

INDUSTRIAL RELATIONS

Industrial relations or employment relations is the multidisciplinary academic field that studies the employment relationship; that is, the complex interrelations between employers and employees, labour/trade unions, employer organizations and the state. The newer name, "employment relations" is increasingly taking precedence because "industrial relations" is often seen to have relatively narrow connotations. Nevertheless, industrial relations have frequently been concerned with employment relationships in the broadest sense, including "non-industrial" employment relationships. This is sometimes seen as paralleling a trend in the separate but related discipline of human resource management. Industrial relations are the outcome of the employment relationship in industry. Industrial relations include both individual relations as well as collective relations. Industrial relations is a dynamic & developing concept. It undergoes change with changing structure & environment of industry. Strictly speaking a distinction can be made between human resource management & industrial relations. Human resource management deals mainly with executive policies & activities regarding the human resource aspects of the enterprise while industrial relations is mainly concerned with employers-employees relationship.

TRADE UNION

A trade union is an organisation made up of member (a membership-based organisation) and its membership must be made up mainly of workers. One of a trade union's main aims is to protect and advance the interests of its members in the workplace. Most trade unions are independent of any employer. A trade union generally negotiates with employers on behalf of its members, advocating for improvements such as better working conditions, compensation and job security. These unions play an important role in industrial relations -- the relationship between employees and employers. Another major objective of the Trade Unions is to insure the safety of workers. While working every worker must be provided with basic facilities. Wages and salaries and the most important subjects of Trade Unions. In the organized industry, wages and benefits are determined through processes such as collective bargaining, wage boards, conciliation, and adjudication. Any personal policy of the employer with respect to promotion, transfer and training may be challenge by Trade Unions if arbitrary. The main objective of the Trade Union is to work for the welfare of the workers. Trade Union represent the whole group of workers and continue negotiations with management. Alone workers feel weak. Trade Union provides him a platform to join others to achieve social objectives.

ROLE

Unions carry out a number of functions. They negotiate on behalf of their members on pay scales, working hours and working conditions. These areas can include basic pay, overtime payments, holidays, health safety, promotion prospects, maternity and paternity rights and job security. Depending on the circumstances, unions may try to protect or improve workers' rights. They also provide information on a range of issues for their members, for instance on pensions. They help with education and training schemes and may also participate in measures designed to increase demand for the product produced and hence for labour. Some also provide a range of benefits to their members including strike pay, sickness pay and unemployment pay. In addition, many get involved in pressurizing their governments to adopt a legislation, which will benefit their members or workers in general, such as fixing a national minimum wage.

- **Collective Bargaining:** An individual worker may not have the skill, time or willingness to negotiate with her or his employer. A worker is also likely to have limited bargaining power. If she or he presses for a wage rise or an improvement in working conditions, the employer may be able to dismiss her or him and take on someone as a replacement. Unions enable workers to press their claims through collective bargaining. This process involves negotiations between union officials, representing a group of workers, and representatives of employers.
- **The Basis of Wage Claims:** There are a number of arguments, a union can put forward while asking for a wage rise. One is that the workers deserve to be paid more because they have been working harder and have increased productivity. Another argument is that an industry whose profits have risen can afford to pay higher wages to its workers.

TYPE

There are four main types of trade unions. These are:

- **Craft unions:** These represent workers with particular skills e.g. plumbers and weavers. These workers may be employed in a number of industries.

- **General unions:** These unions include workers with a range of skills and from a range of industries.
- **Industrial unions:** These seek to represent all the workers in a particular industry, for instance, those in the rail industry.
- **White collar unions:** These unions represent particular professions, including pilots and teachers. Unions in a country, often belong to a national union organisation. For example, in India, a number of unions belong to the All India Trade Union Congress (AITUC). This is the oldest and one of the largest trade union federations in the country. A number of them also belong to international trade union organisations such as the International Confederation of Free Trade Unions, which has more than 230 affiliated organisations in 150 countries

FUNCTIONS

1. Collective Bargaining-Honourable Supreme Court of India has defined Collective bargaining as the technique by which dispute as to conditions of employment is resolved amicably by agreement rather than coercion in this process negotiations and discussions take place between employer and employee in respect to working conditions. Refusing to bargain collectively is an illegal trade practice. Collective bargaining helps to resolve the issues of workers. Collective Bargaining is the foundation of the movement and it is in the interest of labour that statutory recognition has been accorded to Trade Union and their capacity to represent workmen.
2. Trade Unions protect the worker from wages hike, provides job security through peaceful measures.
3. Trade Unions also help in providing financial and non-financial aid to the workers during lock out or strike or in medical need
4. It has also to be borne in mind while making an agreement that the interest of the workers who are not the members of Trade Union are also protected and the workers who are not members of the Trade Union are also protected and the workers are not discriminated.

