

## DIMENSIONS OF EMPLOYEE-MANAGEMENT RELATIONS IN INDIA: SOME REFLECTIONS

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### ABSTRACT

*“A quest for Industrial harmony is indispensable when a country plans to make economic progress is bound up with industrial harmony inevitably leads to more cooperation between employer and employees, which result in more productivity and there by contributes in all round prosperity of the country” (The Report of National Commission on Labour (1995))*

**KEY WORDS:** Management, *indispensable*, industrialization, relationship, absenteeism, lockouts.

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## INTRODUCTION:

To achieve the objective of economic development through industrial development, industrial peace is very important. On one side labourers should be satisfied with their wages, hours of work, working conditions, welfare facilities, etc. On the other side the employer or management ought to be satisfied with employees work performance and the profits. The aims and objectives of both the labourers and management usually go towards the opposite directions. Therefore, the dispute between these two automatically occurs and spoils the industrial peace which will finally lead to the major waste and economic loss to the society as a whole as well as themselves.

Harmonious relationship between labour and management determines industrial peace. The relationship between the workers and employers must be good. For rapid industrialization and overall development of the society the industrial peace is a basic requirement.

## 1. CONCEPT OF INDUSTRIAL RELATIONSHIP

To express the nature of relationship between the employer and employees in an industrial organization, the term industrial relation or employee-management or employer relation is used.

International Labour Organization (ILO) defines, “Industrial relations deal with either the relationship between the state, employers' and workers organization and the relation between the occupational organizations themselves”.

The term industrial relation has been described in the National Commission on Labour Report (1995) as, “A quest for Industrial harmony is indispensable when a country plans to make economic progress is bound up with industrial harmony inevitably leads to more cooperation between employer and employees, which result in more productivity and there by contributes in all round prosperity of the country”

The expression industrial relation has been described as their relationship between the employers and the labours in an industry such as, relations between employee and employer/management and workers/unions regarding wages, hours of work and conditions of work, etc. These relations include personal relation as well as collective relation i.e., between

labour union and management and also the role of state in regulating these relations. With this background the study aims to scrutinize some of the aspects related to the Employee-Management Relations in India.

## 2. OBJECTIVES OF THE STUDY:

The present study has the following objectives.

1. To examine the incidence and importance of industrial disputes and their impact on the industrial sector in India.
2. To study the broad theoretical dimensions relating Employee-Management Relations in India.
3. To identify the factors causing industrial disputes and examine the methods for settlement of disputes.
4. To make suitable suggestions for reducing the incidence of industrial disputes through proper policy reorientation of the government labour policy.

## 4. RESEARCH METHODOLOGY

The present study is based on secondary data. The data related to factor like, disputes, Strikes and lockouts, etc. are collected. The secondary data is obtained from published as well as documented sources, relevant literature, etc., The reports of Govt of India, Karnataka at Glance, Economic Survey, RBI Hand book of statistics, Indian stat, ILO studies different government sectors are used for the study, statistical tools like Compound annual growth rate percentage, ratio's, average, tools are used to examine the data.

## 5. SURROUNDINGS OF GOOD EMPLOYEE-MANAGEMENT RELATIONSHIP

In any industry or organization, co-operation and mutual understanding between employee and employer is necessary. The management must treat the employee as human beings and not as their slaves. In turn the labourers must have the sense of belongingness, treat industry as their own and they must have sense of accountability and dedication to the occupation. The existence of good relations is necessary to improve the employee-management relations. On one hand the good industrial relations depend on capacity of employers' organization and trade unions to deal with their mutual problems freely and independently and the collective bargaining

is the foundation stone of good industrial relation through the assistance of suitable government agencies, with necessarily in the public interest. It is known fact that the management without labour and labour without management would be ill-equipped and ineffective. The management now has to deal with labours not only as individuals but also as members of the organized social groups or unions. The human relation gives greater importance on the human factor. The main objective of the human relation approach is to inspire the people for work through employees' cooperation and team work.

The successful human relation aims at the achievement of the humble objectives.

1. The employers' welfare lies in higher output, cordial relations, reduction in costs, etc.
2. The employees' welfare lies in the fulfillment of the economic objectives, social needs and psychological needs.

The problem of industrial peace is universal to almost all the industrially developed countries of the world. Since industrialization every country is making efforts to find out solutions solutions for good relations. But still the problem has not been completely solved. The ways and methods used in solving this problem differ from country to country depending on their economic, social and political background. Industrial disputes still arise and will continue to arise in future.

