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SPECIAL ISSUE ON

INDUSTRIAL RELATIONS
BACKBONE
OF

BUSINESS

**SUSTAINABILITY** 

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**Dr. Santosh Vishnu Bhave** 

(Fellow Member - NIPM)

Director - HR & IR,

Bharat Forge Limited, Pune (India),

Pincode - 411036

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Dr. Girish Bakshi	Coach / Mentor-HR area. Life Member NIPM, Smruti 2 Vaividhya Nagar, Karvenagar, Opp AJ Classic , Pune	
Dr. Vishwanath Lele	C6 , Dhavalgiri Park, Near Natraj Hall, Karvenagar, Pune -52.	

# INDUSTRIAL RELATIONS - BACKBONE OF BUSINESS SUSTAINABILITY

# Editor Dr. Santosh Vishnu Bhave

(Fellow Member- NIPM)
Director – HR & IR,
Bharat Forge Limited, Pune (India),Pincode - 411036



# **National Institute of Personnel Management**

Southend Conclave, Tower Block (3rd Floor) 1582, Rajdanga Main Road, Kolkata – 700 107

> Ph: 033-2441 7255 Web: www.nipm.in

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Editor **Dr. Santosh Vishnu Bhave**(Fellow Member- NIPM)

Director –HR & IR,

Bharat Forge Limited, Pune (India), Pincode -411036

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# Harmonious Relations Between The Industry And The Workforce Helpful To Both



**Forward by Justice H. L. Gokhale** Former Judge Supreme Court of India

Agriculture, Industry and Services are main components of any economy. With the increase in population, there is a need of greater agricultural production, and with new technological inventions the same is possible and happening, but with less number of labour engaged therein. A larger section of the population is therefore required to be absorbed in Industry and Services. That apart, a higher industrial production is also necessary to meet the requirements of this large population.

The relationship between the management and the employees in industries and service sector therefore becomes very crucial. It has got to be harmonious, and it is so necessary in the interest of both the management as well as the employees. This is because, whereas the management is interested in getting better return for its investment, the employees are interested in proper compensation in the form of adequate wages. This is however, possible only if there is a better understanding of each other's problems and requirements. In that, the Human Resource personnel and Trade Unionists have a vital role to play.

Great Indian Leaders like Mahatma Gandhi, Dr. B.R. Ambedkar and Netaji Subash Chandra Bose were also labour leader at one time. Mahatmaji led the Majoor Mahajan of Ahmedabad, and advised the textile owners to consider themselves as the trustees of the workforce. In the absence of such an approach and understanding, the relations between the two gets spoilt for both of them to suffer. The examples of unnecessary stretching of textile strike in the year 1982 in Mumbai, and the violence and loss of life in the Maruti Factory in Haryana are very well known.

Prior to my becoming a High Court Judge I had the experience of handling the matters arising out of Industrial Disputes in the Labour and Industrial Courts, as well as the Bombay High Court. This experience helped me to note that in the absence of a conciliatory attitude, both parties in the litigation in this field, suffer.

I will site two examples of cases which came up before me in the Bombay High Court. In one matter, an employee from a good industrial house from Nasik was dismissed for theft of some small instruments. The inquiry was defective, and although on my suggestion the management gave a good monetary offer for settlement, the workman insisted on reinstatement, to which the Management was not agreeable. Consequently, as the enquiry was defective it was redirected. The Management cured the defect, and once again passed the order of dismissal. The workman challenged that order.

A couple of years had gone in the meanwhile, and the workman was also not keeping well. On my suggestion Management gave a better offer, yet the workman declined the same. The matter proceeded. We had to hold that the charge was established. Having lost the case, the workman carried the matter to the Supreme Court. The Supreme Court dismissed the appeal. The workman came back to the High Court, and now asked for monetary compensation. However, this time the Management declined the same, and since the Supreme Court had confirmed our earlier order, we could not do anything more.

I will site a converse example also. A Union in a factory near Pune had sought some change in the shift working. The demand was not wrong, but the Management was adamant. The Union gave a strike notice. The matter came to High Court at an interim stage. We tried for a settlement, but it was not possible and that Petition was disposed of. The same matter came up after two months. In the meanwhile, the Industrial Court had held the strike to be a legal one, and directed payment of full wages. We could not find any fault in the award, and the Management's Petition was dismissed. Subsequently, the factory started, but with loss of face for the Management, and after paying wages of two months without getting any production.

Thus, it can be seen that it is desirable to have a congenial approach in Industrial relations which is helpful to management as well as the workforce, and which also becomes a backbone for business sustainability. Good relations between a management and the workforce alone lead to proper production and adequate wages, and consequently to the prosperity of the economy. The National Institute of Personnel Management (NIPM) is bringing out a compendium on this very issue, in which many Human Relation professionals, Advocates and Academicians are going to contribute. I am sure it will enhance the knowledge of all concerned in this field.

Hemant Laxman Gokhale Former Judge Supreme Court of India 24.03.2021

#### **FOREWORD**



**Mr. Vishwesh Kulkarni** National President, NIPM Chairman, Yashaswi group

Dear Member.

The Research Activity initiated by NIPM and publications of 2 Research Compendiums were highly appreciated by not only NIPM members but even non-members. It will not only beneficial to the practicing HR professionals but also to the young HR Professionals who have recently joined or in a process to join HR fraternity. This appreciation has really motivated all of us to have 3rd Research Compendium on "Industrial Relation, Backbone of Business Sustainability".

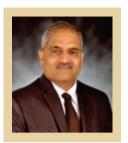
As we all are aware that Industrial Relation is truly backbone of any industry though the young generation is more focused on HR, Talent Acquisition, PMS and OD but IR is truly the pillar of any HR function whether it is in manufacturing, service or any other industry. Cordial and Healthy Industrial Relations will always lead to success and growth of industry. As such more and more focus on IR is most essential. Human nature is itself a subject of research and as such maintaining harmony, industrial piece, motivation, welfare and care cannot be done by any technology except the human touch. This research compendium focusing on IR, will definitely give different perspective of industrial relation and will be great knowledge gaining to all HR fraternity.

I sincerely thanks to all my NC members, not only supporting in the research activity of NIPM but also encouraging and motivating to team to take forward this mission.

I would like to appreciate and give my sincere thanks to Dr. S. V. Bhave, Director HR & IR Bharat Forge Ltd. & Editor, Research compendium for taking this herculean task of research activity and publishing 3rd research compendium in row. Special appreciation to Dr. Shivaji Mundhe, Director IIMS, Dr. Vandana Mohanty, Professor IIMS and all other faculty members of IIMS for their contribution.

Thank You.

#### EDITORIAL DESK



Dr. Santosh Vishupant Bhave
Fellow Member NIPM &
Director-HR and IR, Bharat Forge Limited, Pune India,
SantoshBhave@bharatforge.com

After super success of earlier two research compendium published in Sept. 2020 and Jan. 2021, National Institute of Personnel Management (NIPM) - Personnel Today had invited articles on theme "INDUSTRIAL RELATIONS - BACKBONE OF BUSINESS SUSTAINIBILITY", for the third issue of this Research Compendium Series.

The first research compendiums was on the theme of "COVID-19 & its impact on Business Sustainability" and second one was on the theme "Technology in HR Function leading to Business Sustainability". For any business continuance, Industrial Relations (IR) is considered an important aspect. Particularly in India, IR has a long history. Effective IR has always contributed in positive way to economy, society, ensuring stability of workmen. It has further contributed in strengthening to the business. Recently, Government of India has passed Four Labour Codes, which is going to change the face of not only of Industries but will have impact on Industrial relations too. NIPM has thought it appropriate to invite application based Research Articles on this important topic.

Forty-three Research Articles were received in response to our appeal. After review process, recommended articles are considered to be included in this compendium. I am sure that readers of this compendium will find articles covered in this issue useful as a reference for their future planning and study. The authors who contributed for this compendium are practicing executives from industries, advocates, union functionaries and academicians. NIPM expresses its sincere gratitude to all authors.

The Purpose of NIPM of initiating this Research Activity was with the intention to motivate HR stakeholders to involve themselves with objective based study leading to process based actions. In this process,research oriented approach plays vital role. In view of this, it was necessary that, Research article writers ought to be equipped with principles of research methodology. This includes systematic narration of article starting from framing of appropriate title, how to write abstract, how to formulate hypothesis and steps to be followed based on Research methodology principle. Reaching to the conclusion, based on above mentioned steps will always highlight a synoptic message of research writer. With this objective, NIPM thought it appropriate to equip prospective authors with the principle of Research driven methodology. We had requested Dr. Shivaji Mundhe, Director of International Institute of Management Science, Chinchwad Pune, to write one special article on "HOW TO WRITE QUALITY RESEARCH ARTICLE". This article was circulated to all prospective authors well in advance. Thank You Dr. Mundhe.

For this issue, NIPM is fortunate to have forwarding note from Mr. Hemant Gokhale, Former Justice from Supreme Court of India. This forwarding note is of high standard of thought provoking message, which is apt to the title of this Compendium. Thank You Sir for accepting our request for writing forwarding note.

Nine guest Articles included in this Compendium are authored by senior professionals with solid experience in the field of Industrial Relations. NIPM is grateful to all these Guest Authors for their responding to our request favorably and helping us to achieve richness of this Compendium.

Each Research article included in this issue has undergone a thorough review process. All reviewers have spent their valuable time in reading and evaluating Research Articles and helped us with their analytical approach. Thank you all Reviewers for your support. Dr. Shivaji Mundhe, Dr. Vandana Mohanty, Lorraine Coelho, Sushilkumar Warkar, Parth Jadhav, Yogesh Rangnekar, Pavan Sharma, Sham Vaychal and Amala Karandikar continued their support to us. NIPM is grateful to all of you.

I need to mention passionate involvement of Mr. Vishwesh Kulkarni, National President-NIPM, who not only continued his support and motivation but contributed economically in his personal capacity to ensure releasing of printed version of these compendium. I also wish to mention high level of support and participation of all national council members of NIPMin ensuring continuation of publication of this Research activity.

Thank Your Friends. Happy Reading to all! Stay Safe, Stay Healthy.

Sr. No.	Title	Page No.
1	Industrial Relations - The Backbone Business Sustainability Adv. Dr. Shrikant Malegaonkar	1
2	Industrial Relations Back Bone Of Business Sustainability A NEW APPROACH Adv. Rajiv Joshi	7
3	Industrial Relations (IR) – Essential for Business Sustainability Dr. Rajen Mehrotra	12
4	A Hard Look at the Industrial Relations Mr. Arvind Shrouti	18
5	Excerpts From My Journey With Industrial Relations Mr. Pramod Mahatme	22
6	Industrial Relations- The Backbone of Business Sustainability Dr. Sadashib Padhee	31
7	Industrial Relations- The Backbone of Business Sustainability Mr. A. S. Girish	36
8	Sustainability of Business and Industrial Relations.  Issue is 'What' rather than 'How to'  Mr. Ajit Abhyankar	43
9	Industrial Relations (IR) – Backbone of Business Sustainability Mr. R. Malar Vannan Fernando	47

Sr. No.	Title	Page No.
10	Industrial Relations - Important stanchion of Business Sustainability. Dr. Abhijeet Shah, Mr. Nirvikar Hingane	52
11	Role Of Union Supporting Business Sustainability Mr. Dilip Jamdar, Mr. Santosh Sable	57
12	"Industrial Relations - Backbone Of Business Sustainability". A Concept Note On Proactive Ir For Business Sustenance. Dr. Milind Kulkarni	68
13	Industrial Relations –Backbone of Business Sustainability Mr. Sharad Gangal	75
14	Industrial Relations: Spinning Edge Towards Sustainable Business Development Mr. Sushilkumar Warkar, Mr. Parth Jadhav	80
15	"IR: Involve2Resolve": The new approach towards Industrial Relations Mr. Dattatraya Ambulkar, Ms. Krupa Ambulkar	85
16	The study of the Industrial relations - Role in the strategic decision making in the organization Prof. Abhijit Khurape, Dr. Satish Punse	94
17	A Study on Empathetic and Transformative HR Leadership in Promoting Industrial Relation for the Cause of Business Sustainability Dr. Shaly Joseph	100
18	Industrial Relations - Backbone for Business Sustainability Mr. Samir Kukade	105
19	Corporate Social Responsibility Vs Compulsory Responsibility Dr. M. A. Lahori	111
20	Changing Role of Industrial Relations in India and its Determining Factors for Business Sustainability Dr. Subramanya Manjunath	115

Sr. No.	Title	Page No.
21	Impact Of Industrial Relations On Economic Business Sustaninability Mr. Jitendra Zope, Mr. Siddhesh Jadhav	126
22	Industrial Relations – Backbone of Business Sustainability Ms. Hemangi Dhokte	131
23	IR: Backbone of Business Sustainability and Model Dr. Dinesh B. Hanchate	134
24	Women Labour Absenteeism and Its Impact on Organizational Productivity Dr. Hemlata V. Gaikwad, Ms. Nikita Garad	141
25	An Analysis Of Dearth Of Young Talent In Indian Industrial Relations Landscape Mr. Salil Bhide	148
26	Overview Of Industrial Relations And Business Sustainability. Prof. Ulhas Deshpande	153
27	The Analytical Study of elements of Industrial Relations Strategy, Policy and Framework. Mr. Vinod Bidwaik	158
28	Employee Relations - A Tool for Business Sustainability Dr. Kirti Dharwadkar	167
29	Industrial Relations And Business Sustainability Dr. Santosh Bhave, Ms. Lorraine Coelho	171
30	Uralungal Labour Contract Co-operative Society (ULCCS) Model: A Sustainability Development Model For Labour Cooperatives Mr. Pramod V, Mr. Sijin T C	181
31	The study of employee engagement activities through communication as a tool in context of maintaining healthy industrial relations.  Dr. Akshay N. Ganbote	188

Sr. No.	Title	Page No.
32	IR Scenario in Public Sector Undertakings and its Future Trends Dr. Subir Bikas Mitra, Shri. Amiya Biswaranjan Nayak	193
33	Industrial Relation and Employee Performance: A Review of "Industrial Relations - Backbone Of Business Sustainability" Mr. Narendra Patil	198
34	The Industrial Relations Code (IRC), 2020 - A Coup d'état Dr. K. Bhanu Prakash, Dr. P R K Raju	204
35	Human Relation Enhancing Business Sustainability in Industry Ms. Himani Sahu	211
36	Future proofing organizations through skilling for enabling sustainable business growth and thereby ensuring positive employee relations Ms. Mrigashikha Mitra Banerjee, Shri. Abhishek Banerjee	215
37	Impact of Effective Industrial Relation Programs on Human Resource Experience at Workplace with Special Reference to Bharat Heavy Electricals Limited Bhopal Dr. Ramandeep Kaur, Prof. Inderpreet Bhogal	221
38	A Sound Industrial Relation for Sustainable Development - Mitigating the risk of the Workplace Violence. Prof. Ramya Nair	233
39	Impact Of Effective Leadership On Sustainable Industrial Relationship. Dr. Swathis. S	238
40	Creating Sustainable Business Through Robust Industrial Relations Mr. Sadashiv B. Patil	242

# INTRODUCTION OF GUEST AUTHORS



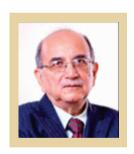
#### Adv Dr. Shrikant Malegaonkar

He is a specialist in Labour Laws and Industrial Relations & also practising Advocate at Pune Labour / Industrial Courts and at the Bombay High Court, with 28 years exp. He is associated with many companies as their Advocate and Labour Management Consultant. He is also a visiting Faculty in Labour & Industrial Laws at the ILS Law College Pune.



#### Adv. Rajiv Yashwant Joshi

Since 1981 he is practicing as an Advocate in the Labour and Industrial Courts. Has practiced exclusively for the employers and has experience of dealing with all kind of matters up to the High Court & Supreme Court. He has exclusively handled several important cases which include cases of General Demands, Strikes, Lockout, recognition of Unions, cancellation of recognition, VRS, individual disputes, unfair labour practices etc. in the Industrial / Labour Courts up to the High Court and Supreme Court.



## Dr. Rajen Mehrotra

Dr. Rajen Mehrotra is a fellow member of NIPM & Past Chairman of NIPM, Mumbai Chapter.

He is a Former ILO official. He held top management posts with ACC Ltd. and Novartis India Ltd.

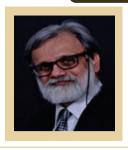
He continues to maintain close links with the academic world as a visiting faculty with some of the IIMs .



#### Mr. Arvind Shrouti

He holds a master's degree Personnel Management with Diploma in Research Methodology from TISS, Mumbai. In addition to this he completed various courses in the field of Leadership, Labour Economics, Company Performance Analysis and Balance sheet analysis, etc from ILO Geneva, ILO Turin, LO Sweden. He has given consultancy to various private and public sector unions/management in the field of collective bargaining, productivity Agreement, balance sheet analysis, culture, relationship and vision etc. He is founder and owner of Option Positive

#### INTRODUCTION OF GUEST AUTHORS



#### Mr. Pramod Mahatme

He has been Vice President Employee Relations at Wipro consumer care and lighting.

He also was the Group Employee Relations Head and provided guidance and mentoring to other units of Wipro Corporation on Employee Relations subjects. He is an alumni of SIBM, Pune, He was a member of the national board of NHRDN and of Karnataka Employers Association. He has been a mentor to many HR professionals.



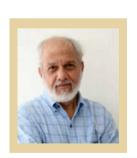
#### Dr. Sadashib Padhee

He is CHRO & Vice President of Kirloskar Pneumatic Co. Ltd. (A Kirloskar Group Company). He has been a Senior Assessor for CII's HR Excellence Award competition from its past 11 years. He has a doctoral research on organizational development and productivity improvement in foreign and Indian MNCs.



#### Mr. A. S. Girish

HR Leader, Academician, Mentor and an Industrial Relations Strategist with four decades plus experience in all facets of Human Resources Management. He is currently working as Associate Professor and Dean XIME (Xavier Institute of Management and Entrepreneurship) Kochi, Kerala. He has occupied the post of Chapter Chairman, Southern Regional Vice President and National Vice President in NIPM. Is a certified master trainer, by ILO, on Responsible Business Conduct.



## Mr. Ajit Abhyankar

He is a social activist by profession and an actor by passion. He works as a visiting faculty at Symbiosis College of Liberal Arts, Pune and teaching courses in Political Process and Marxism.

He has authored several books and columns on socio -economic political issues. He is also the spokesperson for CPIM, India and represents them on TV channel debates and opinion pieces. He served as Lecturer in Commerce in senior wing of BMCC, Pune from 1981-1997.



#### Mr. R. Malar Vannan Fernando

Mr R. Malar Vanana Fernando is the Head HR & IR at L&T Valves Limited. Prior to that he was working as Chief People Officer (CPO) at Pricol Limited.

He has around 23 years of rich experience in Human Resources domain across Automobile, Apparel and FMCG industries. He has bagged the "National Award for best Industrial Relations for the year 2018" for Pricol Limited.

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Dr. Abhijeet Shah

Doctorate in Human Resource Management - Pune University (SPPU), Master in Social Work (Labour Welfare & Personnel Management). Worked with Sudarshan Chemical Industries Ltd., Krishidhan Seeds and presently working as Vice President, Bharat Forge Ltd., Pune. Ex - Chairman of National Institute of Personnel Management — Pune Chapter and Ex - Chairman — Automotive Component Manufacturing Association Western Region HR Forum



#### Mr. Nirvikar Hingane

Masters in Labour Studies from LNML Maharashtra Institute of Labour Studies – Mumbai, Bachelors in Engineering - Electronics and Telecommunication from Mumbai University. Worked with Lloyed's Register Asia – Mumbai, Anchor by Panasonic – Mumbai and currently working with Bharat Forge Ltd. - Pune as HR Partner.



#### Mr. Dilip Jamdar

He currently serves as President Bharat Forge Kamgar Sangh (A recognised Trade union at Bharat Forge Limited, Pune. A union which is functioning over 40 years).

He is actively involved in employee welfare activities of employee working at Bharat Forge. He has a huge experience as a Union Functionary and has contributed his 3 decades towards employee development. He was also President of employee cooperative society.



#### Mr. Santosh Sabale

He currently serves as General Secretary Bharat Forge Kamgar Sangh (A recognised Trade union at Bharat Forge Limited, Pune. A union which is functioning over 40 years).

He is actively involved in trade union activities. He is firm believer of sustainable business development through joint efforts of management and union. He has a decades experience as a union functionary and passionate about employee welfare and employee development.



#### Dr. Milind Kulkarni

Dr. Milind Kulkarni is a Senior HR Consultant and a Certified Executive Coach, with rich Industrial Experience. He provides customized, innovative, and out of box HR/IR Solutions. He is an acknowledged Trainer and Motivational Speaker. He is Life Member of NIPM, ISTD, and NHRD.

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Mr. Sharad Gangal

He has completed his Master of Labour Studies from Maharashtra Institute of Labour Studies (MILS) Mumbai. His previous assignment was Thermax as Executive Vice President—People Processes and Member of the Executive Council. He also teaches in TISS—Mumbai. Sharad is also active as a guest faculty on Talent Management and Industrial Relations by the Stockholm School of Economics as part of their Executive Management Program for global Managers from leading Swedish Companies.



#### Mr. Sushilkumar Warkar

Presently working as Asst. Manager –Human Resource at Bharat Forge Limited. Sushil is passionate engineer with master's degree in Human Resource Management.

His areas of expertise include Talent Acquisition, Talent Management, Organisation Development and Technical Training. He is passionate of employee Development and employee engagement activities. He has played a very vital role in publishing last two research compendium. He is actively involved in various activities of National Institute of Personnel Management (NIPM).



#### Mr. Parth Jadhay

Passionate Engineer with Master Degree in Human Resource Management. He serves as HR Business Partner with Bharat Forge Limited.

Parth has his dedication towards talent acquisition, talent management and Organisational Development. He has played a very vital role in publishing last two research compendium. He is actively involved in various activities of National Institute of Personnel Management (NIPM).



#### Mr. D.W Ambulkar

He has over 40 years' of experience in HR and Development areas in corporates. Currently working as the HR Management Consultant. He has been driving the workplace focused intervention titled "PRIDE @ Workplace" and has implemented it at JNPT, Navi Mumbai.

His innovative approach and concept "IR: Involve 2 Resolve " has been awarded the Copyright and Trademark by Government of India.



#### Ms. Krupa Ambulkar

14+ years of work experience in different areas of HR like recruitment, training & development, team development, employee relations, organisation development, employee welfare, employee engagement etc. Has worked in diverse sectors & mentored & lead teams in different organisations. Passionate about employee development without losing the sight of business objectives.

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Prof. Abhijit Khurape

He is working as Assistant Professor, AISSMS Institute of Management, Pune completed M.C.M. PGDBM, MBS-HR and pursuing a Ph.D. from Sant Gadgebaba Amaravati University. He is Vice-chair, IEEE Education Society, Pune Section and his areas of interest are Human Resources, Industrial relations, Employee engagement, and entrepreneurship development.



#### **Dr. Satish Punse**

He is Head and Professor & Head, Faculty of Commerce & Management, Mahatma Fule College, Warud, District-Amaravati. The author is an eminent researcher and research guide in Sant Gadgebaba Amaravati University and his areas of interest are business management, social sciences, and philanthropy.



#### Dr. Shaly Joseph

She is working as I/C Principal of Yashwanrao Chavan School of Social work, Satara, Maharashtra with 25 years of teaching and research experience . Areas of interest area are teaching, conducting training programme, research, executing CSR initiatives, evaluation studies, and serving for humanitarian cause. Known as a committed and valuable employee for the organizations served so far.



#### Mr. Samir Makarand Kukade

Mr. Kukade is in HR field for last 3 decades and was associated with companies like Kirloskar Oil Engines Ltd, Garware Wall Ropes Ltd and SKF India Ltd and Lear Automotive India Ltd. Currently he is heading HR for Biotechnology leader Praj Industries Ltd as CHRO & President – Human Capital.

He is associated with NIPM for last 3 decades contributing to HR fraternity. He was chief editor of NIPM Quarterly HR Newsletter for couple of years. He is associated to many B-schools on knowledge sharing initiatives.



#### Dr. M. A. Lahori

Dr. Lahori is associated with Anekant Institute of Management Studies, Baramati – Pune. He has earned D.Litt. from University of South America., U.S.A. He is certified trainer of Skill India – National Skill Development Council Govt. of India. He has 36 years of rich and resourceful experience in Corporate as well as in Academic-Management Studies. He is honoured with 'Rashtriya Vikas Ratan Award' by Economic Growth Society of India, New Delhi.

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Dr. Subramanya Manjunath

He is a Ph.D in Human Resource Management and PG in statistics from Bangalore University with PGDM in HRM from NIPM. He is having 40 years of experience with a blend of Industry, Institution, Research, & Training in Human Resource Management with reputed large Companies Institutions. Specialization includes, setting up of Human Resource Management practices and develop HR Systems and Processes by enabling and nurturing HR team.



#### Mr. Jitendra Zope

He hold Master's Degree in Personnel Management and Graduate from BITS. Currently he serves as Deputy Manager –HR at Bharat Forge Limited.

His area of Specialisation are Talent Acquisition, Talent Management and Strategic Human Resource Planning. He is passionate for employee welfare and employee engagement activities.



#### Mr. Siddhesh Jadhav

He is a passionate Engineer with Master's degree in Personnel Management.

Currently working as Asst. Manager –Human Resource. His area of expertise include Industrial Relations, Employee Engagement and Technical Training. He is passionate of technological implication on employee welfare and development of employee through training.



Ms. Hemangi Dhokte

She has done her Masters in Personnel Management. Currently she serves as Lead HR and IR, Actuation Technologies, Emerson Automation Solutions. Her area of expertise include Organisational Development, employee Engagement and employee Welfare.

She is Executive member of NIPM, Pune Chaper.



#### Dr. Dinesh Bhagwan Hanchate

He is currently associated with Computer Engineering at Vidya Pratishthan's, Kamal Nayan Bajaj Institute of Engineering and Technology, Baramati. He has conducted and actively participated in many conferences, workshops, STTP and QIP programs sponsored by IIT, Kanpur, AICTE, ISTE, SPPU and UG. Additionally he is the Dean of Industry Institute Interaction Cell.

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Dr. Hemlata Gaikwad

She is working with Rajarambapu Institute of Technology as Head of Department of Management Studies. She holds a Doctorate in Management and has 23 years of experience in management teaching and research. She has contributed more than 25 research papers in National & International journals and conferences. She has authored two books in Management.



#### Ms. Nikita Ramakant Garad

She has recently completed MBA in HR. She has done project on 'An Exploratory Study Of Women Labour Absenteeism'. She has also completed graduation in Agriculture. Presently she is managing HR department in own restaurant. Previously worked as a cashier in a RBL Bank.



#### Mr. Salil Bhide

He has done his B.E (Mech.) from Pune University and M.S. (Quality Management) from BITS Pilani. He has also done his MBA in HR. He has 2 decades of experience in Compensation and benefit, Talent Management, Employee Engagement, HR Quality System and Industrial Relations. He currently serves as Vice President—HR & IR at Bharat Forge Limited.



#### **Prof. Ulhas Deshpande**

Mr Deshpande has 37 years industry & 8 years academic experience. His last assignment in industry was as Senior Vice President - HR & Admin at J M Baxi & Co. Presently he is a professor with N. L. Dalmia College of management & Research. He was Regional vice President - Western Region of NIPM and is also a past chairman of Bombay Chapter of NIPM.



#### Mr. Vinod Bidwaik

He is currently working with Alfa Laval, region India, Middle East and Africa as CHRO & VP-HR. He has extensively work in the areas of Organization Redesign, Organizational Development, HR Transformation, New way of working, Employee Experience, Talent Management, Talent Development, Development Centers etc. He also worked at Shanghai, Singapore, Netherland on short term and long-term assignments

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Dr. Kirti Dharwadkar

She is currently working as a Director, at S. B. Patil Institute of Management, Pune. She is Ph.D. and M. Phil. in Development Economics and has completed MPM from SPPU. She is a recognized Ph. D. Guide under SPPU. Dr.Kirti is a Board of Studies (BOS) member under HRM, SPPU. She holds membership to professional bodies such as CEGR and NIPM.



#### Dr. Santosh Bhave

He serves as Director –HR & IR with Bharat Forge Limited with over 40 years of experience in the field of Human Resource Development and People Capability Enrichment. He is passionate on learning initiatives and been Ph.D. guide in HRM for Pune University. Dr. Bhave is innovator and editor of the research compendium published by National Institute of Personnel management –Personnel Today.He is also visiting faculty for various institute to name few are Symbiosis Institute and IBS, Pune.



#### Ms. Lorraine Coelho

She holds master's degree in personnel management. Lorraine currently serves as Manager Human Resource with Bharat Forge Limited.

Her areas of expertise include Talent Acquisition, Performance Management Compensation and Benchmark etc. She is passionate about various employee development activities and Strategic Human Resource Planning.



#### Mr. Pramod V

He is an Assistant professor in Finance at LEAD College of Management. He brings in academic experience of around 8 years and industry experience of about one year. His current research interests are in the area of crowd funding and Fintech.



Mr. Sijin. T. C

He has started his professional career at ESAF Small Finance Bank, as Assistant Bank Manager, and served for a period of a year. He started his teaching profession by serving as an Assistant Professor at LEAD College of Management since 2017

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Dr. Akshay Narayan Ganbote

Dr. Akshay Narayan Ganbote is Dy. Manager Human Resource at Maharashtra State Power Generation Company (MAHAGENCO).

He completed is Doctoral Degree from PUMBA Pune and was a keen learning student for Business Administration, Chemistry and Law. He was also associated as approved Professor for almost a decade.



#### Dr. Subir Bikas Mitra

An MBA, LL.M, Ph.D. in Strategic HRM and also Ph.D. (Law) in ADR Mechanism. Has authored numerous research papers/articles published in various reputed journals. Having overall experience of more than 37 years. Former Executive Director (Law & HR) in GAIL (India) Limited and Former Director in GAIL Gas Limited (wholly owned subsidiary of GAIL). Presently, Advisor (Law) in GAIL (India) Limited (a Maharatna PSU).



#### Mr. Amiya Biswaranjan Nayak

Master in PM & IR from PG Department of PM&IR, Utkal University with 9 years' experience. Currently working as Sr. Manager (HR) in GAIL (India) Limited.

Have handsome experience in Labour Law Compliance, Contract Labour Management, Industrial Relations, employee relations and Grievance Management. Participated in Management Development Program for HR Managers of GAIL (India)



Mr. Narendra Patil

He has 3 decades of experience in Compensation and benefit, Talent Management, Employee Engagement, HR Quality System and Industrial Relations. He currently serves as Head—HR at Kalyani Maxionwheel. He is connected to NIPM, Pune Chapter as Secreatary.



Dr. P. R. K. Raju

He is presently working as Director, DMS, GIET, Rajahmundry. Dr. Raju is a double post graduate in Public Administration and Political Science, Ph.D., in Personnel Management and LLB., all from Osmania University . He is a member in the Selection Boards of GTs in few PSUs, Jury Member for the Award Process of Onsite Assessment for HR Best Practices Awards, a trained Mentor by E&Y.

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### Dr. Kovvali Bhanu Prakash

Dr. Kovvali Bhanu Prakash is a Professor & CFO having had an expertise and experience of 26 years in the domain of Accounting, Finance, Corporate Affairs and Strategy. The armoury of Dr. K. BHANU PRAKASH, inter alia includes 1-Manuscript, 3-Book Chapters, 2-Reviews (The Wire & the Hindu), 4-Case Studies (Whirlpool, McKinsey, GST, Cyber Laws), 100+ National and International Conference Papers.



#### Ms. Himani Sahu

Himani Sahu is from Chhattisgarh, Bhilai and is pursuing PGPM from ICFAI Business School, Pune. She is the Secretary of Synergy-The HR Club in our college. She love playing games and reading magazines. In her leisure time I love to sketch some interior designs in the software.



#### Ms. Mrigashikha Mitra Banerjee

She is PGDM HR from IMT Ghaziabad. Presently working as Dy. Manager HR with Balmer lawrie (BL), Kolkata. Her hobbies include singing, traveling and exploring new places. She is a gourmet and enjoys to try different cuisines. She has done Prabhakar in Hindustani Classical Music and has represented her College in various Inter College Music Competitions in the past.



#### Mr. Abhishek Banerjee

After having served in the steel sector (Govt) for more than a decade, Mr Abhishek Banerjee recently joined Power System Operation Corporation Limited (POSOCO) in December, 2020. Presently, he is working as Chief Manager (HR) and is based out of Kolkata.

Armed with a degree in Law (BSL LLB) from ILS Law College Pune, Abhishek pursued his MBA from IISWBM, Calcutta University.



#### Dr. Ramandeep Kaur

Currently employed in Central India's Finest B School, Institute of Professional Education and Research-Bhopal as an Assistant Professor. She holds a Ph.D. in Organisation Management from Savitri Bai Phule Pune University and am also UGC-NET (Qualified). She is credible and effective professional with twelve years of rich teaching experience to learning individuals in finance domain

#### INTRODUCTION OF RESEARCH ARTICLE AUTHORS



#### **Prof. Inderpreet Bhogal**

He is currently employed in Central India's Finest B School, Institute of Professional Education and Research as Assistant Professor, Human Resource Management Discipline. He has completed his Masters in Business Management with Human Resource as Major Subject and Bachelor in Engineering in Information Technology Economics and Masters in Commerce.



#### Ms. Ramya Nair

Ms. Ramya is skilled in Mentoring, Lecturing, Curriculum Development, Networking, Team Management and Content Writing. She has done her PGDBM & Masters in Business from Pune University and graduated her Bachelor in Business Administration from MG University, Kerala. She is also pursuing her PhD in Human Resource Management.

She has Presented 12 research papers in both the National and International Conferences.



Dr. Swathi. S

Dr. Swathi. S MBA PhD is Assistant professor at Yuvaraja College University of Mysore, Karnataka. She is an academic person who has keen interest in learning and research area of Human Resource Management.



#### Mr. Sadashiv Bapusaheb Patil

Mr Sadashiv Bapusaheb Patil is working with Bharat Forge Limited, (CAM) Baramati as Associate Vice President HR, IR & ADMIN and in addition to this working as a Director for Kalyani Center for Precision Technology Limited, Indapur Pune since 2019. He has over 30 years' of rich experience in HR & IR area. He is also an Executive Committee Member for National Institute of Personnel Management (NIPM) Pune-Chapter and Chairman for NIPM Baramati Sub-Chapter.

#### **Industrial Relations - The Backbone Business Sustainability** Adv Dr Shrikant Malegaonkar

Industrial relations in today's industrial scenario have become a complex mechanism to understand. The dynamics of industrial relations have changed in the post-globalisation era. The industrial relations today have to be looked in a different set of parameters and the paradigms which define them are ever-changing. The unique cultural climate in industrial relations is slowly withering away and we are ushering towards a multicultural climate in every nook and corner of the globe. It is however in the fitness of things to define industrial relations to understand the concept properly.

J. T. Dunlop defined industrial relations as "the complex interrelations among managers, workers and agencies of the governments".

According to Dale Yoder "industrial relations is the process of management dealing with one or more unions with a view to negotiate and subsequently administer collective bargaining agreement or labour contract".

The definition of industrial relation provided by The Encyclopaedia Britannica "includes individual relations and joint consultation between employers and workers at their places of work, collective relations between employers and trade unions; and the part played by the State in regulating these relations".

It goes without saying that good industrial relations indicate industrial discipline and a peaceful industrial atmosphere. In every industry one cannot be oblivious and unmindful of its two pillars that is capital and labour and both have their equal concerns and demands in industrial relations. It will not be out of place to state that the basis of industrial relations ultimately my is in the mutual understanding and cooperation exhibited by the managements, workers and their unions. It is common knowledge that any person staying on earth is not in conformity with himself. His thoughts go on everchanging which is some times attributes to his wavering mind. Would involve maintenance of industrial peace.

However, a sum and substance of industrial relations would involve maintenance of industrial peace and discipline, the acumen to handle industrial unrest and the proper participation of workers and management especially in the areas of goal setting, planning and manpower management so as to make the industry take a big leap towards success in all ventures.

#### Industrial Relations - Nature

The path of industrial relations have never been smooth in the history of this world. It is also is seen to be a blend of cooperation and conflict. Howsoever one may strive to achieve the object of cooperation in industrial relations, which may be sought after as an organisational objective, there is bound to be some area of conflict which will remain. One can the safely conclude that there can never be industrial relations without a tinge of conflict. The noble and pious goal of any industrial relations of course is to see industrial peace however there are three reasons for any sort of an industrial conflict Firstly, both the labour and the management, have their own vested interests.

There perceptions about their interests are also different. The management would all the while like to take a larger piece of the cake called prophets, whereas the labour would always pose themselves in such a manner that it is but because of them the management has made huge profits from which dividends would be paid. The labour thus would ever have an intention and a burning desire to have a share in the profits. Thus, both the parties would be at a tug of war when it comes to division of profits, perks and other incidental benefits associated with the industry. Both of them thus manipulate, enquiry and do whatever is possible to ensure that their vested interests are squarely met though both of them may outwardly pose a saintly front.

Secondly also cannot be oblivious of the fact that both the groups that is the management as well as the labour have no parameters for yardsticks which would inform both of them as to how far they should go in the pursuit of the object is, how much should they cater to their lofty ideals and how much they should stoop two down in the fulfilment of their dreams. The nonavailability of any parameters, vardsticks of norms makes both the parties claim complete rationality for their demands and complete transparency from each other.

Thirdly one can find that there is no neutral field for the groups, that is the management and the labourers to meet on. This would simply bring us in the realm of an understanding that whenever the two groups that is the labour and the management meet each other for negotiation, they come up with a carry over of their past. They too have their reasons of belief and disbelief and experience has taught them that they cannot be named as regards the fundamentals of bargaining. Besides this the other elements of inherent distrust and suspicion for each other over around every negotiation. It would not be out of place to state that, the relations between labour and management are based on mutual trust distrust for each other rather than the other way.

We thus have to see the impact of sustainability of any business from this point of view

#### The Impact of Sustainability

Needless to point out that the concept of sustainability provides a larger purpose for the business at hand and also consider some new deliverables for the companies to strive for. The companies today are after numerous objectives than the only objective of making profit which was in the yesteryears.. The companies today want to create a brand, make their presence felt locally, nationally as well as globally and have ways and means to the customers in such a manner that even the present losses converted into a future profit, in the days to come. The company is also have their pursuit for goals like efficiency, sustainable growth giving the value of the money to their share holders.

The above is not all in all. The most sought-after goal by any company is the sustainability strategy which can be publicly shared and can deliver some invisible benefits such as a public goodwill as well as a better reputation. This itself works as a reserve for the company in facing future competition. The total endeavour of the company is to get credit for every bit of their money, their efforts and for whatever they are doing presently. No doubt that the trend of all companies today is to make sustainability and a public commitment to its basic business practices, which can be said to be an analogus for publicly traded companies.'

If this passes away then the companies which lack sustainability plan, and who have had a myopic vision and have not bothered to have some for sightedness could face a market penalty when other proactive companies could be seeking a market premium

#### What Does "Sustainability" Mean In Business?

It is in the fitness to answer, as to what is the real meaning of sustainability in busines Sustainability in business generally is two fold:

- The effect business has on the Business environment
- The effect business has on society

The goal of the successful business strategy is to make an impact by way of a sustainable business strategy on both the above areas. The real problem start when companies fail to cater to the above two basic goals and also fail to resume responsibility. In such situations it cannot be ruled out that one could see negative impacts on the business environment as well as on the society

#### Why Is Sustainability Important?

Gone are the days when the investors only looked at the money quotient of any industry. Today investors use environmental, social and governance metrics to gauge an organisational impact on ethics and also its sustainability practices. The investors thus look at the object of the company along with the mission statement it offers. Other byproducts would also include the corporate social practices as well as the community development affords put forth by the said company

#### The 3 Pillars of Corporate Sustainability

A whispering propaganda today in corporate corridors of the sustained discussion on corporate sustainability. In fact it has become a buzzword in companies big and small. Corporate giants such as Walmart, McDonald's et cetera have made sustainability the key to propel its progress. The effect of this has been backed it is put the other companies under a subtle pressure to perform and also to show to the world, how they planned to commit and deliver the goods and services in a sustainable manner.

- •To be more correct on what it means by sustainability, one is to understand that it can be simply be defined as meeting the ends of the present without compromising the ability of the future generations to meet their's. There are three main pillars for sustainability which can be summed up as economic, environmental and social.
- •The social pillar and its impact would come first. It is common knowledge that sustainable business should have the support, motivation and approval of its employees, shareholders and also of the community it operates in. The approach of securing and maintaining the support and approval of its employees is a step further in the aspect of sustaining improved and better industrial relations. It makes the employer treaties employees fairly in all aspects. On the side of the employees, it will be a safe bet to state that the business would refocus on the retention and engagement strategies and would allow the company to extend benefits such as maternity and paternity, flexible scheduling, learning and developmental opportunities.

Good industrial relations form the backbone of our modern industrial society.

Any effective change cannot be done in this world unless it involves the workers and their trade unions who are well adapted with the mindset to change in the way the company plans of a strategy. The workers also have to be confident that their interests would be taken care of if the player role in planning and implementation, with full accountability and transparency. The basis of the above thus would be participation and dialogue which would further enhance sustainability.

#### The Changing Trends In Industrial Relations In Yestervears

The companies in India have no margins for the number of unions and are flooded with multiple unions having their affiliations to various associations and political parties which sometimes are diametrically opposed to each other in values and principles they follow. The industrial relations in all industries usually exhibit all forms of discussion levels, whether they are bipartite, tripartite or even exhibit voluntariness. One cannot be very sure that any of these systems are progressive and conducive to the achievement of the objectives of the industry as well as that of the economy. The various trends in industrial relations which have influenced the functioning of the companies as well as that of the markets could be summed up as below.

#### **Disinvestment:**

At times some companies disinvest in certain areas, or outsource some of its processes or even bring a change in its ownership which are directly has an impact not only in the organisation and employment situation of the company but also with its trade union dynamics. The disinvestments decisions are directly proportional to the impacts which can be seen on the right of workers and their trade unions, job security, income Security as well as Social Security. There are some calls from some quarters wherein some of the unions have opposed this sort of a drive.

#### **Emerging Players in the Industrial relations:**

Today's an era which is quite different from the one which we had in the 70s. Today the government has pro-investor policies and thus a new layer has emerged on the horizon of industrial relations, who is the consumer. Both the employer and the employee have to be consumer conscious and should navigate the company to ensure that the needs of the consumer are better might along with a protection given to the rights and interests of the stakeholders.

