

Human Resource Management and Industrial Relation in India

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ABSTRACT

In today's dynamic business environment, every organization wants to be a successful organization. It cannot be possible without Human Resource (HR). 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. They 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, to observe the different welfare schemes

provided by the industry. A major in Industrial Relations and Human Resource Management has two strands: the theory and practice of relations between employers, employees, unions and government; as well as the management of people within an organization, including recruitment, selection, remuneration, appraisal, and training and development. This is a professional major which includes a work experience program with placements in unions, employer organizations, companies and government.

Keywords:

Human Resource Management, Industrial Relation in India, dynamic business environment, a successful organization, recruitment, selection, remuneration, appraisal, training, development, unions, employer organizations, companies, government

INTRODUCTION

The term 'industrial relation' explains the relationship between employees and management which stem directly and indirectly from union-employer relationship. Industrial relations are the relationship 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 interaction between the employer, employees and the government, and the institutions and associations through which such interactions are mediated. The term industrial relations have a broad as well as a narrow outlook. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations covers all aspects of the employment relationship, including human resource management, employee relations, and union management (or labour) relations. Now, its meaning has become more specific and restricted. Accordingly industrial relations pertains to the study and practice of collective bargaining, trade unionism, and labour-management relations, while human resources management is a separate, largely

distinct field that deals with non- union employment relationships and the personnel practices and policies of employers. The relationships which arise at and out of the workplace generally include the relationships between individual workers, the relationships between workers and their employer, the relationship between employers, the relationship between employers and workers have with the organizations formed to promote their respective interests, and the relation between those organizations, at all levels. Industrial relation also includes the processes through which these relationships are expressed (such as, collective bargaining, and grievance and dispute settlement), and the management of conflict between employers, workers and trade union, when it arises.

INDUSTRIAL RELATION

Good industrial relations, while a recognizable and legitimate objective for an organization, are difficult to define since a good system of industrial relations involves complex relationships between:

(a) Workers (and their informal and formal groups, i. e. trade union, organizations and their representatives);

(b) Employers (and their managers and formal organizations like trade and professional associations);

(c) The government and legislation and government agencies and 'independent' agencies like the Advisory Conciliation and Arbitration Service.

Oversimplified, work is a matter of managers giving instructions and workers following them - but (and even under slavery we recognize that different 'managing' produces very different results) the variety of 'forms' which have evolved to regulate the conduct of parties (i.e. laws, custom and practice, observances, agreements) makes the giving and receipt of instructions far from simple. Two types of 'rule' have evolved:

- 'Substantive', determining basic pay and conditions of service (what rewards workers should receive);
- 'Procedural,' determining how workers should be treated and methods and procedures.

HR managers responsibilities

The personnel manager's involvement in the system of industrial relations varies from organization to organization, but normally he or she is required to provide seven identifiable functions, thus:

1. To keep abreast of industrial law (legislation and precedents) and to advise managers about their responsibilities e.g. to observe requirements in respect of employing disabled persons, not to discriminate, not to disclose 'spent' convictions of employees, to observe codes of practice etc. in relation to discipline and redundancy, and similarly to determine organizational policies (in conjunction with other managers) relevant to legal and moral requirements.
2. To conduct (or assist in the conduct) of either local negotiations (within the plant) or similarly to act as the employer's representative in national negotiations. This could be as a critic or advisor in respect of trade etc. association policies or as a member of a trade association negotiating team. Agreements could be in respect of substantive or procedural matters. Even if not directly involved the personnel manager will advise other managers and administrators of the outcome of negotiations.
3. To ensure that agreements reached are interpreted so as to make sense to those who must operate them at the appropriate level within the organization (this can involve a lot of

new learning at supervisory level and new pay procedures and new recording requirements in administration and even the teaching of new employment concepts – like stagger systems of work - at management level).

4. To monitor the observance of agreements and to produce policies that ensure that agreements are followed within the organization. An example would be the policy to be followed on the appointment of a new but experienced recruit in relation to the offered salary where there is a choice of increments to be given for experience, ability or qualification.
5. To correct the situations which go wrong. 'Face' is of some importance in most organizations and operating at a 'remote' staff level personnel manager can correct industrial relations errors made at local level without occasioning any loss of dignity (face) at the working level. 'Human resource management' and the obscurity of its reasoning can be blamed for matters which go wrong at plant level and for unwelcome changes, variations of comfortable 'arrangements' and practices and unpopular interpretation of agreements.

