

Submitted by :- Dr. Kumud

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INTRODUCTION, ORIGIN AND GROWTH OF INDUSTRIAL RELATIONS(Evolution)

It is a well-known fact that in every industrial community, regardless of its political form, there are two distinct classes, viz. (i) the workers and (ii) the employers, without whom production on a large scale is unthinkable. The term “Industrial Relations” is used to express the nature of relationship between these two classes of workers and employers in the industry or an organisation. Hence without the existence of these two parties i.e. workers and employers, such relationship can not exist. It is thus the industry or the organisation that provides the setting for industrial relations. Today, industrial relations constitute one of the most delicate and complex problems of the modern society which is substantially industrialised and is characterised by industrial conflicts, rapid changes, conflicting ideologies, conflicting interests and so on, both in the national and international spheres. The study of industrial relations aims at bringing harmony in the conflicting interests of the aforesaid two classes of workers and employers. It will, therefore, be proper to say that industrial relations is an art of living together for the purpose of production, productive efficiency, human wellbeing and industrial progress. It basically consists of a network of institutions, such as trade unions, employers, government, collective bargaining, legislation etc., which are bound together due to their mutual interests certain common ideology and a set of common values. These institutions are social networks of organisations, participants, processes and decisions - all of which interact and inter-relate together within the industrial relations environment and even beyond it. It is, therefore, very important to have knowledge of such institutions if one is really interested to understand every day industrial relations phenomena in the perspective. The concept of industrial relations is dynamic which depends upon the patterns of society, economic system and political set-up of a country and changes with the changing economic and social scenario. The Different experts have used different terms like union-management relations, employer and employee relations, labour-management relations, and so on, to deal with the relations between the employers and employees. However, the fact remains that the concept of industrial relations has generally developed as a consequence of the ‘Industrial Revolution’. Prior to the industrial revolution, the employer and his

workmen had the relationship of master and servants, which was very much personal in the nature. Due to direct personal touch between the two, there was hardly any problem like that of industrial relations which we come across in today's industrial organisation. With the advent of industrialisation and large scale production, direct contact between them started coming to an end and relations between them started getting estranged.

Industrial Relations in Ancient-India

In ancient times, the highest occupation was agriculture and trading was the next important. The manual services formed the third rung of occupation. The states were in active existence even in the Vedic times. A majority of the states were ruled by the kings. A considerable number of the republics and oligarchies were also in existence and lasted for many centuries.¹ India was greatly advanced in the field of industry and occupations in ancient literature. Dyeing of leather, weaving of woolen cloth, making of containers to hold liquids (such as milk and curds), making chariots for war, boats and ships for carrying on trade with foreign countries and making of ploughs and carts for the farmer were the main crafts.² It has been realised in the Vedas that one of the important factors necessary for happiness in a group or community is good mutual - relations. The industrial relations machinery during the Vedic times consisted of a 'madhymasi' (mediator), a man of 1 Kautilya's Arthashastra, 2. Nath, Pran, 'Economic life in Ancient India', part(1) position and influence in the society.³ People in the rural community were able to solve and settle all disputes by themselves.⁴ This system prevailed under the Hindu government.⁵ Every effort was made to improve the mutual relations between capital and labour. In the Epics also, the employees were treated with respect, given some gifts and sweetly addressed.⁶ But the Mahabharat mentions that a powerful person exploits the weak one, just as big fishes make a meal of small one.⁷ Kautilya's Arthashastra and the edicts of Emperor Ashok reveal that workers enjoyed privileges, were paid high wages and were given sick leave and old age pensions. According to Kautilya, the employers and employees should make a contract with regard to work to be done, the employer should undertake not to employ another man for the work and not to take up any other work. If this contract is broken, the offender should be fined. In the medieval times, during Muslim rule, there was only a nominal difference between an artisan, a servant, an employee and a slave.⁸ If the work was found

to be inadequately done the wages were proportionately reduced. During this period, the disputes were solved and decided by the Emperor himself. When the Emperor and his officials dealt harshly, with the workers, cordial relations between labour and capital could not be expected to exist. The commercial character of the East India Company did not change the conditions of workers. The under-development of economy continued even under the British rule for more than a century, but collective relations in industry were modelled on the British pattern. In fact, the growth of industries in different parts of the country characterised the industrial relations. The first indication of industrial unrest and earliest work stoppage came to the fore in 1877 on the initiatives of weavers of Empress Mills, Nagpur. Though trade union existed, the relations between employers and workers can not be said to be peaceful. Evidence of short - lived strikes and their frequent occurrence is found at various centres such as Bombay and Surat. The passing of the Factories Act in 1881 awakened the working class towards a concrete approach. In 1890, the first labour association, viz., Bombay Millworkers Association was established. In 1905 another organisation was formed in Calcutta under the name of the Printer's Union. The Postal Union was formed in Bombay in 1907. The conditions of labour were greatly affected by the World War-1. when a large number of factors came on the Scene.