#### Flexibility in labour laws

In India, we are well aware that the subject of labour laws false in the concurrent list of the Constitution of India. A change in the labour laws which are existing today are the also influencing industrial relations. It is common knowledge that the labour codes have been introduced and sewn with notifications being passed the states would be in a position to make rules in the process and start implementing the codes. The comp the government endeavours at bringing transparency and accountability in the enforcement of labour laws and also in the realms of Social Security and also improving the quality of employment.

Changes are bought in by Government in social security laws like Payment of Wages Act, Payment of Gratuity Act, Maternity Benefit (Amendment) Act, The Workmen Compensation Act, etc. which in turn influencing the relation of employers and employees.

The basic aim of the government to make amends in the existing labour legislations is to enhance productivity and competitiveness

#### **Changing Profile of Workers:**

A social wave, needless to point out, is sweeping across our country with an endeavour to improve the pay packages. The managements have also expressed a willingness to accommodate conflicts and recognise the presence of the workers in the society in a meaningful manner. Today, the seachange in the education patterns and the emergence of process industries has changed the very definition of work which has in turn impacted the perceptions and aspirations of the employees. With a changing social profile, workers are becoming more assertive.

#### **Declining Workforce:**

It has been found by some researchers that the employment in many companies has stepped down especially in the post liberalisation period. Same is the impact in the organised sector and almost 27,000 jobs were lost in in a decade. Added to this, major impacts have been made by the current lockdown, introduction of voluntary and early separation schemes as well as outsourcing.. On the other hand new employment opportunities are also shrinking and the decline of the workforce has a direct impact on the density of the trade unions. Further with rationalisation, modernisation and introduction of cutting-edge technologies, which has a direct impact on the membership of the employee unions.

#### **Fixed term employment:**

The concept of permanent jobs and job security profile in many companies is slowly diminishing because of tenure based employments which generally can be called as fixed term employments. The very object of the fixed term employment is to provide a flexibility to the employers in order to meet the challenges of globalisation and also avoid the risk of creating an economic deadweight of employees still the period of their retirement. The bringing in of fixed term employment, on the other hand would also mitigate the rigours faced by the contract labour including that of its exploitation. However, the introduction of fixed term employment's or project based employments will make the trade unions have on punch in their stomachs.

#### **Changing Role of Trade Unions:**

The trade unions and private industry is are also shifting their roles, sometimes marginal and sometimes from top to toe. They have no doubt played a mix probed in the economic development of the nation and the protection of their employer rights but however they are yet perceived as managers of discontent, obstacles of modernisation and at last but not the least, tradition bounded and opportunistic. The unions which once upon a time

were mouthpieces of some political parties are been seen distancing from them.

The unions are now seen forming their own grid and associations and any change in the business environment, makes them change their postures. No doubt the unions are also in the finger roll to maintain and improve the conditions of employment.

All the above factors such as continuous contraction in the employment, flexible employment forms such as platform workers or fixed term employees, increase in women and young workers in the mainstream, technological sophistry, flexible and precarious work, is changing the nature of work as well as the profile of the workers including the fact that the unions today also have a change role. However, both the management as well as the workers and their unions have devised better platforms to improve their relations with each other and to ensure that all discussions take place or dearly at all levels for better quality, productivity and at last but not the least for sustainability.

The industrial relations today our with a difference and with the coming in of the 5G technology and sophistication sent technology in the forthcoming years is going to further change the mechanics of industrial relations in India Micronics of industrial relations in India. Taking stubborn postures and engaging into wordy warfare is on the part of the union as well as the management is not going to solve the existing problems if at all sustainability is the goal. Not to have the goal of sustainability would be a remedy worse than the disease. In tomorrow's world, when companies would be more global and less local, the industrial relations and its dynamics will come to the fore and only in an atmosphere of cordiality will sustainability be achieved.

#### **Industrial Relations Back Bone Of Business Sustainability** A NEW APPROACH

#### Adv Rajiv Joshi

India gained independence after about 300 years of rule by the British and several 100 of years of rule by Foreign invaders. Post independence the character of the Indian nation has undergone a dramatic change. From a predominant farming economy India is now developing into one of the leading industrialized nations in the world. The needs of the industry are changing dramatically. A few years ago what was a predominantly labour intensive industry has now changed into an extremely modern skill based industry. From setting up huge labour intensive plants, the emphasis now is on creating technically sophisticated products with the help of huge automation high technology and minimal manpower. The manpower requirement in such industry is not only a highly skilled workforce but also an extremely dedicated loyal and efficient workforce. To create and maintain such an efficient workforce is a challenge to the HR Manager of today.

The workmen employed in such an establishment are first generation workmen. Their parents have never worked in factories and are totally alien to the concepts of efficiency, productivity, discipline, dedication etc. All these new values and virtues have to be instilled in the new workforce. This throws up various challenges. A balance has to be found between the aspiration of the workmen and the ability of the industry to fulfill such aspiration. A proper work life balance has to be achieved, for which the workmen are to be paid fair wages and extended other benefits to keep them happy, dedicated and motivated in work. Simultaneously there has to be constant training, education and skill enhancement to cater for not only the needs of today but also tomorrow.

The British after coming to India were more interested in trade and commerce rather than ruling this nation. They had to set up warehouses and some manufacturing units to fulfill their aims and objectives. For any commerce trade or industry to succeed it is necessary to have an orderly and lawful society. It is with this aim the British introduced various enactments in India. The principal intention of introducing these enactments was not the welfare of the Indian worker or the public at large but to have orderly society which would buy the goods manufactured by the British and fill their coffins.

The British set up trading houses, factories, warehouses, mines, plantations and similar establishments. Where they could not run such establishments, they invited wealthy Indians to do the same for them. However this lead to the exploitation of all the workforce. This could lead to resentment and non-cooperation. To avoid such exploitation, the British introduced certain laws which dealt with a smooth and efficient functioning of these establishments. These laws were The Factories Act, The Shops and Establishments Act, The Mining Act, The Plantation Act etc. These laws dealt with hours of work, shift timings, rest intervals, health and safety measures etc.

The British simultaneously introduced certain laws for the welfare of the workmen to ensure that the workmen were satisfied and continued to work without creating problems at the work place. These are Acts like The Minimum Wages Act, The Payment of Bonus Act etc.

While doing this the British also realized that it would not be appropriate for them to get involved in disputes between the workmen and the employers. They therefore introduced various enactments to ensure that these disputes were resolved by the parties either

themselves directly or through Government intervention. They therefore introduced some enactments. These enactments were like the Trade Unions Act, Standing Orders, The Trade Disputes Act etc.

After gaining independence the Indian Government followed the legacy of the British and continued with the same laws or modified them marginally to suit the need of the hour. Over a period of time with the development of strong Trade Unions and a healthy industry, industrial relations assumed great importance in the smooth functioning of the industry.

It was observed that the aspirations of the workmen continued to grow with The demand for better housing, better medical facilities, food, transportation etc. forced the Trade unions to make unreasonable demands on the employer. During the closed economy it was possible for the employer to give enhanced wages and other facilities to the workmen and push the cost of the same on to the customer. The customer had no choice but to buy whatever was offered to him. This however underwent a dramatic change after the economy opened up. The price of the final product, the market share, the quality of the product, timely delivery, after sales service etc. assumed supreme importance. There were various players in the market who were ready and willing to undercut competitors and increase their market share. The company therefore could ill afford any increase in costs to satisfy the wants of the workmen. Added to the same was the issue of complicated labour laws which practically prohibited the employers from getting rid of an undesirable workforce The Industrial Disputes Act and similar other enactments practically banned the employer from terminating services of any workman if he was inefficient, disobedient etc. Furthermore with the cyclical demand in the market, it was impossible for the employer to have any flexibility of reducing or increasing the workforce. This led to the tendency of not making the workmen permanent and engage them as temporaries, trainees, badlies and contract labours. To a certain extent the tendency exists even today and we can observe that employers not only engage huge number of contract labours, trainees, temporary workmen but have also found new avenues by engaging NEEM trainees, NAPS trainees etc. The result of the same is that most employers have a limited permanent workforce and a substantial number of floating manpower like trainees, temporaries, contract labours etc. The permanent workmen have formed unions which are mostly internal for the sake of show.

In reality these unions are guided and advised by outsiders. These unions are also affiliated to powerful central unions or international unions. The concerned union bargain hard with the employer and extract money. This leads to a vast divide in wages and other terms and conditions of service between the permanent workmen and the floating manpower which the company has. Further more in the overzealousness of multinational companies not to let issues escalate these company's tend to give more than what the workmen deserve. There is a tendency of comparing the facilities offered in the parent country. Moreover many companies are single source suppliers to other companies and carry out a system of 'just in time' supply. These companies have developed a phobia for any work stoppage. These also leads to settling issues at any cost. The relationship between the parties then does not remain healthy but both the parties tend to exploit and extract each other at the first opportunity. The total effect of all this is that the company must produce quality products without any work stoppage and with low cost. For this cycle to continue industrial relations assume supreme importance. Unless they are well maintained it is impossible for the industry to function smoothly. They thus form the back bone of the industry.

The Government is not unaware of the problems faced by the industry. It has been tried for a long time to modify the labour laws to suit the convenience of the industry as well as the workmen. The emphasis of the Government is to reduce disputes by developing a sound dialog between the industry and the workforce. The present Government has decided to introduce 4 different Codes to tackle this issue. The Code on Wages, the Industrial Relations Code, The Code on Social Security and the Occupational Safety, Health and Working conditions Code are the major steps taken by the Government to ensure harmony and develop dialog. The mission of the Hon'ble Prime Minister is to develop "Samyad" and to avoid "Vivad" The Industrial Relations Code is the step in that direction. The Government is of the view that if disputes reduce on account of the dialog between the parties, it will lead to more industrial development. There will be more investment which will result in creating of jobs. Thus sound industrial relations would be a stepping stone for a new efficient and skilled India.

However this is easier said than done. Though the Central Government has framed the Codes and Rules in this regard have been circulated, most of the States which are governed by parties other than the party which is ruling in the Centre are dragging their feet with regard to framing rules and implementation of the Codes.

The Codes proposed by the Central Government will go on to strengthen the Industrial Relations between the parties to a very great extent. The Codes initiate to curb alternate methods of employment which tend to avoid granting permanency and incidental benefits to the employees. In other words employees as temporary workmen, trainees, Casuals, Badlies, contract labours etc. will be frowned upon. The Government will not allow contract labour to be employed in core jobs. This will definitely benefit the unions for whom it is a happy news. But the Central Government has also simultaneously protected the industry by allowing it to employ Fixed Term Employees. The industry can now employ employees for a fixed term and can have a flexible workforce which can be reduced or increased based upon the needs. While doing so the Government has also ensured that the Fixed Term Employees get all the benefits which the regular workmen employed in the company are getting. They can be employed in core jobs.

The greatest exploitation in respect of employment of workmen as contract labour. This contract labour is used in the main manufacturing activities and these workmen perform core jobs. They have rendered the permanent workforce redundant. With the new codes it will be impossible to employ contract labour in activities other than those specified in the Code which are essentially noncore activities. The Codes also provide for safety and health of the workmen. They ensure that Basic & D.A. are equal to or more than 50% of the wages and all employees are entitled to the long term benefits of Provident Fund. This will put all employees on par and will be a great step towards developing sound industrial relations by creating a happy and satisfied workforce.

Going forward it will also be necessary to form wage boards which would deal with

wages and other terms and conditions of service in the specific industries. The Majethia Wage Board for Newspaper & Media establishments has proved to be extremely successful. All Newspaper & Media establishment across the country now have a wage pattern which is similar and as prescribed by the wage board. In the event any particular establishment is doing well then there is no bar for the said establishment to pay more. The said principles can be applied to other industries. Such wage boards and other recommendations are so successful that there is no need for any agitation, strike or go slow. The running of the industry becomes peaceful. This is similar to recommendation of the 7th pay commission for Government employees. The recommendations have been so beneficial to the employees that there is absolutely no unrest and consequently no need for any agitation on the part of Government employees. We hardly see any Government employee agitating for wages or other terms and conditions of service.

To have the strong back bone of industrial relations, it is necessary to have a union which not only understand the aspiration of the workmen but is also aligned with the aims and objectives of the management. Many managements believe that internal unions can achieve these objectives. This may be true to a certain extent but it is not the whole truth. Internal unions can be extremely short sited and will try to see the gain of the workmen every small mater. In spite of being internal there are groups within the union which are influenced by unscrupulous outsiders who have a different agenda all together. It is necessary to train the workmen and mould them into the thought process of the company. The more the union is aligned with the aims and objectives of the company the better the industrial relations would be in such an establishment.

The Indian industry as of today can largely be divided into multi-national companies, Indian multi-national companies and ownerdriven enterprises. Each class of industry will have to develop a new set of skills to have sound industrial relations. The multinationals will have to take a more firm stand on issues. They must stop comparison with what is being offered to the workmen in their parent company as compared to what is being offered in India. The approach of keeping the establishment running at any cost will have to be re-thought. Apart from having sound industrial relations, it would be necessary to have multiple manufacturing locations to develop the strength in bargaining. The attitude of the unions in complaining about small matters to the Directors of the parent company will have to be nipped in the bud by declaring that Indian companies would resolve all issues in accordance with Indian laws and Indian practices. This would lead to a scenario where the whole body of workmen would understand that there is no option but to deal with the local management and that there is no point in complaining to the foreign directors. The Indian Directors also should not relay on the decision making of expartriates and foreign officers.

In so far as Indian multinationals and Indian owner driven companies are concerned, it would be necessary for the owners and their family members to present a united front. They should relay on professional HR experts rather than taking the issues in their own hands and trying to resolve them in accordance with their beliefs and moral. India is diverse country. The ethics, morals, and principles of the owners and the working class may not be aligned with each other. It would be necessary to take help of professionals

and find a mid path to arrive at a solution. The main objective should be to resolve issues through a system. The dispute resolving mechanism should be system driven and not individual personality driven. Gone are the days when the owners like Tata, Birla, Godrej etc were looked upon as Gods who gave people jobs, fed them and took care of them. Today's work force wants to be rewarded and remunerated for the hard work which it puts in for 8 hours. The wages and other benefits offered to the workmen should not be treated as ex-gratia or gift from the management. It should be commensurate with the efforts which the individuals are putting.

In years to come social media will play a major role in deciding industrial relations. As of today a small piece of news can travel to the whole body of workmen in no time. Social media can also be a powerful tool for misinformation and rumour mongering. On the other hand if used properly it is the best channel for communication. The HR managers of tomorrow need to anticipate the technology and its advantages and harness it for the benefits of the system. In coming years new technology, new methods of work, artificial intelligence, skilled education would present grave challenges. This may reduce the need for man power to a certain extent. However this manpower needs to be trained and utilized in various other aspects of work.

In the coming years India is going to be one of the biggest industrial nation in the world. Sound industrial relations would contribute to its image and ability. Unlike other nations like China India has a free press, sound judicial system and a vibrant democracy which will support India into becoming the best industrialized nation in the world.

#### Industrial Relations (IR) – Essential for Business Sustainability Dr. Raien Mehrotra

#### Introduction

Every business aspires not merely to survive, but to grow and to prosper. However, all businesses, during their life span, have to face numerous challenges on account of the changes in the Political, Economic, Social and Technological (PEST) spheres in the external environment.

Business organizations have also to deal with several other challenges arising from other sources: the approaches and the strategies employed by the competitors and the suppliers; the expectations of customers, of the shareholders and of the civil society at large; and the enactments and the interpretations of laws and rules by the Government of the day, the Bankers and other such agencies. All of these phenomena constitute what we generally refer to as the company's external environment.

The plain truth is that organizations have little or no control whatsoever on these external forces though they are deeply affected by them. To be sustainable, organizations have to develop effective strategies for successfully adapting to these changes.

#### **Deploying People Wisely**

Businesses, desiring to be successful and sustainable, have to deploy all their internal resources to meet the challenges posed by the external environment. Only a sustainable business can help an economy to grow by generating wealth for itself and the stake holders, and by creating opportunities for employment, both direct and indirect.

People working for an organization are the essential part of the company's internal resources and assets. It is they who ensure the successful execution of the strategies to meet the challenges thrown up by the external environment.

The business, and the resultant employment, model of every organization is unique. It is entirely dependent upon the vision and the business philosophy of the company's Top Management.

In India, the employment pattern of most organizations has undergone a sea change over the years beginning from 1991. The current trend is to employ maximum number of executives and contract labourers (through Contractors), and minimum number of workers, whether permanent or temporary. Again, from 2013, many organizations are also engaging National Employability Enhancement Mission (NEEM) trainees to augment the number of their "blue-collar workers". Besides, from around 2014, following the introduction of section 2(iii) (LL) under "The Apprentices (Amendment) Act, 2014, many organizations have substantially increased the intake of apprentices under the provision for 'Optional Trade', thus adding to the much-needed supply of "blue-collar workers". As a result, organizations have to increasingly deal with Industrial Relations (IR) issues involving conflicts and differences, relating to people who may not be employees of the company but are engaged by the organization through contractors.

There is another interesting trend that can be noticed in the business world from the year 2005. While the number of blue-collar workers in the organizations is on the decline as they are substituted by contract labourers, at the same time the number of women

amongst the "blue-collar workers" is showing a steady increase. This is particularly noticeable in the Automobile Industry – in the assembly line sections of the leading car manufacturers. Needless to say, that this change is bound to have its own impact on the IR situation in a company, and the Trade Unions will do well to take note of this new development.

### Theoretical Approaches to Industrial Relations (IR)

There are numerous theoretical constructs and approaches to IR, some of which are listed below:-

John T Dunlop (1958) considered IR as a subsystem of society, distinct from, but overlapping with other subsystems. Dunlop suggested that IR system could be divided into four interrelated elements comprising of certain Actors, a particular Context, an Ideology which binds the IR system together and a Body of Rules created to govern the Actors at the workplace.

Fox (1966) argued that IR is about maintaining equilibrium in relationships where the state strives towards maintaining the relationships.

Dale Yoder (1970) looked at IR necessitating collaboration of men and women in the employment process of an industry.

Hugh Clegg (1979) focuses on the clashing of rules and regulations that are administered and interpreted differently by the participating organizations at the workplaces in IR.

Kaufman (2004) defined IR as the study of the employment relationship and all the behaviors, outcomes, practices, and institutions that emanate from or impinge on the relationships.

While all of these authors have provided a useful framework to understanding IR, the definition of IR by John T. Dunlop has withstood the test of time and is still regarded as a valid model. The actors traditionally included in John T. Dunlop's model are the Appropriate Government, the Trade Unions (Workers) and the Employer Organizations (Employers). However, in the recent past, especially after COVID 19 pandemic outbreak, Technology Platforms and the Media seem to have become yet another actor, to be added to the traditional list of actors in the John T. Dunlop Model.

We hold this view because, on 26 May 2020, a three-member bench of the Supreme Court of India, suo moto, acted on the plight of the interstate migrant workers, purely on the basis of how their plight had been projected by the Technology Platforms and the Media. The Apex Court ordered the Central and the State Governments in India to provide immediately, free of cost, transport, food and shelter to the stranded migrant workers desiring to return to their home states due to the pandemic.

#### **Industrial Relations in an Enterprise**

We are all conversant with the notion of IR, but the way IR is practiced differs widely amongst the organizations in the country. We have real life examples of situations varying from being regarded as 'peaceful' to being classified as 'turbulent'. Industrial unrest witnessed in our businesses in India during the period 1960 to 2000 has reduced

considerably in the recent past. However, no one can deny that IR continues to be a very important aspect in the life of any business.

An effective IR situation contributes to the continued success and the sustainability of any business, while ensuring, at the same time, a fair deal for the people who work for the organization. In this regard, it is important to emphasize that compliance of the applicable laws by all the parties is a must for maintaining a healthy IR situation.

The state of IR in an organization depends upon several different factors: the organisation's culture, the governance practices, the style of management of the owners and the top management, the approach and the style of functioning of the leaders of the trade unions, and the methods employed by them in handling the IR issues in the organisation. The IR situation is also influenced by the labour legislations in force, the contract of employment, the rules and the regulations of the enterprise, and the past agreements between the Management and the Trade Union.

IR issues in an enterprise can be about items such as recognition of trade unions, trade union rivalry, aspects of work, quantum of output, quality of output, terms and conditions of employment, type of employment, number of employees, engagement of contract labour, compensation, welfare measures, promotion policy, rewards, punishments arising out of disciplinary proceedings and other related matters.

In any organization, there will be situations where disputes may arise between the Management and the Trade Unions. Avoidance is never the best option to resolving differences. Any measure aimed at enabling each side to understand the other's point of view will be a better alternative. While working out solutions, we are not to lose sight of other important aspects such as maintaining discipline and improving quality and productivity. We have also to ensure uninterrupted operations, growth and profitability of the enterprise.

In addition, we need to take care of the growth and the development of the workers and payment of adequate, fair remuneration. This calls for transparency from both the parties and clear, open, continuous communication. For achieving a robust IR situation, both sides need to invest time and energy to build a relationship based on trust. Trust begets trust. Any trace of mistrust will damage the relationship.

#### The IR Climate

The IR climate is organization-specific. The IR climate will differ from one company to another. The IR climate will depend on the attitudes and the behavior of the Management towards the Trade Union and of the Trade Union towards the Management. Where there is more than one Trade Union in a Unit, the IR climate will also be influenced by the quality of the relationships amongst the trade unions of the company. There may be situations when trade unions and workers resort to confrontational measures and indulge in agitations of some kind. The protests may take different forms such as putting up posters / banners, wearing of black badges, shouting slogans, go-slow, work to rule, stoppage of work, illegal strikes and, in some extreme cases, violence and

sabotage. These actions by trade unions may invite retaliations from the management and in extreme cases leading to suspension of operations and declaration of a lockout.

In some instances, managements may also behave in a high-handed fashion by victimizing the workers who are seen as trouble makers. The workers who are likely to incur the wrath of the management are those who are in the fore front of leading the agitations or of forming a trade union or of taking active part in trade union activities or of questioning the Management about their decisions and actions. These actions of the management may lead to counter retaliation by the trade unions and the workers. It is important for both the Trade Unions and Management to realize that whosoever starts a fight, should also know how to end it. They have to learn to work together for the larger good of the company, for the business to be sustainable.

Besides, organizations need to educate their internal trade union leaders about the complexities of running a business and about competition and competitors. The internal trade union leaders need to know how to read and understand a company's balance sheet. They also need to acquire knowledge of the relevant portions of labour laws and the process of negotiation. These knowledge and skills help internal trade union leaders in resolving disputes, to manage differences and to work collaboratively.

### **Restructuring and Downsizing**

During the decade 1991 to 2000, many organizations in the manufacturing as well as in the services sectors had, in phases, restructured their business and employment model. This led to most manufacturing companies getting various components, subassemblies and, in some cases, even finished products, manufactured by third parties. In the services sector too, various activities were outsourced to service providers.

To achieve their purposes, these organizations had to downsize their workforce, both bargainable and non-bargainable, through Voluntary Retirement Schemes (VRS). The trade unions, though, alleged that these VRS were actually Compulsory Retirement Schemes (CRS), resulting in a change in the employment structure itself. Inevitably, these schemes also led to a lot of uneasiness and industrial unrest in the organizations.

The greenfield businesses set up after 1991, had the option of choosing a different business and employment model. These businesses to begin with outsourced quite many activities and adopted a minimum adequate manning model. Though in some cases they also had to restructure their work force at a later date.

#### **Industrial Relations in the Future**

The four Labor Codes passed by the Parliament in 2019 and 2020 repeal the 29 existing labor laws. These Codes along with the rules are likely to become operational in the current year, i.e., 2021. While the Labor Code is, by and large, a continuation of the existing labor laws that are being repealed, some provisions of the Code, though, could impact the IR in a significant way. Some areas which can escalate into a critical issue are:

(i)Engagement of contract labor in the organization will get restricted to activities which are defined as non-core activities of the specific business. Presently organizations are able to obtain approvals to engage contract labor in any sort of activities, and not

restricted to the non-core areas, except in the states of Andhra Pradesh and Telangana.

(ii) It is mandatory for Trade Unions and Employers to give 14 days' notice for a strike or a lockout. This applies to all the establishments, and not just the public utility services. Violation of this provision will render a strike or a lockout illegal. Disputes, if any, would have to be referred to conciliation. All this is likely to give rise to numerous cases of illegal strikes and illegal lockouts in the future.

(iii) For the first time, the criteria for recognition of a Trade Union in an organization have been clearly spelled out in the Code. This will directly impact the IR situation in the organizations, especially of those which do not have a Trade Union thus far or where the Management had refused to grant recognition to a Trade Union in the past.

There is no gainsaying the fact that social media facilitates speedy flow of information across people and organizations. Everyone, including Managements, are using social media to put across their points of view. With more than a billion mobile subscribers in the country, the workers and trade union leaders will certainly consider using the social media for their purposes, particularly to communicate on issues of IR. They can, for example, circulate videos highlighting violations of labor laws or other such unfair labor practices, or the type of work being done by contract labor compared to what has been approved by the appropriate Government. This is going to be a new, big challenge to the Employers.

Yet another likely challenge can be dealing with the third and fourth generation industrial workers who harbour high expectations and aspirations. Most of all, this generation of workers expect clarity about their career paths in the Company, Managements will be compelled to draw up career plans for their employees.

#### Conclusion

Over the last three decades beginning from 1991, many organizations have been using fashionable jargons and terminologies in the arena of Human Resource Management (HRM), while forgetting that IR is an integral part of HRM. Indeed, most of the leading Management Institutes in India have also suspended teaching of subjects like IR and Labor Laws, in their Post Graduate Programmes in Management, assuming, perhaps, that IR was no more essential.

However, a couple of serious incidents of violence in the recent past woke up the Businesses to the reality that IR is very critical for the smooth and successful functioning of any organization. We are referring to the mayhem at Manesar, Haryana in August 2012 leading to the death of Awinash Kumar Dev, General Manager (HR) of Maruti Suzuki India Ltd and the vandalism unleashed by the contract laborers of Wistron Infocomm Manufacturing (India) Pvt. Ltd. at Narasapura in Kolar, Karnataka on 12 December 2020 resulting in massive losses of property amounting to several hundred crores of rupees.

All Management Institutes in India need to recognize that IR is the backbone of sustainable business and the subject needs to be an essential part of the syllabus for their postgraduate students. Omission of IR in the curriculum will be gravely detrimental to the students, who are the future professionals and leaders of our industries.

From 1991 onwards, organizations are increasingly resorting to outsourcing in the

supply and distribution chain and are engaging more and more of contract workers through contractors. Also, since 2000, there has been increased employment in the Gig economy. This business model is bound to give rise to serious conflicts between the Management and the Workforce, the Trade Unions, if any. The main areas of contention center around earnings, working conditions, terminal benefits, continuity of employment and related issues.

Organizations require competent professionals who can analyze and understand the complex work situations of the modern-day industries. We need managers who can build relationships, not only with the permanent workers but with the contract workers as well. We need leaders who can skillfully manage disputes and conflicts by developing situation-specific IR strategies and innovative solutions. It is imperative that all the disputes are negotiated and settled amicably so that the interests of the organization and of the employees associated with the enterprise are safeguarded.

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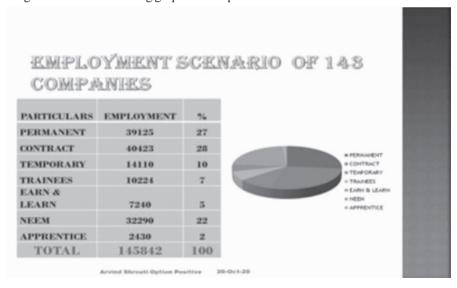
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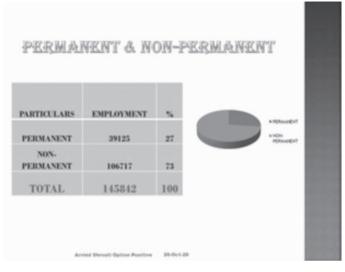
# A Hard Look at the Industrial Relations Mr. Arvind Shrouti

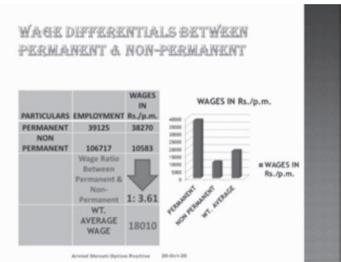
There are several external as well as internal factors influencing industrial relations. The first factor which affects industrial relations is the State Policy and Labour Laws. The Wistron violence is the example that highlights the failure of the State policies. Wistron employed 1300 permanent workers and 8500 contractual workers. They were not paid the contracted wages, and were regularly required to work in a 12-hour shift. Complaints made by the workers to the Deputy commissioner of labour were of no avail. Unfortunately, Wistron is not a solitary case. One tour of the factories in Pune will convince you that this is a norm. NEEM (National Employability Enhancement Mission) which is a scheme with noble intentions has turned in to a scheme of exploitation.

There is deep unrest among thousands of workers as they are contract workers or employed under NEEM or simply as trainees. It affects them very adversely. There are huge number of workers worked as a trainee and temporary hand for 16 years! When I interviewed them, they said their personal life was affected because of the uncertainty created by the breaks in service he would get. In several industries a permanent worker works in the first shift, and contract workers who get paid less than half his salary work in the second and third shifts. With many companies employing 90% of their employees on contract or under NEEM, who neither have security of job nor wages on par with the permanent workers cases like him are plenty, or rule and not exception.

To get better clarity on the said issue, I am giving some facts based on my study for ILO and IndustriALL. The study reveals that only 27% workers are permanent and rest 73% are in above mentioned category and not covered by Collective Bargaining Settlement. The wage differentials paid are around 1/4th of the wages of permanent workers, despite doing similar work. Follwing graphs will explain the same.







To sum up, if we look at the general picture, only a tiny section of workforce is protected by the labour laws and has guaranteed space for collective bargaining in well defined legal boundaries. It is also to be noted that informalization of the workforce that has been accelerated with the advent of liberalization and Globalization and transformed the formal sector into informal in terms of shifting the jobs from formal to informal sector and also by informalisation of jobs with in the formal sector units.

Considering the above mentioned facts, the fundamental question is majority of workforce, even in organized sector, are out of the Industrial Relation System and they

are treated unfairly.

Now we can ask what the Government machinery is doing. Are they not implementing the Contract Labour Act, which is one among many breached? The answer is that Government has become a silent spectator to the exploitative practices. On the other sider Managements and Unions are also silent about the same.

The countervailing force to employers indulging in exploitative practices is the judiciary and trade unions. The trade unions have become weak. Some have become self-centred for example, some tacitly favour high level of contingent workforce like contract labour so that their wages and incentives can be higher. And it still takes 12 to 15 years to get justice for a party in labour dispute.

These external realities are important for us, because they influence the behaviour of parties within the organisation.

#### What is to be done?

What does this scenario tell us? It tells us that fairness and fair-play are no longer valued, and not the basis of the employer-employee relationship. The world will appear different for a manager who does not feel the pain of the frontline soldier i.e., workers and neither the unions and Government. But investigation and sensitivity will help us understand the reality.

The situation in the world is not very encouraging. Several articles are being written about how the world is full of authoritarian leaders. One hallmark of all authoritarian leaders is that they do not believe in 'rule of law' – they operate by 'rule by law'. That allows Racold to close down their Chakan Factory overnight on Diwali Festival day, mailing cheques to all employees for their legal dues and compensation. In "Premier Automobile" for last several years workers are not paid wages even after Court Orders. Were they legally right in doing so? We don't know but they must have thought that they have complied with all legal formalities. In both the cases, the production was farmed out, leaving employees under shock and staring at uncertain future. In a situation where there is no effective trade union leadership, the responsibility on the Chief Executive is higher to be fair and just to employees. Particularly because his change-management decisions will have a long-lasting impact on the lives of a few hundred if not thousand employees.

Under these circumstances, I am of the opinion that the Chief Executive has to take decisive actions to promote sound employee relations. Till he does so, all talks of employee engagement will not sound honest. And he will have to answer this question: How do you define your organisation? Does it consist of ONLY managerial staff and the permanent workers? In such a case, it will be anomalous. Wistron will exclude 8900 workers who are crucial for its operations, from calling them part of Wistron. That's anomalous!

It means, we have to reflect on who we include as employees. The answer is obvious, it will have to include contract workers as well because they are engaged in direct

production activity and are the largest workforce in many companies. So, their inclusion is essential. How to do it is the fundamental question? And I would like to mention one organization which treats all employees with equal hand irrespective of their status as permanent or contract worker. It is Shri Ramkrishna Exports at Surat. All workers get the same wage, same service conditions. They have 6500 workers. For building an inclusive and non-discriminatory culture within the organisation, we should begin with the frontline soldiers, that is to say, the workers on the shop floor. The person who can make a huge difference is the Chief Executive. He is the real HR Head. Everything begins with his leadership style and his values. Industrial relations of an organization reflect his leadership and beliefs. It is important that what view leadership takes of the relationship matters. It gives character to the relationship. Those who take Unitarist or Pluralist views will succeed in the long run. Since leadership changes not infrequently, a safe guard is provided in the policy of the organisation. Unfortunately, it is rare to find organisations declaring their ER policy upfront. Secondly, Strategic Industrial Relations brings benefit in the long run. There is obviously evidence that it also brings competitive advantage.

Thirdly, leadership matters in all people issues, it matters in Industrial Relations, A JRD Tata or Russi Mody can create great organisation that survives the scares of the globalisation. Myopic leaders of industry can make money in the short run, but they remain vulnerable to Industrial Relations at all time

The process of change can be more or less painful depending upon how it is carried out. Cooperation is a must but conflict is also an expression of some un-addressed lacunae in the rationale of our system. Therefore an enlightened, compassionate and realistic attitude must go hand in hand with specific systemic innovation. Win-Win situation are possible with the help of objective assessment and creative breakthrough.

At the end, I place on record that there is a difference between peace and silence and most of the time we consider silence as peace. For competitiveness and sustainability "Industrial Peace" is of paramount importance and not the silence and Progressive Industrial Relations can play a very important role to achieve the same. Therefore an enlightened, compassionate and realistic attitude must go hand in hand with specific systemic innovation. Win-Win situations are possible with the help of objective assessment and creative breakthrough. "By Opening up horizons one can cross the boundaries".

Note: Some portion of the article is quoted from the HR Blog of Mr. Vivek Patwardhan with his due permission and obiliged to him for the same.

# **Excerpts From My Journey With Industrial Relations** Mr. Pramod Mahatme

- 1) Defining the role of a HR professional
- 2) Talent V/S labour
- 3) Industrial Relations Vs Employee relations
- 4) Journey from individual to Union, Union to Federation and Federation to International Federation
- 5) The factors those govern Industrial relations
- 6) Building Industrial Relations competency among HR professionals
- 7) Militancy In Industrial Relations
- 8) Liberalised Economy with protective labour laws
- 9) Need to shift from highly protected poverty to less protected prosperity
- 10) Key for sustainable Industrial Relations.

## 1. Defining the role of a HR professional

One of the most fundamental change we have seen in the recent past is in the role definition of HR functions itself. Personnel Management in the times of Edwin Flippo was a line management responsibility and the role of the Personnel Manager was to aid, assist and advise the line manager in management of procurement, development, maintenance, compensation, separation and integration of human resources to enable achievement of the organisational goals. And just as the marketing manager is expected to undersstand the consumer needs the personnel manager was expected to have a deeper understanding of employee needs on the one hand and the social, economic and political environment and also the labour law framework within which he had to operate on the other. To be competent to aid assist and advise one needs to have an experties in the field and the role necessarily was that of a strategic partner.

The multiple HR roles model proposed by Prof. Dave Ulrich made HR Manager a cochampion along with the line manager with the focus on deliverables. Further plotting four quadrants on the basis of process vs people and stratgic vs operational he assigned them four Metaphors, based on HR activities in these four quadants and based on proposed HR Roles and deliverable outcomes in these four quadrants.

The use of metaphore of Employee Champion, and making line and HR managers jointly responsible resulted in actually diluting this function. Being an advisor to the line manager whether at the lowest level in the heirarchy or being an advisor to the managing director the personnel manager was always a strategic partner and being the employee champion was the role of the Union leader

Expecting an HR manager to be an 'Employee Champion' is as glorious or otherwise as expecting a marketing manager to be a 'Consumer Champion'.

#### 2. Talent V/S labour

Over last few decades there has been up-gradation in the role and nomenclature of this people management function, from simple labour relations as in 1960s or personnel management in 1980s to talent management after 1990s and lately super specializations as talent acquisition, talent transformation, talent engagement and rewards & recognition

have emerged. Super specialists for talent separation will also emerge as the need will arise. In the earlier role as labour relations or personnel manager, specialization in separating the highly protected workmen was seen as a super specialization. This reversible journey from labour to talent is primarily the function of demand and supply situation.

Talent	<u>Labour</u>
Demand > Supply	Supply > Demand
Strong Individual	Weak Individual
Individual Bargain	Collective Bargain
Attrition	Industrial Dispute
Strategy	Strategy
Attracting and retaining talents at most competitive price	Achieving Productivity Quality Flexibility and industrial peace

Not strictly adhering to the English dictionary meaning of these words, the classification for employee, being considered labour, in this conceptual frame work is, when his kind of skill is available in abundance and there are very few takers for it. The attrition in this category of skills in such situation will be negligible. But when demand situation changes and employers start poaching from each other, the same set of people get classified as talent. (The pilots in India, in the year 2008 were talent hence bargained individually to seek best personal gains but with demand falling in 2009 and the individual bargaining power collapsing suddenly opted to get classified as labour to opt for collective bargaining and seek whatever statutory protection available.) The individual bargain is far more effective than collective bargain because in case of individual bargain the highest common factor decides the overall increase where as in collective bargaining the lowest common denominator becomes the deciding factor. In collective bargain threat of strike is leveraged to press for the collective demands while individually the threat of resignation serves the same purpose for individual demands

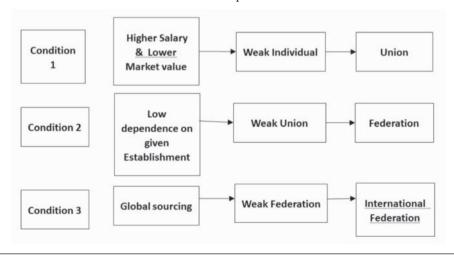
### 3. Industrial Relations Vs Employee relations

Industrial Relations is about collective bargain while Talent Management is individual bargain. Often the term Employee Relations is used as if it is synonymous to Industrial Relations but Employee Relations also is not about collective bargain although the subject here is operatives. In this article my focus is on Industrial Relations ie when employees surrender their right to bargain individually and opt for collective bargain.

One needs to appreciate that like relationship between nations is influenced by series of bilateral issues including, the aspirations of the people on either side and the realities of their interdependence and it is not just a product of the personal chemistry between their leaders, Industrial relations also is the product of social economic and political realities, aspirations of their constituents and the realities of their inter dependence and it is not a product of chemistry alone between the leaders on either side. Whereas in case of employee relations or Talent management the issues get resolved at individual level (although within the frame work of policies of the organisation) in case of Industrial Relations the issues get settled through collective bargaining process. The skills and competencies required for managing Employee Relations and those for managing Industrial Relations are never the same. Similarly good Employee Relations may not necessarily lead to Good Industrial Relations and vice versa. In case of employee relations the focus is on attracting and retaining talent at most competitive price where as in case of Industrial Relations the focus is on achieving productivity, quality, flexibility, and reliability at most competitive price.

## 4. Journey from individual to Union, Union to Federation and Federation to **International Federation**

Formation of the union is exhibition of weakness and insecurity and it is not the exhibition of strength and courage to revolt. It is only a movement from individual bargain to collective bargain. It is not the sign of employees losing trust and confidence in management. The belief that formation of the union is a revolt, leads to unhealthy reactions and create a revolt like situation. The union in any establishment becomes strong and powerful when the dependence of the business on the establishment or set of employees is high. (eg Handful of jet airways pilots could hold the whole country to ransom) but when the business starts reducing its dependence on given establishment and resorts to downsizing or closure or carries the flexibility of shifting the business to other locations, however strong may the leadership be the union's bargaining power reduces. Kingfisher pilots were struggling to get their unpaid salary. When union becomes weak they form the federation so that they can exert coercive pressure simultaneously across all locations. But the global sourcing now has weakened even the National Federations and hence the obvious option will be the international Federations



The shifting of the jobs to developing countries may lead to insecurity in developed nations in Europe and in the USA. The shifting and downsizing of the operations there has already impacted the power of the unions and federations in those countries. Obvious option for them will be to have international federations. Currently European and American unions and Federations are losing their powers. Infect, these week unions, are even facing the reverse tendency, of members opting to dump them and go The European federations having been rendered weak, with the dependence getting reduced. would be looking forward to seek a foot hold in developing countries.

## 5. The factors those govern Industrial relations

Industrial relations is the product of social, economic and political system in the country, in which one operates. One cannot completely insulate oneself, from the realities in the country one operates in and simple duplication in a country, of practices followed in other country will not necessarily succeed. The movement from individual to collective bargaining in any country at any moment of time gets shaped by

- 1. What Law to recognize and define the rights of the Union
- 2. What law to protect employment
- 3. What law to resolve disputes
- 4. Level of social security
- 5. Ratio of demand and supply that will define employee's individual bargaining strength

In a situation where employee is weak to bargain individually, social security level is low, the law protects the employment and also provides machinery to resolve or adjudicate disputes, it will be highly unnatural for employees not to opt for collective bargain. Employees at all levels of salary entitled for protection under law, irrespective of their qualification, opt for collective bargain, when their job security gets threatened and when they realize that their individual bargaining strength has been reduced due to adverse demand supply situation. The need and the urge for uniting and seeking legal protection grow in this situation. No individual, who is capable of competing with others and demanding his own price, will surrender his individual rights and opt for collective bargain. Higher the salary stronger becomes the need for security and the drive to avail protection available under law. Level of attrition in any category is an indicator of whether the individual will opt for individual bargain or the collective bargain. High attrition will always be associated with employee's preference to bargain individually and when the demand drops these very employees will be the first to form the union and safeguard their jobs. We saw it in air transport Industry. Pilots being in demand obtained the best individual deals in 2008 and collectively challenged when the job security was threatened in 2009, following a brief slowdown. IT industry have so far been dealing with the individuals capable of bargaining on their own and have operated in a situation of very high attrition and the same may continue for some more years. The organizations who will succeed in curbing the attrition first will also be the organizations getting unionized first.

