Most of the developing counties of the world have resorted to state enterprises with a view to bringing about rapid economic development and social change. In India the emergence of the public sector on the economic scene is a post independence development. Prior to 1947, public sector investment was limited to the railways, post and telegraphs, ordnance factories, and a few state-managed factories like salt manufacturing etc. The philosophy and programme of public sector undertakings are incorporated in the Industrial Policy Resolutions of 1948 and 1956. The Industrial Policy Resolution of 1948 declared that "a dynamic national policy must be directed to a continuous increase in production by all possible means, side by side with measures to secure its equitable distribution. The problem of state participation in industry and the condition in which private enterprise should be allowed to operate must be judged in this context."

The idea that in the economic development of the country, state enterprises would play a predominant role took deep roots with the declaration of the Industrial Policy Resolution in 1956 and the adoption of the socialist pattern of
The Resolution stated, "The adoption of the socialist pattern of society as the national objective, as well as the need for planned development requires that all industries of basic strategic importance or in the nature of public utility services, should be in the public sector. Other industries which are essential and require investment on a scale, the state in present circumstances can provide, have also to be in the public sector. The state has, therefore, to assume direct responsibility for the future development of industries over a wider area. Accordingly, two schedules were drawn up Schedule 'A' enumerating 17 industries, the future development of which would be the exclusive responsibility of the state, and Schedule 'B' containing a list of 12 industries which would be progressively state-owned and in which the state would, therefore, generally take the initiative in establishing new industries, but in which private enterprise would be expected to supplement the efforts of the state.

The Directive Principles of State Policy, contained in the Constitution, also require the state to ensure "that the ownership and control of the material resources of the community are so distributed as to subserve the common good: that the operation of the economic system does not result in concentration of wealth and means of production to the common detriment." Therefore,
for the achievement of planned and rapid economic
development, industries in which the scale of
investment is high, where the investment is highly
risky and uncertain, and which are in the nature
of basic and strategic importance have been
assigned to the public sector.

Prior to independence, government's
activity was mainly confined to sectors like
railways, ports and docks, posts and telegraphs,
and ordnance factories. The government of those
days had no intention of entering the industrial
field as an employer; it was mostly left to
private entrepreneurs. With the attainment of
independence, industrial development became one of
the major objectives of government policy. The
public sector was viewed as an instrument for
creating resources for plan finance and
development. Gradually, it has come to occupy an
important place in our national economy with a
distinct philosophy of social control and social
purpose. Though the philosophy of public sector is
different, operationally it is similar to that of
the private sector. The public sector is mainly
advocated for three reasons, namely, (i) to gain
control of the commanding heights of the economy,
(ii) to promote critical development in terms of
social gain of strategic value rather than
primarily on considerations of profit, and (iii)
to provide commercial surplus with which to
finance further economic development. Contrary to expectations the performance of public sector enterprises has been far below plan targets. Many enterprises have accumulated deficits over a period of time causing considerable drain on the exchequer. There cannot be two opinions about the necessity of public enterprises to operate efficiently and economically. But while pursuing their immediate goals of productivity and profitability, they have to serve the national objective and contribute to the social good. Of course, one of the most important contribution made by the public enterprises has been the development of a very impressive reservoir of managerial talent in this country. They have also helped in bringing about reduction in disparities in income through the process of generating employment and by pushing up the wage level of the lower income groups. But taking the public sector enterprises as a group, one has to concede that although there have been achievements, a great deal still remains to be done in the areas of capital management, project implementation, marketing, personnel selection and industrial relations.

**Analysis**

Basically, there are three types of undertakings which fall within the ambit of the public sector, namely (A) undertakings directly run by the government departments such as
railways, posts and telegraphs telecommunication, defence production, printing presses, (b) undertakings run by statutory corporations responsible to central and State Governments and also companies registered in accordance with the provisions of the companies Act, and (C) undertakings which were once with the private sector and are now nationalised such as insurance, banks, oil companies, coal mines and units in the textile industry run by the national textile corporation. The public sector as a whole has grown over the years to an enormous extent and cover a wide spectrum of production, mining, manufacturing, marketing, trading and financial institutions.

