CHAPTER-I

INTRODUCTION OF THE INDUSTRIAL RELATIONS

1.1 INTRODUCTION

The term 'Industrial Relations' denotes relationships between management and workers in the industry. It has roots in the economic and social changes occurred from time to time. Therefore, the term should not be restricted to mean merely the relations between the union and the management, but a vast complex of relationship between the union and the management, management and employers, union and employees and between employees themselves. However, the major parties to Industrial Relations are the workers and the management. Both the parties have a common interest in industry, but many times they are found to be pulling in different directions, which lead to industrial unrest. Therefore, it has become necessary to secure co-operation of both the parties to improve Industrial Relation, which is a pre-condition to growth and stability of industry.

'Industrial relations,' thus have been of the most delicate and complex problems to modern industrial society. With growing prosperity and rising wages, workers have achieved a higher standard of living; they have acquired education, sophistication and greater mobility. Career patterns have changed, for larger sections of the people have been constrained to leave
their farms to become wage-earners and salary earners in urban areas under trying conditions of work. Ignorant and drenched in poverty, vast masses of men, women and children have migrated to a few urban areas. The organisations in which they are employed have ceased to be individually owned and have become corporate enterprises. Human progressive, status-dominated, secondary group-oriented, universalistic, aspirant and sophisticated class of workers has come into being, who have their own trade unions, and who have thus gained a bargaining power which enables them to give a tough fight to their employers to establish their rights in the growing industrial society. As a result, the government has stepped in and plays an important role in establishing harmonious labour-management relations, partly because it has itself become an employer of millions of industrial workers, but mainly because it has enacted a vast body of legislation to ensure that the rights of industrial workers in private enterprises are suitably safeguarded. Besides, rapid changes have taken place in the techniques and methods of production. Long-established jobs have disappeared, and new employment opportunities have been created, which call for different patterns of experience and technical education. Labour-management relationships have, therefore, become more complex than they were in the past, and have been given a sharp edge because of widespread labour unrest. In the circumstances, a clear understanding of the factors which make for
this unrest and which are likely to eliminate it would be a rewarding experience for anyone who is interested in industrial harmony.

Industrial Relations in modern times call for an interdisciplinary approaches to their study. "If we make industrial dispute, the centre of a circle, it will have to be divided into various segments. A study of conditions of work, mainly of the levels of wages and security of employment, comes under the purview of economic; their origin and development under history, the result and social conflicts under sociology, the attitude of the combatants, the government and the press under social psychology; their cultural interactions under cultural anthropology; state policies bearing on the issues involved in the conflict under political science; the legal aspects of disputes under law, the issues arising out of international aid (to combatants) under international relations the technological aspect (e.g. control of temperature and introduction of rationalisation) of disputes under technology; and the quantitative assessment of losses incurred by the parties and the country's economy under mathematics."

The relationship between labour and management is based on mutual adjustment on interests and goals. It depends upon economic, social and psychological satisfaction of the parties. Higher the satisfaction, healthier the relationship. In practice, however, it is found that labour and capital constantly strive to maximise their preferred values by applying resources to
institutions. In their efforts they are influenced by-and-are influencing others. Both of them augment their respective incomes and improve their power position. The major issues involved in the industrial relations process are terms of employment viz., wages, dearness allowances, bonus, fringe benefits, working conditions, viz., leave, working hours, health, safety and welfare; non-employment-related situations such as job security, manning and employment. Impact of work changes personnel issues such as discipline, promotional opportunities and, among others, recognition of trade unions.

The system of industrial relations functions in the context of an environment consisting of different sub-systems. It interacts with the environment and the environment influences the functioning of the system. Changes take place within the system by way of a shift in ideologies, in the values of the actors, the attitudes of an interaction among the performers; and also outside the industrial relations system, in such other areas as technology, market, legal sanction, etc. One of the characteristic features of the industrial relations system is its interactive nature. The interactions take place among the various components and between the components and the other sub-systems of the environment. As a result, both harmony and conflict have to be recognized and accepted as end-products of the system. It may be
said that when the parties become responsible and discreet in the use of power, they learn to accommodate conflict.

It is apparent that the State, with ever-increasing emphasis on welfare aspect of governmental activity, cannot remain a silent and helpless spectator in the economic warfare. This is all the more necessary because they are required to protect the interests of the public - "the third party." The legislative task of balancing the conflicting interests in the area of labour-management relations proves to be an extremely difficult one, in view of the mutually conflicting interests of labour and management. The substantive issues of industrial relations is of perennial nature and, thus, there can never be a "solution for all times to come." There can only be broad norm and guidelines ad criteria in dealing with issues of industrial relations.

