PART ONE:

THE BACKDROP
CHAPTER I
LABOUR-MANAGEMENT RELATIONS — INTRODUCTORY
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OUTLINE

* The Concept and Overview
* Factors Affecting LMR
* Systems
* The Styles of the Three Actors
* A Model

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THE CONCEPT AND OVERVIEW

For ages, people have been living together in groups termed variously as family, society, industry, state etc., with certain customs, traditions, rules and laws. Formal and voluntary organisations make their own regulations, while informal relations in the family and market-places are carried on by conventions. There exists a wide variety of relations among the people of various organisations. With the passage of time and the evolution of approaches and behaviour of persons concerned, changes take place in their relations too. The phenomenon of relationship is everchanging and has been undergoing many experiments.

When a person enters the service of another person or organisation — by whatever term the latter is called, they two have a contractual relationship governed by the existing
customs and laws at the place as well as at the point of time. The employing party is known as the employer; the one employed is known as the employee. Both the parties have expectations of their own from the relationship. In a developed industrial society, the terms employer and employee/s have evolved into the terms management and labour. Let us be clear about them, in brief.

The term labour is used to convey different meanings eventhough, while discussing labour problems, the word labour, labourer, worker, workmen and employees are used interchangeably. In economic parlance, any work, whether manual or mental, undertaken for monetary consideration is known as 'labour'. Therefore, highly trained or skilled technicians as well as clerical and salaried staff are as much a part of labour as the unskilled or semi-skilled manual workers. Sometimes, the term 'labour' is used to mean "working force" or "labour force", collectively; then it includes all persons who work for a living, as distinguished from those like housewives and children who do not or are not expected to work for a living. In this sense, labour is synonymous with human resources. In any case, the sense in which the word 'labour' is used at a particular place is generally clear from its context.

As a factor of production, labour is the most important one. The utilization of other factors largely depends on the proper utilization of energy and time on the part of
workers. Workers are human beings, and have their own attitudes and aspirations. If they are handled tactfully, it may lead to success of production. Moreover, in the present-day-times, labour is more organised and conscious of its rights. Hence, a sound and shrewed dealing with them is necessary. While differentiating "labour" from other non-human agents of production, Reynolds\(^1\) states that man is the object and the author of economic activity and that the test of an economy's performance lies in the net satisfaction it yields to the population. The relevant satisfaction (or, dissatisfaction) includes that of those associated directly with work as well as that derived from consumption. A machine used in production does not experience pleasure and pain. A human being does. Again, he differentiates labour from capital and land agents. He also points out that "land and capital are owned by outside agents but, except under the unusual condition of slavery, the worker owns himself. He decides the direction in which his productive capacity is to be deployed".

According to him, labour is also comparable to capital. "Like capital it can be defined either as a stock of productive instruments existing at a point of time or as a flow of

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services yielded by those instruments over time. In the stock sense, labour is the totality of people counted to be in the labour force, with whatever skills and productive capacity they possess at the moment. This is the 'human capital' of the nation, a very old concept in economics. The individuals included in this stock are heterogenous and difficult to add up in any meaningful way, but this is equally true of machines, buildings and other capital goods. In the flow sense, labour is the number of man-hours available or used in production over a period of time."

As regards the employer/management: To-day's manager has achieved his position, primarily, not because of financial assets, but because of his skill, ability and knowledge. There are still thousands of family-owned businesses in our country, but these are usually of relatively small sizes. The numbers of medium and large-sized organised enterprises with diffused ownership are escalating rapidly. This has led to the separation of ownership from management. The board of directors in a company seeks to appoint competent managers. Since the industrial technology has become extremely complex, the required managerial skills are becoming equally complex. Multiplications of laws and regulatory measures, economic and fiscal controls, complicated taxation

2. Ibid, pp. 21-22.
structures, increasing organizations of labour and militant trade unionism, consumerism, and a variety of factors have contributed to the development of professionalised management. It is true that these managers are employees, but, in Indian conditions, frequently they tend to identify their interests with the owners of the business. Thus, management has been regarded as a specialised group or class of people.

'Management' also connotes a distinct kind of process or functions. Koontz and O'Donnell describe the management as having five functions - planning, organizing, staffing, direction and controlling. Newman and Summer state that the total task of management can be divided into organising, planning, leading and controlling. Prof. Beach claims that management is the process of utilizing material and human resources to accomplish designated objectives. It involves the organization, direction, coordination and evaluation of people to achieve these goals. Many other thinkers and writers defined and/or described the term in multiple ways in the light of their own experiences, analyses and approaches.


A review of the important literature leads one to conclude that there are almost as many definitions of management as there are writers in the field. One feature that gets evolved from all of them is that management as a process includes a series of functions and operations that may be grouped differently by managers or writers but that are omnipresent.