The public sector undertakings are generally larger in size and use more advanced technology. Capital investment in public sector today is much more than the investment in all the private sector enterprises together. Thus it is very much clear that, the nature and quantum of industries in public and private sector vastly differs. It has been the opinion of economist that, "the government policy in public sector is to provide maximum satisfaction to employees by improving their working and living conditions and to ensure that the wage and welfare amenities in the public sector should be in no way inferior those in the private sector."\(^{27}\)

\(^{27}\) Sharma AM, Industrial Relations, Conceptual and Legal Framework Himalaya Publishing House, Mumbai 1998 p. 191
Objectives Of Public Sector Undertaking:
The public sector aims at the following objectives:

1. To promote rapid economic development by filling critical gaps in the industrial structure.

2. To provide basic infrastructural facilities for the growth of the economy.

3. To undertake economic activity strategically important for the growth of the country, which, if left to private initiative, would distort the national objectives.

4. To achieve balanced regional development and dispersal of economic activity through growth and diversification of economic activity in less developed areas by providing adequate infrastructure and undertaking programmes of conservation and development of national resources.

5. To reduce disparities in income.

6. To avoid concentration of economic power in a few hands.

7. To exercise social control and regulation of long-term finances through public financial institutions.

8. To control sensitive areas, i.e., allocation of scarce imported commodities; wholesale trade in agricultural commodities; control over the distribution system in relation to
essential goods in order to reduce the margin between the prices obtained by producers and those paid by consumers.

9. To attain self-reliance in different technologies through the development of capacity for design and machinery, equipment and instruments, and elimination of dependence on foreign agencies for these services.

10. To enhance employment opportunities by heavy investment in industry and in mining, transport and communication.

11. To increase exports and earn foreign exchange to reduce pressure on balance of payments.

From the objectives of public sector undertakings, it is obvious that unlike private sector whose sole aim is profitability, this sector aims to achieve dual objectives, social development and entrepreneurship.

**Industrial Relation:**

Industrial relations in the public sector may be discussed with reference to the actors involved therein, namely, the trade unions, the managements and the Government and their interaction with each other. There are no special handicaps for workers in the public sector to organise themselves into unions. Of course, certain administrative restrictions exist for forming unions by public servants. Many of the public
sector units are plagued with multiplicity of trade unions and inter-union and intra-union rivalries. By and large, the environment in which the public sector managers have to operate, is one where multiple unions are the rule. Internal trade union leadership does not seem to have developed to a stage where it can operate without undue fear. The same is the case with workers employed in the Private Sector and there is no difference in the mental attitude of workers in both the two sectors. Further, the public sector enterprises are a fertile ground for trade unions owing allegiance to political parties. The overtones of political infighting is imported into the functioning of the unions. Sometimes, even simple issues are politicised hampering straightforward solutions. While Private Sector enterprise can effectively deal with such unions and meet their demands, the management in the public sector enterprises can only take recourse to constitutional and conventional methods open to them. The trade unions functioning in the public sector enterprises encourage excessive demands from workers by exploiting the concept of model employer. By and large, there is lack of belongingness or deeper concern with productivity among the public sector employees. Though it is a provider of best welfare facilities, yet one does not find a relatively high morale among the employees.
Due to lack of autonomy in the public sector, the chain of command has gone on lengthening in the shape of board of directors, the ministry, the minister, inter-ministerial committees, planning authorities, committees set up by representatives of the people and people themselves. Thus, there is no delegation and decentralisation of authority on important decision-making powers to the public sector management to the extent desirable. Such a thing makes the man on the spot less initiative. This happens particularly in matters of collective bargaining where if the agreement is to be reached in an establishment of large size, it is the minister concerned who would like to be involved in the final settlement. In the day-to-day performance of a public sector organisation, the power/decision centre is located on the top. But in certain matters, such as wages, allowances, strategies etc., there is no enterprise level power/decision centre. Moreover, the question is who should take decisions on industrial relations matters - the management or the ownership of the organisation? In fact, the workers and managers in the public sector, individually and collectively, face the basic problem of identifying the power-decision centres. Furthermore, there is no proper co-relationship between authority and responsibility in the public sector, in which
every officer has a huge load of responsibility but practically on authority.

