

CHAPTER - I

CONCEPTUAL AND ORGANISATIONAL FRAMEWORK

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C H A P T E R - I

INDUSTRIAL RELATIONS - CONCEPTUAL AND ORGANISATIONAL FRAMEWORK

A : Introduction :

We know that there are three factors of production: land, capital and labour. In the pre-industrial society, agriculture was the major source of wealth. With the Industrial Revolution capital became the critical factor. It was capital that brought the machinery for raising productivity. The labour that operated the machines was relatively untrained and easily replaceable. In modern society, the role of labour as a factor of production is becoming increasingly important. In the 'service oriented era', the equality, quantity and utilisation of human resources are of central importance. Capital and natural resource endowments are vital factors in advanced countries, but it is the labour - the human resource - who contributes most of the contemporary 'wealth of nations'. According to Frederic Harbison, "Human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organisation and carry forward national development."¹

With the advent of modern industrialisation, work organisations and work environment have undergone a basic

1 Harbison Fredrick: Human Resources as the wealth of Nations, Oxford University Press, New York 1973, p.3.

transformation in terms of the scale of production, large employment of work force, and increasingly complex relationship between the employers and the workmen. The industry is a social work in miniature where association of a large number of persons - workmen, supervisory staff, management and employer - are brought together for work. This association results in group relationship which affect the economic, social and political life of the whole community.

B : Importance :

The expression industrial relations is used to express the nature of relationship between the employer and employee in an industry or an organisation. 'Industrial relations' constitutes one of the most delicate and complex problems of modern industrial society. With the growing prosperity and rising wages, workers have gained higher living wages, more education, sophistication and generally greater mobility. The working organisations in which they are employed have become larger and shifted from individual to corporate ownership. Employees have their unions and employers their bargaining associations to give a tough fight to each other and establish their powers. The Government has played a growing role in industrial relations, in part by becoming the employer for millions of workers and in part by regulating working conditions

in private employment. Besides, rapid changes have taken place in the techniques and methods of production. Technological advances have eliminated long established jobs and have created opportunities that require different patterns of experience and education. Non-fulfilment of many demands of the workers have brought industrial unrest. All these changes have made employment relationship more complex.

There are many causes which have led to poor industrial relations and there are conditions which can generate good industrial relations also.

Problem Areas of labour management relations :

The following problems in one or the other way affect good industrial relations between labour and management. Therefore it is necessary to prevent the arising of such problem either by management, labour or strong trade union. If this is done it will help for smooth running of undertaking.

(1) Harsh, intolerable treatment to workmen :

It is possible that supervisor officers or executive in the firm not sympathetic towards workmen. On the other hand, they always find fault with the workmen and treat them harshly. If such attitude is continuous one and repeated then it is intolerable by workmen.

(2) Improper fixation of wages incentives :

Organisation must fix ideal incentive wage system to promote employer-employee relationship. If it fails to fix such ideal system then problem will arise.

(3) Unhealthy working conditions :

The condition in which the worker works must be good, healthy in the sense that there must be sufficient provision for sanitation, ventilation, drinking water. In the absence of it health of worker may adversely affected. This also spoils relations between employer and workmen.

(4) Indiscipline :

We find that indiscipline prevails on large scale amongst industrial workers. It is because of several reasons such as ill health, bad habits, illiteracy on the part of the workers.

Because of family background, culture etc. also indiscipline noticed amongst workmen.

(5) Lack of human relation skill :

It often happens that executives eventhough efficient administrators, managers of the organisation they rarely possess the quality of skillfully handling all kinds of

workmen. This lack of human relation skill results in creating differences between labour and management.

On the other hand, a skilled executive handles all kinds of labour sometimes by sympathetic behaviour, sometime curt behaviour.

(6) Desire for higher Bonus, D.A. :

The modern concept is that profit is outcome of labour management efforts. Therefore labour is entitled for the share in profit. This concept induces labour to demand more bonus linked with profits.

Similarly, because of the price rise the wages paid to workers falls short of real wages as a result labour demand more wages, D.A. to meet deficiencies.

On the other hand, employer think that profit is result their own capital and efforts risk bearing. Therefore they are entitled for it. Naturally they fulfil statutory obligations of bonus but refuse increased rate of bonus, D.A. etc.

(7) Introduction of automatic device :

If employers desire to install automatic devices they should take labour in confidence and should remove unreasonable fear in the mind of labour that such automation shall not result in retrenchment of any worker etc. Besides the workmen

must be trained to operate such devices then gradually all automatic devices should be introduced. Otherwise labour will protest such installation.

(8) Unreasonable heavy workload :

Workload of workman must have been properly fixed and according to reasonable workload worker should be directed to work. In exceptional case, worker can be requested to work in excess of his usual workload. However if workload not properly fixed and if occasionally labour is required to do heavy work then worker will revolt and it shall create differences.

