CHAPTER - 3

METHODOLOGY

3.1 Concept Crystallization

Although plethora of work is done and is available in the field of IR, the interplay of dynamics and specifically impact of other people management related functions on Industrial relations policies have not been undertaken in a systematic manner so far. Also no cross sectional design in the time frame of post liberalization, which has both affected and impacted the IR, has been exclusively studied. The research studies reference to Tyre Companies is conspicuous by its absence and the literature paucity integrating three key concepts –Industrial Relations in India, Tyre Industry and Post Liberalization is almost nil.

In this backdrop and because of interest and experience of the researcher in the domain of Industrial Relations, Human Resource Management and their interface and interplay in the post liberalization period a systematic study on the topic: Industrial Relations In Tyre Industry: Post Liberalization In India was planned. The tyre industry focus was chosen because of substantial experience of the researcher in the tyre industry and understanding and appreciation of macro, meso and micro environment of the tyre industry.

The study was operationalized at five levels. At the first level, an in-depth study of present literature was done to isolate documented evidence available on the subject of IR and HRM with specific reference to Tyre industry. At the second tier, a profound discussion was undertaken with a panel of experts who possess rich experience in the realm of IR and HRM in India and have experience and exposure to IR/HRM scenario in the pre and post liberalization era in the tyre industry, to identify the sub systems and indicators of IR and HRM.

With these major research questions in mind objectives and hypotheses were framed and in the third stage instruments for eliciting the information related to the objectives of research was designed and tested for reliability. Next, data was collected from both the Workers and Management representative and the responses were analyzed and
discussed. Lastly triangulation was done to refine research findings with panel of experts comprising both set of respondents.

3.2 Research Problem

The exercise resulted in consolidating some major research questions as follows:

a. Whether Industrial Relations and Human Resource Management remain as independent functions or they have merged as a single function – HRM in the post liberalization period in the tyre industry?

b. Is IR as relevant in post liberalization period as it was in the pre liberalization era?

c. Have policies and Practices of HRM suppressed IR functions and impacted the outcomes for better or worse?

d. Have Industrial Relations contributed towards co-operative relationships for the greater good of the Workers and Business Growth?

e. Have subsystems of IR like Grievance & Discipline Handling and Collective Bargaining contributed their bit to further industrial harmony, growth and prosperity?

f. Has IR lost its identity, significance and relevance in the changed techno-economic environment?

g. Do Managers and Workers, the two major organic actors of industrialization perceive differently about issues concerning Industrial Relations?

3.3 Review of Literature

B R Virmani (2013)\textsuperscript{43} in his paper titled “Employee Relation: Emerging Issues and Challenges” which was presented in the International Federation of Training and Development Organizations (IFTDO) Convention at Delhi as also published at the same time dealt with the subject in a very exhaustive manner. The traditional system of IR was based on the British Model of adversarial relationship of Collective Bargaining. Each organization over a period of time develops its own structures to deal with employee relations. However there has been a shift in this trend and it has

been observed during the past few years the assent is gradually shifting from adversarial to co-operative approaches. In this process employee relations and IR and HR have been used as tools for total development of the human resources in the organization so as to meet the post liberalization competitive environment. This has become necessary due to changes in the technological processes also. The author considers that due to the change in the stances of Management and the Workers the CB process has also undergone a change to support the patterns of investment in the industry. The paper finds it difficult in today’s scenario to determine who is exploiting whom, who is whose adversary, while traditional employee relation system is based on clearly defined adversaries with conflict of interests.

In the changed scenario we need to develop a theory of management which defines “How do we manage without any managerial rights and prerogatives” or “How do we manage with the consent of people whom we are managing”. The western world is yet to evolve a satisfactory new definition of management in the changed context. Certain academicians and theorists are trying to develop alternatives to the outdated classical definition of management, based on participatory models but nothing satisfactory has been announced as yet. The author strongly advocates a participatory model of management where the issues are settled not based on Collective Bargaining but mutual integration of interests with full sharing of information. At a subsequent time this model can be legalized.

If there is an introduction of the new approach as above in future then the role of the involved parties will have to undergo the metamorphic change. The worker groups will have to gradually change their roles and will have to give greater attention to non-bargainable activities in enriching the employee’s life. They will have to play a more effective role rather than directly fighting on day to day matters. Some of the decisions taken by the middle level management will have to be shifted to the participatory forums.

HR strategies will have to be developed for different situations which are compatible with the level of development of the country. Many Managers and Workers are still struggling in the work environment, which has remained the same since the middle of the last century. Therefore we have to develop people with different training for
different skills to suit the traditional, the more modern and a blended version of the two.

**Dr. R Krishnamurthy (2013)** in his article titled “Handling Stupendous Demands and Expectations” has commented upon the recent violence in companies like Everest at Nasik, Regency Ceramic in Yanam district of Andhra Pradesh and Maruti which have compounded the situation. The Managements have to do some serious homework on how to handle the stupendous expectations that the workers have from the organization. Managing expectations becomes a major requirement for the organization if they want their workers to be responsible. If unreasonable demands and expectation are beyond the Management’s policy then it is better that the workers are aware of the truth at the earliest. If this doesn’t happen the conflicts will get much larger in nature. The key for achieving success in such a scenario is the credibility of the line or operating managers and the strength of rapport they have developed with the workers. The communication channels between the Workers and the operating Managers have to be constant to understand each other’s perspective.

In a research paper written by **Krishna M & Bino Paul G. D (2013)** titled “What Explains Wage in India?” the authors have given immense credence to Human Development Index. Their study indicates that wages in India are bound up with not only economic factors but individual identities based on caste and gender. The wage differentials amongst workers are based on skills and abilities which they possess. The study finds that while states with low Human Development report the lowest household incomes, states with High Development are endowed with better employment prospects and income status. A significant proportion of the unexplained part in the variation of wages can be attributed to the employer and firm related characteristics. Designing and implementing appropriate public and social policies for human development can trigger off progress towards mitigating deficits in decent work.

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M. Manomani (2012)\textsuperscript{46} in his paper titled “Wage-Productivity Linkages in Indian Industry” has used a simple step-wise regression model to establish the link between wages and productivity. He has suggested that nation-wide linkage of wages with productivity will be the best option for neutralization of a rise in cost of living.

Liberalization and globalization have provided growth and expansion of the industry and manufacturing sector in particular. The relationship between Indian industries and productivity has been a complicated and an indecisive issue for long. However wages should not increase to a level where the employer intends to replace labour by capital which may lead to unemployment problems. Labour productivity relationship can be attributed to few variables like- positive relationship between wage rate and labour productivity, positive relationship with consumer price index since negative relationship will create a drop in earnings. The capacity of the industry to pay is one of the essential circumstances should be taken into consideration except in the cases of bare subsistence for minimum wages. There is a positive and statistically significant association between wage rate and labour productivity.

Apoorva Ghosh and Pranabesh Ray (2012)\textsuperscript{47} in their article titled “A Contemporary Model for Industrial Relations - Relook from Global Perspective” have dealt with the subject of IR, employment relations and HR in a historical perspective discussing the various definitions and interpretations associated with the above three terms. They have tried to create a model of IR which could address the contemporary unaddressed issues. The article proposes that IR should change to respond to existing realities. There is a suggestion that IR should borrow modern psychology concepts from HR. It is also emphasized that IR must be studied from an interdisciplinary approach that includes inputs from various social science disciplines like sociology, psychology, anthropology, economics, law and personnel management. Since IR is developed as a discipline meant more for practice rather than theory building, it is largely dependent on these fundamental disciplines for concepts and theories.


