

Unit-I Industrial relations : The role of the state (MBA-III, Sub: Employee Relations)

In India, it is interesting to observe that the role of the state Industrial relations intervention has undergone changes with the changing industrial , political and social situations in the country. With the emergence of welfare states, the states have been called upon to intervene positively in the economic and social life of the people. The preamble of the Indian constitution embodies the highest and the noblest ideals of justice, social, economic and political which are the cornerstones of a welfare state.

In the field of industrial relations, state intervention is essential as the state has a vital interest in preserving Industrial peace in a country.

State intervention becomes all the more essential in a country like India where Industrial development has been comparatively very slow and the problems of the industries did not draw much attention especially the problems of industrial labour even though the Indian government has been most actively engaged in the establishment and encouragement of various industries in the country, both in the private sector as well as the public sectors.

In a welfare state, the state cannot remain a passive spectator in the Industrial relation problems. Poor Industrial relations produce highly disquieting effects on the economic life of the country. It results in reduction in output in the industries, high prices for the consumers. Unbridled industrial conflict is seen as a major threat to rapid economic growth, hence Industrial relations have been closely guided by the state since India became independent. The Directive Principles of the Constitution enjoins upon the state to establish a welfare state. Since independence of the country , states role in matters affecting management labour relations and labour welfare became more active and positive and such a change in the state's role was influenced and actuated by Considerations of establishing an egalitarian society and the Directive principles as provided in the constitution and to raise living standard through maximization of industrial production. Since then the state's policy has been to foster and promote closer relationship between employees and workers. Consultative machinery has been geared up at the plant, Industry and national levels with the formation and convening of high power committees like the tripartite Indian Labour Conferences at the centre, setting up of standing Labour Committees and Industrial Committees and initiating the scheme of Joint Management Councils and helping laying foundations of codes of discipline for the adoption of employers and the employees and their organisations and through suitable legislative measures for prevention and settlement of industrial disputes. Thus, it can be concluded that Indian Government is playing a positive and constructive role in Industrial relations of the country. Problem of industrial disputes of multiunit in central sector fall within the sphere of the state governments.

To develop effective Industrial relations system, there should be centralised machinery to coordinate the labour relations and in this way, the present divergent approaches of different state governments and also differences in labour legislations would be avoided. It has been suggested that the appropriate government and laws may be amended to incorporate this. It will lead to considerable convenience and smooth working in IR field, if this suggestion is implemented at the earliest. The articles which concern Industrial relations are Article 39, Article 41, Article 42, Article 43 and Article 43A.

EVOLUTION OF INDUSTRIAL RELATIONS IN INDIA:

IR is dynamic in nature. The nature of IR can be seen as an outcome of a complex set of transactions among the major players such as the employers, the employees, the trade union, and the state in a given socio-economic context. In a sense, change in the nature of IR has become sine qua non with change in the socio-economic context of a country.

The present scene of industrial relations in India is the result of long historical development. India being a society, some kind of employer-employee relations were there since many thousand years back.

IR during Pre-Independence

IR during Post-Independence

IR During Pre-Independence

The structure of the colonial economy, the labour policies of colonial government, the ideological composition of the political leadership, the dynamics of political struggle for independence, all these shaped the colonial model of industrial relations in pre-independent India". Then even union movement was an important part of the independence movement.

However, the colonial dynamics of the union movement along with the aggressiveness of alien capital, the ambivalence of the native capital and the experience of the outside political leadership frustrated the process of building up of industrial relations institutions.

Other factors like the ideology of Gandhian class harmony, late entry of leftists and the bourgeois character of congress also weakened the class approach to the Indian society and industrial conflict".

Till the Second World War, the attitude of the colonial government toward industrial relations was a passive regulator only. Because, it could provide, that too only after due pressure, the sum of protective and regulative legal framework for industrial relations Trade Union Act 1926 (TL A) Trade Disputes Act 1929 (TDA). It was the economic emergence of the Second World War that altered the colonial government's attitude on industrial relations.