(9) Inadequate welfare facility :

Different legislations have been passed by Govt. in connection with welfare facilities to be provided to workmen, e.g. subsidised meals, transport facility medical facility, educational, recreational facilities etc.

Many times employer may not make adequate welfare facilities to avoid additional expenditure.

(10) Disputes on sharing gains of productivity :

With joint effort of worker and management various measures to increase productivity is adopted. Naturally if as a result of increase in productivity any gain is derived

dispute may arise as to percentage of shares to be given to workers. Workers may demand higher percentage than offered by employer - on refusal dispute.

(11) Unfair Labour Practices :

It is possible that management may resort to unfair labour practices neglecting provisions of standing orders etc. and dismiss any workmen. Such dismissal being wrongful shall create problem.

(12) Retrenchment - Lockouts etc. - Strikes.

It is possible that with intention to bend the workmen from their demand and to accept employers demand employer may resort to retrenchment - lockout even if not desirable - then such retrenchment lockout creates problems.

Similarly workmen may resort to strike to compel to employer to give up his demand and accept the demand of workman.

(13) Inter-Union Rivalaries :

It is possible that more than one trade union may exist in the same organisation and if there is rivalry amongst the union then the activities of such rival trade union are in opposition to each other. This also results in unhealthy atmosphere in the organisation. The employers take advantages

from such rival trade unions atmosphere. Naturally problem arises.

(14) General indiscipline etc.

General economic and political environment - such as rising prices, strike by other employees etc. - create dissatisfaction in the mind of workmen tempting him to behave like others.

This results in creating problem.

Thus above said causes create problems of labour-management relations. However, with due care it can be prevented and checked to maintain, promote harmonious relations between employer and workmen.

Where willing and purposeful co-operation emanates from employees towards the achievement of organisational goals, there is said to be good industrial relations. The basis on which the development of an Industrial Democracy depends in the creation and maintenance of good relations between the workers and management. It in turn seeks to gain co-operation of the two partners in the industry in the field of production and promotes industrial peace. The healthy and orderly industrial relations in an enterprise generate attitudes which procreate progress and stabilise democratic institutions. "Stable industrial relations" means a situation

when requirements of management and the work-force are discussed between them in a spirit of mutual trust and confidence and without causing frictions. For example - The management would like to develop stable relation with a view to getting a disciplined and conscientious work-force for more work. The work-force, on the other hand, expects liberal thinking by management and a more human approach to its need by giving stable relations. Stable relationship is, therefore, means to an end and not an end in itself. The unions are also involved in industrial relations. Through stability they obtain for the work-force more benefits. The Government would like stable relations to prevail both for better production and for easier law and order.

C : Principles or certain perquisites for good or sound industrial relations may be stated as follows :

(1) The willingness and ability of employer's organisations as well as trade unions to deal with their mutual problems freely; independently and with responsibility.

(2) Recognition of collective bargaining as the cornerstone of good industrial relations and a genuine desire on the part of employers/management to bargain with their employee on the basis of equality, though the assistance of appropriate governmental agencies may be necessary in public interest.

(3) Recognition of the desirability of associating workers' as well employers' organisations with the Government agencies with the formulation and implementations of policies relating to general economic and social measures affecting industrial relations.

(4) The realisation and urge on the part of management for the advancement of employee welfare including fair redressal of employee, grievance and -

(5) Necessary public support to genuine cause of labour.

Besides these factors, some other conditions that may be feasible for creating and preserving such relations may be stated as the efforts on the part of management (a) to ensure the establishment of satisfactory working conditions, payment of fair wage including a provision for an appropriate plan for sharing productivity gains and evolutions of an adequate wage structure, (b) to introduce a suitable system of employees' education at various levels including appropriate training in industrial and human relations to rank and file employee's technical staff and managerial employees at all levels and (c) to maintain an adequate both downwards as well as upwards system of communications with a view to provide employees appropriate information about management decisions affecting their interests and to enable the managers

up the line includes top management to be acquainted with workers needs, problems, feelings and interests.

The significance of industrial relations in modern industrial society has gradually increased with a change in the concepts of industry and labour as well as the very concept of industrial relations. Industry today is neither viewed as a venture of employers alone nor profit is regarded as its sole objective. Currently it is considered to be a venture based on purposeful co-operation between various social classes, participation groups in the process of production. It has been aptly remarked that "management without labour would be sterile and Labour without management would be disorganised, ill equipped and ineffective." Similarly labour today is no more an unorganised mass of ignorant and timid workers ready to obey without resentment or protest the arbitrary and discretionary dictates of management. The management has to deal with employers today not as individuals but also as members of organised social group (i.e. unions) which have added to their consciousness about their rights as well as substantial bargaining strength. Besides, there is an increasing recognition of the fact that workers as individuals are human beings capable of holding responsibilities and extending co-operation towards the achievement of given objectives. Likewise the objective of evolving and maintaining sound industrial relations today is not only to

find out ways and means to solve conflicts or resolve differences but also to secure the unreserved co-operation of and goodwill amongst participating groups in the conduct of industry with a view to channelise their energies and interests towards useful and constructive purpose, an important condition for increasing productivity. Further, industrial relations play a vital role in the establishment and maintenance of industrial democracy based on labour partnership in the sharing of profits as well as managerial decisions affecting the interests of workers generally.