## 6. Building Industrial Relations competency among HR professionals

Industrial Relations has lost its sheen probably because it does not get adequate focus in the organisation. Not many HR students from the premier institutes opt for this occupation and not many management institutions provide adequate focus on this competency and consequently not many competent professionals are available in the field.

"Sustainable Industrial Relations" has always been an area of concern for industry leaders and investors. This has also assumed greater importance in the context of the ambitious 'Make in India' programme and Atmanirbhar Bharat drive through which the government hopes to make India self reliant and a major hub for global manufacturing. In addition, the re-emergence of violence in industries makes the topic of IR all the more relevant for discussions and for searching lasting solutions. Hence, it is time to realise that IR is one of the most important competency for people responsible to aid, advise and assist in management of people.

The formation of an effective union in the organization can be positively leveraged to establish standards, cost reduction and stability. One of the competencies which needs to be strengthened among the HR professionals today is managing Industrial relations. It is not about understanding the provisions of labor laws or the capability to take appropriate disciplinary action or about putting legal tangles for jeopardizing the chances of union seeking the representative status nor is it about being able to manage the militancy. It is all about understanding the requirements of the business and preparing oneself to negotiate from position of strength. It is about managing the expectations of the people and understanding the dynamics of collective bargaining process and understanding the situations under which reforms can be implemented It is about realizing that choices people make and behavior they exhibit at all levels and across all geographies is governed by the social economic and political situations and hence it is about understanding how these situations have changed in our country and what changes are expected. It is about realizing that employees all across choose individual bargain or collective bargain based on demand and supply situation and when the demand weakens, the attrition levels come down, and the job security gets threatened, the same set of employees opt to unite for collective bargain. It is about realizing that formation of the union is exhibition of weakness and insecurity and not the exhibition of strength and courage to revolt. And that the formation of the union is only a movement from individual bargain by the strong individuals to collective bargain by weak individuals and with right attitude on the part of managements such a movement can be leveraged positively to seek reforms, productivity, and savings. We as HR professionals owe to the industry and the business to provide our expertise in this little neglected HR competency

The IR competency is all about Developing insight into the issues that influence and determine the Industrial Relations. Understanding the challenges faced by the business and the I R imperatives arising there from and closely aligning them with business strategies. It is about being able to create that elbow room which will enable one to negotiate from the position of strength It is about having deeper understanding of how the social economic and political environment impacts "IR and the constrains of the

framework of the labour law within which one needs to operate. It is about realising that IR is not a product of chemistry alone between the leaders on either side but product of social economic and political realities, aspirations of their constituents and the realities of their inter dependence And of course it is about the ability to engage and influence the collective bargaining process. Simple duplication in a country, of practices followed in other country will not necessarily succeed.

## 7. Militancy In Industrial Relations

Militancy for whatever reason and in which ever form is not pardonable and for the unions whose very birth and existence lies in the democracy it is highly unjustifiable to resort to such anti democratic means more so in a country which offers them due protection in every possible way. We have lived through the militancy in 70s and 80s before liberalization reversed the advantage of militancy the unions could leverage. Militant unions of those times used militancy as a tool for collective bargaining and for quite some time derived success for themselves in achieving the best bargains vis a vis the other more disciplined unions of their times. After liberalisation however the situation reversed and managements started en-cashing the militancy for shutting down the units in Mumbai and other metros and shifting the operations out. Liberalization allowed setting up of new units thereby reducing the dependence on the existing factories in Mumbai and other metros. Under these circumstances militancy proved fatal for the unions as it helped managements in justifying lockouts and shutting down these establishments thereafter by offering VRS.

Contrary to the popular belief that less privileged would resort to aggression, the statistics will reveal that it is always the higher paid more privileged unionized confirmed employees who resort to violence. Further can disparity in wages be the cause for violence? perhaps no, because Indians are aware that in the most ideal and prosperous kingdoms of Shri Rama and Shri Krishna also there were Shabaris and Sudamas. Wage disparity therefore is unlikely to be the cause for militancy

The militancy is about exerting undue influence on individuals responsible for taking the decision. It can be workers threatening the manager using the gun or the managers threatening the union leader with deciplinary actions using standing orders both amount to using undue influence on individuals to force a collective decision. Whether it is the case of Rajan Nair vs Telco, or Datta Samant vs Millowners the history of militancy will reveal that more often than not the unions deprived of recognition resort to militancy. I have often seen managements refusing to accept the Union but accepting their demands rather than accepting the Union and refusing their demands. Managements have to lern to respect the decision of the workmen and work with the union they have opted for rather than resorting to manipulate it or refusing to recognize it or shying away from it.

## 8. Liberalised Economy with protective labour laws

Industrial Relations involves collective bargaining and for it to be sustainable both the parties should be on fairly equal footing to be able to protect their respective interest while ensuring the healthy growth of the Industry. In the larger interest of the nation,

government's intervention with appropriate legislation becomes necessary to balance the handicaps of weaker party

The environment was reasonably balanced when Industry was protected from competition and workmen were protected from exploitation and all the rigidities built in the Industrial Disputes Act 1947, were sustainable.

But today in the liberalised world Innovation, continuous improvement, technology upgradation and flexibility has become a necessity and these constraints and rigidities in the ID Act have become an unfair disadvantage

Inability to sustain disruptions has pushed these industries on the back foot, and getting reasonable output from privileged permanent workmen has become the challenge

## 9. Need to shift from Highly protected poverty to less protected prosperity

The political compulsion today requires the focus on inclusive growth which is about achieving a sustainable balance between the growth and inclusion. employment generated over last two decades in service industry to which chapter V B of the Industrial Disputes Act does not apply is a clear indication of how absence of overprotection can help in generating the employment. Government today has perhaps realised the Need to graduate from highly protected poverty to a little Less protected prosperity and has shifted its its focus to

- "Employment Generation rather than Employment Protection",
- · "Social security rather than Job security" and
- "Building skills to encash the opportunities"

Indian labour laws have been often mistaken to be labour friendly while they are actually only Union friendly. When we say our labour laws are archival and draconian and not conducive for the ease of doing business,

- it is not that our minimum wages are high.
- It is not that the compensation prescribed for separation is high.
- It is not that our social security is a burden or
- That safety standards are out of the world.

Trade Unions Act provides for registration of the union, facilitates raising fund, stipulates accounting requirements and paves way for collective bargaining. In a democratic country like India there is nothing unreasonable about it and there is no way one can contemplate to go back to the times of NM Lokhande and BP wadia.

It is only the employment related laws which are impacting the very sustainability of the Indian industry. And among the employment related laws it is only the Industrial Disputes Act, and all the rigidities incorporated therein which have become a constrain for the very survival of the Indian Industry. More so after Liberalization . While Communist China opted to be market oriented and focused on rapid economic growth, Democratic India chose to be socialistic.

During Emergency in 1976 chapter VB was introduced with 300 as the limit which later

in 1982 was reduced to 100. And Judicial activism in 1978 brought even the Doctors in the Hospitals and Scientists in the research institutes within the purview of the protections which originally in ID Act 1947 was provided only to the helpless workmen in mines plantations and factories and even the supervisors with certain salary limit were excluded

### These rigidities are

- No change without agreement (9A read with item 9,10,11 of fourth schedule)
- No lay off, retrenchment or closure without permission (chapter VB)
- No termination after 240 days of work
- Right to strike without notice

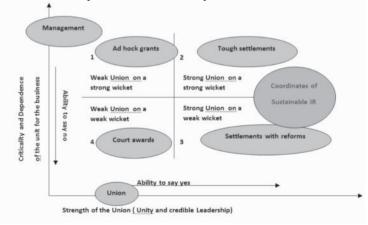
Three out of these four most crucial constraints have been addressed through the new labour code though not fully. But it is certainly a welcome beginning.

## 10. Key for sustainable Industrial Relations.

Sustainable industrial relations requires parties to build consensus and only a strong union leadership can bind together the divergent expectations of its constituents. Thus the strong union leadership is one which has the ability to say yes and carry its member with it. When the union leadership is weak it can neither contain the agitation nor build the consensus and it can only say no. And therefore I consder Union's ability to say yes as the measure of its strength

The management's strength on the other hand is its ability to withstand coersion and its ability to stand up to its requirements and being able to withstand the pressure of the Union. The strong management is one which has the ability to say no. It is the function of the realities of the business. Bargaining power of the union stems from the dependence of the business on the given unit, from where the union operates. On the other hand Management is able to operate from position of strength when it builds the required flexibility and alternatives to withstand the temporary uncertainties at the given unit.

These dynamics can be represented in the four quadrants as below.



In the first quadrant: we have unions which are weak not enjoying the support and confidence of it's constituents but since the dependence of the unit is very high find themselves on a strong footing. They are not able to take responsibility of agreement on any issues and hence prefer to play a role of devil's advocate. In such situations managements being on a weak footing and not being able to stand up to say no generally agree to resolve the grievance as quickly as possible to avoid precipitation. And often compromises with Ad-hock decisions and unhealthy practices originate in this phase.

In the second quadrant: When unions realise that they are standing on a strong footing and also enjoy undivided support of its constituents they leverage their full potential and push the managements to accept even highly unreasonable demands. This is the phase where unions succeed not only acquiring the best compensation but also succeed in curbing production and acquiring fringe benefits.

In the third quadrant: Often unable to sustain the giveaways in the situation as above managements drive the initiatives to reduce dependence on this unit and gains the potential to stand up firmly not only to say no but also to demand reforms in terms of productivity, flexibility reliability or quality. Lesser the dependence lesser is the bargaining power of the union. And helpless union being on the week footing gets forced to accept the new norms

In the fourth quadrant: Union's prolonged adamant attitude in 2nd quadrant leads to management's reducing its dependency on that unit and Management's adamant attitude in 3rd quadrant leads to union's opting to adjudication eventually leaving it for the chief Justice of India to decide.

The sustained industrial Relations prevail when "Give and Take" becomes possible. And for this both parties have to be on equal footing and strong enough to stand up for their own interests. Management operating from strong footing and a strong union capable of carrying people along. This happens around the intersection of 2nd and 3rd quadrant.

# **Industrial Relations- The Backbone of Business Sustainability**

Dr. Sadashib Padhee.

CHRO, Kirloskar Pneumatic Company Limted, Pune, Maharashtra

Contemporary studies on the role of Industrial Relations (IR) have always been referring to many of the concepts and various incidences of the yester years. In the last 100+ years, we had been experiencing varied forms of labour management related events. We have learnt from them to redefine and refine our approaches in enhancing productivity while maintaining industrial harmony. In my gestating years in my corporate journey, I had heard of a phrase from a Management Guru; it was something like "buying of Industrial Peace". I was agonized hearing the word "buying" - and till date I still contemplate on that very concept itself. Is it that such a negative connotation? bad concept? that one has to buy it out always? Cannot it be something be always harmonious, peaceful and it does not to be worked on as hard? I am yet to get its replies though. With this kind of a preamble, we will discuss about how IR has been our backbone of Business Sustainability.

Be it any kind of business – heavy & labour intensive like Steel, Mining, Aviation, Railways and Shipping, Infrastructure, Real Estate, Roads and Buildings, Heavy Civil structures like Dams and Canals Constructions, Spinning & Weaving or be it other decently scaled sectors like Plantations, Marine & Fisheries, Hospitality, Auto, Auto Ancillaries, Casting & Forging, and Electricals & Electronics, Light Engineering, Logistics and Service Industries - we may all agree with the fact that Industrial Relations has always been their back bones. Big houses of our country like TATAs, TVS, Birlas and Goenkas and modern days stalwarts like Ambanis, Jindals and Adanis are synonymous with IR examples of their efforts in IR management. I always quote a simple yet powerful concept that flowers-vase suits the tabletop when the floors are clean & the room is tidy! It is exactly a similar example of business successes can be glorified only when the ecosystem that is the IR management which is the base (floors of the business house) are clean & tidy. Of course, we all need to travel beyond this particularly when we discuss about business sustainability.

The wave of change and rigorous competition has compelled the business to adopt a proactive resolution-oriented Industrial Relations (IR) approach towards employee satisfaction and organizational performance. A cordial IR is based on fairness, trust and mutual respect and leads to motivated, loyal and high-performing employees and facilitates them to achieve the optimum results for their organization. Therefore, we intend to examine the employer–employee relations.

It has always been interestingly learning to investigate the relationship between drivers of IR and cordial IR. The regression analysis entails that the variables such as: interpersonal relationships, safe and healthy work environment, and employee welfare were significant predictors of cordial IR. Practical insights for managers to realize the importance of these drivers of ER and to design appropriate strategies and policies for

maintaining better ER, have always been focus for the past few decades.

Essentially, IR is concerned with the relationship between management and workers and the role of regulatory mechanism in resolving any industrial dispute. A formal definition probably can be: "concerned with the systems, rules and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers, and to regulate the ways in which employers treat their employees."

We often hear that IR covers the areas like

- 1. Collective bargaining.
- 2. Role of management, unions, and government.
- 3. Machinery for resolution of industrial disputes.
- 4. Individual grievance and disciplinary policy.
- 5. Labour legislation.
- 6 Industrial relations

Importance of IR: We all agree with the fact that it is unethical on the part of any Management to take any advantage of the helplessness of workers and exploit them. Unemployment compels workers - particularly illiterate and unskilled - to accept jobs, inhuman working conditions and wages notwithstanding. IR assumes relevance in this context. One of its objectives is to protect workers interest and to improve their economic conditions.

IR seeks to protect the right of managers too. Managers expects workers to observe code of discipline, not to join illegal strikes, not to indulged in damaging the companies' properties, not to assault supervisors or peers, and not to come inebriated the workplace. Where workers behaviour deviates from expected lines. It is management's prerogative to take action.

There is a set procedure for handling any act of indiscipline or indiscretion on the part of an employee and if the management satisfied the procedure, it is justified in taking action or even removing the employee from service.

Little do all of us realize that it is the people who creates problem everywhere and it is only who can find solutions too. If there is a problem from employees, there is a solution also. Viewing every problem seriously and resorting the manipulative style of IR which emphasis the need the labour is check by floating stooge unions, buying up unions, and striking clandestine deals with powerful politicians do no good to managers or to the organization they represent. The field of IR needs a new look, a look which is free from suspicion, prejudice

**IR Strategy:** As we know, itt is necessary to have a clear-cut strategy for IR, although the management of IR is a knee-jerk reaction many times to events and problems and is, therefore, far removed from the world of strategic thinking and planning. Since employer-employee relations are usually presumed to be satisfactory until they get out of hand, managers, rarely, feel the need to act before the trouble breaks out.

But the reactive strategy cannot continue for long. Growing competition, difficult

economic environment, rising labour cost, and low productivity compel business leaders to think and plan proactive strategies towards IR.

Where organizations have proactive strategies, the goal should be to ensure that corporate objective can be achieved by gaining the maximum amount of cooperation from employees and by minimizing the amount of industrial unrest.

The prosperity of the company, the degree to which is expanding, stagnating or running down and the extent to which technological changes are likely to affect employment conditions and opportunities.

A proactive IR strategy programme must ideally over the following decisions:

- 1. Communication how best we can convey our philosophy to employees?
- 2. Relationship-how well can we improve our relationship with employees and unions?
- 3. Competence how to improve of competence of managers and supervisors in dealing with IR matters?
- 4. Discipline and conflict-how shall we deal with it?

**Communication:** The core of an IR programme is the personnel manual. The manual sets out the rules and policies within which managers and employees must operate. The manual tells how the management awards recognition to the union and offers facilities, how it recognizes the officers' associations, how to handle a grievance, code of discipline in the industry and the like.

The manual needs frequent updating, must be published to all employees, and all supervisors must be familiar with it. HAL, Bangalore, has a well drafted personnel manual running into 94 pages of printed matter. The manual covers, in addition to aspects of employees relations, other topics like welfare, medical facilities, and gratuity rules. All employees and supervisors are fairly familiar with the contents of the manual.

**Relationship** with the employee may be improved through joint consultation. Relationship with union or staff associations may be developed through collective bargaining and other IR procedures or by improving the operation of existing procedures.

Competence: Managers and supervisors need to develop competence in handling IR. Such competence may be developed by training managers and supervisors in IR. Suffice it is to say that a training programme must be conducted after assessing the training needs of the managers and supervisors. Each training programme must have specific objectives and the contents must help the trainees realize the goals.

**Negotiating skills** must form a part of the training offered to managers. Negotiating skills are best acquired by experience, but it is dangerous to allow inexperienced managers to meddle with negotiations. Training in negotiating skills is most effective if it is through case analysis. A case study based on an actual problem of the company may assign to the managers who will be required to analyze the case and offer remedies.

Training should not be confined to managers and supervisors alone. Union leaders and employees also must be associated with the programme, as they are as much a party to a

conflict managers or supervisors.

Discipline and conflict: If both employees as well as employers adhere to well laid out norms, dispute do not occur. Where a conflict occurs, the management must resolve it. There are set procedures to resolve disputes.

To summarize, when in 1991 with declaration of new economic policy, a series of Industrial, fiscal and trade reforms were announced by the Government, then it was presumed that these structural changes would arrest growing inertia that has set in the economy due to its mismanagement and continuance of unrealistic economic policies for more than six decades. As pert the then business experts, it was a welcome change that the new economic policy has altogether generated a new business environment, where in the private sector was liberated from the clutches of excessive Government controls, the P.S. U's lost their monopolistic position, industries were freed from tariffs and custom duties. The most important of all, almost all of these experts agreed on one basic fact that sustained economic growth cannot take place in a disturbed industrial relations environment.

The inculcation of harmonious industrial relations required that all the participants would be motivated to work whole heartedly for making the system to work. There were various factors pointing towards the emerging socio-economic scenario.

One of the major factors was the changing image of workers. The modern worker has come a long way in 70+ years from some kind of an exploited, illiterate poverty stricken, rural linked group that once were. The industrial labour of today is no longer the migrant rural worker of yesterday, shuttling between his/her village and the city. It is totally urban in its economic outlook.

Socially, too, workers have changed. They have absorbed the urban industrial culture. They are capable of handling semi-skilled and highly skilled industrial operations. Above all, they are usually not the sole supporters of large joint families. Changes in the worker's life have given rise to a new attitudinal and behavioural pattern.

There has also been a transformation of Indian society - from a "society of subjects to that of citizens." The modernization of economy has brought in advances in technology, organizational complexities and increasing economic interdependence. Consequently, the worker is increasingly called upon to rely on discretion, initiative and selfmanagement, instead of waiting for commands from old style bosses. The traditional culture of being 'looked after' as subjects has yielded place to one in which industrial labour wants to 'look after' itself.

Yet another change, whose challenges is being evaded instead of being faced, is the need felt making quicker decisions because of the high stakes involved in a technologically sophisticated industry. Our industries mostly suffer from autocracy. Insisting on managing and controlling the system without having the adequate competence or the

or the freedom to make quick strategic decisions. A fundamental change in approach is needed if these challenges are to be met.

Though per me, IR is mostly seen as a fire-fighting function in our country, it is simultaneously the key for increased productivity in Industrial establishments. There are three approaches and strategies to IR. There has been transformation of Indian society from a society of subjects to that of citizens. The inculcation of harmonious industrial relations requires that all the participants be motivated to work whole heartedly for making the system to work. Government has introduced the latest changes in our labourcodes. Things are poised to improve further in the near future. Industrial relations are highlighted as highly significant from the socio-economic development of Industry and hence is the backbone of the business sustainability.

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# Industrial Relations- The Backbone of Business Sustainability

Mr. A. S. Girish.

Associate Professor and Dean XIME (Xavier Institute of Management and Entrepreneurship) Kochi, Kerala

### The Concept of Business Sustainability

The United Nations General Assembly adopted the Sustainable Development Goals (SDGs)' on September 25, 2015 that unleashed a new agenda to end poverty, ensure world prosperity and protect the planet by 2030. Under these 17 goals, 169 specific targets demonstrate the scale of this universal agenda that seeks to achieve a balance between the economic, social and environmental aspects of sustainable development Business organizations are considered as a significant stakeholder with a potential to contribute to the SDG; given the resources at their disposal, their sphere of influence, and business opportunities associated with sustainable development.

A recent report by the Business and Sustainable Development Commission published in 2017 has indicated that a focus on only four aspects under the SDGs, namely health and wellbeing, food and agriculture, cities and materials- can open market opportunities worth energy and US\$12 trillion. However, it requires business organizations to integrate sensitivity to the dimensions of sustainability in their decision-making models. There are organizations already working towards this integration and acknowledging through their products and services, processes and practices that a healthy society and environment are necessary for creating a market. But the transition is challenging and critically dependent on factors like leadership, managerial perceptions, customer expectations, government support, regulatory frameworks in action, etc. in the organizations that challenge the status quo. However, the lexicon of sustainability is slowly entering boardroom discussions, stakeholder meetings and annual reports. The next sections give an overview of the concept of business sustainability, business case for sustainability, challenges for implementing the business case and overall observation. Business sustainability can be explained as the process of managing an organization by

considering three different aspects, viz. economic, social and environmental. It may also be referred to as the triple bottom line approach.

## The Journey of Industrial Relations in India – Historical Analysis

The organized trade union movements in the country always used the unity of power to improve their service conditions. This is the Industrial Relations history of our country post-independence to late 1980's.

During that period the bargaining power of trade unions was governed by the concept "cost + profit = selling price". This gave an upper hand to trade unions and collective bargaining has always been tilted towards trade unions. The above statement is not to blame anybody but to make a factual assessment.

The trade union's strength in Central and State public sector undertakings, the organized labour movements in the banking sector and the trade union dominance in the private sector where the key ingredients of industrial relations of that era. This trend continued till late 1980's. The author started his career in late 1970's in State Bank of Travancore (Associate bank of SBI) and have experienced the power of trade union movements.

Those days, the trade unions in bank had a dominant role in employee postings, work allocation, etc., at branch level up to the level of corporate office. The trade unions further strengthened their existence by forming officer's union.

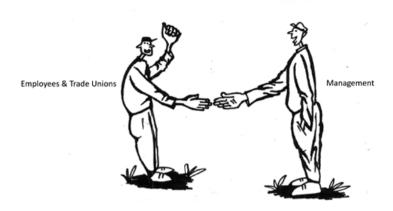
The formula of Industrial Relations was buying peace. The paying capacity of the organization was another factor. Management demands occupied least priority in the bargaining list. The political linkage of trade unions in India became another factor for trade union dominance. Extreme trade union activity and militancy was confined to few states. But in other places also trade unions had a major say in running of organizations. The confusion and interpretation of basic concepts was another concern. For example, Payment of Bonus Act was passed in 1965. But the concept of Bonus whether it is Share in Profit or Deferred wages remains unresolved even today. All India Railway strike, Organized trade union movements in Banking sector, mammoth trade unions in Central Public sector, all these decided the destiny of business during that era. Dominant public sector was the mantra. Stalwarts like Datta Samant, Michael Fernandes led the trade unions with vigor.

What was the focus of Industrial Relations?

In that era, the emergence of IR specialists started making an impact and subjects like productivity started emerging in negotiation tables in 1980's. The element of TRUST was missing and it took almost three to four decades time for IR Specialists to establish their credentials and bring in an element of mutual trust at-least as a feeble factor. If I am asked to sketch the industrial relation scene in 1970's and 1980's and transition in 1990's and 2000's from a cartoonist perspective, the picture would look as follows.



### TRANSITION



## The Global Village and Industrial Relations.

1991 saw a historic change of business operations in India from a small pace Hindu rate of growth, India opened up its economy. This had a major change in business. Next twenty years saw a dramatic change in the field of industrial relations.

"Market Acceptable Price – profit = Cost Price", is the factor which made sea change in the field of industrial relations and business. Businesses had to look inward for cost efficiency. The emergence of Global Village brought in the philosophy of survival of the fittest. To sight examples, Steel Industry, Banking Industry, Airline Industry etc., had to totally change their operational model. Giants like SAIL, Tata Steel, etc., had to reinvent themselves. It had a big impact on industrial relations.

The buzz words of today are disinvestment, FDI, Free flow of raw material to finished goods between countries, outsourcing model across the world (example the exponential growth of Indian IT sector in the last three decades) are putting tremendous pressure on business. Earlier in lighter vein we use to say if it rains in Russia somebody will get cold in other communist countries. Today in the world of business if somebody sneezes in USA you will get a cold in India. That is the impact of Global connect in Global village. Goliath's like USA is fighting against Chinese imports. India celebrates Diwali with Chinese crackers. No sector is spared from this Global invasion. The war is fought in the market place which is socially conscious. All this has impacted the dimension of Industrial Relations in multiple ways. Good business entities are embracing the word "EMPLOYEE FIRST". Globally it has been proved with empirical evidence that EMPLOYEE FIRST will automatically lead to "CUSTOMER FIRST"

## The Case of Sustainability

The beginning of 2000 saw the voice of society impacting business. Responsible corporate citizen became the mantra. This change happened due to two reasons. One is for the existence of business and the second one is societal demand on business to be sensitive

## **Industrial Relations Redefined**

Industrial relations may be defined as the relations and interactions in the industry particularly between the labour and management as a result of their composite attitudes and approaches in regard to the management of the affairs of the industry. for the betterment of not only the management and the workers but also of the industry and economy as a whole.

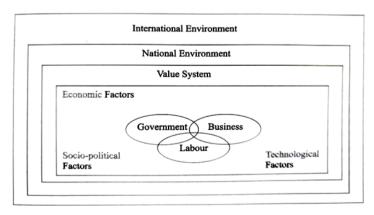
Let us examine the historic definition of Industrial Relations.

According to Bethel and others, "Industrial Relation is the part of management which is concerned with the manpower of the enterprise whether machine operator, skilled worker or manager."

According to V. Agnihotri, "The term industrial relations explains the relationship between employees and management which stem directly or indirectly from unionemployer relationship."

According to V.B. Singh, "Industrial relations are an integral aspect of social relations arising out of employer – employee interaction in modern industries, which are regulated by the State in varying degree in conjunction with organized social forces and influenced by prevailing institutions. This involves a study of the State, the legal system, workers' and employers' organizations on the institutional level; and that of patterns of industrial organization (including management), capital structure (including technology), compensation of labour force and the forces of market on the economic level"

It is quite interesting to scan through the Dunlop's IR Model proposed in early 1980s.



It has intuitively captured, the environment factors such as economic, socio political, technological as factors very much impacting the domain of industrial relations. It has also included in its fold, the value system, the National and International environment. The business sustainability model of today has to positively reconcile the interest of this multitude of stake holders. This has seriously impacted and transformed the dynamics of Industrial Relations.

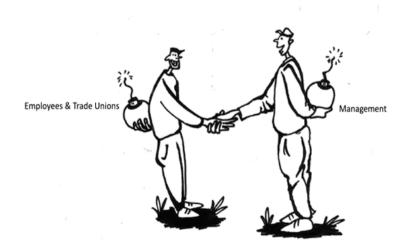
## From Inward Looking IR to Outward Looking IR

The industrial relations linked business sustainability compelled the exponents of this domain to change their focus from an inward-looking mind to an outward one. A simple example can be understood by analyzing the banking industry. End of 1960's gave us the then golden formula of bank nationalization but by 2000, the country has seen the emergence of new generation banks sweeping the activities of banking industry. From nationalization to de-nationalizations, smaller banks got merged to become giant banks. These models taught us to reorient our approach to Industrial Relations.

## Can we close our eyes?

The emergence of survival pressure gave way to a new scenario, coexistence of collaboration and conflict became the order. The profession of industrial relations made very serious inroads into the domain of business making very positive contribution engaging employees to be part of business sustainability. But the journey has just begun. The key factor which will glue the employees to the management is TRUST. The current state can be picturized as on below.

## TODAY



### Why IR is the Backbone of Business?

Today economies across the world are grappling with unprecedented challenges traversing social, economic and environmental dimensions of sustainability including climate change, natural disasters, loss of bio-diversity, hunger and malnourishment, economic inequity, social insecurity and so on.

The UN Assembly has adopted Sustainable Development Goals in 2015. Business cannot shy away from this. The need of the hour is to integrate industrial relations with business to creatively contribute to sustainability. Unless you win the confidence of the key stake holder – Employees, all your efforts will end up as mere sloganeering. The element of TRUST needs to be regained. Parties need to collaborate without a bomb hidden in the other hand. Accept industrial relation as the backbone of business sustainability and roll out IR Strategies to win the confidence of employees. The happiness inside the organization is the foundation on which you can build a socially responsible enterprise. The culture of positive industrial relations is the only way forward. HR Professionals need to accept this irrespective of the fact whether there is an active trade union in existence or not. Gaining the employees' trust through appropriate interventions will result in a new era of healthy employer – employee relationship in the organization. The very categorization of workmen has undergone a sea change. Permanent, outsourced, gig, platform, neem, apprentices are a reality. Uberisation of workmen is the order of the day. Sound industrial relations policies will help to strengthen the bond of relationship of all the above groups and they will contribute to the tall order of business sustainability, the dream of all businesses.

We all must recall these sporadic incidents at Maruti Suzuki in their Haryana plant, Pricol Coimbatore etc., where the IR situations became so negative resulting in the murder of HR Executives. The danger now is imminent with multiple groups of employees from permanent category to apprentice need to be handled with care. They all can react with vigor if their existence is not taken cognizance off. The umbrella of industrial relations needs to be wider to capture the sensitivity of all groups and to take appropriate actions.

It is encouraging to learn that global organizations are coming out with long term IR policies to ensure living wage to all connected with the business including those in the supply chain. Some organizations have taken one more step to safeguard its employees belonging to all groups against domestic violence. These are clear indications that industrial relations are the backbone of business sustainability. The current pandemic has further triggered the prominence of HR profession especially in terms of capturing the heart and mind of all categories of employees. The connecting cord of employees heart and mind to the organization is INDUSTRIAL RELATIONS.

### Way Forward

Harmony should be the goal of any management. Deep committed effort is required to be fair and transmit the message to all categories of employees. High degree of transparency and honesty can help to win the confidence of employees, Collective bargaining should be more than fair. Systematic database on all aspects of human resource management can be the spring board for mutual trust. Highly skilled Industrial Relations professionals only can assure THE HARMONY we are looking for EMPLOYEE FIRST and BUSINESS SUSTAINABILITY.

The plurality of Industrial Relations will be seen not merely in terms of the organized and the unorganized, but also union and non-union firms, and firm and industries in different stages of business cycle. Industrial Relations will increasingly be driven by contextual factors at the micro level even as macro aspects continue to influence the inputs, labour institutions, structures, processes and inputs. The field of Industrial Relations will thus have a wider scope covering the entire gamut of employment.

NIPM should take the lead to propagate the strong linkage between industrial relations and business sustainability. Business leaders should appreciate that winning employees' heart is the panacea to eradicate the ill will in the system. The next era is going to witness HR profession playing a key role in winning the employees. That is simply GOOD INDUSTRIAL REALTIONS.

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# Sustainability of Business and Industrial Relations. Issue is 'What' rather than 'How to' ....

Mr. Ajit Abhyankar. President CITU Pune.

It is more than a cliché that frictionless industrial relations would make the smooth sailing of the organization possible in a defined manner so as to achieve the given objectives. All the efforts are focused upon avoiding or to muting the friction in the least.

It is true that friction in the industrial relations has a very heavy economic, social and most importantly a psychological cost. It leads to frustration, loss of trust and even faith in possibility of social good altogether.

However, the main issue for shaping 'Industrial Relations for Sustainability of Business' is not of nature of 'how to?'; but of the 'what to?' type. In other words, to better Industrial Relations we need a better theory of IR and business.

Peter Drucker, a management Guru of post WWII capitalism, had observed in article titled Theory of Business published in Harvard Business Review September-October 1994 issue .... "what to do" is increasingly becoming the central challenge facing managements, especially those of big companies that have enjoyed long-term success.

Vineet Nair, the most successful CEO of Asia and HCL in his celebrated best seller 'Employees First... Customers next' explains how he practiced inverting the organizational hierarchy by making the management accountable to the employee in the value zone, unlocking the potential of the employees by fostering an entrepreneurial mind-set, decentralizing decision making, and transferring the ownership of "change" to the employee in the value zone. He is on record to say that it is the employees whom management should care for and inspire. These inspired employees take care of the customers. Richard Branson, the founder of The Virgin Group says "Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients".

I am here to place some of my ideas on this vital issue today.

#### What is Business?

The first issue that needs to be addressed is what really constitutes term 'business' and also sustainability. Any term we use in language is based upon what it does. This is because any word in a language is essentially a concept. It represents a web of relationships it stands for and perpetuates. Just as father/ mother does not indicate who give birth; but those who nurture and care for the child intimately. Just as this, a school is not a building or a particular institution's name; but a collective of the entire process of education with teacher-students' relations at its core. It becomes an expression of a process relationship rather than that of persons.

How can 'business' be an exception to this? Business is a process. It is a live socioeconomic function. It undertakes to produce or distribute a particular articles-services for society. Its triggers and wheels might have been a family or a group or even an individual. Business as a socio-economic entity has a palpable body which breathes in and out. The term business stands for this live flow, just as river is a continuous flow of water within its banks. Its point of origin may have a symbolic respect and honour. It is mostly as a gratitude for what the river means in the day to day life of the people downstream. Source point cannot be equated with river itself. Can we just block its original source point in the mountains so as to control the floods down the stream? This sounds foolish because river is constituted by hundreds of small streams as well as percolations on the way.

Drawing a wisdom from the above, lets us understand the true nature of business. Normally business is taken to mean a corporate unit with promoters' family ownership, a large accumulation of capital, a brand name or all the three together. These ideas, in my view, mute the social character as well as the context of business. It equates Business with its ownership or brands or a bulwark of capital accumulation which is, in fact extraneous to the socio-economic function that business really is. All these are required as means not as ends.

In my view, business is its working people at all levels with a functioning structure and the services – products it offers to society within the value-frame it is molded in. Therefore, business is an organic live whole comprising of 1. working people 2. Products-Services 3. Values it stands for.

Unfortunately we are living in a society wherein most of the people know the price of everything; but the value of none. (Courtesy-Oscar Wilde).

Let me say that this is not an idealistic or utopian conceptualization of business. Many of the great entrepreneurs some of whom became legends of 19th and 20th centuries, in fact epitomized this concept of business. They, in their own vision, were not capital maximizing machines; but living spirits and enterprises for selfactualization. Many of them stood for innovation as a way of life, with satisfaction as the only fuel, and a creativity as the only driving force. It's a different story that their successors could appropriate their property only, rather than their spirit as the true legacy.

## What is sustainability?

A rudimentary understanding of sustainability of a business today is, its profit accumulation. Most of the factors in the business environment being 'objective' or 'material', are considered to be beyond control of the enterprise. The only creative/subjective/ live factor being people you work with, 'sustainability' calls for flexibility in the organization structure, size of the work force and their cost. In simple terms, it is expected that a business would be sustainable if you can 'hire and fire' people as per the perceived needs (real or notional!) as defined by the 'top' management. Logical conclusion of this approach is

- 1. The maximum proportion of your working people should be in non-bargainable category called as 'management' staff.
- 2. A maximum proportion (ideally 100 %) of your work force (workers or managerial staff) should as disposable as facemask. (In real terms contractual workers.)

workers.)

3. There should be total flexibility in their terms of employment such as salary or perquisites.

4. Union, if unavoidable at all, should be pliable.

Thus sustainability of business has become a synonym of "industrial relations satisfying all or most of the above 1 to 4." Once this becomes the main objective of the IR policy, rest all is what we see today. 'Success' stories in Industrial Relations run parallel to this.

This vision of Industrial Relations is not only myopic but harmful too. Harmful not only society and employees; but to the business itself on various grounds. First, work is a not just a business contract for people. It constitutes and shapes their life, professional as well as social and personal. One cannot change job like a bus route to office or a brand of shirt, leave alone being out of job.

## **Rethinking sustainability**

Sustainability has to be understood in a broader social and futuristic perspective rather than a myopic self centred vision.

I wish to raise the following issues for this purpose.

- 1. Is practice of employing 70% workforce as so called 'third party' contractual workers, socially sustainable? Can business be sustainable by making workers' life so unsustainable and insecure? Will this lead to a fragmented society wherein, people won't have purchasing power to buy the products –services business produces? and also wherein mass of the workers have no stakes in the prosperity of the system?
- 2. Would a business leaving majority of its real workers with no recognition even as employees, and encouragement whatsoever for good work be sustainable?
- 3. Work is not just a means for an individual; it should be made his end. Everyday experience powerlessness in the work life turns work into a trauma. The alienation of employees from the purpose, the process and the fruits of work makes him a potential enemy of the organization. Is such a business sustainable?

I have always found an interesting contradiction in the top management echelons. They want people to be flexible enough to accept downsizing, whenever it comes from the top. But simultaneously they complain about the high attrition rate and people becoming unreliable in terms of job tenure!!.

#### **Anatomy of Industrial Relations**

Industrial relations are the relations between people engaged in the processes in an industry. But the people are just not individuals.

In contrast to the expectations and practices by people like Vineet Nair, they walk with different and unequal powers as well as reward schemes. The situation becomes complex due to the dynamic interplay of five elements viz. powers,

remuneration, nature of work, individuality & community. No wonder, the significant elements of these, are powers and remuneration. The classes such as 'management' and 'workers' are a creation mainly of these two elements. The resultant is that the industrial relations become a synonym for 'workers – management relations' as class relations. Being so, it is more than clear that industrial relations are not horizontal but essentially vertical implying management is at the top and workers at the extreme end of the ladder.

For business sustainability in 21st century, this class view of Industrial Relations has to be transformed with a paradigm shift.

Is Industrial Relations a practice of Profession?

Profession is defined as the practice, based upon higher level of knowledge, judgement, experience and the most important being the code of conduct of its own. If industrial relations manager is a professional he must have a courage and spine to reject a proposal from the board of directors or even the owners themselves, if it violates the minimum code of conduct of Industrial Relations or HR e.g. rampant but illegal practice of contract employment, unjustified downsizing etc.

In view the above what we need is a new theory to re-define business, sustainability and most importantly Industrial Relations altogether.

# Industrial Relations (IR) – Backbone of Business Sustainability

Mr. R. Malar Vannan Fernando Head - HR & IR, L&T Valves Limited

#### Introduction:

Industrial Relations practice was founded by John R. Commons when he created the first academic industrial relations programme at the University of Wisconsin in 1920. Today, after more than a century, we are still striving to establish the right practice for enhancing Industrial Relations at workplace despite massive advances in technology and communications. The quality of HR professionals and management is still the singlebiggest differentiator amongst the practitioners for Industrial Relations.

Industrial Relations is the way in which management interacts with the employees to increase overall productivity, reduce workplace conflict, and raise staff morale. A healthy employee relationship leads to an increased level of satisfaction among the employees and in turn to increased productivity. Workplaces become a much happier place and employees tend to concentrate more on the work rather than unproductive things.

India is one of the most labour-intensive countries in the world with a mix of all generations from traditionalists to centennials at the workplace. It is a herculean effort to keep HR relevant, and position it as a true enabler to the business.

The fundamental role of HR is to add value to an organization by placing the right talent, keeping the workforce motivated and by maintaining a healthy organizational culture. But the onset of the Covid-19 pandemic disrupted the HR department in unprecedented ways. The pandemic brought major changes to the way we work and live. No organization has been left untouched and unaffected by the deadly virus. Thus, it added new roles and practices besides the existing ones. The HR practitioners for long have been focusing more on transactional issues and less on the people-centric challenges at work. Now, the time has arrived to focus more on the 'people' of the organization, to build a high-impact IR, and there is a need for the trade unions also to recognize this change.

#### Industrial Relations (IR) is a behaviour to enable value enhancement.

Education is not for knowing more things, but for behaving differently. - Ruskin Bond.

Rapid advancement in the new technologies is causing change to reverberate through the workplace. Combined with an aging workforce and shifts in labour supply and skill availability, it has never been more important or challenging to stay ahead of the competition and disruption. It means the organizations should be agile and nimble, should have a very sharp focus on business deliverables - and it means a lot of challenges for the HR function to adapt itself.

During this unprecedented volatile business environment, employee trust on management can be a precious commodity. When the trust levels are low, employees are more likely to look for jobs elsewhere or create conflicts particularly during the time of organizational change or distress. The trust can be built by a progressive Industrial Relations with all level of employees.

The progressive Industrial Relations do not happen by chance, they are deliberately designed and intentionally built. The goal of IR is essentially to build mutual trust. In my previous assignment, I had adopted RREE (Respect, Refresh, Enable and Execute) to promote collaborative Industrial Relations across the organization.

**Respect -** Create an environment where employees can work fearlessly. It is reinforced by a very effective two-way communication mechanism. Content, clarity and connect are the prerequisite for employee communication initiatives. For example, the content (company performance, competitor performance, opportunity lost, etc., for monthly union meeting, quarterly employee communication and monthly performance dashboard) are integrated with clarity and it was well connected with every employee in the organization. The management and the HR professionals "Walked the Talk" with empathy across the organization which in turn promoted mutual trust on what was communicated.

**Refresh** - Build a mechanism for promoting constant and voluntary continuous environment. It was demonstrated through continually reviewed and revisited people processes, systems redesign and by engaging and involving employees in all development activities and risks to secure a diverse skillset and a strong skill pool that is relevant to the future needs. These continual actions eliminated compliance driven practices and institutionalized voluntary participative culture. We were privileged to had TFI (Total Family Involvement) in our business journey.

**Enable -** Employees are fully committed through employee development. The committed workforce was able to access a wide range of capabilities and experiences from across the skill eco-system. The management invested in skill assessment and development beyond the traditional employment deal and focused on the whole person agenda which energises the employees and their family members and makes them aware how the management supports their physical, financial, and emotional well-being.

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**Execute** – Promote team work to achieve individual roles & optimal company performance. The above three steps make an employee feel that the employees are growing and contributing, and find their work engaging and fulfilling as management moves beyond profit to inspire employees with a sense of purpose. The connected and empowered employees are able to access the skill and knowledge and the people they need to form teams to deliver the business deliverable with greater pride.

The RREE model was built on mutual trust which refers to the confidence that each party will fulfil its obligations and behave as expected to achieve sustainable business excellence consistently.

### Industrial Relations (IR) is an Art from the Heart

The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic. – Peter Drucker.

The global business environment is changing: Its fast pace, increasing technology use, rising employee expectations, and increasing cost pressures have shifted organizational priorities. As such, HR leaders are questioning whether their current ways of working will serve organizations and the organization to perform better. It is important that the employees are comfortable with each other, share a good rapport and work in close coordination towards a common objective. Employees feel responsible and motivated to do good work and enjoy their work rather than taking it as a burden.