6. To provide the impetus (and often devise the machinery) for the introduction of joint consultation and worker participation in decision-making in the organization. Formal agreement in respect of working conditions and behavior could never cover every situation likely to arise. Moreover the more demanding the task (in terms of the mental contribution by the worker to its completion) the more highly-educated the workers need to be and the more they will want to be consulted about and involved in the details of work life. Matters like the rules for a flexi time system or for determining the correction of absenteeism and the contents of jobs are three examples of the sort of matters that may be solely decided by management in some organizations but a matter for joint consultation (not negotiation) in others with a more twenty-first-century outlook and philosophy. Human resource management is very involved in promoting and originating ideas in this field.
7. To provide statistics and information about workforce numbers, costs, skills etc. as relevant to negotiations (i.e. the cost of pay rises or

compromise proposals, effect on differentials and possible recruitment/retention consequences of this or whether agreement needs to be known instantly); to maintain personnel records of training, experience, achievements, qualifications, awards and possibly pension and other records; to produce data of interest to management in respect of personnel matters like absentee figures and costs, statistics of sickness absence, costs of welfare and other employee services, statements about development in policies by other organizations, ideas for innovations; to advise upon or operate directly, grievance, redundancy, disciplinary and other procedures.

HUMAN RELATIONS APPROACH TO INDUSTRIAL RELATIONS:

Among all the areas of management, perhaps one of the most delicate and tricky ones is concerned with human resources management. Their handling is radically different from that of physical, material and financial resources because these are not inanimate or passive, but are composed of pulsating human beings having their own emotions, perception attitude, personality etc. these characteristics make them

complex individuals and when they interact with others, either individually or in groups, their complexity further multiplies. So when such resources are not properly managed, the problem of industrial relations surfaces which can be only by deciphering and managing the dynamics of human behavior both at the individual and group level. As the management of people at work is an exclusive prerogative of Human Resources specialists, the various Human Resources Management policies including those relating to leadership and motivation have profound influence on their work behavior. Certainly, every style of leadership elicits a peculiar response from the people. For instance, a manager, using an autocratic style, designs a close supervision system and feels that display of authority would drive people to work. But this style leads to dissatisfaction and hatred among people, whereas, in democratic style, it is held that a desired organizational behavior can be cultivated if employees' needs and wants are properly satisfied. The manager working with such a style positively motivates people. In fact, no style is good or bad in every situation demands a specific leadership behavior on the part of HR specialist.

DISSATISFIED NEEDS PRODUCE TENSION AND LEAD TO CONFLICTS

Another important factor that is like a common denominator in all conflicts is the dissatisfied needs of the individual. Hence, for maintaining good human relations in general and industrial relations in particular, the study of human needs is of paramount importance. Broadly speaking, there are four types of basic needs, namely, physiological, safety, social and egoistic needs. The physiological needs are the one's in-born needs that include needs for food, water, clothing, shelter, etc. these needs are vital for the very preservation of a human being and maintenance of his efficiency at a particular level. The safety and security needs refers to the avoidance of any danger which comes in one's life including the need of physical security, financial security and job security. The social needs are largely acquired ones and are the result of one's socialization. These needs are of companionship belonging, affection. The egoistic needs are higher order needs, and relates to one's desire for self-esteem and esteem from others. Generally, it is believed that the needs are interdependent and overlapping. Each higher order need emerges only after the lower level needs are satisfied. But in all the cases, the needs do not necessarily follow a fixed pattern as the human behavior is multi variant and multidimensional. So it is necessary for management do design a

suitable motivational strategy to provide environments for their optimum and satisfaction, required for maintain good human relations in the organization.

EMPLOYEE PERCEPTIONS TOO PLAY A MAJOR ROLE:

As every organization has its problems, limitations. Employees also have their own preconceived notions, needs, problems etc. no specific diagnosis can be made for maintaining good industrial relation in the industry. It has now been increasingly recognized that much can be gained by the manager and the workers if they understand and apply the techniques of human relations to industrial relation. The workers are likely to achieve greater job satisfaction, develop greater involvement in their work and achieve a measure of identification of their objectives with the objectives of organization. The manager, on his part, would develop a grater insight and effectiveness in his work. It has been rightly said that "the industrial progress of the future will ultimately depend upon how far industry is willing to go in for establishing a community of mutual responsibility between the highest paid executive and the lowest paid production worker. One of the principal objectives of this human relation movement must be this much- needed integration.

