ABSTRACT

“Industrial Relation” is one of the most delicate and complex problem in global world. With rising wages and compensation policies workers have achieved a higher living standards, they are educated and there career patterns have changed. Now they have become wage and salary earners in urban areas. A large number of men, women and their families have migrated to urban areas. The organisations which are individually owned have become corporate enterprises, and at the same time status-dominated, progressive, aspirant and sophisticated workers came into being, who have their own trade unions and have strong bargaining power, which gives tough fight to employers for their rights in industrial society. The government is playing important role in establishing harmonious industrial relations, and has enacted a body of legislation to safeguard and ensure the rights of industrial workers. There is a rapid change in techniques and methods of production which has created new opportunities for employment, experience and technical education. Industrial relations therefore become more complex and have been given a sharp edge for labour unrest. In such circumstances there is a need of understanding factors which are likely to eliminate this unrest and it will be rewarding experience for anyone who is interested in Industrial harmony. Industrial relations is a set of functions involving economic, social, historical, demographic, legal, occupational, political and other variables, which calls for inter-disciplinary approach to the study.

Keywords: Industrial Relation, Inter-Disciplinary Approach, Industrial harmony.

INTRODUCTION

“Industrial Relations” pose one of the most delicate and complex problem in today industrial world. The progresses of industries are not possible without cooperation of labours. With rising wages workers have achieved a higher standard of living; they are educated and their career patterns have changed. A vast mass of population has migrated from rural to urban areas. The enterprises which are individually owned now become corporate enterprises, at the same time progressive aspirant and educated workers came into being, who have their own trade unions and strong bargaining power. They are giving tough fights to employers for their rights in today industrial world. Due to rapid change in technology, innovation and new methods of production, there is an opportunity for employment, which calls for experience and technical educated labour and today labour is smart he is
experienced and educated. Due to labour unrest the relationship of labour-employer has become more complex, there is a need to eliminate such factors which make industrial unrest and instability and it would be rewarding experience for everyone who is in the favour of industrial harmony.

The term ‘industrial’ mean any productive activity in which individual or group is engaged and ‘relation’ means the relationship between employer and labour in the organisation. Industrial relation covers all aspects of human resource management, such as workers participation in management, grievances and disputes, trade unions, employee safety and health etc. “More specially Industrial relation is concerned with the system, rules and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interest of the employed and their employers, and to regulate the way in which the employer treat their employees”. Industrial relation is a set of functions and its determinants are institutional and economic factors. Institutional factor is influenced by labour-legislation, attitude of work, system of power and status, motivation etc. and the economic factor includes capital structure, economic organisation, demand and supply of labour and market. The development of industrial relation has not resulted by single factor but has determined by conditions existing in industrial revolution in Western Europe and the economic political and social situations in different countries of world.

Today workers came to realise that their demands can be satisfied if there is a collective action and they know if there is a refusal to meet their genuine demand it will led to hindrance of production, which will harm both worker and employer such type of unrest leads to industrial disputes. The industrial dispute act 1947, defines an industrial dispute as “any dispute or difference between among employers, or among employees, or between employers and employees, which is connected with the employment, or non-employment or the terms of employment or with the conditions of work of any person” (Section 2-k). The industrial dispute may take form of strikes, go-slow tactics, pen down strikes, hunger strikes, lockouts etc. there are various methods such as collective bargaining, conciliation, adjudication and arbitration by which the problem of industrial disputes can be resolved.

Participants in industrial relations

Dunlop says “Industrial societies necessarily create industrial relations, defined as the complex of inter-relations among workers, managers and government”.

The participants of industrial relations are:-

1. Employers- They are bureaucratic institutions which place specialised workers for attaining objectives and also affect workers interest by exercising their right to introduce technological changes.

2. Employees- They are association of people formed for specific purpose who exchange view with the management and share decision making.

3. Government- It tries to regulate relationship of employer and employees and regulates industrial relation by laws, agreements, rules and tribunal court.

Scope of industrial relations

Industrial Relations has a wide meaning and connotation, it refers to employer-employee relationship that is relationship that arise from day to day association of management and labour in course of running industry and covers area of quality control, price fixation, marketing and dividing of profits.

The scope of study covers

1. Industrial Peace - Maintenance of Industrial peace can be established if there is a prevention and settlement of industrial disputes machinery such as Industrial Disputes Act 1947, Trade Union Act 1926, Industrial Employment Act, Workman Compensation Act 1923, Employees State Insurance Act 1948 etc. The government has a power to implement and evaluate
committees for ensuring implementation of agreements, settlement of disputes and looking into violation of statutory provision of various labour laws.