It is important that the management promotes healthy employee relations at workplace to leverage the best out of every employee. Competition is essential but it should not promote negativity or any kind of enmity among the employees. Many organizations are exploring new ways to organize the function to be agile, strategically aligned with the business and customer-centric about employee needs.

Today employees are looking for more than just a place of work. Instead, employees want jobs that work for them such as jobs employees can embrace and craft in ways that allow them to bring their full selves to work and take an even better version of themselves home. Employees expect their management to provide them with tools to manage their health, wealth, and career in a way that is personalized, flexible, and unique to their own interests, aspirations, and life stage needs. A sense of personal ownership & empowerment is a critical part of an employee's engagement.

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Transforming the Industrial Relations into a compelling experience for each and employee requires taking a holistic view of Human Resource Management strategy and using both Art and Science to make IR resonate.

The "Science" side of IR starts with workforce analytics to map internal employee movements and identify personas that represent typical populations. It leverages conjoint analysis to pinpoint those distinct benefits that appeal to each persona's unique interests, wants, and needs. The best relationship between management and employees can learn what benefits are being used by different personas and make intuitive suggestions to employees at the right time. The progressive IR culture can recommend when a benefit or a career move or team formation to meet the business requirements might be most appropriate for an employee, but the conversations between employees and their managers that bring these choices to life.

The Art of the IR is and will remain, the human contact. The responsibility for this lies with the line managers and HR team members. productivity are related, and empathising employees feel engaged with organization and its objectives can be achieved against the set metrics including profitability. When line managers and team leaders interact with their team members on regular basis can be taken advantages of by discussing & agreeing on intermediate and final targets and reviewing past work informally. This will enable and infuse the right dose of discipline in the workplace.

The four labour codes have very clear 4 purposes of consolidation, change, commitment and reform and how quickly we unlearn our current labour law procedures & practices and relearn our new labour codes for promoting progressive sustainable IR is an ART of every HR professional soon.

#### Conclusion

The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn. - Alvin Toffler.

Presently industrial violence incidences get flashed on electronic media immediately as "news" and there is limited coverage on the analysis. Each of these occurrences have two sides and history of earlier actions that lead to the final incident.

After globalization era, in the 1990s, most of the organizations both in manufacturing and service sector not only changed the name of Personnel Management Department to Human Resource Department and has divorced Industrial Relations. HR, who took an approach that they would avoid employing blue collar and white-collar workers, deal in a very limited manner with trade unions. Many of the HR professionals totally ignored the relationship part of the job, started using fashionable jargons and terminologies in the arena of human resources.

Now, the government has codified 29 of its national level labour laws into 4 codes. The several labour laws were almost 60-80 years old and outlived their usefulness long ago. Not only had it led to lack of inclusions of several of the current workforce categories, but it had also built a whole set of HR fraternity who have no clue on these elements of their profession. We hope that the labour codes have a long-term positive impact on the industry overall and should contribute towards ease of doing business.

Business today is highly competitive and dynamic. Hence, business strategies keep changing fast. HR professionals not only need to understand the business but to use technology to treat employees and everyone with respect. HR professionals must promote the transparency and integrity which will result in employees and management to build mutual trust and reduce overheads and work with more agility & happiness. The mutually trusted progressive Industrial Relations promotes true collaboration to solve complex problems cross functionally and directly with business. Therefore, enhanced Industrial Relations is the backbone of business sustainability.

The organisations earn exceptional credibility, loyalty, and trust of their employees. Consequently, they grow much faster by earning greater profits than any other organisation. High-impact IR integrated with HR strategies facilitate higher levels of employee engagement & productivity and turns the overall work experience more rewarding.

Thus, the integrated progressive Industrial Relations (IR) in HR strategies are ensuring Increasing Revenues (IR) for all stakeholders in the organization.

# **Industrial Relations - Important stanchion** of Business Sustainability.

Dr. Abhijeet Shah,

Vice President – IR & Admin Bharat Forge Ltd, Mundhwa, Pune.

Mr. Nirvikar Hingane HR Partner Bharat Forge Ltd. Mundhwa

Abstract— Industrial Relations are defined simply as the relation between employer and employee. In a larger and broader aspect Industrial Relations make a direct impact on the business. On the timeline since 1960 to till date it can be observed with many cases where poor Industrial Relations have caused successful businesses to shut down abruptly. The stability of the business is dependent on the peace and harmony maintained in the industry. If there is volatility and instability amongst the employees then that will result in turbulence which will cause the business to either go in loss or shut down. To maintain business stability or sustainability and to reduce volatility or instability the relation between the employer and employee has to be unassailable. This cases which cannot be abandoned are perfect example and an indication that Industrial Relations are the strongest pillar of business. Some of the cases have proven that the healthy and cordial Industrial Relations have grown and made new business to reach epitome of success. This study will emphasis and enlight the difference between failure and success of business because of Industrial relations

**Keywords**— Industrial Relations, Business Sustainability, Industrial Psychology, Human Resource Management, Business Stability.

#### I.INTRODUCTION

We all have seen it over the last century how the status of employees or workers have changed from a liability to an asset. This change was very rough and difficult as the old business mentality of autocrats to

new business scenario where workers or employee participation in business. Going ahead to make this change IR played the most vital role and the industries which failed to adapt the change have failed to sustain miserably. Now as a point of business sustainability the effect of market and world is important but the peace and satisfaction inside the industries is very important as well. The businesses which have been able to keep their IR in peace and harmony are still leading the businesses in their own sectors and formats. This study will show you the effect of poor or good IR on business with few famous examples of India. From the License Raai to Liberalization to Globalization and now to atomization the roughness in managing IR will be shown. The study also focused on the current IR professionals view on the factors that puts more light on to the relationship of IR and business.

# II. LITERATURE REVIEW

Business survival and growth is an increasingly competitive environment calls for continuous improvement of the ability to excel in all spears of corporate activities. There are several areas for diagnosis and change in the above context but one area which needs rigorous attention and urgent action that is industrial relations.

This is extremely critical especially in the context of urgent need to respond constructively to changing environment of the business and requirement of the stake holders. Organizations are striving to for the inculcation of performance-oriented culture which required the capability to

maintain proper Industrial Relations to build mutual and vibrant work culture.

This research study will give the insight about the various dynamic that is pre. through and post relationship processes and outcomes in the Industrial Relations and Human resource management context. This research paper will be based on learning through simulation of Industrial Relations from preparation stage to implementation. The focus will be to develop Industrial Relations capability for attaining business growth and development.

Industrial Relation approach for better business sustainability:

### 1. Dunlop's Approach: (Ref. Fig. 01)

Dunlop deserves the entire credit for creating the system concept in Industrial Relations. The approach given by him was considering the Industrial Relations as the sub system of society.

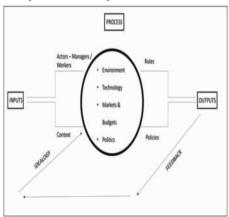


Fig. 01 The diagram shown above shows the exact representation of the IR system. The Inputs are the contexts and hierarchy of managers and workers termed as actors with prior context which is business. The affecting factors to both employee and business are

environment, technology, Markets and budgets and politics. These factors help in implementing the rules and policies effectively to achieve the context and ideology of business sustainably.

## 2. The Weber's social action approach (Ref. Fig. 02)

The weber's social action approach about IR has turned the flow of study and significantly emphasised on the increasing rationalization and bureaucratization in industries. The Weberian approach has been about the impact of technoeconomical and politico-organizational on Economic goals and employee structure of the organization



Fig. 02

# III. Research Methodology:

To diagnose this questionnaire will be administered to selected participant in order to enable customization of experience to extend possible.

Following questions through an online questionnaire were asked to the target audience of Industrial Relations professionals across industries. The questions were objective type and the feedback were taken on the scale starting from strongly agree, Agree, Neutral, Disagree to strongly disagree.

Following are the statement based questions asked through online questionnaire:

1. Workforce engagement improves employee performance and production quality.

- 2. Workforce Engagement is important in building healthy employer and employee relationship.
- 3. Structured communication such as Notice boards, circulars, town hall meetings etc. creates clarity about business plan and increases involvement at all level.
- 4. If the IR department establishes strong mediums of communication with the workforce then it is easier to maintain peace and harmony within the organization.
- 5. To attain corporate and cultural change at a faster pace healthy Industrial Relations is a must.
- 6. Change Management is necessary to maintain good Industrial Relations and business sustainability.
- 7. Efficient Manpower budgeting is directly proportional to employee satisfaction.
- 8. Effective quality systems helps to create positive Industrial relations.
- 9. Healthy Industrial Relations help in changing productivity norms.
- 10. Industrial peace and harmony results in better productivity and sustainability.
- 11. Robust PMS from top to bottom will create bonding and help to achieve cordial industrial relations.

### A. Findings:

The questionnaire was shared amongst the IR practitioners and professionals amongst various industries. After analysing the responses received following findings and outcomes are observed

# B. Basic Details(% of Responses Received)

	Manufacturing	FMCG	
Industry Type	78.6 %	21.4 %	
	1000-10000	100-1000	0-100
Organization Strength	57.1 %	14.3 %	28.6 %
	Yes	No	
Presence of Union	85.7 %	14.3 %	
	Internal	External;	
Type of Union	92.9 %	7.1 %	
Union Membership	1000 and above	100 - 500	0 - 100
	42.9 %	35.7 %	21.4 %

Table, 01

### C. Research Concentration:

SN	Statements	Strongly Agreed (% of Responses)
1	Workforce engagement improves employee performance and production quality.	43%
2	Workforce Engagement is important in building healthy employer and employee relationship.	50%
3	Structured communication such as Notice boards, circulars, town hall meetings etc. creates clarity about business plan and increases involvement at all level.	71%
4	If the IR department establishes strong mediums of communication with the workforce then it is easier to maintain peace and harmony within the organization.	50%
5	To attain corporate and cultural change at a faster pace healthy Industrial Relations is a must.	64%
6	Change Management is necessary to maintain good Industrial Relations and business sustainability.	64%
7	Efficient Manpower budgeting is directly proportional to employee satisfaction.	29%
8	Effective quality systems helps to create positive Industrial relations.	43%
9	Healthy Industrial Relations help in changing productivity norms.	64%
10	Industrial peace and harmony results in better productivity and sustainability.	71%
11	Robust PMS from top to bottom will create bonding and help to achieve cordial industrial relations.	57%

### Table, 01

- D. On the basis of above-mentioned the findings are as follows:
- 1. Healthy employer and employee relationship is dependent on workforce engagement.
- 2. Workforce engagement helps to improves production quality.
- 3. Clarity of communication creates positive impact on business
- 4. IR Department plays important role in

establishing harmony and peace.

- 5. IR has to be stable for adapting any organizational change.
- 6. Manpower budgeting is a vital tool which is proportional to employee satisfaction and it results in better productivity.

#### IV. CASE STUDIES

A. Case I: The Automobile industry of Mumbai and Militant Leader.

The Automobile industry in India after independence began to rise and came to good position in the early 80s.

At that time there was already agitation going on the garment industry lead by a Militant Leader. After a certain time the said Militant Leader also leaned towards the Automobile industry in outskirts of Bombay. Union from one of the famous automotive approached Militant Leader for leading them in their upcoming wage settlement. The settlement was signed with a humongous amount but this lead the organisation to shut down their production and the company vanished from the market. We will see from the IR perspective what all were the loopholes or ignored factors of the management in managing and maintaining the good IR to achieve business sustainability.

1. The settlement signed had a performance linked monetary benefit. Which workers found easy to achieve and resulted in failure. The industrial engineering department did not analyse the production capability appropriately hence it became easy for the workers to achieve the targets and get the monetary benefit. The IR department was not provided with the appropriate data and hence this resulted in over paid workforce and lesser production. Which did not allow the industry to sustain in the market for a longer time.

2. The IR management of the organization was unable to keep the workers satisfied on working conditions which lead in the union approaching an outsider to bargain for their demands. This enabled an entity to surpass the authority of the management and took hold over the situation. The outsider leader eventually threatened the management and made them sign an agreement that was not in favour of business on long term.

B. Case II: Liquor Industry in Maharashtra and Proactive IR managers.

The liquor industry in Maharashtra faced lot of issues in the late 90s soon after facing oppose of a particular group of people. The employees were threatened. The union was taken over by local political goons. There was distrust and an environment of fear amongst the employees. The local political bodies had clear agenda of throwing out the liquor industries out and close the production. The management decided to tackle the situation by using their employees as an asset to stand firm against the political goons.

Actions taken by IR Department:

- 1. Frequent town hall meetings to spread Mission and Vision of the company
- 2. Employee awareness by giving informatory brochures
- 3. Increase in employee engagement
- 4. Employees/workmen given opportunity to participate in management meetings
- 5. Responsibly and ownership is given to workmen.
- 6. Employees were given a safe residence inside factory if needed

Output of the actions taken:

- 1. Employees/ workmen stood for the organization mission and vision
- 2. Local politicians could not agitate as the local workmen and employees were not in favour of their agenda

- 3. The company sustained through the tough time
- 4. Production increased after the end of the agitation

### V. Analysis Tool Used: Problem Solving Tree

Objective of the tool: To create a structural analysis of causes and effects of unstable business due to poor IR.

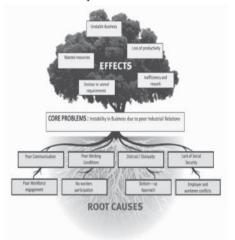


Fig. 03

Effects: Unstable business, Loss of Productivity, wasted resources, unclear and unmet requirements, in efficiency reworks.

Problem: Instability in business due to poor IR.

Cause: Poor Communication, Poor Working Conditions, Distrust/disloyalty, Lack of Social Security, Poor workforce Engagement, No workers Participation, bottom-up approach, employer and workmen conflicts.

#### VI. CONCLUSIONS

After getting into the roots of business it is observed that IR is one of the strengthening roots. The relation of Industrial relation and business is like Human body and Vertebral Column. Presence of IR in the industries is most important to maintain business stability.

Absence of cordial IR will create unnecessary nuisance and cause loss of production. The reason why IR came into picture was because of the loss and drawbacks analysed by the organizations which lead the systems to demolish in a longer run. The experiments such as Howthrone experiment has proved how working conditions play a vital role in increasing production. With reference to the same IR covers up on parts such as working conditions, Industrial psychology, labour psychology, union management, social security etc. these as factors are very important in creating employee satisfaction which results in increased productivity and in longer run it give business sustainability. It can also be observed in the time of COVID-19 pandemic IR and HR were the frontline commandos and these departments have played the most important part in restarting the business post COVID. With this we conclude that IR is the biggest stanchion of business.

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# **Role Of Union Supporting Business Sustainability**

Mr. Dilip Jamdar President, Bharat Forge Kamgar Sangh. Mundhwa, Pune

Mr. Santosh Sable General Secretary, Bharat Forge Kamgar Sangh. Mundhwa, Pune

#### Abstract:

Industrial Relations in considered as important function in managing the industry. Over the years, stakeholders have experienced paradigm shift in approaches towards management of Industrial relations. During last 10 year's time authors of this article have experienced different focus towards management of Industrial relations. In gone days, IR was considered as a platform for Industrial Turbulence. However, during last decade, involvement of stakeholders have seen a different change thereby, bringing in total involvement of workers and Union in business development thereby, ensuring business sustainably.

Through this article authors have jointly collected the view of stakeholders and arrived at conclusion. This article has thrown an experiential learning that, unions can play important role as a partner not only in strengthening the business but also support for business sustainability.

#### **Keywords:**

Industrial Relations, Technological Advancement, Workers, TPM, Kaizen, Industry 4.0, Sustainability.

#### Introduction:

Industrial Relations -As we see:

In our opinion outcome of consertative decision making process involving workers, Management (in particular HR and IR) and Business is industrial relations. In this process the ultimate beneficiary should be strengthening continuation of business.

The top most consideration should be "Business Only".

Industrial Relations – As we understood

from happening in market:

What we heard based on my last over 10 years' experience as a union functionary, Management of Industrial Relations is surrounded by disciplinary actions, show cause notices, charge sheet, lockout, strike and pressure building tactics. HR/IR professionals are largely busy in attending such issues. In short it is considered as a fire fighting job. In fact the energy should be invested strengthening the business by taking stakeholders into confidence and convert them as partner in success.

It is generally believed that on the basis of number games few unions attempt to glorify themselves as a stakeholder in decision making process which should not have been there.

# Industrial Relation - As we have experienced:

Our experience goes 10 years back when we had seen a sort of exploitation by way of long working hours, violation of application of labour laws and little bit insensitivity in dealing with labour class. Few of the stakeholders were thinking labour as "Use and throw commodity". However over the passage of time, we are now experiencing paradigm shift in approach of thinking process and approach of stakeholders. We have now started experiencing receiving positive results impacting increasing in business and strengthening work life balance competitiveness amongst the workmen.

Few of the important steps as a union we initiated are inclusive of Trust Building Mechanism, increasing belief amongst workmen that, they can do the wonders in betterment of business, building confidence towards skill and competency development i.e. acquiring technological skills like digitisation, exposure to Industry 4.0, Robotic Technology etc. and making them passionate employees. All these positive actions on the part of union have resulted into bringing in high level of positive work environment leading to winwin situation which can be described as bench mark in Industrial Relation scenario in manufacturing segment. This has now got established as enabling culture at Bharat Forge Ltd., Mundhwa, Pune, where we work.

The secrecy behind this philosophy is as a Union Functionary we have always understood our own limitations and aspirations. At the same time our management has also never expected beyond the limit from workmen/ Union. We have never allowed expectations of workmen to cross the limit and always attempted to confine expectations within boundaries. Sustainability of business was always kept as a focus point. We never thought and never promoted restrictive work practices like go slow, non-flexibility etc. thereby ensured of wining confidence of management.

We as a Union always have supported strengthening the existing business and ensuring future expansion. We are fully aware that bringing in newer business will be done by senior management. As a Union we have taken responsibility to become important stakeholder by showing high level of flexibility, acquiring newer and newer skills, supporting towards customer delight and ensuring safe and healthy work environment. As a Union, we are firm believer that growth of workmen/employees always depends on growth and strengthening business of company.

In management of Industrial Relations, the approach of Union has to be holistic.

Doing better on working condition though can be one of the agenda, however union has to confine its thinking process towards strengthening the business in which the union is functioning. Continuous communication should be the underlying principle of success of Industrial Relations. Any futuristic policies impacting industrial relations has to be based on Mutual trust and understanding. Various provisions of Labour Laws should be considered as a guideline, however more than that, as explained earlier mutual trust and understanding should prevail as top most important parameter.

Future industrial relations will be managed by millennial workmen. Exposure to various technologies, involvement in negotiation process, making them aware of business pressures will surely help to bring future leaders in main stream of management of IR.

# Research Design, Discussion & **Analysis:**

We have studied the subject by involving various stakeholders by collecting responses from workmen working at Bharat Forge Ltd., Mundhwa, Pune, few of managerial personnel, union functionaries attached to different manufacturing industries in Pune and Union office bearers working at Bharat Forge Ltd, Pune. Total 50 responses covering above were collected. Synoptic narration of responses is analysed as follows -

#### Workmen From Bharat Forge-

To ensure cordial Industrial Relations what is contribution from your union?

Communication with Top management and strategy at operational level is area of importance. Competency development, TPM Culture will help in strengthening the company to face global competition. Trade Union have contributed towards increase in productivity, celebration of safety week,

Annual gathering, Blood donation etc. have helped in employee engagement. Technical Education will help in selfdevelopment. Participation in Kaizen. TPM should be made compulsion

Trade Union has appealed everyone to participate in all activities initiated by company. We are bound to support that process. Organizations have started Industry 4.0 training & Unions has consented for the same. Such training will help in increasing intellectual level of workmen which will prepare individual to shoulder new challenges supporting company. Union plays effective role in growth of company. Union and Management always help to solve the problem by supporting each other. Discipline maintenance and skill development is crucial aspect. Striking balance with technology using HR and IR department is new horizon for business growth.

# To ensure cordial IR what is your personal Contribution?

Honor the commitment. Positive attitude of everyone and motivate all workmen to do good job. Communication with maximum workers motivate them to give kaizen, always try to impress upon their mind towards organizational philosophy. Reducing production cost should be the common aim of both parties. To maintain cordial relation both parties should strike the balance and respect each other. Management policy, rule of discipline should be told to workmen very clearly and should not be compromised. Safety should be of top most importance.

Bringing positivity is must. Supporting each other is buzz word for cordial industrial relations which will help to solve most of the problems. Organizing various training program for skill development is mandate.

In your opinion how technology,

employment guarantee and industrial stability can be interconnected with each other?

Inculcate the change as per global requirement is must. Use of technology to ensure employment guarantee, develop flexibility. Technology has to be adopted by everyone. Proper training is organized by the company, without training there will not be employment guarantee. Face of the business itself is changing. In this scenario, union must try for development of competencies and increase skill levels of there members. This will only help overcome the downturn of business. Cost reduction use of time in proper way, more in less and avoid rework, maximum use of robot are buzz word for success. To face the global competition technical orientation is must which will help productivity, increase in human potential.

Each and every workmen / employee must show the preparedness for technological advancement training. More the training, more the stability and more knowledge. This will strengthen us in supporting future challenges which will help not only organizational sustenance but will boost individual sustenance as well. There is cut throat competition in industrial sector. Everyone must understand customers changing demand and therefore need to adopt new technology, ideation and use of human resource accordingly. This will help in taking each company to the top level. Coordinated efforts are must for this. Changing industrial polices, new technology are there to stay. Training will help by optimal utilisation of labour and increase in quality production and also shall contribute towards positive decision making by the company.

# What will be futuristic policy of your union to ensure strengthening business? Proper Leave planning, proper counselling, voluntary resolution of shop

floor problem, ensure zero rejection. ensure high OEE, Business Excellence, TPM, Down Time are few must do activity. Customer satisfaction is most important and union supports my machine concept and zero breakdown philosophy. Future Business will need new mindset covering 5S & TPM.

Participation in management decision pertaining to business development. Inculcate new technological requirements, create awareness about industry 4.0. Work towards increase of production, Cost control and Scrap reduction. Understand requirement of customer and make a change in thinking process of workmen. In our company employees respect their owner like god. Management personnel work day & night to increase the business. It is our duty to support management philosophy and strengthen the management. We believe that, health is wealth. Healthy workmen will never face psychological problem. He will try to adopt new technology & will support cultural integration.

# Can Business gets strengthened with agitation?

There is competition in every field. To prepare workmen to face future challenges and business sustainably union is motivating workmen to train themselves and support company. Future is tough but co-ordinate efforts of company and union will make the path easy. Representative of company and union are responsible for maintaining good industrial relations. Looking to the history, turbulent environment will never give strength to the company. Organizations need to struggle to ensure strong position in future. Every employee must ensure that union management relations are maintained cordial way which will support organizational growth. Conflict will never strengthen the company. Conflict will always have adverse effect on quality of product, investor relations and relation within employees. There has to be rational demand from both the parties. Irrational demand may create communication gap. Conflict is never advisable anytime. continues efforts should be made for conflict resolution

# With a view to support future competition, how you are preparing other members of your union?

Develop self and prepare for change. Company's growth and financial development of workmen moves hand in hand. To face the future in effective way, our union maintain continuous communication. Company has made skill development compulsory and included many good things in syllabus. Industry 4.0 training, skill development and training programs conducting pre and post training examination, help workmen to change themselves with time.

In present competitive world we always encourage our members to give good quality work towards cost reduction. support new projects, generate new ideas. This is the goal of union. To prepare ourselves in future we are organizing industry 4.0 training. Each workmen must attain duty on time must plan his work. Learn Computer operations & new skills. Quality product requirement is continuous process now. Our efforts should be in furtherance thereof. We need to abrust over ourselves with new idea and technology. This is need of time. Time will not wait for anyone. If you don't change then, you will get changed. To ensure our stability organization is providing technical training to face future competition. We are also preparing mind-set of workmen to be adaptable and gain the knowledge of Mechatronics. This knowledge towards Mechatronics will give high level of dividend like cost saving, up-time of machine, OEE etc.

## How you would prepare to coordinate **Business Development and economic** stability of Workmen?

Future of Workmen depends on growth of origination. Employee must have positive attitude this would be the spine of any business. Business growth and economic growth of workmen are two side of a coin. Business Growth means increase in profit. Workmen must get appropriate share from that. Top Management job is to bring the business. Management must understand market need and accordingly change the product mix. Union and management need to collaborate and understand need of each other through counselling. Growth of company automatically guarantee growth of workmen. For business development adoption of new skill is must. At the same time, there should be proportionate recognition. Minimum need of life like children education, health depends on wages. Therefore workmen should be made self-sufficient. Reducing scrap, increasing electric energy, reducing production cost are few supporting point of business growth. These are important point of industrial relations.

# **Cordial Industrial Relations supports** development of company and Workmen what are your views?

Continuous dialogue is the essence of cordial IR which will take company to the strong position. If Industrial Relations are good company can plan for future. There has to be balance in between two. Positive attitude of workmen will support company in future. Business growth depends on IR that is for sure. Recession, natural calamity and bad IR are surely not in the interest of both the parties. Last year on the strength of good industrial relations we could overcome COVID situation. Turbulent environment is not advisable. With Turbulent environment customer will not be interested in making investment. Customer Satisfaction will guarantee

employment leading to family welfare which will support cordial industrial relations. In our view growth of company will help in establishing proper life of workmen which indirectly support company to achieve goals. Cordial Industrial relation will help in business continuation. Fulfillment of need of both sides will support brining in selfsufficiency. This will help in making continues development, reduce rejection, increase production leading to growth of company and good future of workmen. Cordial Industrial Relation will guarantee organizational future. Good Industrial Relations will navigate futuristic business. In family we always help each other's so in the case in business. Hatred approach should be avoided. In our view majority of the workmen are of creative thinking and are always eager for participation and positive energy.

#### VIEWS OF MANAGEMENT STAFF-



### In your view what is importance of **Industrial Relations?**

IR is important subject to ensure productive result. Positive IR always support for development of company. Relationship is important aspect. We stay like family which helps in development of self and company. Uninterrupted

production, reduced conflict, mental stability, reduced waste, ethical behavior are possible outcomes of good IR.

Biggest benefit of good IR is guaranteed production and proper utilization of resources. IR is always based on mutual trust which helps in spearheading present and future need of stakeholder.

# Cordial Industrial Relation always support for development of Business, what are your views?

IR supports development. Good IR always support organizational Development. Good IR always support in proper utilization of Man, Money and Material. It helps in developing positive attitude leading to industrial peace. It is also beneficial to get newer customers. Good IR always help motivation leading to hard work. Strong IR always help in facing any global changes in appropriate way. Good IR helps in positive environment leading to more productivity. Development of company depends on positive attitude of workmen and union.

Positive policy helps in development and creating good social impact. Positive approach of Workmen and Union supports in social and economic approach of company. Positive attitude helps in company development leading to customer satisfaction. In success of organization there is always contribution of workers union. In present competitive world customer satisfaction in must. Good IR supports this philosophy. Competitive policies need to be adopted by stakeholders which helps in economical, technical and intellectual development.

# To make workmen capable to face futuristic competition, it is necessary to impart continues training?

It will be impossible to face future competition without training. Each workmen must adopt new skills which will help to be more competitive. Training is

need of time. Training should be continued. To face the present cut throat competition adoption of new technique/ skill is must. Therefor training is necessary.

Proper training always help development of skill leading to flawless production, customer satisfaction which ultimately leads to organizations image. Workmen must accept 100% change in everything. Salary rise is one of the aspect which helps in concentration.

## Is there any co-relation between **Industrial Relation & Salary Rise?**

Positive act always helps improvement in HR. Yes, good agreement always help in creating good environment and protect positive IR. Salary rise helps in getting positive effect. However salary raise is not only be the reason. Cordial Industrial Relations leads to high level of motivation. Satisfied employee give more dedication leading to customer satisfaction. Salary rise should be outcome of good IR. It should be earned with positive efforts.

# What should be the approach of workmen to maintain cordial relation and business growth-?

Workers must work as per laid down norms and support in creating positive environment. Management and Workmen need to have co-operative approach. Workmen must contribute 100%. Team work positive attitude helps to increase production. Worker should maintain discipline, adopt new technology, helps in reducing complexity. At a time workmen are expected to go beyond terms of agreement with a view to surpass organizational goals.

# What efforts you do to ensure for having cordial relation with your workmen?

Promote training to workmen, understand their difficulties appreciate workmen for good Job. We become transparent,

, motivate other, and give training, counsel to maintain consistency in production. We always tell workmen importance of discipline, advise them management's expectation and expect good suggestion from them including Kaizen, TPM. Tell them all changes taking place i.e. management's expectation, customer need, and importance of quality product. "Me and My Machine" concept etc. We understand their difficulty and help in solving them .Seek assistance from HR and Superiors if need be.

# **Views From Union Funtionaries From Bharat Forge**

### How would you describe Industrial Relations?

In our view relation between workmen and employer speaks about IR. Striking proper deal in between worker and management with intervention of union is called IR. Cordial IR means relationship between owner and workmen. Cordial Relationship between the stakeholders means IR.

### To ensure cordial IR union plays a vital role what is your view?

Union plays very important role in ensuring cordial industrial relations. Increase in salary does not guarantee good industrial relation. However we should tighten the belt with multiskilling and willingness to take new responsibilities. Relationship is always incident based.

Good Salary Does not guarantee IR. That should be supplemented by good technical education, practices and execution of rules and regulation decided by company. Good Salary helps maintenance of family. However it depends on how management cares in holistic manner towards your issues.

# Growth of employee depends on growth of company is it true?

Being multi skilled with full involvement in any training program are important for

strengthening IR. Maintain Discipline as per the guideline given by Management and Union. Always try to execute the rules and regulation as decided by management and union including safety requirement. Execute target given by superior with zero defect. Promotion of continuous dialogue. New technology production will ensure good IR.

### What are your views for preparing to face towards future obstacles?

We should be prepared ourselves to face future challenges by multiskilling. Workmen must prepare themselves to face future challenges and be competent for future. To prepare as per the requirement of the organization, adoption of new technology is must. Be with the company in shouldering newer responsibilities.

# How do you dream "Future Company"?

Our company should be benchmarked in product and productivity in forging segment. I can see huge difference in the face of business now and in future. There should be continuous training and motivation towards good business stability.

I can see future organisation like our company with full automation, company with maintaining full pollution norms by keeping good balance between organisations growth and employee welfare. There has to be continuous dialogue in between the parties. There will be lot of technological changes in future, however our business can sustain if proper training is given to everyone.

# What efforts you do to ensure maintenance of cordial industrial relation and business growth?

Company's growth should be aligned with philosophy of organisation by bringing in flexibility, skill development that supports

maintenance of good IR. Understanding new technology, new product and new approaches is must.

Workmen must follow all discipline rule to support company in expanding its business. Aim should be to meet consistent requirement of customer, zero accident, quality production leading towards growth of organization, Zero accident, Zero Scrap. Zero maintenance. Excellent quality production and timely meeting the target

## VIEWS OF UNION FUTIONNAIRES WORKING IN DIFFERENT MANUFACTUIRNG COMPANIES IN **PUNE**



# To ensure cordial Industrial Relations what is contribution from your union?

We care for health and safety awareness, proper execution of settlement, ensure avoidance of unfair labor practices. Always work towards progress of organization, fulfilment of customers order by keeping flexibility in terms of agreement. We always help company to fulfil new projects. All disputes are resolved through conciliatory method. Always helped solving workers problem with proper communication. Ensure cooperate with management at all level. Signed Settlement without submitting charted of demand. Introduce most new technology. In past money power and muscle power were considered as important. However in present circumstance conciliatory discussion are adopted. Proper execution of agreement,

prohibit management of unfair labour practice, pursue safe and healthy environment and for doing quality work. Always Co-operate with the management with full involvement. We help in proper planning and bring in quality environment all the time.

### To ensure cordial IR what is your personal Contribution?

Ensure that injustice is not done. Ensure that industrial Engineering concept are brought into force. HR Dept. is primarily responsible to maintain good relations. We always work as a friend and not as leader thereby brings in conciliatory approach to solve problem of parties. We always help company to fulfil new projects. All disputes are resolve through conciliatory method. Try to bring to the notice of management about possible avenues for dispute resolution. Ensure benefit of workmen through benefit of company. Continuous dialogue to bring in cooperation, education, discipline environment. Always aim to bring in change while discussion with colleagues. Develop capacity of listening. Ensure that union should not be puppet of management but aim to work towards growth of company. Always work towards stopping unjust approach towards workmen. Support senior management team member for machine layout and ensure no loss of production. Always work in furtherance of economic growth of company.

# In your opinion how technology, employment guarantee and industrial stability can be ensured?

Technical education is the buzz word. There will not be any development without that. Workers Development through training is must. Changes arising out of technology must be adopted. This will only help in protecting our employment. To bring stability in business, changes are inevitable. Organization must keep eye

while purchase of new machinery. Such approach will support stability of Business. To ensure stability in business there should be continuous training which will lead to employment guarantee. Worker must complete their job as per timeline. Change is constant. One can adjust himself with getting trained in new technology. Industry 4.0 approach. introduction of robot, AI has eliminated Manual Operation, and Conventional Approaches have disappeared. One will find clean shops with diploma guys operating machines. Ouestion is whether existing workmen can be imparted similar training. Always support increase in production, My Work My Service principle should be adopted. Modern technology is the key word.

# What will be futuristic policy of your union to ensure strengthening business?

To ensure continuation of company business I strive for increase in productivity, quick response. In fact this is accepted by union long back. To ensure continuation of that, organization must keep worker as central theme and plan accordingly. Management and union are two sides of business approach. Whatever job you are getting need to be done with First time Right approach. High quality product will certainly take company to leadership position. First time right is always advocate by us. We always tell company to bring in new technology. Positive approach of union is must. Stability of company guarantee stability of environment. Productivity, Quality, Speed, Discipline, Skill Development all these principles are accepted by union for many year. Management should work in furtherance of that and ensure partnering of Union and workmen in journey of growth. Union would always aim to support organization towards prosperity. Good quality production in lower cost should be the aim. Ensure that zero

accident environment which supports continuation of production.

# Can company be strengthen with agitation?

The base of entire workers movement is conflict. If there is injustice, exploitation, then conflict is must. However constructive conflict always help in broader employee development leading to Industrial relation. Conflict is inevitable but it should not be between unions and management. Conflict should be last resource. Conflict can lead to no return situation. Union should support organization in seeking more orders. Union must with stand with company in market competition and should concentrate energy of conflict at market and not at union management relationship. Conflict will never help in prosperity. There has to be conciliatory approach. Whether to go for conflict also depend on managements approach. Constructive approaches of management will always help for cordial industrial relations. We don't believe in conflict. Conflict will always put stakeholders in dangerous corner. Conflict should be avoided at any cost. Conflict will never give resolution. Continuation of production should be the aim at all time.

### With view to support future competition how you are preparing members of your union?

After globalization worker have changed themselves that is the reason businesses is sustained in the world. It is responsibility of management to become workmen more competent. This cannot be solely responsibility of Union and Workmen. We always advocate good systems which are practiced in other companies. We always take training program to create awareness. We give training to workmen for all new changes. Quarterly communication meeting are arranged and good

suggestions are always considered. We always impart advance technological training to workmen. We always try to give training to workmen to understand their rights and duties, modern technology, Industry 4.0, AI and Health awareness program. Future competition is based on Industry 4.0, AI and Robotics Organization must make mental preparation of workmen accordingly by putting him laboratory type of workshop. After globalization, workmen and unions have changed themselves. That is the reason we can see the industrial development. It is responsibility of management to strengthen the workmen. Change is constant process. We always focus to prepare our workmen to face changes. Continuation of production should be the aim at all time.

# How you would prepare to coordinate **Business Development and economic** stability of Workmen?

Workmen works shoulder to shoulder with company to face new threats arising due to new technology. It is responsibility of management and union to ensure proper share and status to workmen. Policies should be framed accordingly. Livelihood of workmen and family must be taken care. However union must support economic development of company also. To ensure business sustainability, newer machine, newer tool and other facilities should be made available to workmen. With this workmen will give more than expected willingly. Increase in salary and technological development goes hand in hand. Quality production is the buzz word, without that you will have no standing in market. We always advocate good work method leading strengthening business and comical standing of workmen. Workmen always support management in creative thing. It is responsibility of both the parties to strengthen the workmen. We try to increase production leading for

better incentive. Our union aim for increase in production, involved in consultative method

# Cordial Industrial Relations supports development of company and Workmen what are your views?

Unfortunately there is new tendency of reducing old workmen and replacing with new workmen in lesser cost. In corona environment workmen were left without taking proper care. These are not signs of good IR. Management need to critically think on this aspect. Proper understanding within stakeholder will lead to get proper order. This will help in having sufficient work at the hands of workmen supporting prosperity of organization. Management and Union are two different ideologies with common goal. Maintain of cordial IR is responsibility of both peruse which will help guaranteed development. Cordial Industrial Relation should be the center point of Business Development. Strike, conflict should be avoided. Zero Industrial Turbulence are signs of economic growth of the European and US based companies. These day we can see that by reducing old workmen management tend to hire new workmen at cheaper rate. Continuation of such philosophy are dangerous for origination and Union. If we maintain proper cordial relation there can be guaranteed economic growth. There will be difference to opinion which can be solved by discussion. Aim of each union is always to support management for new project and development. Ensure avoiding wastages, proper vigilance on work process and economic growth workmen

#### CONCLUSION:

During the last decade we have experienced paradigm shift in approach of Union towards not only ensuring cordial industrial relation but unions have started involving themselves as a supporter and partner in strengthening the business.

Based on foregoing discussion and perception of respondents, workmen at individual level and union functionaries at apex level have started realizing that survival of working population fully depends on survival and strengthening of business. Gone are those days when unions used to adopt corrosive tactics like go slow etc. Unions and workmen have accepted the reality that, they need to adapt themselves for changing business scenario and support business by way of cost reduction requirements, up skilling, reskilling, exhibiting high level of flexibility and showing willingness in change. The future of business, particularly in manufacturing segment will be based on acquiring holistic knowledge like Mechatronics. The future skill adaptation should be based on syllabus covering deep knowledge of mechatronic. Continuous training would definitely support in cost reduction, ensuring upkeep of machines and guaranteeing Overall Equipment Efficiency (OEE). Unions have now understood that work life balance has deep connectivity with business sustainability and therefore, all future actions are need to be taken in holistic manner. Ensuring cordial Industrial Relation surely supports business sustainability. That can be achieved by total involvement of stakeholders in transparent way.

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# "Industrial Relations - Backbone Of Business Sustainability". A Concept Note On Proactive IR For Business Sustenance.

#### Dr. Milind Kulkarni

Sr. HR Consultant & Executive Coach

#### A) Abstract:

This paper is in the form of Persuasive Research, which advocates Proactive and Preventive IR Management over traditional style of IR Management, which is reactive, secretive and tentative in nature.

To support sustenance of Business, smooth and productive IR Management is necessary. This needs major revamp in the approach and the need for Proactive IR Management is underlined.

This paper given brief observations about current scenario of IR Management and shares selective personal Experiments of Proactive IR Management to transform the current reactive module of IR Management to proactive module of IR Management. Due to the limitation of length of this Paper, Author has shared only 5 Strategic Proactive IR Initiatives like Better Employee Engagement Levels, IR Management Policy, Policy on Contract Labour Management, Effective Grievance Redressal Procedure, Proactive Employee Communication, etc. with its visible and perceivable benefits for improvement in sustenance of the Organisation.

The Author based on his personal experiences in various Industries, is convinced that Proactive Module of IR Management certainly supports an enhances Business Sustenance.

### B) Introduction and Background:

During Authors' long career (45 years) in HR/IR Management in various industries, Author has personally dealt with many IR Management related issues, Negotiated, and signed many Long-Term Settlements, dealt with various Break Down situations like Strike/Lock Down/Lay Offs/

Gheraos/Agitations/Violence, numerus Disciplinary Action Cases and Court Battles.

The Author always believed that there is a scope to improvement the IR Management Module. Author always believed that 'Prevention is better than Cure' and 'Proactive Measures' in IR Management are preferred. With this quest of 'how to improve IR Management Module', Author did lot of experiments in IR Management, out of which some succeeded and some failed. Nevertheless, it taught valuable lessons.

Author, during his active career, encountered with few more 'Like Minded' HR Professionals, having similar quest to improve IR Management Module. Author formed a small group and the Group of those HR/IR Professionals frequently Brainstormed the issue, shared their actual experiences, and reflected on the incidences/events of IR Breakdowns/ Violence etc. These enriched understandings of Author and some of his concepts of Preventive/ Proactive IR Management were validated by those practicing HR Professionals.

With this background, Author presents his views and arguments on Preventive/ Proactive IR Management Module as follows:

# C) Observations about Prevailing Scenario of IR Management:

1. Considering Opportunities and Growth Aspirations of Entrepreneurs/ Industries, Smooth & Productive IR is desired, for Business Sustenance.

However prevailing IR Management Module is Reactive, Sluggish, discontinuous, event based, which is not supporting ambitions of Entrepreneurs and hence they do not take personal interest, support actively and provide Leadership Inputs to IR Management Module. The IR Events are perceived to be unproductive. hinderance and unavoidable evil.

- 2. Customers are increasingly and aggressively demanding Better Quality and Value for the Money - Product and Services. It is necessary that Collective Energies of entire work force (Shop Floor/Office Floor) are canalised, aligned, and harnessed, to meet those expectations. The Prevailing IR Module is not contributing actively in the process of channelising of Collective Energy of work force.
- 3.IR is a process of building and maintaining Sustained Relations amongst Parties. Unfortunately, the zeal of maintaining sustained relations with all Stake Holders and adopting it as Way of Life-Full Time-is found missing in those IR Professionals. Short Term, Reluctant and Half Heated efforts fail to generate sprite of commitment among the Stake Holders of IR Management.
- 4. Unconditional Trust amongst parties, is foundation of good IR System. This Trust and Credibility needs to be preserved, irrespective of Cost. However basic reasons of many breakdowns of IR incidences are due to lack of Trust amongst Stake Holders in the process of IR Management.
- 5. Continuous and Good Quality Communication amongst parties is essential to keep IR relationship, live. The event based and need based communication is perceived as patch work and hence not effective in generating desired results
- 6.If the Communication between Management/Union is maintained only on formal channels, many times it gets chocked, blocked due personal style/skills and cause Breakdowns. However alternative channels of communications

like Family Members of Employees, Local Community, Influencers and Opinion Makes, proves to be effective in case of breakdown of communication between Union and Management.

