

Emergence of Industrial Relations and Improvement

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ABSTRACT

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management). Industrial relations are the relationships between employees and employers within the organizational settings. The field of industrial relations looks at the relationship between management and workers, particularly groups of workers represented by a union. Industrial relations are basically the interactions between employers, employees and the government, and the institutions and associations through which such interactions are mediated. The term industrial relations have a broad as well as a narrow outlook. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations cover all aspects of the employment relationship, including human resource management, employee relations, and union-management (or labor) relations. Now its meaning has become more specific and restricted. Accordingly, industrial relations pertain to the study and practice of collective bargaining, trade unionism, and labor-management relations.

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Concept of Industrial Relations

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen." The term industrial relations explain the relationship between employees and management which stem directly or indirectly from union-employer relationship. The relationships which arise at and out of the workplace generally include the relationships between individual workers, the relationships between workers and their employer, the relationships between employers, the relationships employers and workers have with the organizations formed to promote their respective interests, and the relations between those organizations, at all levels. Industrial relations also includes the processes through which these relationships are expressed (such as, collective bargaining, workers' participation in decision-making, and grievance and dispute settlement), and the management of conflict between employers, workers and trade unions, when it arises.

Main Objectives

The **main objectives** of industrial relations system are

- To safeguard the interest of labor and management by securing the highest level

of mutual understanding and good-will among all those sections in the industry which participate in the process of production.

- To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country.
- To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.
- To establish and promote the growth of an industrial democracy based on labor partnership in the sharing of profits and of managerial decisions, so that ban individuals personality may grow its full stature for the benefit of the industry and of the country as well.
- To eliminate or minimize the number of strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.
- To improve the economic conditions of workers in the existing state of industrial managements and political government.
- Socialization of industries by making the state itself a major employer.

Emergence of Industrial / Labour Relations in India

The Trade Unions Act of 1926 provided recognition and protection for a nascent Indian labour union movement. The number of unions grew considerably after independence, but most unions are small and usually active in only one firm. Union membership is concentrated in the organized sector, and in the early 1990s total membership was about 9 million. Many unions are affiliated with regional or national federations, the most important of which are the Indian National Trade Union Congress, the All India Trade Union Congress, the Centre of Indian Trade Unions, the Hind Mazdoor Sabha, and the Bharatiya Mazdoor Sangh. Politicians have often been union leaders, and some analysts believe that strikes and other labour protests are called primarily to further the interests of political parties rather than to promote the interests of the work force.

The government recorded 1,825 strikes and lockouts in 1990. As a result, 24.1 million workdays were lost, 10.6 million to strikes and 13.5 million to lockouts. More than 1.3 million workers were involved in these labour disputes. The number and seriousness of strikes and lockouts have varied from year to year. However, the figures for 1990 and preliminary data from 1991 indicate declines from levels reached in the 1980s, when in some years as many as 35 million workdays were lost because of labour disputes.

The isolated, insecure, and exploited laborers' in rural areas and in the urban unorganized sectors present a stark contrast to the position of unionized workers in many modern enterprises. In the early 1990s, there were estimates that between 10 percent and 20 percent of agricultural workers were bonded laborers. The International Commission of Jurists, studying India's bonded labour, defines such a person as one who works for a creditor or someone in the creditor's family against nominal wages in cash or kind until the creditor, who keeps the books and sets the prices, declares the loan repaid, often with usurious rates of interest. The system sometimes extends to a debtor's wife and children, who are employed in appalling working conditions and exposed to sexual abuse. The constitution, as interpreted by India's Supreme Court, and a 1976 law prohibit bonded labour. Implementation of the prohibition, however, has been inconsistent in many rural areas. Many in the urban unorganized sector are self-employed laborers', street vendors, petty traders, and other services providers who receive little income. Along with the unemployed, they have no unemployment insurance or other benefits.

Importance of Industrial Relations

The healthy industrial relations are key to the progress and success. Their significance may be discussed as under –

- Uninterrupted production – The most important benefit of industrial relations is that this ensures continuity of production. This means, continuous employment for all from manager to workers. The resources are fully utilized, resulting in the maximum possible production. There is uninterrupted flow of income for all. Smooth running of an industry is of vital importance for several other industries; to other industries if the products are intermediaries or inputs; to exporters if these are export goods; to consumers and workers, if these are goods of mass consumption.
- Reductions in Industrial Disputes – Good industrial relations reduce the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts, go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps promoting co-operation and increasing production.
- High morale – Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him along but they should be shared equally and generously with his workers. In other words, complete unity of thought and action is the main achievement of industrial peace. It increases the place of workers in the society and their ego is satisfied. It naturally affects production because mighty co-operative efforts alone can produce great results.
- Mental Revolution – The main object of industrial relation is a complete mental revolution of workers and employees. The industrial peace lies ultimately in a transformed outlook on the part of both. It is the business of leadership in the ranks of workers, employees and Government to work out a new relationship in consonance with a spirit of true democracy. Both should think themselves as partners of the industry and the role of workers in such a partnership should be recognized. On the other hand, workers must recognize employer's authority. It will naturally have impact on production because they recognize the interest of each other.
- Reduced Wastage – Good industrial relations are maintained on the basis of cooperation

and recognition of each other. It will help increase production. Wastages of man, material and machines are reduced to the minimum and thus national interest is protected. Thus, it is evident that good industrial relations is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. New and new projects may be introduced for the welfare of the workers and to promote the morale of the people at work. An economy organized for planned production and distribution, aiming at the realization of social justice and welfare of the mass can function effectively only in an atmosphere of industrial peace. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and labor.