Industrial Relations does not have a shape of its own. It does not have a fixed level like water. As water seeks its own level directed by the gravitational force of the earth, likewise industrial relations does not have its own level or shape: It assumes the level and shape dictated by the gravitational forces of the market. A protective, passive and slow-moving Industrial Relations dispensation developed to cater to the needs of controlled, regulated and protected market after independence in India, and continued till 1990, But today's fierce globally competitive market demands an aggressive and dynamic approach to Industrial Relations to cater to the
highly demanding market imperative like international standard of quality, competitive pricing, quick responses, high flexibility in working and fulfilling the ever-increasing demands of customers. This requires a highly flexible and business-friendly industrial relations climate.

1.2 MEANING AND DEFINITION OF INDUSTRIAL RELATIONS

The term "industrial relations" refers to the complex of human relationships which emerges in work situations. These situations bring people together for services which are bought and sold at a price. Let us examine the concept of industrial relations with the help of some definitions so as to understand the dimensions of the subject better.

In a work setting, those who offer their services are workers and those who utilise these are the employers. Between them there are interpersonal or individual relationships, and also the relations between the two groups. Their economic interest primarily brings workers to work for wages, and the employers hire their services as a factor contributing to production. Industrial relations in any work situation go beyond these economic aspects and involves several elements of human relationships in which one individual interacts and adjusts with the other, and one group understands and cooperates with the other. It is equally likely that the relationship may give rise to friction and conflict of interests.
"Labour-Management Relations" refer to a dynamic and developing concept which is not limited to "the complex of relations between trade unions and management but also refers to the general web of relationships normally obtaining between employers and employees-a web much more complex than the simple concept of labour-capital conflict."¹

Under the heading, "Labour-Management Relations", the ILO has dealt with the relationships between the State on the one hand and the employers' and employees' organisations on the other or with the relationships among the occupational organisations themselves. The ILO has used the expression to denote such matters as freedom of association and the right to organise, the application of the principle of the right to organise and the right of collective bargaining of collective agreements, of conciliation and arbitration proceedings, and the machinery for co-operation between the authorities and the occupational, organisations at various levels of the economy."

According to C.K. Johri, "Industrial relationship is a set of functional inter dependence involving, occupational, political and legal variables."²

"Labour-management relations are an integral aspect of social relations arising out of employer-employee interaction in modern industries,

² C.K. Johri, 'Normative aspects of Industrial Relations', in issues in Indian Labour Policy (Ed.) New Delhi, Shir Ram Centra for Industrial Relations, 1969.
which are regulated by the State in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the state, the legal system, and the workers' and employers' organisations at the institutional level; and of the patterns of industrial organisation (including technology), compensation of the labour force, and a study of market forces—all at the economic level."

From these definitions, one can easily conclude that industrial relations deals with the problems which arise in the context of human relationships when the workers submit themselves to being controlled by the employers.

1.3 APPROACHES TO INDUSTRIAL RELATIONS

The terms "industrial relations" is used to denote a specialist area of organizational management and study which is concerned with a particular set of phenomena associated with regulating the human activity of employment. It is, however, difficult to define the boundaries of this set of phenomena—and, therefore, the term itself—in a precise and universally accepted way. Any more specific definition must, of necessity, assume and emphasise a particular view of the nature and purpose of industrial relations. Consequently, there are as many definitions as there are writers on industrial relations. For example, the two most frequently used terms of industrial

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relations' and 'employee relations' are, in most practical senses, interchangeable; yet they have very different connotations. The former, more traditional, term reflects the original historical base of unionized manual workers within the manufacturing sector of the economy whilst the latter has come into greater use with the development of less unionised white collar employment and the service and commercial sectors of the economy. (The term 'industrial relations' is used because it is the more commonly known and used term').

The terms may be used in a very restrictive sense to include only the formal collective relationship between management and employees (through the medium of trade unions) or in an all inclusive sense to encompass all relationships associated with employment (those between individuals at the informal level as well as those of a formal collective or organisational nature).

However, it is doubtful whether the two approaches can, or should, be separated so easily-informal, interpersonal or group relationships are influenced by the formal collective relationships which exist within the industrial relations system, and it may be argued that the formal collective relationships are themselves, in part, determined by the nature of individual relationship. Clearly, the borderline between formal and informal or individual and collective relationships within organisations cannot provide a
natural boundary for the subject matter of industrial relations. In short, the various approaches are highlighted below:

(A) **Unitary Perspective**

The unitary perspective is based on the assumptions that the organisation is—or if it is not, then it should be an integrated group of people with a single authority/loyalty structure and a set of common values, interests and objectives shared by all members of the organisation. Management's prerogative (i.e., its right to manage, make decisions) is regarded as legitimate, rational and accepted and any opposition to it (whether formal or informal, internal or external) is seen as irrational. The organisation is not, therefore, regarded as a 'them and us' situation— as Farnham and Pimlott put it. There is "no conflict between the interests of those supplying capital to the enterprise and their managerial representatives, and those contributing their labour....the owners of capital and labour are but complementary partners to the common aims of production, profit and pay in which everyone in the organisation has a stake" The underlying assumption of this view, therefore, is that organisational system is in basic harmony, and conflict is unnecessary and exceptional. This has two important implications:

- Conflict (i.e., the expression of employee dissatisfaction and differences with management) is perceived as an irrational activity.
• Trade Unions are regarded as intrusions into the organisation from outside which compete with management for the loyalty of employees.