## 6. INDUSTRIAL DISPUTES/UNREST

As per the sections 2 of the Industrial Disputes Act of 1947, the term industrial dispute means "any dispute or difference between employers and employees or between employers and workmen or between workmen and workmen which is connected with employment or non-employment or the terms of employment or with the conditions of labour of any person".

Strikes and lockouts are the important key of industrial disputes in modern industries. A strike has commonly defined as a spontaneous and concerted withdrawal of labour from production. Strikes constitute aggressive and organized protest against existing industrial conditions. These are signs of industrial conflict.

Similar to the strike is the lockout – which is used by the employer or management to curb the aggressive spirit of the employees. The Industrial Disputes Act of 1947 defines a lockout as the closing of a place of employment or the suspension of work or the refusal by an employer to continue the employment by any number of persons by employed by him. In India Strikes are a variety of forms with different intentions. Apart from strike proper which means a

complete stop of work, of late labour has found new types of agitation or protest such as stay in or stay down strikes, sit down strike, pen down strike an tools down strike, when the workers remain at their work place but decline to work. Sometimes the workers adopt 'go slow' policy hunger strikes gheraos or bundhs are organized at the town or state level by workers organization.

A lockout involves, closing of a place of employment, suspension of work, refusal by an employer to continue to employ with number of persons employed by him. Sometimes workers may take casual leave to show their complaint. The main objective is to create disturbances in the functioning the official machinery, transportation system, factories business etc. Since gheraos involve physical violence and spoken aggression. The former include brick/stone throwing, murder, assaults, violence, rioting involving damage to men, machinery and property. The latter include the raising of slogans, abuses etc., against the management. The officers of the factory may also use abusive language or police may resort to lathi charge, firing etc., when the industrial disputes take such forms the consequences are often serious.

**Table-1 Industrial Disputes Classified by Strikes and Lockouts**

Year	No. of Disputes			No. of Workers involved			No. of Man days lost (00)		
	Strikes	Lockouts	Total	Strikes	Lockouts	Total	Strikes	Lockouts	Total
1971	1240 (91.40)	117 (8.60)	1357 (100.00)	432 (84.40)	80 (15.60)	512 (100)	2969 (60.40)	1950 (39.60)	4919 (100)
1981	2478 (90.00)	274 (10.00)	2752 (100.00)	1476 (91.40)	139 (8.60)	1615 (100.00)	11803 (71.30)	4743 (28.70)	16546 (100)
1991	2245 (86.70)	395 (13.30)	2640 (100.00)	1261 (79.40)	327 (20.60)	1588 (100.00)	21208 (58.00)	15375 (42.00)	36583 (100)
1999	1304 (74.70)	441 (25.30)	1745 (100.00)	937 (78.70)	254 (21.30)	1191 (100.00)	12530 (36.90)	21417 (63.10)	33947 (100)
2005	1915 (93.04)	550 (7.05)	2465 (100.00)	557 (70.05)	321 (30.00)	878 (100.00)	17803 (45.90)	20335 (55.00)	38138 (100.00)

**Source:** Ministry of Labour, Government of India, Annual Reports, 2000-05, Vol.1.

**Note:** Figure in the bracket indicate the percentages.

1. The data reveals that the number of strikes has decreased from 91.4 per cent 74.7 per cent in 1999 and correspondingly the lockout has increased from 8.6 per cent in 1971 to 25.3 per cent in 1999. This is because of the sickness in the industry.

2. The data reveals that during 1971 to 1996 the mandays lost due to strikes was 60.4 per cent and due to lockout 39.6 per cent. But in 1999 it has become reverse. The mandays lost due to strikes is 36.9 per cent and due to lockout is 63.1 per cent.
3. The number of workers involved in the strikes and lockout has increased considerably from 5.12 lakh in 1971 to 1 crore 19 lakhs in 1999.

This indicate the labour organized strikes press for demands for higher wages, dearness allowances, bonus, grievances against retrenchment and improvement in the terms and surroundings of work.

