

Industrial Relations In India: Challenges And Effectiveness Of Their Organisation

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Abstract: This paper examines the challenges and effectiveness of industrial relation in Indian industries. India today most dynamic business environment, each and every organization wants to become a successful organization. Without Human Resource (HR) it cannot be possible. The most important asset i.e. Human Resource (man power) is known as life blood of any organization. The success of any organization depends upon the performance of their Human Resource. If question arises to find out the most important difference between ordinary organization and successful organization, the answer would be their HR. The organization also wants quality people. The greatest challenge before every organization is to recruit right people in right place. HR is the factors. Employee and Employer both are important. There are the two sides of the same coin. One cannot operate without the services of the other. The main purpose of this study is to observe the industrial relation operation and satisfaction level of the employees in an organisation.

Keywords: Industrial Relations Environment, Challenges, and Effectiveness of Industrial Relations.

I. INTRODUCTION

It is commonly held that the field of industrial relations deals with the people at work place. In industries, collaboration of men having diverse interest often leads to tensions and conflicts. Each interest group tries to maximize its share from the enterprises. Their orientation towards work is also bound to be different from another. Establishment and maintenance of harmonious relations between employee and management is a pre-requisite for the organization's performance. When good understanding prevailing between them, each party tries to serve the other to the best of their ability. Industrial Relations are a dynamic socio-economic process. It a "designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of industry". It is not the cause but an effect of social, political and economic forces. In order to understand the issues and problems associated with industrial relations, Also the fast changing technological development, industrial production techniques, and ideological values have brought forth in the industrial world a unique type of employer and employee relationship. For a proper

theoretical perspective of industrial relations, it seems essential to have a historical review of industrial relations in India. Economists have traditionally identified four factors of production, viz., land labor, capital and organization. The role of labor as a factor of production is becoming increasingly important in the modern society. Capital and natural resource endowments, no doubt, are vital elements in the production process but it is labor which contributes most to the wealth of a company. "Human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organizations and carry forward national development". Growing industrialization and the rapid expansion of the services sector resulted in the galloping demand for skilled labor after 50s. The emergence of the concept of human relations, human resource management (HRM) and human resource development (HRD) contributed to the growing importance of labor. The issue of Industrial Relations arose from the issue of divorce of the workers from the ownership and management of the production process. This has brought about a sense of deprivation and loss of independence on the part of workers and is probably the primary cause of industrial disputes. Industrial work has

drastically reduced the independence of workers and made them mere cogs in the machine – a kind of second class citizens". The disciplinary rules for work have become quite harsh and arbitrary. The heterogeneous nature of workers, illiteracy and politicization of trade unions made it impossible for the workers to bargain for their rights united. All these factors have led to growing unrest among the rank of workers. There are 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 union 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 union, employers` associations, and other economic and social institution 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 of grievances, disciplinary measures, ethics, standing orders, collective bargaining, participatory schemes, dispute settlement mechanisms etc.

II. CONCEPT OF INDUSTRIAL RELATIONS

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen." The term industrial relations explains the relationship between employees and management which stems directly or indirectly from union-employer relationship.

Industrial relations are the relationships between employees and employers within the organizational settings. The field of industrial relations looks at the relationship between management and workers, particularly groups of workers represented by a union. Industrial relations are basically the interactions between employers, employees and the government, and the institutions and associations through which such interactions are mediated.

OBJECTIVES OF THE STUDY

- ✓ To observe the industrial relation operation and satisfaction level of the employees in an organization.
- ✓ To know the working conditions of the employees.
- ✓ To observe the grievance handling procedure inside the organization.

III. EFFECTIVENESS OF INDUSTRIAL RELATION

Industrial relations are the relationships between employees and employers within the organizational settings. The field of industrial relations looks at the relationship between management and workers, particularly groups of workers represented by a union. Industrial relations are basically the interactions between employers, employees and the government, and the institutions and associations through which such interactions are mediated. The concept of industrial relations has a very wide meaning and connotation. In the narrow sense, it means that the employer, employee relationship confines itself to the relationship that emerges out of the day to day association of the management and the labor. In its wider sense, industrial relations include the relationship between an employee and an employer in the course of the running of an industry and may project it to spheres, which may transgress to the areas of quality control, marketing, price fixation and disposition of profits among others. Covers industrial relations with its stakeholders, trade union negotiations, and settlement of industrial disputes.

- ✓ To identify employee grievances and redress them efficiently and promptly.
- ✓ To improve the current working conditions of the employees in the organization.
- ✓ To develop and maintain employee assistance program in the organization.