Measures To Achieve Good Industrial Relations

The following measures should be taken to achieve good industrial relations:

- **Strong and Stable Union:** A strong and stable union in each industrial enterprise is essential for good industrial relations. The employers can easily ignore a weak union on the plea that it hardly represents the workers. The agreement with such a union will hardly be

honored by a large section of workforce. Therefore, there must be strong and stable unions in every enterprise to represent the majority of workers and negotiate with the management about the terms and conditions of service.

- **Mutual Trust:** Both management and labor should help in the development of an atmosphere of mutual cooperation, confidence and respect. Management should adopt a progressive outlook and should recognize the rights of workers. Similarly, labor unions should persuade their members to work for the common objectives of the organization. Both the management and the unions should have faith in collective bargaining and other peaceful methods of settling disputes.
- **Workers' Participation in Management:** The participation of workers in the management of the industrial unit should be encouraged by making effective use of works committees, joint consultation and other methods. This will improve communication between managers and workers, increase productivity and lead to greater effectiveness.
- **Mutual Accommodation.** The employers must recognize the right of collective bargaining of the trade unions. In any organization, there must be a great emphasis

on mutual accommodation rather than conflict or uncompromising attitude. One must clearly understand that conflicting attitude does not lead to amicable labor relations; it may foster union militancy as the union reacts by engaging in pressure tactics. The approach must be of mutual "give and take rather than "take or leave." The management should be willing to co-operate rather than blackmail the workers.

- o Sincere Implementation of Agreements. The management should sincerely implement the settlements reached with the trade unions. The agreements between the management and the unions should be enforced both in letter and spirit. If the agreements are not implemented then both the union and management stop trusting each other. An environment of uncertainty is created. To avoid this, efforts should be made at both ends to ensure the follow up of the agreements.
- o Sound Personnel Policies: The following points should be noted regarding the personnel policies. The policies should be:
 - a) Formulated in consultation with the workers and their representatives if they are to be implemented effectively.
 - b) Clearly stated so that there is no confusion in the mind of anybody.

- c) Implementation of the policies should be uniform throughout the organization to ensure fair treatment to each worker.
- d) Government's Role: The Government should play an active role for promoting industrial peace. It should make law for the compulsory recognition of a representative union in each industrial unit. It should intervene to settle disputes if the management and the workers are unable to settle their disputes. This will restore industrial harmony.
- e) Progressive Outlook: There should be progressive outlook of the management of each industrial enterprise. It should be conscious of its obligations and responsibilities to the owners of the business, the employees, the consumers and the nation. The management must recognize the rights of workers to organize unions to protect their economic and social interests.

The significance of good industrial relation in any country cannot be ones emphasized. Good industrial relations are necessary for the following reasons.

1. To help in economic progress of a country. The problem of an increase in productivity is essentially the problem of maintaining good industrial relations. That is why they form an important part of the economic development plan of every civilized nation.

2. To help establishing and maintaining true industrial democracy this is prerequisite for the establishment of a socialist society.
3. To help the management both in the formulations of informed labour relations policies and in their translation into action.
4. To encourage collective bargaining as a means of self-regulation. They consider the negotiation process as an educational opportunity a chance both to learn and to reach.
5. To help government a making laws forbidding unfair practices of unions and employers. In climate good industrial relations every party works for the solidarity of workers movement. Unions gain more strength and vitality. There is no inter-union rivalry.
6. Employees give unions their rightful recognition and encourage them to participate in all decisions. Unions divert their activities from fighting and belligerence to increase the size of the distribution and to make their members more informed (workers education) on vital issues concerning them.
7. To boost the discipline and morale of workers. Maintenance of discipline ensures orderliness. Effectiveness and economy in the use of resources. On the other hand, lack of discipline means waste, loss and confusion. It also means in sub-ordination and non-co-operation.
8. Industrial relations are eventually human relations therefore, the same basis of human psychology prevails in the field of industrial relations therefore, and the efficiency of an industry is directly related with the quality of relationship, which is being built up amongst the individuals who work together.

Conclusion

Relationship between employers and employees, and their dealings with each other. In most industries, wages and conditions are determined by free collective bargaining between employers and trade unions. Some European and American countries have worker participation through profit-sharing and industrial democracy. Another solution is co-ownership, in which a company is entirely owned by its employees. The aim of good industrial relations is to achieve a motivated, capable workforce that sees its work as creative and fulfilling. A breakdown in industrial relations can lead to an industrial dispute where one party takes industrial action. The current round of industrial action shows that HR downgrades the importance of good industrial relations at its peril. Twenty to 30 years ago, industrial relations skills were central to any successful personnel department. But in migrating from personnel to HR, we seem almost to have forgotten them. Rapid industrial growth and high industrial productivity are possible when smooth industrial relations exist. Along with this, workers get higher wages and other monetary benefits.

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