To sum up the impact of good industrial relations on production may be realised from the following facts :

1) Reduces industrial disputes :

Good industrial relations reduce the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring-up in an atmosphere of industrial peace. It helps promoting co-operation and increasing production.

2) High morale :

Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling

in mind that the interest of employers and employees is one and the same i.e. to increase production. Every worker feels that he is a co-owner of the industry. The employer in his turn must realise that the gains of the industry are not for him alone but they should be showed equally and generously with his workers. In other words, complete unity of the thought and action is the main achievement of industrial peace.

3) Mental Revolution :

The main object of industrial relation is a complete mental revolution of workers and employers. Both should think themselves as a partner of the industry and the role of worker in such a partnership should be recognised. On the other hand, workers must recognise employer's authority. It will naturally have impact on production because they recognise the interest of each other.

4) New Programmes :

New programmes for worker's development are introduced in an atmosphere of peace such as training facilities. Labour welfare facilities etc. It increases the efficiency of workers resulting in higher and better production at lower cost.

5) Reduced wastage :

Good industrial relations are maintained on the basis

of co-operation and recognition of each other. It will help increase production, wastages of man, material and machines are reduced to the minimum and thus national interest is protected.

Thus it is evident that good industrial relations is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. New and new projects are introduced for the welfare of the workers and to promote the morale of the people at work.

D : Definition and concept of Industrial Relations :

The concept of industrial relation has generally developed as a consequence of the industrial revolution as prior to this the Master and servant relationship which existed was simple and of a personal nature. With acceleration in industrialisation, the relations aspect became complex and impersonal. Historically the concept of industrial relation is the product of western liberal democratic societies which have evolved a capitalistic form of industry powerful autonomous trade unions and patterns of collective bargaining between unions and employers and in which the Govt.s have played a greater or lesser role.

The term 'Industrial Relations' comprises 'Industry' and 'relations'. Industry means "any productive activity in

which an individual is engaged," and relations means "the relations that exist in the industry between the employer and his workmen."

Different authors have defined industrial relations in somewhat different way.

1) V. Agnihotri : "The term industrial relations explains the relationship between employees and management which stem directly or indirectly from union-employer relationship."

2) Bethel and Others : "Industrial relations is that part of management which is concerned with the manpower of the enterprise - whether machine operator, skilled worker or manager."

3) R.A.Lester : "Industrial Relations involve attempts at workable solutions between conflicting objectives and values between incentive and economic security, between discipline and industrial democracy, between authority and freedom, between bargaining and co-operation."

4) H.A.Clegg : "The field of industrial relations includes the study of workers and their trade unions, management, employer's association and the state institutions concerned with the regulation of employment."

5) Ordway, Tead & Hetcalfe : "Industrial relation is

the composite result of the attitudes and approaches of employers and employees towards each other with regard to planning, supervision, direction and coordination of the activities of an organisation with a minimum of human efforts and frictions which an animating spirit of co-operation and with proper regard for the genuine, well being of all members of the organisation."

6) J.Henry Richardson : "Industrial Relation is an art, the art of living together for purposes of production."

7) John Dunlop : "The term industrial relation refers to interaction between the three major groups on the economic scene viz. the employers, the employees and the Government. Defined functionally, the term "industrial relations" would mean 'social relations in productions'. In order to understand the functional relationships among these three groups in a more rational manner, the environment and the context within which these groups interact are also very important. The environment can be divided into three categories viz. (i) the stage of technological development at a particular period of time, (ii) the market or economic context and (iii) the focus and the distribution of power in our society at a given moment of time."

8) C.B.Kumar : "Industrial relations are broadly concerned with bargaining between employers and trade union on wages

and other teams of employment, the day-to-day relations, within a plant also constitute one of the important elements and impinge on the broader aspects of industrial relations."

9) V.B.Singh : "Industrial relations are an integral aspect of social relations arising out of employer-employee interaction in modern industries, which are regulated by the state in varying degrees, in conjunction with organised social forces and influenced by prevailing institutions. This involves a study of the state, the legal system, workers' and employers' organisations on the institutional level, and that of patterns of industrial organisation (including management), capital structure (including technology), compensation of labour force and the forces of market on the economic level."

10) Dale Yoder : "The term 'industrial relation' includes recruitment, selection and training of workers, as well as collective bargaining policies and practices".

