To identify participation with integration and bargaining with autonomy is the political outcome that needs to be established. In general, participation constitutes involvement and thus, measures to what extent workers share responsibility in the company's decision-making. Meanwhile, bargaining is related to what extent the parties concerned have a greater reciprocal freedom of action. To sum up, employee participation can be measured on the basis of at least three principal aspects (Leonardi, 2013 cited in Leonardi, 2016), namely: (i) decision classes (e.g. strategic, managerial, executive) in which influence is exercised; (ii) decisional level (e.g. group, company, productive unit) that corresponds to a specific class of decisions; and (iii) degree of formalization where the rights in due time (e.g. problem setting vs problem solving) are binding and enforceable.

RESEARCH METHODS

The research was conducted by mixed method through the observation design during the first five months in 2017. The target group participation is the company represented by the workers and company leaders in District of Bandung at West Java Province, with the population of 1940 companies and the number of workers is about 281,905 people. Given the fact that population is heterogeneous and stratified, we proceed that a cluster random sampling technique with a margin error of 5% is the best way. This will obtain a sample of 77 companies. Based on the qualifications of large, medium, small and micro companies, then we follow stratified data sampling. This will produce the number of samples per strata, namely: 18 large companies, 11 medium enterprises, 32 small enterprises, and 16 micro companies.

Data collection techniques used questionnaires and interviews, as well as direct field observation of 154 respondents representing workers and management elements, each 2 persons per company. The data

collected includes several research variables. The communication variable (X1) will be viewed from the objective dimensions of the communication structure, as well as the subjective dimensions of the communication process (Pace and Faules, 1994). Meanwhile, the participation variable (X2) will be analyzed from the dimensions of the program's accuracy, the level of benefits, the level of member's ability, the level of member involvement (Davis and Newstorm, 1996). Meanwhile, the variable of industrial relations (Y) is viewed from the dimension of industrial relations means and dimension of work relationship pattern (Simanjuntak, 2003). Meanwhile, the variables of industrial conflict (Z) will be examined from the dimensions of competition, cooperation, adjustment and avoidance (Kreitner and Kinicki, 1989). The overall variables will be quantitatively analyzed using path analysis (see Diagram 1).

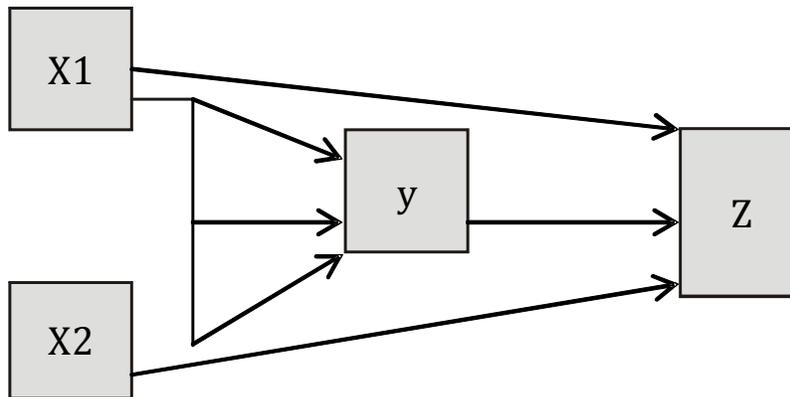


Diagram 1: Path Analysis

RESULTS AND DISCUSSION

To test the influence between variables, we use *t* test. In the variable of organizational communication, from 23 question items, the result showed that 70.19% respondents' answer is good. The highest percentage (80.73%) lies in the absence of obstacles in communication between workers and management, while the lowest percentage (59.02%) lies in the absence of organizational environment influence on the process of working relationship. Meanwhile, in the variable of worker participation, from 25 items of question, the result showed that 70,3% respondents' answer is good. The highest percentage (80.73%) lies in the benefits of participation for the development of the company and the interests of the worker, while the lowest percentage (58.04%) lies in the existence and function of the Working Safety and Health Committee (P2K3). Moving on the variable of industrial relations, from 27 question items, we obtained the result that 71,91% respondent answer is good. The highest percentage (90.48%) lies from the need for a sense of belonging of the workers to the assets and development of the company, while the lowest percentage (63.39%) lies in the existence and function of the Bipartite Cooperation Institution (LKS Bipartit). With regards to the variable of industrial relations conflict, from 20 items of question, we obtained result that 72,45% respondent answer is good. The highest percentage (92.68%) lies in the benefit item of completion through bipartite deliberation mechanisms, while the lowest percentage (49.26%) lies in the dispute settlement through repressive action.

In the *F* test, the test results of organizational communication variables (X1) and workers' participation (X2) on industrial relations (Y) showed both variables have a significant influence on the implementation

of industrial relations. Specifically, the realization of harmonious industrial relations (Y) is determined by organizational communication (X1) and worker participation (X2) by 35.39%, while the remaining 64.41% is determined by other factors such as physical work environment, leadership style, group dynamics, organizational culture and others. Now to the test results of the magnitude of organizational communication (X1) and workers' participation (X2) on the control of industrial relations conflict (Z) also showed a significant influence. Meanwhile, the variable of industrial relations (Y) has a significant effect on the control of industrial relations conflict (Z). Specifically, harmonious industrial relations are affected by 23.48% control of industrial relations conflict. The remaining 76.52% influenced by external variables such as socio-economic conditions, social politics, social environment, community culture and others.