PROBLEMS

- **Small Size:** The trade union movement in India is plagued by the predominance of small sized unions. Smallness in size of the union implies, among other things, weakness in bargaining power.
- **Poor Finance:** Small size of unions has its direct bearing on its financial health. It is the small size of trade unions accompanied by small subscriptions; the trade unions cannot undertake welfare activities.
- **Politicisation:** A serious defect of the trade union movement in India is that the leadership has been provided by outsiders' especially professional politicians. Leaders being affiliated to one or the other party, the unions were more engrossed in toeing the lines of their political leaders than protecting workers' interests. Ironically, in many cases, the political leaders possess little knowledge of the background of labour problems, fundamentals of trade unionism, the techniques of industry, and even little general education.
- **Multiplicity of Unions:** Of late, trade unionism in India is also characterised by multiplicity of unions based on craft, creed and religion.
- **Lack of Enlightened Labour Force:** The lack of an enlightened labour force capable of manning and conducting the movement efficiently, purposefully and effectively has been a major problem in the development of trade unions in the country. Lack of education, division by race religion, language and caste, migratory nature, lack of self-consciousness, and non-permanent class of workers have been attributed as the causes for the lack of enlightened labour force in India.

INDUSTRIAL DISPUTES

An industrial dispute can be viewed as friction or disagreement between two or more parties involved, due to the difference in their perceptions, opinions, mindsets, attitudes and values.

In an organization, the parties engaged in such disputes can be:

- Employer and employee
- employee and employee or
- employer and employer.

On a massive level, conflicts can even arise between the government and the public. Industrial disputes are sometimes observed as a result of poor industrial relations in the organization

CAUSES

1. Economic Causes

The ultimate aim of the labour is to earn their livings and meet their economic ends. Whereas, for the business, it is generating profits. Therefore, on the non-fulfilment of these needs, industrial disputes can take place between the management and the labour. It includes demanding a higher wage, increasing the profits, bonus and allowances, replacing machinery, improving working conditions, duration and other necessary facilities.

2. Managerial Causes

Lack of administrative support and attention towards labour leads to industrial disputes. Following are the various managerial causes of industrial disputes:

- Retrenchment or layoff of the workers without any reason;
- the inefficiency of the management to initiate leadership in the organization;
- poorly built and dissatisfying recruitment policies and practices;
- the employer does not comply with the agreement and codes such as code of discipline and collective bargaining;
- the management does not acknowledge the trade unions as a representative of the union members, i.e., the workmen.

3. Government Machinery

At times, the government lacks a suitable strategy to address industrial disputes. Some of the drawbacks of the government machinery which lead to industrial conflicts are as follows:

- The need for growth and development is not considered seriously;
- difficulties in dealing with industrial culture and climate challenges;
- the employers meagrely apply this settlement machinery;
- there is a low level of trust of the employers and the employees, over the government's settlement machinery.

4. Voluntary Arbitration

The word arbitration refers to the settlement of any dispute mutually with the help of an arbitrator. Thus, in voluntary arbitration, there is a third party involved in the settlement process. Its decision can be biased or unacceptable by either of the parties, which can result in further conflicts.

5. Wage Boards

The Indian government has set up wage boards for determining the suitable wages of the workmen or labourers. When the workmen are dissatisfied with their remuneration, there arises a condition of an industrial dispute.

6. Joint Management Councils (JMC)

The government created Joint Management Councils, which consist of equal representatives of both the parties to deal with the worker's problems, but the idea failed due to lack of efficiency and progress

7. Other Causes

The various other causes of industrial disputes are stated below:

- Weak and multiple trade unions result in more conflicts;
- influence of the political party in power, supporting a particular trade union leads to conflicts;
- the adverse effect of the relationship with the central and state governments, unstable political conditions and everyday responsibilities results in industrial disputes;
- in some organizations, collective bargaining is not allowed since the workmen are not even permitted to make trade unions;
- other reasons can be corruption, apparent consumption, role conflicts, etc

TYPES

• Interest Disputes

The interest here refers to gains. Therefore, the conflicts concerning the economic or non-economic interests of the employees, such as increasing the remuneration, working conditions, job security and other benefits are called interest disputes

• Recognition Disputes

The trade unions often enter into a dispute with the management during negotiation or collective bargaining for the benefit of its member employees. Sometimes, for these negotiations, the management denies identifying the trade unions. Even when there are many trade unions in an organization, each one of them struggles to get recognized by the management

- **Grievance Disputes or Rights Disputes**

The conflicts concerning the employee's rights and legal issues with the management are termed as grievance disputes. It includes promotions, work duration, leaves allowed, over time, fringe benefits, safety and security.