IV. CHALLENGES

Concerns for Industrial Relations cannot be limited to the maintenance of industrial harmony at enterprise level but also to prevailing issues of socioeconomic conditions prevailing in the country at the macro level. Industrial Relations systems and practices therefore must be directed towards responding major challenges surfacing in the new economic order. Healthy industrial relation cannot be maintained unless broader developmental issues are addressed. Some of the challenges impacting on Industrial Relation can be stated as follows:

- ✓ India figures at the bottom of the 10 newly industrialized countries in terms of the competitiveness of its human resources according to the World Competitiveness Report. The World Competitiveness Report examines the competitive advantage of human resources on the basis of skills, motivations and flexibility, age structure and health of the people. The criteria included in this factor are: population, employment, vocational training, and public expenditure on education, management quality, income levels and health factors.
- ✓ India's rank is one of the lowest-134 out of a total of 160 countries in terms of Human Development according to the 1992 UNDP Report on Human Development. The index takes into account 3 parameters i.e. longevity (life expectancy), knowledge (adult literacy) and decent standard of living (per capital income).
- ✓ India scored 14 points and obtained medium freedom ranking (11 to 30 points) in terms of Human Freedoms Index (UNDP, 1992), covering 40 indicators of freedom to exercise choices in cultural, social, economic and political affairs. (Venkatratnam, 1994) Although there has been
- ✓ Significant reduction in the proportion of people below poverty line, the magnitude is still very large. As compared to many developing countries, India's performance in terms of human resources is not satisfactory.
- ✓ Although the literacy has increased to 52% in 1991, the no. of illiterates has increased from 301.9 million in 1981 to 328.9 million in 1991.

V. THE CHANGED BUSINESS SCENARIO & INDUSTRIAL RELATIONS

The Government of India in 1991 introduced the New Industrial Policy which was followed by a large number of trade-related policies; these policies have reduced the role of the state and have led to unprecedented changes in the labor management relations. Increase in services, emergence of the white-collar workers and new forms of employment, development of non-union enterprises, development in technology and adoption of new techniques in manufacturing, has considerably reduced the importance of trade unions.

VI. CHANGING NATURE OF WORK

In terms of work itself, the term „workers“ seems increasingly inappropriate. “In the more modern and technologically sophisticated industries, the workers watch panels, push buttons, pull levers and turn a valve or two. Process industry pays them to exercise discretion, not to flex muscle. Their work is becoming increasingly difficult to distinguish from that of supervisors and lower managers. It is no wonder that process industry does not employ workers any longer. It employs operators and technicians.”

VII. CHANGING PROFILE OF WORKERS

A social wave is sweeping across our country. The declining power of trade unions, improving pay packets, the willingness of management to accommodate conflicting growing stature of workers in society, their increased levels of education and the emergence of process industries which has changed the very definition of work, have together caused a revolution of perception and aspiration. The social profile of industrial workers is changing rapidly. Unlike in the early years of our independence, not many come from a background of hardship and deprivation. Workers in the organized sector earn well and like to live well. Their aspirations for their children are no different from those of the middle class. Their eyes are set on upward mobility. Within industry itself, workers are pushing towards status equality. With a changing social profile, workers are becoming more assertive with their union bosses. They are also demanding more egalitarian treatment at the work place.

- ✓ Executive dining rooms are giving way to common canteens.
- ✓ There is growing demand that manager at least those who are compensated in some form for extra hours should punch the clock.
- ✓ The reluctance to perform lowly jobs.
- ✓ The search for fancy status giving designations -we have security guards“ and,, sanitary
- ✓ Staff“ in place of chowkidars and sweepers.
- ✓ The desire for promotion as supervisor or officer even on lower pay.

The changes in the emerging international and national business environment, challenges technological changes leading to redundancy of workforce, change in quality of workforce, spell out a new role for the trade unions, the management and the Government. The direction of change in the economy towards free market, places new demands on internal and external stake holders of the organization and necessitates the creation a new Industrial Relations environment.

VIII. CONCLUSION

The organization has adopted a better kind of welfare activities which create an effective working environment and thus better productivity. There is different kind 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 has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management). Thus industrial relation measures followed should be given prime emphasis which may lead to an effective relationship between management and employees. An effective industrial relation results in the increase of the productivity of the organization. Better relationship between the employee and employer is very essential for successful running of any organization. It has given a thrust on participation of employees through many forums - both traditional and revolutionary. Structured Communication as an important vehicle for carrying the employees and management together has been adopted nicely by RSP to facilitate the flow of information, ensure employees commitment and involvement in all critical aspects of the operation. Of course there are many scopes for improvement. Both management and recognized union should come forward to restore the relationship of trust. The Joint for a need to be more effective. The management also needs to be more committed to implement the plans more properly.

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