11) Encyclopaedia Britannica : "The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organisations. The subject, therefore, includes individual relations and joint consultation between employers and work people at their work place, collective relations between employers and their organisations and trade unions and the part played by the state in regulating these relations."

12) E.B.Flippo : "In his view the term 'industrial relations' refers to all types of relations that exist in an industrial enterprise and they are constituted by employer and employees. The term denotes all types of intra-group relations that exist in an industrial enterprise and they are constituted by employer and employees. The term denotes all types of intra-group relations within and inter-group relations between these constituent groups. These relations can be : (a) Formal, (b) Informal and (c) Mixed."

Formal industrial relations are those which are established among individuals in an industry by the rules and regulations of the enterprise. Informal relations are personal and individualised relations among the members of management and employees. These are not officially recognised, defined or regulated, e.g. the friendship between two workers of an enterprise is considered to be informal relationship. Mixed relations are the relations which are established between two persons in the course of the performance of their professional duties. These relations are partly functional and partly personal.

The common points emerging from the above definitions are :

1) The employment relationship in an 'industry' context provides the setting for industrial relations.

2) Industrial relations include individual relations but primarily pertain to collective relations between parties like workers and their unions, the management, the employers and their associations.

3) The State/Government evolves, influences and shapes industrial relations keeping in view certain broader considerations such as industrial peace, welfare of the community as a whole, etc.

4) The focus is on the rule-making process whereby industrial relations may be regulated.

Thus industrial relations may be defined as : the relations and interactions in the industry particularly between the labour and the management as a result of their composite attitudes and approaches in regard to the management of the affairs of the industry for the betterment of not only the management and workers, but also of the industry and national economy as a whole.

Despite the differences in definitions or expression of context of industrial relations as seen above, the basic feature of the concept of industrial relations remains that such relations are chiefly the relations between employers of management and workers/employees or between their respective organisations. In industrial relations, therefore, we seek to

study how people get on together at their work, what difficulties arise between them, how their relations including wages and working conditions etc. are regulated and what organisations are set up for the protection of different interests. Industrial relations thus include 'individual relations', i.e. relations between employers or management and work-people at the plant level as well as "collective relations" i.e. relations between employers or their organisations and trade unions at various levels (i.e. at plant level, regional or industry level or at national level) as well as the role of the state in regulating these relations.

Thus the term 'industrial relations' refers to "a set of relations arising out of the employer-employee relationship in the modern industrial society." Such a relationship is, therefore, complex and multi-dimensional, resting on economic, social, psychological, ethical, occupational, political and legal levels. As stated by V.B.Singh, there are mainly two sets of factors determining the state of industrial relations (whether good or poor) in any country. The first set of factors, described as 'institutional factors' includes "pattern and place of labour". Legislations, policy of the state relating to labour and industry, extent and stage of development of trade unions and employer's organisations and the type of social institutions. The other set of factors determining industrial relations described as

"economic factors" include "the nature of economic organisation (capitalist, socialist, individual ownership, company ownership or government ownership). Capital structure including technology, the sources of demand and supply in the labour market the nature and composition of labour force etc."

E : Objectives and Scope of Industrial Relations :

The primary objective of industrial relations is to bring about good and healthy relations between two partners in industry - the labour and the management. Apart from this, industrial relations aim : (i) to facilitate production and productivity, (ii) to safeguard the rights and interests of both labour and management by enlisting their co-operation, (iii) to achieve sound, harmonious and mutually beneficial labour management relations, (iv) to avoid unhealthy atmosphere in the industry, especially work stoppages, go-slows, gheraos, strikes, lockouts etc. (v) to establish and maintain industrial democracy, (vi) to bring down Government control over such units and plants, which are running at losses or where production has to be regulated in public interest.

According to Kirkaldy, "the state of industrial relation in a country is intimately connected with the form of its political government and the objectives of an industrial organisation may change from economic to political ends". He divides these objectives into four categories : (a) improvement

in the economic conditions of workers in the existing state of industrial management and political Government, (b) Control exercised by the state over industrial undertakings with a view to regulating production and promoting harmonious industrial relations, (c) Socialisation or rationalisation of industries by making the state itself a major employer and (d) vesting of a proprietary interest of the workers in the industries in which they are employed.

The Labour Management Committee of the Asian Regional Conference of the ILO has recognised certain fundamental principles as objectives of social policy in governing industrial relations with a view to establishing harmonious labour-management relations. They are :

i) Good labour-management relations depend on employers and trade-unions being able to deal with their mutual problems freely, independently and responsibly.

ii) The trade unions and employers and their organisations are desirous of resolving their problems through collective bargaining though in resolving such problems the assistance of appropriate government agencies might be necessary in public interest. Collective bargaining, therefore, is the corner-stone of good relations and hence, the legislative framework of industrial relations should aid the maximum use

of their process of mutual accommodation.

iii) The workers and employer's organisation should be desirous of associating with government agencies in consideration of general, public, social and economic measures affecting employers' and workers' relations.

