

Growth of Industrial Relations in India: Era of Liberalization

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Abstract: Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is not possible without collaboration of labors and harmonious relationships. Industries participate a very significant role for the economic development of the nation. Industrialization is a nonstop process and usually passes during three steps. In the first stage secondary industry concerns itself with the processing of primary products e.g. milling grains and tanning leather etc. In the Second stage, secondary industry begins to transfer material to somewhat finished goods e.g. preparation of bread and confectionery etc. In the third stage, machine and equipment is used not for direct satisfaction of any want but for facilitating future process of production. Most, of the developing countries have only reached second stage of industrialization. The present paper focuses on Growth of Industrial Relations in India where, it is based on Secondary data where, post-reform period (1995-2013) has been undertaken. The Statistical tools used for the study are Average, Compound Annual Growth Rate and Percentages. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations cover all aspects of the employment relationship, including human resource management, employee relations, and union-management relations.

Keywords: Industries, economic development, employee and employer

Introduction

Growth of Industrial Relations plays an important role. If relations between employers and employees are good in Industry then growth can be achieved. The paper tries to examine critically the Growth of trade unions in India, growth of industrial sector in India, number of disputes taken place, cause for disputes and disputes by duration, number of permanent closures and workers affected in India. Where, the number of trade union membership is declining where Stable and strong trade union is essential for good industrial relations in India. Number of disputes are showing oscillating trend. Industrial growth is achieved only in few states in India, and Number of Industrial Disputes and workers involved is on the rise which needs immediate attention. Hence, Government should play an important role by formulating various policies for the betterment of employees and employers. If Growth is to be achieved in the country then Industrial Relations has to play an important role which needs immediate attention. Now its meaning has become more specific and restricted. Accordingly, industrial relations pertains to the study and practice of collective bargaining, trade unionism, and labour-management relations, while human resource management is a separate, largely distinct field that deals with non-union employment relationships and the personnel practices and policies of employers.

Review of Literature

In previous years, there has been a tendency to understand and interpret the problems of industrial relations in different environments and as a consequence various regional/area studies have emerged. A lot of studies have been done on the different aspects of Industrial relation at national and international level. A few studies have been taken for review:

Arudsothy (1990)¹ in his findings, the paper examines the historical influences on the Malaysian industrial relations system and discusses the current state and likely trends in industrial relations. **Johri (1990)**² in his findings, several paradoxes of industrial system in India are the outcome of strategic policy doctrine of "Industrialism in a Single Country" are discussed where the industrial relations system built on law, principally the Industrial Dispute Act, has formed part of the strategic doctrine. The IR system has now emerged as a major obstacle to technological progress and competition of Indian Industry where it must be reformed to permit greater freedom to managements where the solution lies in providing labour with social insurance cover under a law. **Papola, T.S. (1994)**³ in his findings, examines social protection to labour in India, particularly with reference to growth and structural change in employment on one hand and industrial restructuring, structural adjustment and economic reforms, on the other. Structural Adjustment Programme, initiated since 1991, on employment labour market trends has also been undertaken. **Patil (1998)**⁴ in his findings, the study seeks to portray the contemporary industrial relations scenario with reference to Karnataka where, it reveals that though

the environmental changes are fast paced, the organization and labour in the traditional industries are slow in responding to the changes. There is also considerable change in the attitudes of the management and labour unions with the increasing percentage of the knowledge workers in the labour force a change in mindset of both management and labour unions and the emergence of internal leadership of unions, industrial relations are likely to further change enabling the industrial and business organisation to become globally competitive. **Sundar (2005)⁵** in his findings, the issues on labour flexibility is studied where; it focused on the arguments for and against labour flexibility and the demands posed by employers and trade unions in India. The theoretical aspects relating to employment protection is discussed. A review of empirical studies on labour market flexibility in India and abroad is studied. The recommendations of the Second National Labour Commission on other countries are also discussed. Though, there have been many studies done on industrial disputes still there is a need to undertake the present study on Growth of Industrial Relations in India- A Critical Analysis.

Objectives

- ✓ To study the Growth of Industrial Relations in India.
- ✓ To examine the main causes of industrial disputes in India.
- ✓ To measures for the improvement of Industrial Relations in India.

Data collection and Methodology

The present study is based on Secondary data where, post-reform period (1995-2013) has been undertaken. The Statistical tools used for the study are Average and Percentages. The data is collected from www.indiastat.com and ministry of statistics & programme Implementation.

Status of Industrial Relations in India

The number of industrial disputes in India where, there is a Oscillating trend in the number of disputes in India where the number of industrial disputes and workers involved during the year 2009 and 2001-2007 has affected more which shows that Industrial relations in India are not good which shows that there is no co-operation between employees and employers which needs improvement. Allowances employees have been affected more in the year 2011 as compared to 2012 which shows that Industrial Relations in India are improving. In case, of Gherao and inter/intra union rivalry there is no major cause for disputes in the year 2012 and 2013.