Again, if we enlist the daily activities of a manager, we will find that he spends a substantial part of his time in interacting with other people. For example, while preparing plans, he consults his colleagues and subordinates; while organising, he works closely with his subordinates to define and guide relationships among them. At times he conducts and at times he participates, as a member, in decision-making meetings. He also devotes a great deal of his time communicating with others. Thus, the role of the manager is to assemble the best team he can obtain and then motivate and guide that team to accomplish set objectives. In short, management seeks accomplishment of results through other people. It seems, therefore, that the essence of management is the activity of working with people to achieve results. It may involve, for this, planning, organising, training, motivating, communicating with and coordinating others. Lawrence A. Appley has maintained that management is the development of people and not the direction of things. The management may be (i) entrepreneurs themselves or (ii) hired

managers. In both the cases it is the performance of the management function that is the criterion.

Labour-Management Relations (LMR) are as old as industry. Like any other milieu, LMR have undergone a continuous change. Prior to the Industrial Revolution, the 'master' and 'servant' relationship was in existence, which was simple and personal in nature. But, with the increase in industrialisation, such relations became growingly impersonal and indirect. The workers became mere wage-earners and were detached from the means of production, while the owners (shareholders) were separated from the actual conduct of business affairs. They were widely scattered and were concerned with the safety/appreciation of and dividend incomes on their investment. In theory, the Chairman and Directors are under the control of shareholders; in practice, they manage the whole show almost free-reins. The real owners of the industry are, therefore, hardly concerned with the needs, aims, aspirations, difficulties and problems of the workers employed in the companies in which they have a share-holdings.

The industries are mostly voluntary organisations in nature, as the workforce "choose their own job and place of work, though work people have little opportunity to select their workmates and necessity compels them to work". There is a wide area of relations in any industry, where workers

and their employers live together about eight hours a day for about three hundred days in a year and for about thirty to forty years of their lives. The interests of these two parties may not always be identical but they have learnt and will continue to learn that if they have to survive, they will have to arrive at some point of reconciling their differences. Both have realised, from their conflict experiences, that cooperation pays.

Some of the expectations of employers and/or workers may not be congruent. On the other hand, there are areas in which the interests of employers and workers coincide. It is very difficult to make a generalised demarcation of the areas in which their interests may clash or coincide. The degree of incongruity may vary with situations. The interaction of various factors affecting their relationship at different times and places is too complex to provide for a universalised sharp distinction. The subject of LMR encompasses the wide and ever-changing relations-continuum between employers and employees.

Industrial development has brought about many changes in the attitudes of the employers and workers. Their pattern of behaviour has undergone many adjustments and readjustments. Their ways of living have also got metamorphosed. In the words of V.G. Karnik⁸, "With the transformation of feudal society into the industrial society, the method of production underwent

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a radical change and it was not difficult for people to get used to the new mode and method of production. But to effect a change in the ways of living was a difficult exercise. In industrial society, people had to make radical readjustments in their behaviour pattern. The old feudal ways of living could not cope with the problems of the new industrial society. Industrial revolution released forces of freedom and self-reliance. Both the industry (employer) and the workers had to adjust to the new changes and challenges." In the initial period of Industrial Revolution, employers had developed an authoritarian approach towards their workers. They tried to extract and exploit as much work as they could, with long hours of work, inferior working conditions and almost no welfare amenities. They treated workers as commodities and cogs in machines. They used arbitrary powers and expected unquestioning obedience from the latter. For quite some time, the harsh conditions imposed by the new rulers were accepted by the workers. But then the social awakening came through the efforts of social reformers and philanthropists. The workers could not revolt for long against the exploitive attitudes and conditions. However, the effects of their miseries had laid indelible imprints on their minds. The increasing awareness provided a base for protests and organised agitation, even if piece-meal and scattered over place and time.

The authoritarian behaviour of employers, therefore, gradually got replaced by benevolent paternalism, when
employers extended certain amenities 'which were considered good for them and not by them'. It is not true that such a change reflected the real change in the attitudes of the employers. In most of the cases, this change was accorded for pleasing the Government and consumers. Such policies created suspicion and disconfidence among workers. On one side, employers did not recognise the provision of such facilities as their obligation towards their work-force; on the other, labour became more conscious and organised. Hence clashes and conflicts resulted. They had a chain impact on the approaches of employers, and generated governmental intervention. Many regulations and rules for improved working conditions, safety, working hours, welfare amenities, etc., were enacted and executed. Over decades, a huge and complicated 'Labour Laws' got built up in industrially advanced countries including India. Bi-partite and tri-partite consultative organisations, too, have been established.