The authors have enumerated the definitions of IR as propounded by various national and international experts from 1950’s to 2012. They have tracked the theoretical framework based on various perspectives, however from 1980’s, they have observed a wide contention from HRM theorists that IR is in a marked phase of decline. HRM has emerged as an interesting and novel approach to people management. It has been pushing the Personnel Management steadily into the background. HRM has provided growth to the academia and the professionals. There are no takers in the competitive economy like Rusty trench warriors putting out IR fires and clenching collective agreements. Ramaswamy (2000)⁴⁸

IR as a discipline is facing criticism over its dealing with the management and organizations which is primarily arising out of narrowing down the discipline. There is a threatened status of IR and its declining popularity worldwide is mainly due to the emergence of modern paradigm of IR, which takes a narrow view based on unionized relationships and Collective Bargaining. It doesn’t incorporate other dimensions of employment relationships. Too much dependence on worker groups for discipline is alarming and the institutions can either flourish or perish with this trend. Present day IR is not based on Industrial and Organizational Psychology. The treatment of psychological factors in the scientific study of IR consists of mostly adhoc postulations almost at commonsense level articulated with body of psychological theory. Personal characteristics of both Managers and Workers are important subjects of the study for understanding the dynamics of IR. There is lot of scope for IR managers to use experience of IR spanning more than a century in dealing with mass workers and at the same time learning ways from HRM and Organizational Behavior to explore how educated and ambitious workers can be effectively dealt with. There is a need for broader view of HRM. Thus the main principles and practices of HRM- Just In Time, flexible production, and therefore a flexible workforce, Kaizen etc- are getting more acceptability in the organizations and management and IR is getting marginalized. Some scholars who are not so radical believe that there is a possibility of co existence. During 1980-90, when HRM was on rise there was a threat to IR, but now both disciplines can gain from each other. It will give rise to cumulative learning

in management practices of human resources. Edwards (2003)\(^49\); Guest (1990)\(^50\); Strauss (2001)\(^51\)

Rajani Pathania (2012)\(^52\) in her article titled “Industrial Relations in India in the Era of Liberalization” has studied the trends in intensity of industrial disputes and their causes during the period 1992-2011. Her study finds that there is a satisfactory environment on the IR front in the country, there has been a decline in strikes and lockouts. She feels that HR is a separate, largely distinct function which is associated with non union employment relationships and Personnel policies and practices of the employers. Her study further finds that one of the main reasons for industrial disputes during the period 2002-2005 have been the demand for higher wages. She recommends an effective role for the Works Committees and other joint consultative forums. She also finds that a strengthened CB system will lessen the industrial conflicts. The managements have to sincerely stand by their commitment to the workers.

Dr. Rajen Mehrotra (2012)\(^53\) in an article titled “Re- Emergence of Industrial Relations in Organizations” has very effectively dealt with the subject of IR and HR as construed in the present day environment. Being an expert in both the subjects Dr. Mehrotra brings in his long years of experiential learning in this article. He finds that till the year 2011 there were many conferences in India each year conducted by Academic Institutes, Professional Bodies, Chamber of Commerce, Trade Associations, Employer Organizations and Business Enterprises mostly on subjects dealing with Human Resource Development (HRD) since the subject was considered important for success and growth of the business. However, with the Maruti incident of 2012 the entire subject of these conferences has changed to IR.


\(^53\) Mehrotra, Rajen (2012) “Re-emergence of Industrial Relations in Organizations” Arbiter, December, 2012, p 6-12
Violence in industrial sector has not been new till about 1989. The period 1990-2000 saw a drop in the industrial disputes and unrest. This was due to introduction of the reforms in the country. IR has to be an integral part of HRM department in each company as it was until the 1980’s. Post 1991 there has been an increasing dependence on outsourcing and contract workers. This business model is bound to lead to a situation of disputes. Managers need to analyze and understand this situation and endeavor to build relationships with their employees in each category. There is again an emerging demand for IR professionals who will steer out the companies of a problem situation and work for continued industrial peace. In his perception HR and IR never merged under the HRM umbrella and continue to remain two separate functions.

**T V Rao (2012)** in an interview titled “Stay Longer and Contribute to Organization” has opined that Organization Development (OD) is a subject which deals with the good of the organization and people who work with it. OD as a discipline in science deserves more attention than what it has commanded so far. Human relations deserves a sensitive approach since it deals with behavioral science. There is a need to understand people behavior in different settings as individuals, role holders, dyads, teams or sub system members, organizational members. In India people are highly talented because they come from complex interactions of history, culture, families, heritage and other dynamic factors. The current needs of the organization add to this complexity. Unlike the western countries where systems and norms guide people, in India people respect one another more than the system and the norms. Such complexities of human nature require a deep study of people in their current and changing roles. Unless we understand this it will be difficult to carry out interventions for change. In India unfortunately we do not have a systematic and scientific study process of people. The motivational patterns of human beings in any organization intrigue us. We are always dependent on past knowledge and knowledge of the west. There is a need for a scientific based OD. More researchers need to be trained in OD. This need requires integrated approach to HRM.

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Vijai Raghavan (2012)\textsuperscript{55} in an article has stressed that technology has fast changed the role of an individual in an organization. Till recently the HR function was titled as “Personnel Department”. This department would deal with all the transactional processes from recruitment to resignations. Now managing Human Resource is a challenging task to those who enjoy professional excellence. HR is all about human relations between superior and juniors, between peers in the organizations and between the personnel at all levels. HRM contains a complex matrix of relational challenges which management of other resources do not provide.

P Dwarkanath (2012)\textsuperscript{56}, Director Group HR, Max India, expressing his views in an article has emphasized for a re-look at employee relationship which has to be based on mutual trust. He finds that it is important to realize the fundamental aspect of management is human relationship and there is a need to build robust relationships. The employees should see the management as objective, transparent, firm and fair. Performance based and productivity linked culture is yet to settle in the Indian manufacturing sector. This is due to lack of trust and credibility from both sides. There were also issues of politicization of the worker group’s fragmented representation. Further there are issues of supervision quality and foresightedness. At times the employers take unfair advantage of the employees due to their educational handicap. There is a need to put a good transparent communication system for applicable company policies. The grievance handling system has to be strengthened so that the workers are not misguided by other groups. Employers have to be proactive instead of reactive.

Success of Industrial Relations at workplace is based on individual’s dignity at workplace. Organizations that are committed to developing and maintaining dignity at work reap benefits in the form of financial results. Progressive companies show concern for the development and maintenance of work environment with which people are satisfied. They feel that they are being well treated and their talent is being utilized.


Divya Upadhyay (2011) in her article published in IJTD mentions that success of Industrial Relations at workplace is based on individual’s dignity at workplace. Organizations that are committed to developing and maintaining dignity at work reap benefits in the form of financial results. Progressive companies show concern for the development and maintenance of work environment with which people are satisfied. They feel that they are being well treated and their talent is being utilized.

Professor Ratna Sen (2011) in her paper titled “Multinationals & Industrial Relations in India” has highlighted that the logic of technology and markets are superseding varying national cultures towards universally applicable “best practices” managerial techniques. These best practices will create High Performance Work System. Thus there is a need to examine the IR in MNCs in India and attempt to fit them in a pattern. Since there is a divergence in HR practices of overseas work places when compared to locals Hayden (2009). Professor Sen mentions that in last few years there has been a sharp increase in worker protests in multinational companies across India. The author has tracked specific incidents of labour disputes in many companies across India and brought about the need to build and sustain a strong Manager Driven Corporate Culture which would help build co-operative IR. The decision making process in IR matters will have to be centralized since many managerial actions have led to poor IR. Managements have demonstrated insensitivity to Workers sentiments and perceptions. The CB process is failing to resolve prickly issues. The author has done a detailed study of the industrial disputes in major MNCs in NCR region, Tamil Nadu, Maharashtra, Haryana, and Rajasthan. Her findings are based on a thorough analysis of the IR scenario of the companies and conflicts studied by her.

P Venkataramana and Subhaprada (2011), in their article titled “Where Industrial Relations stand today?” discuss the industrial relations situation during 1986-2009, covering the pre and post New Economic Policy era in India. Intertwining

58 Sen, Ratna (2011) “Multinationals & Industrial Relations in India” IIJR Vol. 46 No. 3 January, 2011
59 Hayden, Annette (2009) “Internationalization and HR Restructuring In MNCs– Unpacking the Concept of Convergence” Paper Presented at the 15th World Congress of International Industrial Relations Association, Sydney August, 2009
the interplay amongst the three main players viz the employees, employers and the state, the authors have analyzed the expectations and experiences of each. Some interesting trends like man days lost due to lockouts out numbering those due to strikes and decline in man days lost due to strikes and lockouts in the years 2008 and 2009 have far fetching implications on the IR landscape of the country. The drop in man days lost appears to be also due to reduction of jobs in the organized sector and hiring of the contract workers. The authors find that labour as a class continues to be guided by various philanthropists, politicians, social activities and environmentalists. Organized sector as a social class is yet struggling to lead the working class in India. The government is still the savior of the working class. The labour laws do not support much in terms of improving the living standards of the workers, they are rigid and not in tune with the demands of modern day economic order. There is a need to improve industrial investment environment by managing stable IR.