Organisational climate in the Private Sector is more responsive to managerially induced change, since managers at all levels are expected to think in terms of initiative, risk, and potential personal rewards. In contrast, in the public sector, and especially in the non-market part of it, decision-making takes place in a very different atmosphere. In general, the function is one of administration rather than management, with actual decisions often not being clearly made by single individuals or groups short of the cabinet. Decisions are generally made at the highest levels and are merely interpreted lower down. A further factor is the diffusion of goals in the public sector. Whereas the Private Sector manager can often easily appreciates what will advance the goal of profit or sales or output to which he works, goals in the public sector are more difficult to determine and evaluate. In the public sector there is vast range of policies with aims which are complex and frequently difficult to establish, performance in achieving them is usually a matter of judgment and is rarely measurable. Moreover, most goals are set through political means rather than any internal process, and to permit too much flexibility would be to substitute executive for political judgment. The
tendency is, therefore, to play safe at both personal and organizational level because avoidance of error is more important than initiative for the individual manager. There is also the tendency to centralise financial decision making within the sector. In total, the system is one of bureaucracy, in which rules are paramount, individual decision-making plays a relatively small role, and the primary objective is consistency. There is practice of transfer of personnel regularly and periodically, even technical personnel in specialist cadres, within the public sector enterprises without due appreciation of the consequences of, or even the need for transfers affecting the efficiency adversely. In the Private Sector, it is not resorted to as a routine. Because of the absence of long tenures, senior managers do not commit themselves to long-terms solution of problems and also do not own responsibility for events. Thereby we have developed in the public enterprises, mediocrity rather than initiative, conformity rather than innovativeness and procedure oriented instead of result-oriented performance.

IMPORTANT ASPECTS OF INDUSTRIAL RELATIONS IN PUBLIC AND PRIVATE SECTOR UNDERTAKINGS -

1. Standing Orders:

The Industrial Employment (standing orders) Act was passed in 1946 with a view to
introduce the terms and conditions of employment on a uniform basis within an industrial establishment. The object of the Act as stated in the preamble to the Act is to require employers in industrial establishment to define with sufficient precision. The conditions of employment under them and to make the said conditions known to workmen employed by them.28

The subject matter of the standing orders, is given in the schedule of the Act. The schedule contains matters to be provided for the standing orders and the Model Standing Orders give a model pattern as a basic structure for any amendments or modifications.

In regard to standing orders the obligations of the employers are:29

1. To submit draft Standing Orders with the required information to the certifying officer for certification within the time limit set in the Act;

2. To act in conformity with the certifying Standing Orders in the day-to-day dealings with the workmen;

3. To modify certified Standing Orders only with the approval of the certifying officer;

29 Quoted by Memoria CB and others in Dynamics of Industrial Relations, Himalaya Publishing House Mumbai ed. 2002 p 426
4. To post prominently the text of the certified Standing Orders in English or any other language understood by the majority of workmen near the entrance through which the majority of the workers enter the establishment and also in all departments where workmen are employed.

**The Obligations Of The Workmen are:**

1. To work in conformity with the certified Standing Orders; and

2. To comply with the provisions of the Act or Model Standing Orders in so far as a modification and interpretation of these orders are concerned.

