

## **Problem and Prospect of Industrial Relation**

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### **ABSTRACT**

*Human beings are the active agents who accumulate capital, exploit natural resources, build social, economical and political organizations and carry forward national development. The public sector enterprises which play a dominant role in the industrial economy of India industrial relations have special significance for sustained economic development and growth. The present study is carried out with the purpose to explore the industrial relation problem in the coal industry. This study is applicable because industrial coherence presently is considered as a requisite for sustained economic growth and development of any kind of economy. The present study is carried out with the purpose to explore the industrial relation problem in the coal industry. The focus of this paper is to analyze the problem and prospect of the industrial relation in public sector undertaking . As a result, initially , I reviewed the appropriate literature to find out the impact of industrial relations in a coal industry. The data were collected mainly from secondary sources. This descriptive paper suggests a professional approach on modern day IR practices and concludes that a healthy industrial relation in an enterprise generates attitudes which stabilize democratic institutions.*

**Keywords:** *Industrial Relation, Economic Development, Industrial Democracy, Industrial peace , Attrition, Coal Industry.*

### **INTRODUCTION**

Industrial Relations deals with the employee's relation in any industry. Government has approached to make Industrial Relations more effectively by enacting Industrial Disputes Act 1947 to decode the dispute. The Industrial Disputes Act, 1947 expanded across the country to regulate Indian labour law so far as that concerns trade unions as well as Individual employees in any Industry within the country. The term IR also refers to relationships between Management and Labor or among Employees and their organizations that characterize or grow out of employment. Theoretically speaking, there are two parties in the employment relationship – labor and management. Both parties

need to work in a spirit of cooperation, adjustment and accommodation. In their own mutual interest certain rules for co-existence are formed and adhered to. Over the years, the State has also come to play a major role in Industrial Relations— one, as an initiator of policies and the other, as an employer by setting up an extremely large public sector.

The paper has two main objectives: a) **Current Industrial Relation Issue** and b) **Factors affecting Employee Relations**, broadly understood as the changing relationships between workers, trade unions, and employers. The contrasting views of Freeman and Me doff (1984) of trade unions as “monopoly” institutions, or as the “collective voice” of workers serves as a theoretical framework here. From a policy perspective in democratic and pluralistic societies, the objective must be to minimize the “monopoly” effects and to strengthen the “collective voice” effects. The position taken here is “that the evolution of labour institutions is determined by the objective interests of social groups inherent in the logic of a modern industrial society” (Zeitlin, 1987, p. 163), and that these “interests” are inevitably “ambiguous and context dependent”. Consequently, it is difficult to establish mechanisms to ensure that labour institutions, such as trade unions, collective bargaining and the state, continue to play the parts assigned to them. The second proposition of this essay is that “no single approach to the study of labour organization is at present adequate which is to say that the study of these matters is usually informed from several points of view” (Williamson, 1985, p. 241). The organization of the paper is as follows. Section 2 provides a comparative framework by examining some proposals regarding union behaviour, economic performance and industrial/labour relations strategy. Section 3, on the changing economic environment and its effects on organized labour in India, consists of two parts. The first part expounds the “four phases of unionism”. The second part deals with unionization and employment, union structure and density, wages and working conditions, collective bargaining, industrial conflict, labour-management relations, interstate variations, women workers and unionization, and the changing public perception of trade unions. The concluding section comments on the future role of trade unions in India, with a focus on organizing non-unionized workers

## **CURRENT INDUSTRIAL RELATIONS ISSUES**

### ***CASE STUDIES***

The case study is about the labour problems of the Philips India Limited PIL 1998 Salt Lake factory Kolkata India. • Two unions active at PIL Philips Employee Union (PEU) and Pieco Workers Union The differences with workers led to declining production and losses. • PILs management decided to sell the factory • The Union objected and made a counter bid highlighting the problems between PIL and its workers and the case examines the reasons behind the Conflict. PIL SELL IT TO VIDEOCON WORKERS APPROACHES TO COURT ON JUDGEMENT DAY supreme court passed judgement the transfer of ownership did not affect the services of workmen kitchen appliances, started

functioning from march 2001 but workers feel insecure about their job. Many of them loss their faith and resign their jobs because of transfer of ownership

## **FACTORS AFFECTING EMPLOYEE RELATIONS**

### ***INTERNAL FACTORS***

Attitudes of management to employees and unions

Attitudes of employees to management and unions

Attitudes of unions to unions to management and employees Present and likely future strength of unions Effective and agreed procedures for discussing and resolving grievances or handling disputes within the company

Inter union rivalries in case of more than one union

Effectiveness and capability of managers and supervisors in resolving grievances and handling disputes.