The unitary perspective is found predominantly amongst managers—particularly line-management—and, therefore, is often regarded as a management ideology. Fox has argued that management clings to this view because:

I. It legitimises its authority-role by projecting the interests of management and employees as being the same and by emphasising management's role of 'government in the best interests of the organisations, as a whole;

II. It reassures managers by confirming that conflict (dissatisfaction), where it exists, is largely the fault of the government rather than management;

III. It may be projected to the outside world as a means of persuading them that managements decisions and actions are right and the bets in the circumstances and that any challenge to them is, at best, misguided or, at worst, subversive.

(B) Pluralistic Perspective

Fox believes that this view of the organisation "probably represents the received orthodoxy in many Western societies" and is often associated
with a view of society as being 'post-capitalist,' i.e., that there is a relatively widespread distribution of authority and power within the society, a separation of ownership from management, a separation of political and industrial conflict, and an acceptance and institutionalisation of conflict in both spheres. This perspective is based on the assumption that the organisation is composed of individuals who coalesce into a variety of distinct sectional groups, each with its own interest, objectives and leadership (either formal or informal). The organisation is perceived as being multi-structured and leadership (either formal or informal). The organisation is perceived as being multi-structured and competitive in terms of groupings, leadership, authority and loyalty and this, fox argues, gives rise to complex of tensions and competing claims which have to be 'managed' in the interests of maintaining a viable collaborative structure' the underlying assumption of this approach, therefore, is that the organisation is in a permanent state of dynamic tension resulting from the inherent conflict of interest between the various sectional groups and requires to be managed through a variety of roles, institutions and processes. The implications of this view for the nature of conflict and the role of the trade unions are very different to those of the unitary approach.
(C) Radical Marxist Perspective

The radical perspective, which is also often referred to as the Marxist perspective, concentrates, on the nature of the society surrounding the organisation. It assumes and emphasises that the organisation exists within a capitalist society where, Hyman argues, "the assumes and production system is privately owned.......; profit......is the key influence on company policy........; and control over production is enforced downwards by the owners' managerial agents." The Marxist general theory of society argues that:

I. Class (group) conflict is the source of societal change-without such conflict, society would stagnate;

II. Class conflict arises primarily from the disparity in the distribution of, and access to, economic power within the society-the principal disparity being between those who own capital and those who supply their labour;

III. The nature of the society's social and political institutions is derived from this economic disparity and reinforces the position of the dominant establishment group, for example, through differential access to education, the media, employment in government and other establishment bodies, etc.;
IV. Social and political conflict in whatever form is merely an expression of the underlying economic conflict within the society.

1.4 VISION OF INDUSTRIAL RELATIONS

Industrial relations is not an 'objective' science Prof. Salamon observed, there are no simple objective facts in industrial relations. This is not to deny the presence of important issues and debates in industrial relations apart from those entangled with the conflictual/consensual relationship of the participants. The loftier issues center around such concepts as fairness/equity, power/authority and individualism/collectivism. You can infer these topics from at least two of the objectives that Nair & Nair attribute to industrial relations:

- The development of healthy employer-employee relations
- The maintenance of industrial peace and high productivity
- The development and growth of industrial democracy

Nair & Nair thus, cited Kirkaldy (1947), according to whom there are four objectives for industrial relations:

- Improvement of economic conditions of workers.
- State control on industries for regulating production and promoting harmonious industrial relations.
• Socialisation or rationalisation of industries by making State itself a major employer.

• Vesting of the proprietary interest of the workers in the industries in which they are employed.