PRE-INDEPENDENCE INDIA

In the early days of the factory systems of production, workers were considered a commodity, which could be easily hired and readily replaced. The doctrine of supply and demand governed their employment relations. Since during those days employers were in a dominating position, they used to exercise their authority freely and virtually used to dictate terms and conditions of service, including wages, to the workers. V.V. Giri has rightly observed, "This freedom of contract and liberty in employment relations gradually degenerated into license. Industrial and social ills, therefore, began to develop. Low wages, long hours of work, insecurity of employment, insanitary working and living conditions, persecution of trade union activity and economic injustice brought untold misery to the working class. Industry, which had a social purpose and was considered as an agency for human welfare thus became responsible for the want, poverty and misery of the working class". Initially the workers felt that it was a temporary phase because of their factory employment which was a new system and that with

the passage of time their miserable plight would come to an end. However, very soon they realised that it was not to be so. Hence they started making efforts, individually as well as in small groups, to improve their lot but nothing came out of it. Rather their collective efforts were scorned at especially by employers. The workers were suspected of hatching conspiracies and therefore, they met with stiff opposition. Their leaders were victimised and persecuted so that they may give up their collective efforts. Unfortunately, the Government was a silent spectator because those 4 days it used to follow the policy of "laissez-faire" and "Laissezpasser". Due to the laissez-faire policy adopted by the government in the initial stages of industrial revolution, the workers suffered a disadvantage. In the production setting, the relationship between them and their employers was the relationship among unequal, which inevitably resulted in the exploitation of the weak by the strong. Thus the then existing industrial system gave rise to a large number of social and industrial ills like low wages, long hours of work, poor working conditions, ill treatment by the employer, etc. This exploitation sowed the seeds of dissatisfaction among workers and bred protest. Too much oppression of workers compelled them to organise themselves and fight for their common cause through the platform of their trade unions. Due to this awakening among the workers, they began to take retaliatory measures to help themselves to get a new and fair deal. If need be, they resorted to going on strike. Trade unions, therefore, emerged in the area of collective relationship as organised bodies for the protection and furtherance of workers' interests. Isolated disputes took place in India but it was not until 1918 that they became serious features of the Indian industrial system. After the outbreak of First World War (1914-1918) a number of strikes took place almost every year. There was great distress among the workers due to rise in cost of living. Besides this, there was mass awakening in the country due to the Russian Revolution and the leadership of Mahatma Gandhi. The establishment of International Labour Organisation various Acts were enacted- the Workmen's Compensation Act (1923), the Trade Union Act (1926) and the Trade Disputes Act (1917) - which provided significant measure of protection of workers against injury during employment, provided a legal status to trade unions and granted them protection against criminal and civil suits in cases of strikes, and provided machinery for bringing about industrial peace. As a

result of this, the employers too started forming their associations to safeguard and protect the interest of their members through collective action. Now employer too would not hesitate to go for lockouts. However, the influence of employers association on their members differed widely, depending on how these were organised and how effective their services were to the members. So far as their role in tackling industrial relations was concerned here too the employers association showed differences in different industries and in different regions. With all this, there started an 5 industrial war between the workers and the employers. It was just like a tug-of-war between the two. Whosoever proved his strength on a particular issue, he won the game. Thus the problem of industrial relations started to be viewed as the problem of relationship between the workmen and the employer. As stated earlier also, in the beginning, the government did not interfere with the settlement of industrial disputes unless these resulted in prolonged strikes. Even in such cases, usually the government was contented with appointing committees of inquiry. However, when the government observed that the frequency and intensity of industrial unrest had started assuming serious proportions, it would keep silent. It was thought proper by the government to intervene in field of industrial relations and in that way the government became one more party in the matter of industrial relations. During the Second War, employers made enormous profits. The workers demanded a share in it. In order to meet the exigencies, certain drastic measures were taken. Orders were issued prohibiting strikes and lockouts under the Emergency Rules (Rules 81-A of the Defence of India Rules)- which provided for the adjudication of disputes between employers and workers. All these measures largely controlled industrial unrest during the war period. The years immediately following the war (1946 and 1947) were most disturbed years from the point of view of the pattern of industrial relations in India, for a large number of strikes took place during these years. However, there was a considerable increase in the number of trade unions and their memberships. In 1947, the INTUC was formed. Many legislative enactments were brought in 1946; the Industrial Employment (Standing Orders) Act was passed to regulate terms and conditions of service. The Industrial Disputes Act, 1947, provided for the settlement of disputes.

