

INDUSTRIAL RELATIONS

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Industrial Relations (IR): Concept, Scope and Objectives

According to Dale Yoder, IR is a designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment processes of Industry”.

Armstrong has defined IR as “IR is concerned with the systems and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat their employees”

In the opinion of V. B. Singh “Industrial relations are an integral aspect of social relations arising out of employer-employee interaction in modern industries which are regulated by the State in varying degrees, in conjunction with organised social forces and influenced by the existing institutions. This involves a study of the State, the legal system, and the workers’ and employers’ organizations at the institutional level; and of the patterns of industrial organisation (including management), capital structure (including technology), compensation of the labour force, and a study of market forces all at the economic level”

SCOPE OF IR:

Based on above definitions of IR, the scope of IR can easily be delineated as follows

1. Labour relations, i.e., relations between labour union and management.
2. Employer-employee relations i.e. relations between management and employees.
3. The role of various parties’ viz., employers, employees, and state in maintaining industrial relations.
4. The mechanism of handling conflicts between employers and employees, in case conflicts arise.

The main aspects of industrial relations can be identified as follows:

1. Promotion and development of healthy labour — management relations.
2. Maintenance of industrial peace and avoidance of industrial strife.
3. Development and growth of industrial democracy.

OBJECTIVES OF IR:

The primary objective of industrial relations is to maintain and develop good

and healthy relations between employees and employers or operatives and management. The same is sub- divided into other objectives.

1. Establish and foster sound relationship between workers and management by safeguarding their interests.
2. Avoid industrial conflicts and strikes by developing mutuality among the interests of concerned parties.
3. Keep, as far as possible, strikes, lockouts and gheraos enhancing the economic status of workers.
4. Provide an opportunity to the workers to participate in management and decision making process.
5. Raise productivity in the organisation to curb the employee turnover and absenteeism.
6. Avoid unnecessary interference of the government, as far as possible and practicable, in the matters of relationship between workers and management.
7. Establish and nurse industrial democracy based on labour partnership in the sharing of profits and of managerial decisions.
8. Socialise industrial activity by involving the government participation as an employer.
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Types of Industrial Disputes:

The ILO' has classified the industrial disputes into two main types. They are:

1. Interest Disputes
2. Grievance or Right Disputes.

1. Interest Disputes:

These disputes are also called 'economic disputes'. Such types of disputes arise out of terms and conditions of employment either out of the claims made by the employees or offers given by the employers. Such demands or offers are generally made with a view to arrive at a collective agreement. Examples of interest disputes are lay-offs, claims for wages and bonus, job security, fringe benefits, etc.

2. Grievance or Right Disputes:

As the name itself suggests, grievance or right disputes arise out of

application or interpretation of existing agreements or contracts between the employees and the management. They relate either to individual worker or a group of workers in the same group.

That's way in some countries; such disputes are also called 'individual disputes'. Payment of wages and other fringe benefits, working time, over-time, seniority, promotion, demotion, dismissal, discipline, transfer, etc. are the examples of grievance or right disputes.

If these grievances are not settled as per the procedure laid down for this purpose, these then result in embitterment of the working relationship and a climate for industrial strife and unrest. Such grievances are often settled through laid down standard procedures like the provisions of the collective agreement, employment contract, works rule or law, or customs /usage in this regard. Besides, Labour Courts or Tribunals also adjudicate over grievance or interest disputes.

Generally, industrial disputes are considered as 'dysfunctional' and 'unhealthy'. These are manifested in the forms of strikes and lock-outs, loss of production and property, sufferings to workers and consumers and so on. But, sometimes industrial disputes are beneficial as well.

It is the dispute mainly which opens up the minds of employers who then provide better working conditions and emoluments to the workers. At times, disputes bring out the causes to the knowledge of the public where their opinion helps resolve them.

TRADE UNION

Meaning and Definition:

Trade union is a voluntary organisation of workers formed to protect and promote their interests through collective action. It may be formed on plant basis, industry basis, firm basis, regional basis or national basis. Different writers and thinkers have defined the trade union differently.

Trade union is a "continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives."

Web "A trade union means an association of workers in one or more occupation— an association carried on mainly, for the purpose of protecting and advancing the members' economic interests in connection with their daily work'.

—G.D.H. Gole

A trade union is a continuous association of persons in industry, whether employers, employees or independent workers—formed primarily for the purpose of the pursuit of the interest of its members and of the trade they

represent.

Objectives of Trade Union:

1. To improve the economic lot of workers by securing them better wages.
2. To secure for workers better working conditions.
3. To secure bonus for the workers from the profits of the enterprise/organization.
4. To ensure stable employment for workers and resist the schemes of management which reduce employment opportunities.
5. To provide legal assistance to workers in connection with disputes regarding work and payment of wages.
6. To protect the jobs of labour against retrenchment and layoff etc.
7. To ensure that workers get as per rules provident fund, pension and other benefits.
8. To secure for the workers better safety and health welfare schemes.
9. To secure workers participation in management.
10. To inculcate discipline, self-respect and dignity among workers.
11. To ensure opportunities for promotion and training.
12. To secure organizational efficiency and high productivity.
13. To generate a committed industrial work force for improving productivity of the system.

Functions of Trade Unions:

- i. Collective bargaining with the management for securing better work environment for the workers/employees.
- ii. Providing security to the workers and keeping check over the hiring and firing of workers.
- iii. Helping the management in redressal of grievances of workers at appropriate level.
- iv. If any dispute/matter remains unsettled referring the matter for arbitration.
- v. To negotiate with management certain matters like hours of work, fringe benefits, wages and medical facilities and other welfare schemes.
- vi. To develop cooperation with employers.
- vii. To arouse public opinion in favour of labour/workers.

Benefits of Trade Union:

Workers join trade union because of a number of reasons as given below:

1. A worker feels very weak when he is alone. Union provides him an opportunity to achieve his objectives with the support of his fellow colleagues.
2. Union protects the economic interest of the workers and ensures a reasonable wage rates and wage plans for them.
3. Union helps the workers in getting certain amenities for them in addition to higher wages.
4. Union also provides in certain cases cash assistance at the time of sickness or some other emergencies.

5. Union organize negotiation between workers and management and are instruments for settlement of disputes.
6. Trade union is also beneficial to employer as it organizes the workers under one banner and encourages them follow to peaceful means for getting their demands accepted.
7. Trade union imparts self-confidence to the workers and they feel that they are an important part of the organization.
8. It provides for promotion and training and also helps the workers to go to higher positions.
9. It ensures stable employment for the workers and opposes the motive of management to replace the workers by automatic machines.
10. Workers get an opportunity to take part in the management and oppose any decision which adversely affects them.