The state intervention began in the form of introduction of several war time measures, viz. the

Defense of India Rules (Rule 81- A), National Service (Technical Personnel) Ordinance, and the Essential Service (Maintenance) Ordinance As such in a marked contrast to its earlier stance, the colonial government imposed extensive and pervasive controls on industrial relations by the closing years of its era-. Statutory regulation of industrial relations was on plank of its labour policy. The joint consultative institutions were established primarily to arrive at uniform and agreeable labour policy.

The salient features of the colonial model of IR can be summarized as close association between political and trade union movement, dominance of 'outsiders' in the union movement, state intervention and federal and tripartite consultations.

The eve of Independence witnessed several instances that served as threshold plank for IR during post Independence era. The prominent instances to mention are passing of Indian Trade Unions (Amendment) Act, 1947, Industrial Employment (Standing Orders) Act 1946, Bombay Industrial Relations Act, 1946, and Industrial Disputes Act, 1947 and split in AITUC and formation of INTUC.

IR During Post-Independence :

Though Independent India got an opportunity to restructure the industrial relations system the colonial model of IR remained in practice for sometimes due to various reasons like the social, political and economic implications of partition, social tension, continuing industrial unrest, communist insurgency, conflict, and competition in the trade union movement. In the process of consultation and confrontation, gradually the structure of the industrial relations system (IRS) evolved. After attaining her independence in 1947, India opted for a socialistic pattern of the society, where public sector was assigned to perform a crucial role in the Indian economy.

Number of new labour legislations were introduced where a great role was assigned to trade unions, employers and government. Industry was given a top priority and number of areas were left exclusively for private sector. With the emergence of large number of political parties on the national scene, almost every political party floated its own trade unions.

Presently major trade unions functioning in India are CITU, INTUE, BMS, AITUC, HMS etc.

On the other hand number of employers organisations are also working there. Major national level employers organisations are ASSOCHAM and FICCI

Trade Union : Definition and Need of Trade Union

- **Definition** :- The Trade Union used in the different contexts in the various countries. Some believe that trade unions represent the organisation of workers while others are of the view that even employers organisations also covered under the scope of the trade unions. In some countries friendly societies, association of professional

people are also covered in the definition of trade union.

Labour unions or trade unions are organizations formed by workers from related fields that work for the common interest of its members. They help workers in issues like fairness of pay, good working environment, hours of work and benefits. They represent a cluster of workers and provide a link between the management and workers.

Description : The purpose of these unions is to look into the grievances of wagers and present a collective voice in front of the management. Hence, it acts as the medium of communication between the workers and management.

Regulation of relations, settlement of grievances, raising new demands on behalf of workers, collective bargaining and negotiations are the other key principle functions that these trade unions perform.

The Indian Trade Union Act, 1926, is the principle act which controls and regulates the mechanism of trade unions. In India, political lines and ideologies influence trade union movements. This is the reason why today political parties are forming and running trade unions.

According to Indian Trade Union Act,1926,a trade union is any combination whether temporary or permanent former primarily for the purpose of regulating the relations between workmen and employers or for imposing restrictive conditions on the conduct of any trade or business and include any federation of two or more trade unions.

- **Need for Trade Unions** :

Workers join trade unions to achieve certain objectives that they may not be able to achieve in their personal capacity. Trade unions are necessary:-

To ensure job security and right pay for the members: One of the basic needs of any employee is security of service. The main reason why an employee joins a union is to get him secured. Apart from job security and employees need to get pay commensurate with their qualifications and skills. Trade unions strive to get both job security and correct pay for all employees.

To ventilate the grievances of employees to the management: When the employees in general or some in particular have any grievance, they may not be able to convey the same to the management in their personal capacity. Such grievances may be brought to the knowledge of the management through the trade union. The members of the management may be indifferent to the demands of the individual employees but they cannot be so when it comes to union workers also need trade unions at the time of sickness, accident,death etc.

The primary purpose of trade union is to safeguard the economic interest of its members.One of the problem in the life of workers is how to provide sufficient food, clothing and a home for himself and the members of the family.This ia a first and foremost question of finding a job as a

reasonable wages. To improve and maintain the wages and reasonable standard is one of the important reasons for which a worker joins a trade union.

Then a worker does not only require the bare necessities of existence but also wants to obtain the amenities of civilised life e.g. better working conditions, lesser working hours, and more bonus. Trade unions provide adequate machinery for settling the relations between employers and employees.

References :

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