



Impact of industrial relation for the growth of industry

KEYWORDS

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ABSTRACT *Industrial relations have 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). In this study some dimensions have been found on which the industrial relation can be measured. After analysis we can find the causes of poor industrial relationship and by proper remedial measure, which can be improved for ultimate growth of industry.*

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"[2]. By "relations" we mean "the relationships that exist within the industry between the employer and his workmen."

Industrial relations are the relationships [25], [26] 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 [3].

Aims of industrial relations [10]:

The primary aims of industrial relations are to maintain congenial [27] relations between employees and employer.

The other objectives are:

1. To promote and develop congenial labor management relations.
2. To enhance the economic status of the worker by improving wages, benefits and by helping the worker in evolving sound budget.
3. To regulate the production by minimizing industrial conflicts through state control.

Principles for good industrial relation:

International Labor Organization (ILO) to formulate certain principles for promoting healthy industrial relations [22], [23], [24]. They are:

- (a) Good labor-management relations depend on employer and trade union's capacity to deal with their mutual problems freely, independently and responsibly.
- (b) Workers and employers' organizations should be desirous of associating with government agencies taking into consideration the general, social, public and economic measures affecting employers and workers relations.

Responsible forces in behind industrial relation [28], [29]:

- (1) Workers & their Organization: - The personal characteristics of workers, their culture, educational attainments, qualifications, skills, attitude towards work etc, play an important role in industrial relations. Workers' organizations, known as trade unions, are political institutions.
- (2) Employers & their Organizations: - The employers are a very important variable in industrial relations & regulate their behavior for getting high productivity from them. Industrial unrest generally arises when the employers'

demands from workers are very high and they offer low economic & other benefits.

- (3) Government: - The government exerts an important influence on industrial relations through such measures as providing employment, and regulating wages, bonus and working conditions, through various laws relating to labor.

Causes & Effects of Poor Industrial Relations

The following are briefly the causes of poor industrial relations [19],[20],[21]:

- Mental inertia on the part of management and labor;
- An intolerant attitude of contempt towards the workers on the part of management.
- Inadequate fixation of wage or wage structure;
- Unhealthy working conditions;
- Indiscipline;
- Lack of human relations skill on the part of supervisors and other managers;
- Desire on the part of the workers for higher bonus or DA and the corresponding desire of the employers to give as little as possible;
- Inappropriate introduction of automation without providing the right climate;
- Unduly heavy workloads;
- Inadequate welfare facilities;
- Dispute on sharing the gains of productivity;
- Unfair labor practices, like victimization and undue dismissal;
- Retrenchment, dismissals and lock-outs on the part of management and strikes on the part of the workers;
- Inter-union rivalries; and
- General economic and political environment, such as rising prices, strikes by others, and general indiscipline having their effect on the employees' attitudes.

Effects on society of bad industrial relations [1]:

- Effect on Workers: (i) Loss of wages, (ii) Physical injury or death on account of violence during labor unrest, (iii) Excesses by employers, (iv) Economic losses, (v) Bitterness in relations, (vi) Adverse affect on career.
- Effect on Employers / Industrialists: (i) Less production, (ii) Less Profit, (iii) Bad affect on organization, (iv) Bad effect on human relations, (v) Damage to machines and equipments, (vi) Adverse effect on development of companies, (vii) Burden of fixed expenses.
- Effect on Government: (i) Loss of revenue (less recovery of income tax, sales tax, etc.) (ii) Lack of order in society, (iii) Blame by different parties.
- Effect on Consumers: (i) Rise in prices, (ii) Scarcity of goods, (iii) Bad affect on quality of goods.
- Other Effects: (i) Adverse affect on International Trade (Fall in exports and rise in imports), (ii) Hindrance in Economic Development of the country, (iii) Uncertainty in

economy.

Dimensions of Industrial Relations include in Indian perspective [5]:

After literature survey [6], [7], [8], [9] and by taking interview of some key men in industry, some dimensions are found to measure industrial relation, as follow-

1. Communication-Communication is to be established between workers and the management in order to bridge the traditional GAP between the two.
2. Rapport- To establishes a rapport between managers and the managed.
3. Creative contribution-To ensure creative contribution of trade unions to avoid industrial conflicts, to safeguard the interest of workers on the one hand and the management on the other hand, to avoid unhealthy, unethical atmosphere in an industry.
4. Workers' participation-To lay down considerations, which may promote understanding, creativity and co-operation to raise industrial productivity, to ensure better workers' participation.

Measures For Improving Industrial Relations [11]

After literature review [12], [13], [14] it is found that the following measures can be taken to achieve good industrial relations on the basis of the following initiatives [16], [17] (drivers) on the basis of above dimensions [15]:

- Mutual Trust: Both management and labor should help in the development of an atmosphere of mutual cooperation, confidence and respect. Management should adopt a progressive outlook and should recognize the rights of workers.
- Workers' Participation in Management: The participation of workers in the management of the industrial unit should be encouraged by making effective use of works committees, joint consultation and other methods. This will improve communication between managers and workers, increase productivity and lead to greater effectiveness.

- Mutual Accommodation. The employers must recognize the right of collective bargaining of the trade unions. In any organization, there must be a great emphasis on mutual accommodation rather than conflict or uncompromising attitude.
- Sincere Implementation of Agreements. The management should sincerely implement the settlements reached with the trade unions. The agreements between the management and the unions should be enforced both in letter and spirit.
- Sound Personnel Policies: The following points should be noted regarding the personnel policies. The policies should be:
 - o Formulated in consultation with the workers and their representatives if they are to be implemented effectively.
 - o Clearly stated so that there is no confusion in the mind of anybody.
 - o Implementation of the policies should be uniform throughout the organization to ensure fair treatment to each worker.
- Government's Role: The Government should play an active role for promoting industrial peace. It should make law for the compulsory recognition of a representative union in each industrial unit. It should intervene to settle disputes if the management and the workers are unable to settle their disputes. This will restore industrial harmony.
- Progressive Outlook: There should be progressive outlook of the management of each industrial enterprise.

Conclusion:

To conclude, it can be said that almost all sections of the society suffer loss in one way or the other due to bad industrial relations. In order to maintain peace in industrial units it is of utmost importance that employers and workers should make constant endeavor to establish cordial human relations. In this study a method for quantification of the industrial relation has been discussed on the basis of required dimensions on the basis of some initiatives, which can be called as drivers to measure the industrial relations.

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