INDEPENDENCE AND POST-INDEPENDENCE INDIA.

Immediately after independence, in the interest of the national economy, it was considered necessary to put a stop on strikes/lockouts and have uninterrupted production. It was obvious that the workmen were a weaker party as compared to the employers. Thus, the inherent inequalities between the contract among parties (i.e. the workmen and the employer) in the employment relationship called for the intervention by a third party i.e., the government so as to protect the interest of the weak. Since the government is supposed to be a custodian of the broader social interest, it had to ensure (and continue to ensure) that the economic needs of the community are satisfied by an uninterrupted flow of goods and services. The major instrument with the government for this purpose is legislation, whereby the norms to regulate the relationship between the two parties are specified and enforced through the apparatus created for the purpose. A tripartite conference was, therefore, convened in 1947. In free India, Industrial Disputes Act was enacted in 1947. The Act seeks the prevention and settlement of industrial disputes in all industries through conciliation, arbitration and adjudication. Apart from setting up machinery for the settlement of industrial disputes it seeks to prohibit strikes and lockouts during the pendency of conciliation and adjudication proceedings. The amendment made in the Act in 1976, places restraints on the employers' power to 'layoff or retrench a worker, or to impose 'closure'. The Minimum Wages Act, the Factories Act, and the Employees State Insurance Act were all enacted in 1948. During the First Plan Period, great importance has been given to the maintenance of industrial peace. During the Second Five Year Plan period, certain norms, mechanism and practices formulae were evolved for need based minimum wage boards, guidelines for rationalisation, code of discipline, code of conduct, scheme for worker's participation in management, model grievance procedure, evaluation and implementation machinery and emphasis on 'Voluntary-arbitration'. The second plan suggested that statutory provision should be made for the recognition of unions, keeping in mind the need for having one union in an industry. It also suggested that there should be restrictions on the number of outsiders who serve as office-bearers of unions, that office-bearers should have additional protection

against victimisation and that the finances of trade unions should be strengthened. During the Third Five-Year Plan period, emergency caused by the Chinese War in 1962, the Industrial Truce Resolution was adopted and employers and employees pledged themselves to maximise production. The rights of an individual worker came to be better safeguarded when the Disputes Act was amended. The Third Five-Year Plan laid stress on moral rather than on legal sanctions for the settlement of disputes. The plan suggested that "Workers participation in management should be accepted as a fundamental principle and as an urgent need. In view of its importance, the plan undertook as a major programme, the progressive extension of the scheme of Joint Management Councils to new industries and units during the Plan period so that, in the course of a few years, it may become a normal feature of the industrial system. In course of time, management cadres should arise out of the working class-itself." It has also laid emphasis on worker's educational programmes. The Fourth Five-Year Plan emphasised the growth of a healthy trade union movement, collective bargaining and voluntary arbitration. The plan hoped that, "trade unions would serve not only as agencies seeking for their members fair wages and proper conditions of work and living, but play an increasingly important role in the nation's development." During Fifth Five-Year Plan stress will be laid on strengthening industrial relations and labour laws, imparting training to labour officers, improvement of labour statistics and undertaking studies in the field of wages and productivity. Special attention will be devoted to bring about improvement in productivity in all spheres of the economy.¹⁰ The sixth plan declared the industrial harmony is most important to make economic progress. Healthy industrial relations are not only concerned with employers and workers but are of vital concern to the community as a whole. It also said that strikes and lockouts would become redundant so effective arrangements should be made for settlement of inter-union disputes and to discourage unfair practices and irresponsible conduct. The plan also stressed that collective bargaining should be encouraged. This would enhance the strength and facilitate the enlargement of trade unions' role so that they can fulfill the norms of greater efficiency and achieve excellence in their overall performance. The Seventh Five-Year Plan remarked that, "There is considerable scope for improvement in industrial

