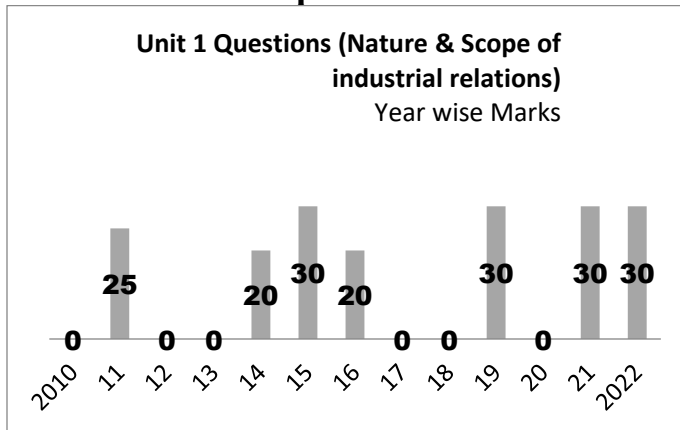


INDUSTRIAL RELATIONS

1. Nature and scope of industrial relations.



2021: Scope of Industrial Relations.

Model answer: Industrial relations is art of working together for the purposes of production. It is economic exchange process. Industrialization has led to emergence of discipline of industrial relations resulting into heterogeneous interest groups, issues, institutions as described below-

- Workers and managers/employers are the main interest groups. Today govt and society at large are also concerned with status of IRs.
- Terms and conditions of employment relationship are central to IRs. It causes various IR issues including wage rates, promotions, bonus, hire, fire, productivity, absenteeism, labour turnover etc.
- IRs survive on institutions of Unions, Collective bargaining, participation etc.
- IRs revolve around cooperation and conflict.
- **State has active role** in IRs as a model employer, facilitator, regulator, conciliator and adjudicator.
- Role of unions is declining whereas individual worker's role is increasing.

Today scope of IRs has widened to include worker ownership, long-term interests, dis-investment, climate change, green jobs, social dialogue and international institutions like ILO.

2019: 5(d) Exit Policy 10

Model answer: It is policy of separating(firing) employees adopted by any enterprises. It may be:

- voluntary such as terms of employment- generally it involves a notice period by both employer and employer/
- a penal action in case of indiscipline or underperformance.
- Progressive employers adopt **outplacement approach** for exit of surplus or unsuitable workers.
- beyond control of enterprise due to heavy losses.

Industrial disputes act provides for restrictions on arbitrary retrenchment of workers. Appropriate process should be followed and compensation should be given.

In a free economy government of India appreciates mutual agreement-based exit of employees and closure of the unit. During liberalisation government has adopted Voluntary Retirement approach to exit. National Renewal fund was established to protect workers. Today government has permitted fixed Term employment which will ensure transparency in exit.

2019: 6(b) “The fundamental aim of industrial relations is to maintain sound relations between employees and employers.” Elucidate. What are the various approaches to industrial relations? **20**

Hint:

- **Concept** and 3-4 features of IRs 30-50.
- **Objectives** of IRs 60-80.
- **Various 4-5 approaches** like unitary, pluralist.... 20-25 words each
- **Conclude with best approach** today like Gandhian Approach.

2021: 8 (c) What is the importance of industrial relations? Explain how Industrial Relations (IR) can be enhanced in organisations. **20**

Approach to answer:

In first part on “Importance of industrial relations” followings should be written:

- **Meaning** of industrial relations with focus on various objectives.
- **Here importance means** positives of good IRs, how good IRs help achieve various IR objectives, what wrong will happen if IRs are not in order. Write importance for different parties: Management, workers, unions, society, nation, global peace.
- Write significance/value of good Industrial relations. 6-8 points
- Also write **bad consequences** if IRs are not good. 3-4 points.
(we can prove significance of something negatively by writing wrong consequences if IRs are not in order)

In 2nd part of the question write **suggestions and pre-requisites** of enhancing and improving (good) IRs. This part should be written with logic(means how your suggestion will help improve IRs) as it is clearly asked “**explain how**”.

Model answer:

Industrial relations are the art of living together for purposes of production. It is economic exchange process. If industrial relations are good, balanced, and orderly, every party gets benefited such as:

Employers: attaining production goals, reducing cost of production, better customer service, good image of management, low labour turnover, easy change management and competitiveness of the firm. Such as TATA group. Poor relations at Maruti resulted into loss of plant, property and personnel in July 2012.

Employee- Good career, profit sharing, good pay, stable employment, Quality of Work Life, good union image etc.

For society and nation- better use of resources, employment generation, democracy, peace and prosperity, image of the nation, FDI, export competitiveness etc. Bad events at Maruti put immediate dent on industrial image of India in 2012.

In globalised world economic prosperity rests in the country having presence and history of good and developed industrial relations.

