

INDUSTRIAL RELATIONS

Session 13
HRM Semester II

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MEANING & CONCEPT

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”.

By “relations” we mean “the relationships that exist within the industry between the employer and his workmen.”

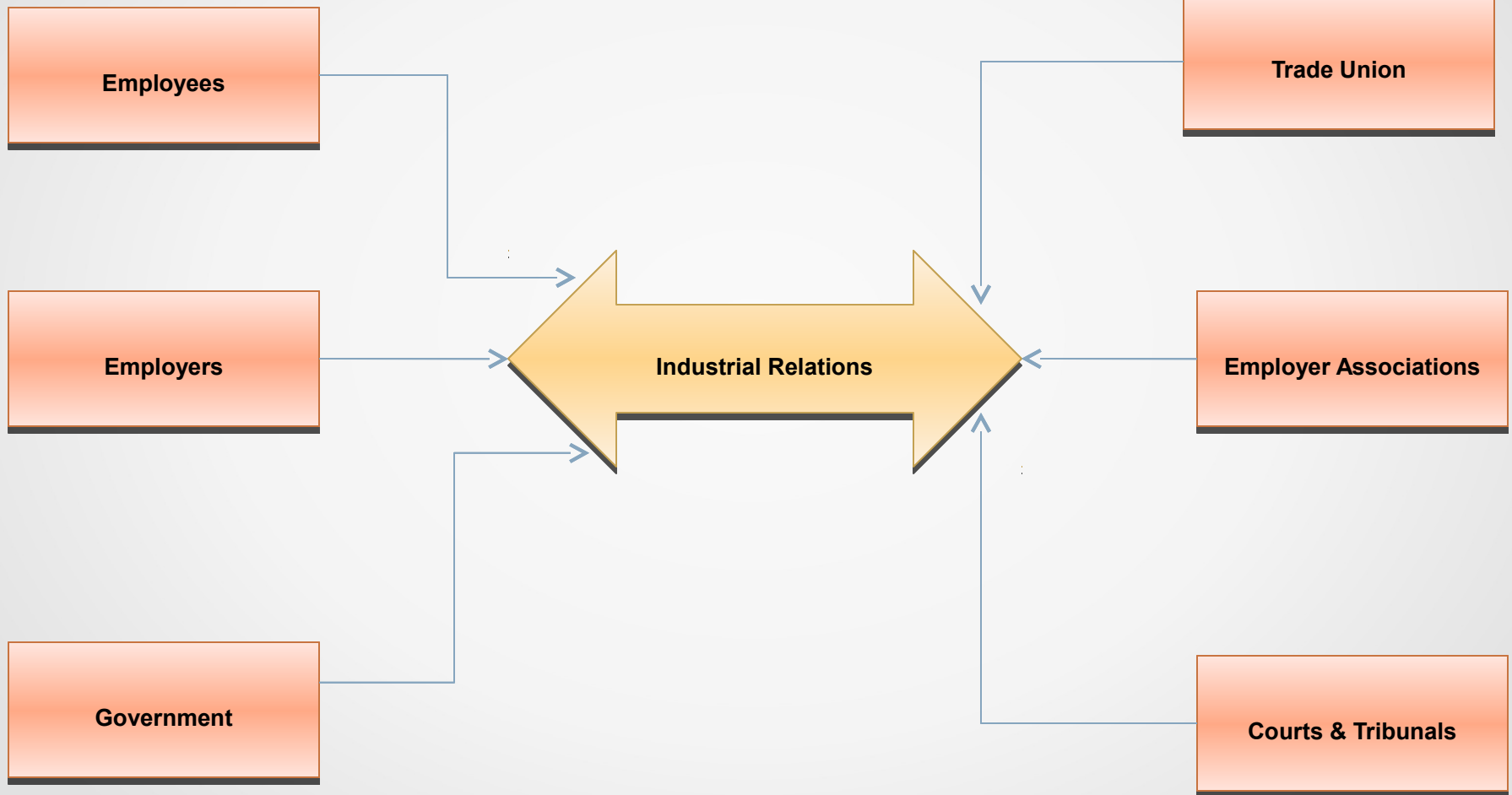
MEANING & CONCEPT

- The term industrial relations explains the relationship between employees and management which stem directly or indirectly from union-employer relationship.
- Industrial relations are the relationships between employees and employers within the organizational settings.
- 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 relationships between employers, the relationships employers and workers have with the organizations formed to promote their respective interests, and the relations between those organizations, at all levels.
- The term industrial relations has a broad as well as a narrow outlook. Originally, industrial relations was broadly defined to include the relationships and interactions between employers and employees

DEFINITIONS

- The Industrial Relation relations also called as labor – management, employee employers relations.
- “Employer-employee relationships that are covered specifically under collective bargaining and industrial relation laws”.
- “Concerned with the systems, rules and procedures used by unions & employers to determine the reward for effort & other conditions of employment.”