Since the Standing Orders regulate the conditions of employment from the stage of entry to the stage of exit of employees, they form the regulative pattern for industrial relations is so far as managements' role in the administration of Standing Orders is applicable to individuals and groups in industrial establishments. As the Standing Orders lay down the do's and dont's, they act as a code of conduct for employees during their working life within an organisation.

The responsibility for the enforcement of Standing Orders lies with officers, supervisors and others entrusted with this task. Therefore, the co-operation and compliance of employees and officials of unions is essential for the
maintenance of cordial industrial relations between labour and management.

A faulty or inadequate application and administration of the Standing Orders may lead to grievances and misconduct which might adversely affect industrial relations.

The Industrial Employment (Standing Orders) Act, 1946, was amended in 1982 to provide for the payment of subsistence allowance to workmen who were kept under suspension, pending a domestic enquiry.

**Collective Bargaining:**

In all literature on industrial relations, collective bargaining is considered as a central place around which other topics comprising industrial relations seem to revolve. Richardson defines, "Collective bargaining takes place when a number of work people enter into a negotiation as a bargaining unit with an employer or group of employers with the object of reaching an agreement on the conditions of the employment of the work people". There is hardly any qualitative difference between the collective bargaining techniques adopted by the workers in the public sector enterprises and their counterparts in the Private Sector. But the crux of the problem in the public sector is with whom

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30 Richardson, G.H. An Introduction to the Study of Industrial Relations, 1954, p 22
do the trade unions negotiate with? The owner of the enterprise is the government. The manager is as much as an employee as any worker and bound by a whole set of rules and regulations and unable to take any decision in the area of personnel management. Further, the atmosphere for collective bargaining gets fouled up by the accumulation of unattended individual grievances. Grievance procedure in certain units is a part of collective bargaining agreement, and in some others, it is agreed to by the parties separately. In the public sector, the issues taken up for collective bargaining include revision of wage and pay scales, dearness allowance, house rent allowance, other allowances, loans and advances, medical, residential and other facilities, welfare measures, service conditions and so on. Prior to negotiations, preparations are made in advance, at least a year ahead of the date of expiry of wage agreement. Exercises are carried out to collect voluminous data from within the organisation and many other undertakings. Hike in annual expenditure on account of increase in pay, dearness and other allowances, and fringe benefits are assessed. The organisation's prospects and financial positions are reviewed. Thereafter, a tentative allocation of resources for the ensuing wage revision is made and modalities of extending the benefits are worked out. Attention is then
paid to plan the overall strategy and tactics to be employed in conducting the negotiations. In the course of collective bargaining, various pressures develop, sometimes powerful external forces intervene. The negotiations drag on and there is a compulsion to compromise in order to settle the issues by a deadline. The demand for higher wages is seldom made on the basis of higher productivity. In fact, usually, a reference to productivity is made only in a paragraph towards the end of an agreement. In Private sector strategy and tactics for negotiations are not so complicated and fruitful compromise may be the result in favour of employees.

**Wage Administration**

The salient features of wage and salary administration in the public sector undertakings are as follows:

a. A wage structure having two components, namely, basic wage and dearness allowance, in all the units and some special pay allowance in a few units:

b. Inter-unit disparities in the existing wage structure including the fringe benefits,

c. Co-existence of time and piece rate systems of wage payments in the same units,

d. Existence of a variety of incentive schemes under different names and with different
objectives, both within a unit and in different units;

e. An annual minimum bonus (As per the provisions of the payment of Bonus Act, 1965) unrelated to profits and up to 20 percent if there are reallocable surpluses at the unit level, and

f. Provision of periodic wage revision (usually for arrears) mainly on the basis of collective bargaining and more or less unrelated to profits, production and productivity. In some organisations, wages are revised and restructured even at shorter intervals and in some others at longer ones, say around five years.

