

## **Lesson - 20**

# **INDUSTRIAL RELATIONS - ROLE OF MANAGEMENT - ROLE OF TRADE UNIONS AND ROLE OF GOVERNMENT**

### **20.0 Objective:**

On completion of this lesson we should be able to understand the:

- \* content of Industrial Relations
- \* objectives of Industrial Relations
- \* variables in Industrial Relations
- \* role of Management
- \* role of Union
- \* role of Government

### **Structure:**

- 20.1 Introduction**
- 20.2 Objectives of Industrial Relations**
- 20.3 Participants/Variables in Industrial Relations**
- 20.4 Participants in Industrial Relations and their role**
- 20.5 Role of Management**
- 20.6 Role of Trade Unions**
- 20.7 Role of Government**
- 20.8 Summary**
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### **20.1 Introduction:**

“Industrial Relations” pose one of the most-delicate and complex problems to modern industrial society with growing prosperity and rising wages, workers have achieved a higher standard of living. In an organisation industrial societies necessarily create industrial relations, as the complex of inter-relations among workers, managers and government. On this basis there are three major variables (participants) in Industrial Relations:

- i). Workers and their unions

- ii) Managers and their unions
- iii) Role of Government

These three groups - workers, employers and the government-interate with the social and economic environment that prevails at a particular time.

## 20.2 Objectives of Industrial Relations:

The objectives bringing about good and health relations between employers and employees, industrial relations are designed:

- (a) To safeguard the interests of labour and of management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.
- (b) To avoid industrial conflicts or strike and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country.
- (c) To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequent absenteeism;
- (d) To establish and nurse the growth of an Industrial Democracy based on labour partnership in the sharing of profits and of managerial decisions, so that an individual's personality may grow to its full stature for the benefit of the industry and of the country as well;
- (e) To eliminate, as far as is possible and practicable, strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, and fringe benefits.
- (f) To establish government control of such plants and units as are running at a loss or in which production has to be regulated in the public interest.

### 20.2 (a) Other division of Objectives:

In other words, the objectives of industrial relations are to facilitate production; to safeguard the rights and interests of both labour and management by enlisting the co-operation of both; to achieve a sound, harmonious and mutually beneficial relationship between employers and employees. According to **Kirkaldy**, "industrial relations in a country are intimately connected with the form of its political government; and the objectives of an industrial organisation may change from economic to political ends". He divides the objectives of industrial relations into four categories:

- (i) Improvement in the economic conditions of workers in the existing state of industrial management and political government.
- (ii) Control exercised by the state over industrial undertakings with a view to regulating production and promoting harmonious industrial relations;
- (iii) Socialisation or rationalisation of industries by making the state itself a major employer; and
- (iv) Vesting of a proprietary interest of the workers in the industries in which they are employed.

If political objectives are likely to contribute to disunity in the trade union movement, it would be necessary to provide better and more effective safeguards and exercise greater restraint in order to avoid such a situation.

## 20.3 Participants/Variables in Industrial Relations:

The industrial relations system is an organisation of recognised major variables which exert a controlling influence on them. **Yoder** observes: "Industrial relationship is the designation of a whole field of relationships which exist because of the necessary collaboration of men and women in the employment process of an industry". **Dunlop** has added a new dimension to these inter-relations. He says: "Industrial societies necessarily create industrial relations, defined as the complex of inter-relations among workers, managers and government". On this basis, three are three major variables (participants) in Industrial relations:

### i) Managers and their Organisations:

Here, the emphasis is on work groups, teams, the variations in their sizes, composition and the extent of specialisation they impose: Provision is made for internal communication, for the structure of status and authority, and for such ancillary organisations as trade unions and employer's associations.

### 2. Workers and their Organisations:

Here, the emphasis is on the members of organisations, the personal characteristics of workers, their cultural and educational attainments, qualifications, skills and attitudes to work, etc.

### 3. Role of the Government:

Here, the emphasis is on the role and responsibilities of government agencies, the extent of official intervention, assistance and regulation of working conditions and working communities.

These three groups - workers, employers, and the government interact within the social and economic environment that prevails at a particular time.