Avantika Tomar (2011) in her paper titled “Effect of Organizational Strategy on Universalistic or Contingent HR Practices in Indian Manufacturing” seeks to understand the company level strategies and their impact on adopted HR policies. She has identified 15 best HR practices, have compared them across 4 categories of manufacturing firms in India in Automobile and Auto Ancillary, Oil and Gas, Minerals, Metals and Mining and Power and Infrastructure. The 15 best practices (Universalistic approach) for different strategies were:

- Employment Security
- Recruitment and Selection Practices
- Employee ownership of tasks and work modules
- Sharing of organizational level information with all employees
- Employee participation in organizational level policy related decisions
- Employee empowerment
- Frequency of job re-design
- Opportunities for training and skill development
- Emphasis of cross training of employees
- Presence of cross functional teams

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- Symbolic egalitarianism
- Wage compression
- Promotion systems
- Adoption of 360 degree appraisal process
- Feedback mechanism

These practices corresponded to specific corporate strategies associated with:
- Cost
- Reduction
- Quality
- Focus
- Flexible
- Systems

Companies generally organize human resource practices into system that are consistent with their culture and business strategy. The results of the study concluded that by and large Indian manufacturing companies are still not mature in their human resources practices. They are still practicing the philosophy “One size fits all”; which is not correct given the pressures of current competitive post liberalization scenario. The study found that assembly plants using flexible production systems, which bundle human resource practices into a system that is integrated with production/ business strategy, outperform plants using more traditional mass production systems in both productivity and quality. The study further found that Indian manufacturing sector believes in “one size fits all” and follows universal practices rather than contingency theory.

To enhance their performance companies should look at HR and other administrative practices that correspond to the corporate strategy of the company. The companies must realize that their HR policies can have an impact on their financial and operational performance. Thus utilization and appropriation of human resources is essential for every organization. The limitation of the study constrains the interpretation of the findings and point to several issues for future research.
K R Shyam Sundar (2010)\(^{62}\) in his paper titled- “Emerging Trends in Employment Relations in India” tracks the history of IR from the “State Intervention Model” to current day interplay of economic, political and institutional forces in the new economic environment, new issues, dilemmas, concerns and strategies which are thrown up in a complex manner constantly. He further criticizes the government from staying away in working hard on labour reforms which are crucial for the industry and stable IR scenario. The author comments on the neo-liberal judicial trends and the nexus of politics and worker groups. He proposes politics of inclusion and co-operation for strengthening labour-management relations.

In a significant style K R Shyam Sundar deals with the managerial strategies adopted to achieve labour flexibility, control over work processes and dealing with other worker issues like Voluntary Retirement Schemes(VRS), reallocation, transfers, multi-tasking, use of contract labour, outsourcing, sub-contracting and job freeze. The author highlights the increase in use of contract labour in the organized sector from 14.6 percent to 62 percent in some states for achieving labour flexibility and reduction in labour cost. This has helped gain control over production process but has weakened collective labour institutions; which is controversial and has brought in bloody industrial conflicts to the fore.

K R Shyam Sundar further discusses the new trends in CB and points out several instances where the worker groups have understood the financial position of the company and have offered their co-operation in many ways. However, the author analyzes the rise in labour conflicts as compared to 1991-1993 to 2003-2005. According to him the conflicts have been bloody and probably owing to overdrive for managerial and state aggression. In the post liberalization period the actors of IR have responded in varying ways. It has resulted into a peculiar constellation of dynamic forces in India. Thus we have a mosaic of varieties of responses, soft labour reforms, passive State in one context and active in another, new managerial strategies, new form of labour organizations, empowerment of non regular workers. The legal framework of IR has remained virtually the same; some significant changes have taken place, which seek to redefine the parameters of the framework.

In a survey, *Rethinking your Approach to People* led by R Sankar (2009)\(^63\), Executive Director (People and Change), Price Water House Cooper reprinted in the *Indian Management* light is thrown on challenges for human resource management initiated by the slowdown. The study was sector specific and the manufacturing sector analysis revealed that with falling demand, many companies in the manufacturing sector have been resorting to cost optimization and cash conservation. And to achieve these objectives, changes in travel policy, freeze on recruitment and increment, laying emphasis on high performers and redeployment of workforce are some of the HR oriented measures being undertaken. Many of the companies have reduced working hours and shifts and are optimizing their manufacturing and supply chain operations as well as channeling available time of employees towards training and skill building. All this will surely impact the Industrial Relations scenario in the manufacturing sector.

In a paper titled “Collective Bargaining - Its Relationship to Stakeholders” V. Vijay Durga Prasad (2009)\(^64\) highlights major hurdles in the process of Collective Bargaining (CB) despite of its continuous steady pace of growth since independence. He defines the CB process in detail stressing upon its significance in maintaining employer-employee relations. He affirms that with the change in technology, economic order, political environment and worker groups, the various stages of CB are also changing taking it to a level of dynamism. The author further evaluates the role of the stakeholders- The Government, the employers, Workers and unions, consumers and community considering the world economics and the new business demands. At an organizational level he highlights the handicaps of the Managers in communicating with the employees considering collective agreements. He suggests that in the interest of both the parties, none should be allowed to escalate the conflict. He finds that worker groups, ineffective procedures and outside leadership creates hurdles in the success of CB process. He advocates the need to build up strong internal leadership. The inhibiting factors for growth of CB in India are – inadequacy of education among workers, unwillingness on the part of employer’s to part with their freedom and to sit along with their workers on a bargaining table, poverty of

workers in masses and inadequate capacity of industry to pay. Despite these hurdles, CB has increasingly acquired a prominent place in IR in the country. The policy of liberalization shall definitely boost the CB process in the coming years. The future of CB is contingent on its transformation into a co-operative process. It will become an instrument of social change.

Debashish Sengupta (2008)\textsuperscript{65}, opines that managing human resources has been long regarded as a function of hiring and firing, and a control device to keep people complying with rules and regulations but the orthodox thought has not only been uprooted by the wave of globalization but also has given way to an entirely new paradigm of people management. The article advances the approach of human resource management multiple steps by proposing an aggressive marketing approach to the customer equated employees. Quoting heavily from the new age practices of the new wave Indian companies the article actually proposes 7Ps model of service marketing to the management world wherein product, price, place, promotion, people, processes and physical evidence have been highlighted. The proposition that the author has built is “having a marketer’s approach to managing people in an attempt to transform HR from a maintenance job to a strategic partner is the key.” The article concludes with proposition of a value profit chain model where the message is: profitability and sustainability of a company in the long run cannot be ensured without focusing on HR management practices. In this backdrop it is impossible to imagine the magnitude of impact of human resource policies on industrial relations.

IR is a central element in the human resource system. In IR the central monetary reward is wages and salaries, one of its central themes (given effect to by collective bargaining) being internal equity and distributive justice and, often, standardization across industry. IR policies must emphasize on monetary rewards linked to performance and skills through the development of performance and skills-based pay systems, some of which seek to individualize monetary rewards (e.g. individual bonuses, stock options, etc.). Based on theoretical work in the field of organizational behavior it is expected that HR/IR comprises a set of policies designed to maximize organizational integration, employee commitment, flexibility and quality of work. It is

worthwhile that organizations use learning as a tool to innovate, differentiate, attract and retain talent, customers and investors.

In a paper titled “Industrial Relations in India: Structure, Trends and Developments” presented at the European Foundation For Improvement of Working Conditions Workshop, ILO Geneva, 29-30th November 2007, Dr. Debashish Bhattacherjee (2007) of IIM Kolkata tracked the evolution of Indian Economy and IR from 1947-1991 in three phases highlighting Government’s interference in industry and IR regulation in the I and II phases to Government’s slowly withdrawing from the IR system in the Phase IV. He has further dealt with the post reforms period from 1992-2007 within the framework of economy and labour. Bringing forth economic growth boosted the IT, Tourism and manufacturing sector. He has dealt in detail about employment issues and changing profile of worker groups. He has also dealt with collective bargaining and IR considering the various sectors of the industry – private, public and Central and State Government employees. Employer’s organizations like All India Association of Employers (AIOE), Council of Indian Employers (CIE), Standing Conference on Public Enterprises (SCOPE), Federation of Indian Chamber of Commerce and Industry (FICCI) and Associated Chamber of Commerce (ASSOCHAM) will also have a larger voice on economic matters as compared to past, but not much on social and labour matters. Mr. Bhattacherjee further deals with the structure and trends in IR and industrial conflict 1966-2001 in various sectors along with causes of disputes. He elaborates the failure of the main labour laws and the need to rationalize them considering recommendations of the 2nd National Commission on Labour (2002). He stresses the need for labour reforms in India and advocates employer’s right to adjust employment level to maintain and improve competitiveness, a major need for industry in the post liberalization period.

