



Industrial Relations at Workplace

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Abstract

Industrial progress is impossible without labour management cooperation and industrial harmony but the industrial relations have become one of the most delicate and complex problems of modern industrial society. Industrial relations have been defined in the different ways by the people from the different walks of life. Some researchers have viewed the problems relating to industrial relations in terms of class conflict, some as the mutuality of interests of different groups, some have viewed the industrial relations problems as the consequence of the interaction of various factors both inside and outside the organization.

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Industrial relations, also called labour management relations or employer employee relations, which represents the relationships that exist in an industrial organization between the employers and the employees. The expression of industrial relations is used to express the nature of relationship between the employer and the employee in an industry or in an organization where willing cooperation emanates from employees towards the achievement of organisational goals. Industrial relations fall under two heads Personnel Relations and Labour Relations. The first place of the industrial relations is the personnel relations, who are necessary at the individual level and the second phase of industrial relations are the labour relations. Industrial progress is impossible without labour management cooperation and industrial harmony but the industrial relations have become one of the most delicate and complex problems of modern industrial society. In the broader sense, industrial relations refer to all types of relationships that exist between all the parties who are directly or indirectly related with the industry. *According to Encyclopedia Britannica*, “The subject of industrial relations include individual relations and joint consultation between the employers and workers at the place of work, collective relations between employers and their organizations and trade unions and part played by state in resulting



these relations.” Further *as per V.B. Singh*, “Industrial relations are an integral aspect of social relations arising out of employer employee interactions in modern industries, which are regulated by the state, the legal system and the workers and employers’ organizations at the institutional level and of the patterns of industrial organization (including management), capital structure (including technology), compensation of the labour force and the study of the market forces – all at the economic level.”

Approaches to Industrial Relations

Industrial relations have been defined in the different ways by the people from the different walks of life. Some researchers have viewed the problems relating to industrial relations in terms of class conflict, some as the mutuality of interests of different groups, some have viewed the industrial relations problems as the consequence of the interaction of various factors both inside and outside the organization. For this purpose various approaches have been developed to explain the dynamics of human relations. Some of these approaches are explained as follow:

- 1. Psychological Approach:** This approach has been based on the opinions of different psychologists. Psychologists view that the reasons for the problems of industrial relations is the conflict between the perceptions of employers and workers. Some of these reasons are:
 - (a) The method of interpreting situations and issues at the work place is different by both the management and workers.
 - (b) Management and workers both consider each and other less appreciative of the other’s position and less dependable than the other.
 - (c) The perceptions of trade unions are different from those of employers’ association.
 - (d) Frustration and aggression on the part of the workers is caused due to the dissatisfaction with pay, working conditions, and nature of job etc.
 - (e) Frustration over market conditions, government policies and other constraints compel the employers to resort to lockout, gherao, boycott etc.
- 2. Sociological Approach:** The adjustments in the industrial relations are also caused due to the social and cultural changes. These changes also shape the behavioral patterns. This



is because the industry is the part of society and society is made up of individuals with different family backgrounds, education level, personalities, emotions, etc. These differences in individual attitudes and behaviour leads to the conflicts and clashes at the work place. Following social differences affect the industrial relations:

- (a) The value system, customs, status symbols and institutions of the society.
- (b) Urbanization, housing and transport problems in industrial areas.
- (c) Disintegration of joint family system.

Therefore, according to this approach the social changes affect the industrial relations and industrial relations cannot be maintained if the society is in turmoil.

3. ***Human Relations Approach:*** Human relations seek to emphasize human aspect of work rather than technical or economic aspects. In the broader sense human relations refer to the interaction of people in all walks of life. In an industrial organization, human relations mean the systematic body of knowledge used to analyze the behavior of people at work. Further human relations approach emphasizes those policies and procedures which are designed to improve employee morale and job satisfaction. It also attempts to increase employee efficiency and reduced employee unrest. It gives the importance to human aspect over the technical and economic aspect. Human relations recognize the dignity of the individual as a human being. Industry is considered to be a servant of humanity. Human relation is directed in the organization towards the creation of positive work environment in which people can simultaneously fulfill their own goals as well as the organisational goals. This is because the goals of productivity and employee's satisfaction are inextricably interwoven. Predominant place is occupied by human relations in an organization. Three factors mainly influence the performance of people in an organization i.e. ability, technology, and motivation. The first two factors i.e. ability and technology are no more the problems for the management. It is the lack of willingness among employees to work hard and human relation is the key to generate this willingness among the employees. With the help of human relations, managers can better understand the attitude and behaviour of the employees. This improvement in the understanding in relation to the employees will enable the management in anticipating

and preventing the employees' related problems in the enterprise. Human relations help in reconciling the interests and capabilities of people with the needs and goals of the organization. Therefore, human relations lead to the improvement in the industrial relations in the organization.

