ABSTRACT

Harmonious relationship between employees and employer is absolutely essential for smooth functioning of an enterprise. Industrial relations represent an integral part of social relations arising out of employer-employee relations and their interactions in modern industries. This involves a study of the state, the legal system, and the workers and employers organizations at the institutional levels. This also includes the study of patterns of industrial organization and industrial management, the capital composition, compensation of labour force and study of market forces at the economic level. Personnel Management experts employ the term industrial relations to denote collective relationship between management and the employees in an industrial undertaking and excluding individual relationship of workers with their management. Industrial relations are a set of functional, interdependent complexities involving historical, economic, social, psychological, demographic, technological, occupational, political, and legal and other variables and call for an inter-disciplinary approach to their study. In any economy, the process of industrial relations is intimately connected with the institutional forces which give a shape and content to socio-economic policies at a given point of time.

Keywords: Employer; Employee; Personnel Management; Industries; Workers; Labour

INTRODUCTION

Every nation strives to improve the quality of lives of its people. This is possible by economic development. Rapid industrialization is one of the most important national activities which can improve economic status of any nation. This is because industries are directly linked with GDP and GNP. Obviously government is interested in the development of industries. In addition, industries and business provide large scale employment opportunities to the people. Communities are benefited by starting of industries and business firms in their localities because of the following two reasons:

- Large scale employment of persons directly and indirectly.
- Infrastructural development in their region.

By and large industries are set up in the urban areas because of better infrastructure. The rapid industrialization has improved the prospectus of employment of job seekers and prosperity of those employed because of higher wages. At the same time, employees who are educated and well informed organize themselves and become powerful in bargaining with management. Those who are uneducated and ignorant are exploited by the unscrupulous employers. Both these led to unsatisfaction, industrial unrest, loss of production and low productivity. This proves to be a national loss. Government and community thus got interested in industrial and business activities. Industrial relation has, therefore, become one of the most important topics of modern society. Industrial relation, in the broader sense covers the following:
**Government relations between labour and industries.**

**Community relations between industry and society.**

**Personnel management relationship in the plants and industries.**

**Labour management relationship in the plants and industries.**

Industrial Relations are a collective relation between union and employer which grows out of an employment. The concept also means the relationship between employees and management in the day to day working of industry. Broadly the term Industrial Relations is used to denote the collective relationship between management, employees and government in any industrial or non industrial organization. Individual relationship of workers with their management is thus excluded from the scope of industrial relations and form part of personnel management. The subject of industrial relations includes:

- Individual relations and joint consultation between employers and workers at work place.
- Collective relations between employers and their organizations and the trade unions.
- The part played by the state in regulating the relations.

“Industrial Relations are integral aspects of social relations arising out of employer- employee interaction in modern industries”. - V.B.Singh

**Evolution of Industrial Relations**

The concept of Industrial Relations is dated back to the pre world war I. following are the mile stones

**Paternalism:** This is the concern of workers welfare brought out during pre World War I period by efforts of mostly certain welfare minded individual owners of the firms.

**Personnel department:** Since workers were afraid to express their complaints to the owners, on fear of losing a job, a via media was built up in the form of personnel department. Their job was to create an upward communication with management.

**Scientific management:** With the development of management as the science by F.W. Taylor and others, the psychological approach comes up and industrial relations got a wider scope.

**Trade unionism:** Unionism grew in strength in1920’s and after 1930’s it grew up to a large extent and focused mainly on

2. Social responsibility of management.

**Government intervention and legislative measures:** Trade union movement forced government to intervene with management for securing fair deal to workers. Keeping this in view, certain legislative measures were initiated and passed.

**Industrial relations department:** The scope of personnel department was increased by combining personnel relations with labour relations and formed an Industrial Relations (IR) department. This became a permanent body advising management to develop policies in a permanent nature instead of ad hoc manner as was done in the past. Present scope of IR department has considerably widened because of the following:

- Shift from scientific management to social orientation.
- Shift from individual attention to group requirement.
- Shift of industries from economic system to social system.
- Emphasis on communication and relation network.
There are three important approaches to Industrial Relations; each approach looks at the term differently. These approaches are

**Systems approach:** John Dunlop, father of this approach, considers industrial relations as a distinctive sub system of society consisting of three principal actors viz, managers, workers and government agencies. These actors through their interactions produce a web of rules and procedures which not only govern the work place and the work community but also distinguish one industrial system from another. According to Dunlop, the interactions among the three actors are influenced by several forces in the environment, the most important among them being technology, markets and power relations in the wider society, as technologies employed by different enterprises differ so do the skills required from workers and managers, nature of supervision, pattern of work organization and the role played by state regulatory agencies. Similarly, the nature of the market in which the enterprise operates leaves its imprint on industrial relations. Firms operating in a competitive market are differently placed from monopolistic producers and therefore the industrial relations in the two contexts are also different. Finally the power position of the three actors in the wider society has crucial bearing on how they go about the business of making rules. Dunlop argues that an industrial relation system is essentially stable and cohesive.