P Subba Rao(2007) in his book titled Essentials of Human Resource Management and Industrial Relations (Text, Cases and Games), presents an in-depth and

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comprehensive coverage of principles and concepts of Human Resource Management and Industrial Relations.

The Principles and Practice of Human Resource Management have been undergoing a drastic change due to the influence of economic liberalization and information technology. Some of the earlier principles have become redundant and some new principles have emerged. Intensified competition among domestic private and public sector companies and multinational companies consequent upon globalization along with the changed demographic factors- like increase in women employees, aging populations, shortage of talented employees and adapted mindset and attitude of the people have challenged the systems and structures of human resource management throughout the globe. Now, most of the organizations recognize the emerging vitality of human resource management function and place it at strategic level in the organizational hierarchy.

Written in an engaging and interesting style the text provides logical and analytical treatment of concepts. The book presents an integrative approach of Human Resource Management with Strategic Management. One of the rare book that balances the Industrial Relations dimension with the Human Resource dimension and simultaneously keeps a global perspective.

To link the theoretical background with the practical scenarios, perceptions and experiences of the corporate hold greater significance in shaping the Industrial Relations based on sound HRM policies. In recent years many Senior Executives have iterated that more than strategy or vision, managing or engaging employees is their foremost priority and probably a much tougher job than charting out a strategy for their business. There is also a school of thought which claims that if an organization can get its people act together, the business would take care of itself.

The third part is woven around a contemporary subject- Economic Liberalization and HRM, and embraces texts on Globalization and Human Resource Management and Total Quality and Human Resource Management. Written in a text book style and heavily substantiated with cases, games, discussion questions, exhibits and chapter references, the book is akin to HR bible for both academicians and practitioners alike.
Sarosh Kuruvilla and Christopher L. Erickson (2002)⁶⁸, in their article *Change and transformation in Asian Industrial Relations*, published in *Industrial Relations*, argue that industrial relations systems change due to shifts in the constraints facing those systems, and that the most salient constraints facing IR systems in Asia have shifted from those of maintaining labor peace and stability in the early stages of industrialization, to those of increasing both numerical and functional flexibility in the 1980s and 1990s. The evidence to sustain the argument is drawn from seven “representative” Asian IR systems: Japan, South Korea, Singapore, Malaysia, Philippines, India, and China.

They based their investigation, on an argument regarding industrial relations system change. They then examine the extent to which Asian industrial relations systems are changing and whether the directions of change are similar to those seen in the advanced industrial countries outside of the region. Thereafter, the key features of industrial relations change, including whether or not the changes constitute fundamental transformations, based on recent work regarding how to judge whether a “transformation” has indeed taken place were characterized.

In the wider perspective of Asia and the chosen seven representative IR systems the authors opine that there is enough suggestive evidence to inductively conclude that the changes in industrial relations during the 1980s and 1990s reflect the process of adjustment from a previously salient constraint (labor peace and industrial stability) to the new imperative of enhancing firm-level competitiveness through numerical and functional flexibility. The recent changes in Asian industrial relations systems have been similar to those that have occurred in the West, in that the emphasis has shifted to achieving various kinds of flexibility, although the already decentralized Asian systems have not experienced significant further decentralization. The flexibility enhancing strategies followed by the different Asian systems (whether numerical or functional) appear to be mediated by the current and previous levels of IR system rigidity, sources of competitive advantage of firms, state policies and institutions, and labor unions. In some countries, the changes in industrial relations suggest a transformation, reflecting a serious reconsideration of the deep structure of industrial

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relations, while other nations have adapted to the changed constraints more smoothly and without fundamental reconsideration of the underlying logics of those systems. In general, the shift in constraints, attributable to increased competitive pressures, is pushing industrial relations arrangements in Asia in the same direction as it has done in the West, which suggests the possibility of convergence.

B.E. Kaufman (2001) in his article titled “Human Resources and Industrial Relations; Commonalities and Differences” brings to surface the diversity of perceptions about the definition, intellectual boundaries, and major premises of the fields of Human Resources Management (HRM) and Industrial Relations (IR).

Based on a review of the origins and evolution of the two fields from the early 20th century to the present day, he shows that Human Resources (HR) up to the early 1960s was typically considered to be a subfield of IR. In more recent years, however, HR has largely severed its links with IR and now is widely regarded as a separate, sometimes competing and sometimes complementary field of study. Drawing heavily from the literature available, dissecting the books on the subject being preferred by the academia and based on analysis of titles of practitioners the author very systematically outlines the path traversed by IR and HR highlighting the punctuations of convergences and departures.

The scope of coverage and the richness of sources are so wide and extensive that it will not be an exaggeration to qualify the review paper as one of the most exhaustive works available on the subject of IR and HR. He concludes by summarizing the present envelop of HRM by saying, “In this scenario the HR or HRM label comes to dominate as the descriptor of the field of study and, going further, is increasingly seen as representing the study of the entire employment relationship. This reversal of roles is clearly evident in the definition of HRM recently offered by Ferris, Barnum, Rosen, Holleran, and Dulebohn (1995): “Human Resource Management is the

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science and practice that deals with the nature of the employment relationship and all of the decisions, actions, and issues that relate to that relationship."

The relationship between an employee and employer is primary. It may be referred to as employer-employee relationship or as employee relations. This relationship between employees and union(s) is secondary, for, except where closed-shop situation exists, a person joins the organization as an employee first and later he may become a member of the union, if one exists. This relationship may be referred to as Union-Management Relations or Industrial Relations. Organizations need to maintain relations with both the employees as individuals and with their collectivities referred to either as unions or associations. Employee relations come within the purview of personnel/human resource functions. Union – management relations are handled by industrial relations specialists within the personnel / human resource function. Few organizations realize that it is possible to optimize concern of both employee relations and industrial relations without seeking the two as dichotomous. The rationale for HRM arises out of the need to overcome these perceptual blocks. Shift from the command and control organizations to information based organizations; the organization of knowledge specialist, globalization, acquisition and mergers is the managerial challenge. Readiness to commit oneself to the changing environment indicates bigness and readiness to alter policy with changing condition is indicative of greatness. It levels itself to a culture of integration and adaptation.

One clear conclusion however, is that HRM initiatives have perforced to be focused on building a vibrant corporate culture on the one hand and increasing per capita productivity of the employees on the other.


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though HRM is not per se anti-union and its central themes are not necessarily inconsistent with unionism? He argues, first, HRM does not focus, as does IR, on collective bargaining, which is a central institution in IR. However, as per his school of thought, collective bargaining should not be understood only in the narrow sense of negotiation of terms and conditions of employment leading to a formal agreement. It should be viewed as a process, and as including all mechanisms introduced to arrive at a consensus on matters affecting the two social partners, even if they do not result in formalized agreements. If viewed in this way, it reduces the conflict between HRM and IR within this area. A second area in which HRM is said to pose a challenge to unions, he opines, is on the issue of flexibility - critical in HRM but traditionally absent as a factor in IR where a degree of standardization for purposes of internal equity has been an objective of unions and of IR. Here the scene is undergoing considerable change. There is today a major thrust towards achieving flexibility in the labour relations on matters such as functions, working time, pay and types of contracts. Unions are being compelled to 'participate' in these changes as an alternative to being marginalized. The trend towards greater decentralization of collective bargaining has compelled viewing issues more from a workplace perspective. It has provided an opportunity for unions in countries with a high rate of unionization to be involved in issues other than wages and related ones, such as technology introduction, new work processes and organization. It involves, on the one hand, the willingness of employers to deal with unions on such matters (which they have to be willing to do in high union-density enterprises), and on the other the willingness of unions to cooperate on legitimate measures to achieve competitiveness - especially where the employees themselves are willing to do so - and to adapt to the realities of the workplace.