2. **Healthy Labour Management Relations** - This can be possible when there is a strong democratic, organised trade unions and associations of employers because they bring a great sense of job security and increase participation in decision making. Collective bargaining and voluntary arbitration helps to prevent disputes and ensures fair decision both for industry and labour.

3. **Industrial Democracy** - It can be established if there is a joint managerial councils who will works for improvement of living condition of employees and serve as a link of communication between management and workers. There should be suitable and social environment where workers can adjust themselves. The function of Industrial relation is to bring solution of conflict between labour and management.

**Need of industrial relation**

A clear cut strategy is very important for Industrial Relations. The industrial relations are influenced by internal and external factor. Therefore the need arises weather these factors are benefiting and reaching to the labour or not. These factors are attitude of management to employees and unions, attitude of employees to management, strength of unions, militancy of unions nationally or local, effectiveness of managers in dealing problems of industrial disputes, effectiveness of employers association, employment and pay situation, the legal framework within which industrial relation exist and how bargaining is carried out.

**Government and industrial relations**

The intervention of state in labour market had its beginning when British government in India was constrained to protect its commercial interest in our country. In World War II government passed the Defence of Indian Act and incorporated section 81A, which banned strikes for ensuring, continues supply of requirements of war. This legacy was given statutory recognition when the Industrial dispute act 1947 was enacted. This act provides for setting up conciliation boards, industrial tribunals, labour courts and arbitration and adjudication machinery. State intervention was necessary because-Industrial development should progress smoothly during five year plan and production must go unhampered.

Directive principles help to establish welfare state and look after the interest of weaker section of society. The federal nature of constitution made state to intervene labour matter and continuing production. Certain laws were applicable throughout the country. These include Minimum wage act 1948, Payment of bonus act 1965 and Plantation of labour act 1952. The state has to act as a guardian of people when labour situation worsens; it has intervened and adopted labour policies to ensure social justice and industrial peace.

**REVIEW OF LITERATURE**

The history of Labour and Industrial relations has been full of inspiration, strains, controversies and contradictions. After independence government has made several policies and strategies for industrial development. The objective of these policies is to make smooth running of industries and settlement of labour and industrial disputes. Various studies were made to see the impact of impact of industrial relations and to rectify the shortcomings.

1. CB Mamoria and S.V Gankar (2003) in their book titled "Personnel management" has discussed the use of human resource. Management of HR is a very complicated and challenging task for successful running of an organisation. The authors have focused on various aspects of personnel management' including industrial law, sociology, social security, labour policy administration etc. Handling human resource through education and proper training helps in achieving organisational goals.
2. Dr T.N Bhagoliwal (2004) in his book “Economies of labour and Industrial Relations” has focussed on number of changes and certain problems arisen in field of labour economies of human in Industrial Relations. He has also emphasized on judiciously necessity, labour institutes, labour policy wage and wage regulation and new development of industrial relations.

3. Srinavas R. Kandula (2004) in his book "Human resource management in practice with 300 models techniques and tools", has focused on knowledge of HR management concept and awareness of the implication of such concept in practise. The book presents both fundamental and advanced concept of HR management and he says many organisations are successful due to their good culture management.

4. Michael Armstrong (2010) in book named “Armstrong’s essential Human Resource Management practice a guide to people management” is the classic text for human resource study or who are entering in this profession for first time. He describe about the fundamentals of human resource management and activities involved in effective management of people it is a guidance book for management role.

5. K Aswathappa (2013) in his book “Human resource management text and cases ” focused that the economies around the world are in pretty bad shape. Macroeconomic indicates India is favourable for business growth. The country has vibrant consumers; the growth is being propelled by internal consumption instead of being export. Service sector is dominating over manufacturing and growth is bottom-up driven but not imposed by government. The book also focused on employee engagement, labour laws and HR practices in small scale industry.

6. Nirmal Singh (2004) in his book titled "Human resource management replace theoretical formulation with the practical applications" present logical and well organised manner essentials of Human relation and importance of Human relation development which is playing vital role in meeting the challenges of human resource due to globalisation. In recent times there is an increasing interest in global concern with application of behavioural sciences of business, industry and other sectors concerned with people working and administration. HR element is everywhere and it is keystone for organisational working.