- Misunderstanding or differences in perception.
- Lack of cooperation real or imagined
- Problems with authority
- Future to comply with policies or stick to plans.

### ***EXTERNAL FACTORS***

Militancy of unions- nationally or locally

Authority and effectiveness of the employer's family

The extent to which bargaining is carried out at national, local or plant level

The effectiveness of any national or local procedure agreements that may exist

Employment situation nationally or locally Legal framework within which IR exists

## **Need for Workplace Relations**

Several changes in recent years have been responsible for more attention being paid to employment relations within organizations.

The first is the impact of globalization which has significantly changed the ways in which enterprises are managed and work performed.

Enterprises have resorted to a range of measures to increase efficiency and competitiveness, based not on low wages and natural resources, but on innovation, skills and productivity as ways of improving quality and reducing costs

Since productivity and quality have become major considerations in competitiveness, the quality of the workforce and training have become critical factors. Shorter product life has enhanced the need for multi skilled easily trainable employees.

A second development which has shifted attention to workplace relations is technology.

On the one hand, technology management is possible only through people, and the way they are managed and trained affects the success of such transfer.

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Technology is also displacing traditional jobs and creating new jobs requiring different skills.

Further information technology, the limits of which are not known in terms of its potential to effect change, is exerting a tremendous impact on the structure of organizations, the nature and location of work and the way it is organized.

## **REVIEW OF LITERATURE**

A number of research works have been done by eminent persons in the coal Industry and industrial relations.

Strauss, George (1984) believes through his study in Mahanadi coalfields Ltd that Industrial relation has a great impact not only in the productivity of the company but has a significant impact on the social and economic condition of the workers.

Chattoraj Kr. Ajay (1991) did his work on the topic “Human Resource Management - A case study of Central Coalfield Limited in Ranchi .He has also thrown light on the importance of Industrial relation in Human Resource Management.

Shankaraiah, K. (1991) has also studied the various aspects of industrial relation factors which affect the higher productivity system in Singareni Collieries Company Ltd.

Masthan D; L. Reddy, Venugopal and Reddy, B. Ramachandra(1995) has revealed that there is a negative influence of political leaders on trade unions which are working in the industry. Trade union leaders forget their true aims and indulge in politics, thus it affects the productivity of the organization.

Singh, M.P. and Singh, P.K. (1995) found in his study that voluntary organizations of workers in the coal mining industry of Bihar can successfully promote, maintain and improve the condition of employment through collective action. They can put up a united resistance against the exploitation of the employer.

Prasad, VR; Shareef, SM (2001) in their study of Andhra Pradesh state found that in running any PSU efficiently the management has looked into the various welfare aspects of its employees.

Jacob, K. K. (2002) has also studied that industrial relation is an important area of practice in which there is an integration of people into the work situation in a way that motivates them to work together to enhance productively, cooperatively and with economic, psychological and social satisfaction.

Singh G.(2004) reports that mining operations in Korba Coalfield give rise to significant levels of pollution in the atmosphere which affect the quality of life in the mining area .Hence he suggested that there is an urgent need of air quality monitoring stations with particular standards to be followed.

Mandal, Asish Kumar (2009) has focused light on the alarming agenda of the occupational health situation in India.

### **Scope of the study**

- To observe the industrial relation operation and satisfaction level of the employees in an organization.
- To observe the working conditions of the employees.
- To observe the different welfare schemes provided to the employees.
- To observe the grievance handling procedure inside the organization.

### **SIGNIFICANCE OF THE STUDY**

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

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of laborers and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management)

### **OBJECTIVE**

Maintain and develop good and healthy relations between employees and employers or operatives and management.

- Avoid industrial conflicts and strikes by developing mutuality among the interests of concerned parties.
- Keep, as far as possible, strikes, lockouts and gheraos at bay by enhancing the economic status of workers.
- Socialize industrial activity by involving the government participation as an employer.
- To suggest some measures to obtain industrial peace and harmony.
- To improve the welfare activities in the organization.
- To identify employee grievances and redress them efficiently and promptly. To improve the current working conditions of the employees in the organization. To provide an opportunity to the worker to have a say in the management decision making
- To develop and maintain employee assistance programs in the organization..

## **RESEARCH METHODOLOGY**

Available secondary data is widely used for the study. Different news articles, books and magazines will be used. The required data for the present study has been collected from different websites also. The data is already available, in different forms, from a variety of sources.

Secondary data collection pertains to Internal or External secondary data research.

