

Strengthening Corporate Social Responsibility to Improve the Harmonious Labor Relationship

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Abstract. Reinforcing the construction of corporate social responsibility is the key to improve the labor capital relation in the context of the financial crisis. Fulfilling corporate social responsibility is the guarantee for the enterprise development and also a necessary social requirement to enterprises. Thus, corporations should set up scientific development concept, enhance the construction of regulations and systems, and strengthen functions of labor unions.

The harmonious society is the society where labors and capitals are in harmony, and where each individual shares the social benefits and lives in harmony with each other. The harmonious labor capital relation is also the important content, basis and objective requirements of harmonious society construction. However, the labor capital relations in our country are not harmonious, which has gradually become one of the main factors affecting the social harmony.

The Main Reasons for the Disharmony of Labor and Capital Relations

At present, the coexistence of various forms of ownership in China has formed a variety of industrial relations. As an important component of society, corporations are the main concentration areas of labor relations. From this perspective, corporate labor relation has become the epitome of the status of labor relations in China. In the modern society, the relationship between labor and capital is an important factor that influences the development of enterprises. According to statistics, the average life expectancy of small private enterprises in China is only 3 years; the average life of large and medium-sized private enterprises is 7 years. Many reasons account for the fact that many private corporations cannot achieve long-term sustainable development, but the main reason is disharmonious labor relations.^[1] The harmonious labor capital relationship is the guarantee of enterprise development. The disharmonious labor capital relations will have a negative effect on the development of enterprises as well as that of the entire national economy. Since the two sides are open, our country has gradually formed the pattern that public ownership will be the mainstay and that diverse forms of ownership will develop side by side. In the process of marketization, disharmonious labor relations have occurred both in the state-owned enterprises and the private enterprises. The disharmony of the labor capital relations in the state-owned enterprises is mainly due to the damage of the rights and interests of the workers in the process of enterprise restructuring, the closure of bankruptcy and the layoffs. For example, the economic compensation standard is too low; the social insurance relationship is difficult to continue and employees do not have reasonable settlement; the restructuring scheme does not operate in accordance with the legal

procedures, and not submitted to the workers' congress; ignore the staff's right to know and their democratic right to participate in; and engage in the black box operation. The disharmony of the labor capital relations in the private enterprise is mainly due to some enterprises one-sided pursuit of profit maximization, damage to the legitimate rights and interests of employees such as holding down or even delaying the wages, not signing labor contracts with employees, forcing employees to work overtime without payment, long working hours, high labor intensity, poor working environment, lack of underpaid or unpaid social insurance, infringement upon the social welfare, labor protection, democratic rights and other aspects of the rights and interests of employees, and out of the problem.^[2] The specific reasons for the disharmony in the labor relations may vary from private enterprises to state-owned enterprises, but what they have in common is that corporations have harmed the rights and interests of workers instead of the other way around. Under the condition of dual economical social structure and the oversupply of the low-end labor market, workers often have a disadvantageous position in the labor market, so the harmony of labor relations mainly depends on the attitude and behavior of the employers to the employees.

Some enterprises only want to make money, to maximize the benefits, to do everything possible to lower production costs, and even to ignore the legitimate rights and interests of employees, all of which result in the deterioration of labor relations. The main reason for the discordance is that corporations do not take the social responsibility into account. The root cause is that the enterprise does not take the pursuit of profit and social responsibility as a value orientation, but the pursuit of profit as the only value orientation. In such profit-oriented circumstances, the enterprises naturally exploit their workers in order to lower the costs and to realize the maximization of corporation benefits.

The formation of such a value orientation stems from the wrong understanding of the relationship between the capital and labor, productivity and production relations. Under the condition of market economy, capital plays a leading role in the social economic relations whereas labor is in subordinate and passive position, causing some enterprises only to see the opposite side of capital and labor. An enterprise is a combination of various factors of production. Only both employers and employees trying their best, taking what they need, the enterprise will exist and develop to create wealth. As Marx said, "land is the mother of wealth; labor is the father of wealth." The creation of wealth cannot be separated from the capital or the labor. Only the capital owners and workers reach a consensus, work together, and establish a shared wealth, win-win strategy, the enterprise can become bigger and stronger, and last longer.