Given these overall goals and objectives, it is not surprising that the field is engaged in a number of policy and operations-oriented activities. Some of these focus on the relationships between the employer and individual employees, while others deal with management and organised and other labour groups. Still another area to which industrial relations activities contribute significantly is that of overall industrial goals such as productivity, labour peace and industrial democracy. Your attention is now directed as some of these:-

(A) **Industrial Harmony**

  Literally, harmony is a state of agreement in feeling, interests, opinions, understanding, co-operation, etc. At macro level industrial harmony stands for agreement in feeling understanding, co-operating, government and society. It is the pleasing combination of above related elements. At micro level Management, Workers and Trade Unions are internal variables whereas competitors, Govt. and society are external variables of industrial harmony.
(a) **Rationale for Industrial Harmony**

Any developmental efforts would be inadequate and their impact in the organisational growth and development will be marginal unless the development efforts are directed to cover all sections. Even the most developed managers would find it difficult to achieve corporate objectives in the company of stagnant, alienated and demotivated workforce. If competent and qualified managers could alone run the organisation, workers would not have been needed.

In any organisation, workers constitute 70-80% of the workforce. If the organisational efforts are directed to develop this resource to unleash the latent potential in them, the organisation will bloom with energy leading to pleasant workers-management harmony.

Several development having long term consequences of industrial harmony are taking place which require increasing attention to develop the workers.

(b) **Changing Profile of Working Class**

The modern worker is no more a dumb entity. Today he is more articulate, demanding and knowledgeable. If the potential of modern worker is allowed to be developed, he is capable of graduating to new positions requiring better application of his knowledge and skills. Conversely, if he is neglected and alienated, he can prove to be a big social liability.
Modern industrial worker is today much better compensated than perhaps, his brethren in other sectors. But his needs are now changing. Together with this, the new worker has desire to have a say in organisation matters. The continued political pressure for worker's participation in management is an additional factor, which should an organisation to focus on developing around capabilities in workers, which enables them to participate meaningfully in the matters concerning them.

(c) Technological Change

The Technological Changes are forcing organisations to adopt new structures and to adopt new environment. Obsolescence of certain jobs due to technological up gradation will make it irrespective for organisations to prepare workers with new skills and attitudes to cope with changes. Recent spurt in computerisation calls for training, retraining and job shifting for workers. They also need confidence to adjust to technological revolution in view of confused talks about workers future in a new technological context.

Apart from this, organisations must find ways to the whole person in the job so that work and life are related more meaningfully. In this context, it should be recognised that money alone is an insufficient motivator and work must be viewed with a sense of satisfaction.
(d) The Host of Factors Affecting Industrial Harmony

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Balancing the internal factors and external factors to maintain the industrials harmony is rather difficult but not impossible.

All these variables invariably present threats to industrial harmony specially in democratic country like India. Because people have educated themselves about the fact that without their efforts industry cannot stand forth.

(e) Emerging Public Sector

In developing country like India, Public Sector has come into being as a major instrument of economic and social transformation. Public sector seeks to achieve the commanding heights of our national economy. A major challenge to Industrial Harmony in Public-sector is the heterogeneous composition of workforce in so far as their education exposure and work attitudes are concerned. The population 'Mix' of workers category comprise workman form socially disadvantaged groups, women and other category
like physically handicapped and representations from religious minority groups. It becomes more significant how to maintain harmony as each group has its own assumption about the other and biases and prejudices based on consideration of caste, sex, language and religion calls for much more integrated effort to create cohesion in the work force.

(f) Management Mechanism to Maintain Industrial Harmony-(At Organisational Level)

Management may play vital role in harmonising workforce. Approach may be form individual development to organisational development. Need based skill & behavioural development of an individual approach may be positive attitude towards Internal Industrial Harmony.

(B) Employer to Individual Employee Relationships

This relates to the areas of management focus in relation to policies and practices that ultimately affect the productivity and well being of their employees as individuals. With a view to optimising the interests of the employer and those of employees, these comprise fields such as:-

- Wages and salary administration.
- Career prospects inclusive of planning and promotion.
- Retirement benefits and medical benefits.
- Discipline and redress of grievances.
Training & Development.

Counselling.

Workers’ Compensation, connected and related issues such as insurance.

(C) **Labour Management Relations**

Distinct from Employer-Employee relations in this area, which relates to relations between the employer as a management body and its workers as a recognised group or set of groups, it covers rights, protocols and practices, often regulated by a legal structure, related to-

- Management (with concepts like 'management rights').
- Formation and recognition of unions to represent the interests of the employees.
- Collective agreements.
- The settling of industrial disputes.

Through these bodies, management and labor negotiate and enforce the establishment of welfare measures and benefit schemes. Another focus of labour-management relations are health and safety regulations and programmes at work.
(D) Industrial Peace and Productivity

One of the most important aspects of industrial relations is to maintain industrial peace and, thereby, increase productivity. It depends on the quality of the union-management relations at workplaces. In fact, proactive labour administrations of some countries have changed their focus from being a law enforcer to a facilitator to maintain industrial peace. Rather than resolving strikes by unions, good industrial relations means averting strikes through proactive interaction. Productivity is another important area in which industrial relations becomes significant. In the highly competitive area of global business, maintaining high productivity is important for the survival of organisations. A few other areas of focus for Industrial Relations are:

- Upgrading technology and production methods.
- Securing employee commitment and cooperation in improving productivity.
- Minimising 'man days lost' per year.
- The retraining and redevelopment of surplus labour.

