

INDUSTRIAL RELATIONS

An Indian Perspective



Pradip Kumar Das

People in organisations are no longer considered as the part of the machine now they are considered as the resource to the organisation having the potential to take the organisation to a new height. It has been universally realised that in the long run the effectiveness of the organisation largely depends upon people and managing them properly acts as a boon for the organisation. The book has been written primarily to serve the needs of M.B.A., MHRM, PMIR, Diploma courses in Industrial Relations and labour Laws and competitive examinations. It would also be useful to practitioners in the field of Human Resource Management. This book is an outcome of my experience in teaching the subject for around 10 years and my interactions with the students in course of my teachings and their feedback.

This book furnishes concepts of industrial relations, in view point of the students appearing for the examination. The book can be a very good guide to the students to get knowledge about the industrial relations from an Indian perspective.



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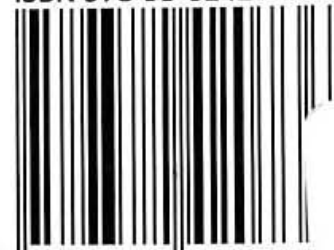
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INDUSTRIAL RELATIONS: AN INDIAN PERSPECTIVE



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Preface

The First edition of this book takes a departure from the burgeoning texts in the field of Industrial Relation. This book was conceived to be written for the aspiring people managers who are raring to mark their names in the organizational hierarchy.

Besides having only comprehensive theoretical framework for an Industrial Relation text, another unique feature is the Human resource policy manual guide at the end of the chapter.

The book is divided in to six chapters covering areas such as Industrial relations concepts, Labour and Indian constitution, Trade Unionism in India, Disputes, Collective Bargaining, and Workers Participation in Management, Conflict Management, Industrial Health and Social Security etc.

This book can be of great help to MBA, PM & IR, MBA-HR< BBA students of various institutions and University.

Thankful to the Publisher, Prem Singh Bisht for Kunal Books, New Delhi for timely publication of the book.

Dr. Pradip Kumar Das

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UNIT - I

- 1. Industrial Relations – Introduction**
- 2. Labour and The Constitutions**

CHAPTER 1

INDUSTRIAL RELATIONS : INTRODUCTION

Industrial relations define relationships between employers and employees toward each other in terms of supervision, direction, planning and coordination of organizational activities, with minimal human effort and functions; all this done with an enthusiastic spirit taking into consideration the safety of all employees. Industrial relations may also be defined as relations between employees and management.

Industrial relations constitute one of the most delicate and complex problems of the modern industrial society. This phenomenon of a new complex industrial set-up is directly attributable to the emergence of 'Industrial Revolution'. The pre-industrial revolution period was characterized by a simple process of manufacture, small scale investment, local markets and small number of persons employed. All this led to close proximity between the manager and the managed. Due to personal and direct relationship between the employer and the employee it was easier to secure cooperation of the latter. Any grievance or misunderstanding on the part of either party could be promptly removed. Also, there was no interference by the State in the economic activities of the people. Under such a set-up industrial relations were simple, direct and personal. This situation underwent a marked change with the advent of industrial revolution – size of the business increased needing investment of enormous financial and

human resources, there emerged a new class of professional managers causing divorce between ownership and management, and relations between the employer and the employee became estranged and gradually antagonistic. This new set-up rendered the old philosophy of industrial relation irrelevant and gave rise to complex, indirect, and impersonal industrial relations.

Industry today is neither viewed as a venture of employers alone nor profit if considered as its sole objective. It is considered to be a venture based on purposeful cooperation between management and labour in the process of production and maximum social good is regarded as its ultimate end and both management and employees contribute in their own way towards its success. Similarly, labour today is no more an unorganized mass of ignorant workers ready to obey without resentment or protest the arbitrary and discretionary dictates of management. The management has to deal with employees today not as individuals but also as members of organized social groups who are very much conscious about their rights and have substantial bargaining strength. Hence, the objective of evolving and maintaining sound industrial relations is not only to find our ways and means to solve conflicts to resolve differences but also to secure the cooperation among the employees in the conduct of industry.