relations which would obviate the need for strikes and the justification for lockouts. In the proper management of industrial relations, the responsibility of unions and employees has to be identified and inter-union rivalry and intra-union divisions should be avoided." The Eighth Plan has recognised the need for a re-orientation of planning in keeping with the process of economic reforms and restructuring of the economy. The eighth plan emphasised on human development as the main focus of planning. A large economic space for the private sector and physical and social infrastructure development by the public sector (allowing at the same time the private sector to participate) were envisaged. In addition to enactment of the required legislation/policies, the government also tries to associate itself with the other two parties i.e. representatives of workers and employers through various means so as to evolve norms backed by moral sanctions, governing the pattern of industrial relations. In this way, people started viewing industrial relations as the complex of inter-relations among workers, managers and government. According to the Encyclopaedia Britannica also, " The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organisations. The subject, therefore, includes individual relations and joint consultations between employers and work people at their work place, collective relations between employers and their organisations and trade unions and the part played by the state in regulating these relations." ILO has used the term 'Industrial Relations' in the wide sense to denote such matters as freedom of association and the right to organise, the application of the principle of the right to organise, right of collective bargaining of conciliation and arbitration proceedings and the machinery of co-operation between the authorities and the occupational organisations at various level of the economy. Thus the problem of industrial relations is not confined to the labour-management conflicts but spread beyond it also. Industrial relation is thus a developing and dynamic concept and as such no more limits itself merely to the complex of relations between the unions and management but also refers to the general web of relationships normally obtaining between employees, a web much more complex than the simple concept of labour-capital conflict. Thus the concept of industrial relations keep on changing according to the development of new situations. It is probably because

of this reason that a number of terms like 'Labourmanagement relations', 'Employer-employee relations', 'Labour relation' etc. have been in usage to denote the expression 'Industrial Relations'.

DEFINITIONS OF INDUSTRIAL RELATIONS

Since 'Industrial Relations' has been a dynamic concept, it has been variously defined by different writers to suit their own needs and circumstances and the degree of Industrialisation. The term 'Industrial Relations' is commonly used to denote relations of all those associated in productive work including industry, mining, commerce, finance, transport, other services etc. According to Casselman's Labour Dictionary, the term 'Industrial Relations' is "The relations between employers and employees in industry. In the broad sense, the term also includes the relations between various unions, between the state and the unions as well as those between the employers and the Government." According to V. Agnihotri, "The term Industrial Relations explains the relationship between employees and management which stem directly or indirectly from union employer relationship." According to C.B. Kumar, "Industrial Relations are broadly concerned with bargaining between employers and trade unions on wages and other terms of employment. The day-to-day relations, with in a plant also constitute one of the important elements and impinge on the broader aspects of industrial relations." Though it is the economic interest that primarily brings worker to work for wages, and the employers hire their services as a factor contributing to production, but industrial relations in any work situation go beyond these economic aspects and involve several elements of human relationship in which one individual interacts and adjusts with the other. It is equally likely that the relationships may cause friction and conflicts. As a matter of fact, the parties involved in industrial relations, i.e. the workers and the employers, have a common purposeproduction. This purpose can be served effectively only when both the parties know how to live together. J. Henry Richardson has put industrial relations in a proper perspective of human relationships when he says, " Industrial Relations is an art, the art of living together for the purpose of production". They (workers and employers) willingly bind themselves to work together. The most prominent feature of industrial

relations is that it is an art in which the two parties learn by acquiring the skills for adjustment". There is no doubt that Richardson in his definition of industrial relations highlights the importance of interpersonal aspects of human relationships but the definition hardly throws any light on the 10 possibilities of friction and conflict which may cause interruptions in production and may call for control by any third party, e.g. the Government, The workers unite together and form their unions. So do the employers by forming their associations. The state (or the Government) provides institutions for the regulation of relations between the workers' unions and the employers (or their associations), Richardson is silent about these institutional aspects of Industrial Relations. It is Allan Flanders and H. A. Clegg who have highlighted the institutionalisation of relationship in which forums are created to regulate the relations. Richardson brings this point to home when he says, "The subject of industrial relations deals with certain regulated and institutionalised relationships in industry." H. A. Clegg too lays emphasis on regulation and institutionalisation when he says, "The field of industrial relation includes the study of workers and their trade unions, management, employers associations and the state institutions concerned with the regulation of employment." Thus both Richardson and Clegg attach a lot of importance to the role of institutions as well as to the regulatory role played by the Government. The regulation of relationships should be form with in, for both the workmen and the employer have to learn to live together by a process of accommodation and adjustment. V. B. Singh appears to have covered many facts of the problem of industrial relations when he says, "Industrial Relations are an integral aspects of social relations arising out of employeremployee interaction in modern industries, which are regulated by the state in varying degrees, in conjunction with organised social forces and influenced by prevailing institutions. Thus involves a study of the state, the legal system, worker's and employer's organisation on the institutional level, and that of patterns of industrial organisations (including management), capital structure (including technology) compensation for labour force and the forces of market on the economic level." Ordway, Tead and Metcalfe have also tried to explain the term 'Industrial Relations' in the right perspective when they say, "Industrial Relation is the composite result of the attitudes and approaches of employers and employees towards each other with regard to planning,