Basic Features of Harmonious Labor Relations

Harmonious labor relationship is the harmonious relationship between subject and object in the process of labor, including the relationship between human and human, human and object (natural environment, labor condition, etc.). This is a question we must first be clear and grasp in the establishment of harmonious labor relations. From the labor relationship itself, according to both the changes of the labor relations in the socialist market economy and the analysis of the connotation, elements, standards, we can see the so-called harmonious labor relations should be reflected in the following aspects:

1. Harmonious labor relations should be legal

Under the condition of market economy, labor relations should be achieved legalization in terms of structure, operation and processing. Legal principles and legal means should become the main mode of adjusting labor relations. China has promulgated a series of laws and regulations of labor. Our country has established the laws and regulations of the adjustment of labor relations,

taking the “Labor Law” as the leading role, in all aspects of the operation of labor relations, basically so that the legal basis, which is the basis and guarantee for the establishment of harmonious labor relations.

2. Harmonious labor relations should be the contract type

“Labor Law” provides that “the establishment of labor relations should include a labor contract”. A labor contract is signed by both parties, that is to establish the labor law relationship between workers and employers. Their rights and obligations are recorded in the written form, so that they are fixed, specific, and thus regulate and restrict the behavior of both parties. Through the implementation of labor contracts, both parties can achieve their respective rights.^[3] Any party violating the other party's rights and interests shall bear the economic or legal liabilities. To establish a harmonious labor relationship, corporations must fully implement the labor contract system, strengthen the labor contract management, and continuously improve the contract awareness of both parties.

3. The harmonious labor relations should be the relief type

Because of the differences in value orientation and different perspectives in looking at the problems, it is difficult to avoid contradictions between the two parties. The key is to have the effective mechanism to resolve conflicts and resolve conflicts. We not only face up to the contradiction, but also strive to resolve the contradiction. Labor dispute is the manifestation of the contradiction of labor relations. One of the important characteristics of labor disputes is its wide influence range. Seemingly simple labor disputes, if not handled well, may cause mass incidents, affecting social stability. In the current labor market, supply exceeds demand. When workers are in a disadvantageous position, especially for those who are in low cultural level, poor willpower, or afraid and unable to protect their rights, government departments should make a difference, and take the initiative to help these people, to safeguard their legitimate rights and interests.

4. Harmonious labor relations should be democratic.

The democratic labor relations mainly include the following systems. (1) Equal consultation and collective contract system. Equal consultation collective contract system is the most basic legal system of the market economy country to adjust the labor relations. It is also the basic measure for the trade unions to safeguard the legitimate rights and interests of workers as a whole. The trade unions, on behalf of workers, can carry out an equal consultation and sign collective contracts with the employers about the wages, working hours, labor protection, social insurance and benefits. By regulating the labor relations and the behavior of the two parties, this system reflects the joint decision of labor relations, changes the affairs of the labor relationship between the employer and the exclusive situation, so as to enhance the labor relations in the position and rights. (2) Three party consultation mechanism of labor relations. People's governments at all levels shall, in conjunction with the labor administrative departments of the same level, establish a mechanism for the establishment of the three party consultation mechanism of the labor relations, and jointly study and solve the major issues concerning the labor relations, and jointly participate in the formulation and implementation of labor laws, regulations and policies. (3) Employee democratic management system. Employee democratic management is a direct or indirect participation in the management of the unit's internal affairs. Its role in the coordination of labor relations is specifically demonstrated that the will of the workers will affect and restrict the use of the will of the employers, and that the will of the employers will absorb and reflect the will of the workers, making the labor relations on a democratic basis. The basic form of democratic management is the worker representative conference. It is necessary to strengthen the system construction of the worker representative conference, making it an important mechanism to adjust labor relations.

Ways to Construct Harmonious Labor Relations

The contradiction and the conflict between labor and capital in the market economy is a kind of objective existence that cannot be avoided, especially in the condition of depressed economy. Many enterprises transfer enterprises' risk by cutting pay, not buying insurance, deducting wages, delaying paying for salaries and shutting down for holiday. As a result, labor conflicts and the conflicts between labor and capital are more and more intense. Faced with this situation, if the labor capital contradictions and conflicts handled properly, it will boost the market economy development, and become one of the intrinsic motivations to help enterprises get out of the economic predicament. However, if handled improperly, it will affect the development of the enterprise, and at worst, it will lead to social unrest and social security. Therefore, it is an important and urgent task for the party, government and enterprises to reduce the conflicts between labor and capital, ease the labor conflicts, protect social security and provide a stable environment for economic and social development.