Enhancing Industrial Relations: Industrial relations is socio-economic phenomenon. It can be improved by both management and workers by adopting positive attitude and approaches, as described below-

1. Understanding and agreement of both on matters of common interests besides fair and genuine effort for securing them.
2. Fair labour practices by management such as no hire-fire, adequate pay etc.
3. Education, training, and skill building of workers and thereby sharing gains of productivity and prosperity among workers.

4. Sound leadership of union of workers that can negotiate with management assertively, not aggressively.
5. Healthy approach to collective bargaining so as to have fair & just terms and conditions of employment.
6. Direct and two way communication between management and employee.
7. Competent IR or HR professionals having progressive attitude towards workers.
8. Inter-actionist approach towards conflicts or disputes or decision participation.

Really *able* management and *responsible* workers are essential for improving relations at work. Good relations is foundation of productivity, profitability, image and success of all IR partners.

2019: 7(a) “The Trade Union movement in India has not developed on healthy lines.” Examine this statement. **10**

Hint:

- Brief history of TUM in India. 30-40.
- Poor features of unions in India like outside leadership, weak finances.30-40
- Reasons behind poor unionism. 30
- Good Examples of unionism like Public Sector banks and Suggestions. 30-40

2020: Q6 (b) “The main concern of trade union is that **such unionism** will lead to **fragmentation and weakening** of the trade union movement.” In light of this statement, discuss the challenges faced by different trade unions. **20**

Answer:

- **Define** unionism 15 words²
- **2-3 objectives** matching above statement 20
- **Reality of multiple** unions in India, with various kinds of multiple unions. 50-60 words
- **Fragmentation and weakening** of unions due to multiple unions---- 50-60 words.
- **Harmful affects** of fragmentation and weakening of unions. 50-60 words
- **Positives** of multiple unionism 15-25 words
- **Suggestions** to unite unions-

2021 (8) (a) “Trade unions are an impediment to the growth of industry.” Do you agree? Critically evaluate the role of trade unions in the present context. **20**

Model answer:

Trade union is an association of wage earners. ~~Initially they were formed to protect workers against exploitation by employers. Gradually objectives and functions of unions changed.~~

Across the globe, more so in India unions are know primarily for strikes, work disruptions and violence. Events of 1982 in Mumbai and 2012 in Manesar are dark spots on the face of unions. There has been loss of life, properties, plant, production, image of the firm, state and nation.

Frequent and lengthy strikes & lockouts have caused loss of man-hours, employment, production and productivity. ~~Bitterness in relations and industrial unrest are caused primarily by unions.~~ Industry could not flourish much in union dominated states like West Bengal. Thereby there is general perception that Trade unions are an impediment to growth of industry.

But above conclusion is part reality, part imaginary. Not all unions are impediment in all enterprises and countries. There is decades old constructive union history in Japanese firms, Indian Railway, Tata Steel and like. But they have grown manifold.

Union may be an asset to protect working class, helping reduce labour turnover, deal with large number of workers easily, pressurize legislature for pro-industry reforms, labour welfare functions etc.

Hence, it all depends upon kind and quality of union leadership, ability of management and degree of state intervention.

Role today:

In today's competitive, complex and dynamic business world unions are loosing their impact and relevance. Modern management practices, individualistic and heterogeneous working class, increasing temporary employment and professionalism have significantly reduced role and impact of collectivism or unionism.

But need of unions is intact, rather increased in view of increasing unemployment risks, exploitative and dynamic capitalism, climate change, technology cannibalizing jobs, international migration of labour and reducing state intervention and increasing market forces.

Unions need to innovate, support management in change efforts, conduct welfare functions, associate with civil society, use IT to stay relevant, useful and productive.

2021 8 (b) "Industrial conflict is basically a struggle between management and workers." Examine this statement.

10

Answer: Cooperation and conflict are two important dimensions of Industrial Relations. Industrial conflict is a state in which either or both workers and management feel dis-satisfaction with attitude and/or approach of one another.

Conflict signifies unsettled state of Industrial relations in which both parties struggle to maximize their interests, many times at cost of others.

Workers struggle (individually or through unions) for better pay, incentives, facilities and amenities, promotion, allowances and profit sharing. Today there is struggle for better career, more ESOPs and better roles and responsibilities. Any failure in this struggle may result into strikes, violence, absenteeism and attrition.

Management struggles for lower wage bill, higher productivity, peaceful working, no disruption of work. This struggle may involve bargaining, negotiations, organisational politics and even strategic HR practices such as temporary workers.

Management failure in this struggle may result into events like July 2012 Maruti plant violence. Tata group has developed good culture and institutions to handle this struggle well. Progressive and professional HR practices are needed to make this struggle democratic, inter-active and win-win outcome.