supervision, direction and co-ordination of the activities of an organisation with a minimum of human efforts and frictions with an animating spirit of co-operation and with proper regard for the genuine well being of all members of the organisation." This definition appears to be quite exhaustive. T. N. Kapoor's views of industrial relations are also worth noticing. According to him, "The term industrial relations should be understood in the sense of labour management relations as it percolates into a wider set of relationship touching extensively all aspects of labour such as union policies, personnel policies and practices including wages, welfare and social security, service conditions, supervisions and communication, collective bargaining etc., attitudes of parties and governmental action on labour matter." As a matter of Fact, industrial relations arise in the work setting where human beings engage themselves in activities of production and strive to satisfy human wants by the flow of goods and services, but they also create situations in which dissatisfaction, friction, conflict, and adjustment and co-operation co-exist. Dale Yoder includes "recruitment, selection and training of workers, personnel management as well as collective bargaining policies and practices in the term Industrial Relations". Dunlop has defined Industrial Relations "as the complex of inter-relations among managers, workers and agencies of government." According to I.L.O, Industrial Relationship is the composite result of the attitudes and approaches of the employers and employees towards each other with regard to the planning supervision, direction and co-ordination of the activities of an organisation, with a minimum of human effort and friction, with an animating spirit of co-operation, and with proper regard for the genuine well being of all the members of the organisation". At another place the I.L.O has taken within its ambit, " the matters like freedom of association and the protection of the right to organise and the right of collective bargaining, collective agreements, conciliation and arbitration and machinery for cooperation between the authorities and the occupational organisations at various levels of the economy." In the words of Dr. Mamoria, "Through "Industrial Relations" the state endeavors to bridge the gap between the imbalanced, disordered and maladjusted social order and the need for reshaping the complex social relationships adaptable to the technological advances by controlling and disciplining its members, adjusting their conflicting interests and evolving a

healthy social order.” According to Rowe (1971), “the basic technique of ‘Industrial Relations management’ should be to plan, organise, control, motivate and provide leadership as to serve the objectives of the business, those of its employees and those of the social environment. This, it must do instead of concentrating on industrial relations activities themselves.” He continues to state that “Industrial Relations management becomes result-oriented rather than activity-oriented, with its responsibility increased to include the whole human resources and its environment - that is, employer employee and government.” Industrial Relations management not only contributes to the primary objectives of business and social organisations but also does so through direct involvement and a strong continued identification with the management of all other factors of production. It is industrial relations managers working as a team with other management both in public and private sector organisations that produces effective management of the human resources and environment. Industrial Relations management as defined in International Encyclopaedia of social sciences, is made up of 1. Industrial and business Psychology. 2. The sociology of work. 3. Human Relations and 4. Reward Systems and incentive. On the basis of above definitions we find that the basic features of the various definitions of Industrial Relations, inspite of difference in words, remains the same viz., that Industrial Relations are, chiefly, relations between employers and employees. In Industrial Relations we seek to study how people get on together at their work, what difficulties arise between them, how their relations including wages and working conditions are regulated and what organisations are set up for the protection of different interests. These relations include individual relation i.e., relation between employers and workpeople at the plant level as well as collective relations, i.e. relations between employers or their organisation and trade unions at various levels and also the role of the state in regulating these relations. Thus the term 'Industrial Relations' refers to ‘a set of relations arising out of the employee-employer relationship in the modern industrial society”. Such relationship, however, is complex and multidimensional resting on economic, social, psychological, ethical, occupational, political and legal levels.