Table1: Number of Industrial disputes (Strike & lockouts) in India

Year	Strikes		Lockouts		Total	
	Number	Man-days Lost (in millions)	Number	Man-days Lost (in millions)	Number	Man-days Lost (in millions)
1995	732	5.7	334	10.6	1066	16.3
1996	763	7.8	403	12.5	1166	20.3
1997	793	6.3	512	10.7	1305	17
1998	665	9.4	432	12.7	1097	22.1
1999	540	10.6	387	16.2	927	26.8
2000	426	12	345	18.2	771	30.2
2001	372	5.56	302	16.92	674	22.48
2002	295	9.66	284	27.04	579	36.7
2003	255	3.21	297	19.04	552	22.25
2004	236	4.83	241	18.86	477	23.69
2005	227	10.81	229	15.01	456	25.82
2006	243	5.32	187	12.11	430	17.43
2007	210	15.06	179	10.46	389	25.52
2008	240	7.02	181	0.84	421	7.86
2009	205	2.05	187	N.A.	392	13.36
2010	261	N.A.	165	N.A.	426	17.93
2011	106	N.A.	29	N.A.	135	6.67
2012	173	N.A.	21	N.A.	194	2.03
2013	N.A.	N.A.	N.A.	N.A.	181	3.29

Source: Ministry of Labour and Employment, Govt. of India, Feb 2013.

The table shows, the Percentage Distribution of Disputes by Duration for the year 2012-13 where, the distribution of disputes by duration is very high in the year 2012 as compared to 2011 which was for 1 day or less. In case, of 2011 the duration taken for disputes was for more than 30 days as compared to 2012. We can also observe from the figure that the duration taken for the dispute was very high in 2012 as of 2011 which show that more improvement is needed. Employee, Employer co-operation is also very much essential.

Table 2 Percentage Distribution of Disputes by Reason

Reason/ Year	2010	2011	2012	2013
Wages & Allowance	21.3	20.4	26.2	21.8
Personnel	14.1	11.2	13.2	9.6
Retrenchment	2.2	2.4	0.2	0.4
Lay off	0.4	0.6	—	0.2
Indiscipline,	29.9	36.9	40.4	41.6
Violence	0.9	1	0.9	0.4
Leave and working Hrs	0.5	1	0.4	—
Bonus	6.7	6.7	3.5	3.6
Charter of Demands	10.5	8.8	5.7	7.1
Work load	0.5	0.4	0.7	1.1
Safety measures	1.8	1	2.4	0.2

Source: Indian Labour Statistics. 2010 - 2013.

Wages and allowances: Since the cost of living index is increasing, workers generally bargain for higher wages to meet the rising cost of living index and to increase their standards of living. In 2010, 21.4% of disputes were caused by demand of higher wages and allowances. This percentage was 20.4% during 2011 and during 2012 increased up to 26.2%. In 2013, wages and allowances accounted for 21.8% of disputes.

Personnel and retrenchment The personnel and retrenchment have also been an important factor which accounted for disputes. During the year 2010, disputes caused by personnel were 14.1% while those caused by retrenchment and layoffs were 2.2% and 0.4% respectively. In 2011, a similar trend could be seen, wherein 11.2% of the disputes were caused by personnel, while 2.4% and 0.6% of disputes were caused by retrenchment and layoffs. In year 2013, only 9.6% of the disputes were caused by personnel, and only 0.4% were caused by retrenchment.

Indiscipline and violence From the given table, it is evident that the number of disputes caused by indiscipline has shown an increasing trend. In 2010, 29.9% of disputes were caused because of indiscipline, which rose up to 36.9% in 2011. Similarly in 2012 and 2013, 40.4% and 41.6% of disputes were caused due to indiscipline respectively. During the year 2011, indiscipline accounted for the highest percentage (36.9%) of the total time-loss of all disputes, followed by cause-groups wage and allowance and personnel with 20.4% and 11.2% respectively. A similar trend was observed in 2012 where indiscipline accounted for 40.4% of disputes.

Bonus has always been an important factor in industrial disputes. 6.7% of the disputes were because of bonus in 2010 and 2011 as compared to 3.5% and 3.6% in 2012 and 2013 respectively.

Leave and working hour have not been so important causes of industrial disputes. During 2010, 0.5% of the disputes were because of leave and hours of work while this percentage increased to 1% in 2011. During 2012, only 0.4% of the disputes were because of leaves and working hours.

Problems and Policy Perspectives

The following are the measures and policy perspectives for the improvement of industrial relations in India. Stable and strong trade union is essential for good industrial relations in India. Both management and labour should help in the development of atmosphere of mutual co-operation, confidence and respect. Both management and unions should have faith in collective bargaining and other peaceful methods of settling industrial disputes. Collective Bargaining is the corner stone of industrial relations. The participation of workers in the management of the industrial unit should be encouraged by making effective use of works committees, joint consultations and other methods where, it will improve communication between managers and workers,

increase productivity and lead to greater effectiveness. Sound personnel policies should be formulated in consultation with the workers and their representatives if they are to be implemented effectively. The implementation of the Policies should be uniform throughout the organisation to ensure fair treatment to each worker. The Government should play an important role by bringing a suitable change in Legislations for promoting industrial peace.

Conclusion

Growth of Industrial Relations in India is declining where; industrial disputes have shown a oscillating trend which shows that industrial relations are not improving as there is no co-operation between employers and employees due to difference in wages of the regular employees and contract labours is a major issue of concern and is one of the major causes for disputes. Trade Unions are on the decline which also needs immediate attention as they also play an important role for the Growth and betterment of Industrial Relations. The year 1995 was the most disturbed year, registering maximum number of strikes and lockouts, with maximum number of man days lost. The year 2011 faced the minimum number of strikes and lockouts with the least number of man days lost and minimum workers involved. Reason wise distribution of industrial disputes during the year 2010 to 2013 has been shown that demand for higher wages has been the dominant cause for the industrial disputes. The growth of trade union during the 1995- 2013 has been extraordinary; the number of registered union improved in entire study period. The continuous decline in strikes and lockouts and extraordinary growth of trade union indicates that the industrial relations in India are improving.

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