

Dr. Kumud, Faculty of Management J.D. Women's Collage

INDUSTRIAL RELATIONS (IR)

Industrial relation denote the relationships between management and the workers concerned with industrial organization. It includes the relationship between management and union, management and employees, employees and union etc. The parties involved in industrial relations had to work in cooperation and with accordance with each other. It covers the aspects related to trade unionism, collective bargaining, grievance and grievance handling, industrial disputes etc. Thus industrial relations may be referred to a dynamic and developing concept which is not limited to be general web of relationships normally obtaining between employers and employees- a web much more complex than the simple concept of labour capital conflict. There are mainly two sets of factors determining the state of industrial relations (whether good or poor) in any country. The first set of factors, described as '*institutional factors*' includes "pattern and pace of labour legislation, policy of the State relating to labour and industry, extent and stage of development of trade unions and employers' organisations and the type of social institutions." The other set of factors determining industrial relations, described as '*economic factors*' include "the nature of economic organisation (capitalist, socialist individual ownership, company ownership or government ownership), capital structure including technology, the sources of demand and supply in the labour market, the nature and composition of labour force etc.

Significance of Industrial Relations: Effective industrial relations aim at maintaining harmonious relations between employees and management. It generates industrial peace within the organization, which is necessary for better and higher production. A sound industrial relation is necessary for the following reasons-:

1. Uninterrupted Productivity: Good IR ensures continuity of production by making optimum utilization of available resources. It provides continuous employment opportunities for all from workers to managers. It also makes an uninterrupted flow of income for all.

2. Promotes Industrial Democracy: Sound IR helps in establishing and maintaining true industrial relations in an organization through mutual cooperation and mutual negotiation among the management and employees.

3. Reduction in Industrial Conflicts: Disputes lead to dissatisfaction among employees which reflects in the form of lockouts, strikes and other grievances. Good industrial relations help in reducing such unrest among workers and thus promoting cordial and peaceful relations inside the organization.

4. High Morale: IR helps in boosting up the morale of employees. Employees feel themselves as the owner of their company and coordinate their interest with companies' interest.

5. It Facilitates Change: Sound IR helps in creating a climate of cooperation, team work, and confidence among workers which helps them to make fullest use of modern innovations, inventions and other technological advancements. It helps the employees to adapt themselves to the changes more rapidly and easily.

6. Discourage Unfair Practices: Due to cordial relations between management and workers, unfair practices on part of both of them are discouraged. IR acts as a machinery to solve problems, if arise, within an organization through mutual understanding and negotiations.

Essentials of Good Industrial Relations: The main aim of industrial relations is to maintain cordial relations between employees and the management and to maintain good industrial relations certain conditions must be fulfilled, which are as:-

1. Strong and Organized Employees' Union- There should be a well organized and strong employees' union present in an enterprise. A weak union can easily be ignored by the employers.

2. Mutual Trust- There should be an atmosphere of mutual cooperation within the organization, so that both the management and trade unions may willingly deal with their problems freely, confidently and with mutual respect.

3. Sound Personnel Policies- Personnel policies serve as a guide for personnel matters and for their effective implementation, they should be formulated in consultation with the employees and their representatives. Personnel policies must be uniform throughout the organization and must clear to everyone.

4. Role of Government- Government should play an active role in formulation and implementation of policies related to economic and social measures affecting IR. If the management or trade unions are unable to solve their disputes, government should interfere to settle those disputes and to restore industrial harmony in the organization.

5. Training of Supervisors- Supervisors must be given proper training to ensure that the organizational policies are implemented properly within the organization.

6. Sincere Execution of Agreements- The mutual agreements between management and the worker's must be executed sincerely. As if, the agreements are not executed then both the parties involved, stop trusting each other in future.

Cause for Poor Industrial Relations: The various causes for poor industrial relations in organizations are as:-

1. Poor Compensation and Working Conditions- Employees work for earning compensation in the form of salary, wages, commission, or other benefits and if not provided with proper compensation may cause unhealthy relationships between workers and management. Even poor working conditions with inadequate infrastructure also serve as a source of industrial conflicts.

2. Nature of work- A worker loves to work if it's interesting and completes it with full devotion. This results in job satisfaction and creates a healthy relationship between labour and management. On the other hand an uninteresting nature of work gives birth to dissatisfaction and frustration and causes poor industrial relations within an organization.

3. Organizational causes- Non- recognition of trade unions, improper communication system, unfair practices, faulty grievance handling procedures etc are some of the causes that result in poor IR.

4. Psychological Reasons- Psychological reasons such as lack of job security, non fulfillment of needs related to survival and maintenance of human life may worsen the industrial relations.

5. Ineffective Trade Unions- The main aim of trade unions is to safeguard the employees' interest but in case of multiple unions, politicisation and inter union rivalry makes these trade unions ineffective to perform their work. Unions are used by some of the leaders to serve their own purpose, which decreases the faith of employees on them and their functioning
Thus gives birth to unrest among workers and management.