- 7. Some Union Leaders privately admit that Unions are facing major challenge of securing and maintaining Membership and under pressure of performance which compels them to make some adjustments/accommodations in their professional decision-making process. Members demand results or threaten Unions to switch membership.
- 8. Actions speak louder than words is relevant while practicing IR Management. Stake Holders of IR Management are smart enough to recognise empty lip service and hate to get carries away by the same.
- 9. There scope and urgent need to improve capability and competencies of current IR Professionals including Union Leadership. IR Profession is not attractive and comfortable considering the Professional Hazards involved and fail to attract top Talent of Professionals. This impacts overall performance of IR Management.

There is strong need to transform prevailing IR Management Module to support Business Sustenance, through Proactive IR Module.

# D) 5 Practical Experiments of Proactive IR Management:

The Author, based on his personal experiences and experiments in various Industrial organisations, share following Strategic and Proactive Measures to improve IR Management Module, which has resulted into improved Business Sustenance and which was widely appreciated by the Top Management. Considering limitation of length of the Paper, only 5 Strategic Proactive Measure of IR Management are shared in this Paper.

1. Employee Engagement: The Author was entrusted responsible to improve Employee Engagement in one of Largest Petroleum Refinery. Organisation utilised Time-Tested Module of Hewitt Consultants to measure Employee Engagement. Organisation adopted multipronged approach to improve Employee Engagement, which was implemented over 5 years. This resulted in drastic reduction in Attrition (reduction from 22% to 9%), doubled per capita Productivity, enabled organisation to implement major expansion project and acquire overseas assets - which doubled Annual Turnover of Organisation with substantial improvement in Profitability – over a period of 5 years.

The Engagement Measures were tailormade and organisation specific, but this experiment establishes the fact that improved Employee Engagement improves Business Sustenance, which was highly appreciated by Top Management of the Organisation.

2. IR Policy: Author was Heading HR Function in one of Multi Location/Plant Heavy Engineering/ Manufacturing Organization, which was dealing with militant Union, with frequent violent breakdowns and almost continuous war path between Union /Management. The per capita Productivity was very low, Implementation of any change in production process was next to impossible, there was regime of terror and almost every hierarchy was performing role of lower level (case of Upward Delegation) and workmen were not answerable for any work responsibility but demanded increased amount of Compensation and Bonuses. Top Management was fed up with the IR Scenario and diverted new investments for new manufacturing facilities in other States.

Author initiated bold and unprecedented step of articulation of IR Policy (Module

based on Ouality Policy), the first of its kind. This IR Policy specified Boundaries and established Rules of the Game in IR Management. The salient features of IR Policy were as follows:

- I. Purpose, Objectives, Scope,
- ii. Principals and Guidelines on the Process of IR Management,
- iii. Roles Responsibilities, and authorities of Stake Holder (including Union Leadership) involved in IR Management.
- iv. Channels of communication
- v. Avenues to escalate the disputed issues.
- vi.Tracking system to monitor and measure the progress.
- vii. Periodic Structured Reviews at different levels including Apex Level.

Some of the Principals/Guidance for IR Management were as follows:

- I. 100% compliance of all applicable Labour Laws
- ii. Strong Grievance Redressal Procedure and stronger implementation of the same, in its word and sprite.
- iii. Follow Principals of Natural Justice, while maintaining Discipline.
- iv. Prerogative of Management (i.e. Recruitment, Shop Floor Discipline, Flexible Deployment of Manpower, measures to improve productivity and reduction in Cost of Operations etc.) were spelt out with determination to protect the same without any interference.
- v. Issues which are open for negotiations with Union were spelt out - like Compensation and Benefits, Service Conditions, Safety, Health and Welfare, Training and Development, Common Grievances or Grievances which are not resolved for long period etc.
- vi. It was emphasised that for Business Sustenance, improvement in per capita Productivity, Flexible Deployment of workforce, full cooperation of Workmen to maintain Work Related Discipline under leadership of Shop Supervision is a must and any Restrictive Practices and threat of

withdrawal of Labour will be discouraged and countered effectively.

vii. The importance of serving Customer's demands of improved quality with reduced cost was emphasised for sustenance of the Organisation and consequences of noncompliance were explained.

Author deployed strategy of involvement of masses, including various stake holders involved in the process of IR Management, including Union Leaders and Shop Supervision, in the process of articulation of IR Policy, which made the document comprehensive, all inclusive and full proof. This process ensured buying in of all Stake Holders and avoided any Surprises and resistance in the process of its Deployment.

This IR Policy was Deployed systematically, with comprehensive plan of Communication (Method of Dialogue, active listening apprehensions of audience and offering clarifications to their quarries etc.) with every Stake Holders of IR Process, including Union Leaders, Committee Members, and common workmen. There were lot of apprehensions about resistance (violence) by Union/Workmen and Management Team was tense during initial process of communication. However, Union and Workmen were found to be open to Logic and Rational. They were not ready to believe on words and papers but were open to witness concrete actions and sincere implementation. Hence Implementation of the IR Policy in word and sprite was test of its Credibility. The Management Team together established sincere desire to implement the IR Policy to establish Credibility.

The mutual relationship amongst Shop Floor Leadership and Union/Workmen improved. There was Role Clarity and Transparency in Communication. The Shop Floor Discipline, per capita Productivity improved drastically.

Management introduced Productivity

Linked Incentive Scheme which provided avenue to earn additional income linked with individual and collective efforts. Shop Supervision became stronger and effective (Cats become Tigers). Over a period of 2 years, Workmen threw away Militant Union and formed Internal Union. Plant Operations improved drastically. Organisation was encouraged to implement major expansion of Plants and were willing to grant more money in Long Term Settlement. In short the IR Policy turned tables and improved Productive IR, which was apricated by Top Management.

3. Grievance Redressal Procedure: It is well established that Grievance Redressal Procedure is major Building Block of Preventive IR Management. Almost every organisation has such schemes in one or the other form. The Crux is in its implementation. The sprite of the Scheme must be 'Resolution' of Grievances and not only empty paper formality and avoiding decision making/implementation under some pretext and excuse. The Test of its credibility is in how a genuine Grievance against member of Management is resolved.

Author strongly believed that one of the fundamental functions of HR is to ensure JUSTICE for all the members of the Organisation and was required to take issue-based battles with his own colleagues in Management, couple of times, to establish credibility of this Scheme. HR has dual role – it represents Management in the forum of Employees, and it represents Employees in the forum of Management. This is very delicate role which requires lot of conviction and dedication. Author realised that due this forthrightness in his approach of Grievance Redressal, Organisations were benefitted in long term, in a tangible or untangible way and it was duly admitted and appreciated by Top Management. discussed earlier, prolonged unresolved

Grievances might lead to IR issue.

4. Policy on Management of Contract Labours:

All HR Professionals must be aware about following facts in respect of Contract Labour Management:

- a. Across almost all companies, irrespective of nature of work, it is common practice to engage Contract Labour in Core as well as in Non Core functions, which is neither ethical nor legal. However it is a reality and business compulsion.
- b. The Business expands and contracts based on Market forces. The supply of Labour is not flexible to keep pace with Market forces, but it is rigid. It is irony that Govt offers many incentives to open new Business, but when it comes to closing down the same, same Govt puts so many restrictions and makes it almost impossible to close the workplace. This compels Organisations to deploy floating and flexible manpower through Contract Labour System.
- c. In most of the cases, the ratio between Contract Labour and Regular Workmen is almost 70:30, however the Compensation and Service Conditions of Contract Labours are way inferior, as compared to Regular Workmen.
- d. Contract Labour system is considered as major Cost Cutting measure, dependable, productive work force, which can be deployed flexibly, with least hassle.
- e. Regular Workmen utilise them to perform their routine work and to provide personal services to them.
- f. Unions extend only Lip Services to keep them on their side, as a Political Tool.
- g. Contract Labours are largely unorganised, unrepresented, exploited, and treated as Second Class Citizens in the Organisation.
- h. The protection available under current Labour Laws is just very rudimentary.
- I. On one side Organizations deny

dependence on Contract Labour and prefer to count them only numerically, which can be replaced just by head count, on the other hand the Shop Floor Supervision demand continuity of well trained and productive Contract Labours for ease of Operations. This is a dichotomy in the approach of Management.

- i. The Turnover (attrition) amongst Contract Labours is very high, partly by design and partly out of frustration of individuals.
- k. Ironically, such huge lot of exploited workforce is considered as preferred. dependable and productive, ignoring its implications on Long Term Sustainability of Business/Organisation. Unstable and unsecured workforce is relied for majority of work at Shop Floor.
- 1. Continuous threat of withdrawal of employment, is believed to be effective 'negative' motivation for Contract Labours.

This is a pathetic situation. Author always believed that Contract Labours are basically Human Beings and all Tools of HR Management deserve to be deployed for them, in the best interest of Organisation. When Author was heading HR of a Large Chemical Complex, he got an opportunity improve Management of Contract Labour System. Author articulated a comprehensive Policy Document on Management of Contract Labour, with due Consultation and involvement of Stake Holders, including Contractors and Contact Labours also. The salient features of such documents are as follows:

- a. Company and Contract Labours are inter-dependent & must coexist with equal urge.
- b. The Contract Labours hired for the work of Principal Employer. Hence ownership of wellbeing of Contract Labours is always of Principal Employer. The responsibility

of Management of Contract Labours is entrusted to Contractors, but not ownership. Ownership of Contract Labour cannot be abdicated to Contractors.

- c. It is in the interest of the organisation to ensure adequate compensation is paid, commensurate with the Value generated by Contract Labours. Measurement of Value Generation is function of Management.
- d. Organisation communicates expected Role/ Responsibilities of Contractors and their Supervisory Staff. Considering their ability to influence Performance and Flexible Deployment of Contract Labours. special incentives are provided to encourage desired behaviour/performance by Contractors/their Supervisory Staff and concerned Contract Labours.
- e. Piece Rate Wages is preferred for certain routine Production activities. However, implementing Piece Rate for workmen deployed in functions like Quality. Maintenance and Services etc is little tricky, though not impossible.
- f. Scheme of compensation makes provision for payment of Subsistence Allowance to Contract Workmen, if there is interruption in work due to the factors which are beyond control of Contractors/ Contract Labours, like Breakdown, shortage of Raw Material, Change in Market Demand etc.
- g. Ensure 100% compliance of applicable Labour Laws by Contractors (and by Principal Employer), through generating Awareness, Monitoring and Control.
- h. Ensure effective provisions for Safety, Health and Welfare of Contract Labours.
- i. The ultimate threat of Contract Labour System is the potential threat of burden of absorption of Contract Labours, on the rolls of the Company. Hence it is in the interest of Organisation to ensure that no wrong persons should enter premises of Organization through route of Contract Labour System, which will neutralise the threat. Hence following measure will be taken:

- I. Job Description of each position. entrusted to Contract Labour be prepared, with expected competencies (Skill Sets). Contractors are expected to hire suitable persons with required Skill Sets (Competencies) for those positions.
- ii. Screening of all Contract Labours, before being hired by the Contractor to ensure entry of right persons on the premises of the Company.
- iii. Ensuring that the Contractor is giving proper Induction/Onboarding and Work Instructions to Contract Labours, as per guidance of Organisation, to ensure proper orientation of competent persons.
- iv. Ensuring Contractors are keeping personal records of each Contract Labours as per guidance of Organisation, which should be available for inspection with short notice.
- v. Ensuring Contractors are issuing Letter of Appointment and Contractors Identify Card to each Contract Labour hired by them.
- vi. Contractor is expected to ensure the Skill sets of such persons are kept update and required Training is imparted by them, under guidance of Organisation.
- vii. Ensuring Contractors are establishing Performance Management System for Contract Labours - to identify good performers and weed out nonperformers, periodically. Ensuring Contractors are Rewarding and Motivating Good Performers and ensure their retention. Such Contract Labours could be future source of recruitment for Organisation, after due scrutiny.
- viii. Ensuring, Contractors are maintaining Discipline amongst Labours hired by them and to ensure undesirable elements are removed before becoming headache in future.
- ix. Ensuring Contractors are establishing and implementing effective Grievance Redressal Process for Contract Labours.
- x. Ensuring Contractors are implementing Skill enhancement Training for their

Labours.

Those measures are fitting into the test of Law and do not dilute armlength policy of Organisation.

i. Organisation dedicates adequate HR Team to ensure implementation of Policy of Contract Labour, Etc.

The above measures ensure better management of Contract Labour Management System within Organisation and mitigate the risk involved.

The implementation of Policy, through took 3 years and resistance from unexpected corners, but provided much saner system of Management of Contract Labours in long term. The supply of dependable, skilled manpower through Contractors - stabilized over period which resulted into reduction in Headcount and Cost of Labour by 20%. Shop Floor Supervision was incredibly happy with the clarity and fairness of the system.

5. Proactive Employee Communication: While Author was Heading HR/IR in one of the Heavy Engineering Organisation, faced with major IR Issue. The Union use to demand higher amount of Ex-Gratia, apart from highest rate of Bonus (20%), year after year. On the other hand, the profitability of the Organisation was depleting year after year. Based on Financial position of the Organization, even minimum rate of Bonus (8.33%) was not justified, leave aside Ex-Gratia amount, Union/Workmen denied the reality and disbelieved the communication of Management. Under the compulsion and threat of withdrawal of labour given by the Union, Management went on succumbing to the demand of Union (Strike), on Bonus +Ex-Gratia, year after year. Management wanted to correct the situation, without hampering production output. This was a larger challenge.

Author devised an Action Plan. Established system of sharing/ discussing overall Performance of the Organization with Supervisory Staff and Union/Workmen, on monthly basis. There were lot of apprehensions and question marks in the mind of audience. Author was cautioned by his Senior Colleagues about possible mishaps

in this process. The process went through the stage of Storming but slowly started getting positive inputs and suggestions from Supervisors/Union/Workmen. MD stated participating in those discussion on quarterly basis. This brought more authenticity to the communication. Slowly the message about depleting financial position of Organisation started getting established and confirmed in the mind of audience. A month before Deepayali Union, as usual, tendered Demand of Higher amount of Ex Gratia along with highest rate of Bonus (20%). Author, making use of established message about depleting Financial Position of the Organisation, denied the demand and offered to pay Bonus as per the Provisions of Bonus Act (8.33%). Rounds of Negotiations were conducted. Finally, both parties agreed to pay Minimum Bonus but 80% of amount of Ex Gratia.

The Communication Forum of sharing of Financial Results continued. Next year, Union demanded Bonus as per Bonus Act (8.33%) but amount of Ex Gratia more than last year. This demand was again negotiated and finally both parties agreed to make payment of Minimum Bonus (8.33%) and no Ex Gratia.

It took 2 years to achieve the objective of the Organisation, which was achieved with loss of production. Top Management was very pleased for the resolution of one IR issue while ensuring full production. This certainly supported sustenance of the Organisation.

### E) Conclusion:

Author has shared his lifetime learnings, based on his firsthand practical experiments about Proactive IR Management, in this Paper. Those measures were specific to the situation and the challenge posed. The steps were bold, out of box and unconventional. The actions of Proactive IR Managements were well appreciated and fully supported by the Top Management.

Author take this opportunity to suggest to fellow HR/IR Professionals to think out of box and device newer solutions of Proactive and Preventive IR Management to enable Organization to achieve Business Objectives and improve Sustenance of the Organization.

# Industrial Relations –Backbone of Business Sustainability

Mr. Sharad Gangal

Consultant and visiting faculty at TISS & Faculty for Talent Management and Industrial Relations at Stockholm School of Economics for their Management Dev Programme

#### Introduction

Sustainability is a noun and it means 'to be maintained at a certain rate or level'. Industrial Relations per se is about balance and the ability to maintain this balance is the role of various stakeholders.

The primary stakeholders in Industrial Relations are the Union representing the Employees and Management. secondary level it is Government, Industry Associations, Federations of Unions and the intangible Market forces which actually influence outcomes and perhaps shape the policies in future. The policies are most of the times are a Lag. Nothing wrong about it, but a proactive policy push is always a better way.

At a conceptual level Industrial Relations is an interplay between an Organized set of employees represented by a Union on one side and Management on the other. Therefore, it is a relationship between collectives and is a plural relationship. The plurality factor represents consultative process at an ideal level and while Authority metric will rule at Management level, at the Union level it is desired to be a Democratic/Consultative process.

Let us look at the role of various stakeholders historically and also futuristically both globally and in Indian context.

Lastly let us remember Unions started as an informal organization which came in to existence because the formal organization failed (did not satisfy the aspirations of its subject- Employees). Later it got a formal existence through legislation and policies.

#### Purpose

The purpose is to examine as to how Industrial Relations proves to be a backbone for Business Sustainability. There are various forces and stakeholders who partake and try to influence Industrial Relations. It includes political parties, federations of unions, association of employers and even society in general. As in any Social movement there is an evolution which is a part of its journey and every phase is towards making shifts. I am attempting here to go through these tribulations to see how it has helped to sustain Business. It is important to study it as ultimately Business is the generator of employment and employment generates income to spend and the cycle continues. The conclusion which I want to draw is who are ultimately the stakeholders who will create the necessary ground for harmonious Industrial Relations that will lay foundation for Sustainable business, what are the processes to be deployed to make this journey successful, what are the future issues that can result in disharmony. This exploration is necessary as we can attempt to pre-empt and also remind ourselves that Industrial Relations is an evolving Socio Political domain and the issues of the past may or may not be the same for the future.

#### Design

The research is designed to present a framework that will help to plan for future in terms of developing strategy for creating a sustainable construct for business. Industrial Relations is a combination of Economic, Social, Political and Relationship based dynamics between the Employee and the Employer in collectivity. It is attempted to provide various Global and Indian data points and behaviours that can help us to know what

#### Literature Review

- · Globalization of Labour Management Relations in South Asia - A Sivananthiran & C S Venkataratnam
- · Human Resource Management The Indian Situation- S R Mohandas & Dr. R Krishna Murthy
- Comparative Employment Relations in The Global Economy - Carola Frege & John Kellv

### Approach

The approach is exploratory, of Global events including India to understand the dynamics and how what looks obvious is not the real and how ideology of the Political Parties may not essentially shape their policies once they are in power and how some of the predetermined approaches don't work because Industrial Relations is about collective thinking and a play of Group Dynamics. Though local dynamics will pay out, there are observations that can be made and there will be micro and macro events. Understanding how consumer behavior plays a role was perhaps never thought of. Its so because Capital wants best return on its investment and has played an important role in influencing policies. The approach is also to see if dogma of philosophy of stake holders holds good or ultimately its market forces that play a role to decide the shape of Industrial Relations. Have studied Literature by Indian and Overseas authors and published material. But would also like to bring in personal experience as ultimately in Human Resources domain IR represents dynamism where the speed of change is very high and how it gets influenced by emotions and therefore there is world beyond policies and players. While the published articles give a direction of the nations and Governments ultimately what happens at the ground level may be different and how stakeholders find their own way to arrive at solutions. Sustenance of business is a big subject, however, how human behavior plays role at a micro level very often shapes the shape of Industrial Relations. In my approach while I will bring in the Policy frameworks, I will also bring in my personal experience and

experiments to see what sustains businesses from a human point of view. The reason to drill down to lowest denominator is to understand as to see how a directly interested stakeholder behaves when it comes to affect his livelihood and how policies and philosophy may not really impact beyond a point.

Keeping this Design and Approach in mind here is some exploration as to how Nations have navigated this engagement with employees, shaped policies, displayed pragmatism by tweaking philosophy to suit larger good of their respective Nations and how Collective Bargaining was kept separate from shop floor issues.

#### South East Asia

If we take South East Asia and India included. Liberalization and Globalization have led to tectonic shifts between State, Labour and Business. Capital domination over Business and Labour have resulted in Capital's asymmetrical advantage over Business and proving to be threatening the very existential importance of Labour. Whether Economic integration will lead to Social disintegration? Largely these can be the fallouts of globalization.

The role of Executive is diminishing and the Legislature is being forced to enact what is going to be advantage Capital. If Education also becomes a Business with competitiveness not based on merit it does not augur well for the Society. In the era of deregulation, the entire focus shifts from:

Industry ---- Enterprise Macro----Micro Collective Bargaining -----Employer declaration Tripartism-----Bipartism

The author is not for or against the above but it's a changing situation where the Labour is becoming a smaller peck in the wider scheme of things.

#### United States of America

If we consider United States of America, post War US became a super power. The methodology was simple - Mass Production leading to Mass Consumption. It worked well, stable employment and steady increase of wages- this was known as Fordism. However, come 1970 and US started looking at it differently. Markets started dictating as to how Labour should behave, here Market means Consumer and Consumer was represented by Capital and it started deciding how Labour should perform to delight consumer in terms of functional delivery of the product, pricing and convenience. Capital started using Consumer to demand from Labour a behaviour that will maximise profit. The fear of loss of jobs and flight of Capital is leading to happy with temporary jobs, lower wages.

The Wagner Act was passed in US which meant higher wages, increase in purchasing power and increased demand will lead to increased employment. This was known as 'New Deal' and State was encouraging Collective Bargaining and formation of Unions. The sentence used then was 'President wants you to join the Union'. From published articles it is revealed that a committed Judiciary was ensuring that the Wagener Act was not challenged.

However, post 1970 things started changing and Flexi Labour became the norm and Flexibility Arbitrage was replaced by Cost Arbitrage.

Let us look at Great Britain. From a strong

#### Great Britain

Manufacturing economy, it has become a Services dominant economy. It has moved from a strong Union presence in manufacturing to almost nil collective bargaining. Collective Bargaining covered 75% of workforce till 1980 which came down to 25% in 2018. During the same period strikes were 5% of what they were in 1980. Margaret Thatcher during her tenure from 1979 to 1997 made strong policy shifts in favour of Employers. The support to full employment was withdrawn, Coal, Railways and Steel Industries were privatized and restrictions on right to strike were brought in. This resulted in decline of Union Membership from 12.64 million to 8.03 million between 1980 and 2000.

Surprisingly the Labour Government retained the policy direction. Though they brought in some legislative changes:

- Statutory National Minimum Wage 1998
- Recognition of TUs Collective Bargaining Agent through secret ballot
- Majority to decide with minimum 40% participation
- · Opting out of European Social Policies agreed by Conservative governments was reversed
- Weekly 48 hours working, 20 days of leave, harmonization of some of the full time part time employees, limiting fixed term contract to 4 years
- Controlling of inflation was more important than ensuring full employment.
- Outsourcing was extended to taking over of Schools, Prisons and NHS

The Conservative-Liberal Government which was in power between 2010-15 also laid some restrictions like participation of 50% of Union members in referendum on Strike.

Brexit meant repeal of individual employee rights as per EU directives such as paid Holidays and working hours

Also Brexit meant the drop of population influx by 90000. This had direct impact on availability of employable people.

In 1988 CEO compensation including pension of FTSE companies stood at 47 times of average pay of their FTEs. In 2017 it stood at 145 times.

#### Germany

Industrial Relations in Germany is seen as a role model, well institutionalized system of Works Council involving shop floor employees. The roots of German ER go back to Weimer Republic (pre-war Germany). It should be noted that the Construct of ER took shape only in post-war era, say 1950.

Till 1990s the wage levels in Germany were modest and the gap between the highest and lowest. By 2015 it had reached a level of any Capitalist country. Interestingly Collective Bargaining coverage was reduced by 14% in 15 years. Though one can see Works Councils now having a say in Collective Bargaining.

Hartz Reforms laid to restrictions on Unions ability to negotiate for reducing the disparity. The Hartz committee among other things brought the concept of fixed wage with no contribution to Social Security. The aim was to make Germany competitive on Cost.

The pro-labour slant of policies has been the push of Socialist Democratic Party however, the Schroder regime in its later part of being in power brought in Labour Reforms and conversely the Merkel Government which is right of center has been able to engage with Unions in the Global financial crisis period to secure employment known as 'German Job Miracle'. These are some of the examples of pragmatism.

#### India

If we look at India in terms of evolution of Industrial Relations till 1960 it was largely investment in Public Sector enterprises. We had adopted a Socialist pattern of Politico-Economic system. We were in the Licensing era which is also known as Command and Control where the Government decides as to what will be the investment priorities, what will be the production capacity etc. After 1960 private capital started coming in but it was still a controlled economy giving protection to Indian manufacturers through import tariff barriers. Apart from affecting quality this philosophy resulted in a Cost plus economy. What it meant was the consumer had to pay for the increase in cost and as there were limited manufacturers. This also had consequential effect on export opportunity as the quality did not find acceptability. 1975 to 77 were watershed years in the Indian Political system. Promulgation of Emergency and curbing of rights of workers happened during this phase. When the emergency was lifted it saw a reaction and the combative union and union leaders came to the fore and this continued till 1991 till India went in to financial crisis had to globalize and integrate with world economy under compulsions. The era of License raj was over and competition meant customer came first both in terms of quality and pricing. The 1999 Y 2 K opened doors for growth of Service Sector in India. Also the inevitability of

productivity and quality to match Indian or imported competition meant Unions had to give up militancy and unreasonableness. The Service Sector, Private Banks, Private Insurance Companies were able to fend themselves from Unions and also government interference.

It can be best explained in this manner: 1960 to 1970 Management = Union 1970 to 1990 Union < Management 1990 to 2020 Management < Union

It was just the same pattern that we saw in Great Britain, US and Germany. pendulum swung from one end to the other in terms of power of the Unions largely influenced by Policy push. But what was missing was the collective interplay between the Union and Management. It was a lag effect of Government policies that was influencing. Arising out of this softer aspects of Union Management relationship have come to the fore and they have realized that they have to fend for themselves.

Having seen global and Indian scenario the one factor that emerges according to my experience is business sustainability demands Trust and Hope resulting in Mutuality. This alone will lead to harmony. I have come to this conclusion out of my experience and I am sharing the same out of 2 real life situations where I have been directly involved. These were tough situations and in one case had to work in partnership with the Union and in the second case had to take the issue directly with the Workmen.

### Case 1 Cadbury India shifting a part of the production to Baddi

In the early 2000 Government of India declared Himachal Pradesh and Uttaranchal as States where concessional duties were given for goods Manufactured in these States. Most of the companies in order to have this cost advantage to be translated in in price advantage shifted fully or partly to these States. That meant shifting of Production from existing Units to those geographies.

Cadbury decided to shift a part of the production to Baddi to be competitive. It meant rationalization of headcount in the Thane factory. One approach could have been to unilaterally declare an Early Retirement Scheme or create conditions by which workmen are coerced in to severing from the factory.

Instead we took an approach Mutuality of dialoguing with the Union and explaining to them the Business inevitability to remain competitive. No doubt the usual negotiations and bargaining was there for the early retirement scheme but it was Bargaining in good faith. The objective was not to force a severance but ensure how the existing Unit will continue to exist with some products at the same time part shifting of production to low duty zone will keep the Company competitive.

The process was to explain the Union the Economic compulsions and designing an early retirement scheme that will ensure that employees get best possible financial support which is affordable to the company and which is based on Actuarial calculation. It was not ad hoc and the severance amount was arrived at through a dialogue and in a scientific way. The result was more than desired number rationalization was achieved.

### Thermax Long Term Settlement

Long term settlement negotiations for a settlement due in 2013 were prolonged for 2 years and the Union and Management could not arrive at a mutually agreed Settlement and the Union served a strike notice.

The Management had conviction that what they had offered was reasonable and what it could afford in the given circumstances. The course open for the Management was to allow the process to go through Conciliation and arrive at a judicial solution. That would have been depending on a Tripartite process.

The Management instead decided to have a direct communication with the Workmen and explain to them the offer and its Economics from the Enterprise perspective. The direct communication with the Workmen which was in the nature of Town hall and workmen accepted the offer of the Management next day.

It was a unique situation where workmen signed on an affidavit and without a formal settlement Management revised the wages with back wages from 2013.

Later on the same was formalized with agreement with the Union and post that the next 2 agreements with the unions were done in less than 12 months.

#### Conclusion

- Policy swings by Governments do not bring Sustainability. Consumer/Customer, Employees/Unions and Managements have a far greater say in shaping Industrial Relations for a Sustainable Business Model. The wild card entry here is of Consumer/Customer. The Government can only set guidelines ultimately those who are directly impacted will have to create necessary atmosphere of harmony.
- · Trust and Hope are the only panacea and there cannot be a dictate of Philosophy. Ultimately being competitive in the market will override all other considerations and it is an era of Adaptability where pragmatism will score over dogma of ideology.
- Government may legislate, but Economics of Business will decide Industrial Relations strategy. For example in India, rationalization of workforce in an industrial establishment employing more than 100 workmen cannot be done without prior permission of the Government. Has it stopped downsizing? It has not, the Unions and Managements have found a solution of arriving at a severance package by which the survival of the enterprise is ensured.
- · We have to remember finally that Union exists if Workmen exist and Workmen exist if Business exists.
- Hence Sustainability of Business depends of harmonious Industrial Relations and Bipartism is the key and it has to be based on Trust and Hope in the context of Business reality. Governments will have a limited role to play.
- Remuneration disparity will be subject of disputes in future and also Senior Management compensation can be subject to Social Audit

# **Industrial Relations: Spinning Edge Towards** Sustainable Business Development

Mr. Sushilkumar Warkar Asst. Manager -Human Resource. Bharat Forge Ltd, Pune (India),

Mr. Parth Jadhay HR Partner. Bharat Forge Ltd., Pune (India)

#### Abstract:

Industrial Relation has always been area of focus from the beginning of Industrial Revolution. The various activities of innovation and development of mankind put forth a picture where sustainability would be achieved only through cordial industrial relations. The major emphasis on Industrial Relation was to bring in equality and improve work conditions. Major influence of the industrial relation was to make safe work conditions and also enhance the productivity through achieving engagement of employees.

In modern world we are very much protected by the industrial relations. The laws formed post-independence have really helped to improve the work standards and thus we can see that the today workforce is really motivated towards the achievement of Organisational Goal. The focus of this research article is precisely to understand, analyse and propose the importance of industrial relations in building sustainable business. Industrial relation has its existence to resolve the dispute and create peace and harmony.

The most interesting part of the Industrial Relation is that is makes consideration of long term goals instead of short term goals. Industrial Relation in every field has achieved its best through creating a sustainable environment for everyone to grow together creating a strong bond between individual and organisation.

Thus the value chain creation towards sustainable business can only be done through strong support of Industrial relation support the vision and mission of the organisation. Industrial Relation is not only about coming in replace to resolve but

also to create an environment where every individual own an authority for each activity and consider himself for sustainable development.

### **Keywords:**

Industrial Revolution, Technology, Empathy, Engagement, Industrial Relation, Society, Government, Sustainability, Industrial Peace, Industrial Harmony.

#### Introduction:

In today era of innovation and technology things are dynamic. Every activity won't execute the same way as it used to execute earlier. The government has its special emphasis on improve the work standards and provide social security to the employees. The First National Labour Commission Report and focused on improving the standard of living and Safe working condition for the workmen. The Second Labour Commission made an attempt to improve the same condition and support flexibility within the workmen to enhance the development of industries to mutual collaboration.

Since the workmen and Industries and interdependent. The more industries flourish the more employee within the industries will do. They have proportional relation and hence employees have a huge impact on the productivity within organisation. It is believed that the more satisfied employee produce most innovative products. The concept of GIG economy has created new dimension towards industrial relations. Earlier it was employee and employer relation but GIG economy has changed the scenario and thus has created all together a new

dimension towards industrial relations. Earlier it was employee and employer relation but GIG economy has changed the scenario and thus has created all together a new dimension for industrial relations.

Making it further easy we can consider the various factor which have made industrial relations the catalyst to improve the employee productivity and creativity. Earlier employees wore considered as cost incurred by the organisation but the time has changed and now organisation are considering employee as their asset to attain sustainable business. We can understand the same from the below provided pointers.

### A. Employee Engagement-

Employee Engagement has been area of focus from eras. The more engaged employee, the more productivity and hence engaging employee is very important. The engaged employee prove to be in line with the organisational objective and work out of the box to achieve organisational goals. Hence the sustainable business development can be achieved through such potential employees.

These employees are ready to dedicate themselves to the organisational motive and hence stand firm in any adverse condition which organisation faces. The special thing about these employee and they go miles beyond and are ready to devote maximum towards organisation growth.

#### B. Psychological Contract-

The employees have certain set of expectations from the organisation. The Industrial Relation is the influencer for complying the employee need and so every employee comes with certain set of expectation and hopes. Thus it is very important to make employees understand and believe that their expectation would never come down and organisation and very keen and their needs.

This creates a situation of empathy where every employee comes with ownership of his activity and thus can boost the employee morale. This becomes a strong influencer towards creating environment where the employees prove their potential to best and organisation also achieves its focused goals.

#### C. Collaborative Efforts -

The Trade Union and Management are more effective if they have symbiotic relationship. It always has been and will always be the same. Management can achieve miles beyond if they have a very strong support from their Trade Union and thus in this scenario both Management and the Union are facilitated. So this symbiotic relation can strengthen the course of activities.

The Collaboration between Management and Trade Union bring altogether a different spirit where the organisation and sustain and create a value stream to enhance its productivity and efficiency. So it comes to very visible that strong and collaborative bonding between Management and Trade Union can create a new dimension.

#### D. Impact due to Change in Technology -

The Changing Technology has a very deep impact on the Industrial Relations. The Enhancement of skills with changing Technology is one of the biggest challenge for Human Resource Professionals. The employees must encompass new skills with upcoming technology making business sustainable.

Every stakeholder must contribute his maximum to achieve the organisational goals. The Employees must always strive for excellence through continuous learning. The way Technology is changing the skill set of employees must maintain an equilibrium with the same. Bridging the skill gap is one of the biggest challenge for every professional. The Trade Union in many cases have remained supportive for new learning initiative and thus has influenced high level of productivity.

### E. Inherit Organisational Goal with Individual Goal:

Every organisation is based on certain goals and these goals are the driver for an organisation to grow and sustain. The best way to achieve these goals is to integrate the individual goal and organisational goal.

In a way individual can contribute maximum of his potential if organisational goals are in lined with his personal goals.

The growth prospective magnifies and can achieve its best if carried out under influence of attending these goals. Thus the passion to achieve these goals come from inner core of an individual making it affiliated to Organisational Goals.

#### **Literature Survey:**

To understand the various concepts and terminology in Industrial Relations which can impact on Business Sustainability the authors of this article have studied various journals, books, web content, survey reports and questionnaire. The major contribution from National Labour Commission Report One and Two are also notable. The main intension was to exhibit relation between Industrial Relation and Sustainability.

Industrial Relations authored by Venkata Ratnam has briefly introduced the effect of strong industrial relation leading to Industrial Peace and Industrial Harmony leading to sustainable business Development. The book has cleared on the terminologies about the implications that can occur through strong industrial relations.

The various new articles from Times of India. Economic Times, Sakal Times have also helped to understand the way Industrial Relations has helped to rebuilt the organisation post Pandemic. Thus the contribution is not only limited or restricted to certain areas but have achieved its benchmark level.

Strategic Industrial Relations by Rupak Daval and Soumendra Narain Bagchi has focused on strategic formulation of Industrial Relation philosophies and making it more intended towards sustainable business development. The various strategies and the way it can imply for overall growth of the business.

# Research Methodology Primary Research Method: Quantitative

For the purpose of this research preestablished theories and philosophies were referred to understand the concept of the title. To understand the concept and the trend the primary source was the books and research papers published by various authors. The literature was segregated to differentiate positive philosophies. From the selective sources literature was reviewed and hypothesis were made. Based on the hypothesis a questionnaire was circulated amongst the Industrial Relations professionals. The questionnaire was based on the hypothesis occurred out from the literature review. The questionnaire consisted of statement and questions which can be marked on scale of One (1-Strongly Agree)-Five(5–Strongly Disagree).

### Secondary Research Method: Qualitative

The research relies on the data obtained by from the questionnaire circulated amongst the IR professionals. The questionnaire aimed on the questions revolving around the hypothesis resulted out of the quantitative research made from the various theories. The reviews were recorded and consolidated to create numerical data for ease of analysis. The feedbacks were quantified in a way to create graphical representation of the feedbacks received. The study also refers the available data on the trusted resources to reach sizable conclusions of the research problem.

### Data Analysis:

The data analysis was done in order to create the data for various interpretations through questionnaire. The responses were collected from various stakeholders including employees, trade union and professionals. The data from respondents was analysed and various interpretation were observed as per fig.1.0.

It was observed that union leaders believed that they play an important role in building positive industrial relation. About 94.4 % employee agreed that union leaders can be motivator to build strong industrial relations.

Employee opined that industrial relation is responsibility along with their existing job about 55.6 % agreed and opined on the fact that they can share industrial relations responsibility along with their existing job responsibility.

About 68.3% respondents opined that industrial relation will create sustainable business development through its continuous efforts.



Fig 1.0

Proposed Framework: (IR Strengthening Model)

To exhibit strong strings between Industrial Relation and Sustainable Business Development the proposed model entirely focuses on Reward and Recognition Linked to Performance. This will enhance the spirit of ownership amongst the employees and will motivate them to performance best to meet their individual goals.

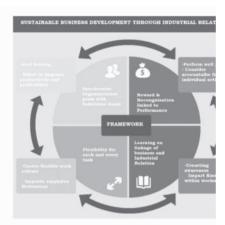


Fig 2.0- IR Strengthening Model

The above figure 2.0 show how Learning on various aspect of Business and Industrial relations would create positive influence to make individual stake holder understand the importance of the Business function and also creating strong learnability to contribute towards sustainable business development.

Flexibility for each and every assigned task. One has to contribute to the best possible extent and accomplish the allocate task ensuring the time line. This would even enhance the relationship between Management and Trade Union. Thus a strong sense of bond would be create between both ensuring Industrial Peace and Harmony leading to Sustainability in the Business.

Synchronizing Organisational Goals with Individual Goals is the best channel which can be created leading to strong motivation in employees and thus ensuring meeting the end goal. Thus the agenda will ensure that everyone contributes towards individual growth leading to the growth of the organisation. Thus ensuring that the employees achieve their best and also the business will achieve its possible outcome as part of this process.

#### Conclusion:

Industrial Relations has always been a catalyst to support the Business Function. It has always helped business to grow and flourish under uncertain condition. The Industrial Relations has contributed its best to achieve business goal. It has helped the

business to create value stream and also made it to prove its usefulness not only towards the business but towards the society as well.

We can consider that Industrial Relations and quick assess window to see the things coming in future for Industry. Industrial Relations has not only seen the future but has also made all possible attempt to secure the future and make best usefulness of available resource to make sustainable business development. It has made everyone to realise that Business and Individual can grow together and achieve their goals together by collaborative efforts.

The IR Strengthening Model (Fig 2.0) incredibly show that Reward & Recognition, Learning Linkage, Flexibility of employees and synchronisation of Organisational Goals with Individual Goals.

Thus industrial relation will always remain core area supporting business to grow and sustain for many more coming decades and will always serve as the backbone and enabler for the growth of Business.

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## "IR: Involve2Resolve": The new approach towards **Industrial Relations**

Mr. Dattatraya Ambulkar Founder: Involve2Resolve

Ms. Krupa Ambulkar HR Management Consultant

**Abstract:** Industrial Relations (IR) is one of the critical area having the direct and long lasting impact by way of industrial harmony in any industry or business be it Manufacturing, projects, Service Sector or even the Banking and Financial Services. Industrial Relations in some section of academia and industry is also termed as "Employee Relations and/or Labour Relations. Nonetheless, each of these terms consider "workplace relationship, an important component of industrial relations. The Industrial relations studies attempt to organise workplace relationship into a structured format among its stake holders namely: workers/trade unions, employers/managements and the state. Out of all these terms "Industrial Relations "is the most popular. (Ref: Notes on Industrial Relations and Technology), Indian Journal of Industrial Relations January 2021.

The vitality of IR is evident time and again and in view of the growing Unrest, & Trade Unionism add to the complexity of IR scenario. It is therefore essential to have the holistic and comprehensive IR approach providing the frame work to deal with labour unrest and enabling the Mangers and Managements to handle such situations by exploring the productive industrial peace as the preventive strategy as the business strategy.

The author No 1 to his credit has got the conceptual approach "IR: Involve2Resolve "which deals with the IR specific aspects such as managerial responsibilities, risk and its mitigation out of IR for Mangers and Managements, Employee recognition and appreciation including reciprocal resolutions, Responsiveness by Management and Employees to resolve the issues etc.

The above approach "IR: Involve2Resolve "has been awarded Copy Right and Trade Mark registration by Department of Industrial Policy and Promotion, Government of India. Through this research paper, attempt has been made to list out, articulate and address the common concerns attributing to IR, highlighting the risk factors and proposing the risk mitigation to explore and enhance the probabilities of smooth and supportive IR scenario.

**Keywords:** IR. Involve2Resolve, Industrial Relations, Legal compliance and Governance, Dialogue and Commination, Stake holders, Compensation, Appreciation, Career progression. Skills sets, Work culture and Work practices, Capability, Training and Development, Job rotation, Query Resolution, Responsiveness, Dealing with Contractors, Trade Unions and Leadership, Vitality, Sustenance etc.

**Introduction:** Traditionally or historically IR concept is perceived and seen based on the basis of disputes, premise of disputes. However, the different outlook provides us the different perspectives making us to realize that key areas and focus points related to Industrial Relations include workforce training, better working conditions, wage system, health and safety etc. Each of these areas is crucial to smooth functioning of an organisation.

The new approach IR: Involve2 Resolve has tried to highlight

the relevant dimensions attributing to Industrial relations and has provided a frame work to sensitize the Mangers and Management towards the risk attached and its mitigation while dealing all the important factors and through the involvement of all the stakeholders.

#### Literature Review:

- Researcher has reviewed his own concept and documentation "IR Involve2Resolve" which is the outcome of his experience of over 40 years in dealing with HR and IR functions in various organisation including all the national level trade unions, IR experts and HR Management professionals. The above concept of the researcher has been awarded the Copy right and got the Trade Mark certification by Department of Industrial Policy and Promotion, Government of India and the professional interactions he had with various professionals and forums.
- Article on Notes on Industrial relations and Technology by Mrinmoy Majumdar published in The Indian Journal of Industrial Relations, January 2021.
- Interview of Dr Rajen Mehrotra, Senior HR -IR professional and Management Expert on Industrial Relations: Covid and Beyond published in "Business Manager "September 2020 issue.

#### Involve2Resolve: What, Why and How to achieve the sustained and sustainable relations.

Involvement based IR approach need to be understood and executed keeping in mind the sanctity attached to each vital and attributing factor. For profession and professional perspective, the focus thereafter has been sequentially given on the important areas such as

- Areas of Concern
- Vital aspect to the concerns
- Impact and risk attached to the aspect
- Scope to mitigate the risk
- Approach/ Tool for proactive resolution

of the issues or concern

1 Areas related to employees and **employment:** To have the employees as right fit is the major investment for the organisation. Any dilution in this regard can result into major mismatch at the individual and organisational level. Misfit of the employees, is the long lasting risk particularly encase of the unionised employees.

