

INDUSTRIAL RELATIONS IN INDIA- A CONCEPTUAL ANALYSIS

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ABSTRACT

The liberalization, Privatization and Globalization in Indian Economy has evolved more vibrant progress in Industrial Development and Growth with new challenges, especially in more manpower oriented industries, even private sector organizations compete with each other to deliver the business results by handling one of the most significant and complex problems of the industry through establishing proactive industrial relations among employees and employer in the modern Indian Industrial Society. Industrial progress is not possible without harmonious industrial relations, co-operation and co-ordination of employees. It is a practice or process where Manufacturer as industry owner, Trade union leaders as representative of employees, Industry Experts as Consultant and Adviser and Government Machinery are involved in making the industrial policy and amendments from time to time for smooth running of the industries by providing solution to the day to day IR issues and industrial disputes.

The pro-active industrial relations can be developed through implementation of the corporate goal and business alignment with the functional goal and strategy. Increase awareness of the employee about the objectives of the company, who are the customers and their requirements. The intervention of the integrate HR for top to bottom employees and develop the ownership culture and train to committed workforce as per industry needs so that they able to fight with the competition. Regular dialogue with the Trade Union Leader or Opinion Maker and convince them for re-orientation of their aims from destructive to constructive approach and style to suit the changing situation. The attitude and mind-set of the top management must also require changing like day to day fire fighting exercises, more concentration and care of their employees and families, care customers, care suppliers, care strategic actions and care to build the friendliness work environment and organizational culture.

KEYWORDS: Industrial Relations in India: A Conceptual Analysis

INTRODUCTION

- Labour management relations at a manufacturing plant as well as industry level.
- Group relations between various groups or workmen
- Community relations between industry and the society.

The liberalization, privatization, and globalization in Indian Economy has evolved more vibrant progress in Industrial Development and Growth with new challenges, especially in more manpower oriented industries, even private sector organizations compete with each other to deliver the business results by handling one of the most significant and complex problems of the industry through establishing proactive industrial relations among employees and employer in

modern Indian industrial society. Industrial progress is not possible without co-operation of employees and harmonious industrial relations. It is a practice or process where industry owner, trade union leaders, industry experts and government are involved in making the industrial policy and amendments from time to time for smooth running of the industries by providing solution to the day to day IR issues and industrial disputes.

THE CONCEPT OF INDUSTRIAL RELATIONS

The word 'Industrial Relations' consists of two terms: 'Industry' and 'Relations'. "Industry" denotes to "any manufacturing activity in which an individual or a group of individuals are engaged". By "relations" means "the relationships that exist within the industry between the employer and workmen." The word industrial relations describe the relationship between employees and management which is also known as the relationship between union and employer directly or indirectly.

Industrial Relations covers the following all behaviour aspects of people at work place. Such as:

Nature

It studies the role of workers' unions and employers' federations officials, shop custodians, industrial relations manager, negotiator, mediator& arbitrator, judges of labour court, tribunal etc.

Establishment

It consists of government, employers, trade unions, union federations and associations, government bodies, labour courts, tribunals and other organizations which have direct or indirect impact on the industrial relations systems.

Process:

It focus on industrial democracy that includes the collective bargaining, workers' participation in the management schemes, disciplinary process, grievance redressal machinery and dispute settlement machinery, union restructuring, and others like amendment of existing rules, regulations, policies, procedures, hearing of labour judicial matters etc.

Certain Aspects Included

It is related to employment conditions like wages, hours of works, leave rules, health, and safety precautions, lay-off, dismissals retirements conditions etc., laws relating to such industrial relations activities and regulations leading the labour welfare, social security, the issues relating to, with workers' participation in management, collective bargaining, etc.