In relation to the statistical results, the government of Indonesia has been established various public policy products that regulate industrial relations, especially in the Manpower Act No. 13/2013, which essentially encourages the establishment of communication and participation in the process of industrial relations. Some of these policy products are the following: 1) encouraging the formation of trade unions and employers' organizations, in order to become a representative means in the process of industrial relations communication; 2) encouraging trade union participation in the formulation of collective bargaining agreements; 3) prioritizing the settlement of industrial relations disputes by consensus of bipartite; 4) encouraging the establishment of cooperative institutions (councils or committees), as communication forums and means of participation in the formulation of labor policies, such as wage councils, bipartite and tripartite cooperation institutions, health and safety committee, training boards and productivity work, and an industrial tripartite dispute settlement institution based on consensus deliberations.

Based on the results of intensive observation, it can be seen that the underlying factor of the so-called "underperforming" control of industrial relations conflicts in Indonesia lies in the effectiveness of implementation of these policies. Therefore, the analysis should focus on theory of policy implementation. From various theories on the implementation of public policy, Edwards III (1980) suggests that there are four critical factors in the implementation of public policy, namely: 1) communication; 2) resources; 3) dispositions or attitude; and 4) bureaucratic structures. Here, we analyzed that there are several weaknesses covering all four factors on the policy implementation within organizations, as well as on the organizations of the companies in which the industrial relations are carried out. Weak communication between policy makers and implementator in the field is very visible from poor understanding of the executor about the essence of context and the content of policy that must be implemented. Here, they are practically not able to convey the policy completely and correctly, but even cause misunderstanding of the policy in target group. In principle, such condition is contrary to the Capezio and Morehouse' (1998) opinion where good communication is the key to understanding. Therefore, the success of the communication process is determined by the availability of a good communication channel, clarity of the message delivered, and consistency in the communication.

From the observation of the communication process of the implementation of industrial relations policy in district of Bandung, West Java, the three communication qualifications are not well prepared and planned. Similar patterns and processes of relationships between workers and employers also take place, where communication is carried out tend to be one-way and there is no feedback as a means to control the communication process (Schermeron *et. al.*, 1998). The transmission line is not designed and provided with regards to the characteristics as well as the breadth and depth of coverage. Rather, it uses only conventional

and traditional channels, such as meeting media, counseling, leaflets, and other manual and conventional methods. With right methods and channels of communication used, and the right targets, it will increase the understanding of the policy message (Ibrahim *et. al.*, 2003).

Error in the interpretation of the content of the policy occurs due to lack of clarity of the message conveyed. In this case, the difference between legal language and language of the layman should be examined optimally. In addition, such error is caused by unanticipated change, true intension, reducing discretion, ambiguous court decision and value of flexibility. While inconsistency in the communication implementation of industrial relations policy occurs because no occurrence of continuity, conformity and harmony of information material submitted. Some of the causes are the competency gaps among the implementing officers, as well as external influences such as the results of the evaluation of work programs, the values of interests (social, political, economic), as well as the capacity of local governments to finance policy implementation.

In terms of employee participation, workers' involvement in various means of industrial relations such as unions, bipartite cooperation institutions, health and safety committee, and other means of participation tend to be imposed and are not based on the level of suitability between needs and satisfaction of employees with opportunities for participation (Davis and Newstrom, 1996). Therefore, the level of workers' participation is largely determined by the leader's ability to empower the employees, in lieu of the negative and counterproductive enforcement functions, resulting in quasi participation. In addition, there are several factors that can hinder the level of employee participation as proposed by Juechter (1982), namely: 1) the use of technology and a specialized organizational model; 2) the reluctance of workers to participate because they are deemed unnecessary and do not give satisfaction; 3) obstacles from middle managers as being perceived as threats; 4) exploitation of employees by interest groups such as unions for other purposes.

CONCLUSION

The research showed that the organizational communication factors can have a significant influence to prevent and overcome the occurrence of industrial relations conflicts. From an objective perspective, communication becomes the most effective tool for creating good interrelations and interactions between workers and employers. As production actors, the intensity and volume of communication between workers and employers is very high, not only about formal job content, but also informal relationships that actually have a great degree of influence. Industrial relations conflicts are not solely aroused by tangible factors, such as the occurrence of work contracts. For things like this are relatively easy to discuss and resolve. The friction source that usually causes the severity of the conflict is actually caused by subjective factors, such as communication failures that cause errors or biases over the content of information. So that there is an error interpretation and perception of the message conveyed. The material of conflict here is more difficult to identify because it is something intangible, so the solution is more complex and requires a long time.

This research proved that the communication of industrial relations in companies have been going on, but have not yet effective so far because it does not through good process, especially related to three dimension of communication, that is transmission, clarity and consistency. The results also confirmed that employee participation factors have a strong effect on preventing and resolving industrial relations conflicts. The main dimension of participation is the level of employee involvement in various activities and means

of industrial relations held by the company outside of the main task / job. Through involvement, it becomes a means for the occurrence of social dialogue between employees, as well as between employees and employers. It also facilitates the flow of information and encourage motivation and employee satisfaction. In addition, the results of the study indicated that the available employee participation facilities are not functioning optimally, since employee involvement is not through the function of empowerment, but it tends to be an element of coercion and exploitation by employers and unions as interest groups.

To sum up, conflict in industrial relations is a social phenomenon that is considered normal, as long as it is not motivated by some motives beyond the dimension of industrial relations. Conflict will not have a destructive impact as long as it is well managed through identifying risk factors, is resolved through humane negotiations, and is based on optimal communication and participation factors. Therefore, organizations in dealing with conflict are not reactive and curative, but are preventive and promotive. The steps are the following: 1) identify potential conflicts at each point of work; 2) measure the level of risk at each potential; 3) identification of causal factors; 4) make risk minimization effort; 5) if the conflict already happened, do the right treatment with non-repressive negotiation steps; and 6) evaluate the conflict so that it should not to expand and recur.

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