In many progressive organisations, labour is treated on 'human' grounds. This trend is rising particularly in democratic countries, where the labour is well-organised and conscious of their rights and duties. Under such an approach, labour enjoys many amenities and opportunities. The worker can be free and frank in dealing with his supervisor and manager. His needs are satisfied to the maximum possible extent. The most advanced approach of some of the employers

9. Ibid.
is that they have started treating their workers as partners in production rather than as part of production. Human resources are being recognised as the most precious assets. There the trend is of decentralisation of power, delegation of authority and participation by labour in management at different levels.

Management attitudes towards labour present a wide spectrum. At one extreme there are the employers who show a just, equitable, optimistic and sympathetic attitude towards labour; they try (a) to understand labour's problems and interests and (b) to generate a cooperative LMR. At the other extreme are employers who are pessimistic, antagonistic, severe and cynical; they arrogate to themselves infallibility of judgement and over-centered authority. In between there is a variety-continuum. In some instances, the managements are paternalistic of the 'papa knows-the-best' type, with the father figures de facto engulfing the employee independence, initiative and personality though the conditions of employment, wages and amenities are most satisfying.

A management's attitude often depends on the kind of labour it has to deal with. Some managements have one kind of stance regarding salaried, professional and technical personnel, and a different one for the employees in the plant -- there are sometimes different approaches towards the skilled and unskilled workers, too. But, the basic distinction
is always between organised labour and the individual. Unionised workers are regarded quite differently, at least by some managers. Sometimes that segment of labour is understood as a 'misled mass'. The more temperate managers usually view the introduction of union into their firm with grief and sometimes with unexpressed guilt. The latter reaction is reflective of their failure. In some way, their personnel policies are deficient so that their workers are compelled to form a union.

Selekman and others\textsuperscript{10} have narrated briefly the development of relationships of such work community in the modern industrial age. According to them: "From the moment workers take their places for the first time within a particular location to perform particular tasks employing particular skills under the leadership of particular supervisors, a work community begins to take form. The shop community, as all communities, develops its own patterns of relationship and codes of behaviour. Each individual plays his role as he attains both social and occupational status. When the union enters, it injects into the communal environment new and more complex relationship patterns. Workers are now also unions' members. New leaders — grievance committeemen, shop stewards, union officers — appear in new

responsibility of handling shop grievances as management's first line of administration in the new institution of collective bargaining. Thus, another social structure crosses the lines of that developed prior to the entry of union. Continuous working relationships must be built between union and company through their representatives at all levels and the individual men working together as the employees and supervisors in the shop".

The general meaning of the term LMR is the relationship between employers/managements and the workers/employees or between their respective organisations. It includes (i) individual relations, i.e., relations between management and workmen at the plant, and (ii) their collective relations, i.e., relations between managements or their organisations and the unions of workers at various levels. Thus, LMR concept is a comprehensive one and consists in the problems of industrial relations as well as of human relations. The former deal with the matters governed by law and collective bargaining agreements between managements and unions, while the latter is concerned with the character and behaviour of the parties. 11 G.L. Shrivastava has rightly described this concept as "the sum total of all relationships between a company and its unionised employees, which bring about honest and objective consideration of each others' problems and result in sincere and equitable offers of solutions of problems and misunderstanding from both sides." 12 In general, good LMR should

12. Ibid.
create a situation of satisfaction for both labour and management. Labour should have a feeling that their interests are safeguarded by the management and the management should consider that the workers are doing their best to achieve the objectives of the organisation. The concept of good LMR differs from person to person. To the management, it may mean the absence of labour disputes and loss of mandays etc., while to workers, it may imply better working facilities, good salaries, fringe benefits and welfare etc. It should also tend to a better dealing of grievances and disputes of the parties and feeling of cooperation and partnership, which will consequently increase the productivity in the industrial units in particular and the economic prosperity of the nation in general.

No doubt, the ultimate objective of developing better LMR is the achievement of "maximum productivity leading to rapid economic development, commitment to industry and to the industrial way of life on the part of both the parties, sound unionism, efficient institutionalised mechanism for handling industrial disputes, and willingness among parties to cooperate as partners in the industrial system."¹³ This is possible in a relationship in which both institutional groups, labour (unions) and management —have become integrated voluntarily into an increasingly democratized enterprise on these bases: (a) complete mutual respect and confidence, (b) complete absence of fear of each other, (c) excellent two way communication and (d) mutual consultation on possible solutions to problems of common concern.

One of the more immediate objectives of these relations is industrial peace and harmony. The wide range of issues, on which the claims and expectations of employers and workers are opposed to each other's is always an actual or potential cause for industrial unrest and conflict between the two parties. The conflict may take different shapes in between two situations, whether peaceful or violent. However, it involves much loss and hardship to both the parties including the one that may ultimately emerge victorious. It also affects adversely production needed by the whole community. Therefore, it is considered desirable to avoid it. This can be done — and, is done many a times — by simply prohibiting these conflicts by law. (The latest instance is of the promulgation of Essential Services Maintenance Ordinance by the President on 27-7-1981, prohibiting strikes in Essential Services and providing for the dismissal, arrest without warrant and trial of strikes and organisers of strikes.) Such suppression does not remove the causes of conflicts, on a permanent basis. While this may occasionally become necessary at times for the good of the economy/community at large.