## 20.4 Participants in industrial relations and their role:

That every industrial relations system creates its own complex of rules and regulations which govern the place of work and the working community. These rules and regulations may take a variety of forms in different systems; there may be laws and awards of courts, committees or tribunals; there may be agreements; written or sanctioned by custom, usage, practice, or tradition, or which may be the result of government policies or intervention.

The participants in industrial relations may be divided into three groups, viz, management, union and government. Thus, we should discuss the role of these three groups in detail in the following manner.

### 20.5 Role of Management:

The managements are voluntary bureaucratic institutions which are hierarchical nature and which place reliance on specialisation and division of labour for the attainment of their objectives. They co-ordinate their activities through a system of graded authority, and make use of a direct system of communication for their orders and directives. Therefore, the role of the management (employer) in an organisation is very vital and responsible one.

The organisational aims of management development are to secure the following valuable end-results:

- i) Improvement
- ii) Improvement in supervision and leadership at each level
- iii) Improvement in inter-departmental co-operation
- iv) Highlighting an individual's weaknesses
- v) Attracting good men
- vi) Facilitating sound "Promotion - from - wether" policies and practices
- vii) Ensuring that the qualifications of Key personnel become better known
- viii) Creating reserves in management ranks
- ix) Making an organisation more flexible by an increased versatility of its members.
- x) Improving organisational structure
- xi) Stimulating junior executives to do better work
- xii) 'Broadening' key men in the middle cadre

Prof. **A. Das Gupta** has given the level-wise role of management in an organisation.

### **I. TOP Management Role:**

1. To improve thought processes and of analytical ability in order to uncover and examine problems and take decisions in the best interests of country.
2. To broaden the outlook of the executive in regard to his role, position and responsibilities in the organisation and outside.
3. To think through problems which may confront the organisation now or in the future.
4. To understand economic, technical and institutional forces in order to solve business problems; and
5. To acquire knowledge about the problems of human relations.

### **II. Middle Line Management Role:**

1. To establish a clear picture of executive functions and responsibilities
2. To bring about an awareness of the broad aspects of management problems, and an acquaintance with, and appreciation of, inter-departmental relations.
3. To develop the ability to analyse problems and to take appropriate action;
4. To develop familiarity with the managerial uses of financial accounting, psychology, business law and business statistics;
5. To inculcate knowledge of human motivation and human relationship and
6. To develop responsible leadership.

### **III. Functional Executive Role:**

1. To increase knowledge of business functions and operations in specified fields in marketing, production finance, personnel;

2. To increase proficiency in management techniques (e.g., work study, inventory control, operations research, quality control);
3. To stimulate creative thinking in order to improve methods and procedures.
4. To understand human relations problems; and
5. To develop the ability to analyse problems in one's areas functions.

He concludes: "for the top management, the objectives are mostly general and aim at developing the ability to understand and to decide, although a few functional areas like personnel, marketing and finance are also included.

For middle level executives, the objectives may be of two types; one, to develop intellectually, and the other to broaden the outlook and improve, the ability to make decisions along with some knowledge of specialized fields.

For executive level the objectives are:

- \* to increase knowledge of business functions
- \* to understand human relation problems
- \* to develop proficiency in management techniques

## 20.6 Role of Trade Unions:

These are mainly political institutions - associations of employees formed and maintained for the specific purpose of wresting concessions from employers. They acquire power, status and authority by reason of the support they enjoy of their members. Their power is used to better a managements discretion and pressure it into yielding to their demand for better and higher wages, for improvement in their working conditions, for and more amenities and welfare schemes, etc. As a matter of fact, a trade union is often looked upon as a conflict association, which has strong political and emotional overtones.

### 20.6 (a). The Important Role of Trade Unions Relating to Trade Union Members:

1. To ensure health, safe and conducive working conditions and adequate conditions of work.
2. To remove the dissatisfaction and redress the day to day grievances and complaints of workers.
3. To make the workers conscious of their rights and duties.
4. To protect workers from the atrocities and unfair labour practices of the management.
5. To safeguard workers against all sorts of exploitation by the employer, by union leaders and political parties.
6. To raise the status of trade union members in the industrial organisation and the society at large.