He continues to assert that the third - and perhaps the principal challenge - emanates from employee loyalty and commitment, which are central objectives of HRM. The issue here is whether dual allegiance is possible i.e. commitment to the goals and values of the organization, and to contribute to its success on the one hand, and commitment to the trade union on the other. It is at this point that IR becomes a critical factor. In principle there should be no antithesis, because trade unionism need not (and should not) be conflicting in approach and attitude. Much of the empirical evidence drawn from the USA indicates that in a workplace with a cooperative IR
system dual loyalty is possible, but that it is not possible in one where a cooperative climate is absent or minimal.

Silva suggests that traditional IR and trade unionism can be challenged in other ways - that is, other than through anti-union activity. Downsizing the labour force as a HRM initiative to achieve competitiveness and offering monetary incentives to employees to improve productivity could create IR tensions, especially if the union has not been involved in the process. A similar result may occur when an employer, without seeking to dismantle existing IR practices, establishes other mechanisms and practices such as direct communication and consultation systems, small group activities, and employee share option schemes and so on without involving the union.

Comparing on the approach dimension he underlines that the unitarist approach of HRM and the pluralist tradition of IR, though regarded by some as incompatible, are not regarded in the same light by others. There are three issues involved here. The first is whether the pursuit of HRM policies such as employee involvement and commitment, two-way communication and small group activities, and the integration of HRM policies in corporate objectives and strategies pose a challenge to central IR institutions such as collective bargaining and to unionism. The second is whether such HRM policies are pursued consciously as a union avoidance strategy. The third is whether HRM and IR are necessarily incompatible or whether there is scope for their co-existence.

In yet another paper Sriyan de Silva (1997)\textsuperscript{72}, \textit{The Changing Focus of Industrial Relations and Human Resource Management}, after analyzing origin and genesis of HRM and IR submits his ideas on continuing relevance of industrial relations. He asserts that in a globalized environment with businesses, money and people moving with relative ease across borders, the relentless pursuit of competitive advantage at the expense of all else, the disruption of social relationships and stability, the rapid outdating of knowledge, skills and technology, with learning being a life-long pursuit, and increasing job insecurity, the only certain factor is change and its rapidity. Poverty worldwide is nowhere near reduction to minimal levels, and on the contrary,

is increasing. Many of the benefits of recent changes have benefitted a few, and in many countries income gaps are widening, rather than narrowing. It has been suggested by eminent writers that the world may well be heading towards overproduction of goods, food shortages, and environmental degradation. IR is no doubt undergoing needed changes, but it is by no means irrelevant. Its major contribution was that it facilitated distributive justice and thereby contributed to social stability.

Western Europe is probably the best example of an IR system which was underpinned by its social market principles and, by concerning itself with distributive justice and equity, raised the living standards of the majority, thus providing decades of relative social stability. If, as many employers claim, the labour market in that region is too regulated in the context of the changed environment, this does not imply a total abandonment of the system, but only its reform. In fact speaking of changes in IR in many countries, it does not always imply a radical change, but rather a change of emphasis. For instance, the idea of negotiation on which collective bargaining is based, continues to be valid even if the trend is towards decentralized bargaining. Nor is there anything in HRM that contradicts the value of negotiation.

HRM undoubtedly poses a challenge to IR. But a democracy and pluralism are based on the recognition of different interest groups within a society, each acting as a check and balance in relation to the other to prevent a centralization of power. A system which provides some external regulation of the behavior of groups must therefore be necessary. Since HRM is enterprise-focused, there is a need for a system which can deal with issues which arise in the external labour market. At last for those who have no individual bargaining power - and they constitute the majority of the world's working population - traditional IR institutions such as freedom of association, collective bargaining, minimum employment terms (e.g. age of employment, force labour, safety and health, holidays), social security and dispute settlement mechanisms continue to be relevant. Policies need to be formulated on these matters and applied across society. The fact that some traditional IR features may need to be changed, does not imply that they are irrelevant; the need for a greater enterprise focus does not imply the absence of a national focus as well.
In addition to the realms expressed above the IR institutions continue to have the relevance in maintaining Industrial peace which can be ensured both by addressing it at the enterprise level, and by providing in the event of their failure, safeguard mechanisms external to the enterprise such as conciliation, courts or tribunals. Akin to industrial peace, processes such as tripartism are needed to ensure that the relevant parties have the opportunity to influence labour policy and legislative outcomes. Similarly the boundaries of action within which parties may act need to be set and social protection through minimum standards may often be required, whether they relate to children or women, safety and health or superannuation.

In these circumstances the issues which IR will be called upon to address, in particular in Asia, need to be identified. Employers are now compelled to view IR and HRM from a strategic perspective; in other words, not only from the traditional viewpoint of negotiating terms and conditions of employment and performing a personnel and welfare function. IR and HRM are directly relevant to competitiveness, and how they are managed will impact the enterprise performance, e.g. its productivity and quality of goods and services, labour costs, quality of the workforce, motivation, prevention of disputes and not only their settlement, and aligning employee aspirations with enterprise objectives.

In the current business situation, both globalization and competition does not stop at the economic issues. It has social implications. ILO has developed a concept of Decent Work and facilitated each country to develop it in co-operation with their Ministry of Labour. Decent Work in ILO’s definition means “Work which is carried out in conditions of freedom, equity, security and human dignity”. The Industrial Relations scenario in India is going through major transformation because of existing demographic profile coupled with shortage of requisite skills. There is a need for both Academic Institutes and Industry to work jointly to facilitate research in Labour Studies so that the Researcher can compile the relevant data, use the right techniques and come forward with research findings which will help all stakeholders to play their roles effectively and help workers prosper and grow.
In one of the rare papers available on the industry focus (Tyre) of the research under consideration Rajan, Volpin and Zingales (1997), undertake an in-depth analysis of the tire industry over the period 1970-1990. It attempts to uncover the causes and the consequences of the acquisition activity in the industry in the 1980s, which resulted in all but one large U.S. tire manufacturer being sold to foreign companies. Although the paper is more strategic in nature and looks at the merger and acquisition dynamics of the industry, it does briefly offer an insight into the industrial relations scenario of the specific tire industry. As per the authors, the workers in the tire industry were organized by the United Rubber Workers (URW) during the thirties and early forties. Historically, wages in tire plants have moved in tandem with increases in the Big Three auto contracts. This principle has underlined URW bargaining since the forties. Competition from imports, however, placed greater pressure on tire companies to reduce costs over the 1970s and 1980s. In response, management attempted less expensive settlements. Also, they shifted production by opening new plants in the southern part of the USA, where unions were less strong. As a result, of the nine plants constructed since 1970, only one has been organized, while all 21 plants built during the sixties were organized.

It is ironical that despite being over 50 years old, Indian Tyre Companies have kept a considerable veil around their Industrial Relations and Human Resource Management Policies. The fact has been that almost all Companies have come in news due to their intense labour unrests over the years. Instead of full Research, there have been Wage Surveys by individual Companies for limited purposes to decide upon their own wage structures. However, this has also not been so scientific for the reference of Researchers due to the geographic expands conservative (confidential) approaches by the Managements. Few Companies have undertaken Surveys on Executive Compensation either of their own or through a Consulting Agency. The data so collected has been non-validated and used by the Sponsoring Company for its internal purposes. Industrial Relations history, HR Policies and reasons for unrest have still not been studied and published in a structured manner for larger purposes of scholars and industry professionals. In October, 2010 Price Waterhouse Coopers initiated to do

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a study on Compensation Benchmarking covering the Tyre Industry, but they did not get a positive response from the large targeted companies.

In current scenario the HR or HRM label comes to dominate as the descriptor of the field of study and, going further, is increasingly seen as representing the study of the entire employment relationship. One clear conclusion however, is that HRM initiatives have per forced to be focused on building a vibrant corporate culture on the one hand and increasing per capita productivity of the employees on the other. Recent studies clearly suggest a shift away from “maintaining labor peace” as a key underlying imperative of the industrial relations system, and towards “the enhancement of firm level competitiveness through increases in numerical flexibility” to become more integrated into the world economy. The IR have evolved a long way in India and the IR history can be broadly be divided into four phases as per Venkata (1987)74.

Phase I: 1957-1966: Period of National Capitalism, State sponsored industrialization policies, rise in unemployment and increase in formation of unions at a national level politically affiliated.