REVIEW OF LITERATURE

Armstrong (1992) defines HRM as a strategic and coherent approach to the management of an organizations most valued assets – the people working there who individually and collectively contribute to the achievement of its organization.

According to Bhattacharjee (2001) this study examine the evaluation of Indian Industrial Relation is an historical and structural context.

Som Ashok (2006) gives an overview about how Indian firms are gradually adopting Innovative Human Resource Management practices to brace MNC Competition, post- liberalization in the India.

According to Sita C. Amba (2000), their study compares performance appraisal practices and management values in India by firm ownership. Difference in India Private investors Corporation, public sector Enterprises, foreign, joint ventures and private family business are examined to assist managers to adapt selectively to firms in the changing Indian Economy.

The study of Pawan S. Budhwar (2001) traces the major development in the field of Human Resource Management briefly and then highlights the need for more cross national Human Resources Management studies.

The study of Sinha Jai B.P Kanungo (1997) explains Indian organizational behavior with the

help of two interrelated concept: Context Sensitivity and Balancing.

Singh Joginder P. (1990) examines the managerial culture and work related values in india. It tries to understand the definition of the various dimensions of culture scores and demographics, link between differences in power distance with the perceived and preferred style of the superior.

OBJECTIVES OF THE STUDY

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

RESEARCH METHODOLOGY

A research methodology is a sample framework or a plan for study that is used as a guide for conducting research. It is a blueprint that is followed in processing research work. Thus in good research methodology the line of action has to be chosen carefully from various alternatives. A research design is the arrangement of conditions for the collection of data and analysis of data. In fact research design is the conceptual

structure within which research is conducted.

We have used company website, some publications on the net and information related to brochures for secondary data collection.

LABOUR WELFARE IN INDIA

In recent years, the Indian Organizations have started attention to the welfare needs of workers. The following facilities are provided in most origination:

- Certain facilities are provided at the site of work itself, such as subsidized canteen, crèches, and medical facilities.
- Some facilities relate to the economic needs of workers such as co-operative societies, consumers' co-operative stores, staff benefits funds, the educational assistance to workers' children.
- Certain institutions become the focal point for the involvement of workers and their families in community life. Such are communities' centers, welfare centers and educational institutions.

The various types of labour welfare activities undertaken by the enlightened Indian organizations can be broadly categorized under the following heads:

- a) Educational facilities for the workers and their children in the form of provision of schools, reading rooms, libraries, financial assistance.
- b) Medical facilities for workers and their families in the form of suitably equipped first aid centers, ambulance rooms, dispensaries, for the treatment of diseases like TB, cancer, leprosy, mental disease etc.
- c) Transport facilities for workers residing at a long distance, and the grant of conveyance allowance;
- d) Recreational facilities to provide the worker an opportunity to develop a sense of physical and mental discipline, in the form of music, dance, drama, games and sports, painting, hobbies and other cultural activities.
- e) Housing facilities are made available in the form of self-contained tenements with all basic facilities like electricity, sanitation and running water supply.
- f) Consumer co-operatives societies, which provide members with good quality food grains and other essential goods at fair

GRIEVANCE REDRESSAL PROCEDURE IN INDIA

At present there are three legislations dealing with grievances of employees working in industries. The Industrial Employment (Standing Orders) Act, 1946, requires that every establishment employing 100 or more workers should frame standing orders. These should contain, among other things, a provision for redressal of grievances of workers against unfair treatment and wrongful actions by the employer or his agents. The Factories Act, 1948, provides for the appointment of a Welfare officer in every factory ordinarily employing 500 or more workers. These welfare officers also look after complaint and grievances of workers. They also look after proper implementation of the existing labour legislation. Besides, individual disputes relating to discharge, dismissal or retrenchment can be taken up for relief under the Industrial Dispute Act, 1947, amended in 1965.

However, the existing labour legislation is not being implemented properly by employers. There is lack of fairness on their part. Welfare officers have also not been keen on protecting the interests of workers in the organized sector. Which should set up an example for the private sector, has not been implementing labour laws properly.