- **Unfair Labour Practices Disputes**

The disputes over the unethical treatment of the management towards the labour such as discriminating them for holding membership of trade union, restricting communication, employing new workers during strikes and denial to bargain are called unfair labour practices disputes

MACHINERY FOR SETTLEMENT OF DISPUTES

- **Statutory Measures**

As per the Industrial Disputes Act, 1947, given below are the statutory measures for prevention and settlement of Industrial Disputes:

- **Works Committees:** A voluntary committee to be set up in all industrial units which employ 100 or more persons. It is a consultative body for cooperative atmosphere for negotiation.
- **Conciliation:** In this process services of a third neutral party are used to reduce the differences and settle the dispute. This third party can be a conciliation officer or a conciliation board.
- **Arbitration:** This is also third-party intervention for dispute settlement but is different from conciliation in the aspect that the decision of the arbitrator is binding on the parties.
- **Adjudication:** In this process the third party for dispute settlement is through Labour Court, Industrial Tribunal and National Tribunal.

- **Non-Statutory Measures**

These measures of industrial dispute settlement are voluntary in nature. These measures include:

- **Collective Bargaining:** It is the voluntary method of negotiation between the parties to settle the industrial disputes.
- **Code of Discipline:** It is a preventive measure of disputes in which guidance is provided to workers through rules, related to their work and behaviour at workplace.
- **Worker's Participation in Management:** In this preventive measure of dispute, the workers are involved in the decision-making process of the organisation.
- **Trade Unions:** This is a preventive measure for disputes. The employees unite together for protecting their common interests and rights.
- **Grievance Procedure:** This procedure helps in handling employee grievance preventing them to take the form of a dispute.

EMPLOYEE GRIEVANCES

Grievance is any discontent or dissatisfaction experienced by an employee. It results when an employee feels that his or her expectations are not fulfilled by the employer. The grievance can be of a single employee or of all the employees. It may be that an employee may not express the grievance felt or it may be that the grievance felt is not at all a grievance. Grievance arises in an employee due to unfair and unjust behaviour.

CAUSES

- Economic causes like increments, bonus, wages etc.
- Working conditions like safety and hazards etc.
- Leadership style.
- Promotions and transfers.
- Disciplinary action.
- Lack of recognition
- Meeting unrealistic deadlines
- Personality clash

GRIEVANCE REDRESSAL PROCEDURE

In India, most of the big organisations are having a formal procedure to resolve these grievances. Through this formal procedure of grievance redressal employees get formal opportunity to communicate their discontent or dissatisfaction. The management can understand the root cause of the problem and resolve them quickly before they become serious; this will enhance the morale of the dissatisfied employees.

The steps of a formal grievance procedure include:

1. Identifying the grievance.
2. Collection of data and evidences.
3. Analysing the facts, data and evidences.
4. Taking decisions.
5. Implementation and follow-up.

Apart from a formal system, proactive approach of dealing with grievances includes:

1. **Through observation**

2. **Gripe boxes**

Gripe boxes are very useful for lodging complaints. Employees can lodge the complaints to the managers anonymously. It is a method to hear the grievances of the employees.

3. **Open door policy**

An open door policy is a workplace standard that empowers employees to communicate job-related topics or issues with leaders or immediate supervisors. It typically refers to a workplace culture in which managers are open to listening to whatever employees want to discuss, perhaps at designated times throughout the workweek

4. **Exit interviews**

It is an official opportunity given to employees to communicate and provide the management with their disputes about the company's policies, workers, or any work problems. This interview is usually a part of a grievance procedure that is put in place after an employee file a formal complaint about the company.

5. **Opinion survey**

It is a tool used to collect feedback from individuals about their experiences with the grievance redressal process in an organization. The primary goal is to understand how effectively grievances are being addressed, identify any issues within the current system, and gather suggestions for improvement.

DISCIPLINE

Discipline is the practice of making people obeys rules or standards of behaviour, and punishing them when they do not. If you refer to an activity or situation as a discipline, you mean that, in order to be successful in it, you need to behave in a strictly controlled way and obey particular rules or standards. There are two aspects of discipline. They are Positive Aspect and Negative Aspect

ASPECTS OF DISCIPLINE

1. **Positive Aspect**

Employee complies with rules not out of fear of punishment but out of an inherent desire to co-operate and achieve goals. Where two-way communication, clear goals and effective leadership mark the organisational climate, employees need not be indisciplined in the traditional way. This type of approach is called positive approach or constructive discipline or self-discipline. According to Spriegel, "positive discipline enables an employee to have a greater freedom in that he enjoys a greater degree of self-expression in striving to achieve the group objective, which he identifies as his own".