4. *Giri Approach:* This approach on industrial relations was given by V.V. Giri, the late president of India. According to this approach following measures should be taken for the improvement in the industrial relations:

- (a) Encouragement of mutual settlement of disputes.
- (b) Collective Bargaining and Voluntary Arbitration.
- (c) Bipartite machinery for the settlement of differences.
- (d) No outside interference.

This approach mainly stresses on the internal settlement of disputes rather than compulsion from outside and voluntary arbitration along with collective bargaining in the place of compulsory arbitration.

5. *Gandhian Approach:* This approach is basically based on the principles followed by Gandhi and that is why it is known as Gandhian Approach. This approach is based on the principles of non violence, non possession, and truth. According to this approach the employers should follow these principles for maintaining good industrial relations and reducing the conflicts of interests between them and the workers. This approach accepts the workers right to go on strike but they should exercise this right in a peaceful manner. Gandhiji suggested the following guidelines for maintaining good industrial relations in the organization:

- (a) Workers should adopt the collective action for getting the redressal of their reasonable demands.
- (b) In the industries of essential service the workers should avoid strikes as far as possible.
- (c) The workers should go on strike only if all the legitimate measures have been failed.



- (d) If workers have to go on strike, they should follow only non violent methods and remain peaceful.
- (e) Workers should as far as possible take recourse to voluntary arbitration when direct settlement fails.

6. **HRD Approach:** There are two dimensions of the HRD approach to industrial relations:

(a) Competence building plays the major role in the industrial relations. This includes imparting knowledge, developing skills, creation of new attitudes conducive to the problem solving.

(b) Development of processes which facilitate the fostering of OCTAPAC values among the players in the industrial relations. The values are:

O – Openness

C – Confrontation

T – Trust

A – Authenticity

P – Proaction

C – Collaboration.

This approach recognizes the employees as the greatest asset of the organization and the human resources can be developed to the unlimited extent by providing them proper incentives, working conditions, and treatment. According to this approach the employers should always:

- Inculcate the feelings of commitment, loyalty, belongingness, achievement, involvement and recognition.
- Make available the safe and healthy working conditions.
- Following the principle: Industrial relations is human relations.
- Ensuring career development of employees.
- Keeping constructive approach to men and matter.
- Enhancing employee participation and motivation.

For the purpose of tackling with the specific problems of employees following interventions can be followed:

Industrial Relations	HRD Interventions
Stagnated and Demotivated Employees	<ol style="list-style-type: none"> 1. Training 2. Personnel Growth Lab 3. Job Enlargement 4. Job Enrichment 5. Work design
Lack of Leadership Qualities	<ol style="list-style-type: none"> 1. Leadership training 2. Assertiveness training 3. Role Efficacy Lab
Distrust between employer and employee	<ol style="list-style-type: none"> 1. Union management 2. Interface Team Building Exercise 3. Role Negotiation Exercise
Indiscipline	<ol style="list-style-type: none"> 1. Counseling 2. Review of Disciplinary Action Machinery
Policy of Appeasement	<ol style="list-style-type: none"> 1. Conflict Management 2. Union and Management Relations

Causes for Poor Industrial Relations:

There are various causes which lead to the poor industrial relations in an organization. These causes should be kept in mind by the managers while developing the industrial relation strategy. Some of these factors which lead to the poor industrial relations are as follow:

1. **Economic Causes:** The economic causes include the poor wage structure and poor working conditions in the organization which lead to the unhealthy relations among the management and the workers. Some of these causes are as follow:
 - (a) Unauthorized deductions from wages.
 - (b) Lack of Fringe benefits
 - (c) Relationalization and automation
 - (d) Absence of promotional opportunities
 - (e) Dissatisfaction with performance appraisal system
 - (f) Faulty incentive plans
 - (g) Lack of infrastructural facilities
 - (h) Worn out plant and machinery
 - (i) Poor layout

- (j) Unsatisfactory maintenance
2. **Organisational Causes:** These causes at organisational level include the following:
- (a) Recognizing the Rival union
 - (b) Following divide and rule policy
 - (c) Hire and fire policy
 - (d) Recruitment of casuals
 - (e) Inordinate delays in labour agreements
 - (f) Lack of communication facility.
 - (g) Complicated organisational structure
 - (h) Unfair practices
 - (i) Dilution of supervision and command
 - (j) Violation of labour laws
 - (k) Violation of collective agreements
 - (l) Non recognition of trade unions
3. **Social Causes:** These causes at society level include the following:
- (a) Tensions and conflicts in the society
 - (b) Uninteresting nature of work
 - (c) Break up of joint family system
 - (d) Growing intolerance
 - (e) Workers becoming subordinates of machines
 - (f) Loss of pride and satisfaction in the job by the workers
4. **Psychological Causes:** These causes exist at the individual level and include the following:
- (a) Lack of job security
 - (b) Poor organisational culture
 - (c) Non recognition of merit and performance
 - (d) Authoritative Administration
 - (e) Poor inter personal relations
5. **Political Causes:** Following causes are included in this category:
- (a) Political nature of trade union

- (b) Multiple union
- (c) Inter union rivalry

Therefore, a more comprehensive view of these causes should be taken in account as poor industrial relations are harmful for all.