1. Improve the government's administrative ability in the field of labor relations so as to provide good external environment for establishing harmonious labor relations. Labor relation is the relationship between the rights and obligations of workers, employers and the government in the process of laboring. Workers and employers are the different stakeholders in the labor relationship. Employers seek for the maximum benefits, and meanwhile workers look forward to more benefits. This inevitably results in the conflicts between these two parties. In order to ease the tension, the government should regulate the behavior of workers and employers, and coordinate the relationship between them by making policy, laws and regulations. The ability of the government determines the degree of harmony of labor capital relations to a large extent. One of the reasons for the disharmonious labor relation is that the government has a serious shortage of administrative ability in the field of labor relations (which show up as rough legislation and poor supervision). Thus, it is necessary to improve the government's administrative ability in the field of labor relations so as to provide good external conditions for the establishment of harmonious labor relations.

2. Strengthen the construction of corporate social responsibility. The external factor is the condition of change, and the internal cause is the basis of change. In the condition of the current positive external environment provided by the government for harmonious labor relations, it mainly depends on the enterprise whether the harmonious labor relations can be built. It is considered paramount whether the enterprise has the sense of social responsibility, truly takes over responsibility, obeys the labor laws and regulations strictly and protects workers' legitimate rights and interests. A corporation is not only the creator of social wealth but also the undertaker of social responsibilities. Undertaking social responsibility is an inevitable requirement of modern society and the only road to the long-term development. In modern society, when customers choose a product, they not only look at its price and quality but also pay attention to the company's image. Consumers will reject the products full of sweat and blood. Transnational corporations connect indents with workers' rights and interests. They may deliberately lower labor price and even sacrifice labors' rights and interests in order to lower the price of products and to expand export.

This will lead to trade friction (China has been one of the most anti-dumping countries for nine consecutive years.) All this shows that it will become increasingly difficult to increase products' international competitiveness by lowering the labor costs. Thus, corporations must undertake social responsibility and set up good public images in order to win in the fierce competition.

(1)Employers should change management ideas and set up the people-oriented scientific

development concept. Harmonious labor relationship is established on the basis of the correct understanding of labor and capital. Only if a corporation takes the pursuit of profits associated with social responsibilities as value orientation and builds up the people-oriented scientific development concept, treats employees kindly, undertakes responsibilities, shares the fruit of the business reform and development can it condense the will of people. Only if a corporation becomes a win-win economic entity which satisfies operators and workers will it become bigger, stronger and longer. There are two quotes from US Ford Motor Company that fully explain this kind of labor relationship: “Love your employee, and he will love you more.” “There are no secrets about the improvement of production efficiency except for employees' devotion, the satisfaction spirit resulted of distinguished training and their personal identity with the company. Easily speaking, it lies in the relationship full of humanity between employers and employees. This is successful businesses' experience.”

(2)To build up harmonious labor relationship, corporations should not only have the harmony concept, but also need mechanism and system security. The reason behind is that harmonious labor relation is not naturally formed, but needs system and mechanism's safeguard and promotion. These systems and mechanisms include collective negotiation system on wages, safety production responsibility system, labor dispute negotiation system, and the negotiation system between business owners and trade unions.

(3)Strengthen the construction of trade unions and their functions of safeguarding workers' legitimate rights and interests. Building up a harmonious labor relationship is inseparable from the role of unions. Particularly in the situation of strong capital and weak labor, workers have difficulty in maintaining their own power and interests. They have to ask the labor union for assistance. It is essential to expand the coverage of the labor union and to have the migrant workers outside the labor union into the labor union organization. The labor union has to bear the responsibility of the “Trade Union Law” in order to become a strong organization to safeguard the rights and interests of workers. In private enterprises, because the trade union cadres are subject to the owners, it is difficult to carry out work independently. Some labor union cadres are afraid of losing their jobs and dare not safeguard the workers. The function of the labor unions has been weakening. Thus, it is necessary to strengthen the function of the union to build up harmonious labor relationship.

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