SCOPE OF INDUSTRIAL RELATIONS

The concept of harmonious industrial relations has a very broad sense. In the thin sense that the employer, employee relationship confines itself to the relationship that emerges out of the day to day association of the management and the labour or union. In wider sense, harmonious industrial relations include the relationship between an employee and an employer in the course of the smooth running of an industry which may relate to the areas of quality control, marketing, price fixation and outlook of profits among others. The scope of industrial relation is relatively vast which include the following aspects:

- Collective bargaining

- Machinery for settlement of industrial disputes
- Standing orders
- Workers participation in management
- Unfair labour practices

OBJECTIVES OF INDUSTRIAL RELATION SYSTEM

- To protect the interest of labour and management by the utmost level of common understanding and good-will among all those sections in the industry which participate in the process of optimization of productivity and efficiency.
- To avoid industrial conflict and develop harmonious & cordial relations, which are significant factor in the efficiency of workers and the industrial development of a country.
- To enhance productivity to a maximum level with full employment by reducing the trend of frequency absenteeism and improve the profits.
- To establish and encourage the growth of an industrial democracy based on worker partnership in the involvement of profits and of managerial decisions, so that individuals may grow to build the benefit of the industry and the country as well.
- To minimize the number of strikes, lockouts, agitation, protests, gherao and threatening by providing reasonable wages and fringe benefits, improved standard of living and working conditions.
- To improve the socio and economic conditions of workers for the active participation in the development of state industrial administration and political government.
- Socialization of industries by participating in corporate social responsibility activities as mandated by law in the creation of the state as welfare state.

NATURE OF INDUSTRIAL RELATIONS SYSTEM

Industrial relations maybe defined as the sum total of management's attitude towards labour and of the labour to management's policies and practices. The two positions take on different issues that affect their interests. But industrial relations affect not purely between labour and managements, i.e., bipartite. The state is also a party to industrial relation. It often intervenes in labour-management relations in order to protect the interests of the weaker party - normally the labour - and seeks to regulate the relations between labour and management by enacting labour legislations and requiring the management to comply with those regulations. Therefore, industrial relations are tripartite.

CHARACTERISTICS OF INDUSTRIAL RELATIONS

Industrial relations in India, over years, have acquired certain distinct characteristics.

Dominance of Tripartitism

Ever since the Indian Labour Conference and the Sanding Labour Committee were introduced in 1941-42, ever

since labour was put on the concurrent list in the Indian Constitution and formed a part of the Directive Principles of the State Policy, ever since the enactment of regulatory labour laws to give effect to the protective labour policy of the government and ever since the politicization of trade unionism and industrial relations began, the State has become an active intervener in industrial relations and a dominant third party. It is the State that has created the industrial relations machinery – conciliation machinery, the labour courts, industrial tribunals, and national industrial tribunal - to promote settlements and to determine industrial disputes in favour of the weaker party, the weaker party often being the labour.

Heavy Legalism in Industrial Relations

The state in its anxiety to protect the interests of the weaker party has enacted a large number of labour legislations. No nation on this earth has such a heavy dose of labour legislations. Besides the regulatory labour laws, an undue emphasis on compulsory adjudication both in policy and practice, the right of every trade union to raise a dispute and seek the intervention of then industrial relations machinery, and provision of appeal against awards of the labour courts and tribunals coupled with absence of collective bargaining relationships have resulted in heavy legalism in industrial relations.

High Employment Security

The basic approach of labour legislations has been the protection of workers' interests. Hence, they provide full protection to workmen leading to criticisms. Secondly, the Courts and tribunals have adopted a liberal approach to labour problems with a view to delivering social justice. Thirdly, the government policy has been not to create involuntary unemployment in the country. The compound effect of all these has been high employment security to the workmen.

Late Emergence and Development of Collective Bargaining

Industrial relations are primarily bipartite. It is left to labour and management to develop their relationships the way they desire. This bipartite relationship is determined, shaped and given a direction through collective bargaining. Collective bargaining has been a democratic bipartite decision-making process in industry. It is also a method of management and industrial government. It is a process of negotiations between management and workers' representatives on Issues and problems of mutual interest and concern with a view to reaching an agreement which helps both to define and redefine their relations and ensure industrial peace and harmony.

MAJOR FACTORS IN THE IR SYSTEM

Three main parties are directly involved in Industrial relation systems.

Employers

Employers have certain rights towards their employees and they have the right to hire and fire. Management can also affect workers' interests by exercising their right to relocate, close, merge the factory and to introduce requisite modern technological changes.

