



A STUDY OF INDUSTRIAL RELATION IN INDIA

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ARTICLE INFO

Article History:

Received 19th May, 2017
Received in revised form
27th June, 2017
Accepted 10th July, 2017
Published online 30th August, 2017

Keywords:

Industrial relations,
Grievance,
Dismissal,
Industrial Action.

ABSTRACT

In simple terms Industrial Relations deals with the worker employee relation in any industry Government has attempted to make Industrial Relations more health the by enacting Industrial Disputes Act 1947. to solve the dispute and to reduce the regency of dispute. This in turn improves the relations. Industrial relations in countries, sub-regions and regions, have been influenced by a variety of circumstances and actors such as political philosophies, economic imperatives, the role of the State in determining the direction of economic and social development, the influence of unions and the business community, as well as the legacies of colonial governments. IR fulfilled the function of providing employees with a collective voice, and unions with the means to establish standardized terms and conditions of employment not only within an enterprise but also across an industry, and sometimes across an economy. This was achieved through the freedom of association, collective bargaining and the right to strike. Similar results were achieved in the South Asian sub-region where political democracy, and sometimes socialist ideology, provided enormous bargaining power and influence on legislative outcomes to even unions with relatively few members.

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Citation: Dr. Gosavi, Y. M. 2017. "A Study of Industrial Relation in India.", *International Journal of Development Research*, 7, (08), 14379-14383.

INTRODUCTION

In simple terms Industrial Relations deals with the worker employee relation in any industry Government has attempted to make Industrial Relations more health the by enacting Industrial Disputes Act 1947. to solve the dispute and to reduce the regency of dispute. This in turn improves the relations. What is Industry? Where we want to have better relations. —Industry means any systematic activity carried on by co operation between an employer and his employee whether such workmen are employed by such employer directly or by or through any agency including a contractor for the production supply or distribution of goods or sources with a overview to satisfy human want.

Objectives of Industrial Relations

- To enhance economic status of worker
- To avoid industrial conflicts and their consequences
- To extend and maintain industrial democracy
- To provide an opportunity to the worker to have a say in the management decision making

- To regulate production by minimizing conflicts
- To provide forum to the workers to solve their problems through mutual negotiations and consultations with management
- To encourage and develop trade union in order to develop workers collective strength

Factors affecting Employee Relations

Internal Factors

- Attitudes of management to employees and unions
- Attitudes of employees to management and unions
- Attitudes of unions to unions to management and employees
- Present and likely future strength of unions Effective and agreed procedures for discussing and resolving grievances or handling disputes within the company
- Inter union rivalries in case of more than one union

Effectiveness and capability of managers and supervisors in resolving grievances and handling disputes.

- Misunderstanding or differences in perception.
- Lack of co operation real or imagined
- Problems with authority
- Future to comply with policies or stick to plans.

External Factors

- Militancy of unions- nationally or locally
- Authority and effectiveness of the employer's family
- The extend to which bargaining is carried out at national, local or plant level
- The effectiveness of any national or local procedure agreements that may exist
- Employment situation nationally or locally Legal framework within which IR exists

Dimensions of Industrial Relations

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. The important question here is under what conditions and in what manner the workers act a group in relation to in And the crucial issue is the relative importance of individual and collective relations for various aspects of industrial relations. Industrial relations vary on a scale of degree of organization at one extreme relations may be personal and informal, while at the other they may be highly, institutionalized, perhaps embodied in legally prescribed structures and procedures. Collective industrial relations tend to be more organized than individual industrial relations

Features of Industrial Relations India

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

Dominance of Tripartitism: 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.

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.

Late Emergence and Development of Collective Bargaining Relationships Industrial relations 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.

Fragmented and Politicized Trade Union Movements A trade union is a voluntary organization of workers seeking to protect and promote the interests of its members vis-a-vis that of the employers. Hence, a trade union is a political organization. Trade unions have different philosophies, policies, programs and methods to achieve their objectives.