An industrial organisation has to function in a dynamic environment, in which differences and tensions are bound to take place. In industrial process, perfect solutions of the series of problems are never available. Efforts and exercises aim at satisfactory arrangements for a reasonable period rather than the idealistic ones. The objective of IMR system is not merely to achieve peace and harmony, but to ensure 'performance'
despite differences, tensions and conflicts. Hence, the emphasis has to be on the latter.

A point of view has been gathering momentum that the contribution of any good LMR system lies not only in the sharing of wealth but also in the civilized treatment of men and women at work. Moreover, since such system owes a debt to the society which nurses it, all agreements must have an objective of social and national interest, of general welfare, and of public good.

**FACTORS AFFECTING LMR**

LMR are influenced primarily by the nature of the industry and the situations at the plants that constitute it. The factors affecting them can be divided into seven category-groups, which are described, in brief, hereinbelow:

* Size of the plant.
* Nature of the job.
* Production systems.
* Rationalisation.
* Cost factors.
* Market factors.
* Other factors.

**Size of the plant:** This determines the nearness of managers, union leaders and the workers. It also affects the identity of interests or lack of it among these three groups. It decides the extent to which formal relations are required to replace the informal or more spontaneous ones. The very large units may not set records for good relations, as their very
size may make it difficult to adjust quickly and flexibly to the settlement and to substitute good personnel practices for the friendly contacts, which may exist in small units. Conversely, the very small units have their specific problems. The LMR in such units are subject to the personalities of the people involved and precedents set by others. Medium sized units are in a better position to attain a successful balance of policies and personalities.

Nature of Job: The quality of job differs from the monotonous and repetitive task at one end, to unsupervised responsible job, at the other. The composition of the job in a plant affects the attitude of the worker towards his work and his employer. The 'good job' may represent the 'good employer' and the 'bad job' may represent the 'bad employer'. A good job consists of more than the totality of tasks performed. It includes good working and welfare conditions as well as good supervision. Satisfaction or dissatisfaction with jobs per se, however, affects his attitude towards the employer and the nature and proportion of his grievance. Skilled and responsible jobs create favourable situations for good industrial relations and vice-versa.

Production Systems: Some industries are affected by seasonal cycles. These present special problems for LMR, such as programmes for division of work and lay-off policies. Some industrial systems depend on the hiring of casual workers. They suffer from weaker identity of interests between labour
and management. Others face production difficulties due to nonavailability of raw materials or power supply, or due to heavy demand in limited periods of time. The strength of a workers' union tends to rise and fall with the intension of such problems at different points of time. As a result, production crisis and bargaining crisis frequently go together. Steady production systems provide favourable circumstances, while seasonal and intermittent systems create tense situations perverting LMR.

Rationalisation: Each new method or machine when introduced, has some effect on the volume of work and job assignment. Whether forced or praised by labour, technological changes need adjustments. The larger the volume of such changes, the bigger the problems they pose to managements and unions in their relations; for, problems of transfers, promotions, retraining, retrenchment, etc., arise. The severity of these problems depends on whether these changes close down or open up opportunities. Related to rationalisation is rupee investment per worker. Generally, as capital investment — machines & technology — per worker increases, management becomes more concerned with the content of the workers, who work with this investment.

The Cost Considerations: The relationships between the parties can get affected financially by the comparative cost position of the employer. If the employer incurs high cost aimed at preservation of jobs and investment, it may lead to strained
relations; if he is in favourable cost position, due to high efficiency or low raw materials expenses or any other reason, he is more likely to pay adequate wages and provide good conditions. Similarly, units and industries — in which labour costs constitute comparatively low percentages of total costs — are in a better position to enjoy industrial amity.

**Market Factors:** The product market also affects the LMR in many ways. An expanding market generally means sufficient jobs, promotional means and many adjustments relating increasing size. A contracting market raises problems of lay-off and make-work. Similarly, the sensitivity of the market to cyclical fluctuations affects the extent of employment security and, to a certain degree, wage adjustment. The latter influence the attitudes of workers and the policies of managements and unions. The greater the separation from the owings of the cycles of business, the longer the stability of the relations.

**Other Factors:**

(a) **Work force:** A work force varies in terms of its composition, viz., skills, language, religion, caste, creed, discipline, etc. Therefore the choice of workers by the company or by the union does influence the harmony of the working relationship.