The committee, therefore, emphasised the need for management to acquire a fuller - understanding of human factor in production and the importance of appropriate methods of employees' selection, promotion and training, wage administration, work rules and labour discipline, lay-off and dismissal procedures, measures designed to improve the system of supervision in regard to job relation, methods of improvement safety and job instruction and to develop in plant communications; wherever possible, appointment of trained, specialised staff to assist in developing sound management policies and practices in labour and personnel relations.

The most important fact to be noted is that "labour is not an article/commodity of commerce but it is living being which need be treated as human being and that employees differ in mental and emotional abilities, sentiments and traditions." Therefore maintenance of good human relationship is the main theme of industrial relations because in its absence the whole edifice of organisational structure may crumble down.

Scope :

There is no unanimity on the meaning and scope of "industrial relations" since different terms, such as labour-management relations, employer-employee relations, union-management relations, personal relations, human relations etc. are in use and are used synonymously. In its strictest sense the term "industrial relations" means relationship between the management and workmen in a unit or an industry. In its wider connotation it means the organisation and practice of multipronged relationships between workers and management, unions and workers and the unions and management in an industry. However 'industrial relations' are generally meant in the narrow sense.

An industry is a social world in miniature. Associations of various persons, workmen, supervisory staff, management and employer in industry create industrial relationships. This association affects the economic, social and political life of the whole community. Thus industrial life creates a series of social relationships which regulate the relations and working together of not only workmen and management but also of community and industry. Industrial relations are, therefore, inherent in an industrial life.

The main aspects of industrial relations are



- (1) Promotion and development of healthy labour management relations.
- (2) Maintenance of industrial peace and avoidance of industrial strife and
- (3) Development of Industrial democracy.

F : Framework or Environment of Industrial Relations :

Industrial relations are conducted in any setting where somebody hires the work/services of someone for a price. A composite of several influence - such as social, political and psychological - then begin to operate, which may be termed as a frame work. The term system of industrial relations refers to a set of inter-relationships between different participants in the context of a productive organisation which has an overall purpose of generating surplus economic value. In terms of these three words - setting, framework and system it may be possible to comprehend the broader perspective or complete environment of industrial relations.

Setting :

The setting for industrial relations is essentially the work setting, where the workers' services are utilised together with the instruments and materials of production

to generate, enhanced economic values. Work organisations have been continually changing in terms of size, location, input of technology and modes of combining instruments and materials of production. In small size organisation, there exists personal contact between the employer and the worker but as size increases this relationship changes to that of indirect and impersonal relationship because of a large gap of communication between the two groups.

When the location of enterprise changes from that of rural area to industrial centres in big cities the industrial relations became more complex and when the location shifts from individual organisation to industry as a whole in a region, industrial relations are conducted on industry-wise basis. Changes in technology also affect the relationship between the two groups for they enhance the employer's expectations about the skills of the workers on the one hand and the worker's expectations in respect of rewards on the other.

Framework :

The framework for industrial relations is the complex of influences which play their role in shaping the pattern and in deciding the texture of industrial relations in any setting. In fact they act, interact, reinforce one another in course of developing industrial relations.

Social aspect such as social groups, social values and social status do influence industrial relations particularly in the initial stages of industrialisation which give rise to such relationships as those of the 'masters and servants', 'higher castes and lower castes' etc. But with the progress of industrialisation such factors gradually lose their importance.

Psychological aspects comprising morale, motivation alienation, loss of personal identity, interest and dissatisfaction due to reputation of work results in frustrations and complaints for many of the social and psychological needs of the workers are not fulfilled. To give vent to their protest the workers and employers forms their organisation. Thus, an environment of 'power relationship' is created, which might culminate in collective bargaining and if not, the Govt. may intervene to regulate collective relations with the help of suitable labour legislation.

Economic influences - the relative status the wide disparity of income between the groups, employment, inflationary situation or a recession all have a serious bearing on the pattern of industrial relations.

Political factors - such as political institutions and the system of govt. also influence industrial relations. In

democratic set-up, there is always a process of co-operation between labour and management through the mechanism of workers participation. Contrarily, in authoritarian system, decision making by the employer alone breeds industrial unrest.

G : Systems of Industrial Relations :

Industrial relations were viewed as a system by John T. Dunlop in his book, 'Industrial Relation System in 1958.' According to him, an industrial society is affected by a number of external influences, international relations, global conflicts, dominant social, political thoughts abroad operations of international bodies like the I.L.O. etc. These are the forces exogeneous to the industrial unit in shaping and changing industrial relations. The environment consists of different components of the framework called sub-systems - an economic - sub-system, a political sub-system, a technological sub-system and so on. According to Dunlop the context for the system comprises factors like technology, market constraints and power relations.