But maintaining smooth industrial relation is not an easy task. Almost all the industrialized countries of the world face the problem of establishing and maintaining good management worker relationships in their industries. Each country has sought to find our solution, depending upon its economic, social and political environment. However, industrial conflict still arises and therefore establishment and maintenance of satisfactory industrial relations forms an important plank in the personnel policies of modern organization.

Meaning

In the broad sense, industrial relations cover all such relationships that a business enterprise maintains with various

sections of the society such as workers, state, customers and public who come into its contact.

The concept of Industrial relations has been defined using various terminologies, but in the strictest sense, it is essentially the relationship between management and labor. The full concept of industrial relations is the organization and practice of multi-pronged relationships between labor and management, unions and labor, unions and management in an industry. Dale Yoder defines it as a "whole field of relationships that exists because of the necessary collaboration of men and women in the employment process of an industry."

The term 'industrial relations' has been variously defined. J.T. Dunlop defines industrial relations as "the complex interrelations among managers, workers and agencies of the governments". According to Dale Yoder "industrial relations is the process of management dealing with one or more unions with a view to negotiate and subsequently administer collective bargaining agreement or labour contract".

In industrial relations, therefore, one seeks to study how people get on together at their work, what difficulties arise between them, how their relations including wages and working conditions etc., are regulated. Industrial relations, thus, include both 'industrial relations' and 'collective relations' as well as the role of the state in regulating these relations. Such a relationship is therefore complex and multidimensional resting on economic, social, psychological, ethical, occupational, political and legal levels. There are mainly two set of factors that determine the state of industrial relations – whether good or poor in any country. The first set of factors, described as 'institutional factors' include type of labour legislation, policy of state relating to labour and industry, extent and stage of development of trade unions and employers' organizations and the type of social institutions. The other set of factors, described as 'economic factors' include the nature of economic organization capitalist, socialist technology, the sources of demand and supply in the labour market, the nature and composition of labour force etc.

Distinction between human relations and industrial relations

The term 'human relations' lays stress upon the processes of inter-personal relationships among individuals as well as the behavior of individuals as members of groups. The term 'industrial relations' is used widely in industrial organizations and refers to the relations between the employers and workers in an organization, at any specified time.

Thus, while problem of human relations are personal in character and are related to the behavior of individuals where moral and social element predominate, the term 'industrial relations' is comprehensive covering human relations and the relations between the employers and workers in an organization as well as matters regulated by law or by specific collective agreement arrived at between trade unions and the management.

However, the concept of 'industrial relations' has undergone a considerable change since the objective of evolving sound and healthy industrial relations today is not only to find out ways and means to solve conflicts or resolve difference but also to secure unreserved cooperation and goodwill to divert their interest and energies toward constructive channel. The problems of industrial relations are therefore, essentially problems that may be solved effectively only by developing in conflicting social groups of an industrial undertaking, a sense of mutual confidence, dependence and respect and at the same time encouraging them to come closer to each other for removing misunderstanding if any, in a peaceful atmosphere and fostering industrial pursuits for mutual benefits.

Significance of Industrial Relations

Maintenance of harmonious industrial relations is of vital importance for the survival and growth of the industrial enterprise. Good industrial relations result in increased efficiency and hence prosperity, reduced turnover and other

tangible benefits to the organization. The significance of industrial relations can be summarized as below:

1. *It establishes industrial democracy:* Industrial relations means settling employees problems through collective bargaining, mutual cooperation and mutual agreement amongst the parties i.e., management and employees' unions. This helps in establishing industrial democracy in the organization which motivates them to contribute their best to the growth and prosperity of the organization.
2. *It contributes to economic growth and development:* Good industrial relations lead to increased efficiency and hence higher productivity and income. This will result in economic development of the economy.
3. *It improves morale of the work force:* Good industrial relations, built-in mutual cooperation and common agreed approach motivate one to contribute one's best, result in higher productivity and hence income, give more job satisfaction and help improve the morale of the workers.
4. *It ensures optimum use of scarce resources:* Good and harmonious industrial relations create a sense of belongingness and group-cohesiveness among workers, and also a congenial environment resulting in less industrial unrest, grievances and disputes. This will ensure optimum use of resources, both human and materials, eliminating all types of wastage.
5. *It discourages unfair practices on the part of both management and unions:* Industrial relations involve setting up a machinery to solve problems confronted by management and employees through mutual agreement to which both these parties are bound. This results in banning of the unfair practices being used by employers or trade unions.
6. *It prompts enactment of sound labour legislation:* Industrial relations necessitate passing of certain labour laws to protect and promote the welfare of labour and safeguard interests of all the parties against unfair means or practices.
7. *It facilitates change:* Good industrial relations help in improvement of cooperation, team work, performance and

productivity and hence in taking full advantages of modern inventions, innovations and other scientific and technological advances. It helps the work force to adjust themselves to change easily and quickly.

Causes of Poor Industrial Relations

Perhaps the main cause or source of poor industrial relations resulting in inefficiency and labour unrest is mental laziness on the part of both management and labour. Management is not sufficiently concerned to ascertain the causes of inefficiency and unrest following the laissez-faire policy, until it is faced with strikes and more serious unrest. Even with regard to methods of work, management does not bother to devise the best method but leaves it mainly to the subordinates to work it out for themselves. Contempt on the part of the employers towards the workers is another major cause. However, the following are briefly the causes of poor industrial relations:

1. Mental inertia on the part of management and labour;
2. An intolerant attitude of contempt towards the workers on the part of management.
3. Inadequate fixation of wage or wage structure;
4. Unhealthy working conditions;
5. Indiscipline;
6. Lack of human relations skill on the part of supervisors and other managers;
7. Desire on the part of the workers for higher bonus or DA and the corresponding desire of the employers to give as little as possible;
8. Inappropriate introduction of automation without providing the right climate;
9. Unduly heavy workloads;
10. Inadequate welfare facilities;
11. Dispute on sharing the gains of productivity;

12. Unfair labour practices, like victimization and undue dismissal;
13. Retrenchment, dismissals and lock-outs on the part of management and strikes on the part of the workers;
14. Inter-union rivalries; and
15. General economic and political environment, such as rising prices, strikes by others, and general indiscipline having their effect on the employees' attitudes.

Objectives of Industrial Relations

1. To bring better understanding and cooperation between employers and workers.
2. To establish a proper channel of communication between workers and management.
3. To ensure constructive contribution of trade unions.
4. To avoid industrial conflicts and to maintain harmonious relations.
5. To safeguard the interest of workers and the management.
6. To work in the direction of establishing and maintaining industrial democracy.
7. To ensure workers' participation in decision-making.
8. To increase the morale and discipline of workers.
9. To ensure better working conditions, living conditions and reasonable wages.
10. To develop employees to adapt themselves for technological, social and economic changes.
11. To make positive contributions for the economic development of the country.

Scope of Industrial Relations

The scope of industrial relations includes all aspects of relationships such as bringing cordial and healthy labour management relations, creating industrial peace and developing industrial democracy.

The cordial and healthy labour management relations could be brought in –

- by safeguarding the interest of the workers;
- by fixing reasonable wages;
- by providing good working conditions;
- by providing other social security measures;
- by maintaining healthy trade unions;
- by collective bargaining.