2. **Negative Aspect:**

Employees sometimes do not believe in and support discipline. As such, they do not adhere to rules, regulations and desired standard of behaviour. In fact, disciplinary programme forces and constraints the employees to obey orders and function in accordance with set rules and regulations through warnings, penalties and other forms of punishment. A disciplinary procedure is a process for dealing with perceived employee misconduct. Organisations will typically have a wide range of disciplinary procedures to invoke depending on the severity of the transgression. Disciplinary procedures vary between informal and formal processes.

The types of conduct which may lead to disciplinary action being taken according to the procedures detailed below are as follows:

- Wilful failure to perform the duties of the post.
- Refusal to comply with reasonable requests from the job supervisor.
- Persistent unsatisfactory timekeeping.
- Unauthorised absence from work.
- Incapacity to perform the duties of the post effectively due to drunkenness or unauthorised drug-taking.
- Acts of discrimination against any member of the University community on the grounds of sex (including gender reassignment), marital or parental status, race, ethnic or national origin, colour, disability, sexual orientation, religion, or age.
- Bullying or harassment of any member of the University community.
- Malicious accusations of bullying or harassment against another person.
- Breach of confidentiality.
- Breach of University or departmental safety regulations or rules.
- Breach of other University or departmental regulations or rules.
- Breach of any other conditions of employment

DISCIPLINARY PROCEDURE

➤ Suspension

In the case of alleged serious misconduct, the Head of Institution may suspend the assistant from duty with pay, and the assistant should not then attend for work until instructed otherwise. The Head of Institution will immediately inform the HR Committee of all the relevant facts. Suspension is not a disciplinary decision and does not imply that any decision has been made about whether or not the assistant has committed a disciplinary offence. It is simply a way of allowing time for an investigation to take place.

➤ Investigation

The Head of Institution, after consultation with the Director of Human Resources, will see the assistant to investigate the matter. The assistant may choose to be accompanied by a representative, who should be an accredited trades union representative or another member of the Assistant Staff. A representative of the HR Committee will also be present at the interview.

➤ Decision

Following the meeting, the Head of Institution will consider the facts of the case and consult with the Director of Human Resources. The Director of Human Resources on behalf of the HR Committee will advise the Head of Institution of the action to be taken. The Head of Institution will notify the assistant and where appropriate the assistant's representative, of the decision. Subsequently the Head of Institution will confirm this decision in writing.

COLLECTIVE BARGAINING

Collective bargaining is a process of negotiation between employers and a group of employees aimed at agreements to regulate working salaries, working conditions, benefits, and other aspects of workers' compensation and rights for workers. According to an ILO Manual in 1960, the Collective Bargaining is defined as: "Negotiations about working conditions and terms of employment between an employer, a group of employees or one or more employers organization on the other, with a view to reaching an agreement." It is also asserted that "the terms of agreement serve as a code defining the rights and obligations of each party in their employment relations with one another, if fixes large number of detailed conditions of employees and during its validity none of the matters it deals with, internal circumstances give grounds for a dispute counselling and individual workers"

TYPES

The working of collective bargaining assumes various forms. In the **first place**, bargaining may be between the single employer and the single union, this is known as **single plant bargaining**. This form prevails in the United States as well as in India.

Secondly, the bargaining may be between a single firm having several plants and workers employed in all those plants. This form is called **multiple plants bargaining** where workers bargain with the common employer through different unions.

Thirdly, instead of a separate union bargaining with separate employer, all the unions belonging to the same industry bargain through their federation with the employer's federation of that industry. This is known as **multiple employer bargaining** which is possible both at the local and regional levels. Instances in India of this industry-wide bargaining are found in the textile industry.

PROCESS

- **Preparation**

During the first stage, a group of employees meets several times to decide what they want to negotiate. In many instances, this can refer to long-term issues that the union has been fighting for, like improvement in workplace diversity and inclusion.

- **Establishing representatives**

As employees are preparing for negotiations, they engage in research and select one person to represent them in meetings with the employer. Depending on what they want to accomplish, they may do this by joining an already existing union or creating a new one

- **Opening**

The opening stage begins when the union presents their proposal to the employer. If the changes they demand are contractual, the employer is likely to request some time to process the proposal and consult with the legal, human resources and even accounting departments. During this phase, it's critical to determine the importance of the issues and clarify each party's position.