**Pluralist approach:** This approach is commonly associated with the writings of Flanders, Clegg and Fox. The essence of this approach is that every industrial organization is a coalition of various conflicting interest groups such as employees, share holders, consumers, the community, the government and so on. The problem of management in this situation is to control and balance the activities of various groups which is not when we regard industrial relations as essentially stable and cohesive. The pluralists, however, agree with the systems view that the centre piece of industrial relations is job regulation—the making an administration of rules for regulating employment relations.

**Marxist approach:** Represented by Hyman and others this approach differs from the other two approaches in its definition or the fundamental meaning of industrial relations. This approach holds that to define industrial relations exclusively in terms of rules and regulations (as the other two approaches do) is far too restrictive. It argues that if industrial relations are mere job regulation through shared ideology then why do conflicts never seize? Marxist seeks answers to this question in the lack of balance of power between the bargaining partners even as rules are continuously made and enforced. Their assertion is that conflict can never be held in check unless capital accepts that labor has a right to an equal share in power.

Having differed on the fundamentals, Hymen goes on to explain why systems theorists and pluralists are far off the mark. He contends that it is wrong on the part of these people to equate the study of industrial relations with the study of the institutions of job regulation such as trade unions, employers association and government departments. While a study of these institutions is important, the study of social processes which operate in reaching agreements is even more important. In fact these processes play a vital role in taking care of the needs and aspiration of workers. Hence, Hymen suggests that it would be more appropriate to define industrial relations as the study of the processes of control over work relations. Industrial relations is about who controls, what, how and why.

**Features of Industrial Relations**

1. Industrial relations are outcome of employment relationship in an industrial enterprise.
2. As a regulated relationship the focus of it is on rule making by participants so that there may be uninterrupted production.
3. The work situation may provide methods of adjustment and cooperation with each other.

4. The government agencies involve shaping the industrial relations through laws, rules and awards.

5. The important actors of industrial relations are employees or their organizations, employers and their associations and government.

**Significance of Industrial Relations**

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

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

2. To help establishing and maintaining true industrial democracy, this is a prerequisite for the establishment of a socialist society.

3. To help management both in the formulation 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 teach.

5. To help government in making laws forbidding unfair practices of unions and employers. In a climate of good industrial relations every party works for the solidarity of workers movement. Unions gain more strength and vitality. There is no interunion rivalry. Employees give unions their rightful recognition and encourage them to participate in all decisions. Unions divert their activities from fighting and belligerence to increasing the size of the distribution cake and to making their members more informed on vital issues concerning them.

6. 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, accidents, loss and confusion. It also means insubordination and non cooperation.

**OBJECTIVES OF INDUSTRIAL RELATIONS**

1. Development and promotion of harmonious labour management relation.

2. Maintenance of highest levels of industrial peace and productivity and avoidance of industrial strife the conflicts. To safe guard interest of labour, management industry and national economy as a whole.

3. Establish industrial democracy and ensure its growth and development.

4. To raise productivity level.

5. To boost the discipline and morale of workers.

6. To improve economic condition of workers.

7. State control on industries for regulating production and promoting harmonious industrial relations.

8. Industrial prosperity is largely dependent upon good industrial relations.

9. Socialization or rationalization of industries by making state itself a major employer.

10. To improve worker’s lot with a view to solve their problems through mutual negotiation and consultation with the management.
11. Vesting of propriety interest of workers in the industries in which they are employed.

**Functions of Industrial Relations**

The functions of industrial relations are categorized under the following headings:

**Employee — Employer Relationship:** This is the individual personal attention given by management to their employees. It covers the following functions:

- Wages and salaries administration.
- Career and prospectus and promotion.
- Retirement benefits and medical cover.
- Redress of grievances and discipline.
- Training and development.
- Counseling.
- Compensation on accidents, insurance covers etc.

**Labour—management relations:** It covers the following areas:

- Recognition of unions.
- Collective bargaining.
- Industrial disputes.
- Tripartite dispute setting machinery.
- Welfare measures and benefit schemes.

**Industrial peace and productivity:** It covers the following aspects:

- Improve union-management relations.
- Avoid strikes and go slow tactics.
- Prevent lockouts and layoffs.
- Upgrading technology and production method.
- Secure employees cooperation in improving productivity.
- Minimize loss of man days per year.

**Industrial democracy:** It can be achieved by the following ways:

- Humanism in industry.
- Focus on employees.
- Social orientation of business.
- Public relations.
- Participative management.

**Liaison functions:**

- Formulation of IR policy.
- Employee attitude survey.
- Participation in labour conferences.
Principles Promoting Successful Industrial Relations

- Top management support.
- Sound personnel policies—policies are guidelines to action. IR is successful where sound personnel policies are laid down.
- Professionalism in management.
- Supervisory training.
- Evaluation—objective of evaluation of IR programme is essential for the following:
  - Measure the result based on predetermined criteria.
  - Assess the effectiveness of programme.
  - Initiate corrective actions for deviations.
  - Incorporate modifications if required.