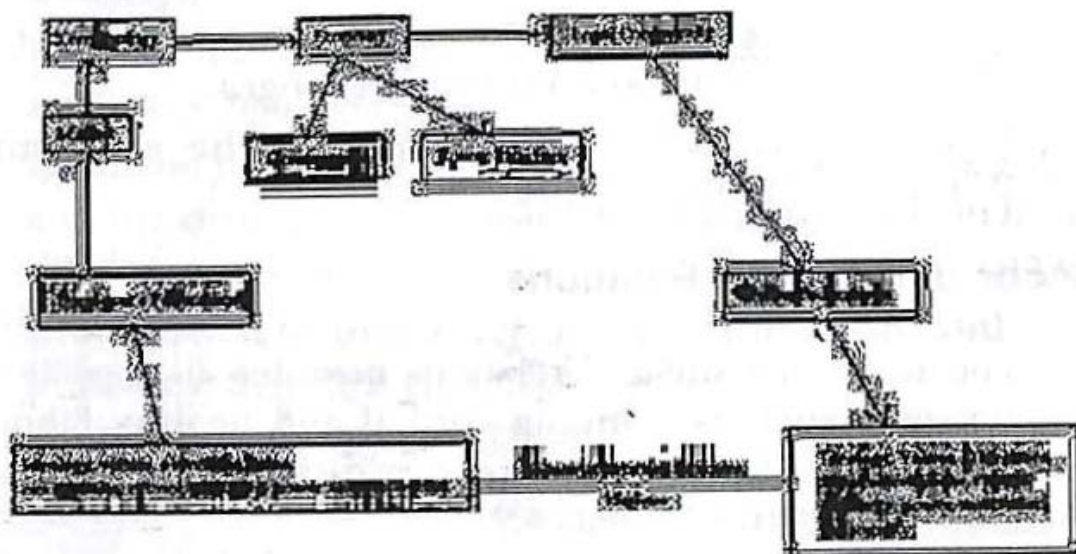
The industrial peace could be attained –

- by setting industrial disputes through mutual understanding and agreement;
- by evolving various legal measure and setting up various machineries such as Works Committee, Boards of Conciliation, Labour Courts etc.

The industrial democracy could be achieved –

- by allowing workers to take part in management; and
- by recognition of human rights.

Conceptual Model of Industrial Relations:



Industrial Relations System

An industrial relations system consists of the whole gamut of relationships between employees and employees and

employers which are managed by the means of conflict and cooperation.

A sound industrial relations system is one in which relationships between management and employees (and their representatives) on the one hand, and between them and the State on the other, are more harmonious and cooperative than conflictual and creates an environment conducive to economic efficiency and the motivation, productivity and development of the employee and generates employee loyalty and mutual trust.

Actors in the Industrial Relations System

Three main parties are directly involved in industrial relations:

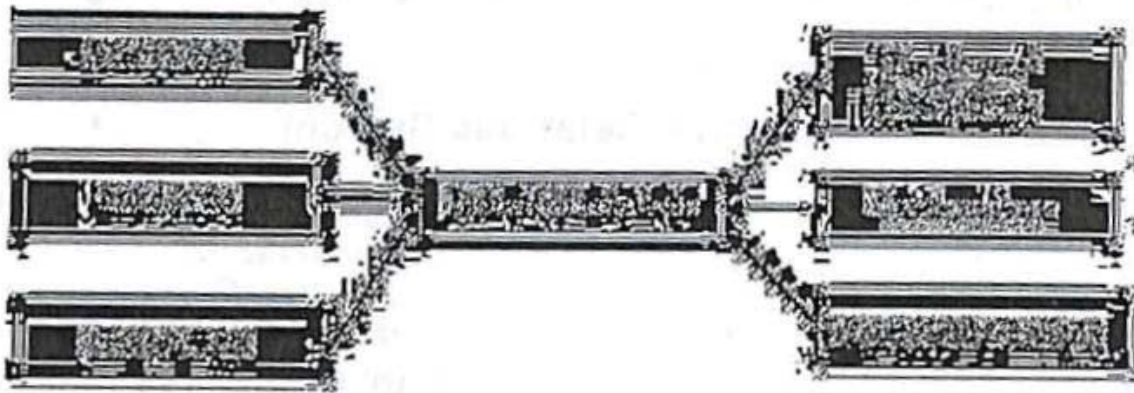
Employers: Employers possess certain rights vis-à-vis labors. They have the right to hire and fire them. Management can also affect workers' interests by exercising their right to relocate, close or merge the factory or to introduce technological changes.

Employees: Workers seek to improve the terms and conditions of their employment. They exchange views with management and voice their grievances. They also want to share decision making powers of management. Workers generally unite to form unions against the management and get support from these unions.