Suggestions for Improving Industrial Relations:

Following principles are required to be followed for making the improvement in the industrial relations in an organization:

1. ***Creating Trust between Employees and Management:*** The most important single factor for good industrial relations is the trust between employees or trade unions and the management. According to Purell, the trust between the parties of industrial relations can only be created by developing competencies in the management and the union on side and establishing correct HR processes on the other side.
2. ***Support of Top Management:*** It is necessary to have top management support for maintaining good industrial relations in the organization. For the following reasons it is necessary to have top management support:
 - (a) The integration of HR strategy with the business strategy is the essence of strategic approach to industrial relations.
 - (b) Industrial relations depend upon the organisational climate and top management is responsible for the development of conducive organisational climate.
 - (c) Support of top management inculcates the feeling among the employees and unions that organization has genuine concern for their cause.
3. ***Sound Personnel Policies:*** It is necessary to incorporate industrial relation aspect while formulating the overall personnel policies of the organization. In other words the problem of industrial relations should not be seen in isolated context but in much wider context of human resource management policies covering from the point of recruitment to the integration of employees with the organization. The personnel policies relating to compensation, transfer, promotion, incentives etc should be fair and transparent.
4. ***Positive Attitude:*** It is necessary for both top management and the workers to have positive attitude towards each other. Management should consider trade unions as the presenter of the workers grievances and the custodian's of the organization interest. On

the other hand the unions and workers also on their part must recognize and accept the rights of employers.

5. **Collective Bargaining:** The process through which employee issues are settled through mutual negotiation and discussions by following a give and take approach is called collective bargaining. The industrial relations can only be improved if the top management and employees settle their disputes with the mutual negotiation and consultation. The intervention of the third party should be avoided. Further if the disputes or problems are not settled through collective bargaining than the matter should be referred for voluntary arbitration for the maintenance of congenial relations.
6. **Responsible Unions:** The trade unions should adopt the responsible attitude rather than the political approach towards industrial relations. Following should be the responsibilities of a trade union:
 - (a) Acceptance of private ownership and operation of industry.
 - (b) Recognizing fact that welfare of workers depend upon the operation of the industry.
 - (c) Democratic approach should be followed.
7. **Grievance Procedure:** For the improvement in industrial relations in an organization a well established and properly administered system for the timely and satisfactorily redressal of grievance of employees is necessary. Such a procedure provides an outlet for tensions and frustrations of workers.
8. **Training to Supervisors:** Supervisors in the organization should be provided training for maintaining better industrial relations by properly handling their employees. They are also provided training for the development of effective leadership and interpersonal skills. The programmes can help the superiors to deal with their subordinates in a much better way.

Significance of Good Industrial Relations:

The following benefits are received by the organization with good industrial relations:

1. **Industrial Peace:** The industrial disputes are reduced through good industrial relations. Industrial disputes are the reflections of the failure of basic human urges or motivations to secure adequate satisfaction, which can easily be cured by good industrial relations.



This leads to the industrial peace which is necessary for every organization for concentrating on the productivity and growth.

2. **High Morale:** The morale of the employees is improved through the good industrial relations. Employees work with full dedication and zeal as they feel that the interests of the employer and employees are same. Through good industrial relations an environment is created in the organization in which every worker feels that he is co owner in the organization and every employer knows that gains to the industry are not for him only but are equally to be shared by the workers.
3. **Mental Revolution:** The outlook and attitudes of employers and employees are totally transformed through good industrial relations. The individual democracy is enhanced in the organization which motivates the workers to give their best to the organization and share the fruits of growth with the management.
4. **Collective Bargaining:** In relation to the various issues between the labour and management good industrial relations are extremely helpful for entering into long term agreements. The cooperation between labour and management is enhanced through effective collective bargaining and participation of employees in decision making process.
5. **Reduction in Wastage:** With the help of cordial industrial relations workers take interest in their job which leads to the increase in organisational productivity and reduction in the wastage during production process. The national interest is protected as wastages of men, machine and material is reduced to minimum.
6. **Fair Benefits to Workers:** When the relations between the management and workers are cordial and the production is higher, the workers are also provided with the sufficient economic and non economic benefits to lead a happy life.
7. **Facilitation of Change:** By creating climate of cooperation and confidence, sound industrial relations make the process of change simple and easy. With this the full benefits of latest innovations, inventions and other technological advancements can be obtained. The workers easily adjust to the changes and they are convinced that the management will work for their benefit.

In simple words healthy industrial relations:



- Facilitate uninterrupted production by minimizing strikes, lockouts, go slows and gheraos.
- Reduce grievances, minimize industrial disputes and promote cooperation.
- Improve morale of the employees and improve productivity.
- Transform mental outlook of both employer and employees thereby leading to better understanding of other's views (i.e. the employees recognize the authority of employers and employers recognize the employees' impact on production)

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