By establishing the laid down norms of employee's selection at all the levels the risk out of selection can be mitigated to reasonable extent. At the same time, the emphasising and executing the cultural fit among the workmen calls for ongoing initiatives both by the Mangers and Management.

#### 2 Locational preference of Employees:

Availability of the requisite skills at the locations, particularly in isolated areas has been the constraint for majority of companies. This at times results into recruitment of workmen who are not adequately trained. The large number of interstate migrant labour in order to meet the business criticalities. The result was evident during the Covid 19 and thereafter when the operation and business of the industry was largely paralyzed.

In order to mitigate such massive business risk, is essential for the Managements to prefer the workmen from the nearby area. In case of non-availability of very specific skills, attempt need to be made to establish the rapport with the nearby educational and technical institutes in order to attract the qualified and suitable candidates. In view of the post Covid 19 scenario it has become much essential for the industry to function and sustain.

3 Skill availability and Skill enhancement: The skill availability and its enhancement of employees is a serious business for every business to sustain. It supports the ongoing and ever growing needs of the organisation with reference to Technology updating and work process

improvement etc. At the same time, the status quo in the job for years to gather can result into monotonous job for them resulting into frustration at the individual and getting them indifferent or even disgruntled at the organisational level.

The remedy lies in mapping of the skill availability, prevailing-probable availability of the skills and thereby bridging the skill gaps. This is achievable by initiating and implementing requisite skill adequacy initiatives on periodic basis and its successful implementation at the enterprise level and thereby making the multiskilling as the way of life.

4 Training and Development: Absence or inadequacy of training for the employees covering functional and behavioural aspects can result into underdeveloped, disengaged and less productive employees.

One of the answer lies in covering employees at all levels in the need based process of employees training in a planned and time bound manner. This need to be extended covering the need based training of the workmen. This would also ensure multiple benefits including availability of Skills, Leadership pipeline, succession planning to strengthen the organisation at every level and stage.

# 5 Job Rotation/ Internal Mobility: Proficient and desiring employees aspire to

have job rotation in order to shoulder the higher responsibility and position as their career progression. The skilled and good performers are the preferred resources in the employment market including for the competitors.

It becomes therefore essential that to have and adopt the planned and adequate job rotation/job enrichment exploring the possibility of deserving and meritorious cases and encouraging the workforce mobility clubbed with the job rotation. This, apart from providing the path of career progression to the employees, will eliminate the risk of loss of skills on enemas basis and help to organisation to encourage and retention of skills and skilled both for longer period.

6 Dealing with indiscipline: There are instances of individual and /or group of employees committing acts of misconduct or indulging into indiscipline. Indiscipline impacts the workplace and work processes adversely and is harmful to the effective working. If ignored or tolerated, this can be very risky at the functional and organisational level.

The discipline at personal and functional discipline at workplace can be ensured by discipline at workplace and process, effective supervision and improved superior-subordinate functional relationship. At the same time, it becomes equally important to initiate the disciplinary process on timely basis as provided in the legal framework. In any case, the act of indiscipline at individual or gross level should never be tolerated as tolerating indiscipline would always be very costly for the organisation.

7 Legal compliance and litigation: Adherence to the legal compliance and its implementation is a major statutory requirement for every Manger and Management. In case of labour or Industrial legislations, the responsibilities and obligations for the Management and Manager are laid down as statutory responsibilities. The risk becomes more critical and noncompliance of Labour Laws amounts to contravention of Legal provisions and obligations even leading to legal penalties and can lead to multiple challenges as Manger and Management.

**8 Compensation pattern:** Compensation is very impactful part in IR. It is vital for both, the employees and management and has got direct linkage to sustainability for both. The disparity in the wage structure can result into dissatisfaction among the employees and can even or very often result into Industrial dispute.

In order to retain the skilled workforce and also and also to motivate them, it is essential to offer them the competitive wages as prevailing in the industry. Initiating and implementing compensation benchmarking for avoiding major gaps in the wage structure of the employees of same or similar role and skill sets or level in the industry as well as at the locations can pay better results.

Looking at the criticality of the subject matter, periodic revisit and review of the wage structure in order to make it competitive, productive, quality based, commitment driven and can make it sustainable on long term basis to all the stake holders such as Employees, Management, Investors, Vendors - Sullies, Government and Governance agencies etc. on long term basis.

9 Employee Appreciation and **Recognition:** Employees who contribute and achieve significantly, desire and deserve to be recognised and appreciated for their success and contribution in structured and timely manner. Such deserving employees if not appreciated and recognised on timely basis, does not get motivated and even others do not get the desire to contribute distinctly and substantially.

10 Dealing with Contractors and Counteract Employees: Engaging the Contractors and their employees is an unavoidable requirement of majority of the business. However, it is essential to adhere to the legal provisions with reference to the contractors and their employees as the role of the Management is of the principal employer in this regard.

The risk attached is substantial having multiple dimensions as any violation under these provisions can lead to serious legal and business reparations. It is therefore in the interest of the Management that to ensure the legal compliance right from registration to remuneration. The selective and proactively worked out outsourcing based on the business needs and the merits and ensuring legal compliance would be helpful to ensure risk mitigation and smooth business operations.

11 Dealing with Employees- Unionised and Non-Unionised: Growing tendency of spreading the Trade Unionism among the employees to form the trade union in order to get their expectations and aspirations to ensure the job security is the major cause of trade unionism. Such organised employees get the strength through the union and its leadership both.

While this process of union formation may cannot be prevented, pro activeness by the Mangers and Management in based on their legal standing and its leadership. Such initiative in the form of dialog would always provide the base for future relationship including the process of negotiations and bargaining on long term basis. Initiatives such as sensitization sessions with for the union leaders and influence makers can always be useful. This, if supported by establishing the Plant or Location level functional committee comprising of the Management and Union can also show the positive impact and results.

Often it is seen that Mangers are not much particular towards the employees who are not formally unionised. However, for the Management, if there is a structured approach to attend the issues of employees irrespective of whether they are unionised or otherwise, this can result into positive and supportive work environment in the field of IR at the enterprise level.

12 Dialogue & Communication @ Workplace: Many occasions, the flow of business related information through the dialogue and communication by Business Leadership with the employees is missing. Inadequate or one-way information-flow

of communication can lead to unwanted speculations which can be unproductive. This can also lower the employee moral which is a very important factor for the successful organisation.

This can be addressed in the customized and need based manner. For instance, addressing the employees by local Management Team and Leadership Dialogue clubbed with the employee speak out can be helpful. This again needs to be done based on the need based frequency and can be mutually beneficial both to the Management and Employees as it would provide the structured communication platform to discuss and address business and function specific issues.

13 Employee Queries - response and **Resolution:** The employees have some individual and common queries and issues which need to be redressed or at least addressed timely basis. The delay, nonreversal or not attending such issues and concerns of the employees at individual or collective level, may lead to the grievance and further even to the dispute there by affecting the smooth and productive work environment which very essential for maintaining the IR.

This can be averted proactively by providing the structured frame work for providing the timely responses to the employee queries and also resolution so as avoid the confusion and conflicts. This can also mitigate and avoid the likely disputes and make the significant improvements at the workplace through the responsive approach. Formulating and implementing the need based and customized policy and system addressing the employees queries and related matters and to ensure time bound responses shall be beneficial to the employees and management.

14 Work Practices & Working Culture: The work practices is the influencing factor at workplace and thereby for the organisation. Such practices determine the healthy and productive functioning on long term basis including establishing the organisation specific "Employeeship ". The concept of Employeeship can be evolved based on the principal and practice of Membership of the organisation or the Citizenship at the National level.

The absence of organisation specific work practices can lead to conflicting type of working resulting into non-alignment while working impacting adversely on the functioning and image of the organisation. Establishing the spirit and sense of Employeeship and implementing such work practices only leads to the work culture imbibing and spreading developing Pride in Profession, Process and Product both at personal and professional level.

Practicing the "PEST" Approach comprising of (Professional, Economic, Social and Technical) based mix work culture ably supported by Dialogue, Dedication, Discipline, Orientation to Ethics, Transparency and Focus on Customer Centric Quality services would always provide the premise to practice the requisite work culture and practices.

The above illustration of the initiatives and practicing them in customized manner keeping in view the requirements and their utility can make the Industrial Relations scenario improved in every perspective and even on long term basis to all the stake holders.

Recent Challenges and Concerns: Post Covid 19 scenario has shown multiple major changes for the workplace and working people by way of the challenging concerns. This at many places have included handling work situations right from Working From Home, Sudden Changes in the working pattern and work requirements, Meeting the sudden governance related requirements, Extra care required to be taken with reference to health related concerns and precautions,

Migration of the workers and the added stress at the workplace Lay off to the workmen in large number and even mobilizing the work process in the post Covid 19 situation. There were instances such as and IR specific issues such as Lay off to the employees, downsizing of the Head Count, pay cuts including deferred wages and or Wage hikes etc. The Employers and Employees have faced and even overcome these issues in the best possible manner.

Each and every stage and phase of this process has been critical and, tough and also painful. Under such sudden and totally unforeseen circumstances, the Industrial Relations become further vital. The IR. therefore need to be based on communication rather than mere governance and compliance. The social media with the backup of over one billion users as of Dec 2019, has been used very proactively by some of the enterprises. The result has been ensuring proper and timely communication and even extending the helping hand to those who were directly and severally affected by Corona. The Pandemic has thus paved the way of new dimension to the new age business including the Management, Managers and Employees.

Conclusion - Path way towards "Involve2 Resolve": Going forward the traditional approach to deal with the IR i.e. Industrial Relations may not be adequate to address the issue. A new, Innovative and holistic approach is certainly called for. The new age technology and operation has provided new dimension to the subject of IR.

According to old or traditional Industrial Relations frame work, technology was mainly instrumental to facilitate the work process. The employees used to use the technology based tools to enable them to work more effectively. However, in the changing and changed workplace scenario, Technology has provided new avenues and even identity to the person

who performs the task. This dimension has made a drastic change in the work and workmanship level. The concept of Machin and Man has now got one more added and significant concept of "Mind behind the Man".

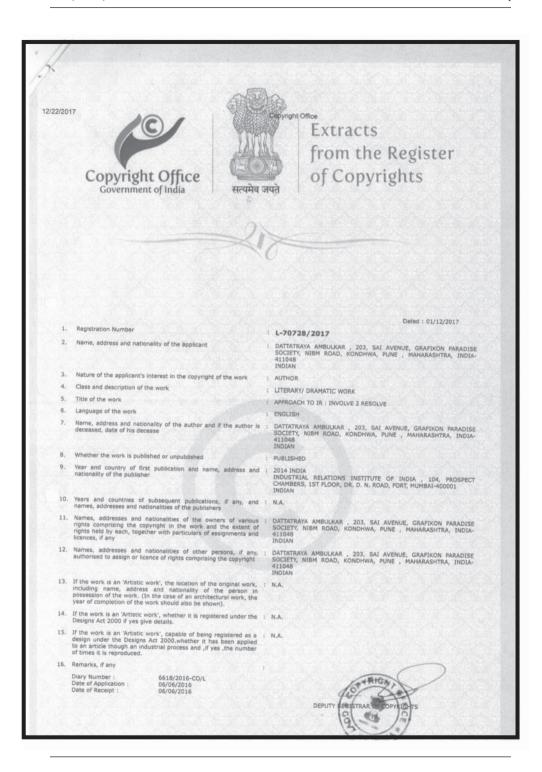
For the new gen or gig employees, the Technology is now the essential ingredient of the work and work processes. The ever increasing usage and utility of the tools and technology can easily be seen by the increased and increasing usage of computers, Headsets and smart phones. The majority of processes and work performance is now influenced by the improved tools and technology. This has significantly changes the interface, interactions and involvement at work. Therefore, going forward, these are going to be driving factors for the Industry and Industrial Relations as such in the new perspectives.

During and post Covid 19 era, not only the workplace and processes including the type and nature of work is changed. Due to this unpredicted and sudden and situation, the working or workplace relations along with the Industrial Relations have undergone through the change drastically. It has evolved the common priority and concern for Individual and Industry both to have focus on the survival and thereby sustainability. The flexible and adoptable approach displayed and practiced in industry by all the stake holders from Bankers to Businessman and from Stakeholders to Suppliers has adequately established this fact.

The above transition and more so the transformation in the industrial society as such has provided the new dimension for and towards Industrial Relations. Going forward, the relationship in industry needs to be governed and practiced based on and on the basis of involvement and resolution of the issues which may come up or taken up in the reciprocal and need based manner

from the Employees or Employers. In order to accept and practice this approach it is essential that the IR needs to be termed as "Involve2Resolve".

This is possible with the active and participative involvement of the Management and Mangers along with their employees at the Enterprise level. It would essentially call for involving the senior level management team in various functional and working relationship areas in order to deal with the employees' issues based on the spirit of involve to resolve. The proactive approach to this principal will provide the productive frame work including improved working and functional relationship for better and collaborative contribution and thereby to achieve the organisational priorities for successful and sustainable business on long term basis.



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# The study of the Industrial relations' role in the strategic decision making in the organization

Prof. Abhiiit Khurape Assistant Professor, AISSMS Institute of Management, Pune

Dr. Satish Punse Professor and Head, Faculty of Commerce and Management, Mahatma Fule College Warud, Dist. Amrawati

Abstract: Welsh Entrepreneur and Philanthropist Mr. Robert Owen proclaimed the slogan 'eight hours work, eight hours recreation and eight hours rest' along with prevention of child labour in the eighteenth century and laid the foundation of the industrial revolution through the introduction of industrial relations and renowned as 'father of personnel management'. Since the current era, industrial relations became a very core and integral part of the organizational culture. This research article tries to fathom the various aspects of industrial relations which are essentials for strategic decisionmaking for an organization. I've tried to develop a systematic process to understand various real-time needs and their impact on decision-making as well as the strategic framework of the organization. In the end, there are a few concluding remarks and observations are produced which can be again considered as future scope of the study. Strategic decision-making aligns short-term aims with long-term goals and organizational mission with employee's individual goals, and career aspirations to realize organizational goals, and this is the base of healthy industrial relations for every organization. This research article is developed on an investigative, exploratory research study of various articles, website blocks, and my observation while interacting with various industry eminents on various occasions.

**Keywords:** Industrial relations, Decision-Making, Strategy, Knowledge-Skills-Abilities (KSAs), Workforce, taskforce.

#### I. Introduction

In general, the concept of Industrial relations is considered as all the types of communications or interactions among employees and employers of the organization. Moreover, the Industrial relationship consists of the relationships between employees and unions, unions and management, employees and management, management and government, and so on. Hence, the role of Industrial relations is very significant in the decision-making in the organization (Luinenburg, 2010).

As Industrial relations is a very vast and giant domain this research article is limited to the orientation to Industrial Relations (IR) and its touch-points in the strategic decision-making process.

The Industrial Relations: The industry engages the workers as a group of people with required knowledge, skills, and abilities, where relations represents the relationship among the important stakeholders to support and accomplish the task and creates a win-win situation in an organizational setting, this also contributes to creating the appropriate organizational culture. I've considered the important stakeholders for this article are Management, Employees or workers, customers, government because the Industrial Relations (IR) influence these stakeholders and vice-a-versa. Hence, the IR refers to a relationship between Employee and employer at prima-facie; and subsequently, it refers to the study to examine various aspects of organizational relations especially groups of workers in unions (Talentlyft, 2021). The IR supports the various aspects of management while dealing with the human resource of the

organization including operators, skilled task-force, or managerial work-force. It is considered that peaceful and agreeable relations in all stakeholders of an organization are significant for improving the productivity and thus the economic enlargement of the nation.

Strategic decisions are the planned course of conduct that may have prevailing influence over decades, and even beyond the lifetime of the organization (D. Yue, 2019). Strategic decision-making concerns the decision for the whole organizational environment which facilitates organizational operations, the entire resources, as well as the people the only resource who possess the selfintellect in all resources and interface between the two (MGM, 2020). A strategic decision is choosing one out of many options to accomplish the task with optimization of resources. It is important to understand the strategy opted by the organization in the context of industrial relations, as the success or failure of the organization massively relies on the KSAs of the employees as well as the employer or management which are considered as necessary factors to improve quality as well as productivity which eventually important aspect of GDP, and national growth (Jain, 2020).

On a serious note, the employee-employer relationship has become one of the most sensitive and complex issues in the contemporary industrial era (Industry 4.0). Also, the impact of AI and ML affects employee behavior with anxiety, fear, and tension, hence the delicacy of the relationship automatically increased as machines and robots replacing the human aspects in industrial development. Where the industry believes that the skilled workforce, cooperation, and industrial harmony are irreplaceable ingredients of Industrial progress and success (Chand S., 2020).

It is important to consider the various features of industrial relations which also depicted the employee-employer relationships like the IR as the outcome of employment relations at the workplace, which can be strengthened through the strategic approach towards goal-setting and goal congruence, and this along with organizational culture and setting provide the base for Strategic IR.

Individual relations and collective relations are significant aspects of the IR where the individual relations imply the strong bond between employee and employer at personal-level, and collective relations are the outcome of the formal and constitutional relations like employer's association, trade unions, labor unions, and various governmental institutions, or bodies. Hence, the IR is the complex and multi-dimensional general web of relationships between all the important stakeholders of the Industry.

The IR tracks, analyses, and supports the constructive human psychology to maintain humanly aspects of relations in the industrial settings, therefore, it cannot be static or constant, instead, it is the most happening, dynamic, and developing concept. It has been observed that the industrial change management interventions directly or indirectly impact the IR. Where IR detects changes as per changing structure and culture. Therefore, the organizational people policy is also a very important aspect of human resource management to create a proper impact in

The IR practiser can develop various instruments to build and maintain a proper and healthy relationship between associations of workers also known as the union, and management.

It is important to design and deploy a proper strategy for IR, although the adverse reactions to the adaption of changes may get from the Employees to resist the change, the anticipatory strategic thinking, and planning shall be then important aspects of the IR. As in the

industry, the reactive strategy cannot hold long-term existence. As a result of the adverse situations like growing competitive affairs, adverse economic environment, rising labour cost, and low productivity compels the Industry leaders to prepare the proactive plan based on anticipatory provisions (Chand S., 2019).

#### II. IR And Strategic Framework

To improve the IR aspect in the Industry, the management must consider various aspects of the IR improvement measures in the strategic framework of decisionmaking like:

Comprehensive HR Policies: The organization defines its default settings through its HR Policies, and HR policies play the role of the constitution in the organization. It is important to design and deploy nondiscriminatory, fair, and transparent policies. Notwithstanding, it is important to make a clear understanding of all the policies related to compensation, transfer, promotion, etc., to everyone along with the orientation of position, roles wise policies, and procedures an individual entitled in the industry. To develop fairness and transparency the policies can be discussed with Unions and their leaders, and consider their inputs and suggestions. Responsible Union: A labour or trade union is the worker's association usually employed in the same organization, or the same industry, or practicing the same trade, the important aspect of the trade union is to seek recognition under the Labour relations act defined in the territory e.g. The Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971. The primary responsibility of the Union to improve the condition of workers, and the workplace by addressing the workplace issues like salary, job security, as well as the work environment. The role of the Union is also considered as the advisor to the management in various situations.

Constructive attitude: The IR framework builds upon the positive and constructive attitude of employers and employees towards each other. Here, the employers should consider the employees, workers, and/or unions as a partner in the strategic decision sculpting and deploying for the organizational affairs. As Vineet Nayar, former CEO of HCL mentioned in his book 'employee first customer second' to build a great IR and get a productive workforce is important to reverse the organizational pyramid to consider valuable inputs from the work-force and take their views in the decision-making process. (Navar, 2010)

Participative Management: The management shall consider the workforce and its conditions like KSAs, attitude, capacity, etc. while setting the goals. Management must initiate the goals which would be challenging and also render the required support as well. The Management also initiates the celebrations of small wins and gives the platform to express winners to share their experiences and recognize their efforts. In HCL, in 2008, the CEO, Vineet Navar Announced the 'discussion board' where the HCL management will announce its critical issues and discussions for the white as well as blue color employees and the issue kept open for discussion and suggestions till the issue will not get resolved. The HCL was one of the few IT firms that booked profit in the recession period of 2008. The TOYOTA also has a proper mechanism for employee suggestions and genuine feedback accumulation, which is recognized, implemented and rewarded. Here, the HCL's discussion board' or Toyota's feedback mechanism depicts the significance and impact of the participative management.

Employee Welfare: Welfare facilities provide additional facilities to the legislative facilities to the worker like salary, compensation, and other than monetary aspects.

It considered being a very significant aspect of IR. Welfare facilities are the special facilities created and devoted for the employees and specifically designed for the wellbeing of the employees, which also aims to increase their living standards. While developing the welfare strategies for the employees, the management approach must be flexible which differs massively with various attributes like, time, region, industry, social values, customers, and many more.

As per Committee on Labour Welfare, employee welfare is defined as "Such services, facilities, and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from the place of work, and the accommodation of workers employed at a distance from their homes; and such other services, amenities. and facilities, including social security measures, as contribute to the conditions under which workers are employed." It is important that the organization must strategies the welfare activities as per the contemporary employee needs and requirements, and accommodate the flexibility according to the needs and requirements.

Grievance Redressal: The grievance can be considered as the primary phase of the dispute, which required an immediate course of action to get the resolution of the solution. In the industry, this is the initial stage of grievance. The grievance may arise if the employee and employer as parties are at variance with the terms or conditions related to non-employment activities, default activities i.e. roles and responsibilities, etc. The best way to manage grievances proactively is to involve employees in decision-making and set goals and objectives with congruence. As per the labor legislation, it is mandatory to establish a Proper grievance redressal mechanism in every organization. The organization and its

leader lobby play a strategic role in developing the organizational conduct and procedures which may avoid grievances and disputes is important, which may lead to a stable organizational culture.

The strike, lockout are the powerful weapons of IR unions. The history also experienced the bloodshed along with the heavy cost to the management in various incidents of the IR management like MSIL plant 2012 strike causes almost US\$ 13.5 million daily loss along with a loss of HR manager's life in one of the incidents between workers and managers. Hence, it is important to consider the following points while developing the operational strategy, the IR strategy must be defined, and it is important to consider the role of IR must be strategies and various aspects can be considered as (SAHOO, 2019):

Increase in productivity: Productive teams produce desired results for the organization. The term productivity can be defined as the competent efforts committed by the team to support effective goal achievements. The strategic IR helps to maintain productivity in the team. The IR strategies boost intrinsic motivation and impose self-control on everyone's conduct in a team. Productivity is the blend of efficiency, quality, and quantity achieved by the team. The role of IR strategies is to nurture and boost the virtues of efficiency, quality, and agility to improve productivity.

Employee Engagement: The healthiness of IR defines the degree of employee engagement and the engaged workforce works with increased productivity. It has been observed that the engaged employees work on self-directedness and care more about their work, as well as improve performance to meet deadlines. Gallup's 2017 report said only 15% of employees feel they are engaged at work, where Gallup reported in 2020 that 75% of millennials and Gen-Z workers are engaged in the U.S. even though, this

figure is satisfactory, the other aspects of the engagement must be considered.

Participative Management and Empowerment: employee empowerment can be achieved through delegating some decision-making authority and roles. This helps to create a positive and healthy working culture and also exhibits the management's faith in the employee. (Redsteer, 2019)

Participation can be achieved through many ways, for example, employee representatives on various bodies, feedback, and suggestions mechanism, where the feedback and suggestions can be reviewed and addressed at the end of the defined cycle, promote free and open speaking through the proper channel about the issues and problems. In other words, exhibit the 'right to hear and right to be heard' approach for better employee participation.

Effective Communication and IR system: Improper communication may create barriers in a smooth industrial pace. It may cause Semantics problems and perception problems, which can create more issues like faulty speech, faulty listening, which are basic issues related to encoding or decoding the actual massage. Hence, for better and smooth organizational functioning the company may consider local language communication as the best HR strategy, often communication rounds, communication feedback systems, as well as appropriate time of communication can be part of Strategic IR systems.

Develop Strategic IR Approach: Strategic Industrial Relations approach represents analyzing the strategic choices made by the internal stakeholders like management, workers, managers, and policymakers along with implications of the choices for industrial relations outcomes. Furthermore, strategic industrial relations are based on the framework and foundation deliberately chosen by the internal stakeholders as best suited options to facilitate the organizational strategies and

organizational structure for the attainment of the organizational goals and objectives (Patwardhan, 2017).

Various pieces of evidence can be considered as the success stories of strategic IR, like

In 1956, Tata Steel signed a landmark agreement with their employee union which consists of mutual roles and responsibilities of employer and employees to be performed.

In 1988, British Petroleum, the shell employees union documented the plan of action and future directions as "Facing the Future-Plan of Action for the 1990s" and subsequently launched the mission and vision for employees in 1991.

#### III. OBSERVATIONS:

Industrial relations is the mutual responsibility of all the internal stakeholders to foster Industrial peace and a healthy work environment.

Industrial relations is the base for various administrative and managerial activities.

As Industrial relations are also connected with employee emotions and feeling so value non-monetary rewards as equal as monetary rewards to employee satisfaction is a significant aspect of the IR

Strategic IR comprises of choices of internal stakeholders who are considered best suited for the organizational success and process.

The appropriate and efficient grievance redressal and dispute management mechanism is the core of Industrial relations, where anticipatory provisions create strategic advantages for the organization and help to create healthy industrial relations.

Strategic IR creates the 'Internal democracy' where the workers/employees directly participate in various government mandate positions in the organization, furthermore, which foster a win-win situation along with improved productivity

Strategic IR promotes employee engagement and employee relations which will support organizational effectiveness, quality, and improve agility.

**Conclusion:** Strategic IR brings benefits for the organization in the long-run, hence it supports sustainable development. The eminent organizations like Tata, Infosys observe less turn-over and the reason is strategic and compressive IR policies and conducts. Industrial relations help to create a healthy relationship between all the stakeholders, minimize disputes and grievances, harmonious production process, improve productivity, provide appropriate positions for the workers as per their knowledge, skills, and abilities. Finally, to instill strategic Industrial relations, leadership matters the most, as the great leaders like JRD Tata, Steve Jobs, Elon Mask, or Jack Maa like visionary leaders can build to last that may survive in the extensive global competition Narrowminded and profit-focused leaders can make short-term success and profit too. But this myopic style always represents a vulnerability in the long-run. Hence it is always good to adopt strategic IR while planning, developing, and deploying strategic decisions for the futuristic growth of the organization.

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# A Study on Empathetic and Transformative HR Leadership in Promoting Industrial Relation for the Cause of Business Sustainability

Dr. Shaly Joseph Yashwantrao Chavan School of Social Work, Jakatwadi, Satara, Maharashtra

#### Abstract-

Industrial relation is the heart of maintaining industrial harmony. involvement of HR personnel in maintaining industrial relations is crucial in all types of organizations. In this context researcher probed in the topic to find out the causes of poor industrial relations and the abilities and practices of HR personnel for improving industrial relations. The study was conducted by using a qualitative research design to get in-depth information in the present context. The study brought out the major administrative, employee-related, and extra organizational causes of poor industrial relations. The best practices of HR personnel to maintain industrial relations highlighted fulfilling the needs of employees as wells as involving them as partners of the industry and constructive engagement of employees. An accessible and approachable HR professional can transform employee behaviors for better industrial elation. The need of modifying the personnel policies and administrative procedures also has been emphasized by the respondents of the study. The proactive approach of HR department in intervening in the IR issues would definitely bring in a positive outcome for industrial peace in the industrial sector.

**Keywords:** Industrial relation, sustaining business performance, Empathetic approach.

#### I. INTRODUCTION

Industrial relation is the topic of concern to all HR personnel all the time. Industrial relation determines the competitive existence of the organization. Better if it maintains better productivity, employee satisfaction, and less litigation and related expenses. It is wastage of time, money, and energy to deal with industrial relation issues for any organization. Industrial relation issues create an atmosphere of tension, apprehensions, suspicion, and fear among various levels of employees. The time spent on issues of industrial relations could be used for constructive purposes and for the same reason, it is a crucial topic to be investigated. The best management of the industrial relation is one of the prime responsibilities of all line managers and particularly of HR personnel. Industrial relation is not limited to the organization itself and it includes other organizations, trade unions, and various government authorities. Objectives of indusial relation include uninterrupted production and optimum productivity. It also aims at zero conflict and industrial peace leading to a contented and committed workforce. Industrial peace in the industrial sector at the national and international level is inevitable for industrialization, economic growth, and employment. Because, each sector of the industry is connected and depends on each other. Strike and lockout which is the result of industrial disharmony are not affordable to any nation. In the present COVID scenario losing man-days and productivity is detrimental to the industry as well as to the employees and nation. In the midst of losses and challenges, many industries have come up to pay COVID bonuses to employees. Many industries did not reduce the manpower even though there was no production during the lockdown. These are the good gestures of the industries to maintain good industrial relations by

looking after the welfare of the employees. Many innovative schemes and offers evolved by different companies promote better IR in companies. For example, survey sparrow decided to pay Rs. 50000 as a joining bonus for women employees. Flip cart, Mindtree, and Bridgestone are going to bear vaccination cost for employees, Volvo group recently launches career return program for women in India. Therefore the need of the time is empathetic HR leadership for maintaining good IR in industries for better operational efficiency and to sustain the business.

#### II. STATEMENT OF THE PROBLEM

Good industrial relations can lead any organization to achieve the highest levels of performance by overcoming any obstacles by the use of creativity and innovative approach of the manpower of the organization. The organizational culture embedded with good values only can maintain good industrial relations.HR personnel of the organization plays an important role in this. Because, right from the recruitment to exit, they are attached to the human resources of the organization. As each and every employee is a learningoriented individual, the training conducted under the leadership of HR personnel also is helpful in modifying and correcting as well as inculcating appropriate values among the employees. Identification of the needs of each employee and fulfilling the same as per the policies of the organization is vital in creating a peaceful atmosphere in the organization. Unsuitable or outdated policies of the organization can be modified by the intervention of the HR personnel.

HR personnel with appropriate skills and values with a strong vision can influence the management, line managers, trade unions, and other extra organizational stakeholders to maintain industrial relations. In this context, the researcher has undertaken this study to probe into the issues pertaining to industrial relations and

to find out the best personnel traits and best practices existing in different organizations regarding industrial relations.

#### III. OBJECTIVES OF THE STUDY

- 1. To study the major causes of industrial relation issues
- 2. To find out the machinery to deal with the industrial relation issues
- 3. To find out the best practices and abilities needed for HR personnel to maintain improve industrial relation
- 4. To find out the outcome of good industrial relation
- 5. To find out the effect of poor industrial relation on industry

#### IV. RESEARCH DESIGN

The researcher has used a qualitative research design for the study. Being an educator of human resource management, the researcher has had contact with many HR practitioners. The researcher used purposive sampling and selected persons who are genuine enough to contribute their best to this inquiry. With the support of the interview- guide researcher interviewed 15 HR practitioners and interview data were written as a transcript. The design was useful in collecting in-depth information from the respondents. The criterion for sampling in this study is a saturation point at which the researcher understood that enough information has been sought with regard to the research questions

#### V.METHOD OF DATAANALYSIS

Content analysis is used to analyse the data. Qualitative data analysis is the process where data is identified classified and analyzed for the creation of knowledge which is based on the verbal expressions and life experiences of the respondents. This empirical study is conducted in a simple manner without using statistics. It considers the viewpoints of each respondent which is based on their work experience and is a real-time data. After

analyzing the data it is found enough information has been extracted from the interview.

#### VI. UNIVERSE OF THE STUDY.

The universe of the study constitutes western Maharashtra. HR practitioners from manufacturing industries situated in different parts of western Maharashtra were selected for the study.

#### VII. REVIEW OF LITERATURE

The phenomenological analysis of a single case study revealed that the transformational e-HRM contributes for sustain business with the use of artificial intelligence and productivity tools which enable strategic flexibility and adaptive capability1.HR executive is a strategic partner in maintaining competitive advantage within the organization2. HRM approach and control is essentially matching with the business strategy adopted by the organization and is not independent in real terms3. Studies conducted in US steel mills found that a significant association between the type of workplace, industrial relation system, and business strategy choices4. Human resource professionals are potential change agents of the transformational process influencing corporate strategy and thus the industrial relation5. Creative strategies like effective retention practices will benefit the organization with commitment and productivity and better industrial relation6. The people management strategies are the need of the time and HR personnel should concentrate on people management activities rather than transferring it to other line managers for better results7.

#### VIII. SOCIO DEMOGRAPHIC PROFILE OF THE RESPONDENTS

All respondents possess qualifications MSW with specialization in Human Resource Management and have experience ranging from 2 to 15 years in the HR department. All respondents are working in manufacturing industries. Most of the respondents are hailing from rural areas and residing in the city where the industry is located. Their designation ranges from officer to general manager. All of them are highly satisfied in their job and do have high efficiency and interest to work in industrial relation. All of them explained their experience in successfully resolving IR issues.

#### IX. FINDINGS OF THE STUDY

Causes of Poor industrial relation

The respondents highlighted the major causes of poor industrial relations as follows. The analysis of the causes revealed that the source of these causes is majorly from the part of the management, line managers those who are responsible for administration and employees as well. Accordingly, causes have been classified below.

#### Administrative Causes.

Major administrative causes have been identified as follows



Figure 1: Administrative Causes of Poor Industrial Relation

Causes Identified Which are From the Part of **Employees** 

Poor industrial relation is caused by employees also. Respondents highlighted the following causes that are created by employees.



Figure 2: Causes of poor industrial relation on the part of employees

Extra organizational Cause of poor IR Some of the causes are the product of outside stakeholders of the industry. These factors are briefed below.



Figure 3: Extra organizational causes for poor Industrial relation

#### Resolving Options of IR Issues

The majority of the respondents prefer to solve the dispute by consultation/ negotiation and counseling. They also use works committee suggestions and employee suggestions to mitigate the matters. The last resort is the litigation and different authorities under ID Act. Abilities and practices to be adopted by HR Personnel for better Industrial relation

Respondents highlighted the practices used by them to improve industrial relations to enhancing the effectiveness of the organization. They also described the abilities needed for HR personnel to deal with IR issues. As per the opinion of the respondents, issues are present in all organization and the proactive approach of the HR personnel help to handle the issues

amicably to maintain peace and harmony in the organization. As per the situation different abilities and approaches required as each situation is unique. Each time new learning and confidence acquired by HR personnel to become competent to maintain Industrial relations for the benefit of the organization and its employees. The major information given by the respondents has been depicted below.

Ability to understand the issues of IR Ability to take quick decisions and predictions Calm and wise handling of situation Effective and dashing personal appearance Use of creativity and innovation Face the situation without fear Use of polite language Δct as chanakva Professional behavior Use of words after rational thinking Understanding about IR machineries and procedures Understand the diverse background of mannower Appropriate legal knowledge Fair practices in dealing with IR issues Counseling Delegation Active communication Dynamic and trustful relationships with management, Line managers, trad e union leaders and government authorities Net working with HR personnel for updates Available and approachable · Human relation approach High emotional quotient

Figure 4. Practices, Abilities and Approaches of HR Personnel to Maintain Good Industrial Relation

The outcome of Good Industrial Relation Respondents reported that better IR results in better management of organisational complexity, promotion of trust, creativity, and cooperation. The major impacts would be high morale, high productivity, reduced wastage, less absenteeism, no litigation cost, and the development of the organization.

#### Impact of Poor Industrial Relation

Industrial relation issues if not sorted out it will have a long-term effect on the organization. Major effects highlighted by the respondents are low rate of production, negligence in the execution of work, absenteeism, high labour turn over, low job satisfaction, intolerance toward smaller issues, loss of the image of the organization combined with the high cost of litigation and spending of energy and time on litigation rather than for the development of the organisation

#### X. CONCLUSION

Industrial relation is the prime functional area of HR personnel. Creative, welldisciplined, and professional HR personnel can influence all stakeholders to maintain good industrial relations in the industry. Right from the advertisement for recruitment care has to be taken to get the right person for the right job. Once the person is selected for the job, meaningful engagement and training to be given for appropriate integration of the working system of the industry. How far HR personnel could create we feeling among the employees the industrial relation would be good. The behavioural climate which includes the tradition the method of work and culture of the organisation should be motivation for the employees to stay with the organisation and to solve the conflict at the source itself without spreading it.

The knowledge of human psychology with a practical approach can do wonders in the area of IR. HR should be keen on providing affecting industrial relations. Communication gap, lack of appreciation and respect, changes in economic and commercial factors, amendments in legislation also become matters of concern that regulate IR issues. Technical problems and defective products which affect productivity invite for disciplinary measures and thus industrial relation. Therefore HR personnel should involve in maintaining good IR for sustaining the business.

positive feedback without hesitation to the employees wherever possible. Frequent meetings and efforts to engage and involve the employees in goal setting will go long way in establishing good IR. Unfair practices and violation of collective agreements and standing order to be avoided on the part of the management. All management may not have a supportive approach towards IR. But it is the role of the HR personnel to intervene and help the management to adopt strategies that would be helpful for maintaining peace in the industry. Wage demands, union rivalry, and political interference unfair labour practices constitute the core issues

affecting industrial relations. Communication gap, lack of appreciation and respect, changes in economic and commercial factors, amendments in legislation also become matters of concern that regulate IR issues. Technical problems and defective products which affect productivity invite for disciplinary measures and thus industrial relation. Therefore HR personnel should involve in maintaining good IR for sustaining the business.

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# Industrial Relations- Backbone for **Business Sustainability**

Mr. Samir Kukade CHRO & President, Human Capital Prai Industries Limited Pune India

Abstract- In simple terms Industrial Relations deals with the Employer employee relation in any industry.

After Industrial revolution in India the need of regulating relations between employer and employee became essential. Then Government enacted The Industrial Disputes Act 1947 to regulate industrial relations and responsibilities of both the parties in continuation of industry for mutual benefit.

Industrial relations are influenced by a variety of circumstances and factors such as political environment, philosophies, economic compulsions, the role of the State in determining the direction of economic and social development, social conditioning as well as historical references.

IR plays important role in establishing standardized terms and conditions of employment not only within an enterprise but also across an industry.

Industrial Relations can make, or break industry success and it truly follows mutual co-existence principles.

Keywords-Industrial relations, dispute, Grievance, Dismissal, Industrial Action, Employee Relations, Collective bargaining.

#### I.INTRODUCTION

Industrial Relations deals with the Employer employee relation in any industry. We in India followed socialistic pattern and hence workers are considered to be weaker section of the society. The Government regulates Industrial Relations through the Industrial Disputes Act 1947. It depicts win-win situation... productivity, continuity of work for employer and pay, facilities, security, and

benefits for workers.

Components of industrial Relations:

Apart from Employer and workers, government plays vital role in this relationship through grievance resolution machinery including courts. Other acts such as Payment of Wages, Minimum wage, Gratuity, Bonus, Provident Fund, ESI play their role in regulating terms and conditions of workers.

#### II. SCOPE OF INDUSTRIAL **RELATIONS:**

Industrial Relations starts with individual small grievance of the worker to long drawn strike and closure of industry. IR deals with various tools in the process like freedom of organise, freedom of speech, enforcement of rules of the organisation & government, right of collective bargaining, collective settlement, mediation, arbitration etc.

I am functioning in the Human Resource and Industrial Relations field for last 3 decades and in my career, I have seen many industrial relations models followed by various companies. Those models are successful in their own way in given situation however there is no success formula to follow. You must see what kind of industrial environment we have, education level of workers, maturity of management as well as union members, vision of management as well as union leaders, type of goods and services that industry offers, industries ability to pay etc

I always compare industrial relations with children's "See-Saw" game. This is not metaphor only, but it is reality of IR at the same time agony as well. One side needs to be down to have another up. Either Management or union have been on downside to make another on upside. It's very difficult to balance both sides. Of course, there are exceptional examples which I am going to discuss which I have

#### I am going to discuss some case studies which can be categorised as follows:

Management dominant IR Union dominant IR Forced Co-existence Benevolent co-existence Destructive IR

Management Dominant IR - After rough patch of violent industrial relations situation employers starting new companies were having plans not to have union in the company at all. I would not say all companies followed this principle were having malafide interests. Few were thinking they will not allow union to happen so that there will be full freedom management to decide terms and conditions of workers without any hassle. Other category was where employer was benevolent, and he thought I will replace union's role by taking care of my workers in best manner.

Case 1- I know one company which faced lot of IR issues in their one unit and then they tried follow this methodology in their newly set up plant. Of course, this idea was unique where they decided to ensure they have everything ideal for new plant. Recruited qualified workers, started paying good salary, created job enrichment paths for their works, provided best of the This approached paid them facilities. good returns for more than 1 decade. From employers' point of view productivity, discipline, upskilling absorption was very fast, and workers were happy. After all

these factors were working fine for both the parties. Management practically replaced union's role. Such experiment was seen very successful for 2-3 industries. All good things come to an end. Something somewhere gone wrong. It was mix of various reasons like improper cascading of management's vision to last person, highhandedness of few and unions were itching to enter in the premises which was making them obsolete. Finally, relations went wrong, and one experiment saw failure after 1 decade.

Case 2 - Another type of company I have seen is creating popularly known as "pocket union". Company influenced union elections and ensured workers vote for specific union member those who are supporting management actions unconditionally. Union was part of bigger union federation and hence apex leaders used to come to company once in 3 years. Fairly good 3 years settlement was license to run management agenda at local level. Unit level unions leaders were happy to get small benefits like time off, promotions and respect by management. This company saw turnaround in the relationship after few years when workers realise their representatives are not acting in their benefit. However, all these years management was influencing industrial relations and running their agenda without any hassle.

Union dominant IR- As I mentioned earlier metaphor for industrial relations can be children's "See-Saw" game. In this type of IR Union becomes more powerful than management. By nature, companies are peace loving since the objective of opening the industry is to produce goods or provide services. Companies are in favour of looking at cost vs benefit analysis and accept workers demands to have smooth relationship. Any confrontation has its own price and company try to avoid

confrontation on the premises or battle in the government machinery or judiciary. Many a times skills required to handle union and union pressures are simple absent. These companies buy peace in a deal. Especially Multinationals used to take this route to avoid confrontation and run the business for profit. In the past when market was monopolistic then this was possible. Cost + profit = Price. Things changed after globalisation and Price -Cost = Profit. This principle promoted cost optimisation as well as productivity Both the factors, initiated increase. conflicts between company and workers.