The main contention of the unions is that management in different public sector undertakings may differ, the ownership remains the same. The existing disparities in the wages/salaries/fringe benefits, etc. amongst the public sector undertakings have become causes of industrial disputes. These intra-enterprise wage differentials could be attributed to their size, turnover, profits, skills of the employees, and nature of jobs performed. In Private Sector undertakings the situation is not so tensed but the provision of periodic wage revision is based on the quantum of profits, production and profitability.
State Intervention:

With regard to third-party intervention in labour disputes, there is no difference in the practices followed between the public and private sectors. The legislation which provides for state intervention in industrial disputes makes no distinction between the two sectors, the distinction is rather on the basis of what are known as public utility services. Where disputes have arisen and parties have failed to reach settlement, the good offices of the central/state industrial relations machinery, as appropriate, are made available at the request of either party.

The trade unions allege that the public enterprises, specially those under the Central Government, receive some preferential treatment which adversely affect the interests of labour. There is a feeling that public sector undertakings must receive a soft treatment. While there is on provision in law to this effect, in practice the State Governments could not prosecute a public sector unit of the Central Governments for any breach of law without the permission of the latter. There is a convention that the State Government should not refer any dispute of central public sector undertakings to a tribunal without the prior permission of the Central Government. However, the Supreme Court observed in the case of Hindustan Antibiotics Ltd. vs. The Workers (1967 I
LLJ.114) that "the same principles evolved by industrial adjudication in regard to Private Sector undertakings will govern those in the public sector undertakings having a distinct corporate existence. The fact that the disputes between the employers and employees irrespective of the character of the employer are made, the subject of industrial adjudication is indicative, though not decisive, of the legislative intentions to treat workers, similarly situated, alike in the matter of wage structure and other conditions of service. The constitutional directive provided in Articles 39 and 43 of the Directive Principles of State Policy will be certainly disobeyed if the State attempts to make a distinction between the same class of labourers on the ground that some of them are employed by companies financed by it and the others by companies floated by Private enterprise".

**Industrial Disputes**

Many public sector undertakings have adopted collective bargaining techniques to settle the industrial disputes that arise from time to time. But no uniformity is maintained in the levels of collective bargaining range from shop level to national level. However, in majority of the public enterprises, collective bargaining techniques are limited to plant and corporate levels only.
The following two tables show the number of Industrial Disputes and Mandays lost in Public and Private sectors:

A. The first table, relating to the number of workers and industrial disputes in the public and private sector undertakings, is given below:

**TABLE-2 SHOWING THE COMPARATIVE DATA ABOUT INDUSTRIAL DISPUTES IN PUBLIC AND PRIVATE SECTOR UNDERTAKINGS  
[1961 - 1993]**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Disputes</th>
<th>No. of workers involved (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public Sector</td>
<td>Private Sector</td>
</tr>
<tr>
<td>1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1966</td>
<td>345</td>
<td>2211</td>
</tr>
<tr>
<td>1969</td>
<td>389</td>
<td>2238</td>
</tr>
<tr>
<td>1970</td>
<td>446</td>
<td>2443</td>
</tr>
<tr>
<td>1971</td>
<td>385</td>
<td>2367</td>
</tr>
<tr>
<td>1974</td>
<td>597</td>
<td>2341</td>
</tr>
<tr>
<td>1975</td>
<td>362</td>
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<td>153</td>
<td>1306</td>
</tr>
<tr>
<td>1980</td>
<td>968</td>
<td>1888</td>
</tr>
<tr>
<td>1981</td>
<td>707</td>
<td>1882</td>
</tr>
<tr>
<td>1985</td>
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<td>1986</td>
<td>389</td>
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<td>1989</td>
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<td>1157</td>
</tr>
<tr>
<td>1992</td>
<td>504</td>
<td>749</td>
</tr>
<tr>
<td>1993</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Various issues of Hand Book of Labour Statistics and the Indian Journal of Labour*
The table gives a comparative picture of industrial disputes, both in public sector and Private Sector for the last three decades (1961-1991). An analysis of dispute statistics reveals that on all indices of disputes, Private Sector has given a bad performance in comparison to the public sector.