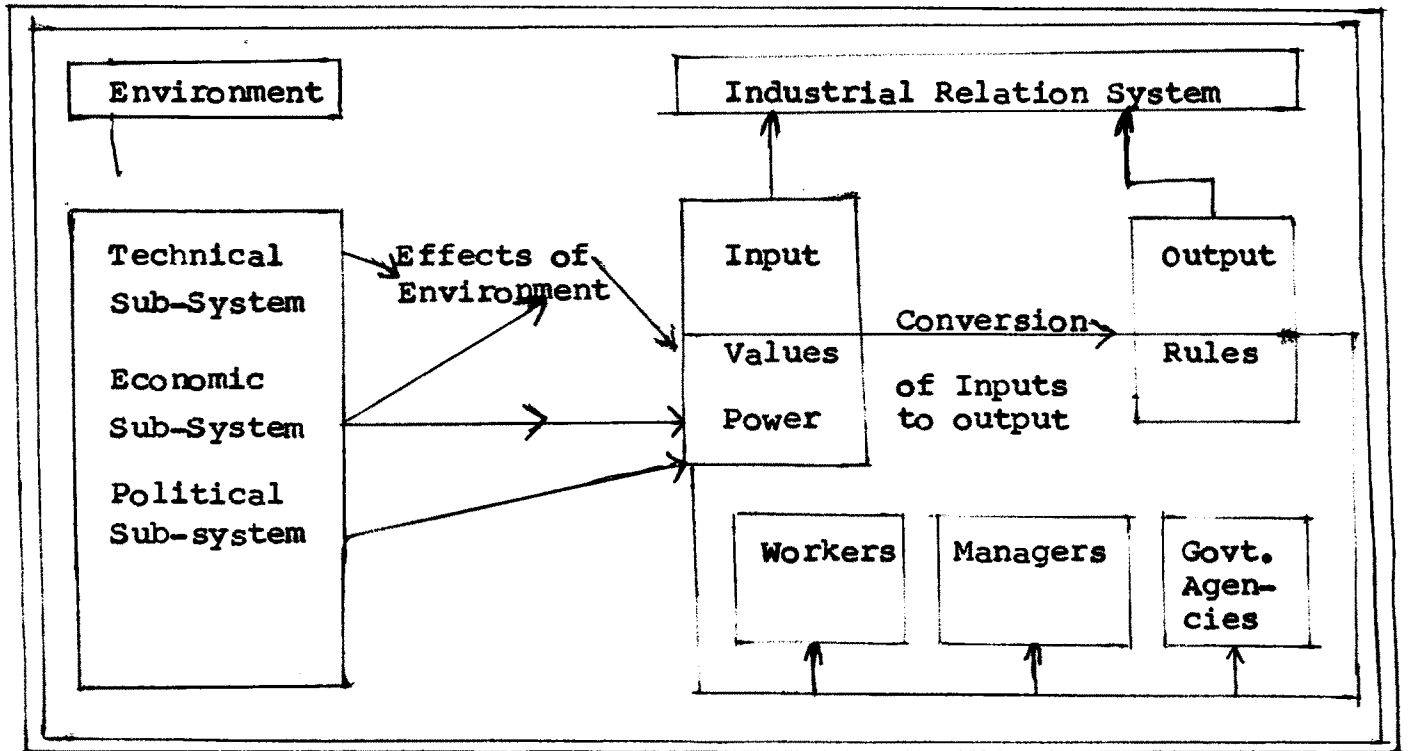
The technological changes influence work processes and work relationship. The workers acquire more skills to cope up with the challenge of changes.

The market influences are significant in labour relations because the need for labour is closely associated

with the quantity and the quality of products demanded. As the market became competitive, the share of the firm's demand becomes uncertain. This reflects in terms of constraints on the employers in dealing with labour.

Power centres like workers' organisation, employers' and Govt. also influence the relationship between labour and management. In the initial stage the two parties the workers and employers exhibit their strength to further their goals. With the regulative powers at its disposal the government play an important role in shaping the pattern of industrial relations.

The system of industrial relations where the ideologies of the participants revolve round conflict, would results in contest, strife and disharmony. It is necessary that workers and their organisations the employers/managers submerge their own ends with the goals of the organisation. The system would then have the participants more integrated to achieve industrial peace as the end product.



Source : Based on presentation made by N.F.Dulfy in changes in Labour-Managers Relation in the Enterprise, 1975.

The system of industrial relation functions through three participants - workers, employers and Govt. agencies. The system of industrial relations is influenced by changes both from within and without. The changes from without take place in the environment consisting of different sub-systems. In regard to the day-to-day functioning of the system, certain positive tendencies such as co-ordination and understanding between the parties, may emerge, ensuring a workable relationship, certain other tendencies arise out of a lack of communication or mis-trust which give rise to conflict as

the end product of the system. The parties learn to adjust to each other after indulging in confrontation and show of strength. Such changes keep on taking place within the system.

