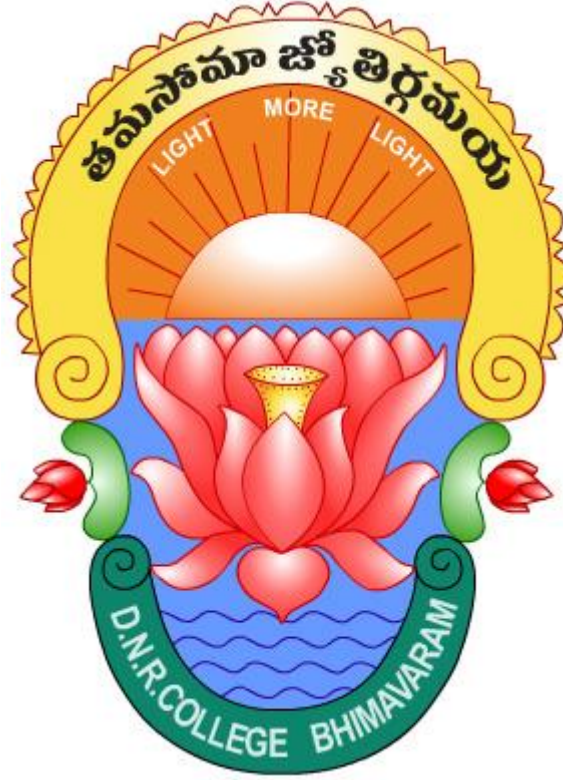


D.N.R.COLLEGE, (AUTONOMOUS): BHIMAVARAM
DEPARTMENT OF MANAGEMENT STUDIES



INDUSTRIAL RELATIONS
III SEMESTER

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Syllabus – 1st Unit

The syllabus covered in the 1st Unit is:

- *Industrial Relations: Scope and Significance
- * Causes and Consequences of Industrial Disputes
- * Recent Trends in Industrial Relations

Unit -1

Introduction:

In simple terms Industrial Relations deals with the worker employee relation in any industry Government has attempted to make Industrial Relations more health 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 or wishes (not being wants or wishes which are merely spiritual or religious in nature) whether or not (i) any capital has been invested for the purpose of carrying on such activity or (ii) such activity is carried on with a motive to make any gain or profit and includes any activity relating to the promotion of sales or business or both carried on by an establishment but does not include.

- i i) Normal Agriculture operations
- ii ii) Hospital, Dispensaries.
- iii iii) Educational, Scientific Research Training Institution,
- iv iv) Charitable Philanthropic Service
- v v) Khadi Village Industries
- vi vi) Domestic Services etc.

Industrial Relations (IR): Concept, Scope and Objectives

According to Dale Yoder', IR is a designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment processes of Industry".

Armstrong has defined IR as “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”.

In the opinion of V. B. Singh “Industrial relations are an integral aspect of social relations arising out of employer-employee interaction in modern industries which are regulated by the State in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the State, the legal system, and the workers’ and employers’ organizations at the institutional level; and of the patterns of industrial organisation (including management), capital structure (including technology), compensation of the labour force, and a study of market forces all at the economic level.

SCOPE OF IR:

Based on above definitions of IR, the scope of IR can easily be delineated as follows

1. Labour relations, i.e., relations between labour union and management.
2. Employer-employee relations i.e. relations between management and employees.
3. The role of various parties’ viz., employers, employees, and state in maintaining industrial relations.
4. The mechanism of handling conflicts between employers and employees, in case conflicts arise.

The main aspects of industrial relations can be identified as follows:

1. Promotion and development of healthy labour — management relations.
2. Maintenance of industrial peace and avoidance of industrial strife.
3. Development and growth of industrial democracy.

OBJECTIVES OF IR:

The primary objective of industrial relations is to maintain and develop good and healthy relations between employees and employers or operatives and management. The same is subdivided into other objectives.

1. Establish and foster sound relationship between workers and management by safeguarding their interests.
2. Avoid industrial conflicts and strikes by developing mutuality among the interests of concerned parties.

3. Keep, as far as possible, strikes, lockouts and gheraos enhancing the economic status of workers.
4. Provide an opportunity to the workers to participate in management and decision making process.
5. Raise productivity in the organisation to curb the employee turnover and absenteeism.
6. Avoid unnecessary interference of the government, as far as possible and practicable, in the matters of relationship between workers and management.
7. Establish and nurse industrial democracy based on labour partnership in the sharing of profits and of managerial decisions.
8. Socialise industrial activity by involving the government participation as an employer.

INDUSTRIAL RELATIONS IN INDIA: AN OVERVIEW

IR is dynamic in nature. The nature of IR can be seen as an outcome of complex set of transactions among the major players such as the employers, the employees, the trade union, and the state in a given socio-economic context. In a sense, change in the nature of IR has become sine quo non with change in the socio-economic context of a country.

1. IR during Pre-Independence:

The structure of the colonial economy, the labour policies of colonial government, the ideological composition of the political leadership, the dynamics of political struggle for independence, all these shaped the colonial model of industrial relations in pre-independent India". Then even union movement was an important part of the independence movement.

However, the colonial dynamics of the union movement along with the aggressiveness of alien capital, the ambivalence of the native capital and the experience of the outside political leadership frustrated the process of building up of industrial relations institutions. Other factors like the ideology of Gandhian class harmony, late entry of leftists and the bourgeois character of congress also weakened the class approach to the Indian society and industrial conflict".