(E) Industrial Democracy

The nature of the relationship between employees and management in the organisation's decision-making process is central to the character and conduct of the industrial relations system at the organisational level.
Industrial democracy is also known as worker's control. According to Salamon, this is a socio-political concept or philosophy of industrial organisation, which focuses on the introduction of democratic procedures to restructure the industrial power and authority relationship within organisations. He further argues that thereby it creates a system which involves 'determination by the whole labour force of the nature, methods and indeed purpose of production.' Salamon elaborates that the central objective of industrial democracy is the establishment of employee self-management within an organisation, whose ownership is vested in either the employees or the state and whose managerial function is exercised ultimately through a group, elected by the employees themselves. This group has the authority over all decisions of the organisation, including the allocation of 'profits' between extra wages and reinvestment.

(F) Liaison Functions

In addition to the above, the IR function has also a liaison role within it. Those who are responsible for the IR function in an organisation have been to play a key and central role in the formulation of the industrial relations policy of the organisation. This is at a conceptual and policy level, but there are other activities which take IR personnel out of the organisation for the likes of liaison with government and local government authorities.
such as labour officers/inspectors etc., participation in judicial and semi-judicial dispute settlements, participation in labour conferences and so on.

1.5 INDUSTRIAL RELATIONS IN INDIA PRIOR TO BRITISH RAJ

India was predominantly a pastoral and agrarian economy during ancient and medieval times. Trade and business were few and far between. Manual services formed the third rung of organisational occupation. A large number of occupations were carried on by small manufacturers in their cottages, mostly on hereditary basis. Slavery and serfdom were common. The Employer-Employee relations were those of master and slave and, later on, of those of master and servant. Ancient scriptures and laws of our country laid emphasis on the promotion and maintenance of peaceful relations between capital and labour. From very early times, craftsmen and workers felt the necessity of being united. The utility of unions has been stated in Sukla Yajurveda Samhita, "If men are united, nothing can deter them." The description of unions of workmen in different occupations is found at many places in the Vedic literature and Shastras. Kautilya's Arthashastra gives a comprehensive picture of the organisation and functions of the social and political institutions of India and a good description of unions of employees, craftsmen or artisans. During the period of Harsha, we hear of "Shrenis " and "Sanghs" as well as unions of labourers
and employers at Kanauj. During the days of Vikramditya (of Ujjain), there were well-organised guilds known as "Shrenis" or "Kulu". These guilds worked according to their own bye-laws for the management of the unions. From the earliest Buddhist literature, it appears that "Puga" and "Shreni" elected its chief who was called Pramukha or Jyestha. These guilds and corporations often wielded considerable political power and influence. Rhys Davis mentions 18 unions while Cambridge History of India speaks only of 4 organised unions. Majumdar gives a list of 28 unions on the authority of Jatakas and other works as well as inscriptions.

The Indian works of arts and crafts were badly damaged during the invasions of foreign invaders, which lasted for about 700 years. To save themselves from the onslaught of these invaders, the craftsmen, artisans and unskilled workers fled in large numbers from their original homes and sought refuge in distant villages. These artisans gradually lost their traditional skills. Their conditions deteriorated to such an extent that there was hardly any difference between an artisan and a slave.

The situation improved only after the restoration of law and order under the Mughals. Bernier has observed, "Different kinds of work such as embroidery, goldsmiths' work, varnishing, tailoring, leather work, making of pots, polishing of metals with gold or silver, weaving of silken clothes and superfine muslins, were carried on in big apartments known as the
Karkhanas. Under Emperor Akbar, the government factories worked at Agra, Lahore, Fatehpur and Ahmedabad, where employees could develop their respective arts."

All contemporary travellers and historians agree that the industry of manufacture of wool and its cloth was in a very highly developed condition in Kashmir. For this purpose, the royalty patronised the skilled craftsmen and artisans under the supervision of government officials in royal workshops, which were located in different capital towns. The articles produced by these craftsmen were mostly consumed by the Mughal emperors and the members of the household and nobles.

The commercial character of the East India Company did not change the conditions of workers. After the abolition of the monopoly of the East India Company in 1883, the British Industrialists and merchants were able to develop some industries (Cotton, Jute, Railways, Plantation, Coal-mines etc.) and trade in India.