Government: The central and state government influences and regulates industrial relations through laws, rules, agreements, awards of court and the like. It also includes third parties and labor and tribunal courts. The diagram below depicts the industrial relations system.

Industrial conflicts are the results of several socio-economic, psychological and political factors. Various lines of thoughts have been expressed and approaches used to explain his complex phenomenon. One observer has stated, "An economist tries to interpret industrial conflict in terms of impersonal markets forces and laws of supply demand. To a

politician, industrial conflict is a war of different ideologies – perhaps a class-war. To a psychologist, industrial conflict means the conflicting interests, aspirations, goals, motives and perceptions of different groups of individuals, operating within and reacting to a given socio-economic and political environment”.



Approaches to Industrial Relations

Psychological Approach

According to psychologists, problems of industrial relations have their origin in the perceptions of the management, unions and rank and file workers. These perceptions may be the perceptions of persons, of situations or of issues involved in the conflict. The perceptions of situations and issues differ because the same position may appear entirely different to different parties. The perceptions of unions and of the management of the same issues may be widely different and, hence, clashes and may arise between the two parties. Other factors also influence perception and may bring about clashes.

The reasons of strained industrial relations between the employers and the employees can be understood by studying differences in the perception of issues, situations and persons between the management groups and labour groups.

The organizational behavior of inter-groups of management and workers is of crucial importance in the pattern of industrial relations. The group-dynamics between the two conflicting groups in industrial relations tend to shape the behavioural pattern.

Sociological Approach

Industry is a social world in miniature. The management goals, workers' attitudes, perception of change in industry, are all, in turn, decided by broad social factors like the culture of the institutions, customs, structural changes, status-symbols, rationality, acceptance or resistance to change, tolerance etc. Industry is, thus inseparable from the society in which it functions. Though the main function of an industry is economic, its social consequences are also important such as urbanization, social mobility, housing and transport problem in industrial areas, disintegration of family structure, stress and strain, etc. As industries develop, a new industrial-cum-social pattern emerges, which provides general new relationships, institutions and behavioural pattern and new techniques of handling human resources. These do influence the development of industrial relations.

Human Relations Approach

Human resources are made up of living human beings. They want freedom of speech, of thought, of expression, of movement, etc. When employers treat them as inanimate objects, encroach on their expectations, throat-cuts, conflicts and tensions arise. In fact major problems in industrial relations arise out of a tension which is created because of the employer's pressures and workers' reactions, protests and resistance to these pressures through protective mechanisms in the form of workers' organization, associations and trade unions.

Through tension is more direct in work place; gradually it extends to the whole industry and sometimes affects the entire economy of the country. Therefore, the management must realize that efforts are made to set right the situation. Services of specialists in Behavioural Sciences (namely, psychologists, industrial engineers, human relations expert and personnel managers) are used to deal with such related problems. Assistance is also taken from economists,

anthropologists, psychiatrists, pedagogists, etc. In resolving conflicts, understanding of human behavior – both individual and groups – is a pre-requisite for the employers, the union leaders and the government – more so for the management. Conflicts cannot be resolved unless the management must learn and know what the basic needs of men are and how they can be motivated to work effectively.

It has now been increasingly recognized that much can be gained by the managers and the worker, if they understand and apply the techniques of human relations approaches to industrial relations. The workers are likely to attain greater job satisfaction, develop greater involvement in their work and achieve a measure of identification of their objectives with the objectives of the organization; the manager, on their part, would develop greater insight and effectiveness in their work.

Principle of Good Industrial Relations

- The willingness and ability of management and trade unions to deal with the problems freely, independently and with responsibility.
- Recognition of collective bargaining.
- Desirability of associations of workers and managements with the Government while formulating and implementing policies relating to general economic and social measures affecting industrial relations.
- Fair redressal of employee grievances by the management
- Providing satisfactory working conditions and payment of fair wage.
- Introducing a suitable system of employees education and training.
- Developing proper communication system between management and employees.
- To ensure better working conditions, living conditions and reasonable wages.