Dilatory and Ineffective Methods of Disputes Settlement

When the negotiations fail and no agreement on some or all the issues is reached the negotiating parties have two options, viz. to resort to a work stoppage to pressurize the other party to accept the offers or the demands made or to seek the assistance of a third party to help them to resolve negotiations and settle the issues.

Labour-Management Cooperation Though conflict has been the most dominant form of industrial relations, cooperation between the two is most desirable if both the parties have to realize their objectives in industrial relations and help the society develop economically and socially

Industrial Relations in Public Sector Undertakings

Public sector in India was supposed to be a model employer to the private sector and reach commanding heights, inter alia, in employee relations. The general industrial relations scenario in this sector reveals both positive and negative characteristics.

There are some equally strong negative features of industrial relations are

- The managements of PSEs are required to function with too much control from the concerned ministries and political interference. The top executive himself is selected and appointed by the government with a limited tenure which makes them to keep the political bosses in good humour.
- The middle level management have developed a sense of alienation and powerlessness. Resultantly the managerial unionism in public sector has been increasing and reaching its full potential.
- All PSEs are characterized by a lose work culture. The work norms are fixed much below the industrial norms as to enable the workers to earn good incentive wages.
- All PSEs being employment oriented are of large size.
- The workers are more conscious of their rights rather than their duties, obligations and responsibilities. Consequently, the percentage of labour cost to the total cost of production is very high.
- Though trade unionism has been accepted and unionization of workers is very high, it is developing on caste and linguistic bases.

Need and Significance of Industrial Relation

- The most important benefit of industrial relations is that this ensures continuity of production and also the resources can be fully utilized, resulting in the maximum possible production.
- It reduces the industrial disputes. Strikes, lockouts, and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace.
- Good industrial relations improve the morale of the employees as a resulted productivity can be enhanced. Wastages of man, material and machines are reduced to the minimum.
- Literature has explored the industrial relations impact on organizational performance, especially on the productivity dimension of performance.

- More recent studies state that performance is determined by IR practices. This study examines the impact of Industrial Relations strategies on organizational productivity and performance. The effects of Trade unions, Grievances, Collective Bargaining & Participative Management on RINL performance are tested here.

Alternate and systematic approaches to the study of industrial relations

- Alternate Approach to the Study of Industrial Relations
- Systems Approach to the Industrial Relation (Dunlop's approach)
- The Pluralist Approach
- The Marxist Approach
- Sociological Approaches
- Gandhian Approaches
- Psychological Approaches
- HRM-HRD Approaches

RESEARCH METHODOLOGY

Type of Research of study is exploratory & descriptive in nature. The data is collected from Questionnaire & Secondary Data is collected from the books, publication, Records of the companies, Websites.

Objectives

- To gain an understanding of Industrial Relation.
- To identify the object is the satisfaction of material human needs.
- To study the co-operation of employer and employees.

Rationale

With increasing education level of workers, growing industries, foreign companies coming in, etc requires our scrutiny of relations with industrial workers. There should be a shift in the maintenance of industrial relations in the light of above changes.

Scope

The study is undertaken IR is dynamic and developing socio-economic process. As such, there are as many as definitions of IR as the authors on the subject. IR is concerned with the systems and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat their employees.

Review of Literature

<http://shodhganga.inflibnet.ac.in/bitstream/10603/25033/17/8.1.%20introduction%20of%20rural%20marketing.pdf>.

Dunlop (1958) identified the main contextual variables like the technology, labour and product markets, budgetary constraints and distribution of power within society. This is within a system involving groups of actors bound together by a set of beliefs. These input factors were seen to have an impact upon

the rule making output of the IR system. This system as a whole was called as systems approach.

http://www.pondiuni.edu.in/storage/dde/downloads/markiv_rm.pdf.