H : Approach to Industrial Relations :

(a) Psychological Approach :

According to Psychologists, problems of industrial relations have their origin in the perceptions of the managements, unions and rank and file workers. These perceptions may be the perceptions of persons, of situations or of issues involved in the conflict. Mason Haire has carried out experiments to show how qualities we imagine to be present in the man differ according to our perception of man. Haire offers the following generalisations regarding his study :

- 1) The general impression about a person is radically different when he is seen as a representative of management than when he is seen as a representative of labour.
- 2) Management and labour each sees the other as less appreciative of others' position than he himself is.
- 3) Management and labour see each other as less dependable than himself.
- 4) Management and labour see each other as deficient in thinking regarding the emotional characteristics and inter-

personal relations in comparison with himself.

The perception of situations and issues differ because the same position may appear entirely different to different parties. Some aspects of the situation are magnified, some are suppressed, and distorted by either party. The perceptions of unions and of the management of the same issue may be widely different and hence clashes and conflicts may arise between the two parties. Other factors e.g. income, level of education, communications received, personal prejudices, motivation and goals of persons and groups also influence perception and may bring about clashes.

When 'economic goals' and 'ego-fulfilment goals' are not satisfied, conflicts arise. This happens through the development of the tendency known as 'frustration' and 'aggression'. The reasons of strained industrial relations between the employers and the employees can be understood by studying differences in the perception of issues, situations and persons between the management groups and labour groups.

(b) Sociological Approach :

Industry is a social world in miniature. Workshops are in reality a community made up of various individuals and groups with differing personalities, educational back-

ground, family breeding, emotions, sentiments, likes and dislikes and a host of personal factors like attitudes and behaviour. These differences in individual attitudes and behaviour create problems of conflict and competition among the members of the industrial society. The complex inter-personal and intergroup relations maintained in an industrial society provide an interesting analysis in terms of industrial relations.

In analysing industrial relations, the role of social change cannot be over emphasised. The industrial society has undergone a profound change. The concept of management has changed from that of its being traditional to the professional. The profile of industrial worker has changed, from being migratory it has now stabilised in industrial centres. The concept of 'social audit' has been recognised. New institutions like welfare officers, personal managers and professional social workers have been added. Decision making process has been relatively democratised. Ideas about authority, control and status have undergone a revolutionary change. The role of State and political parties have been redefined in the light of new changes. All these changes affect the industrial relations. Thus "industrial relations has been lifted from an ideological plane to a business plane, from an "idealistic and philosophical" base to a more pragmatic and "matter of fact" base."

The organisational behaviour of inter-groups of management and workers is of crucial importance in the pattern of industrial relations. The group dynamics between the two conflicting groups in industrial relations tend to shape the behavioural patterns. It is a power relationship. Union-management relationship problems are primarily determined by power.

(c) Human Relation Approach :

Human resources are made-up of living human beings and not machines. They want freedom of speech, of thought, of expression, of movement and want control over their timings. When employers treat them as inanimate objects, encroach on their expectations, throught-cuts, conflicts and tension arise. In fact, major problems in industrial relations arise out of a tension which is created because of the employers' pressures and workers' reactions, protests and resistance to these pressures through protective mechanism in the form of workers' organisation, associations and trade unions.

Human relations approach is interdisciplinary in nature as it draws from the contributions of disciplines like psychology, sociology, social psychology, social anthropology, industrial psychology, economics, political sciences etc. This approach suggests that - (1) Subordinates should be

freed from too close a control so that they could satisfy their needs for freedom for a sense of responsibility, (ii) responsibility of the rank and file should be increased by providing Job opportunities so that their social and ego-needs could be satisfied and (iii) workers should be given share in decision making activities and also be consulted in matters affecting the interest of a larger number work of work people.

It has now been increasingly recognised that much can be gained by the manager and the worker if they understand and apply the techniques of human relations approach to industrial relations. The workers are likely to attain greater job satisfaction, develop greater involvement in their work and achieve a measure of identification of their objectives with the objectives of the organisation; the manager, on their part, would develop greater insight and effectiveness in their work.

(d) The Oxford Approach :

This approach has had a great deal of influence on the industrial relations thinking in the U.K. and has even been the theoretical base of the enquiry and recommendation of the Donovan Commission (1965-68). According to it the industrial relation system is a study of the institution of

Job regulation and the stress is on the substantive and procedural rules as in Dunlop model. The "institution of Job regulation" is categorised by him as internal and external the former being an internal part of the industrial relations system such as code of work rules, wage structure and internal procedure of joint consultation, grievance procedure etc. He views trade unions as an external organisation and excludes collective agreements from the sphere of internal regulation.