Parties to IR



OBJECTIVES

- To safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.
- To avoid industrial conflict or strife and develop harmonious relations.
- To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.
- To improve the economic conditions of workers in the existing state of industrial managements and political government.
- To Protect management and labor interests by securing mutual relations between the two groups.

Objectives

- To Avoid disputes between management and labor, and create a harmonizing relationship between the groups so productivity can be increased.
- Ensure full employment and reduce absenteeism, hence, increasing productivity and profits.
- To Provide better wages and living conditions to labor, so misunderstandings between management and labor are reduced to a minimum.
- To bring about government control over plants where losses are running high, or where products are produced in the public interest.

IMPORTANCE

- Uninterrupted production
- Reduction in Industrial Disputes
- High morale
- Mental Revolution
- Reduced Wastage
- Foster Industrial Peace
- Promote Industrial Democracy

THREE ACTORS TO IR

- ① **EMPLOYEES**

- ② **STATE**

- ③ **EMPLOYER**

ROLE OF THREE ACTORS TO IR

Role of Employee:

- To redress the bargaining advantage on one-on-one basis.
- To secure better terms and conditions for their members.
- To obtain improved status for the worker in his/her work.
- To increase implementation of democratic way of decision making at various levels.

Role of Employers

- Creating and sustaining employee motivation
- Ensuring commitment from employees
- Negotiating terms and conditions of employment with TU leaders
- Sharing decision making with employees

Role of State:

- Labor policies
- Labor laws
- Industrial tribunals
- Wage boards
- Industrial relations policy

CAUSES FOR POOR IR

The main reasons are as follows:

- ✓ An attitude of contempt towards the workers on the part of the management.
- ✓ Inadequate fixation of wages or improper wage structure.
- ✓ Indiscipline
- ✓ Unhealthy working conditions at the workplace.
- ✓ Lack of human relations skills on the part of supervisors and managers.
- ✓ Desire of workers for higher bonus, wages or daily allowances.
- ✓ Desire of employers to pay as little as possible to its workers.

CAUSES FOR POOR IR

- ✓ Inadequate welfare facilities.
- ✓ Dispute on sharing the gains of productivity.
- ✓ Retrenchment, dismissal and lockouts by the management.
- ✓ Strikes by the workers.
- ✓ Inter-union rivals.
- ✓ General economic and political environment such as rising prices, strikes by others and general indiscipline having their effect on the employees attitudes.
- ✓ Mental inertia on the part of the management.

DEVELOPING SOUND IR

- ✓ Developing trust between Labor & Management
- ✓ Maintenance of Industrial Peace
- ✓ Continuous feedback & monitoring
- ✓ Professional approach
- ✓ Existence of sound, democratic TU

CODE OF DISCIPLINE

- ✓ It specifies various obligations for the management and the workers with the objective of promoting cooperation between their representatives.
- ✓ To maintain harmonious relations and promote industrial peace, a Code of Discipline has been laid down which applies to both public and private sector enterprises

OBJECTIVES OF CODE OF DISCIPLINE

- Maintain peace and order in industry.
- Promote constructive criticism at all levels of management and employment.
- Avoid work stoppage in industry.
- Secure the settlement of disputes and grievances by a mutually agreed procedure.
- Avoiding litigation.
- Facilitate a free growth of trade unions.
- Eliminate all forms of coercion, intimidation and violations of rules and regulations governing industrial relations.

PRINCIPALS OF CODE OF DISCIPLINE

- There should be no strike or lockout without prior notice.
- No unilateral action should be taken in connection with any industrial matter.
- Employees should not follow go slow tactic.
- No deliberate damage should be caused to a plant or property
- Acts of violations, intimidation and coercion should not be resorted
- The existing machinery for the settlement of disputes should be utilized.
- Actions that disturb cordial relationships should be avoided.