1.6 INDUSTRIAL RELATIONS DURING COLONIAL PERIOD

Industrial relations is a by-product of Industrial Revolution and it owes its origin from excessive exploitation of workers by the owners of industries. The relationship was that of two unequal—the powerful employers and powerless workers. It was, in fact, a master-servant relationship which continued for long. In the early stages, the Government adopted the policy of
Laissez-faire and, later on, enforced penalty on workers for breaches of contract. Some legislative measures were also adopted for the purpose. Sporadic attempts were made to form trade unions, which were resisted and crushed by the employers.

The First World War is the first milestone enroute to industrial relations in India. It created certain social, economic and political conditions, which raised new hopes among workers in industries. It was for the first time, that workers realised their importance that unless they produce goods required for wars (like steel, etc.), the wars cannot be fought successfully. After war, prices of consumer goods also become dearer. This led to intense labour unrest because workers' earnings did not keep pace with the rising prices and their rising aspirations. Many other events happened which accelerated the pace of industrial relations during the period:-

- The success of Russian Revolution in 1917.
- Establishment of ILO (1919) and the influence of its conventions and recommendations.
- Constitutional Development in India and formation of central and provincial legislatures in 1919.
- Establishment of AITUC in 1920.
The happenings at Carnatic and Brimingham Mills in which Mr. B.P. Wadia was arrested in 1923.

Emergence of left wing on the Indian political horizon in 1924.

Influence of British liberal thoughts.

Pressure by British Industrialists of Lancashire and Birmingham.

The Indian Trade Union Act of 1926.

The Trade Dispute Act, 1929.

Formation of Royal Commission on labour, 1929-31, which made a comprehensive study of Indian Labour problem regarding health, safety and welfare of workers and made recommendations of far reaching consequences.

The Second World war gave a new spurt in the industrial relations field. The exigency of the war made it essential for the Government to maintain uninterrupted flow of goods and services for successful conduct of military operations. Therefore, the Government of India embarked upon a two-fold action for maintaining/countering industrial relations:-

I. Statutory Regulation of industrial relations through the Defence of India Rules- Even though the Defence of India Rules lapsed after World War II, Rule 8IA which regulated industrial relations during the war was kept alive for six
months by an ordinance. Meanwhile, the tripartite deliberations during 1942-46 on the revision of Trade Disputes Act, 1929, helped the Union Government in enacting the I.D. Act, 1947, which laid down a comprehensive dispute settlement machinery to be applicable to all the States. The Act retained one of the principal features of the Defence of India Rules, viz. compulsory adjudication of industrial disputes.

II. Bringing all the interests together at a common forum for shaping labour policy, the tripartite consultative system was one of the important developments in the sphere of industrial relations in our country. Tripartite consultation epitomises the faith of India in the ILO's Philosophy and objectives. The need for tripartite labour machinery on the pattern of ILO was recommended by the Royal Commission on Labour as early as in 1931. But the first step in this direction was taken only in the year 1942, when the first tripartite labour conference was held at New Delhi under the Chairmanship of Dr. B.R. Ambedkar. The conference consisted of two organisations, namely, the Indian Labour Conference (ILC) and the Standing Labour Committee (SLC).
The objectives, set before the two tripartite bodies at the time of their inception in 1942, were:-

I. "Promotion of uniformity in labour legislation;

II. Laying down of a procedure for the settlement of industrial disputes; and

III. Discussion of all matters of all-India importance as between employers and employee." The function of ILC, as viewed by Dr. Ambedkar, was to advise the Government of India on any matter referred to it for advice, taking into account suggestions made by various State Government and representatives of employers and workers. These tripartite bodies were essentially deliberative, recommendatory and advisory in nature and the area of their operation depended on the discretion of the Central Government.

Tripartite deliberations helped to reach consensus, inter alia, on statutory minimum wage fixation (1944), constitution of tripartite industrial committees (1944), introduction of a health insurance scheme (1945) and a provident funds scheme (1950). Thus, it led to the passing of three important central labour laws, viz. the Minimum Wages Act, 1948, the Employees’ State Insurance Act, 1948, and the Employees’ Provident Funds Act, 1952.
The dawn of independence saw the mushroom growth of trade unions and a plethora of labour legislations and this led to the furtherance of litigations and bitter industrial relations not only between the employers and trade unions but between multiple trade unions themselves-trade union-rivalries.

This was the period when Industrial Police Resolution, 1956, facilitated the growth of the public undertaking both at the centre and state level. Through these PSUs, Govt. wanted to present a role-model of industrial relations as "Model-Employers."