**Table-2 Industrial Disputes Classified by Causes (Central Sphere) in India (2006 and 2007)**

<b>Wages and Allowances</b>	16	20	224925	13.7	1203681	44.3
<b>Personnel</b>	15	18.8	245671	14.9	273209	10.1
<b>Lay-Off</b>	1	1.3	60	0	60	0
<b>Leave &amp; Hours of Work</b>	2	2.5	846	0.1	846	0
<b>Non-implementation in connection with Labour Enactments/Agreements</b>	1	1.3	400	0	400	0
<b>Charter of Demands</b>	32	40	519700	31.6	520360	19.2
<b>Government Economic Policy</b>	1	1.3	613408	37.3	613408	22.6
<b>Other reasons</b>	12	15	40875	2.5	102445	3.8
<b>Total</b>	<b>80</b>	<b>100</b>	<b>1645885</b>	<b>100</b>	<b>2714409</b>	<b>100</b>
<b>2007</b>						
<b>Wages and Allowances</b>	24	35.8	43112	17.2	108266	33
<b>Personnel</b>	5	7.5	1938	0.8	4504	1.4
<b>Indiscipline</b>	1	1.5	524	0.2	524	0.2
<b>Non-implementation in connection with Labour Enactments/Agreements</b>	4	6	2592	1	2592	0.8
<b>Charter of Demands</b>	12	17.9	12547	5	7480	2.3
<b>Government Economic Policy</b>	13	19.4	168633	67.3	183763	56
<b>Other reasons</b>	7	10.4	16093	6.4	16093	4.9



Not Known	1	1.5	5001	2	5001	1.5
<b>Total</b>	<b>67</b>	<b>100</b>	<b>250440</b>	<b>100</b>	<b>328223</b>	<b>100</b>

**Source:** Ministry of Labour and Employment, Govt. of India. 2007-08 (ON10)

The data concerning to the causes of industrial disputes, the numbers of employees involved and the number of mandays lost in the industrial units (Central Sphere) do not indicate any equality during the two years 2006 to 2007. Maximum numbers of disputes in 2006 were caused by agreement of demands 32 while wage and allowances caused maximum numbers of personnel involved in industrial disputes in 2006 was 613408 relating to disputes caused by government economic policies. Similar was the case in 2007 when maximum number of workers involved in industrial disputes was 168633 relating to the government economic policies. Maximum in number of mandays lost due to industrial disputes in 2006 and 2007 was related to the government economic policies other major causes leading to industrial disputes were related to wages and allowances, personnel and other reasons in 2006. Other causes leading to industrial disputes in 2007 were agreement of demands by workers, and government economic policy.

**Table-3 Industrial Disputes (All Strikes and Lockouts) in India (2006 to 2010)**

Year	Number of		
	Disputes	Workers Involved	Mandays Lost ( ' 000)
<b>2006</b>	430	1810348	20324
<b>2007</b>	389	724574	27167
<b>2008*</b>	426	1581429	17482
<b>2009*</b>	348	500442	7097
<b>2010* (Jan. to March)</b>	26	26761	460

**Note:** \*: Provisional.

**Source:** Ministry of Labour and Employment, Govt. of India. (11637)

Industrial unrest leading to strikes and lockouts varied between a minimum with loss of mandays of 7097 to a maximum of 430 in 2006 with total number of 1810348 workers and loss of mandays of 20324. There is no uniformity of occurrence of strikes and lockout by industrial workers in the country during the five years from 2006 to 2010. There is a relationship between number of disputes leading to strikes and lockouts and the numbers of workers involved during

corresponding period. However the occurrence of loss of mandays lost has no relationship with the number disputes and the number of workers involved during the corresponding years.

#### **7. REASONS OF STRIKES AND LOCKOUTS:**

Generally speaking due to economic factors, the industrial disputes in any industry take place. But in recent years the industrial disputes occur due to non-economic factors like, psychological, ideological and political. The economic causes include questions relating to wages, bonus, allowance, hours of work, condition of work etc. The non-economic factors also responsible for the industrial disputes such as, inter union rivalries, lack of communication between the workers, unfair labour practices, such as victimization or termination of services.

#### **8. AVOIDANCE AND SETTLEMENT OF INDUSTRIAL DISPUTES**

The methods for avoidance or prevention of industrial disputes includes broadly all such measures which directly or indirectly contribute for the improvement of industrial relations.

- a. Significance of strong Trade Union - Trade union is the most appropriate and most effective agency to conduct collective bargaining on behalf of the labourers. There should be one union for one industry to avoid array of unions.
- b. Profit Sharing and Co-partnership for upholding of good industrial relation.
- c. Role of Joint Consultation Committee – The Royal Commission on labour in India recommended the constitution by a statute of an organization by which representation of employees, employers and of government would which representation of employees, employers and of government would meet regularly – (Tripartite Labour Machinery) present the Industrial Disputes.
- d. Works Committees - They are joint-committees having equal number of representatives of each party, with the chief object of promotion of industrial friendliness through better understanding of workers by management and of management by workers.
- e. Labour Welfare Officer – machinery for the prevention of disputes and for internal settlement of grievances and demands of the workers is the appointment of Labour Welfare Officer in the industry – act as intermediates.
- f. Standing Orders – Standing orders refer to rules and regulations governing the conditions of employment of workers when the measures likely to present the emergence of industrial disputes confirm either inadequate or ineffective.