In India, a Model Grievance Procedure was adopted by the Indian Conference in its 16th session held in 1958. At present, Indian industries are adopting either the Model Grievance Procedure or procedures formulated by themselves with

modifications in the Model Grievance Procedure. In other words, the grievance procedures are mostly voluntary in nature.

The Model Grievance Procedure suggested by the National Commission on Labour involves six successive time-bound steps each leading to the next, in case of dissatisfaction. The aggrieved worker in the first instance will approach the foreman and tell him of his grievance orally. The foreman has to redress his grievance and if the worker is not satisfied with this redressal, he can approach the supervisor. The supervisor has to provide an answer within 48 hours. In the event of the supervisor not giving an answer or the answer not being acceptable to the worker, the workers go to the next step. At this stage, the worker approaches the Head of the Department who has to give an answer within three days. If the Departmental Head fails to give an answer or if the worker is not satisfied with his answer, the worker may appeal to the grievance Committee, consisting of the representatives of the employer and employees. The recommendations of this Committee should be communicated to the Manager within seven days from the date from the grievance reaching it. Unanimous decision, if any, of the committee shall be implemented by the management. If there is no unanimity, the view of the members of the Committee shall be placed before the manager for his decision. The manager has to take a decision and inform the worker within three days. The worker can make the appeal against the manager's decision and such an appeal has to

be decided within a week. A union official may accompany the worker to the manager for discussion and if no decision is arrived at this stage, both the union and management may refer the grievance to voluntary arbitration within a week of the receipt of the management's decision. The worker in actual practice, may not resort to all the above-mentioned steps. For example, if the grievance is because of his dismissed or discharged, he can resort the second step directly and he can make an appeal against dismissal or discharge.

LAWS RELATING TO WORKING HOURS, CONDITIONS OF SERVICES AND EMPLOYMENT

A company can ensure sustained profitability and productivity from its investments only by taking care of its human resources. The most important aspect of it is the work environment provided to the employees including hours of work, leave, safety, rest periods, holidays and other conditions of service of the employees. The working conditions of an organization shall be such that workers are able to contribute their best efforts and bring about quality output. They should feel safe and comfortable while working. Work environment should be clean, healthy, spacious and hygienic. It should be free from unnecessary noise and disturbances. Satisfactory physical conditions of work such as ventilation, temperature balance,

lighting and surroundings, etc. will help to remove workers irritation or stress at work. There should be proper performance appraisal of employees at regular intervals. Those who perform well should be rewarded. Various incentives and benefits should be given to the employees. A system of wage incentive will assure adequate incomes to employees and convince them that the management is sincerely interested in a better living standard for them and not in greater profits for itself alone. In India, the Factories Act, 1948 is the umbrella legislation enacted to regulate the working conditions in factories; to ensure provision of the basic minimum requirements for safety, health and welfare of the factories workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc.

INDUSTRIAL RELATION OPERATION AND SATISFACTION LEVEL OF EMPLOYEES

The healthy industrial relations are key to the progress, success. It improves the satisfaction level of employees working in organisation.

Uninterrupted production –

The most important benefit of industrial relations is that this ensures continuity of production. This means, continuous employment for all from manager to workers. The resources are fully utilized, resulting in the maximum possible production. There is uninterrupted flow of income for all. Smooth running of an industry is of vital importance for several other industries; to other industries if the products are intermediaries or inputs; to exporters if these are export goods; to consumers and workers, if these are goods of mass consumption.

Reduction in 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, 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.

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 employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him along but they should be shared equally and generously with his workers. In other words, complete unity of thought and action is the main achievement of industrial peace. It increases the place of workers in the society and their ego is satisfied. It naturally affects production because mighty co-operative efforts alone can produce great results.

Mental Revolution –

The main object of industrial relation is a complete mental revolution of workers and employees. The industrial peace lies ultimately in a transformed outlook on the part of both. It is the business of leadership in the ranks of workers, employees and Government to work out a new relationship in consonance with a spirit of true democracy. Both should think themselves as partners of the industry and the role of workers in such a partnership should be recognized. On the other hand, workers must recognize employer's authority. It will naturally have impact on production because they recognize the interest of each other.

Reduced Wastage –

Good industrial relations are maintained on the basis of cooperation 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.

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 is 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. Favorable relationship can avoid many adverse situations. With a huge manpower, Rourkela Steel Plant has taken every step to maintain a cordial relation. 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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