Employees

Workers intend to improve the terms and conditions of their employment. They exchange their views with management and raise their grievances. They also want to share decision making powers of management. Workers

generally create unity to form unions against the management and get support from these unions.

Government

The central and state government of country persuade and regulates their activity towards harmonious industrial relations through various laws, rules, mutual agreements, and awards of court. It also includes third parties and labour and tribunal courts.

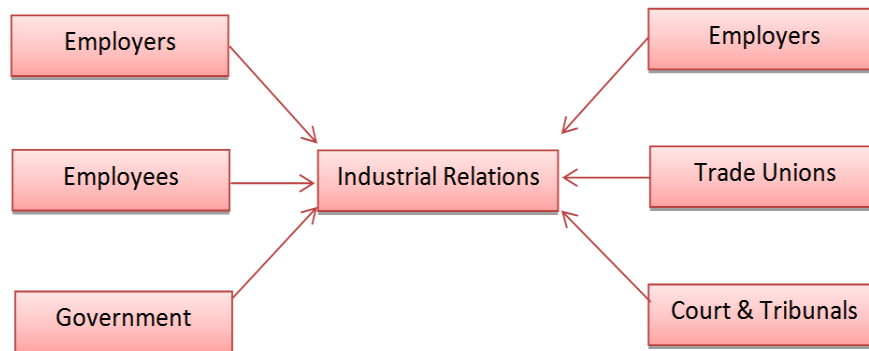


Figure 1

Source:<http://www.naukrihub.com/industrialrelations/industrial-relation-system.html>

DIMENSIONS OF INDUSTRIAL RELATIONS

Patil (1992) in his Research study on “INDUSTRIAL RELATIONS IN INDIA” found out that:

- Industrial relations may exist between individuals (i.e. between the worker and his employer) and they may be collective, between a group of workers and an individual manager, between a group of workers in different enterprises and managers in those enterprises.
- Industrial relations vary on a scale of degree of organization. At one extreme relation may be personal and informal, while at the other they may be highly, institutionalized, and perhaps embodied in legally prescribed structures and procedures.
- Collective industrial relations tend to be more organized than individual industrial relations but short episodes of informal group relationships are also significant (as in certain spontaneous work' stoppages). However, the historical trend has been that as an economy or society becomes increasingly industrialized the organized relationship; replace the informal individual relations and the scope of collective bargaining goes on widening.
- Industrial relations occur in units with boundaries that are observable although varying in the degree of permeability - the work group, the plant, the enterprise, the industry, the region, and the nation.

INDUSTRIAL RELATIONS ENVIRONMENT

Patil on his Research study in the year 1992 “Industrial relations in India” mentions that Industrial relations are influenced by the environment - technological, economic, business, the social, political and legal.

The technological environment refers to the production system or the manufacturing process- It differs from one industry to another and one enterprise/ plant to another. The technology of the plant determines the labour force to be hired.

The labour force in a textile mill, coal mine or plantations is different from the labour force engaged in an engineering or electronic industry.

The economic and business environment varies according to the changes in the national and global economy. These changes have a significant influence on industrial relations in an enterprise that depends on world market for its business. General change in the economic environment, such as inflation or recession, affects the industrial relations at the micro level frequent demands by workers for wage increase and additional benefits, etc., resulting in work stoppages.

The Social environment consists of the profiles of the workers, the social attitudes, work norms and work and the society. Thus an educated and better trained labour force with positive attitudes to work and belief in norms socialized in a society where work ethic is an inherent quality of life, and a labour force that is innovative, creative and democratic in its work life will certainly be conducive to good labour-management relations extending their cooperation to management in its endeavours to improve productivity.

The Political environment refers to political ideologies and systems prevailing at a given point of time and the political affiliations particularly of labour. Industrial relations in a democratic political system for different from those in a socialist/communist system. In democratic societies industrial relations are bipartite and voluntary and the state intervention is exceptional.