(b) **Quantity of Labour Employed:** When it is small, the management can easily pull in and push out employment. But when it is large, the pulling in is more likely to strain the
capacity to supply, and the pushing out to dislocate the community. Both situations have repercussions on the LMR. When the employment potential is high, the worker is more dependent on one company, and vice versa. In the former situation, industrial disputes may involve the entire labour community; but in the latter case, the disputes will get dulled.

(c) Local Attitudinal Patterns: In a union-town, the workers are more likely to belong to trade unions and trade unions support them effectively. The employers, too, are accustomed to recognise such activities as a natural development. But, in a place where unionism is a new feature or has less ground workers are generally less inclined to unions membership and support. The managements there, too, look askance at any inroads of trade union movement.

(d) Local Wage Levels: The prevailing local wage structures also affect the rates paid by a company as also its recruitment, turnover, morale, etc. The communities get distinctly compartmentalised as a high-wage or a low-wage one. Usually, the lower the wage level in the community, the greater the scope of the parties for making their wage-settlement.

(e) Time: LMR patterns do not emerge clearly in the beginning in newly developed industrial areas. Personalities develop first. Time is of essence. The old unions tend to be moderate and more peaceful than the young ones. The old LMR tend to be less hectic than the new, since the parties have had sufficient
time to adjust to each other and develop basic aspects of their agreements. Of course, the old parties cannot control the currents of time, but they can anticipate them and their normal consequences. And, because of experience, they can achieve improved relations, promptly.

(f) The potential environment: Both the parties are influenced by their political environments. For example, the unions must be constantly alert in respect of (a) the desires of their members in order to seek their support, (b) the behaviour and achievements of rival unions, (c) the threats of factional splits within the union, and (d) the attitudes of management, government and the public. Similarly, the management has also to be alive to industry patterns, ongoing practices, company owners, and so on.

SYSTEMS

There can be no country on the earth where LMR can be completely a matter of custom or tradition; nor/there be any nation where the employer or management, the employees or their organisations, and the government do not interact to control the country's LMR system. (Yes, the degrees of interaction does vary from society to society.) Each of these three actors has to play a role in the drama of industrial relations. Even in the totalitarian countries, workers and their representative agencies have a part in matters affecting their working conditions and wages. (Occasionally, developments could be upheavalous as in communist Poland recently.)
The movement of employees' unions in the 110 countries cannot be banned totally anywhere as, in terms of its Charter, they have to allow "freedom of association".

Some writers on the subject have attempted to produce models of designs for a system of industrial relations. The most significant contributions can be said to have come (i) from John T. Dunlop (Industrial Relations Systems: Henry Holt and Company: 1958), and (ii) from Clark Kerr, John T. Dunlop, Fredrick Harbison, and Charles A. Myers (Industrialism and Industrial Man — The Problems of Labour and Management in Economic Growth: Harvard University Press, 1960). Perhaps the most detailed classification of the IR system is to be found in Robert W. Cox's "Approaches to a Futurology of I.R.s (in "8 Bulletins, 1971" of the International Institute of Labour Studies, Geneva: pp.139-164.) Cox enumerates the following systems:

1: The peasant-lord system (purely paternalistic).

2: The primitive market system (wherein the first generation of industrial workers is coming to urban areas from rural communities).

3: A small manufactory system (workers getting organised, the Government willing to intervene).

4: The life-time commitments system (as in Japan).

5: A bipartite system of which collective bargaining is the main function (as in the U.S.A.).

6: A tripartite system, where the Government also plays an important role (as in India).
7: Corporatist-bureaucratic system in countries where employees' and employers' organisations are semi-autonomous and the state machinery can be pressurised by either (as in the UK.).

8: A mobilising system, where a political elite in power determines worker and employer behaviour. (as in communist countries at the initial stages).

9: The socialistic system, where 'the inspirational quality of early mobilising system gives way to a more emotionally neutral, contractual employment relationship.'

A deeper insight can be had in the problems of LMR by studying the lucid and concise publications in the Behavioral Sciences in Industry Series (Wadsworth Publishing Co. Inc., California) and the Irwin-Dorsey Series in Behavioral Science in Business. (Among the former, Arnold S. Tannenbaum's "Social Psychology of the Work Organisation" (1966) and, among the latter, William Foote Whyte's "Men at Work" (1961) are worth mentioning here, specifically.)

Briefly, the system consists of the interactions of business, workers and government in the area of LMR. They take place in an environment composed of economic constraints and opportunities, technological developments, and power relations in the social structure of each country. It is the power relations that determine (i) the status of the employers in society, (ii) the status of the workers in the social system, and (iii) the relative dynamism or passivity of the Government's role in regulating LMR.
THE STYLE OF THE THREE ACTORS

(A) MANAGEMENT: It may be instructive to view the Indian Scene against Rensis Likert's 14 four systems of management as follows:

(a) The Exploitive Authoritarian Style: This style of management can be said to have developed in India during the 19th century, under the British rule. To the colonialists, labour was, to use Karl Marx's expression, nothing more than a 'commodity'. Labour was exploited ruthlessly, it was paid below—subsistence wages, long hours of work were extracted under strict supervision, and job security was unknown. The working conditions were unhygienic and the welfare amenities were meagre.