In the year 1957 (15th ILC) the voluntary schemes for workers' participation in management and workers' education schemes and in the year 1958 (16th ILC) voluntary code of discipline and voluntary code of conducts were introduced to counteract the unhealthy trends of litigations and delays. In the year 1969 the First National Commission on Labour was formed under the chairmanship of Justice Gajendragadkar which made significant recommendations but most of them could not be implemented. This is also the period when nationalisation of industry was at its peak. Many banks, sick textile mills, sick steel plants and collieries, etc., were nationalised. In banks, workers' directors were put on the Board of Directors as per the Bank Nationalisation Act.
This is the period when militancy and violence crept in which gave rise to many wasteful and restrictive practices in the working of industries, especially of Public Undertakings. The results was that many of the industries especially the Public Sector ones became weak, sick and many of them got closed. Emergency of 1975 had its share of impact on industrial relations. Mrs. Indira Gandhi, the PM, wanted to salvage her image as a democrat. Therefore, she amended the constitution (Article 43 A) to provide for workers' participation and added Chapter VB in the Industrial Dispute Act 1947. The Janta Government and each successive Governments, thereafter, competed with others to provide measures for protection of workers' interests and formation of workers' welfare.

In the later portion of 70s and 80s the Indian judiciary has displayed unprecedented judicial activism by giving pro-labour judgments, which had tremendous impact on industrial relations. This was the period when amendments in IDA led to inclusion of Secs. 2A, 9A, 11A, 17B & Chapter VB (Secs. MNO) Contract Labour (R & A) Act, 1972, was passed and sec-10 of the act was interpreted to automatically absorb the contract-workers, if they have worked for substantial years on permanent and perennial nature of job, etc. This provided excessive protection to labour.
1.7 INDUSTRIAL RELATIONS IN POST GLOBALISATION PERIOD

In the Post-Industrial Society, technological revolution has created a situation where space, distance and time have lost their relevance. National boundaries have completely withered away. The world has really become a global village. This has facilitated the movement of business across the borders. Therefore, global entrepreneurs, better known as MNCs and TNCs, have come up with multi-locational and multi-cultural characteristics. The business skyline is completely changing by continuous mergers and acquisitions across the globe. Global competitiveness is the only rule of the global business game where only the fittest can survive.

There circumstances, it was not possible for India to remain isolated and insulated from the global charges. Hence, India embarked on a New Economic Policy (1991). Some of the features of this policy was as under :-

- Core sectors have been opened for Private Sectors.
- Multinationals are allowed to invest in India in non-strategic sectors-
  Inflow of FDIs.
- Banking and Insurance Sectors are opened to investment by foreign FIIIs.
Restrictions and regulations on Industrial licensing and inspections were relaxed.

India, being member of W.T.O., I.M.F., and W.B. - declared as its policy to follow their guidelines. Quantitative restrictions on imports/exports are being reduced.

Core conventions (forced labour, child labour, etc.) of ILO started influencing our trade and business.

Disinvestments of PSUs (both Central and State) have become a reality.

The new economic policy brought spurts of industrial activity by private entrepreneurs manufacturing, services and trading sectors. A good number of foreign players also started coming in India, but their thrust has been predominantly towards service and non-infrastructural sectors. We also saw the growth of joint venture of Indian and foreign collaborators in banking, insurance, IT, telecom, BPOs, automobiles, hotels and entertainments, fast food and drinks, tours and travels and hospital/pharmaceuticals, etc. The giant multinational like GE, GM, Toyota, IBM, Microsoft and many others have started showing interest in the big Indian market. The cheap Chinese goods have also made inroads.
SAPTA is being activised for increasing business and trade in the subcontinent. India is getting closer to ASEAN to gain from business relations, besides being an important member of the SAARC forum.

The traditional industries are facing acute competition and they have also started thinking smart, shedding their extra baggage by resorting to re-structuring and re-engineering. This has been necessitated also by day-to-day technological innovations and their application in industry. The exercise amounts to generating surpluses and its management. This has created real HR crisis for the "sunset industries."

The profiles and requirements of emerging "sunrise industries' are entirely different from the requirements of the sunset industries, mentioned above;

- The required Organisational Structure is not a monolithic and pyramidal one. It is flat, lean and smart, almost leading to virtual organisation.

- The offices are intelligent, paperless and fitted with all modern electronic gadgets which require very little manpower.

- Employers are global, with multi-locational working dispensations. They like to approach their employees directly without intervention of any outside agency like trade unions. They negotiate with their employees on all matters including compensation package and
productivity. Encouraged by the success of new management principles, they introduce HR interventions like QCs, workers empowerment, term-working, etc, to reach the workers directly.

- The employees are knowledge-employees-younger, educated, full of expectations and aspirations and career-oriented. The manpower is diverse, multi-cultural/lingual employees and a sizeable number of female employees. Their problems and perspectives are different from those of old blue-collar employees.