A wide array of problems hinders marketers in approaching rural areas with confidence. The lack of fair weather roads, widely dispersed villages, low density of population, lack of bank and credit facilities, multiple tiers, higher costs and administrative problems, and lack of retailers are the problems in rural distribution. Intelligent way of approaching rural areas is required. The emerging distribution approaches include: Cooperative societies, petrol bunks, agricultural input dealers, NGOs, etc. Latest approaches include the direct to home selling methods: network marketing and internet marketing.

Baldev R. Sharma and Sundararajan P.S.7

in their study on "Organisational Determinants of Labour Management relations in India" investigated factors determining labour management relations in 50 companies. Of the nine factors studied, the two included in the best equation scope for advancement and grievance handling were found to be the most critical determinants. Together these two factors accounted for 58 percent of the variation in labour management relations across the 50 companies

Need Reasons for Emphasis on Workplace Relations

- Several changes in recent years have been responsible for more attention being paid to employment relations within organizations.
- The first is the impact of globalization which has significantly changed the ways in which enterprises are managed and work performed.
- Enterprises have resorted to a range of measures to increase efficiency and competitiveness, based not on low wages and natural resources, but on innovation, skills and productivity as ways of improving quality and reducing costs
- Since productivity and quality have become major considerations in competitiveness, the quality of the workforce and training have become critical factors. Shorter product life has enhanced the need for multi-skilled easily trainable employees.
- A second development which has shifted attention to workplace relations is technology.
- On the one hand, technology management is possible only through people, and the way they are managed and trained affects the success of such transfer.
- Technology is also displacing traditional jobs and creating new jobs requiring different skills.
- Further information technology, the limits of which are not known in terms of its potential to effect change, is exerting a tremendous impact on the structure of organizations, the nature and location of work and the way it is organized.
- This has resulted in management effected less by command and supervision, and more through emphasis on cooperation, information-sharing and communication, and with a more participative approach to managing people. Modern technology now makes it possible for aspects of work to be performed outside the

enterprise, for example from home, and even outside national borders.

- Part-time work is increasing particularly due to the influx of more females into employment and their preference in some cases for part-time work. Developing countries are also feeling the impact of these changes

An emphasis on solving IR problems through means external to the enterprise

•Standardization of employment terms which was appropriate to the largely repetitive tasks, narrow job classifications that prevailed, and to less educated workforces as well as hierarchical management structures.

•The notion of standardization - acceptable to employers as well - meant that the employment relationship could be standardized either through external means (laws and national/industry agreements), or through agreements at the enterprise level prescribing standard terms and conditions of employment.

•Coverage of employees by standard contracts providing for fixed hours, remuneration fixed by law or by collectively bargained agreements.

•IR developed at a time when services were less important to the economy than they are today, and in an age when most people (other than those in agriculture) physically worked within an enterprise. The idea of people working for an organization but not necessarily in an organization is of recent origin.

Analysis and Interpretation

Leave facilities

Table 1

| S.N | Leave Facilities | Average | % |
|-----|------------------|-------------|------------|
| | | number days | industries |
| 1 | Sick leave | 9 | 89.9 |
| 2 | Maternity leave | 45 | 72.1 |
| 3 | Public holidays | 15 | 93.6 |
| 4 | Paternity Leave | 8 | 4.2 |

(Source: Primary Data)

Explanation

It is found that 89.9% of the industries have provided sick leave to their workers. In case of maternity leave, it is found that 72.1% of the industries have been providing 45 days of maternity leave on an average. 93.3 % of the industries are found to be providing public holidays. The number of public holidays provided in these industries ranged from 12- 18 days.

Benefits and facilities

Table 2

| S.N. | Types of allowance | Percentage |
|------|--------------------------|------------|
| 1 | Transportation allowance | 23.3 |
| 2 | Education allowance | 5.5 |
| 3 | Credit / loan service | 11 |
| 4 | Meal allowance | 30.1 |
| 5 | House rents | 40.2 |
| 6 | Medical allowance | 59.4 |

(Source: Primary Data)

Explanation

The survey shows that many of the industries are found to have provided different types of benefits in addition to those

required under the existing labour law. Performance allowance, productivity bonus, house rent, medical allowance, transportation allowance etc are some of the facilities and benefits provided to the workers.