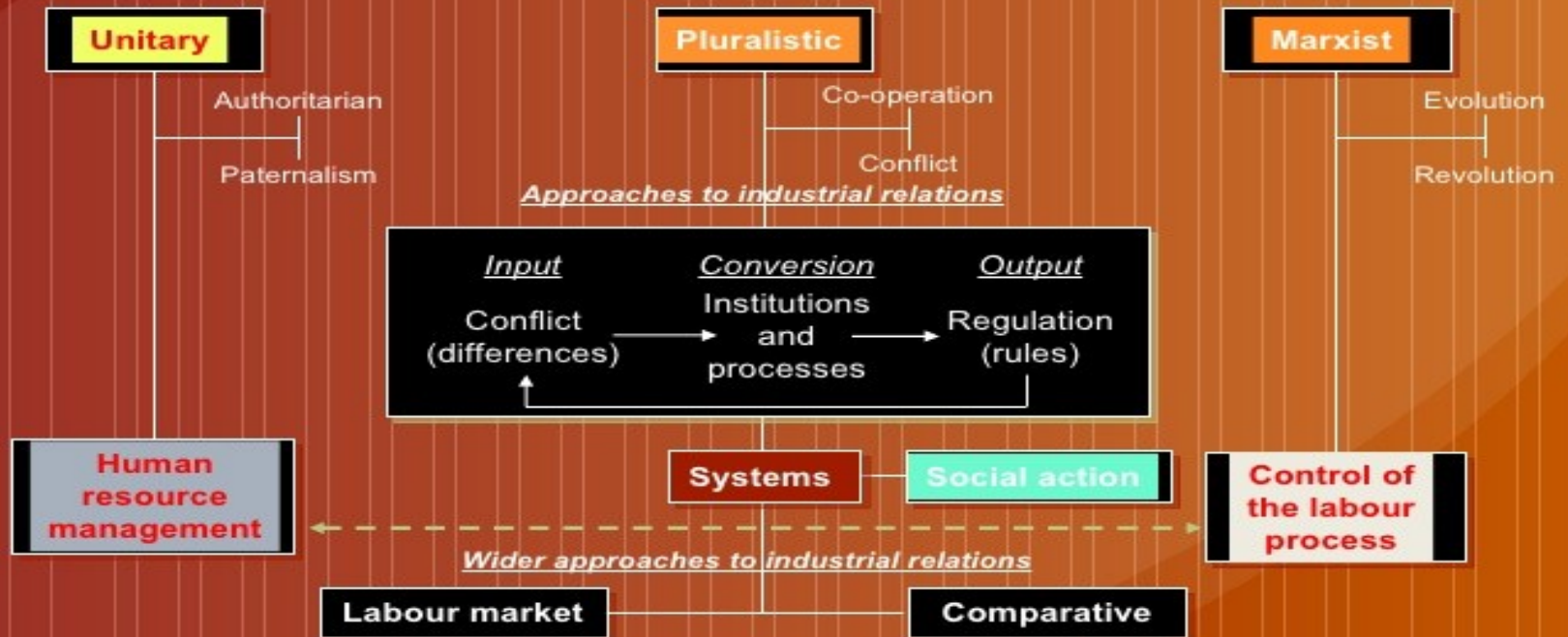
Approaches to IR

There are mainly three approaches to IR:

- ✓ Unitary approach
- ✓ Pluralistic Approach
- ✓ Marxist Approach

Approaches to IR

Approaches to industrial relations



1. Unitary Approach

- IR is grounded in mutual co-operation, individual treatment, team work and shared goals.
- Union co-operate with the mgt. & the mgt.'s right to manage is accepted because there is no 'we they feeling'
- Assumption: Common interest & promotion of harmony No strikes are there.
- It's a reactive IR strategy.
- They seek direct negotiations with employees.

2. Pluralistic Approach

- ◎ It perceives:
 - Org. as a coalitions of competing interest.
 - TU as legitimate representatives of employee interests.
 - Stability in IR as the product of concessions and compromises between management & unions.

- ◎ Conflict between Management and workers is understood as inevitable.
- ◎ Conflict is viewed as conducive for innovation and growth.
- ◎ Strong union is necessary.

3. Marxist Approach

- ⦿ Regard conflict as Pluralists...
- ⦿ Marxists see conflict as a product of the capitalist society.
- ⦿ Conflict arises due to the division in the society between those who own resources and those who have only labor to offer.
- ⦿ For Marxist all strikes are political.
- ⦿ He regard state intervention via legislation & the creation of Industrial tribunals as supporting management's interest rather than ensuring a balance between the competing groups.



THANK YOU