Causes of Poor Industrial Relations

Poor Industrial relations are by product of a number of socio-economic, political and psychological factors which may be cardinally presented as:

Uninteresting nature of work: Lack of job satisfaction is one of the important causes of poor industrial relations. Modern workers do not work just for the sake of living or earning their bread. They are more interested in job satisfaction. Lack of job satisfaction results in increased absenteeism and high rate of labour turnover. Owing to division of labour and specialization, labour are forced to concentrate on a particular piece of work which may become monotonous and boring after sometime and worker may feel frustrated by performing such boring tasks. Unable to express dissatisfaction at work, a worker may resort to absenteeism and reduce the output and become inefficient. This would inevitably result in poor industrial relations.

Political nature of trade unions: These days, trade union leaders receive support from outside political parties resulting in politicalisation of labour unions. Political leaders, with some exceptions use the trade union leaders as pawns in their game to strengthen their political power or position, bothering least about the labour and management. They may often mislead the Union leaders to act in a way which may be detrimental to the functioning of the organization as well as the economy. To meet their political objectives (of causing a debacle or winning power) they make trade unions as sacrificial scapegoats. The trade unions find it very difficult to come out of the vicious circle created in this process. The vicious circle of trade unionism in India can be seen in the following diagram:

![Vicious Circle of Trade Unionism in India](image-url)
Low level of wages: When the wage rate is disappointingly low, workers lack motivation to work and participate in organizational goals. Low wages also result in poor industrial relations. High discrimination in wages and incentives create a feeling of inequity in the minds of workers and they become either indifferent or ineffective at work.

Occupational instability: Job security is an important motivator. Workers, having spent some time on a particular job, would gain confidence in performing the given job effectively. This leads to resistance to change. Workers do not welcome any change in the structure and composition job, however good it may be to increase productivity and profits. Workers resent change because it may reduce their existing pay; it may subject the workers to training; it may change the existing social relationship; it may reduce the opportunities for growth and development; it may result in change in status; it may not give the workers as much satisfaction as they are deriving from the present job.

Poor Climate: Poor organizational climate often results in poor industrial relations. When members perceive that organization climate is unfavorable to them (poor lighting and ventilation, poor physical facilities, inadequate equipment and tools, high job stress, low job satisfaction, low morale, lack of application of motivational techniques, inappropriate leadership style etc.) they do not feel like contributing willingly to the output. The inevitable result would be poor industrial relations. Organizational members seek membership elsewhere (i.e. in militant labour organizations) and vent their negative feelings and fight against their employers.

Suggestions to Improve Industrial Relations

It is the duty of management of every organization to develop and maintain sound industrial relations. Whenever industrial relations are poor, the following can be suggested to improve upon the industrial relations:

Empathy: Trade unions & management should develop constructive attitudes towards each other and work towards organizational objectives. If managers do not fully accept the union or if the union leaders do not have confidence in the management, harmonious industrial relations cannot be expected. Management should recognize the fact that trade union represents the interests of workers and the union should recognize that management is the custodian of grievance of the workers.

Communication: All the basic policies and principles as well as procedures relating to industrial relations should be properly communicated to the employees and management. Failure to communicate effectively the fundamental objectives of the existence of business would result in poor industrial relations. Personnel managers should take utmost care in communicating the general objectives of the enterprise and see that the individual objectives and corporate goals are in congruence. Absence of knowledge about corporate goals may result in conflict with individual employee goals and would be detrimental to the functioning of the organization.

Integrity: Personnel manager should remove any kind of distrust by convincing the trade union about the company’s integrity in dealing magnanimously with workers. He should remove suspicion, rumor and doubt from the minds of workers that management is against the workers.

Loyalty: A personnel manager must not play politic games with trade union in order to win workers loyalty. He should by all available legal means ensure that workers are loyal to the union and management. When the loyalty is not there, workers do not contribute to their best.

Leadership: Management should encourage right kind of union leadership. Management should not discourage the existence of trade unions; rather it should help in formulating strong leadership as far as union is concerned. It is because; union can exert pressure on workers in improving efficiency, production and contribute to success of the enterprise. Management can make a trade union as a platform for increasing efficiency of labour.
CONCLUSION

Modern industrialization is not an unmixed blessing. It has tended to create a yawning gulf between management and labour because of absence of workers ownership over the means of production. The present large scale enterprise results in the concentration of economic power compelling the workers to realize the truth of the often mentioned phrase “united we stand divided we fall.” It gave an incentive to workers as to realize the significance of freedom of association and collective bargaining to protect their legitimate rights and interests. On the other hand employers suppressed the demands of the workers. This has lead to labour unrest and friction between the interest of employer and employees. Industrial unrest reflects “the failure of basic human urges a motivation to secure adequate satisfaction or expression which ultimately burst forth in the form of industrial dispute”. Strikes, lockouts, go slow tactics, increased absenteeism and labour turnover are some of the reflections of labour unrest which require proper diagnosis for creating conditions for industrial peace and prosperity. Industrial unrest is like a disease that demands cure and prevention rather than suppression. Better production and distribution is possible only in the atmosphere of peace and industrial discipline to realize the social justice and welfare of masses. If social justice is to be achieved, harmonious relationship between management and employees is a must.

REFERENCES