Communication in enterprise

Table 3

| S.N | Mode of communication | Percentage |
|-----|---|------------|
| 1 | Communication with Trade union | 52.5 |
| 2 | Regular meeting between supervisor and worker | 55.3 |
| 3 | Daily inspection of the workplace by the management | 41.6 |
| 4 | Task force meeting | 7.8 |
| 5 | Productivity improvement group meeting | 11.9 |
| 6 | Suggestions and advice to workers | 22.4 |
| 7 | Meeting of different departments | 5.3 |

(Source: Primary Data)

Explanation

Communication in every enterprise is very important for building trust between the management and workers. It helps the overall development process including social dialogue within the enterprise. It is found that one or other form of communication mechanism existed in 77.6% of the industries surveyed.

Industrial actions

Table 4

| S.N | Type of industrial action | Percentage |
|-----|---------------------------|------------|
| 1 | Strike | 39.2 |
| 2 | Slow down | 14.2 |
| 3 | Refusal to work overtime | 16.4 |
| 4 | Interruption in work | 14.2 |
| 5 | Gherao/picketing | 6.8 |
| 6 | Lockout | 4.1 |
| 7 | Not specified | 5.1 |

(Source: Primary Data)

Explanation

It is found that the causes for most of the industrial actions were wage increment, claim for appointment letter and permanent status, layoff/downsizing, leave benefits, dismissal/disciplinary action, working hours, overtime, working conditions, occupational health and safety measures, change in working time, payment of allowances, and training and development. In some industries, industrial actions occurred because of more than one reason.

Worker by skills and categories

Table 5

| Categories of workers | No of Workers | Trained | Untrained |
|-----------------------|---------------|---------|-----------|
| Highly Skilled | 1512 | 19.4 | 80.6 |
| Skilled | 5859 | 7.9 | 92.1 |
| Semi-Skilled | 9072 | 3.4 | 96.6 |
| Unskilled | 2457 | 0.4 | 99.6 |
| Total | 18900 | 31.1 | 68.9 |

(Source: Primary Data)

Explanation

The survey shows that according to skills categories, on an average 8% are found to be highly skilled, 31% skilled, 48% semiskilled and 13% unskilled workers. Out of them 31.1% get training for their particular works where as the remaining 68.9% do not have any particular training. According to skills level- a few percent of unskilled and semiskilled workers .

Conclusion

Industrial relations in India do not fall into any known pure pattern — bipartite, voluntarism, or tripartite. They exhibit the characteristics of all the systems. Yet none can emphatically say that they are progressive and conducive to achieve the objectives of the industry and the economy. Each sector of the industry has endeavoured to develop its own system of industrial relations. Often one gets the feeling and impression that industrial relations are determined by the exigencies and the need of the hour. Industrial relation situation in India industries has undergone a lot of change owing to the internal and external factors within and outside the industries. In the initial phase, the understanding of industrial relation was relatively low; but, the latter phase saw a gradual improvement in the industrial relations scenario. However, the current political instability in the nation has driven the industrial relation to a state of uncertainty.

Recruitment of workers through personal contact and connection is the most common mode of recruitment process in majority of the industries. Recruitment through public advertisement is relatively low. The practice of recruiting workers through personal contact is very common in most of the industries irrespective of their sizes. It shows that more than half of the workers employed in the industries have the required skills to perform their work; while less than half of the workers do not possess the required skills. The mode of hiring workers through personal contact may be one of the primary reasons for the unavailability of the skilled workforce. Also the lack of training With the growing competition in the national and the international market, the industries are under pressure to increase their capacities.

Despite majority of the industries are willing to expand their existing capacity, the transitional socio-political situation and unstable security have hampered this.

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