INDIA LABOUR POLICY

Labour Policy in India has been developing based on the specific needs of the contemporary situation to fit requirements of planned economic development and social justice. It has two fold objectives, namely maintaining industrial peace and promoting the welfare of labour. The following aspects are highlights of Labour Policy

CONTEMPORARY JUDICIAL APPROACH TOWARDS INDUSTRIAL RELATIONS

One of challenge of industrial peace and harmony majorly depends on the industrial discipline of workers in any industry. The rude, immature and indisciplined behaviour of workers at the workplace create the loss of confidence in employees and it also impacts on the conscience of the civilised society. The judicial ideology has seriously taken note of such contaminated industrial environment and it has been decided that such indiscipline cannot be tolerated in the institutional culture.

SILENT FEATURES OF SMOOTH INDUSTRIAL RELATIONS

In the context of present scenario, there is a need to change pro-worker labour legislations to cope up with the global changing market condition especially Industrial Dispute Act, Factory Act, Contract Labour Act and Trade Unions Act. The following points are suggested for better & smooth/ harmonious Industrial Relations in India in Future.

- An integrated Labour relations Act (i.e. I D Act and T.U. Act combined together) may be passed out.
- I D Act should be renamed as Employee Relations Act with necessary amendments to reduce the industrial disputes.
- Collective bargaining and bi-partite settlement should be incorporated in the said Act.
- In the organized sector, 10% of employees or 100 whichever is less should be made compulsory for the

Registration of trade union.

- Union membership is Mandatory with one union through Check-Off System.
- Recognition of trade union should be incorporated in the Act based on the majority through secret ballot. For five years at a time.
- In the over matters connected with the said Act, it should be settled through Labour Court / Tribunal as the case may be. No civil court should have jurisdiction in this regard.
- In the public utility industries, Strikes and lockouts should be prohibited. Appropriate grievance redressal system should be incorporated.
- Lay-offs, Closures and retrenchment, Govt. Permission should be obtained.
- Retrenchment compensation should be reviewed and enhanced.

SIGNIFICANT BENEFITS OF HARMONIOUS INDUSTRIAL RELATIONS

The following key elements of industrial relations ensure the healthy, cordial and harmonious industrial relations in business units. Such as

- **Nonstop Production** – The major advantage of harmonious industrial relations is the continuity of production which comes from the un- interrupted manufacturing operations by industrial grievance and dispute. It helps in providing the continuous of jobs workers to manager by
- **Minimizing Industrial Grievance and Disputes** – The healthy, cordial & harmonious industrial relations minimize the industrial grievances and disputes. It encourages the co-operation and enhances the productivity.
- **Build High Confidence Levels** – It improves the confidence of the employees and employers in day to day business operations. Employees work with a sense of passion and ownership culture that the interest of employer and employees is one and the same, i.e. to increase productivity.
- **Psychological Uprising** – another one objective of industrial relation is a complete psychological revolution of employees and employers. The industrial harmony to be laid down in the mind-set of both employees and employer. It is the business of leadership in different level of workers, employees and Government to make out a new relationship in a spirit of true democratic system.
- **Reduced Wastage of Materials** - The good and harmonious Industrial Relations are maintained on the basis of collaboration and appreciation of each other. It will help in increasing production as well as productivity. So wastages of man powers, material and machines are reduced to the minimum to minimum.

PRO-ACTIVE INDUSTRIAL RELATIONS

Keeping in view of the above, the following five points are suggested for pro-active industrial relations.

- The corporate goal and business ought to be linked with the functional goal and strategy. Every employee must be aware of the objectives of the company, who the customers are, and their requirements. HR managers must

acquaint the employees from the shop floor level to top management with this essential information.

- The HRM strategy must ensure that the Shop-floor labour is in a position to implement the decisions take at the top. This needs integrated HRD intervention for top to bottom employees.
- To fight with the competition, the industry needs committed workforce. The major bottleneck of commitment to work is India's labour laws. Labour being a subject in Concurrent List' of the constitution of India. Both central and state governments have a say in labour legislation. Nowhere in the world this Alice-in-Wonderland logic being pursued as in India. The situation, therefore, calls for a reform in labour laws.
- Agitation-Bargain-Confront-Demand oriented trade unionism has limited relevance in our country. The unions will have to re-orient their aims, approach and style to suit the changing situation.
- The attitude and mind-set of the top management must also change. Instead of conducting day to day fire fighting exercises, they should care employees, care customers, care suppliers, care strategic actions and care to build organizational culture.

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