### 20.6 (b) Role of Trade Unions Relating to Industrial Organisation:

1. To highlight industrial organisation as a joint enterprise between workers and management and to promote identify of interests.
2. To help in the maintenance of discipline.

3. To facilitate communication with the management.
4. To promote cordial and amicable relations between the workers and management.
5. To create favourable opinion of the management towards trade unions and improve their status in Industrial Organisation.
6. To create opportunities for worker's participation in management and to strengthen labour-management co-operation.

### **20.6(c). Role Relating to Trade Unions Organisation:**

1. To formulate policies and plans consistent with those of the industrial organisation and society at large.
2. To preserve and strengthen trade union democracy.
3. To train members to assume leadership position.
4. To eradicate various types of 'isms' like casteism, regionalism and linguism within the trade union movement.
5. To resolve the problem of factionalism and promote unit and solidarity within the union.
6. To save the union organisation from the exploitation by vested interests-personal and political.

### **20.6(d). Role Relating to Society:**

1. To render all sorts of constructive co-operation in the formulation and implementation of plans and policies relating to national development.
2. To enable unorganised sector to organise itself.
3. To create public opinion favourable to trade unions and thereby to raise their status.
4. To motivate the union members to actively participate in the development of programmes of national development, e.g., family planning, afforestation, national integration, etc.
5. To launch special campaigns against the social evils of corruption, nepotism, communalism, casteism, regionalism, linguism, prise rise, hoarding black marketing, smuggling, sex inequality, dowry, untouchability, illiteracy, dert and disease.

## **20.7 Role of the Government:**

This is a very large bureaucratic organisation, though it may often be a democratic one as well. It tries to regulate the relationships of employers and employees, and keeps an eye on both groups to keep each in line. This relationship is enforced and maintained through labour courts, industrial tribunals, wage boards, investigating and enquiry committees, which lay down principles, norms, rules and regulations, and give awards. All these are placed on the statue book and have to be observed by workers and employers as well.

### **20.7. (a). Public Policy and Legislation:**

When government regulates employee relations, it becomes a third major force determining industrial relations - the first two being the employer and the union. Human behaviour is then further complicated as all three forces interact in a simple employee relation situation. Nonetheless,

Government in all countries intervene in management - union relationships by enforcing labour laws and by insisting that the goals of the whole society shall take precedence over those of either of the parties. Government intervention helps in three different ways: (i) It helps in catching and solving problems before they become serious. Almost every one agrees that it is better to prevent fires than to try stopping them after they start; (ii) It provides a formalised means to the workers and employers to give emotional release to their dissatisfaction; (iii) It acts as a check and balance upon arbitrary and capricious management action.

## 20.8 Summary:

An industry is a social world in miniature. As an association of various persons-workers, supervisory staff, management and employers - it creates an industrial relationship. That every industrial relations system creates its own complex of rules and regulations, which govern the place of work and the working community. The participants in the industrial relations may be divided into three groups, viz, Management, unions and government. Therefore, the three groups works properly automatically the industrial peace and industrial democracy take place in every industrial area.

## 20.9 Technical Terms:

1. Functional = Working, operating
2. Trade Union = Society of workmen for protection of their interests
3. Wrestring = take by force

## 20.10 Self - Assessment Questions:

1. What is meant by industrial relations? What is their importance? Describe the conditions for good industrial relations?.
2. What is the role of management in an industrial organisation? How it improves industrial relations?
3. What is meant by Trade Union? Explain the Trade Union in an industrial concern?
4. What is the role government to improvise the industrial relations in an industrial unit?

## 20.11 Reference Books:

1. C.B. Mamoria, *Personnel Management*, Himalaya Publishing House, New Delhi, 1999
2. C.B. Mamoria, *Dynamics of Industrial Relations in India*, Himalaya Publishing House, Bombay, 1983
3. Report of the National Commission on Labour, 1969.
4. Prof. P.C. Tripathi , *Personnel Management & Industrial Relations*, Sultan Chand & Sons, New Delhi, 1996.

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