B. The second table, relating to the number of workers and mandays lost in the public and Private Sector undertakings, is given below:

TABLE-3 SHOWING THE COMPARATIVE DATA ABOUT MANDAYS LOST IN PUBLIC AND PRIVATE SECTOR UNDERTAKINGS

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of workers involved (000)</th>
<th>No. of Mandays Lost (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public Sector</td>
<td>Private Sector</td>
</tr>
<tr>
<td>1961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1966</td>
<td>236</td>
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</tr>
<tr>
<td>1969</td>
<td>337</td>
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<td>1970</td>
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<tr>
<td>1971</td>
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<tr>
<td>1974</td>
<td>1369</td>
<td>1485</td>
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<tr>
<td>1975</td>
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<td>1976</td>
<td>148</td>
<td>589</td>
</tr>
<tr>
<td>1980</td>
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<td>1101</td>
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<tr>
<td>1981</td>
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</tr>
<tr>
<td>1985</td>
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<td>1991</td>
<td>788</td>
<td>554</td>
</tr>
<tr>
<td>1992</td>
<td>488</td>
<td>489</td>
</tr>
<tr>
<td>1993</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Various issues of Hand Book of Labour Statistics and the Indian Journal of Labour
The table shows a comparative picture of mandays lost due to industrial disputes both in public and Private Sector for the last three decades (1961-1991). An analysis of statistics relating to mandays lost reveals that Private Sector has given a bad performance in comparison to the public sector.

The above two tables show that the magnitude of industrial disputes and mandays lost in the public sector enterprises are less as compared to its counterparts in the Private Sector. Although mandays lost less, productivity has been lesser in many public sector units as compared to the private sector enterprises. As a matter of fact many of them are running on a loss. There are certain other variables that affect production potentialities. Trade unions in the public sector adopt strategies like go slow, tools down, pen down, work to rule, etc, instead of direct action. Many of them, being in essential services, are highly vulnerable to threats of strike as this will totally dislocate national economy. Being in strategic and essential industries, the work force in this sector is in a crucial position to hold the society to ransom.

**Workers Participation In Management:**

The workers' participation aims at involving the rank and file of workers in the process of decision-making at all levels of the
organisation in matters that directly or indirectly affect their organisational and working levels. The democratization of decision-making brought about by the participation aims at eliciting a higher degree of co-operation from workers aims to boost productivity and efficiency of the organizations.

Earlier Gandhiji advocated the need of workers participation in industry. However, the scheme couldn't get the necessary boost till independence. The government in the First Five-Year Plan called construction of joint committee for consolation at all levels. The Industrial Policy Resolution of 1956 in this context, observed that "in a socialist democracy, labourer as a partner in the common task of development and should participate in it with enthusiasm in the public sector have to get an example in this respect". Since then the participative scheme got momentum in the public sector. To-day the scheme of Workers Participation in Management has made considerable impact on the industrial relations environment of public undertaking. A few common schemes of workers' participation that are prevalent in public sector are:

(1) Works Committee;  (2) Joint Management Councils (3) Shop Councils (4) Plant Councils (5) Participation in share capital; and (6) Participation at Board levels.
"Out of the 237 public undertaking which have been monitored 108 enterprises have implemented the 1983 scheme or earlier schemes at the shop floor level, 83 enterprises have their own participative forms 23 could not implement the scheme due to problems regarding the methods of representation of workers and 24 enterprises did not consider the scheme suitable as they have non-manufacturing units and employ only a few workers. The remaining 18 enterprises were in the process of being set up."31 The available information on the working of participative schemes in Public Sector Undertakings reveals that the progress of implementation of schemes is very slow.

In Private sector undertakings, the scheme of workers' participation in management has got momentum and so this scheme has considerable effect on the industrial relations in public sector undertakings.