Phase II: 1967-1979: High inflation, industrial stagnation, increased number of labour disputes - strikes and lockouts.

Phase III: 1982-1991: Economic growth, phase of independent unions both selfish and altruistic, no significant change in IR regulations and laws.


The contemporary IR scenario in India is undergoing change which is causing restructuring of many industries and consequently IR. These fragmentations of worker groups have tried to bargain better agreements but have not succeeded because of employer’s resistance. Some observers feel that the worker groups have gone on defensive in post liberalization period. However, disputes still occur due to wages and

allowances, disagreements, workers indiscipline that lead to violence and retrenchment of workers. Venkata (1987)

### 3.4 Research Justification

The extensive review of literature indicates the requirement of pursuance of the topic *Industrial Relations in Tyre Industry: Post Liberalization in India* not only for academic reasons but also for furthering practice and application of Human Resource Management and Industrial relations in a more scientific manner. The research has established significant theoretical and application platform and will act as guideposts to future academicians and practitioners alike.

Thus the review of literature resulted in gaps in the areas of research interests of the researcher and significantly justifies pursuance of the topic *Industrial Relations in Tyre Industry: Post Liberalization in India* not only for academic reasons but also for furthering practice and application of Human Resource Management and Industrial relations in a more scientific manner. It aimed at establishing significant theoretical and application platform which act as guideposts to future academicians and practitioners alike. The following Table 3.1 will give a consolidated macro view of the review of literature which has prompted the researcher to take up the subject of “Industrial Relations in Tyre Industry: Post Liberalization in India”

**Table 3.1**

Consolidated Macro View of Review of Literature
<table>
<thead>
<tr>
<th>Year</th>
<th>Author</th>
<th>Areas of Study</th>
<th>Missing Gaps in the Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>B R Virmani</td>
<td>Each organization develops its own special structures to deal with employee unions and associations and Collective Bargaining. These structures are overlapping and inter related and are perceived as &quot;good&quot; or &quot;bad&quot; from different angles.</td>
<td>To determine the perception of Managers and Workers regarding Industrial Relations with reference to Collective Bargaining Process, Discipline and Grievance Handling Systems and worker productivity as an independent system for managing stable Industrial Relations in the Indian Tyre Industry post liberalization</td>
</tr>
<tr>
<td>2013</td>
<td>B R Virmani</td>
<td>With growing globalization, the accent has been gradually shifting from legal and welfare approach to viewing the human resource function as a tool for development of the total human resources in the organization to meet the competitive environment. Gearing up to the emerging opportunities and staying in a competitive environment requires greater responsibility and innovative approaches than have been evident so far. There is also a need for strong element of professionalization in managing and developing human resources and employment practices.</td>
<td>Major HRM interventions which can be integrated with IR for industrial harmony in the Indian Tyre Industry post liberalization</td>
</tr>
<tr>
<td>2013</td>
<td>B R Virmani</td>
<td>Earlier the backbone of employee relations system was based on collective bargaining and power dynamics. However, the adversarial relationship, and consequently the nature of collective bargaining, is becoming irrelevant in the changed economic scenario. Therefore the whole employee relations systems need to be reviewed.</td>
<td>To determine the perception of Managers and Workers regarding Industrial Relations with reference to Collective Bargaining Process, Discipline and Grievance Handling Systems and worker productivity as an independent system for managing stable Industrial Relations in the Indian Tyre Industry post liberalization</td>
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<tr>
<td>2013</td>
<td>Dr. R</td>
<td>In conflicting situations the Ascertaining the difference</td>
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<tr>
<td>Author</td>
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<tr>
<td>Krishnamurthy</td>
<td>2013</td>
<td>Key for achieving success is the credibility of the line or operating Managers and the strength of the rapport they have developed with the Workers. The communication channels between the Workers and the operating Managers have to be consistent to understand each others perception.</td>
<td>Krishna M and Bino Paul GD</td>
</tr>
<tr>
<td>M Manonmani</td>
<td>2012</td>
<td>The nation-wide linkages of wages with productivity may be the best option for neutralization of a rise in the cost of living. The productivity of capital and total factor productivity may be taken into account along with labour productivity while granting wage increases so that the same is not of inflationary nature. Effective utilization of capital should be the correct criteria for a country like India where capital is a scare factor.</td>
<td>Apoorva Ghosh and Pranabesh Ray</td>
</tr>
<tr>
<td>Rajani Pathania</td>
<td>2012</td>
<td>Causewise distribution of industrial disputes during the year 2002-2005 has shown that demand for higher wages has increased. The communication channels between the Workers and the operating Managers have to be consistent to understand each others perception.</td>
<td>Apoorva Ghosh and Pranabesh Ray</td>
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<td>Year</td>
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<tr>
<td>2012</td>
<td>Dr. Rajen Mehrotra</td>
<td>been the dominant cause for the industrial disputes. The continuous decline in strikes and lockouts and extraordinary growth of trade union indicates that the industrial relations in India are improving.</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Dr. Rajen Mehrotra</td>
<td>improved working conditions and better wages leading to higher productivity and people development in the Indian Tyre Industry post liberalization</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Dr. Rajen Mehrotra</td>
<td>To determine the perception of Managers regarding Industrial Relations with reference to Collective Bargaining Process, Discipline and Grievance Handling Systems and worker productivity as an independent system for managing stable Industrial Relations in the Indian Tyre Industry post liberalization</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>T V Rao</td>
<td>The 1990’s and 2000’s the country saw a decline in violence and militancy after the new economic policy of 1991, when most enterprises both in manufacturing and service sector reduced their workforce through Voluntary Retirement Schemes. It is true that 2010’s is once again seeing signs of industrial violence and militancy in various parts of the country</td>
<td></td>
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<tr>
<td>2012</td>
<td>T V Rao</td>
<td>Investigate the differences between IR and HRM as perceived by the actors, both Workers and Managers of the Indian Tyre Industry post liberalization</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>T V Rao</td>
<td>Major HRM interventions needed to integrate with IR for industrial harmony in the Indian Tyre Industry post liberalization</td>
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</table>

**OD (Organization Development)**

OD is a subject which deals with the good of the Organization and people who work with it. OD as a discipline in science deserves more attention that what it has commanded so far. Human Relations deserve a sensitive approach since it deals with behavioural science. There is a need to understand people behavior in different settings as individuals, role holders, diads, teams or sub system.
members, organizational members. The current needs of any organization are complex. Such complexities of human nature require a deep study of people in their current changing roles.

<table>
<thead>
<tr>
<th>Year</th>
<th>Author</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>P G Vijaya Raghavan</td>
<td>Technology has fast changed the role of an individual in an organization. Till recently the HR function was titled as “Personnel Department”. This department would deal with all transactional processes from recruitment to resignation. Now managing human resources is a challenging task to those who enjoy professional excellence. HR is all about human relations between peers in the organization and between the personnel at all levels. HRM contains a complex matrix of relational challenges which Management of other resources do not provide. Determine the differences between IR and HRM as perceived by the actors, both Workers and Managers of the Indian Tyre Industry post liberalization.</td>
</tr>
<tr>
<td>2012</td>
<td>P Dwarkanath</td>
<td>To a large extent the acrimony between Workers and the Management can be controlled in the beginning itself if there is a transparent communication system on Management policies. It is thus essential to have a good understanding of people management skills. Major HRM interventions needed to integrate with IR for industrial harmony in the Indian Tyre Industry post liberalization.</td>
</tr>
<tr>
<td>2011</td>
<td>Divya Upadhyay</td>
<td>Dignity of workers at workplace is important for organizational growth. Major HRM interventions needed to integrate with IR for industrial harmony in the Indian Tyre Industry post liberalization.</td>
</tr>
<tr>
<td>2011</td>
<td>Ratna Sen</td>
<td>Although Collective Bargaining is being used, it is often failing to resolve prickly issues and workers are demanding reopening of negotiations within 6 months to one year. To determine the perception of Workers regarding Industrial Relations with reference to Collective Bargaining Process, Discipline and Grievance Handling.</td>
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<td>Year</td>
<td>Author(s)</td>
<td>Title</td>
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<tr>
<td>2011</td>
<td>P Venkatarama and Subhaprada</td>
<td>Systems and worker productivity as an independent system for managing Industrial Relations in the Indian Tyre Industry post liberalization</td>
</tr>
<tr>
<td>2011</td>
<td>Avantika Tomar</td>
<td>It has become widely held premise that “people” provide organizations with an important source of sustainable competitive advantage. Employee knowledge about products, processes, and customers that is embedded in routines and social interaction patterns can create organizational capabilities more difficult to imitate than readily purchased technological capabilities.</td>
</tr>
<tr>
<td>2010</td>
<td>K R Shyam Sundar</td>
<td>State regulation characterized management of both product market and the industrial relations system in the post independent India. The logic of industrial peace determined the institutional framework of the industrial relations system in the era of regulation. Over the years, the failures of “state regulation model” concerning both the product market in the industrial sector and the industrial relations system were pointed out and there have been calls for liberalizing both.</td>
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</table>