OBJECTIVES OF STUDY

The objectives of study are:

1. To understand how to safeguard the interest of management and labour in process of production by mutual understanding.
2. To assess time to resolve internal and external Industrial conflicts and to develop harmonious relations for Industrial progress.
3. To understand the importance of providing reasonable wage, good working condition and improved living.

RESEARCH METHODOLOGY

It can be defined as scientific and systematic search of information, method and technique followed for the collection of data on particular study. Doubts lead to inquiry and inquiry leads to invention. It is a voyage of innovation and discovery. Research methodology systematically solves the research problem.

The data necessary for the study is collected from secondary sources like records, reports, books and websites. The study is related to "Labour and Industrial Relations" which need strong support from Labour and Industrial organisations and government at different level to implement plans, polices and strategy for benefit of labours so that a healthy industrial relation can be established which is important for society and human resource. In this paper, case study approach is used to understand the importance of harmonious industrial relations in the organisation.
Maruti Suzuki India Ltd- A Case Study

In 1981, the Japanese company formed a joint venture with the Government of India known as Maruti Udyog Limited (MUL). Its first product in India was the small car, Maruti 800, launched in December 1983. Maruti 800 was the largest selling car in India till 2004. In 2002, MUL was privatized and the majority stake in the company was vested with SMC (Suzuki Maruti Corporation). MUL went in for a public issue in June 2003. The issue was oversubscribed 10 times. In 2007, the Indian government disposed of its entire stake in MUL and the latter was renamed MSIL. Over the years, the company introduced several cars such as the Zen, the Alto, the Swift, etc. As of August 2012, two out of every five cars sold in India were MSIL's. MSIL had two production facilities, one at Gurgaon and the other at Manesar.

Industrial dispute at MSIL

On June 4, 2011, around 2000 workers at MSIL’s Manesar plant struck work from the second shift of the day, leading to a production loss of around 650 units – the Manesar factory manufactured 1,200 cars in two shifts. The protesting workers wanted the acceptance of a new union - the Maruti Suzuki Employees Union - constituted by the Manesar factory workers. MSIL openly stated that it was not willing to deal with another union. It pointed out that there was an existing union, the Maruti Udyog Kamgar Union, at its Gurgaon factory and if the Manesar plant workers wanted a union, it had to be under the aegis of the Maruti Udyog Kamgar Union. Workers also wanted to negotiate service conditions. According to workers there was a huge difference between salary and other incentives of permanent and casual workers though both did same type of work. On August 29, 2011, MSIL directed all its Manesar factory workers to sign a 'good conduct bond' prior to entering the plant. This directive came on the heels of quality problems reportedly surfacing the previous week. The 'good conduct bond' required an undertaking from the workers that they would not slow down their work, damage the output, or engage in acts that would obstruct normal manufacturing at the factory. The workers who did not agree to sign the bond were not allowed to enter the plant.

On August 30, 2011, MSIL suspended 16 permanent workers and terminated the jobs of 12 trainees. With regular workers not entering the plant premises, on August 31, MSIL engaged the services of 120 Industrial Training Institute (ITI) trained workers at Manesar. It had also previously brought in 50 engineers attached to the company's Gurgaon factory and nearly 290 supervisors for manufacturing tasks at the factory. By August 31, only 36 permanent workers had signed the 'good conduct bond'. Nearly 2,000 casual and permanent workers stayed put outside the Manesar plant premises.

On 18 July 2012, Maruti’s Manesar plant was hit by violence as workers at one of its auto factories attacked supervisors, engineers and other management personnel and burnt and killed a senior HR executive, injured 100 managers, including two Japanese expatriates. The mob also injured nine policemen. The company’s General Manager of Human Resources had both arms and legs broken by his attackers, unable to leave the building that was set ablaze and he was charred to death. The incident is the worst-ever for Suzuki since the company began operations in India in 1983 and one of the most heinous of industrial crimes in the history of India.

On July 21, MSIL announced an indefinite lockout at its Manesar plant, driving down its share prices even lower.

On July 26, 2012, Maruti Udyog announced that employees would not be paid for the period of lockout in accordance with labour laws of India. The company further announced that it will stop using contract workers by March 2013. The report claimed the salary difference between contract workers and permanent workers has been much smaller than initial media reports - the contract worker at Maruti received about 11,500 per month, while a permanent worker received about 12,500 a month at start, which increased in three years to 21,000-22,000 per month.
Possible causes of the labour unrest at Maruti Udyog Manesar Plant

Several factors have come into play in this labour unrest. Listing few of them based on the facts mentioned above gives a clear perspective:

1. Wage Disparities between the Regular and Contracted Workers: There was lot of uncertainty in the minds of the contracted workers regarding their future as employees of Maruti Suzuki.