(b) The Benevolent Authoritarianism: Thanks to the activities of social workers and the Government legislations, this style got emerged, gradually. Even today the typical business magnate finds this style of management congenial to his way of working. The family concerns in India, which were initially responsible for investing their capital in industries, were very much prone to it. It persisted despite the growth of various forms of business organisations like the partnerships, private limited companies, managing agencies, etc.. This style has more of labour welfare content, perhaps more than that in British or American organisations. The basic approach is that of the all-powerfull and all-knowing parent to a child, in so far as the attitude of management towards labour is concerned. It is rarely ready to recognise labour's right to have a say in the latter's affairs.

(c) The Consultative Style: In public limited companies, multinationals and public sector enterprises in India, by and large, this tends to be the ultimate management style. It has evolved with the emergence of extensive and intensive legislative action on the part of governments and as a result of the influence of trade unions. While the benevolent authoritarian managements do not view the functioning of trade unions approvingly, or encourage the setting up of company unions', the consultative style of management believes in having a dialogue with the employees and their representatives in collective bargaining, in sharing all possible information with the workers and the middle management staff. Nothing is generally decided, which is of interest to labour, without consulting their unions or representatives. Under this style, the management is supposed to try to conform to the requirements of various labour laws rather than to seek loop-holes, and the worker is considered as an adult employee with rights and views of his own. However, vital decisions continue to be the prerogative of the management.

(d) The Participative Style: Under this style of management, labour is no longer a commodity or a child or an adult employee but is an ally, even a partner in the joint endeavour to improve the efficiency and productivity of the enterprise. This style is a rare exception in India. Even in Scandinavian countries where many experiments have been conducted, the style has not spread wide.
It would be interesting to recapitulate here the five types of Indian managers as viewed by P. Raman: 15

(1) Vindictive: This type is an extreme case. Executive looks upon his subordinate as an enemy and thinks he is to be destroyed. He develops a fear complex because of the other's popularity and efficiency. Insults are hurled at him frequently, and rumours are spread to convey that he is no longer wanted in the organisation. In due course, the poor victim leaves the organisation out of sheer frustration. If these tricks do not succeed, the executive may even adopt coercive methods tending towards blackmail. By constantly eliminating the subordinates through such methods from time to time and recruiting new employees, the executive automatically becomes the only one who has the maximum service within the organisation and this gives him a sense of security and stability. This type of 'management skill' may be spotted on the Indian scene.

(2) Servitude: "The other fellow is to be conquered and put to my service". Here the technique is slightly different. The moment the new recruit is taken, the executive informs him that he should not trust anybody in the organisation. He will be informed, "you are my eyes and ears in this organisation." Of course, he says this to everybody in the organisation, with the result that all the subordinates rush to him

telling tales about one another. By this he hopefully expects to keep all the staff under his thumb.

(3) Paternalism: Here, the conscious or subconscious motto is: "I will decide to what extent the other fellow is to be looked after." The executive offers benefits to the subordinates, while conveying an impression that he is doling out these concession as a personal favour. He always demands eternal personal gratitude for even legitimate and deserving benefits granted.

(4) Diplomacy: Some managers adopt extreme diplomacy in dealing with others and collect information from various sources and utilize it for their own development for getting favours and authority. They are so clever that no one suspects any foul play till it is too late in the day. They borrow ideas from others in the enterprise and present them as their own, profitably.

(5) Statesmanship: The tenet followed is: "He is capable and has future potential. Hence it is my duty to help him develop." This is the ultimate in management style. Such a person is a true professional manager, though very rare to come across in the management world.

(B) THE EMPLOYEES' UNIONS (TU): They may take any of the following styles in relation to different socio-economic and political systems in which they grow and function:

(i) Sectional Bargainers: This is the most widely accepted
style of TU. They represent the interests of the workers and bargain with the management, whether in the private or the public sector, at the plant level, industrywise, or at the national level. To achieve the objectives of bargaining, the unions may combine into larger and stronger national federations like the Trade Union Congress in UK, the AFL-CIO in USA, or the L.O. in Norway and Sweden. In India, due to severe multiplicity of TU, such national federations or central organisations number more than ten.*

On the other hand, craft unions representing the interests of certain skilled groups of workers are also formed. At times, this objective is pursued even against national interest. They may define the interests of the members in an extravagant manner which are furthered by collective bargaining, by pressure tactics, by strikes, gheraos and other disciplined behaviour.