Case 1 - In union dominant IR category, I remember one MNC which came early in India. As compared to their standards in region the labour cost was negligible and due to quality and monopoly product pricing was flexible in the market. Customer were queuing up for their product and hence price escalation was not a very difficult thing. After coming to India, they recruited skilled and unskilled workers and generously allow union formation linking them with their parent company union council. Workers were extremely happy with generous approach by the company. Salary and facilities were amongst the best due to two reasons. Head of the company was from parent country and used to be on deputation for 3 years. He never took any decision which will harm industrial peace and dissatisfaction of workers. It was very convenient was well. Secondly genuinely he was converting Indian rupees into his country's currency which was very strong. Hence cost was negligible for him if any demands come.

Union started gaining more and more knowledge on labour laws and connect with parent company union council gave them information on their rights in advance countries. They kept on asking various facilities, more wages and comfort

of workers.

This was going well when company was in monopolistic market however things changed, and company started getting hit of cost as well as low productivity. When company started talking about these things' union used to be very aggressive and it was only Win-loose situation. Hence in "See-Saw" union was on top and management was down looking at union helplessly. Profits started depicting, labour cost was escalating, and it was buying of industrial peace.

A point came where management realised being assertive is rewarding. Hence things started changing. However, this kind of situations were in many of the MNC's those days.

Case 2 – I have another case where union played dominant role and fate of industry future left to IR scenario.

I am talking about Mumbai mills strike. Mumbai used to be called India's Manchester where England used to manufacture cotton fabric through Mumbai mills. Thousands of workers were working either in Mumbai mills or dockyards. In fact, separate act called Bombay Industrial Relations (BIR) was enacted to regular industrial relations of Millworkers specially.

Dr. Datta Samant was very knowledgeable and respected union leader. Under his leadership Union started agitating in big way for their demands. They started strike and which went for months. As I mentioned earlier social/economic factor played vital role. Mill owners were in loss and was having old technology. Mill lands were in prime location and property market was in boom. Selling mill land was more profitable than running mill.

After long drawn strike mill owners lost their interest in textile business and left union and their members to their fate

without any further discussions. Thousand workers lost their livelihood. Finally, onetime glorious industry slowly died down. One may think if union would have taken more collaborative call then industry would have survived. This is painful milestone in the history of IR.

IR in Forced Co-existence – This looks to be unique category of Industrial Relations however it exists in India though reducing year over year. In the era of government having socialist mindset, opened up various public sector companies producing various kind of goods and services. This was to promote production of those goods where private industrialists are not very much interested due to risks involved and other reason was to promote employment. Jobs in Government dept and public sector companies are treated as "highly secured without any productivity responsibility". Public Sector companies are in losses for many years however loss is absorbed by Govt of India for political reasons. However now approach is changed. In this type both employer and employee are dependent on each other by force and hence no option to adjust with each other.

Case 1- Bharat Sanchar Nigam Ltd (BSNL) started landline phones in India and this was the only service provider for We have been seeing vears together. various strikes and disputes within BSNL even if it is public utility service. Despite having good pay and benefits service quality of BSNL was never rated high. No private player was in the space and hence monopoly continued. Despite service issues BSNL continued to increase its network and maintain profitability by increasing tariff. There are multiple unions for BSNL employees. In this situation inter union rivalry is also one of the causes of industrial relations disturbance. We must have experienced

various strikes and go slow in BSNL few years back which affected our life. Strikes does continue now a days however due to changed situation we do not feel the hit.

Era of globalisation and privatisation started and BSNL started finding themselves on weaker footings in front of private players due to value offerings, poor service, and non-reliability. Slowly and steadily BSNL started losing their share of business. Union did see what was coming and their protests and agitation are continued. Now BSNL has stopped its recruitment, offered various VRS's and trying to reduce its operation. With this pace BSNL will have same fate which many public sector companies witnessed.

In such case employer was not having choice to shut down the business if it was not profitable and employees were having good job security. Hence no one gave up and continued their IR in forced coexistence way. Finally, organisational sustainability suffered.

Any business meant to make business sustainable and hence profitability is basic criteria for the business. Objective of Public sector companies targeted employment generation and missed profitability factor. The principle of Cost + Profit = Price changed during privatisation to Price - Cost = Profit. Test of sustainability was miserably failed during this process.

Case 2 – Another case can be quoted which comes under forced co-existence is type of employment in industry i.e., "Mathadi' s under Mathadi act". These employees are employed by government body. They need to register themselves with government however they are deployed at various factories where any loading and unloading activity goes on. Employer are having no choice to refute these employees. At the

same time Mathadi must work in designated factory. This force co-existence is managed through law and Mathadi board regulations. Their per day earning. their hours of work, facilities and terms are negotiated and then fixed for the period. Usually, these discussions are painful. Employer has a choice to automate his loading and unloading activity however capital expenses for such automation is cost deterrent and hence this work arrangement continues, and industrial relations are managed even though some other social elements are entered in this relationship.

New industry is facing jungle law of "survival of fittest" and under this you need to agile on your efficiency, change of practices, cost efficiency and quick service. If industry is not agile enough then they may not survive in the market. However, such force co-existence may put industry to follow which is not in line with market principles and eventually harm the industry.

IR in Benevolent co-existence - This is rare category where industrial relations are managed not on power but understanding each other in most benevolent way. This is best for industry for sustainability and growth.

Case 1 – Company was started by 1st generation entrepreneur in small way, but 2nd generation enhanced the company to new heights. Entrepreneur treated his workers as family members. All the engagement activities, bonding was impeccable. At one point of time union was formed and president of the union was having real vision to take workers with organisation for its sustenance and growth. He was well read on labour laws better than any HR Manager. He used to argue with anybody with his respectful behaviour and fabulous knowledge of law and understanding of workers issues. He

maintained best of the relations when he was leading the union. Company respected him and kept the same relationship approach with the union. The real problem came when he grew old and was sick and was unable to lead union he was worried about company's future. Company officials and union leaders talked to each other and decided to have succession planning of union leader. In country or may be in world this must be the first example where company was helping union leader for his succession. Union leader chose 5 followers on the basis of their strengths which are complimentary to each other. They were given training and then they started following union leaders path. Amazingly that worked in favour of the growth of the organisation. Workers continued to be treated as partners and company further prospered. The journey was so rewarding that for 7 consecutive wage settlements were signed amicably before expiry of its tenure. This IR became model for others to follow. Few could not believe that such kind of relationship can be built over years where people are changed, situations does not remain same and trust which is created are not broken from either side to keep the relationship intact for growth and prosperity.

Case 2 – Second company comes to my mind is one which fought market situation with the help of workers and great relationship between. Though this case is bit old I think this shows a spirit of fighting back and rising from ashes.

Company was into household item but controlled by the Government. Company as growing in the market. They had good relationship with union and workers. Because of government policy change the product which company was manufacturing went out of market. Product was completely dependent on government policy and there was no return. This was best example where

because of change of economy or change in government policy company becoming irrelevant. It was difficult time and company along with union thought of something different to save the company. The thought was diversification into another product. Officers, workers reduced their salaries. Cost was managed to its lowest and new products were developed. This gave result in some time and company came out of the problem in couple of years acute perseverance and good industrial relations. Of course, business was sustained, and jobs were protected. This showed the world new formula for the success in most uncertain times

#### III. CONCLUSION:

I have tried deliberately to avoid typical Industrial Relations language in this article but highlighting c-relation between Industrial Relations and Business continuity. IR can make or break the organisations. I strongly feel business continuity and prosperity lives in employee's mind. If positivity is responded with the positivity, then IR is the tool by which companies can grow their business in most difficult and uncertain times. Good industrial relations are becoming more and more important in Volatile, Uncertain, Complex and Ambiguous (VUCA) world.

Government, Arbitration, Courts, Tribunals are required if there is deficit of trust between management and workers. Hence to build great Industrial Relations one must try to build trust between two parties. Transparency plays great role in building trust. Once trust is built on solid foundation then industry will find great future ahead. In Europe and USA there are hundreds of companies which are running for 80 years, 100 years and 150 years. Generations have changed but trust remains, and company achieve further heights in the busines.

If we take good threats out of these

examples, we can learn how trust can be built. That will make success formula for everyone...



## Corporate Social Responsibility Vs Compulsory Responsibility

Dr. M.A.Lahori Director Anekant Institute of Management Studies (AIMS) Baramati, Pune

Abstract- The CSR-'Corporate Social Responsibility' was earlier known as 'Social Responsibility'. The obvious meaning of CSR is to take care of 'Society' with Organization Fund.

Author has made a fruitful attempt on the utility of CSR in three dimensions of "Inbox Infra" namely Family, Organization and Colleges, the basic composition of these said infra are family members, employees and students respectively. The core objectives are the caring, nourishing, making more productive of their 'soft-capital' who are really builders and strengths of the Organization, Colleges and Family. This study is very much empirical and exploratory in nature driven by the concepts and facts. The study is completely based on the major three "Inbox Infra" namely;

Family-Emotional Infra. Students' - Experiential Infra. Employees'-Fiducially Infra

In the course of study the terminology of 'Corporate Social Responsibility' may confluence and emerges with 'Compulsory Responsibility' towards three inbox infra for its effective and progressive intrinsic bounding.

The envisage prima fascia outcome may be first to comply with inbox infra members and then the left out surplus may be contributed to a societal goals. It is very often revealed that, 'Inbox Infra' members are suffering to have their legitimate monetary benefits like commensurate remuneration and regulatory compliances. Perhaps, the Organizations do the CSR at public place for popularity. In most of the colleges/Educational Institutions, extension activities are carried out keeping

their students at bay. Considering the third dimension viz. family, people often picture themselves as philanthropies in society but fail to take care of their family members, more particularly parents. Hence this study will focus on the strengthening the internal soft-assets and resources, so as inbox infra members will be stimulated themselves towards CSR at their own behest.

**Keywords-** soft-capital, inbox infra, ownbehest, regulatory compliances, selfsufficient drive.

#### I. INTRODUCTION

The CSR-'Corporate Social Responsibility' was earlier known as 'Social Responsibility' and can be traced back to the 1930. But after-math 1950 in the modern era took the concept CSR much in discussion in various platforms and CSR also known as 'Corporate Citizenship.' The very simple meaning of the 'Corporate Social Responsibility' is to contribute to societal goals for philanthropic activities. Thus the obvious meaning of CSR is to take care of 'Society' with Organization Fund. Now a day CSR has become buzz term in various places by n-numbers of wings/firms and what not just to showcase more than the reality. The main study and research shall be on the three basic lives 'Inbox Infra' first one is: Family- emotional attachment infra, second is Students' - Experiential learning infra and third is Employees'- Fiducially and belongings infra. Each infra shall be dealt with its research problem and independent samples as to arrive very meaningful and applied findings of the study.

#### II. OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

To analyze the awareness of CSR and CR concept.

To study the significance of CR on CSR in present situation.

To examine and suggest to practice CSR and CR.

#### III. RESEARCH PROBLEM

The core and underlining problem for all three infra is that, they keep at bay the basic and primary responsibility but work for secondary and extended.

Family- our Indian family has emotional and ethical attachment with all family members. Our Y-generation never take full care of patriarch/matriarch of family and other members but much active doing Students' - Expect lot from the CSR. colleges like experiential learning, development of soft skill, add-on courses etc., but college focus more on outreach program etc., here own student are at bay. Employees'- Basically employees are the soft asset of the organization, they are very much nimble and strength of the organization. Employees' indeed have fiducially citizenship with the organization. But most of the time organizations are lethargic in taking care of their employees but observed that, very much active in CSR.

#### IV. RESEARCH METHODOLOGY

In the simple statistical tools have been used. The sample size is based on random purposive sampling in each infra 25 No. total 75. All the data collected is firsthand information and hence there no question of outliers and abnormality in data.

#### V. ANALYSIS PATH

Let us understand the insight of the data collected,

Table / Figure No. 1 **Respondents Gender wise Classification** 

#### **Respondents Gender wise Classification**

#	Respondents	Size	Male	Female
1	Family Infra (Members)	25	11 (44%)	14 (56%)
2	College Infra (students)	25	08 (32%)	17 (68%)
3	Organization Infra (Employees)	25	19 (76%)	06 (24%)
	TOTAL	75	38	37

**Source:** Primary survey

The Respondents of the Family members are drafted from the known 5 families and the composition is 56% are the female and 44% are the male respondents respectively. The respondents for the College infra drafted from the one MBA University affiliated professional Institute. Out of that, 68% are the female and 32% male respondent respectively. The respondents for the organization infra drafted from the 5 known small/medium scale industries, in total 24% of respondents are female and 76% are the male respondents. Thus, in working cluster majority of male respondents (76%) where as in family and college infra the female respondents are more in number by sharing 56% and 68% respectively.

## Table / Figure No. 2

#### Respondents Qualification wise Classification

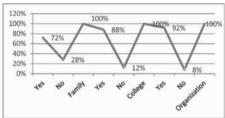
#	Respondents	Size	Pro/ Tech	Non Pro/Tech
1	Family Infra (Members)	25	05 (20%)	20 (80%)
2	College Infra (students)	25	18 (72%)	07 (28%)
3	Organization Infra (Employees)	25	21 (84%)	04 (16%)
	TOTAL	75	44	31

Source: Primary survey

In family infra 20% of the respondents are non-technical/professional qualified whereas only 5% respondents are professionally qualified. The respondents

of college infra are MBA students among them 28% respondents don't have technical graduation but has common bachelor degree like B.Com/B.A/B.Sc etc., where as 72% of students has professional graduation as their bachelor degree. The majority 84% of Organization Infra respondents has professional qualification whereas only 16% organization infra respondents has nonprofessional qualification.

Table / Figure No. 3 Respondents Awareness on CSR & CR

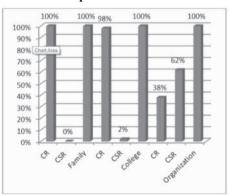


Source: Primary survey

In the above chart it is very much clear that, majority of the respondents 72%, 88% and 92% in all three infra has awareness about the understanding of CSR and CR. Comparatively, family infra still needs some more awareness because as per the study the major victim of CSR is the family infra.

Table / Figure No. 4

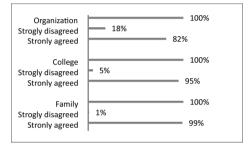
#### **Respondents Opinion on Significance of** CR & CSR in present situation



**Source:** Primary survey

In the above chart the respondents' opinion about the significance of CR and CSR in their lives are tabled. The majority of the respondents 100% and 98% of Family and College Infra have given much significant to CR than CSR. But in case of the Organization Infra only 38% respondents gave importance to CR whereas 62% given importance to CSR. Thus, the net result is CR has more importance than CSR.

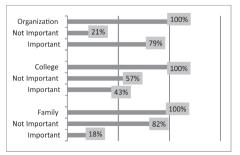
Table / Figure No. 5 Respondents Suggestion to Practice Compulsory Responsibility



**Source: Primary survey** 

In the above chart, it is observed that, the respondents in all three infra invariably strongly suggested/agreed doing first the Compulsory Responsibility. The responses are 99%, 95% and 82% for family, college and organization respectively. In family and college infra CR has more strong/significant than organization

Table / Figure No. 6 Respondents Suggestion to Practice **Corporate Social Responsibility** 



Source: Primary survey

The importance of the CSR certainly required but important is the primary and or bonding responsibility first. In the above survey analysis 18%, 43% and 79% respondents of family, college and organization have said CSR important. But 82%, 57% and 21% said CSR not important. However, the majority of respondents from organization are towards CSR than other two infra.

#### VI. FINDINGS

The core, precise and most relevant findings are;

- a. The concept of CSR is applicable to the surplus fund/money after meeting the entire legitimate fringe requirement, particularly in the Organization.
- b. Among all the three Infra Family and College has given more focus on the basic, primary, bonding responsibilities than doing work for others. This can be read in the Table/Figure No. 4, 5 and 6.
- c. The Table/Figure No. 3 read as all the respondents are well aware about CSR/CR and the family is the main victim infra in the process.
- d. In nutshell, the findings say that, the family head first fulfill the family requirements. Indeed it is bonding, like taking care of parent, children relatives and neighbor if any. This all about Compulsory Responsibility one should do first.
- e. Similar thing in other two Infra College and Organization. First development and grooming of our own students then outreach program for other students. In the Organization too first meet out all the financial requirement of the legitimate employees and compliances of the Govt., then proceed for the CSR.

#### VII. CONCLUSION

In precise a single line conclusion is "Do First the Bonding (compulsory) Responsibilities" either at home/college or organization. And with the surplus, one

can certainly carry out the CSR for societal benefits on humanitarian ground only, not for popularity instead of 'Do CSR in very silent manner without picture/video'.

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# Changing Role of Industrial Relations in India and its **Determining Factors for Business Sustainability**

Dr.Subramanya Manjunath

Former Principal and Dean, SSIMS, Tumkur, Karnataka, Visiting Faculty: Christ University and Jain University, Bangalore. Advisor – HRM to Industries and Corporate Trainer,

#### **ABSTRACT**

Industrial Relations in India has undergone a metamorphosis in different phases of time particularly during preindependence, post-independence, liberalization of the economy and the dawn of the twenty-first century. In the earlier years, the management had utilized the services of the worker as another commodity. In today's industrial scenario. by and large, most of the organizations have transformed to treat the workers with a humane approach and aware that they are knowledgeable with the required skills. Further, the workers have gained strength of industrial democracy through various legislations which changed the role of the IR situation in India. Thus there is a major transformation in the perception between management and the worker. The research findings and implications of the study highlight the factors such as establishing a positive working environment, implementation of fair wages, promoting interpersonal relations among workers, quick redressal of grievances, effective communication, providing social security benefits, the inclusion of collective bargaining and workers participation, initiating training and development, timely recognition of the performance of workers, creating career growth opportunities and providing job security for workers seemingly influences the IR scenario in an organization towards improved productivity and business sustainability. The study concludes by emphasizing that good industrial relations fosters a healthy climate between the management and the labours stimulating uninterrupted productivity and enables to achieve the business goals of the organization.

Keywords: Industrial Relations, Industrial Democracy, Fair Wages, Collective Bargaining, Workers Participation in Management, Training and Development, Career Development, Job Security

Classification: JEL Classification Code –

#### I. INTRODUCTION

The organization can achieve success and stay competitive provided a healthy and good relationship is maintained between the workers and the management. In other words, workers are the backbone of an industry. While the industry is an economic activity engaged in the production or processing of goods or services, the relations refers to the communication and connectivity between the management and the workers. Thus Industrial Relations (IR) refers to the relationship between the management of the organization and the workers or represented by the workers' organization i.e., Trade union, Good industrial relations foster a healthy climate between the management and the labours stimulating uninterrupted productivity and enable to achieve the business goals of the organization. Industrial relations in India has undergone the metamorphosis in different phases of time particularly during pre-independence, post-independence, liberalization of the economy and the dawn of the twenty-first century. In the earlier years, the management had utilized the services of the worker as another commodity. In today's industrial scenario, by and large, most of the organizations have transformed to treat the workers with

a humane approach and aware that they are knowledgeable with the required skills. Gone are the days, the industrial worker can no longer be considered as working only with brawn, he can work with his brain and take decision independently. Thus there is a major transformation in the perception between the management and the worker. The focus of this research is to review the transformation of industrial relations in India in phases and to examine the factors compatible for the workers to develop good industrial relations and how those factors impact organizational competitiveness and business sustainability.

#### II. OBJECTIVES

- To develop an understanding of the growth and transformation of industrial relations in India
- To get an insight into the contributing factors that maintain a good relationship between the management and the workers.
- To examine how each of the industrial relations factors determines the success of the business and its sustainability

#### III. METHODOLOGY

The review process for this research study intends to strengthen the existing literature. The author has reviewed academic and popular research papers apart from Google source and on-line Management Journals on the evolution and growth of industrial relations. During this review process, the contributing factors of industrial relations that augment organizational competitiveness and sustainability have been considered for the subject of study.

#### IV. RATIONALE FOR THE STUDY

The organization to establish cordial industrial relations, the intention and attitude of the management, as well as the workers or the union of workers, plays a vital role. Primarily, the business goal of any organization is to achieve consistent improvement in productivity and gain a competitive advantage. This can be

achieved by well-defined Systems, Processes and HR Practices and continuously developing innovative Products and Services, and more importantly, when there exist a mutual understanding and harmony between the two parties i.e., management and the workers or the union of workers. The industrial relations in Indian industries have undergone a seesaw experience before and after independence. Seemingly, there is a positive trend in the perception of the management and the workers particularly after the liberalization of the economy and with the advent of a new generation workforce. Though numerous research work and literature on IR concerning Indian industries are available, the changing role of industrial relations in India and the factors compatible with the workers to develop good industrial relations per se is limited. This study aims to fill these gaps firstly by getting an insight into the growth and transformation of IR in India and secondly identify the IR factors that encourage the workers to develop cordial industrial relations and in determining the success of the business and sustainability.

#### V. REVIEW OF LITERATURE

The literature review culminated in developing an insight into the evolution of IR in Indian industries and ascertaining various factors of IR that nurtures the workers to have a cordial relationship with the management for consistent improvement in productivity that drives the organization to achieve competitiveness and business sustainability. Some of them are explicated in the following work.

#### VI. INDUSTRIAL RELATIONS IN INDIA-AN OVERVIEW

The concept of industrial relations though widely used in India and across the world, it was originated in England during the industrial revolution at the end of the 19th century. Though the term was meant to be the relationship between the management

the relationship between the management and the workers in an organization, the application of IR was confined to situations of conflict between the two parties i.e. the management and workers during pre-independence. Later on, particularly after the independence, the influence of government and trade unions also became evident in joining and maintaining the industrial relations between the management and the workers. Subsequently, over a while, the domain of IR applied to the various aspects of workers such as wages, employment, working conditions, training and development, workers participation and the like. Further, unlike the paradigm shifts witnessed in other management functions, the industrial relations situations also particularly in Indian industries that have undergone radical changes are briefly explicated herewith.

The Indian industrial scenario before independence was relatively managed by family-owned enterprises with a high motive for-profit and dominated by autocratic and paternalistic approach towards the workers engaged or chosen by them. During this period, the labours seemingly were from poor family background and the majority of them were illiterates and used to play a subservient role which became an advantage for the exploitation of labour by the employers. The values and notions of fairness at the workplace which underpin the concept of the employer-employee relationship were not given importance by the employers. There was hardly any opportunity given by the management for any grievances and issues of the labour arisen during work and used to resolve such issues if any, in an adhoc manner or as a fire fighting strategy. In such a scenario, industrial relations did not gain significance.

The industrial scenario in India gained momentum after independence. The growth of industrialization began giving

impetus for a large number of organized and unorganized industries in the private sector. Apart from this, the public sector undertaking owned by the state and the central government emerged across the country as well. In the majority of a large number of industries, the functional organization structure such as marketing, production, materials, finance & accounts. personnel, etc. were established for smooth functioning and proper coordination. To handle the issues of labour, a separate industrial relations department was also started functioning in many private and public sector organizations. With the growing number of public and private sector industries, the employment opportunities also increased for workers in organized and unorganized sectors and also led to a multiplicity of unions to represent the grievances and address the issues of labour with the management.

It is observed from the research studies that intend to achieve a socialistic pattern of the society, the goals of the public sector including wage pattern differed from that of the private sector. While the management expected to enhance productivity and output of the workers by taking initiative and responsibility, the unions of workers demanded a substantial increase in wages and revision due to them and contended the management expectations does not have any bearing on the increase in productivity and were detrimental to the society. A review of the management practices revealed that training and development efforts were confined to only supervisors and managers and reluctant to workers development. It is also observed from the studies that the managements complain of the uncooperative attitude of the unions and the unions complain of the hostile attitude of the managements led to problematic IR situations. Though the management realized that if the workers are treated with

respect and considered as human beings, can maximize productivity and improve the business, but it remained far from the reality due to the aggressive attitude of workers and the approach of unions with the managements. Further, to bring in industrial democracy at the workplace, improve the IR climate in the industry, protect the interest of workers, and facilitate settlement of disputes, the government introduced legal reforms and enacted several statutes more importantly the Industrial Disputes Act ' 1947 which envisaged four mechanisms of dispute resolutions namely collective bargaining, conciliation, voluntary arbitration and compulsory adjudication followed by the introduction of National Commission on Labour during 1966 to examine all aspects of labour problems. Besides, though the thrust was given on workers participation in management, it did not gain much prominence due to lack of interest by workers. Nevertheless, the low wage of workers and deplorable working conditions in the majority of the industries necessitated the government to be the integral component of the IR scenario in India.

By the end of the 20th century, the industrial relations movement in India had undergone remarkable changes and was in a state of flux starting from exploitation of labour by the employers to multiplicity of trade unions to fight for the cause of workers, from industrialization to labour reforms to protect and safeguard the interest of workers. During postindependence, seemingly the workers were protected by trade unions and the government. However, the industrial relations scenario was in a declining trend in the post-liberalization economy and particularly the union and government intervention was limited to unfair labour While the technological practices. advancement and advent of information technology have given ample

opportunities to explore the global market, it necessitated the employers to compete even in the domestic market enforcing industrial automation a reality. Thus the industries which were overmanned had left with no option but to reduce manpower. The workers who were not able to upgrade themselves with the required skills found redundant. The hiring of labours with the required skills in the industries was done on a contractual basis to overcome legal protection.

Industrialization, globalization and technological advancement have brought in a significant contribution to the modernization of industry and upgradation of a worker by the end of the 20th century. On the other hand, the internal rivalry of trade unions, reducing membership, has marginalized the union's role in the process. Further, the government initiatives in regulating wages, bonus, over-time and other social security measures necessitated the unions to enter into productivity-linked agreements or facilitating the management in introducing rationalization by automation and technological developments. In turn, the profile of the younger workers seemingly experienced dramatic changes and an edge over the older workers including the educational background. Further, the younger generation worker does not want to be in the crutches of the union or the political parties as he can think by himself and able to protest for his rights.

Thus the IR scenario in India has gone through different phases. Though the concept of IR was confined to only handling conflicts between management and the worker as a fire fighting strategy before independence, gained significant momentum through industrialization and protecting the rights of workers through labour reforms during post-independence. Post-liberalization has necessitated the workers for up-gradation skills to cope up with technological advancement, and the new generation worker is a knowledge worker and able to think and protest for his rights.

#### VII. DETERMINING FACTORS OF INDUSTRIAL RELATIONS FOR **BUSINESS SUSTAINABILITY**

The success of an organization depends on its workforce. The workers are the backbone of an industry. While the knowledge, skills and attitude of the employees drive the organization towards competitiveness and sustainability, a good work culture, systems and HR practices create a brand image of the organization. Nevertheless, the cordial and co-operative relationship between the employees and the employer is the essence of industrial relations. While the objective of the study is to identify the organizational factors that encourage the workers to develop cordial industrial relations which determine the success of the business and sustainability, the following are some of the internal factors that supplement the workers to be more productive to gain business sustainability and maintain good industrial relations.

#### I. WORKING ENVIRONMENT

The organization can survive and sustain its business with profitability and growth only when it provides an environment that is conducive for the employees. More importantly, the organization can stay fit and achieve competitiveness when the workers perceive and satisfied with the work and workplace to give their best. Creating and fostering an environment that is conducive to the workplace is one of the important aspects of healthy industrial relations. The main features of creating a good work environment start with a safe and healthy workplace. Productivity automatically increases when the worker feels happy and motivated to work in a good working environment. Further, the positive work environment encourages the workers to perform with their highest ability and influences the group. The good working environment of the organization also impacts the behavioural aspects of the workers and enables them to reduce their stress level and maintain a work-life balance.

#### ii. FAIR AND REASONABLE WAGES

Indeed, the necessities of life of an individual can be met through work. The minimum expectation of a worker based on Maslow's principle is to satisfy food, clothing and shelter by earning reasonable wages. The concept of fair wage indicates the capacity of an industry to pay and the prevailing rate of wages in the area of industry. Fair wages facilitate the worker to live out of hunger and poverty and promote the growth of human resources. The studies indicate that organization can achieve industrial harmony and achieve more productivity by paying a fair wage to the workers. Further, by paying fair wages, the worker tends to be motivated to work better and the organization also can achieve its business goals.

#### iii. INTERPERSONAL RELATIONS

The organization can maintain industrial harmony and peace at the workplace through a healthy interpersonal relationship. As the individual cannot work in isolation, he/she need to develop an association among peers and superiors. To create a positive ambience at the workplace, the workers need to associate and establish good interpersonal relations. The research studies indicate that interpersonal relationship at the workplace among the group avoids conflicts and enables to get along with colleagues and superiors, develop an attitude of caring, and motivates to work better.

# iv. FAIR REDRESSAL OF WORKERS GRIEVANCES

The root cause for the hostile attitude of the workers at the workplace is the lack of handling grievances or improper way of managing the grievances of the workers by the management. The discontentment caused by the gap between the workers and the management failure to fill the expectations of the workers leads to the grievance. Further, if the grievances are not resolved on time, it may lead to lower morale of the workers, inefficiency, and increased absenteeism. While workplace grievances are inevitable, the management should find ways and means of handling workers grievance redressal mechanisms such as open-door policy, suggestion box, opinion surveys, and exit interviews. Quick and fair redressal of the grievance improves employee relations and productivity.

# v. PROPER COMMUNICATION BETWEEN WORKERS AND MANAGEMENT

Communicating with clarity and a clear understanding of the workplace is pivotal in achieving productivity and maintaining employee relations. By and large, IR problems occur at the workplace because of improper communication or misunderstanding between workers and supervisors. An emphatic listening and regular interaction with the workers enables to improve productivity and maintain cordial employee relation. The studies indicate that communication is the essence of maintaining harmonious industrial relations. Further, communicating effectively with the workers develops trust and mutual understanding and improves coordination. Furthermore, the behaviour of workers can be modified and fine-tuned when the managers/supervisors communicate with ease and openness.

#### vi. SOCIAL SECURITY MEASURES

Concerning the various legislations of the government complied by the organizations, social security benefits such as employee health insurance, provident fund, maternity benefits, and the like, are of paramount importance in sustaining a stable workforce and adapt to managing change in the organization. Further, social security is one of the key determinants in maintaining industrial harmony. Individual productivity improves when the worker feels he is protected against sickness, accidental benefits and dependent family members are taken care of and assured against any contingencies.

#### vii. COLLECTIVE BARGAINING

Collective bargaining is the navigation for smooth sailing of the organization, and to create a strong bond between management and the workers in an organization. The mutual understanding between the employer and employees through communication and reaching an agreement regarding wages, and working conditions of employment is referred to as collective bargaining and considered as one of the important provision for industrial democracy particularly under ID Act' 1947. IR is an essential component of labour administration that involves procedures, attitudes and behaviour which reinforces how employers, employees and unions interact with each other at the workplace. The organizations maintaining good industrial relations through collective bargaining shall endeavour in delivering higher productivity, reduced absenteeism, increased efficiency, and creates an environment of trust and loyalty and motivate the employees to generate innovative ideas for business sustainability.

# viii. WORKERS PARTICIPATION IN MANAGEMENT

Indeed, workers' participation in management is an essential ingredient of industrial democracy which fosters

psychological involvement and a sense of belongingness of workers' in decisionmaking process. The participation may be either at the shop-level, department-level or the management level and includes the willingness to share the responsibility of the organization by the workers. Participation increases cooperation and a sense of responsibility among workers since they are part of the decision-making process which also satisfies their selfesteem and feel proud of the achievement they got from the work. Further, the workers' participation promotes industrial harmony and reduces conflicts between workers and management. With the ID Act' 1947 and to promote industrial democracy, the workers' participation in management is included through various committees such as works committee and joint management councils based on the number of employees engaged in the organization. The workers' participation encompasses the benefits such as reduced industrial conflicts, mutual understanding between workers and the management, higher productivity, increased commitment, development of workers, cooperation for technological adoption, and less resistance to managing change in the organization.

#### ix. TRAINING AND DEVELOPMENT

Training and development is an integral part of an organization that enables it to improve productivity, manage change, and gain competitiveness. While training focuses on honing the knowledge and skills of workers in their present job to improve productivity and quality of products and services, the development emphasizes enhancing the skills and capabilities of workers for future requirements. Further, training helps to modify the behaviour and attitude of the workers and facilitate to develop cooperation with colleagues and superiors. Furthermore, training facilitates the workers in developing flexibility to face unforeseen circumstances and provide

opportunities for the advancement of skills.

### x. PERFORMANCE RECOGNITION

It is observed from various research studies that employee recognition is one of the most powerful motivators in the workplace that drives the organization to achieve business goals and sustainability. Further, performance recognition of the employee fosters a relationship between management and workers besides enhancing productivity. When the workers are intrinsically motivated they tend to perform their job effectively and indeed. satisfied workers are the assets to the company in generating profitability and improve customer confidence. A little care and recognition are shown by the supervisor/manager to the worker in dayto-day work create an extra mile in building good industrial relations and promotes a healthy environment as well.

#### xi. CAREER DEVELOPMENT

Today's organizations are by and large comprised of a new-age workforce. Unlike the age-old worker, the new-age worker is better educated, informed and able to understand, aspire for career growth when he/she ioin an organization. To ensure a harmonious relationship between management and the workers, besides paying reasonable wages and caring for the workers, the organization needs to provide career opportunities for them. While career growth is a function of performance in the current role and potential for future requirements, organizations should provide opportunities to continuously upgrade the skills and competencies of workers and ensure a meaningful career for them.

## xii. JOB SECURITY

From the perspective of workers, job security is one of the important aspects of an organization to ensure harmonious and healthy industrial relations. Job security is critical for a worker as it gives him / her

stability in personal and professional life. Because of the uncertainty and volatile market conditions often faced by the organizations, assuring the stability of the job to the workers is more challenging. Further, when the job of a worker is stable. it boosts his / her self-confidence leading to improve productivity besides enabling the worker to balance the living conditions. The instability or loss of a job either individually or in groups may lead to discontentment and loss of productivity or result in protest or labour unrest. Hence, the organization needs to plan the required manpower or have alternative plans like retrenchment keeping in mind the uncertainty, recession, technological advancements, etc., to overcome labour unrest or conflict IR situations.

### VIII. DISCUSSION & FINDINGS

The IR scenario in India has witnessed radical changes particularly during postindependence and after the liberalization of the economy. The business sustainability of an organization is proportional to the good management practices and cordial relationship between management and workers. In today's organizational context, the managements have realized that a humane approach improves higher productivity, yield better cooperation and facilitate competitiveness. The findings of the study are summarized as follows.

- Creating and fostering a conducive environment at the workplace is the prerequisite for good industrial relations which starts with a safe and healthy workplace. It is learnt that productivity automatically increases when the worker feels happy and motivated to work in a good working environment.
- · The study indicates that fair wages facilitate the worker to live out of hunger and poverty and promote the growth of human resources. The organization can achieve industrial harmony and achieve higher productivity by paying a fair wage to the workers.

- A healthy interpersonal relationship can be developed among the workers by developing an attitude of caring by the management which avoids conflicts and enables them to get along with colleagues. superiors and motivates them to work better.
- Workplace grievances are inevitable, the study indicates that quick and fair redressal of the grievance improves employee relations and productivity.
- The study indicates that communication is the essence of maintaining harmonious industrial relations, an emphatic listening and regular interaction with the workers enables to improve productivity and maintain cordial employee relation.
- It is learnt that social security measures are of paramount importance and one of the key determinants in maintaining industrial harmony in sustaining a stable workforce and adapt to managing change in the organization.
- · Collective bargaining is one of the important provision for industrial democracy under the ID Act, 1947 and navigation for smooth sailing of the organization to create a strong bond between management and the workers in an organization.
- The study indicates that workers' participation in management is an essential ingredient of industrial democracy which fosters psychological involvement and a sense of belongingness of workers' in decision- making process. It is observed that participation increases cooperation and a sense of responsibility among workers besides satisfying their selfesteem and sense of pride in their accomplishment.
- Training and development facilitates to improve of productivity, manage change, helps to modify the behaviour and attitude of the workers and enables to develop

cooperation with colleagues and superiors.

- Recognizing the performance of the employee fosters a relationship between management and workers besides enhancing productivity. When the workers are intrinsically motivated they tend to perform their job effectively and indeed, satisfied workers are the assets to the company in generating profitability and improve customer confidence.
- Career growth is a function of performance in the current role and potential for future requirements, organizations should provide opportunities to continuously upgrade the skills and competencies of workers and ensure a meaningful career for them.
- Job security is critical for a worker to balance the living conditions and to boost his/her self-confidence. When the job of a worker is stable, results in improving productivity facilitates harmonious and healthy industrial relations.

#### IX. IMPLICATIONS

This research study is an attempt to explicate the factors contributing to harmonious healthy industrial relations which in turn enable higher productivity and business sustainability. The study emphasized that the success of the organization lies in the cordial relationship between management and workers. The study accentuated how the factors such as favourable environment, fair wages, interpersonal relations, redressal of grievances, effective communication. social security measures, collective bargaining, workers participation in management, training and development, performance recognition, career development and job security contribute to improving organizational productivity and achieve competitive advantage. The following are the implications of the study.

- 1. Creating a positive working environment encourages the workers to perform with their highest ability and influences the group. The good working environment of the organization also impacts the behavioural aspects of the workers and enables them to reduce their stress level and maintain a work-life balance.
- 2. Fair wages facilitates to improve the working environment and enable the worker to improve productivity and achieve business goals as well.
- 3. A positive ambience at the workplace facilitates to establish of good interpersonal relations and avoids conflicts among the workers and helps in developing an attitude of caring, and motivates to work better.
- 4. Quick and fair grievance redressal mechanism such as open-door policy, suggestion box, opinion surveys, exit interviews, etc. improves employee relations and productivity.
- 5. Communicating with ease and openness enables the workers to develop trust and mutual understanding and improves coordination.
- 6. The productivity of the worker improves when he/she perceives the social security benefits are extended by the company in providing medical aid in case of sickness, accidental benefits and when dependent family members are taken care of against any contingencies.
- 7. Collective bargaining comprising between unions of workers and the management facilitates improving productivity, reduced absenteeism, increased efficiency, and creates an environment of trust and loyalty and motivate the employees to generate innovative ideas for business

sustainability.

- 8. Workers' participation in different levels of the organization such as shop-floor / dept, or unit level committees enables to develop ownership encompassing reduced industrial conflicts, mutual understanding, higher productivity, increased commitment, cooperation for technological adoptions, and less resistance to managing change in the organization.
- 9. Initiating continuous training and development activities helps to modify the behaviour and attitude of workers and facilitate to development of cooperation with colleagues and superiors besides creating opportunities for the advancement of skills.
- 10. Performance recognition boosts the morale of the worker and improves productivity. When a little care and recognition are shown by the supervisor/manager to the worker in dayto-day work creates an extra mile in building good industrial relations and promotes a healthy environment as well.
- 11. The career growth opportunities facilitate meaningful career to the worker beside the advancement of skills and competencies.
- 12. When the worker is assured of job security it enables to boosts his / her selfconfidence leading to improved productivity besides maintaining stability in living conditions.

#### X. LIMITATIONS OF THE STUDY

This research study is not an exception from limitation since it is based on secondary resources sourced from articles and research papers available online to get an insight into the contributing factors that maintain a good relationship between management and the workers.

#### XL SCOPE FOR FURTHER RESEARCH

The implications of this study could be a source for practitioners and researchers to strengthen the existing research on the determining factors of IR for business sustainability. The factors such as performance recognition and adoption of fair wages to the workers particularly in the unorganized sector may be a good attempt for furthering research.

#### XII. CONCLUSION

The rapid growth of industries during the post-independence and particularly the post-liberalization era has revolutionized the mindset of the employer to accept the worker as an asset to the organization in achieving business sustainability. Though the IR scenario in India has undergone a metamorphosis, by and large, most of the organizations today have transformed to treat the workers with a humane approach and aware that they are knowledgeable with the required skills. Indeed, good industrial relations foster a healthy climate between the management and the labours stimulating uninterrupted productivity and enable to achieve the business goals of the organization.

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# **Imapet Of Industrial Relations On Economic Business Sustaninability**

Mr. Jitendra Zope Dy. Manager -Human Resource, Bharat Forge Limited, Pune, India,

Mr. Siddhesh Jadhav Asst. Manager – Human Resource, Bharat Forge Limited, Pune, India,

**Abstract-** Industrial Relations has always been the saviour for Organisations. The same was witnessed during the spread of Pandemic. Industrial relations served as a pillar and supported entire business function. Organisation relied on Human Resource function to make the impossible possible. Industrial Relations not only focused on making organisations grow but it is a bi directional way towards Employee Growth towards Sustainable Business Development. Our economy has witnessed the role of Industrial Relation from License Raj, Massive Union Movements and Union Revolts. The most important thing to be noticed is that Industrial Relation stands along with both Employee and the Management. The major role of Industrial Relation comes to resolve and create positive influence to make business Sustainable.

## As per the Labour dictionary Industrial Relation means the relation between employer and employee in an industry.

In recent past IT industry has started realizing the importance of Industrial Relations as it was crawling the way earlier in manufacturing setup. Thus we can consider how important industrial relations will be in future. The upcoming trends would give some of the ways through which industrial relations would conquer the impossible tasks and make the most unsolvable mystery and easy going activity. The eras have already witnessed the strength of Industrial relation in making business strong and sustainable and hence the same will continue in decades to come.

This research article attempted to focus a special emphasis on how industrial relation has brought our economy to present stage. The Industrial Relation has created a very positive influence. Understanding employee needs and providing safe work conditions and also make every individual reliable enough to cope up the situation. Today Industrial Relation has also made a special impact on the way every individual considers himself in organisation. The traditional approach has changed and new vertical can be seen moving in and around the organisation. Thus Industrial Relations has created positive line and thus has encompassed the way Organisation have grown in the past few decades.

**Keywords-** Sustainability, Industrial Relations, Trade Union, Productivity, Empowerment, Technology, Effectiveness, Learning, Dispute Resolution.

## I. INTRODUCTION:

The three pillars of sustainability are social, environmental and economic demands. In business world they are referred as triple bottom line. Triple bottom line theory of economic speculates that the organization should focus on environmental & social concerns along with profits as all are interdependent. The ultimate goal of business sustainability is to increase the profitability of the business or to have win-win situation.

Worldwide, labour migration occurred on a much larger scale in the nineteenth century and early twentieth centuries than in the past 50 years. Therefore, instead of industrial relocation, there was a rise in industrial restructuring through business processing re-engineering, among others.

The cumulative effect of these developments resulted in reduced migration.