New players like Consumer Forums, NGOs, Environmental Campaigners and Electronic Media are replacing trade unions in many grey areas. Flexibility has become of vital importance, which may be enterprise flexibility like outsourcing, franchising, etc. or labour flexibility like Numerical flexibility (size of workforce), Skill flexibility (Composition of workforce), Functional flexibility (Job Employment, Job Enrichment), Locational flexibility (flexi timings), Pay flexibility (flexi pay) and Place flexibility (flexi-working places-Home working), etc.

Contracting out of non-core activities like catering Services, Upkeep of work places/offices, Sweeping/Dusting/Cleaning, Wathching/Guarding, Parking, courier Services, Medical & Health Services, Education Training, etc., have become common. Changing Pattern of Managerial Practices-Diverse Forms of Employment-Life-long employment vs Short-term
employment, Part-time, House Worker, Contract Worker/Contingent Worker, International Workers are regular features. Changing nature of work-Robotised working, Unmanned Work Station (Power-Plants), Office less work (Journalists, Sales Executives), Establishments-Open 24 hours, 365 days (Banks, Restaurants, Call Centers)- is yet another new phenomenon.

Use of electronic gadgets in the offices like telephones Mobile Phone, Computers, E-mail, S.M.S., Internet, etc., have made them smart and self-reliant. Pressure from international bodies ILO/WTO/WB/IMF, International Labour Standards-are exerting pressure on Industrial Relations, are creating problems for traditional industrial Relations. These business scenario requires a different brand of Employees-Relations.

### 1.8 OBJECTIVES OF THE STUDY

In any business organization proper coordination of all stable holder is inevitable for the purpose of the achievement of the group goals of the business. As the organizational size become enormous/big the decentralization becomes the necessity. Although the individual or the sub group goal should usually harmonized with the group goals but at times they conflict each other thereby endangering the industrial relation which in the long run prove detrimental to the objectives of the organization. The organizational function like planning, organizing, directing, controlling &
coordination are all different in nature but they are inter related to each other in a systematic manner. One thing which is common behind the veil of every function is human resources which may be skilled, unskilled etc. They have to work at a single platform for some task or objectives in such situation or conditions to bring all human beings under a single umbrella in any organization either willingly or compulsorily.

Industrial relations provides the way for the same in an amicable and harmonious manner. Industrial relations provides opportunities for negotiation and settlement of any matter in the organization. After considering the above stated matter, we can say that it is the interest of every person or a single task in the organization which governs the decision making. Interest is the main base for the development of the management associations and trade unions. The profit maximization is the main aim of management where as wages, salaries, incentives, benefits and facilities is the interest of trade unions. As they are conflicting objectives the harmonization of the same is the big necessity. In this regard, the trade union and management association have to play a pro-active role so that the industrial relation in the organization remain as per the requirement.

The trade union is said to be a weapon in the hands of labour, worker but due to internal differences, political interferences, multiplicity of trade unions, illiterate labour lack of market knowledge in the current scenario is
weakening and making trade union in effective for the purpose for which they are formed. The divide and rule policy of management has also created indifference in the ideology of trade unions. The study aims at identification of such reasons and suggest remedial measures for the same.

The management association are concerned with the profit maximization and generally they adopt system of negotiation to achieve the active participation of trade unions. In the changing scenario, the management association has to work on different parts with the labour like education, training and development, social welfare, wages and salary system and upgradation of the technology. The study aim at identifying and analyzing the state of management association in the present scenario with an impetus on how the management association can be helpful in developing healthy industrial relations. In India, a third dimension which in the government policies, rules and negotiation etc. also help in developing healthy industrial relations.

In a nut shell, the objective of the study is to evaluate the impact of trade unions and associations on the Industrial relations by making a comparative study of a few industries in the public and the private organization. A few organization that will be the subject matter of the study are :-
1. BHEL
2. IFFCO
3. ITI
4. Dabur India Ltd.
5. Mohan Meakin Ltd.
6. Mawana Sugar Works Ltd.

1.9 RESEARCH METHODOLOGY

To achieve the objectives of the study, detailed analysis of the existing literature on the industrial relation have been worked out. For the purpose of this the different resources like libraries, websites and other secondary sources like research journals, news papers have been thoroughly study. The use of primary data has also been made to achieve the objectives of the study which includes the framing of a questionnaire on the different angles of the industrial relations. This has been fulfilled by the different strata of the stake holders to understand the perspective of industrial relations from all the sides. The use of various other secondary sources like published annual reports, other insider information about the company have been evaluated to analyze the effect of the industrial relation in the organisation.

The different information and data so generated has been analysed statistically to reach to the conclusion that which are the barometers, that
effect the quality of the industrial relations in the organisation. The questionnaire so frame have been used for the purpose of comparing the state of the industrial relations in different organisation. In our study three organisation representing the private sector and three representing the public sector have been used for analysing the state of industrial relation prevailing these organisation.