- **Trading**

During trading, the employer openly reacts to the proposal. Depending on the situation and what's in the proposal, the employer can accept it immediately, reject it or propose additional changes that work better for the organisation based on its current business model and valid contracts. This stage is often the longest, as negotiations can go back and forth until both sides reach a consensus.

- **Agreement**

Once both parties agree on what they've decided, a labour relations specialist begins preparing a draft of the agreement. When the final proposal is complete, both sides once again review it to confirm their demands

PROBLEMS

- **Wages**

Unions normally push for higher wages for their fellows, arguing that wages have not kept up with inflation and the cost of living. Employers want to keep wage costs down to control costs and remain good. This creates tension in negotiations.

- **Benefits**

Unions typically push for more comprehensive and generous staff benefits for their members, while employers aim to control costs. Benefit plans are a large expense for businesses.

- **Working Conditions**

Unions push to enhance working conditions like hours, overtime pay, vacation time, health and safety for their members. But employers need the flexibility to run processes efficiently.

- **Job Security**

Unions aim to negotiate protections for their fellows' job security like seniority rights, layoff protections and outsourcing rules. But employers need flexibility to manage costs and the workforce.

- **Union Rights**

Unions negotiate for certain rights to be able to effectively represent their members, like the following.

- **Dues deduction:** Union pushes for employers to deduct union dues from members' paychecks and pass them on to the union. Saves union resources for representation.
- **Access to members:** Union wants access to work areas to communicate with and represent members.
- **Information sharing:** The union requests relevant information from employers to administer contracts and represent members.
- **Grievance procedure:** Union negotiates a clear process for filing and resolving member grievances against employers.

- **Work-life balance**

Unions are demanding better work-life balance, flexibility and family-friendly policies

IMPORTANCE

- **From Management Point of View**

The main object of the organisation is to get the work done by the employees at work at minimum cost and thus earn a high rate of profits. Maximum utilization of workers is a must for the effective management. For this purpose co-operation is required from the side of the employees and collective bargaining is a device to get and promote co-operation. Collective bargaining is the best remedial measure for maintaining the cordial relations.

- **From Labour and Trade Union Point of View**

Labour has poor bargaining power. Individually a worker has no existence because labour is perishable and therefore, the employers succeed in exploiting the labourers. The working class in united form becomes a power to protect its interests against the exploitation of the employers through the process of collective bargaining. The collective bargaining imposes certain restrictions upon the employer. All employees are treated on equal footings. The conditions of employment and rates of wages as specified in the agreement can be changed only through negotiations with labour. Employer is not free to make and enforce decisions at his will. Collective bargaining can be made only through the trade unions. The main function of the trade unions is to protect the economic and non-economic interests of workers through constructive programmes and collective bargaining is one of the devices to attain that objective through negotiations with the employers, Trade unions may negotiate with the employer for better employment opportunities and job security through collective bargaining.

- **From Government Point of View**

Government is also concerned with the process of collective bargaining. Government passes and implements several labour legislations and desires it to be implemented in their true sense. If any person violates the rules and laws, it enforces them by force. Collective bargaining prevents the Government from using the force because an amicable agreement can be reached between employer and employees for implementing the legislative provisions. Labour problems shall be minimised through collective bargaining and industrial peace shall be promoted in the country without any force. Collective bargaining is a peaceful settlement of any dispute between worker and employers and therefore it promotes industrial peace and higher productivity

ESSENTIALS OF EFFECTIVE COLLECTIVE BARGAINING

- Existence of a strong representative trade union in the industry that believes in constitutional means for settling the disputes.
- Existence of a fact-finding approach and willingness to use new methods and tools for the solution of industrial problems. The negotiation should be based on facts and figures and both the parties should adopt constructive approach.
- Existence of strong and enlightened management which can integrate the different parties, i.e., employees, owners, consumers and society or Government.
- Agreement on basic objectives of the organisation between the employer and the employees and on mutual rights and liabilities should be there.
- In order that collective bargaining functions properly, unfair labour practices must be avoided by both the parties.
- Proper records for the problem should be maintained.
- Collective bargaining should be best conducted at plant level. It means if there are more than one plant of the firm, the local management should be delegated proper authority to negotiate with the local trade union.
- There must be change in the attitude of employers and employees. They should realise that differences can be resolved peacefully on negotiating table without the assistance of third party.
- No party should take rigid attitude. They should enter into negotiation with a view to reaching an agreement.
- When agreement is reached after negotiations, it must be in writing incorporating all term of the contract