Till the Second World War, the attitude of the colonial government toward industrial relations was a passive regulator only. Because, it could provide, that too only after due pressure, the —um of protective and regulative legal framework for industrial relations Trade Union Act 1926 (TL A) Trade Disputes Act 1929 (TDA). It was the economic emergence of the Second World War that altered the colonial government's attitude on industrial relations.

2. IR during Post-Independence:

Though Independent India got an opportunity to restructure the industrial relations system the colonial model of IR remained in practice for sometimes due to various reasons like the social, political and economic implications of partition, social tension, continuing industrial unrest, communist insurgency, conflict, and competition in the trade union movement. In the process of consultation and confrontation, gradually the structure of the industrial relations system (IRS) evolved.

State intervention in the IRS was a part of the interventionist approach to the management of industrial economy. Several considerations like unequal distribution of power in the labour market, neutrality of the state, incompatibility of free collective bargaining institution with economic planning etc. provided moral justification for retaining state intervention in the IRS. State intervention in the IRS is logical also when the state holds large stakes in the industrial sector of the economy.

However state intervention does not mean suppression of trade unions and collective bargaining institution. In fact, state intervention and collective bargaining were considered as complementary to each other. Gradually, various tripartite and bipartite institutions were introduced to supplement the state intervention in the IRS.

The tripartite process was considered as an important instrument of involving participation of pressure groups in the state managed system. Non formal ways were evolved to do what the formal system did not legislate, for one reason or other.

The political and economic forces in the mid 1960s aggravated industrial conflict and rendered non-formal system ineffective. In the process of reviewing the system, National Commission on Labour (NCL) was appointed in 1966.

Now the focus of restructuring shifted from political to intellectual. However, yet another opportunity was lost when there was an impasse on the NCL recommendations in 1972. The Janta Government in 1978 made, of course, a half-hearted attempt to reform industrial relations. Unfortunately, the attempt met with strong opposition from all unions. The BMS, for example, termed it as “a piece of anti-labour, authoritarian and dangerous legislation””.

Several committees were appointed to suggest measures for reforming die IRS. In the process, tripartism was revived in 1980s. Government passed the Trade unions and the Industrial Disputes (Amendment) Bill, 1988. But, it also proved yet another legislative disaster. The bill was severely criticised by the left parties. It was even viewed by some as a deliberate attempt to destroy “autonomous; organised or militant trade union movement”.

RECENT TRENDS IN IR IN INDIA

Globalization and increased competition has led to less strikes, lockouts and less man days lost due to strikes. Also now in the era of knowledge industry employees are educated and thus don't believe in violent activities. They are having responsibilities in cut throat competition and also are aware of their rights well leading to decline in strikes. Employers also avoid lockouts because decline in production for even hours results in heavy losses so forget about days or weeks.

Disinvestment: - it affects IR in following ways: It changes ownership, which may bring out changes not only in work org and employment but also in trade union (TU) dynamics. It changes the work organization by necessitating retaining and redeployment. It affects the right of workers and Trade unions, including job/union security, income security, and social security. Trade unions, mgt and government are responding to these challenges through various types of new, innovative, or model arrangements to deal with different aspects of disinvestment like.

1. Making workers the owners through issue of shares or controlling interests (latter is still not in India)
2. Negotiating higher compensation for voluntary separations
3. Safeguarding existing benefits
4. Setting up further employment generating programs, and
5. Proposals for setting up new safety nets that not only include unemployment insurance but also skills provisions for redundant workers.

New actors and the emerging dynamics: - Earlier IR was mainly concerned with Trade unions, mgt and government but now consumers and the community are also a part of it. When the rights of consumers and community are affected, the rights of workers and unions and managers / employers take a back seat. Hence there is ban on bandh and restrictions even on protests and dharnas. Increasingly Trade unions are getting isolated and see a future for them only by aligning themselves with the interests of the wider society. **Pro-labour-pro-investor policies** This leads to decline in strength and power of Trade unions if not in numbers. Unions have to make alliances with the society, consumers and community and various civil society institutions otherwise they will find themselves dwindling.

Declining TU density In government and public sectors workforce is declining because of non-filling of vacancies and introduction of voluntary / early separation schemes. New employment opportunities are shrinking in these sectors. In the private sectors particularly in service and software sector, the new, young, and female workers are generally less eager to join unions. Workers militancy replaced by employer militancy Due to industrial conflicts In 1980-81 man days lost = 402.1 million In 1990-91 man days lost = 210 million Not because of improved IR but because of the fear of job security, concern about the futility of strikes, and concern to survive their organization for their income survival. Trade unions have become defensive evident from the fact that there is significant shift from strikes to law suits. Instead of pressing for higher wages and improved benefits, Trade unions are pressing for maintenance of existing benefits and protection and claims over non-payment of agreed wages and benefits.

Questions:

01. Who are the stake holders in Industrial Relations according to you?
02. Write a brief note about the scope and objectives of Industrial Relations?
03. What are the main features of Industrial relations?
04. What are the significant features of Industrial Relations in India prior to independence.?
05. What are the significant features of Industrial Relations in India after independence?
06. What are the recent trends in Industrial Relations in India?