(e) The Marxist Approach :

The Marxist approach is primarily oriented forwards the historical development of the power relationship between capital and labour. It is also characterised by the struggle of these classes to consolidate and strengthen their respective positions with a view to exerting greater influence on each other. In this approach, industrial relations is equated with a power struggle.

(f) The Gandhian Approach :

Gandhiji can be called one of the greatest labour leader of modern India. His approach to labour problems was completely new and refreshingly human. He held definite views regarding fixation and regulation of wages, organisation and functions of trade unions, necessity and desirability of collective bargaining, use and abuse of strikes, labour

indiscipline, workers' participation in management, condition of work and living, duties of workers etc. Many of his ideas were implemented by the Ahmedabad Textile Labour Association, a unique and a successful experiment in Gandhian trade unionism.

Gandhiji had immense faith in the goodness of man and he believed that many of the evils of the modern world have been brought by wrong system and not by wrong individuals. Gandhiji's views on industrial relations are based on his fundamental principles of truth and non-violence and non-possession. Under the principle of non-violence and truth, Gandhiji meant a peaceful co-existence of capital and labour. Where conflict exists the means adopted to resolve the conflict, should be non-violent, non-cooperation. His concept of trusteeship is a significant contribution in the sphere of industrial relations. According to him, employers should not regarded themselves as sole owners of mills and factories of which they may be the legal owners. They should regard themselves only as trustees or co-owners. He also appealed to the workers to behave as trustees, not to regard the mill and machinery as belonging to the exploiting agents but to regard them as their own, protect them and put to the best use they can. In short, theory of trusteeship is based on the view that all forms of property and human accomplishments are gifts of nature and as such, they belong not to any one individual but to society. Thus the trusteeship systems is

totally different from other contemporary labour relations system.

India's industrial relation system has been largely influenced by the Gandhian thought. For Gandhiji's means and ends are equally important. Gandhiji strongly believed in the concept of setting industrial disputes through mutual negotiations and arbitration without any rancour between the parties. Understanding each other better with respect for mutual rights and responsibilities is the surest way to settle all problems. The Gandhian philosophy of Ahimsa and peaceful conduct of relations and positive co-operation will lead us to the correct path of industrial relations.

I : Organisation for Industrial Relations :

Generally two kinds of management officials are involved in handling industrial relations. Line officials who are directly responsible for production and staff officials who function mainly in an advisory capacity. In an industrial enterprise, line authority runs from the organisation - President through a Vice-President incharge of production to the Superintendent of a particular plant. Under the superintendent are Divisions Head, Department Head and so on down to the foreman. If the foreman has many workers to supervise, he may be aided by one or more assistant foreman or group-section leaders.

The staff-officials is usually known as the Director of Industrial Relations or Personal Director. This group is charged with developing and recommending policies on such matters as employee recruitment and selection, training, employee rating and promoting, transfer, demotion and lay-off, discipline and discharge, wage policies and wage administration, hours of work and shifts, service for employees, employees health and safety and employee participation in production problems.

There may be separate Industrial Engineering Department responsible for the analysis of Job-methods, time study, determination of output standards and application of wage incentive systems.

J : Industrial Relations programme :

A successful industrial relations programme reflects the personnel view point. The personal view point is influenced by three main considerations : (a) individualised thinking, (b) policy awareness and (c) expected group reactions.

Individualised thinking will require the administrator to consider the entire situation surrounding the individual affected. The policy awareness emphasizes consistency of treatment and the precedent value of any decision management makes. The expected group reaction balances what we know of human nature in groups against the individual's situation in

the light of policy.

Functional Requirements for Successful Industrial Relations

Programme :

The basic requirements on which a successful industrial relations programme is based are :

(1) Top-management support :

Industrial relation is a functional staff service. Hence it must derive authority from the line organisation. This can be done by having the industrial relations director, report to the top line authority - the president, vice-president, chairman, besides top management must also set an example for others.

(2) Sound Personal Policies :

They constitute a business philosophy for the guidance of the human relations decision of the enterprise. Policy can be successful only with it is followed at all levels from top to bottom.

(3) Adequate Practices :

Adequate practices should have been developed by Professionals in the field to assist the policies of the units. A system of procedure is necessary to translate

intention into action. The procedures and practices of industrial relations are the "tools of management" which keep the supervisor ahead of his job; the work of time keeping, rate adjustment, grievance reporting and merit rating.

(4) Detailed Supervisory Training :

To carry out the policies and practices by the industrial relations staff the Job-Supervisors must be trained in detail and the significance of the policies must be communicated to the employees. They must be trained in leadership and communication.

(5) Follow-up of Results :

Constant review of industrial relations programme is necessary to evaluate existing practices and to check on certain undesirable tendencies. Follow-up of turnover, absenteeism, departmental morale, grievances, employee suggestions, wage administration etc. must be supplemented with continuous research to make certain that the policies pursued are those best fitted to company needs and employee wishes.