- To develop employees to adapt themselves for technological, social and economic changes.
- To make positive contributions for the economic development of the country.

Role of state in industrial relations

In recent years the State has played an important role in regulating industrial relations but the extent of its involvement in the process is determined by the level of social and economic development while the mode of intervention gets patterned in conformity with the political system obtaining in the country and the social and cultural traditions of its people. The degree of State intervention is also determined by the stage of economic develop. For example, in a developing economy like ours, work-stoppages to settle claims have more serious consequences than in a developed economy and similarly, a free market economy may leave the parties free to settle their relations through strikes and lockouts but in other systems varying degrees of State participation is required for building up sound industrial relations.

In India, the role played by the State is an important feature in the field of industrial relations and State intervention in this area has assumed a more direct form. The State has enacted procedural as well as substantive laws to regulate industrial relations in the country.

Role of management in industrial relations

The management has a significant role to play in maintaining smooth industrial relations. For a positive improvement in their relations with employees and maintaining sound human relations in the organization, the management must treat employees with dignity and respect. Employees should be given 'say' in the affairs of the organization generally and wherever possible, in the decision-making process as well. A participative and permissive altitude on the part of management tends to give an employee a feeling

that he is an important member of the organization – a feeling that encourages a spirit of cooperativeness and dedication to work.

- Management must make genuine efforts to provide congenial work environment.
- They must make the employees feel that they are genuinely interested in their personal development.
- To this end, adequate opportunities for appropriate programmes of training and development should be provided.
- Managements must delegate authority to their employees commensurate with responsibility.
- They must evolve well conceived and scientific wage and salary plan so that the employees may receive just compensation for their efforts. They must devise, develop and implement a proper incentive plan for personnel at all levels in the organization.
- There must be a well-planned communication system in the organization to pass on information and to get feedback from the employees.
- Managements must pay personal attention to the problems of their employees irrespective of the fact whether they arise out of job environment or they are of personal nature.
- They must evolve, establish and utilize appropriate machineries for speedy redressal of employees' grievances.
- Managements must provide an enlightened leadership to the people in the organization.

An environment of mutual respect, confidence, goodwill and understanding on the part of both management and employees in the exercise of their rights and performance of their duties should prevail for maintaining good industrial relations

Role of trade unions in maintaining industrial relations

The trade unions have a crucial role to play in maintaining smooth industrial relations. It is true that the unions have to protect and safeguard the interests of the workers through collective bargaining. But at the same time they have equal responsibility to see that the organizations do not suffer on account of their direct actions such as strikes, even for trivial reasons. They must be able to understand and appreciate the problems of managements and must adopt a policy of 'give and take' while bargaining with the managements. Trade unions must understand that both management and workers depend on each other and any sort of problem on either side will do harm to both sides. Besides public are also affected, particularly when the institutions involved are public utility organizations.

The labour management synergy

Planning for healthy Industrial Relations is one of the most delicate and complex problems of present day industrial society, representing diverse 'points of flexion' and 'bases of industrial edifice'. How people get on together at their work, what difficulties arise between them, how their relations, including wages and working conditions, are regulated and what organizations are set up for the protection of different interests- these are some of the major issues of industrial relations system.

The Triangle of Industrial Relations System represents multi-pronged relationship between management, trade unions and workers.

Industrial Relations System's responsibility implies: (a) Inter-vertex Relationship (amongst management, trade unions and workers inter se) and, (b) Inter-societal obligations.

Management relationship vis-à-vis trade unions is based on increasing realization that trade unionism has to come to stay as a necessary concomitant of the contemporary capitalist them; and, that trade unions movement is the expression of

the workers' collective determination to recover emotional security lost through Industrial revolution.