In the changed circumstances, greater cooperation between two contending partners of industry is the need of the hour, which can be attained by making it a part of corporate philosophy. The success of participation would not only help in nurturing happy industrial relations but also in for details transforming workers into true corporate citizen.

31 Annual Report, Ministry of Labour, 1994-95
Trade Unionism:

The trade unions in Public Sector Undertakings are much organised and deep-rooted in the industrial structure of the country as compared to that of the Private Sector. This is largely on account of the following reasons:

a. The heavy concentration of industries in the public sector ever since inception led to the development of strong unions in this sector.

b. Due to huge employment in this sector, the per union membership of Trade Union is greater than that of Private Sector.

c. In public sector, the workers enjoy greater freedom of association, whereas the case is quite otherwise in the Private Sector. Here the employer deploys every possible move to seize the unity move among workers. It is because of this reason that the rate of unionism is fairly low in this sector. If one considers the workers of Small Scale Industries sector, agriculture labour, the degree of unionism is further goes down. Further workers engaged in cottage industries, workshops, domestic work, and those working in shops and establishment are so scattered that they do not have any chance to form unions.
Suggestions For Improving Industrial Relations:

The calls for a change given by the new economic policy shook the Indian public Sector to its very foundation, as it has lost its monopoly position, government patronage and privileges. Further, the resourceful private sector and powerful Multi National Companies have added to its misery. So when the liberalisation started gaining momentum, for the first time in the history of public enterprises, the need for drastic changes in its corporate strategy was realised, and accordingly, necessary actions were initiated. But it is unfortunate to note that the restructuring that was started about four years back failed to pick up largely because of government's inability to tackle the technical managerial and the labour problems enmating from change.

Whatever may be, the present status of liberalisation, it is true that in the years to come, the Public Sector Undertakings would continue to pay a dominant role in the socio-economic development of the country. Unfortunately the employees of this sector are neither willing nor capable of assuming increased responsibilities, as over the years, the industrial relation policies pursued by this
sector has made its workers inefficient, irresponsible, and obsolete which is corroborated by the fact that, in this sector, industrial relations have never been up to the mark.

It is apprehended that with its inability to cope with changes and changing circumstances with the passage of time, it would experience serious industrial relations problems. Hence, attempts should be made to revitalise its sullen Human Relations Management system needed to cope with the winds of change. In this view, a few suggestions have been detailed below:

1. **Humanization of management**: Over the years, the bureaucratised public sector has assumed the shape of what people call just another "government department". In such organisations, the rules and regulations are more important than people and productivity. This has generated low profits, productivity and the low morale of employees, which in turn has considerably influenced the quality of industrial relations. Therefore, to attain a higher degree of productivity and employee's efficiency, the humanisation of management is the need of the hour. It can be attained by adopting people-centred management strategies necessary for building
effective work terms. In other words, we can say that in the era of change, the leaders/managers working in public sector undertaking should work as "Team Builders", so that they can command the much-needed respect, affection, confidence and cooperation of the workers whom they are called upon to lead. The public sector must provide leadership and function as the vanguard of a new industrial relation in the country. As regards Private Sector undertakings, the philosophy of humanization has been adopted to some extent by the management.

2. Adoption of Suitable Human Resource Development Program: Most of the public sector undertaking with a view to overcoming increasing competition have adopted sophisticated technologies, which in turn have rendered a sizeable chunk of workforce obsolete because of its inability to work with the new systems. As a result, retrenchment and lay-off of surplus workforce is posing a great threat to the system of industrial relations in public sector undertakings.