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<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>V. Vijai Durga Prasad</td>
<td>Collective Bargaining has become a very important institution in the realm of industrial relations and extends to all negotiations that take place between employers on the one hand and one or more workers’ organizations on the other hand and one or more workers’ organizations on the other hand determine the working conditions and terms of employment. Collective Bargaining is a method by which trade unions protect, safeguard and improve the conditions of their members’ working lives. The benefit it has conferred upon workers have been overwhelming. The institution has also benefited the employers and managements in numerous ways.</td>
<td>To determine the perception of Workers regarding Industrial Relations with reference to Collective Bargaining Process, Discipline and Grievance Handling Systems and worker productivity as an independent system for managing stable Industrial Relations in the Indian Tyre Industry post liberalization</td>
</tr>
<tr>
<td>2008</td>
<td>Debashish Sengupta</td>
<td>HR a new paradigm of people management, need for strategic HR</td>
<td>Major HRM interventions needed to integrate with IR for industrial harmony</td>
</tr>
<tr>
<td>2007</td>
<td>Debashish Bhattacherjee</td>
<td>The future of Industrial Relations scenario in India should give the right to the employers to adjust employment level to maintain and improve competitiveness</td>
<td>Major HRM interventions needed to integrate with IR for industrial harmony in the Indian Tyre Industry post liberalization</td>
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<tr>
<td>Year</td>
<td>Author(s)</td>
<td>Title</td>
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<tr>
<td>1995</td>
<td>Ferris, Barnum, Rosen, Holleran and Dulebohn</td>
<td>Management, HRM and Industrial Relations (IRs)</td>
<td>Differences between IR and HRM as perceived by Major HRM Interventions needed to integrate with IR for industrial harmony in the Indian Tyre Industry post liberalization.</td>
</tr>
<tr>
<td>2002</td>
<td>Sarosh Kuruvilla and Christopher L Erickson</td>
<td>Change and Transformation in Asian IRs- Maintaining labour peace- a key to IR system</td>
<td>Perception of Workers regarding IRs with reference to collective bargaining process, discipline, grievance handling system for managing stable IRs in the Indian Tyre Industry post liberalization.</td>
</tr>
<tr>
<td>2001</td>
<td>B E Kaufman</td>
<td>HR a sub field of IR till 1960s'; IR/ HR its impact on employer-employee relationship; HRM initiatives for building a vibrant corporate culture</td>
<td>Major HRM interventions needed in the Indian Tyre Industry post liberalization which can be integrated with IR for industrial harmony.</td>
</tr>
<tr>
<td>1998</td>
<td>SR de Silva</td>
<td>Conflict between HRM &amp; IRs, flexibility in labour relations, greater decentralization of IR for employee loyalty and integration of HRM policies, strategic HRM</td>
<td>Points of commonalities and points of differences between IR &amp; HRM (Workers and Managers) of the Indian Tyre Industry post liberalization.</td>
</tr>
<tr>
<td>1997</td>
<td>Syrian de Silva</td>
<td>Changing focus of Industrial Relations(IR) and Human Resource Management-relevance of IR, HR and IR need to be enterprise focused, centralized bargaining for industrial peace</td>
<td>Differences between IR and HRM as perceived by the actors, both Workers and Managers of the Indian Tyre Industry post liberalization.</td>
</tr>
<tr>
<td>1997</td>
<td>Rajan, Volpin and Zingales</td>
<td>US Tyre Industry-considerable veil on IRs and HRM policies, conservative approach by Managements</td>
<td>Major HRM interventions needed in the Indian Tyre Industry post liberalization which can be integrated with IR for industrial harmony.</td>
</tr>
<tr>
<td>Year</td>
<td>Author</td>
<td>Summary</td>
<td>Further Information</td>
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<tr>
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<tr>
<td>1987</td>
<td>Venkata</td>
<td>In India statistics show that most of the disputes occur due to wages and allowances disagreements, workers indiscipline that lead to violence and retrenchment of workers.</td>
<td>To determine the perception of Workers regarding Industrial Relations with reference to Collective Bargaining Process, Discipline and Grievance Handling Systems and worker productivity as an independent system for managing stable Industrial Relations in the Indian Tyre Industry post liberalization.</td>
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3.5 Objectives of Research

In the backdrop of submissions made in preceding sections the objectives of the research were crystallized as follows:

**O₁**: To determine the perception of Managers regarding IR and HR in the post liberalization era in the tyre industry.

**O₂**: To determine the perception of Workers regarding IR function in the post liberalization era in the tyre industry.

**O₃**: To determine the perception of Managers and Workers regarding nature of change in strikes/lockouts, wages, working conditions and productivity in the tyre industry in post liberalization period (after 1990s) as compared to pre liberalization period (pre-1990s).

**O₄**: To determine the perception of Managers and Workers regarding major sub systems of IR with reference to Collective Bargaining Process, Discipline and Grievance Handling Systems and Worker Productivity as an independent system for managing stable IR in the tyre industry post liberalization period.

**O₅**: To compare the perception of Workers regarding IR and HR functions in the post liberalization era in the tyre industry.
O₆: To compare the perception of Managers and Workers regarding IR with reference to Collective Bargaining Process, Discipline and Grievance Handling Systems and Worker Productivity as an independent system for managing stable IR in the tyre industry post liberalization period

O₇: To compare the perception of Managers and Workers about contribution of major subsystems of IR to improved working conditions, better wages leading to higher productivity in the tyre industry post liberalization period

O₈: To determine if the Managers support the statement that Industrial Relations(IR) has remained as a non conflicting function with any other management function in the tyre industry post liberalization period

O₉: To determine if Workers support the statement that Industrial Relations (IR) has remained as a non conflicting function with any other management function in the tyre industry post liberalization period

O₁₀: To determine if Managers and Workers differ in their perception about Industrial Relations initiatives for industrial harmony and people development in the tyre industry in post liberalization period
3.6 Hypotheses

Although the research scope is more descriptive than definitive, four research hypotheses based on $O_7$, $O_8$, $O_9$, and $O_{10}$ above were crystallized as follows:

**H1:** There is no significant difference in perceptions of Managers and Workers about contribution of major sub systems of IR to improved working conditions, better wages leading to higher productivity in the tyre industry post liberalization period

**Sub Hypotheses:**

$H_{1a0}$: There is no difference between the perception of Managers and Workers about contribution of IR towards substantial increase in wages in the post liberalization period.

$H_{1b0}$: There is no difference between the perception of the Managers and Workers about contribution of IR towards significant changes in the working conditions in the post liberalization period.

$H_{1c0}$: There is no difference between the perception of the Managers and Workers about contribution of IR towards significant changes in the productivity of Workers in the post liberalization period.

**H2:** Managers support the statement that Industrial Relations (IR) has remained as a non conflicting function with any other management function in the tyre industry in the post liberalization period.

**H3:** Workers support the statement that Industrial Relations (IR) has remained as a non conflicting function with any other management function in the tyre industry in the post liberalization period.

**H4:** There is no significant difference in the perception of Managers and Workers about Industrial Relations initiatives for industrial harmony and people development in the tyre industry post liberalization period.
3.7 **Scope of Study**

There is a lack of theoretical research in Industrial Relations. Due to this factor, Industrial Relations will always be studied in a comparative framework. This study is aimed to study Industrial Relations in the context of Human Resources Management. There is considerable debate on convergence versus divergence in the field on Industrial Relations *Kerr (1960)*\(^75\); *Locke (1995)*\(^76\). In recent times Human Resource Management policies and practices at work interplay to decide the quality of Industrial Relations in any enterprise.