(ii) Class Bargainers: In some countries where national bargaining takes place covering all industrial occupations, the TU or their federations follow this style. For example, in France, the cultivators have their own nationwide union; so do the railway and other transportation workers, civil servants, etc.. The national bargaining takes place, from time to time, to determine the share of each class in the gross national product. Similarly, the bargaining that takes place in Norway, Sweden, Denmark and Austria is participated in by one strong federation of labour, one organisation of employers and the Government. Such bargains determine for a period of three

* (1) INTUC, (2) AITUC, (3) BMS (4) HME (5) CITU (6) UTUC
    (7) UTUC (Lenin Sami) (8) NLO (9) NFITU (10) TUCC
    (11) INTUC (Dara Faction).
years or so, what the national minimum wage should be, and then leave it to each plant or organisation to work out or adjust their existing wage and salary structures on the basis of this minimum. In India, we have started adopting this process, notably in the Steel Industry in the public sector.

(iii) Agent of the State: In socialistic countries like the USSR, this is the style of the employees' union. There the TU are identified with the State machinery, and have a well-defined role in achieving the aims of production at the enterprise level. The Soviet TU administer a comprehensive and highly attractive social insurance scheme providing sickness and disablement benefits. They make use of the monthly contributions of their members to build sanatoria and arrange holiday camps for workers. Under the Soviet law the industrial worker does not get social insurance benefits unless he belongs to a union. Therefore, everyone does join a union. Rival TU do not exist within this system. This kind of identification of TU with the government machinery is not seen outside the socialist world.

(iv) Partners in Social Control: The typical example of this system is presented by that of codetermination prevalent in West Germany, and in some industries in Holland, France, Italy and elsewhere in Europe. Under it the representatives of the workers sit on the boards of management and participate in all kinds of decision-making. Beginnings of this system are visible in India, too.
A Riddle: In almost every democratic country, there are TU which are wedded to certain well-defined political views. Some of them subscribe to the Marxist theory of class war, which alone can bring about a revolution in the existing economic system for the benefit of workers; in a bourgeois society, under certain conditions, they are entitled to make use of violence or sabotage of industrial production as a legitimate TU activity. Such unions might encourage higher wages and higher bonuses, even if the industry's paying capacity was not commensurate with their demands. Such an approach might lead to a state of labour unrest resulting in social disorder. (The 'gherao' movement in the Eastern Region of India, or the Datta Samant techniques in Bombay are typical instances in this regard.)

In India the predominant TU system is that of sectional bargaining, but a few TU do at times behave as 'enemies of the system'. It should be borne in mind that many of the young workers seem to be disinclined to have faith in the traditional union activities, which involve patience and long waiting. (This phenomenon is seen gathering momentum even in the developed countries.) Again, TU membership in the organised sector in India hardly exceeds 28% of the total employment; and, in the unorganised sector, there is hardly any unionisation worth the name.
GOVERNMENT: The changing role of the governments in India is stated synoptically hereinbelow:

(i) Laissez Faire Style: In the 19th century, Governments almost everywhere, in general, and the British Government in India, in particular, followed the laissez faire approach to LMR, i.e., they were unwilling to intervene to settle a dispute or show any great interest in the welfare of labour. Labour and management were left to themselves to settle their affairs as they liked. In practice, such an attitude in a socio-economic and political system, where the workers did not enjoy a respectful status in society and did not have any group organisations, meant that the Government was on the employers' side. Any kind of labour trouble causing work stoppage was suppressed by the Government machinery. It may, therefore, be deduced that this system of Government had a direct relationship with (i) the exploitive authoritarian style of management, and (ii) the growth of the communist ideology propounded by Karl Marx, Friedrich Engels and others. The system invariably encourages the growth of TU that become 'enemies of the system.'

(ii) Paternalistic style: The Government's attitude underwent a change towards the end of 19th century. Thanks to the agitations led by thinkers like Ruskin, Owen and others in the U.K., and by the social workers in both U.K. and India, the inhuman working conditions in Indian factories, plantations and mines were subjects of debates in British Parliament. In consequence, the Government had to develop a protective attitude towards labour, and a series of laws for factories
and mines, regulating payments of wages, providing workers certain benefits in case of industrial injuries and occupational diseases, enabling them to form their own unions, etc., were passed. The British Government initiated quite a few progressive pieces of legislation and set up a Royal Commission on Labour (1929-1931) to make a detailed study of the working conditions of labour in India and to make suitable recommendations. (There was also an ulterior secret motive of saving the British industry from the competition of Indian goods produced at low costs resulting from exploitive labour employment ungirdled by labour laws. But, the clamour of British industrialists against the Indian industries proved to be boon to the then unprotected working class in India.)