2. Lack of trust between the HR Staff and the Workers: The workers perception of HR executives is a major cause for concern. They take it for granted that the HR executives are there to make sure that the demands of workers are met. That is, they picture a HR executive being an agent of the management and not as a well-wisher of the employees in general. This clearly points to a long term discontent which surfaced in the most violent way.

3. Lack of Connectivity and Active Communication between the Management and Workers: The management was clueless about the extent to which a section of workers were enraged. That means, there was no inklings of such a degree of discontent with the management.

4. Lack of Intelligence and Information: Though the management was aware of those ring leaders and instigators, it did not have any concrete and actionable information about the intentions of the striking workers to kill and burn. It is evident that the action of breaking an executives limbs and leaving him to burn to death as a murder and it certainly was not an accident. Normally, such crimes are planned and within the group of several workers with criminal intentions, such plans are discussed. The management did not have any mechanism to collect informal information through its network of informants.

5. Possible Collusion of Local Police, Retrenched Workers and Politicians: The management did express their suspicions regarding the nature activities involving local politicians and police but it was without any substantiation. Hence, the doubts were laid to rest. However, it is not ruled out that local politicians and retrenched workers who lost their Maruti job in the last few years colluded with the local police to create a charged atmosphere.

6. Unequal Salary: Workers, both permanent and contracted feel that they are not being given their due share of the huge profits Maruti Udyog is making with the highest market share in the car industry. Though the automobile industry in India is said to be in a temporary recession, the car industry is seeing an unprecedented growth in the last few years and for over 28 years, Maruti has been the market leader. The profits and balance sheets are in public domain. An educated and aware worker is also aware that his salary and allowances have not risen in proportion to the rise in profits of the company. They have been expressing this feeling for several years and there have been salary rises but never in the kind of scale and proportion which the workers were demanding. On the day of starting the strike, average Maruti Udyog, Manesar worker was still one of the best paid automotive factory worker in India, but not paid in proportion to what the management was earning through them.

CONCLUSION

During the past decades the government and organisations took keen interest and made considerable efforts in making labour and Industrial policies which can benefit both employer and employee. The success of these efforts are limited there are enough evidences which suggest that the efforts made by government and organisations does not seems to produce the impact on industrial relations. The entire Maruti episode presents a strong case for HR executives to increase their involvement at the floor level with the workers in addition pursuing their professional education and career development. As part of the initial training for the junior manager while joining service, it’s important to make it a part of study the nature of an average worker, their social structure, the previous history of union activities, the study of resolutions and decisions taken and the comparison of the facilities given to the worker vis a vis the workers of the competitors. Rather than the unions coming to know about their company’s expansion plans through rumours, newspaper or the Television, it is in the interest of the company that
the management takes the union into confidence about their future plans. This will go a long way in building confidence among the workers about the honesty and forthrightness of the management.

At the same time there is a need to create awareness among the workers who are not educated about their rights. Although some of them are aware about their rights but their involvement and participation cannot be realized. Therefore to create the awareness a drive should be started with the help of government and Labour Organisations who works for betterment of good industrial relation. Trade Unions can help in safeguarding the rights and interest of labours. To sum up it may be stated that Industry has changed the attitude of workers and organisations and now workers are self-reliance, which includes strategies, policies and programmes for their development. The effective feature of these policies is that, they directly intervene in favour of weaker section of labours. For solving the problem of Industrial relation in our country we have to educate and aware our labour and it is the duty of government to safeguard their rights and organisations also should provide better opportunity in term of wages, medical facilities and safety.

SUGGESTIONS

The successful industrial relation should be achieved by constituting sound polices by government and by directing organisations to follow those polices so that rights of workers should not be exploited. There should be support of management and government for proper implementation of policy and practices, a constant review of Industrial Relation programme can make a check on existing policies. The duty of trade unions is to safeguard the interest of workforce and for this there is a need of stable trade union. By mutual understanding between management and labours a progressive atmosphere can be developed, which help in production and safety. Workers participation in management will help managers and workers to exchange ideas and they can solve problem of organisation. The employer must recognize the rights of trade unions, by this conflict can be minimized and environment of mutual accommodation will be generated. By making sound polices, programme Industrial unrest can be overcome and it will help in promoting industrial peace.

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