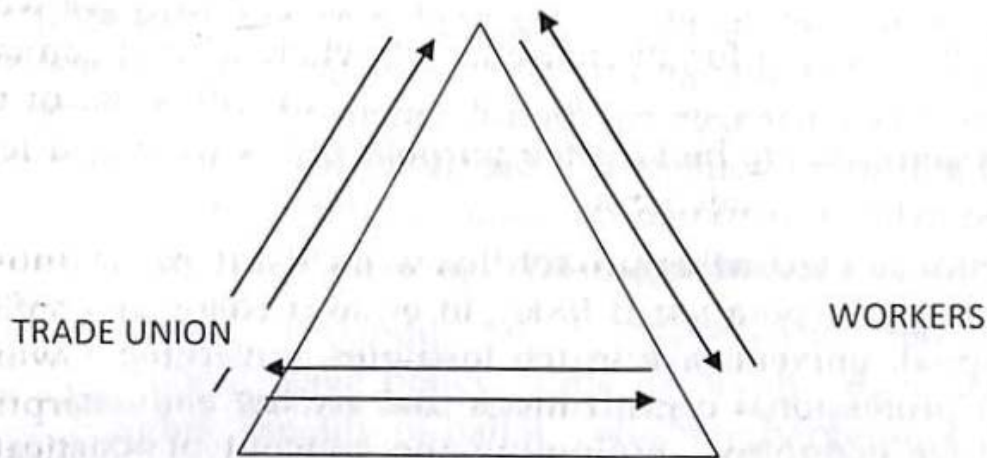
Management relationship vis-à-vis workers revolves round the themes like attitude towards work; industrial democracy; urge for greater degree of control over work situation; search for an environment, where worker can take roots and where he belongs to; and, identification of the functions, where he sees the purpose of his work and feels important in achieving it.

Management approach towards itself presupposes management as a social task. Since life is based on conflict, the management task in the long-run is directed towards harmonizing this conflict inside and outside the enterprise. The art and science of management is highly sophisticated with theories, concepts and models of management.

Trade union relationship vis-à-vis management is conditioned by accepting the fact that management presents an indissoluble partnership amongst interest, power and responsibility in the societal context.

Trade Union relationship vis-à-vis workers implied that it should appreciate workers' aspirations and expectations that trade union is essentially a protective, friendly society, meant primarily to manage and handle their economic, social and cultural problems. Often aspirations of workers are at variance with those of leaders in the trade union movement. Trade union approach towards itself is based on the premise that trade unionism is a management system. Trade Unions as organizations generally viewed themselves as an 'end' rather than as a 'means' centering on 'cause' and not on 'man', which, in turn, creates an attitude of convalescence and the cause of unconsciousness. There is often a tendency in trade unionism to promote 'mass movement' instead of an 'organisation', and its membership is often based on 'calamity features' rather than on 'positive factors'. In a changing situation like India, ideological postures are of limited relevance in the realm of trade unionism, which has to

undertake responsibilities in a dynamic situation, influenced by external and internal environment and focusing on:



- The primary purpose
- Organisation
- Adjustment and adaptation
- Attitudes
- Representation
- Economic responsibility
- Discipline

There is an imperative need of strengthening the democracy and freedom within the trade unions, encourage workers' participation in the process of decision-making and developing new perspectives in the personnel problems of the trade unionism.

Management and trade unions both have to be aware of the changing value system, the needs of a 'new breed' of employee, the ever-increasing generational gap in attitudes towards money, emphasis on quality of life, public's lower frustration tolerance, changing attitudes towards work and leisure, education's impact on peoples' self-image, rejection of authoritarianism and dogmatism, greater stress on pluralism and individualism, and search of identity, self-esteem and self-realization. The ideology based on rationality; moral absolutes leading to situational ethics; and, economic efficiency resulting in social justice; are the new bases and postulates for shaping the future industrial relations system in the Indian context.

Planning Industrial Relations: Tasks Ahead

In future organization systems, employees would consider themselves to be partners in management and expect their talents to be utilized to the fullest. With increased self-esteem and self-image, young graduates will resist authority and would challenge prevailing management prerogatives. Tomorrow's management control centers, advanced OR models will aid future managers in the use of resources, they would need to balance humanistic values with the flow of advancing science and technology. According to Victor Fuchs, "In future, the large corporation is likely to be over-shadowed by the hospital, university, research institutes, government offices and professional organizations that are the hallmarks of a service economy'. Following the concept of 'corporate citizenship', the 'responsible corporation' has to develop as a social institution, where people share success and failure, create ideas, interact and work for development and realization of the individual's potential as human being.