As nothing can be done to check changes that are taking place in the system, the system needs to be changed in a phased
manner and the workers be motivated to act as facilitators of change. The immediate management of the problems requires that those workers who have been rendered surplus be provided alternative job within the same organisation which may be at the same or lower pay and wherever possible, employees should be kept up-to-date, through crash training programmers. A long-term strategy of Human Resource Development calls for training employees in those trades/skills which the organisations are likely to adopt. Further, they must be trained on a continuous basis. It is hoped that these methods, by arresting employees' obsolescence, would certainly contribute in developing happy industrial relations in public sector undertaking. Most of the big industrial undertakings in Private Sector have adopted suitable human resource development programme.

3. Control of Union Quality: It is repeatedly said that the public sector should function as an "Ideal Employer". But it cannot assume the said role unless there are "ideal union" in this sector. Therefore, if the public sector is to be "ideas employer", it is also necessary on the part of its trade unions to
strive for the "quality of union." This can be brought about by proper education of workers, wherein they should be taught about their new role of an enlightened corporate citizen. That a long way would develop socially responsible trade unions, which would have a favourable impact on the industrial relations system of the Public Sector undertakings. Ideal union model is also needed in private sector undertakings. It is advisable to the management in Private Sector undertakings to make arrangement of proper education to the workers where they should be taught about their new role of trade unions.

4. Encouraging Workers' Participation in Management: It is distressing to note that in spite of every encouragement and support of the government, the scheme of workers' participation in management has miserably failed in most of the public and Private Sector undertaking. In fact, in such undertakings, the various participative forums are increasingly used by both the labour and management to settle their scores rather than doing any fruitful work. Now it is high time that both the partners should realise the need of mutual cooperation in dealing with challenges thrown by the
liberalisation. It can be only brought about if workers are motivated to participate in all those decisions that have an impact on their work and lives. That is to say, besides various human resource management issues, the matter relating to restructuring, adoption of new technology, diversification programmes etc. must be discussed with workers' union prior to taking any final decision. The success of workers' participation scheme in public and private sector undertaking will certainly affect the quality of its industrial relations system both in long as well as short run.

5. Check Off System: A Prerequisite of Collective bargaining: In public sector undertaking the prime reason of failure of collective bargaining is the absence of bargaining agent. In fact here due to multiplicity of rival and politically-coloured unions, it is difficult to choose a single bargaining agent. Further, the "verification of membership" through "secret ballot" has created many controversies, in identifying the bargaining agent. Hence, it is very much desirable that the verification of membership should be brought about by the "check off system." The union identified
through this system should be designated as the sole bargaining agent. The identification of the bargaining agent would render collective bargaining easy and meaningful. If such bargaining turns out to be effective, it would help in nurturing healthy industrial relations in public sector undertakings. Private Sector undertakings should also follow the pre-requisite norms of collective bargaining for maintaining the good industrial relations.

6. **Encourage Voluntary Arbitration:** The Indian workers at large and that of public sector undertakings in particular normally get their demands fulfilled by resorting to "go slow", "work to rule" and even adopting coercive measures like "wild cat strike", "gheraoes" etc. But when such methods fail to yield results, recourse is made to adjudication. The adjudication basically leads to win-lose situation, i.e. one party per force had to lose. No doubt parties accept the decision of adjudication, but the loser with a view to taking revenge often raises his head as and when opportunity arises. In fact, adjudication promotes litigation rather than controlling it. Therefore, for maintaining
happy industrial relations in undertakings, attempts should be made to motivate unions to adopt voluntary arbitration. In fact, it should be customary that in the event of failure to collective bargaining, matter be compulsorily referred to voluntary arbitration with a view to have a balanced award through this process. It is desirable to have a balanced award through this process. It is desirable to have a board of arbitration consisting of an equal number of representatives of both the management and labour. In the event when members of board fail to arrive at a unanimous decision, the umpire should be appointed by them, whose decision would be final and binding on both the parties. The adoption of voluntary arbitration by the Private Sector undertaking will maintain the happy industrial relations in the enterprise.

The above mentioned suggestions have their own significance. The implementations of these suggestions will give a good and happy industrial relations both in public and Private Sector undertakings.