The study was descriptive in nature. Both secondary as well as primary research was done for collection of data. Survey Method was used to collect primary data to complete the study.

3.8 **Sample Design**

a) **Population**: Population comprised of Permanent Management Staff associated with Plant Manufacturing Operations of the 6 sample Companies and Permanent Workers associated with Plant Manufacturing Operations of the 6 sample Companies.

b) **Sampling Extent**: Study was carried out for 6 Companies spread all over India

1. Apollo Tyres Ltd. Limda, Vadodara, Gujarat
2. Balkrishna Industries Ltd (BKT), Aurangabad, Maharashtra and Bhiwadi (Rajasthan)
3. Ceat Limited, Bhandup, Mumbai, Maharashtra
4. Good Year South Asia Tyres Pvt. Ltd, Faridabad, Haryana
5. J K Tyres & Industries Ltd., Kankroli, Rajasthan
6. Kesoram Industries Ltd (Birla Tyres), Balasore, Orissa

c) **Sample Element** - Individual respondent as per population definition.

d) **Sample Size** - All sample companies employ workforce for different areas of operations through job contracts, outsourcing agencies, badlis,


temporaries and trainees. The permanent workmen are the core working at critical jobs for manufacturing operations. Since in all 6 sample companies Industrial Relations scenario revolves around the relationship between permanent group of workmen, through their union, this group was considered as respondent for this study. This group exercises its rights under the labour laws and deals with all issues related to service conditions, grievances, including arriving at settlements.

The Manpower deployment at the sample companies for plant manufacturing operations was as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Permanent Management Staff (sample taken for study)</th>
<th>Permanent Workers (sample taken for study)</th>
<th>In-direct Workmen not on Company rolls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apollo Tyres Ltd. Limda, Vadodara, Gujarat</td>
<td>225 (20)</td>
<td>190 (20)</td>
<td>2100</td>
</tr>
<tr>
<td>Balkrishna Industries Ltd (BKT), Aurangabad, Maharashtra</td>
<td>210 (20)</td>
<td>283 (20)</td>
<td>800</td>
</tr>
<tr>
<td>Ceat Limited, Bhandup, Mumbai, Maharashtra</td>
<td>206 (20)</td>
<td>267 (20)</td>
<td>2015</td>
</tr>
<tr>
<td>Good Year South Asia Tyres Pvt. Ltd, Faridabad, Haryana</td>
<td>215 (20)</td>
<td>175 (20)</td>
<td>505</td>
</tr>
<tr>
<td>J K Tyres &amp; Industries Ltd., Kankroli, Rajasthan</td>
<td>250 (20)</td>
<td>225 (20)</td>
<td>950</td>
</tr>
<tr>
<td>Kesoram Industries Ltd (Birla Tyres), Balasore, Orissa</td>
<td>295 (20)</td>
<td>350 (20)</td>
<td>1965</td>
</tr>
<tr>
<td>Balkrishna Industries Ltd (BKT) Bhiwadi (PILOT STUDY)</td>
<td>275 (18)</td>
<td>150 (18)</td>
<td>650</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1676 (138)</strong></td>
<td><strong>1640 (138)</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: These are strictly confidential figures obtained from HR Depts. on personal assurance of ensuring confidentiality and no public disclosure or use.

Since the number of Permanent Management Staff and Workers were approximately equal, it was decided to take equal sample (quota) from each group. In view of above facts the total sample size was 138 of Managers and 138 of Workers totaling 236.

e) **Sampling Technique** - Non probability quota sampling

3.9 **Tools used for Data Collection**
Two self designed questionnaires based on the objectives were prepared (Wherever required the instrument was translated in Hindi/ local language by experts to enable suitable comprehension) for Workers and Managers to collect the primary data which is mentioned below-

**Industrial Relations Perceptions Questionnaire for Managers**: This was a researcher-designed, validated and tested for reliability questionnaire used for measuring perception of managers about Industrial Relations status in India in the post liberalization era. The questionnaire for Managers was prepared in English and contained five parts. Part I solicited demographic information like qualification, company, designation, experience etc. Part II contained General questions primarily related to hypotheses, seeking perceptions on evolution and status of IR and HR pre and post liberalization. Part II also contained a few questions to seek perceptions of people regarding change in compensation and working conditions and the direction of change. The Part III contained 22 statements on likert scale to gauge the perceptions on specific objectives of HR- IR Relationship, Collective Bargaining, Grievance and Discipline Handling, and Industrial Harmony and People Development. Fourth (IV) part had some open ended questions to gain an insight into various strategies adopted by the tyre companies for various issues of IR and HR. Part V related to perception of Managers about various subsystems of HR and IR in terms of preference as being part of whether IR or HR or Both.

**Industrial Relations Perceptions Questionnaire for Workers**: This was a questionnaire prepared by researcher, validated and tested for reliability and was used to collect information about Perceptions of workers about industrial relations scenario in the India in the post liberalization era. The questionnaire for workers was similar to that of Managers with three distinct differences that is only parts I, II, and III were included and IV and V were kept out of purview based on common understanding of intellectual level of workers.

**3.10 Tools used for Data Analysis**

The responses of the Workers and Managers were organized as per objectives of research and were analyzed through descriptive statistics using SPSS and Advance
Excel. The following analysis plan was used to organize and analyze the research findings:

3.10.1 Test of Reliability- It was carried out by calculating Cronbach's alpha coefficient of reliability.

3.10.2 Test of validity- Face and content validity was achieved through a group of leading experts in the field, asking them if they think that it is a good and representative questionnaire and through Pearson correlation. The missing value analysis and test of normality were also performed to confirm data as fit to be analyzed.

3.10.3 The Chi square tests for equal proportions and t–test for equality of means was used to test the hypothesis whether the perceptions of managers and workers differ significantly.

3.11 Chapterisation

The chapter plan is elaborated as below:

Chapter One: Introduction
The first chapter introduces the present study through discussion on primary concepts like Industrial Relations (IR), Human Resource Management and linkages, integration and disparities between them. A discussion has also been done on the set of beliefs in the pre and post liberalization period. A detailed information search and reporting on tyre industry is also attempted to give it the industry specific locus.

Chapter Two: Industrial Relations and Human Resource Management in the Tyre Industry- Pre and Post Liberalization
This chapter discusses the integration of focus concepts (IR and HRM) and industry locus. Since Tyre industry is one of the labour intensive industry that contributes substantially to Indian manufacturing sector, it is hoped through induction the results will be generalized to state of Industrial Relations in the country. With a comparative assessment of the pre and post liberalization scenario, the chapter statistically examines the state of IR across the States during 4 different periods spread across 1986-2007. The subsystems of IR – Grievance Handling, Discipline, Collective Bargaining and Workers Productivity have also been discussed in detail considering
the twin processes of IR & HR and the interplay with the Industry. As a buildup to the concept of the study, the chapter further examines the current challenges faced by IR, IR scenario of India since 2005 and emergence of new trends in HRM. The chapter also deals with dynamics of IR and the expected response from HRM. To retain the focus and locus of the study, the chapter lastly critically elaborates on the current status of IR & HRM in the Tyre Industry.

**Chapter Three: Methodology**
This chapter details Research Problem, carries out a detailed review of existing literature related to the study as also concludes the justification for this research. The chapter further elaborates on objectives of the research, hypotheses, scope of study, sample design, sources of data and tools used for data analysis and hypotheses testing and chapterization of the thesis.

**Chapter Four: Data Analysis and Interpretation**
The chapter descriptively and statistically analyses findings of research that relates to the concept of IR and HRM in India with specific focus on commonalities and differences in the pre and post Liberalization eras as perceived by the actors of tyres industry. It encapsulates attitudes and perception of Managers and Workers about points of parity and departure with respect to the two concepts of IR and HRM in descriptive terms and also presents a comparative analysis of perception of Managers and Workers.

**Chapter Five: Conclusion**
This chapter summarizes the major findings in the light of limitations experienced during the research. This chapter also attempts to discuss and conclude the extent to which IR and HR have evolved and converged. It attempts to draw a roadmap of IR/HRM future expected to traverse in view of past. It includes suggestions recommendations based on findings, along with concept formulation for wider use of results. An exhaustive listing of limitations faced and limits of use is also projected for realistic application. Based on inductive generalization, results of empirical findings are generalized for other industries and the country as a whole. This final chapter also proposes agenda of testable hypotheses for future researches.