(iii) Tripartism: The tripartite form of consultation, i.e., consultation among the representatives of employers, employees and the Central and the State (then provincial) Governments had started in India, even before the attainment of Independence, on the model of the ILO Conferences. After Independence, the institutions like Indian Labour Conference, the Standing Labour Committee, and the Industrial Committees for particular industries, were set up. The Government encouraged all possible consultations with all the interested groups before taking any policy decisions in the field of labour and before enacting any legislation.

(iv) Encouragement of Voluntarism: The Gandhian influence on the thinking of a number of eminent TU leaders, some of whom
later became Ministers in the Central and State Governments, led to a phase of the activity which evolved a series of Codes to regulate LMR on a voluntary basis. These are the Code of Discipline, the Code of Conduct, and the abortive Code of Efficiency and Welfare. Serious efforts were made as a part of Code of Discipline to encourage voluntary arbitration on the lines advocated by Mahatma Gandhi. Though it has not much succeeded, we have now a National Arbitration Board.

(v) Interventionism: There has been a style of the Government, not welcomed everywhere, intervening in labour disputes through the processes of conciliation and adjudication. This will be dealt with in detail while analysing the Industrial Disputes Act, 1947, in Chapter II.

(vi) The State as the largest entrepreneur: At present, the Central Government is the largest industrial entrepreneur in India, and the rapid growth of the public sector has influenced the Government's labour policy in a very significant manner.

A MODEL

The problems of LMR are often analysed in terms of the theoretical model proposed by Dunlop. Dunlop's notion of the IR System is based on the concept of social system, which

stands for a systematic arrangement of parts that are functionally interrelated and interdependent. Dunlop identifies the following four components of the IR System:

(A) **Actors:** These are: (a) a hierarchy of managers and their representatives in supervision, (b) a hierarchy of workers and their representatives, and (c) specialised governmental agencies concerned with workers, enterprises and their relationships.

(B) **Contexts:** These are: (a) the technological characteristics of the work place and work community, (b) the market or budgetary constraints, which impinge on the actors, and (c) the right and distribution of power in the larger society.

(C) **A Body of Rules:** governing the actors at the work place and work community; e.g., rules of establishment.

(D) **Ideology:** A set of ideas and beliefs commonly held by the actors that helps to bind or integrate the system.

While the Model includes some important aspects of the IR System, it excludes a few crucial and important features, the incorporation of which alone can make it operationally useful. For example, managers and workers may be different sets of actors but, within the framework of an establishment, the two constitute a well-knit structure, while the workers and their unions may pull in different directions and thus constitute two separate hierarchies. In addition, it is important to identify and accept that the main actors (managers, workers, union leaders, and the government) operate within the
context of specific organisations, which have their own social systems affecting the IR System. A trade union, for example, has its own norms, aims and authority structure which may affect relations of workers (controlled by it) and the management. Moreover, the personalities of the people running an industry or trade union may also influence LMR.

A modified Dunlop's Model, in terms of the interaction of two sectors, is conceptualised in CHART I.

(I) INTERNAL SECTOR: This would belong to two main organisations, with overlapping membership, viz., the industrial organisation (including management and labour), and the union organisation (including union leaders and labour). The interaction among people within each of these two organisations will depend on a few elements like the following:

(a) Objectives: e.g., productivity, efficiency, welfare.
(b) Rules and conventions: e.g., state rules, organisational rules, traditional conventions.
(c) Values and beliefs: e.g., democracy, honesty.
(d) Personality: e.g., the aggressiveness or submissiveness of persons who guide group activities.
(e) Culture: e.g., the pattern of behaviour built up in the organization over a period of time.
(f) Authority and Power: e.g., structure of superior-subordinate relations, formal and informal.
Chart 1
Conceptual Model of Labour-Management Relations

INTERNAL FORCES
- Objectives
- Ideology
- Values & Beliefs
- Personality
- Conventions
- Perceptions
- Culture

EXTERNAL FORCES
- Economy
- Politics
- Government
- Technology
- Community
- Laws
- Industrial
- Market
- Strikes in other
- Emergency

MANAGEMENT
- Employers and Employers' Associations

LABOUR
- Workers' Unions

WORLD WARS

Politic
(II) EXTERNAL: LMR are also affected by several external factors, some of which are as under:

* The federations of industrialists and the TU.
* Technology, which often determines management's or workers' responses.
* Market: e.g., higher demand or otherwise.
* Government which, in our country especially, exercises great influence over labour and management in their interactions.
* The overall economic and political conditions in the country: i.e., inflation, fear of unemployment, affiliation of TU with political ideology and instructions from political parties.
* Local community: e.g., the public reaction to conflicts, lockouts, loss of production, etc.

Any LMR situation may be regarded as a product of the interaction of the forces described above. In so far as these forces move in the same direction, we may find an ideal situation. However, relations may get strained occasionally: e.g., when the ideology of a union may be at variance with that of management or government. Similarly, a change in technology might disturb the existing norms of an organisation and thereby LMR, too.