### **Internal secondary data research**

– particularly related to a company or organization, internal sources (such as sales data, financial data, operations-related data, etc.) were attained and re-purposed to explore research questions of the paper.

### **External secondary data research**

– existing data on research subjects from government statistics, published market research reports from different organizations, international agencies and so on.

## **POINTS TO EXAMINATION OF THE INDUSTRIAL RELATIONS:**

**Employer-** Employee interactions: Industrial Relations arise out of employer employee interactions. These relations cannot exist without the basic building blocks, i.e., the employer and on one side and the employees on the other side.

**Web of rules:** Industrial Relations are a “web of rules” formed by the interaction of the government, the industry and the labor. They include the relations between employer and employees

and between employers’ associations, trade unions as well as the State.

**Multidimensional:** Industrial Relations are fairly multi- dimensional in nature as they are influenced by a complex set of institutional, economic and technological factors.

**Dynamic and changing:** Industrial Relations change with the times, generally keeping pace with the expectations of employees, trade unions, employers’ associations, and other economic and social institutions in a society.

**Spirit of compromise and accommodation:** The Industrial Relations system is characterized by forces of conflict and compromise on either side. In the large interests of society, both the employer and the employees must put out fires amicably and get along with each other in a spirit of compromise and accommodation. The individual differences and disagreements must be dissolved through persuasion and even pressure. The factors responsible for conflict situations need to be resolved through constructive means.

**Government's role:** The government influences and shapes Industrial Relations with the help of laws, rules, agreements, awards of courts and emphasis on usages, customs, traditions, as well as the implementation of its policies and interference through executive and judicial machinery.

**Wide coverage:** The scope of Industrial Relations is wide enough to cover a vast territory comprising grievances, disciplinary measures, ethics, standing orders, collective bargaining, participatory schemes, dispute settlement mechanisms etc.

**Interactive and consultative in nature:** Industrial Relations include individual relations and joint consultation between labor management.

## **RECOMMENDATIONS**

- **Sound personnel policies:** Policies and procedures concerning the compensation, transfer and promotion, etc. of employees should be fair and transparent. All policies and rules relating to Industrial relations should be fair and transparent to everybody in the enterprise and to the union leaders.
- **Participative management:** Employees should associate workers and unions in the formulation and implementation of HR policies and practices.
- **Responsible unions:** A strong trade union is an asset to the employer. Trade unions should adopt a responsible rather than political approach to industrial relations.
- **Employee welfare:** Employers should recognize the need for the welfare of workers. They must ensure reasonable wages, satisfactory working conditions, and other necessary facilities for labour. Management should have a genuine concern for the welfare and betterment of the working class.
- **Grievance procedure:** A well-established and properly administered system committed to the timely and satisfactory redressal of employee's grievances can be very helpful in improving Industrial relations. A suggestion scheme will help to satisfy the creative urge of the workers.
- **Constructive attitude:** Both management and trade unions should adopt a positive attitude towards each other. Management must recognize unions as the spokesmen of the workers' grievances and as custodians of their interests. The employer should accept workers as equal partners in a joint endeavor for good industrial relations.
- Creating a proper communication channel to avoid grievances and misunderstandings among employees.
- Education and training should be imparted to the employees.
- **Strong and Stable Union:** A strong and stable union in each industrial enterprise is essential for good industrial relations and to represent the majority of workers and negotiate with the management about the terms and conditions of service.
- **Mutual trust:** Both management and labor should help in the development of an atmosphere of mutual cooperation, confidence and respect. Management should adopt a progressive outlook and should

recognize the rights of workers. Similarly, labor unions should persuade their members to work for the common objectives of the organization. Both the management and the unions should have faith in collective bargaining and other peaceful methods of settling disputes.

- **Sincere implementation of agreements:** The management should sincerely implement the settlements reached with the trade unions. The agreements between the management and the unions should be enforced both in letter and spirit.

## **CONCLUSION**

The organization has adopted a better kind of welfare activities which create an effective working environment and thus better productivity. There are different kinds of welfare schemes like medical allowance; death relief fund, insurance, housing and transportation facilities, recreation club etc. are provided by the company to the employees to maintain the industrial relation better one .

The premises and the departments are maintained healthy.

Also proper safety measures have been adopted in the organization. All matters relating to safety, health and welfare of employees are properly implemented. A better relationship between the employees, trade union and the management has been followed which helps to reduce the problems in the organization and also helps to increase the productivity. It is evident that good industrial relations are the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. Good industrial relations reduce the industrial disputes. Industrial relations have become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of laborers and harmonious relationships.



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