## 9. METHODS OF SETTLEMENT OF INDUSTRIAL DISPUTES:

- i. Investigation – Investigation in industrial disputes is conditioned by a board or court appointed by the government of the country. It may be voluntary or compulsory. If investigation is conducted on an application by either of the parties of the dispute or both of the parties together it is voluntary. If the government appoints a court of enquiry to investigate into a dispute without the consent of the parties of the dispute then it is compulsory. When the government appoints a court of enquiry, the strikes and lockouts are required to be stopped and employees are required not to make any change in the condition of employment.
- ii. Mediation - It is an attempt to settle disputes with the help of an outsider, who assists the parties in their negotiations. A mediator performs messenger services for the parties. The sole aim of genuine mediation is the settlement of disputes by bringing about a Voluntary agreement.
- iii. Voluntary Conciliation and Arbitration – The main object of the conciliation and arbitration machinery is to unite the two conflicting groups in industry in order to avoid interruption in production. Conciliation is a process by which representatives of the workers as well as the employers are brought together before a third party with a view to persuading them to arrive at some sort of settlement. Decision is not binding.
- iv. Compulsory Conciliation and Arbitration- Compulsory conciliation means the compulsory reference to disputes to conciliation boards. Decision is binding on both the parties. Compulsory arbitration is avoided from the point of view where parties fail to arrive some settlement.

## 10. EMERGING ISSUES

The basic issue with regard to strikes and lockouts is whether they are essential at all? Trade unions have claimed right to strike as a legitimate right under freedom of association convention of I.L.O whiles the management has sought permission for lockout to protect their properties. Main issues are

1. The crucial issue is how to minimize the occurrence of such disputes, how to minimize their intensity and adverse impact whenever they occur.
2. The role of state in dealing with industrial conflicts-strikes and lockouts is another issue.

There is a feeling that the Indian State under pressure of World Bank, IMF, lobbies has

turned against the labour interests and that the policies of liberalization, privatization and exit policies have made employers more militant. However, the government is denying this and has put forth measures like N.R.F to protect the labour.

3. Another vital issue is the labour legislation. There is a need that the labour legislation requires radical change.
4. The organization and working of the Central Industrial Relations machinery is another aspect which requires close attention. Strikes and lockouts can be minimized if this machinery is oriented to speedy settlements of disputes rather than the present system of multistage approaches. At present the machinery come into operation when the industrial disputes occur.
5. Promotion of Trade Union Solidarity and consensus on vital issues are essential. Intervention rivalries, political unionism and the outside leadership have frequently resulted in the infliction of strikes and lockouts.

#### 11. FINDINGS:

1. The number of employees involved in the strikes and lockout has increased considerably from 5.12 lakh in 1971 to 1 crore 19 lakh in 1999.
2. Industrial disputes leading to strikes and lockouts varied between a minimum with loss of mandays of 7097 to a maximum of 430 in 2006 with total number of 1810348 workers and loss of mandays of 20324.
3. Mandays lost due to industrial disputes in 2008 ranged from a minimum of 884854 in October and maximum of 4856044 in December.
4. The frequency of loss of mandays lost has no relationship with the number disputes and the number of workers involved during the corresponding years.
5. Trade unions in the country have been concerned, more especially during the eighties to seek and other remedies to prevent the growing number of lockouts and closures which cause job losses.

#### 12. SUGGESTIONS:

- The vital question is how to minimize the happening of such disputes, how to minimize their force and adverse impact whenever they happen.
- There is an urgent need for radical change in the labour legislation.

- Promotion of Trade Union team spirit and compromise on fundamental issues are essential. Intervention of rivalries, political unionism and the outside leadership has frequently resulted in the strikes and lockouts.
- Workers and unions should also have a right to approach BIFR if they detained sickness or if sickness has already taken place.

### 13. CONCLUSION:

The role of state in dealing with industrial conflicts-strikes and lockouts is very important. The Indian government, under pressure of World Bank, IMF, lobbies has turned against the labour interests and that the policies of liberalization, privatization and exit policies have made employers more aggressive. The non-economic factors like inter union rivalries, lack of communication between the workers, unfair labour practices, such as victimization or termination of services also responsible for the industrial disputes. However, the government is denying this and has put forth measures like N.R.F to protect the labour. Since, the biggest beneficiaries of modernization are the employers/managements and they should be made to pay the social cost of modernization. Although by and large, their focus is economic demand seeking for improvement in wages, working and living conditions of the members. The workers role and increasing contribution in national development, shaping of national policies should not be neglected.

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