Since Industrial Relations is a function of three variables – management, trade unions and workers, a workable approach towards planning for healthy labour-management relations can be developed by:

- Defining the acceptable boundaries of employer/employee action;
- Granting the freedom to act within these boundaries; and
- Monitoring the resulting developments.

For achieving the objectives of improved management – trade union the following line of action is suggested:

- A realistic attitude of managers towards employees and vice versa for humanizing industrial relations.
- Proper organization climate and extension of area of Industrial Relations,
- Institutionalism of industrial relations and effective forums for interaction between management and

trade unions at plant, industry and national levels.

- A comprehensive system of rules and discipline,
- The maintenance of an efficient system of communication,
- An objective follow-up pattern for industrial relations system.
- Respect for public opinion and democratic values
- An integrated industrial relations policy incorporating rational wage policy; trade union and democratic rights, sanctity of ballot, collective bargaining and tripartite negotiations.

Whatever, labour laws may lay down, it is the approach of the management and union which matters and unless both are enlightened, industrial harmony is not possible. In fact both managements and workers need a change in their philosophy and attitudes towards each other. In all fairness, both management and workers should not look upon themselves as two separate and distinct segments of an organization, but on the contrary, realize that both are partners in an enterprise working for the success of the organization for their mutual benefit and interest. It is becoming increasingly obvious that industrial peace amongst all participants in the industrial relations systems requires truth as foundation, justice as its rule, love as its driving force, and liberty as its atmosphere.

Growth of Industrial Relations in India

The growth of modern industrial relations in india can be made in three distinct phases. The first phase can be considered to have commenced from about the middle of the 19th century and ended by the end of the first world war. The second phase comprises the period there after till the attainment of the independence in 1947 and the third phase represents the post independence.

First Phase

During the first phase, the British Government in India was largely interested in enforcing penalties for breach of the contract and in regulating the conditions of work with a view to minimizing the competitive advantages of indigenous employers against the British employers. A series of legislative measures were adopted during the latter half of the nineteenth century, which can be the beginning of industrial relations in India.

The end of the First world war gave a new twist to the labour policy, and it created certain social, economic and political condition and a new social order. There was intense labour unrest because workers' earnings did not keep pace with the rising prices and with their aspirations. The establishments of ILO in 1919 greatly influenced the labour legislations and industrial relations policy in India. The emergence of Trade Unions in India, particularly the formation of All India Trade Union congress in 1920 was another significant event in the history of industrial relations in our country.

Second Phase

The industrial relations policy after the First World War was formulated relating to the improvement in the working conditions and provision of social security benefits. It was a period of boom for employers. With rising prices, their profits went up enormously. The wages of workers, however did not keep pace with this tendency. Their economic distress brought together and an organized working class movement began in the country resulting in strikes and lockouts. During this period, as a result of ILO influence, various laws were enacted, i.e., Workmen Compensation Act 1923. Trade union Act 1926, and the trade Disputes Act 1947. In 1946 the Industrial Employment Act and Industrial Disputes Act, 1947 provided for the settlement of Industrial Disputes.

Third Phase

Immediately after independence, in the interest of the national economy, it was considered necessary to put a stop to strikes and lockouts that interrupted the production. A tripartite conference was, therefore convened in 1947, at which Industrial Truce Resolution was adopted, giving importance to industrial peace. The minimum wages Act, The Factories Act, and The ESI Act were enacted subsequently. During second five year plan, certain norms, practice and mechanisms were evolved which formulated the need for Minimum wage, wage boards, guidelines on rationalization, code of discipline, code of conduct, scheme for workers participation in Management.

Review Questions

1. Bring out the significance of industrial relations.
2. Discuss different approaches to industrial relations.
3. What are the principles of good industrial relations?
4. Explain the role of the Government, Employer and the Trade Union in maintaining sooth industrial relations.
5. Suggest suitable strategies for maintaining cordial industrial relations.