Thus the industrial relation has made the deepest impact on each and every activity we do to make business more and more sustainable

Industrial Relations cannot be considered as standalone philosophy. In recent pats few factors had emerged in multidimensional way which have ensured successful roadmap for continuous business.

Few of the important attributes are as follows:

#### **Training and Development:**

Through training we can develop a pool of multi-skilled employees which will ultimately lead to business growth as well as skill enhancement of employees. This will also help to fill the skill gap within the organisation from within, rather than from the outside.

#### Effective Communication:

For a healthy industrial Relations there must an open communication to create positive environment at work place.

#### **Compensation:**

There will be three types of compensation as per law: 1. Minimum Wages, 2. Living Wage and 3. Comparable wage related to market wage.

Compensation to be paid on knowledge, skill and ability of the employee. Fair and consistent compensation packages to be given to the employees based on talent and competencies. Bonus and incentives to be linked with their skills which will have to be aligned to the production goal/target.

### **Work Life Programs:**

To keep employees motivated, family gathering, fun activities, cultural festival, various competitions for all employees and their family members to be arranged by organisation. This will improve the economic security and job satisfaction.

There are various facts that shows the impact of Industrial Relations on productivity.

### Impact of healthy Employee Relation

Good Employee Relations reduces the industrial disputes i.e strike, lockout, gheraos etc. It helps in increasing cooperation and increase in productivity. A healthy relation builds a healthy organisation and a healthy organisation leads to growth of the Industry. In today's rapid, dynamic and changing economy we need to focus on sustainable business development through strong Industrial Relations.

Employee and Management are closely dependent on each other. They have a shared responsibility and have their own implications. An employee with the support of management can make the best possible outcomes. An employee who is satisfied with the management provides his best effort and ensure maximum productivity and efficiency. This is the reason Industry and Trade Union Share Symbiotic Responsibility.

#### **Increase in Morale of Employee:**

If there is unrest in employees, it will badly affect the organisation's culture. So, good Industrial Relations will boost the morale of the employees. Every employee must feel that he is co-owner of the organisation. The employee with high moral values are said to the most honest and noble employee for the organisation. Such employee walk miles beyond and also ensure that success of organisation through their continuous and never ending efforts. Since past few decades it is observed that employees have accepted the fact that organisation can only grow with mutual and collaborative efforts of Management and Trade Union.

#### **Utilisation of resourses:**

Good Industrial Relations helps the organisation the effective utilisation of Man, Money and Material.

Improve employee morale, industrial peace, recognition of employees interest will lead to increased productivity with minimum wastages of resources.

Optimal utilisation of resources is the key area of focus for Industrial Relations. Every organisation makes a strong attempt to create sustainable business and utilises optimal resources. Thus the key influencer to make optimal utilisation of resources has always been industrial relations.

#### Skill Enhancement-

Technology is changing so the business is changing. The trends in today economy is learn to sustain. So every organisation has its focus on learning initiatives. Today's global economy demands learning and learning attitude. Every employee has to build his own ways of learning through which one can upgrade his skills and abilities

More learning more is the productivity and more productivity tends to more sustainability. Thus every stakeholder must be keen on learning to make an attempt towards sustainable business development.

#### II. LITERATURE REVIEW

The authors of the article have reviewed various books, internet blogs, news articles and Industrial Relations Websites to understand the various terminologies used to create a concrete relation between the content of the article and the factual data.

Industrial Relations & Conflict Management -Shaping Inclusive workplace through social dialogue authored Alicia Arenas, Donatella Di Marco, Lourdes Mundauate, Martin C. Eumewa provides all the concepts like creating a strong understanding between Trade Union and Management was key factor derived. The communication creates sense of bonding which in turn helps to

improve employee efficiency and effectivity. The overall growth of Business in linked with each and every employee within the organisation and thus sustainable business can only be created through mutual understanding and transparency in communication.

Dynamics in economy wore observed during last decade which is noted as per Table 1.0. During the financial year 2011-12 Agricultural sector contributed 14.65%, Manufacturing sector contributed 30.19 % and Service sector contributed 55.17%. The subsequent financial years saw a radical changes in the patterns, Agricultural sector contributed 15.40%, Manufacturing sector contributed 23 % and Service sector contributed 61.5%. During the financial year 2019-2020 it was observed that Agricultural sector contributed 17.76%, Manufacturing sector contributed 27.47 % and Service sector contributed 54.77%.

The observation derive that manufacturing sectors have declined in the year 2016-17 but somehow it grew in the financial year 2019-20 showing a growth by 4.47%. Thus manufacturing industry has contributed to a great extent towards economic growth. The Industrial Relation has always supported Manufacturing sector to achieve this goal. This in turn has created Industrial Peace and Harmony leading to sustainable business development and enhancing economic growth.

Sector	FY11-	FY16-17	FY19-20
	12		
Agricultural	14.65%	15.4%	17.76
Manufacturing	30.19%	23%	27.47%
Service	55.17%	61.5%	54.77%

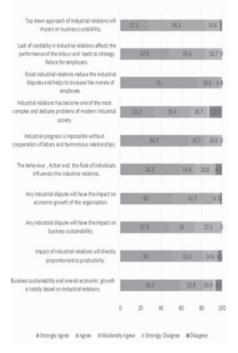
Table: 1.0

### III. RESEARCH METHODOLOGY:

The authors of the research article have used quantitative method of research. **Ouestionnaire** 

## IMAPCT OF INDUSTRIAL RELATIONS ON ECONOMIC BUSINESS SUSTANINABILITY

was designed to note various observation and



collect the data for final interpretation and analysis of the fact derived. Authors have used excel and Bar chart to find various details observed through the questionnaire.

### IV. DATA COLLECTION:

The questionnaire was created with an intension to collect data from various stakeholders. The questionnaire was shared with professionals including Human Resource, Employees and Managers. Overall 45 responses were received from mentioned stakeholders. The respondents considered were from various age group and gender. The respondents were completely informed about the purpose of research and the analysis in unbiased.

Interpretation:

Based on the responses received on the survey circulated among the HR Professionals, authors have come to following analysis;

- 1) To maintain the business sustainability Top down approach of industrial relation plays an important role.
- 2) To resolve the industrial dispute or conflicts amongst the parties of industrial relation every organization should maintain the Cordial industrial within the organization.
- 3) For a sustainable business various factors play an important role such as employee morale. As per response received we can say that high the employee morale high business sustainability.
- 4) Good and healthy Industrial relations is always a key for success of any organisation. We can say that, in modern society it becomes necessary to maintain a good Industrial relation for future of the organization.

Employee engagement has direct impact on industrial progress.

The positive behaviour, action and role of an individual leads to economic growth of the organization.

Good Employee Relations reduces the industrial disputes.

Fig 1.0: Data Analysis

#### V. CONCLUSION:

Industrial Relations plays a vital role in any organisation's growth. Healthy Industrial Relations helps to gain industrial peace, benefit to the workers i.e. protect them from unethical practices, improve in productivity and protect the right of the managers.

Industrial Relations is based on employee and employer relationship in an organisation. It is totally depends upon mutual compromise and adjustment for the benefit of both the parties involved in it.

Need of Industrial Relations for achieving the democracy by allowing workers to take part in management.

Labour is a backbone of every organisation. If we maintain the good Industrial Relations, it would bring prosperity for industry.

Industrial relation has a multifaceted of rules and regulations to direct the workplace, the work- community with the main purpose of maintaining harmonious relations between the management and the workmen by unravelling their problems to sustain the business and to improve the productivity.

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## **Industrial Relations – Backbone of Business Sustainability**

Ms. Hemangi Dhokte Head HR & IR Actuation Technologies, Emerson, Talegaon, India

Abstract— The definition of Industrial Relations has changed over a period of time from Liasoning with Govt. Offices and Handling Union Management relations to Understanding the impact of mishandling of such relations and its short term and long term consequences on a Business. Let's see how does it affect the Business survival and its growth.

Keywords— Union Management, Surrounding Industrial Movement, Cordial Negotiations, Sustaining the Impact

#### I.INTRODUCTION

Various Government and Non Government factors now play a role in maintaining cordial Industrial Relations which thereby either disrupts or maintains a balance of demand and supply of services/benefits. It is of paramount importance today to have amicable Industrial Relations, Man-Management Skills in addition to a cutting edge technology and world class product to be able to not only survive in the market but to grow with steady curve and sustain.

#### П WHY BUSINESSES ARE NOT STABLE THESE DAYS?

Today we observe that the consumer mindset has completely changed. Lack of time, frequent changes of choices, Easy availability of alternatives at competitive prize has made industry adapt to the new business strategies. Surprisingly endangered business survived through the Pandemic recently. Small roadside shops survived over shopping malls. Importance of Cycling for good health took over long drives in luxurious cars. Business Houses with Huge Investments are under debts as

their survival was dependent on payback capacity whereas all small businesses with least investment are debt free. In such circumstances the business have least predictability as on what product and services will click the consumers and survive.

## III. WHY IS THE NEED OF GOOD INDUSTRIAL RELATIONS?

"Industrial relation is the relation in the industry created by the diverse and complex attitudes and approaches of both management and workers in connection with the management of the industry."

According to Ordway, Tead and Metcalf, "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 coordination of the activities of an organisation with a minimum of human efforts and frictions with an animating spirit of cooperation and with proper regard for the genuine well-being of all members of that organisation." Collective bargaining and equal opportunity or right to equal remuneration also plays a critical role apart from the above mentioned concerning factors.

There are cases where better industrial relations have helped the Management to control and minimise its time, energy and money to focus more on the Business Survival & Development strategies, focusing on improvement in Product Cost, Quality and Delivery. An autonomous culture created with the help of good IR practices has rationalised Manpower utilisation and developed new skill sets plugging in Speed with Accuracy in the processes. On the other hands, recent recent examples of disrupted industrial relations has temporarily shut a manufacturing unit in Bengaluru and the unit will not receive any further production orders from Apple until the issue is resolved. Here is what has happened -

On December last year, several thousand workers of an Apple manufacturing unit called the Wistron Corporation, Bengaluru ransacked the office complaining that they were not getting their salaries The vandalism by the workers — setting cars on fire, breaking windows, doors etc. raised concerns as it could impact investment in India. One of the reasons identified for such violent outburst is that the HR department has not been adequately set up with personnel of sound knowledge of labour laws, resulting in various violations.

## IV.WHAT HUMAN FACTORS SUPPORT THE BUSINESS STABILITY AND SUSTAINABILITY?

While a lot of initiatives can be considered to be playing an important role in balancing the Industrial relations, but experience gives more weightage to a strong communication on human grounds. Treating everyone as human beings. respecting their identity, needs and contribution. Periodic meetings with union committee, Not delaying any issue pending for Management's decision communication to union on business, positives, negatives, market developments, Informing union representatives on misconduct, and actions planned / taken. Home visit to employees family and connecting with them, Visit to plant by employees family members, Reaching out to employee's spouse and children by inviting them for various programs in the company, apt Reward and Recognition Program are the key initiatives.

## V.HOW DOES INDUSTRIAL **RELATIONS PLAYA ROLE IN IT?**

Every industrial relation creates a set of rules and regulations that govern the workplace. The purpose of such rules is to maintain harmonious relations between the management and the workmen by solving their problems through the process of collective bargaining and thereby sustaining the business with planned and agreed productivity improvement norms. Industrial relation has a very wide scope. It includes the establishment and maintenance of good personnel relations in the industry, ensuring Skill and competency development of manpower at various levels and in various roles. establishing a closer bond and communication between management and the workers, creating a sense of belonging in the minds of both, creating a mutual affection and respect, responsibility and regard for each other, stimulating production as well as industrial and economic development, establishing a good industrial climate and peace and ultimately maximising social welfare and uplifting the quality of life of the community.

## VI. WHAT FACTORS ENABLE GOOD IR THEREBY BUSINESS SUSTAINABILITY?

A strong bond and communication between a thoughtful, foresighted and visioned Management with matured and learned Union representation gives rise to cordial Industrial Relation. A sense of engagement beyond earning money for the family, once stablished among the employees, creates an environment of Business Development and community wellbeing. A research by employees on market competition and Unique advantages that will bring sustainability can help any company to innovate and invest more in the long term saleable solutions, services and products.

A more learned workforce will have more developed and broader mind and thoughts to step beyond the employee-employer relationship as a Business partner. An inclusive environment gives rise to open sharing of ideas, concerns, solutions, risks, feedbacks can help in matured conversations and thereby can pose a lot of Potential technology / intellectual threats coming from the competition. This results in early detection of market need and investment of right knowledge in the research to innovate by a business.

Good industrial relations can help in persuading the workmen to give their maximum output during a business crisis.

## VII. WHICH EXTERNAL FACTORS AFFECT THE SAME?

There are number of internal factors which we discussed above but the external factors also play a crucial role in either balancing or destructing the smooth Industrial Relation. To name a few - partner.

- Political parties with their unions
- Political leaders
- External union leaders and federations of unions
- · Local communities.

Political influence is highly detrimental in maintaining smooth IR.

A Central / State ruling party or the predecessor of it generally frames the policies as guided by the Finance Ministry and the Industrial Sector which are supposed to be calling more investments in the country / state. It is often observed that such policies are prepared to attract voting bank than making those suitable for the Industrial sector's empowerment. The industry often under the burden of various enactments pushes itself to the limits and ultimately sells the business or shuts it. The rise or fall of any business is highly dependent on friendly policies that allow enough breathing to manage the set on and off. Budgets and taxations take a heavy toll on the profit margins and not just the business but the impact reaches the consumer reducing the purchasing power.

#### **Conclusions**

The industry can survive and flourish and add to the economic growth of the country when there are cordial and smooth relations between employer and employees. An employee and employer start thinking as partners and mutually respect the intentions of everyone's welfare will be a new collective bargaining strategy. Having different approaches is alright, but to be able to channelize them towards common goal in an integrated manner with inclusion of all strata of community will be key in

Starting up a new business with industry friendly policies and in Employer friendly zone will remain short term if not supported by timely and strongly managed industrial relation.

The better is the communication and partnership, increased will be the viability of a Business.

### ACKNOWLEDGMENT

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# IR: Backbone of Business Sustainability and Model

Dr. Dinesh B. Hanchate Dean, IIIC Comp. Engg., VPKBIET, Baramati (Aff. SPPU, Pune) Baramati, India

Abstract—Industrial Relations is the main channel between employees and management to maintain the stability in the working environment. It is very useful for the betterment to maintain IRs in spite of their contradictory way of thinking and approaches which is against the continued economical growth. Sometime it basically builds on the union-employer relationship also. But, another side of the coin is to build it on the sustainability in the business. Nowadays, sustainability becomes nearly must to the all industries and it happens due to you have better strategies, models, think tanks, positive attitude, process models, design models, requirement analysis in the IRs. However the IRs depends on how organizations and industries operate in different ecological, social and economic phenomena. So the Sustainability depends on it's business approach which creates long term value in the above environment. Corporate responsibility and transparency play important role of real need of sustainability. We have various factors of sustainability connected to the IRs which is the backbone of it. We made the relations with IRs and Sustainability Business Growth (SBG) by the proposed simple model and calculation. This proposed model keep and help for the tracking, monitoring and observing the IRS in any industry. Index Terms—Sustainability Business Growth (SBG), IRs and SBG Model.

#### I.INTRODUCTION

We need to see use of following factors of IRs in sustainability (Table 1).

TABLEI **SUSTAINABLE** NOTATIONS FOR BUSINESS GROWTH

Sr. No.	Log Forms	Short Forms
1	Value Delivery	VD
2	Client Satisfaction	CS
3	Customer Needs Knowledge	CNS
4	Customer-Centricity	CC
5	Clear Articulation Of Goals	CG
6	People And Purpose Connections	PPC
7	An Outside-In Look	OiL
8	Collaboration And Innovation	CI
9	Team Buy-In	TBI
10	Ownership	Ow
11	Openness To New Ideas	ONI
12	Knowledge Sharing	KS
13	Messaging Consistency	MS

The above factors are connected with productive activities in turn for the industries. It is of primary and secondary. The sustainability needs in following primary and secondary activ- ities in the business.

- 1) Primary activities as Agriculture, fisheries, plantation, forestry, horticulture, mining etc. etc. and
- 2) Secondary activities as manufacturing, construction, trade, transport, commerce, banking, communication etc.

## II. FACTORS TO ENSURE SUSTAINABLE BUSINESS GROWTH FOR IRS AND SBG MODEL

IRs are more or less connected with men. materials, money and machines (4Ms). If you keep these aspects clear productivity using these 4Ms with optimal relation, we certainly get the stability. Due to IR we get stability, due to stability we get the good economical and maintained growth and due to smooth, economical and social conditions, we get automatically sustainability in the business.

### A. Value Delivery

In the IRs, these 4Ms we have to go hand in hand, which leads to maintain the confidence and faith in the client which secure the future of both the sides. Business usually refers to 'customer value' and 'added value' without providing corresponding definitions or understanding, of what value is to the customer [1]. We must understand the IRs connection with its'logistics strategy as value delivery vary from one

place to another market. The sustainability depends on the Value delivery strategy as quality and convenient service is part and partial value delivery [2]. Value Delivery Modeling Language (VDML) plays important role to make the value delivery strategic which ultimately makes the relations with the client in systematic and appropriate manner [3].

### B. Client Satisfaction

Client satisfaction is must for the better relationship with the client. This can be achieved by delivering a better experience, innovating new products/services and managing employee satisfaction to allow them to be ambassadors of the brand. The study seeks to better understand the network characteristics of client support teams by analyzing the teams' e-mail communication networks and comparing it to client organization's satisfaction. Network properties and methods gives real impact on the satisfaction of the customer. In the era of Industrial 4.0, a CSC (Communication Score Card) is suggested as a dashboard to continuously measure client satisfaction [4].

Another side of the client satisfaction is the role of service delivery. This is useful for enhancing costumer's trust and confidence. We must collect the evidences of satisfaction and commitment [5]. This gives where one must put the stress for betterment of satisfaction through a commitment made to the customer for sustainability of the business. That gives

attention to the meeting customers-needs. Since customer satisfaction is essential for lasting survival and development of a business. We must put on the screening and observing customer satisfaction. We have to understand which are factors that influences on effect customer satisfaction in a business-to-business situation in order to improve IRs. We can make the Google form as one of the factors of customer satisfaction by feedback from executives and customers of sponsoring firm. We can make the graph and understand the real problem of the clients. Importantly, costumer must understand companies features and functional requirements. We have reliability, information about t product, and commercial features connected with customer satisfaction. [6]. Any industry should improve service quality to increase consumer satisfaction and consumer motivation to attract more potential consumers. We should make the correla- tion among service quality, customer satisfaction and customer loyalty, using corporate image as a moderator between service quality and customer satisfaction.

#### C. Customer- Centrality

Costumer centered industries, sees the sustainable growth in the business by making some or any relevant strategy. It will focus on repeatedly problem-solving or feedback and improv- ing the service to a costumer in turns see the correct path for successful experience. This ultimately constructs regular selling, trust, value and growth. This happens only by producing high- quality product. This happens in the software development by Agile method. This method is focused on producing highquality code quickly. But these methods generally have little to say about how to incorporate user-centered design techniques. User-centered design method and Contextual Design (CD) forms a naturally recount our experience with such combined projects in the software

development business which is equally applicable to other business [7].

D "Customer Needs" Knowledge Anyone must say that customers returning to us in pe-riodically is the sustainability. Addition of new costumers gives the signal of business growth. The Costumer should know the knowledge about our product. Rather than this business owner must know our customers needs i.e. key. Reaching to customers directly and sending the message via internet/telephonic conversation or through a sale gives the path for ROI.

#### E. Innovation

Innovation slot should be inserted as the main source in the industry day-today planning as it is helpful for economic growth as well as structural change. Innovation is one of the main sources for long-term economic growth and structural change, and has always driven economic progress. It includes making new prototypes. That gives commercial exploitation for the economy and society. It always keeps up the value of the industry and ultimately to the consumer or the producer. But the existing business models for sustainability is sustain- ability outcomes for separate firms. It is observed that join venture between small and large firms can affect on a firm's learning and dissemination of sustainable technologies [8].

Innovation may give turned to the IRs if we cannot reach to the customer as per their needs. So the we must maintain the high quality, efficient services for company products. It may give a difficulties while making the implementation of it. Improved product must ensure and meet their client's need.

#### F. Clear Goals

Industry must set the clear goal with quantified business objectives. Making the

small granular objectives at the lowest level of the hierarchy will give the stepwise decision to take for the top level people to achieve the business objectives and Sustainable development goals. These are related and current attempt for integrating its ambitions and environmental concerns in a policy framework. Policy framework leads to a systematic approach to achieve the milestones of product development which inherits the IRs with the costumer. If we involve the custumer in the policy framework then it will be more helpful for rendering the goals of the industry [9].

#### G. An Outside-In Look

An outside-in perspective stands for industries which decide to deliver value to clients. It doesn't focus on their products and sales [10]. . It doesn't focus on their products and sales. According to Gulati's research where he had insertion of outsidein success is not restricted in one area of the industry. The move in the direction of customer-centric is a long journey as doesn't happen in a little time span. Many of the industrialist consumes their time an inside-out look. But to get the sustainable growth in the industries, they have to look in an outside-in. They must first know in which world they are. They should know also a realistic recognition of their industry so that IRs can be developed in that direction.

The Inside-Out approach means the belief that own strengths and capabilities of the industry will make the organization sustain in right paths. The Outside-In approach means the belief of customer value creation, customer orientation and customer experiences. That is more important for the sustainability and success [11].

#### H. Team Buy-In

Team Buy-In gives orientation towards a data-driven organi- zation. Now a days every industry has to handle the big data.

It needs to establish an effective, deeplyingrained data culture. So is how this datadriveness makes the process that need genuinely team buy-in across your industry. It encompasses right from analysts to the management and of course the board [12].

### **TABLE II**

IRS AND SBG MODEL: SCALE-RANGE IS BETWEEN 1 TO 5 (1-VERY POOR, 2- POOR, 3- AVERAGE, 4- GOOD, 5- EXCELLENT). SBG MEANS SUSTAINABILITY BUSINESS **GROWTH** 

## (please refer the table and figure 1 at the end the article)

Fig. 1. IRs and SBG Model: Typical Industrial Relations in the scale of 1 to 5 which indicates where we should make the correction and maintain the shape of the graph so that we can be above the 60%

### I. Ownership

Ownership is almost the correct way to make next to impact on the costumer. There may be some front line authorities in the industry may feel that they are running the industry as their idea, project or initiative is likely on their thought process or some way round it is of impact by their input. Then these managers feel like owning of the industry and owner is likely be handicapped by their managers. This relation gives somewhat blows to the sustainability in the growth process industrialization. So the ownership structure plays important role in the IRs. By keeping the social responsibility and sustainability, we can change the structure of ownership, rules and regulations. But boards in the industry may perform the common work and task for the accountability and sustainable development of the societies in and around [13].

## J. Openness To New Ideas

Industry must grow not only on the above factors, but grow on the openness for getting the new ideas which can incorporate in the industrial environment by making the appropriate process. It requires very thorough process and channel for the flow of the data of the new ideas given by the industry experts like managers. We have to make the proper documentation for making it creditable to the owner of idea presenter. We must establish the patent cell for this as everyone should know the laws for ownership of their ideas. This element makes the environment as research and development. It makes everyone to struggle to get his/her idea in the industry. It will make everyone busy with healthy competition. But, we must take care of proper procedures and process for opening the ideas [14]. We should have the central part of the innovation process concerns. It may be commercial or non commercial.

We must adopt the open search strategies that involve various external objects and sources to help them achieve and sustain innovation [15].

### K. Knowledge Sharing

Earlier data keeping and sharing was not an issue. But nowadays, Industrial globalization compels to make the data keep the long term to share it for further use in the industry. It has various angles to think of. Data sharing in the industry, across the industries, across the territory and nations becomes difficult to secure it on the server. Data sharing comes with a data set and its information. But knowledge sharing become highly insecure for the growth of the industry if it is an ideas, process and procedures which leads to the growth of the industry. The processed data are called knowledge. Confidential and industrial personnel data sharing with other personals become a threat to the industry.

Its effects on the stability and sustainability of the industry. Simple data and knowledge sharing without the permission, trust and faith may lead to the illegal matters. Currently, we keep the data in the database servers and share it to the needy and authenticate employees in the industry for the sake of avoiding the disputes in the industry. Some of the evaluate factors that influence knowledge sharing in automotive production in Brazil and China can be seen in [16].

1) Soft copy sharing: The DBMS (Data Base Management System) or e-commerce software takes care of sharing the data with the authenticated person. Data can be shared through LAN (Local Area Network), WAN(Wide Area Network) and SAN (Storage Area Network) also with proper hierarchical permission. So we need to develop a conceptual model of knowledge sharing [17]. Knowledge and data sharing covers nearly all the industries. It gives the immense increase in the business performance. Knowledge sharing is the most significant predictor of business performance. The relationship between knowledge sharing and sustainability with business growth is important in both manufacturing and service organizations. There are many conceptual models available to study for knowing how the knowledge sharing improves the stability in the industries.

2) Hard Copy: Many hard copy files have to be shared to the all concerned collaborators. Collaboration in regular. appropriate, systematic and within the frame gives rise to knowledge sharing. Teamwork will not only share the data, but their achievements and targets. Analysis, requirements, design, testing and implementation of the product can be shared by blueprints and charts in the paper to point out the exact bugs and error in the product which the industry produces. That can be corrected over the period also.

All above factors influence on capacity of

technology, which we are using for sharing. Database Administration Develop- ment, Systems Network Administration, Web Development & Programming and Software Engineering has now become the part of any industry around the world to sustain themselves in this internet era [18]. A sound effect by technological competency is reported on the relationship between industry explicit knowledge sharing and industry job performance. This ultimately affect the stability of the industry through the performance of the employees.

## L. Messaging Consistency

Industrialist must ensure the consistence in the mes- sages they are giving it the employees up to the costumers. There should not be any discrepancy while sending or con-veying the messages to the stakeholders. Messages related to the companies or products must be the same and similar. No confusion on brand. demonstration and technical specification should be in the mind of stakeholders. You can use any topol- ogy for the messaging. Be, it may be centralized, distributed, hierarchical and circular. So is for the brand messages. Be it may be by advertisement. presentation or by publications. One must study in the industry about effectiveness of the level of consistency among brand messages [19]. Brand managers should pin point on consistent brand messages to build aware-ness of the products available in the industry. There are some more examples of message consistency in the industry as brand messaging in the industry. The brand messaging consistency is one of them.

### M. People And Purpose Connections

People is the key factor in the IRs and business sustainabil- ity. Their purpose in the industry must be transparent, clear, free and open to all. Nevertheless, it is not possible altogether to maintain the relations of the people in the industry clear and smooth.

The people must feel their matters. They must invest their interest in the good will of the industry. The connections may be for the product, process, rules and regulations devel- opment. Each and everything should be maintained by means various communication methods. Face to face. telephonic and through email or any means are to be cleared to the respective employees in the industry and stakeholders. An usual observation shows most senior managers within organizations are naturally attached with personal purpose. The purpose should be in line with industry vision and must motivate and engage everyone in the right direction [20].

#### N. Collaboration And Innovation

Industry should encourage the environment of innovation through collaboration. Every industry has great talent. We should stimulate to an environment to blossom in today's industrial culture. Industries compel to put forward the things related to think tanks. Industries mostly rely on innovation via inter-organizational network relationships [21]. We must create the Innovation Cell or Industry Institute Interaction Cell to collaborate the relationships between universities and industry. It will automatically develop a research environment in the perspective of an 'open innovation'. There should be technology transfer from the idea to a commercial product in the industry. University-Institute-Industry innovation and re- search centers must be established. As collaborative research. university-industry research centers, contract research and academic consulting should be available on both the sides as collaborators.

## III. METHODOLOGY FOR **RELATIONS BETWEEN IRS AND SUSTAINABILITY**

We make the relations between IRs and Sustainability by taking the all 13 factors into consideration. We give chance to keep the value between 1 to 5 values as scale of every factor for the industrialist. Every

industrialist or the owner has to give the values honestly according their experience in their business. As every factor is directly proportional to the IRs. So increase in the scale will increase in the relations.

## IV. IRS AND SBG MODEL: RESULT DISCUSSION AND CONCLUSION

In the Table 2, random values from 1 to 5 has been taken for the sake of solving and understanding the IRs and Sustainability. Please, note that the total % value of every factor come with respect to SBG.

if BG  $> 40\% \le 50\%$ (1)

then IRs = poor.

if BG > 50% and <= 60% (2)

then IRs = average.

if BG > 60% and <= 70% (3)

then IRs = Good.

if BG > 70% and  $\le 80\%$ (4)

then IRs = Very Good.

if BG > 80% and  $\leq = 90\%$ (5)

then IRs = Excellent.

The val very is very good as it is 70.77% (Table 1). The people and purpose collection is 41.54% so it is poor.

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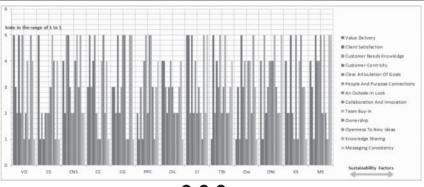
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Sr. No.	Factors(SBG)	VD	CS	CNS	CC	CG	PPC	OiL	CI	TBI	Ow	ONI	KS	MS	Toal f2
1	VD	5	4	1	2	4	2	5	5	4	2	4	1	4	43
2	CS	5	3	5	2	4	4	4	2	3	4	3	4	5	48
3	CNS	2	3	1	4	1	1	2	2	2	4	5	2	4	33
4	CC	3	2	2	5	1	1	2	5	3	4	4	5	1	38
5	CG	4	4	3	5	5	4	2	2	1	3	1	1	4	39
6	PPC	5	1	5	5	4	2	3	3	4	5	2	3	4	46
7	OiL	4	2	5	1	4	3	2	3	4	2	4	1	3	38
8	CI	2	5	4	3	3	1	3	1	3	3	4	5	1	38
9	TBI	3	4	5	2	4	1	3	2	4	5	5	5	2	45
10	Ow	3	1	4	5	5	4	3	5	4	1	5	1	4	45
11	ONI	3	2	1	3	3	2	3	5	4	5	3	2	4	40
12	KS	5	3	5	1	2	1	3	1	4	5	4	2	3	39
13	MS	2	4	3	4	3	1	4	4	3	5	5	2	5	45
14	Total f1	46	38	44	42	43	27	39	40	43	48	49	34	44	
15	SBG (%)	70.77	58.46	67.69	64.62	66.15	41.54	60.00	61.54	66.15	73.85	75.38	52.31	67.69	63.55



# Women Labour Absenteeism and Its Impact on **Organizational Productivity**

Dr. Hemlata V. Gaikwad Associate Professor and Head Rajarambapu Institute of Technology.. Department of Management Studies, Maharashtra

Ms. Nikita Garad Student Rajarambapu Institute of Technology. Centre, YCMOU, MBA Maharashtra,

**Abstract**— Today the textile of the largest garment is one contributor to India's exports & and largest employer after agriculture (Textile Ministry Report 2015-2016). Absenteeism is major problem garment Industries in India and also in Maharashtra (Ministry of Textile Report 2018). It is a major challenge impacting the productivity and performance of these organizations. Organizations use overtime to cover 47 percent of employee absences and while covering for absent employees co-workers are observed to be 29.5 percent less productive (Society for Human Resource Management. 2017). The present study aims to identify the reasons for absenteeism and strategies to reduce the same.

**Keywords**— Labour absenteeism, Women, Textile industry, productivity

### I. INTRODUCTION

Labour across organizations miss the work for a variety of personal or professional reasons. If these absences are planned, the work gets managed, but if they are unplanned or sudden, they weigh heavily on organizational and co-workers productivity. Labour absenteeism is a serious concern in Indian industries as it impacts the overall organization. It is not a management problem, rather it is faced by all industries and must be looked into seriously so as not to jeopardize the organizational prosperity. Public sector industries are the most affected with an absenteeism rate of 10.87 percent, followed by Private Sector (9.79 percent) Sector (9.37)and Joint percent) (Labour Bureau, GOI, 2008-09)

Today the textile & garment is one of the largest contribution to India's exports & and largest employer after agriculture (Textile Ministries Report 2015-

2016). Absenteeism is major problem in garment Industries in India and also in Maharashtra (Ministry of Textile Report 2018). The problem is all the more severe in women labours.

According to the Labour Department of Government of India, Absenteeism Rate is "the total man-hours lost as a result of absenteeism divided by the total manhours scheduled." Absenteeism is the lack of presence of a worker or employee for a planned work (Johns, 2002; Kristensen et al ,2006). The preliminary survey indicates the rate of absenteeism at the selected garment factory is 15%, which is very alarming, as it not only reduces the individual's productivity but has a massive impact on other workers and organizational productivity (Singh et al, 2016). It also impacts the financial Organizations use overtime to cover 47 percent of employee absences and while covering for absent employees coworkers are observed to be 29.5 percent less productive (Society for Human Resource Management, 2017). Employee absenteeism, being a severe financial burden for industries struggling in tough competitive conditions of today, has become an urgent and important issue to be resolved (Senel and Senel, 2012). The effects of high levels of absenteeism levels negatively impact organizations because of the high costs involved with finding alternatives/temporary replacements while trying to maintain and achieve theirstrategic objectives (Kocakülâh et

al,2016)The previous researchers have studied absenteeism with a focus on the variables that cause an employee to remain present or absent such as job satisfaction and motivation. Other research on absenteeism has focused on the issue from an organisation and employer viewpoint. Although management seeks to nurture and empower employees' levels engagement and commitment to the organization's strategic goals, workers can get disconnected from their work for various reasons (Shantz & Alfes. 2015). The selected industry employs women workers. The present study aims to identify the reasons for absenteeism and strategies to reduce the same.

### II. RATIONALE OF THE STUDY

Labour Absenteeism is one of the major and consistent challenge faced by textiles industries reflecting high impact on performance of organization. The workers attendance at work ensures high productivity and obligation towards improving the performance of organization in terms of efficiency and efficacy of human resource management. Absenteeism is unpredictable and is a serious workplace problem

that occurs at the expenses of both employers and workers. The impact of absenteeism leads not only to financial losses and workers productivity but also benevolence of organization.

### **III RESEARCH METHODOLOGY**

The study was conducted using quantitative tools. A

structured questionnaire was used to collect the data from respondents. Random sampling method was used for identifying the sample. 234 respondents participated in the study. The data was collected from September to December 2020. Descriptive and inferential statistical tools were used to analyze the data collected.

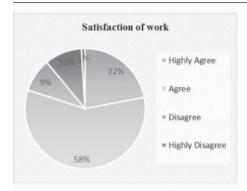
#### **IV DATA ANALYSIS**

Table 1: Demographic Profile Of Women Workers

Sr. No.	Profile	Percentage
1	Age of Workers	•
	20-30	53%
	30-40	33%
	40-50	9%
	Above 50	5%
2	Education of Workers	
	School Level	47%
	ITI/Diploma	25%
	UG	10%
	PG	6%
	Below 10th	12%
3	Monthly Income of Worke	rs
	Less Than Rs. 10000/-	81%
	Rs.10001/- To Rs. 15000/-	17%
	More Than Rs. 15000/-	2%
4	Experience of Workers	
	Less Than 5 Yrs	40%
	5 To 10 Yrs	47%
	10 To 15 Yrs	8%
	Above 15 yrs	5%
5	Job Status of Workers	
	Technical	69%
	Non-Technical	31%
6	Marital Status of Workers	
	Single	77%
	Married	17%
	Separated	6%
7	Nature of Family of Worke	
	Joint	50%
	Nuclear	50%
8	Number Of Family Member	
	1 To 2	13%
	3 To 5	65%
	Above 5	22%
9	Other Source of Money of	
	Farming	60%
	Business	18%
	Animal Rearing	22%

Table 2: Satisfaction Of Workers From Their Salary.

Highly Agree	Agree	Disagree	Highly Disagree	Neither Agree Nor
22%	58%	9%	10%	Disagree 1%
	Agree	Agree	Agree	Agree Disagree



## FIGURE 1: SATISFACTION OF WORKERS FROM THEIR SALARY

Above table shows that satisfaction of worker from

their salary 22% workers are highly agree, 58% workers agree, 9% workers are disagree, 10% worker highly disagree and 1% worker neither agree nor disagree. It is interpreted that majority of respondents are satisfied with their salaries.

Table 3: Opinion About Children Unit In Organisation.

Children Unit	Yes	No
No.Of Workers	90%	10%

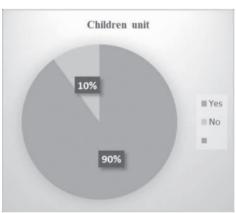


Figure 2: Opinion About Children Unit In Organisation

Above figure shows the respondents opinion about the children unit present in their organisation for take care of their children, 90% workers expressed positive opinion about children care unit and 10% workers told negative about children care

Table 5: Training for Improving weakness

Training	Highly	Agree	Disagree	Highly	Neither
For	Agree			Disagree	Agree
Improving					Nor
Weaknesses					Disagree
No. Of	16%	68%	2%	12%	2%
Workers					



## FIGURE 3:TRAINING FOR **IMPROVING WEAKNESSES**

Above table shows respondents opinion about the

organization of trainings for improving weaknesses of workers, 16% workers are highly agree, 68% workers agree, 2% workers are disagree, 12% worker highly disagree and 2% worker neither agree nor disagree. A majority of respondents agree that training programs

organized are helpful in improving their weaknesses.

Table 5: Distance between workplace to home

Distance	2	2 To 4	5 To 6	Above
Between	Km.	Km.	Km.	6 Km.
Workplace				
To Home				
No. Of	7%	16%	5%	72%
Workers				

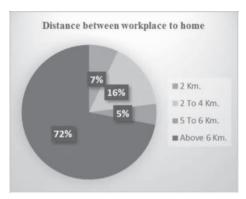


Figure 4: Distance Between Workplace To Home

Above table shows the distance respondents house

to their workplace, 7% workers distance of workplace to home is 2Km. 16% workers distance between workplace to home is 2-4 Km. 5% workers distance between workplace to home is 5-6 Km. and 72% workers distance between workplace to home is above

6Km. It can be interpreted that majority of respondents are coming to their workplace from a distance of more

than 6 kms. This may be a very small distance in big cities, but in rural areas where transportation is a problem it is a very long distance.

Table 6: Sufficiency Of Holidays

Sufficient Of Holidays	Highly Agree	Agree	Disagree	Highly Disagree	Neither Agree Nor Disagree
No. Of Workers	9%	64%	7%	18%	2%



Figure 5: Sufficiency Of Holidays Above table shows that majority of respondents agree that the holidays provided to them are sufficient.

TABLE 7: Behaviour Of Supervisor

Behaviour Supervisor	Of	Excellent	Good	Fair	Poor
No. Workers	Of	27%	46%	17%	10%

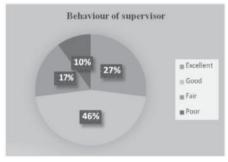
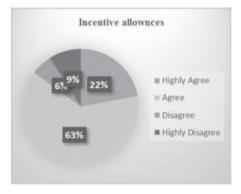


FIGURE 6: Behaviour Of Supervisor

Above table shows that 27% workers opinion about supervisors behaviour is excellent, 46% workers opinion is good. 17% workers opinion is fair and 10% workers opinion is bad.

TABLE 8: Opinion About Incentive And Allowances

Incentive Allowance	Highly Agree	Agree	Disagree	Highly Disagree
No. Of Workers	22%	63%	6%	9%



## Figure 7: Opinion About Incentive And Allowances

It is interpreted that majority of respondents agree regarding payment of incentives and allowances for their work.

Table 9: Reasons For Leave Of Workers.

Reasons For Leave	Health Issues	Birth Of Child	Loss Of Loved One	For Hobby	Travelling
No. Of Workers	76%	2%	4%	9%	9%

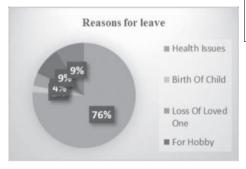


FIGURE 8: Reasons For Leave Of Workers.

Above table shows the reasons for which workers take leave.

76% workers take leave for health issue from their own and also from their family members, 2% workers take leaves for birth of child, 4% workers take leave for loss of loved one, 9% workers take leave for pursuing their hobbies, and 9% workers take leave for travelling.

## IV Findings And Discussion

Table 10: Correlation Between Respondent's Opinion About Hr Policies And Amount Of Leaves Taken

		Amount Of
		Leaves
Satisfaction With Salary	Pearson Correlation	.593**
	Sig. (2-Tailed)	.000
Opinion About Childcare	Pearson Correlation	.685**
Unit	Sig. (2-Tailed)	.000
Opinion About Trainings	Pearson Correlation	.820**
For Improving Weaknesses	Sig. (2-Tailed)	.000
Distance Between	Pearson Correlation	.755**
Workplace To Home	Sig. (2-Tailed)	.000
Opinion about incentive	Pearson Correlation	.560**
and allowances	Sig. (2-Tailed)	.000

It is observed that the salary, trainings for weaknesses improvement, existence of a reliable childcare unit and distance of house from workplace, and incentives and allowances have a significant positive correlation with the number of absences. Cole et al. (2002) in their study also confirmed that the perception of the company regarding caring about its workers/employees with high level of distinctiveness, uniformity and consensus is generally reciprocated by a lower rate of absenteeism Hence, the management should work on these aspects by taking the workers in confidence to improve the rate of absenteeism.

The factors and demographic profile correlations were also studied and results are shown in the following table:

Table 11: Correlation Between Demographic Profile And Amount Of Leaves Taken

		Amount of Leaves
Age	Pearson Correlation	.083
	Sig. (2-tailed)	.409
education	Pearson Correlation	.027
	Sig. (2-tailed)	.785
Monthly	Pearson Correlation	.110
Income	Sig. (2-tailed)	.269
Experience	Pearson Correlation	.330**
	Sig. (2-tailed)	.001
Job Status	Pearson Correlation	.153
	Sig. (2-tailed)	.122
Marital Status	Pearson Correlation	.451**
	Sig. (2-tailed)	.000
Nature of	Pearson Correlation	.508**
Family	Sig. (2-tailed)	.000
No. of Members	Pearson Correlation	.605**
in Family	Sig. (2-tailed)	.000
Other Source of	Pearson Correlation	.520**
Income	Sig. (2-tailed)	.000

It is observed that the marital status, Nature of Family, number of family members and other sources of income of the respondents are significantly correlated with the number of leaves taken by them. Some of these results are in coherence with the study conducted by Cohen and Golan (2007) who studied the impact of demographic variables on absenteeism or turnover intentions. Their findings showed that respondents with less children under were absent more whereas marital status didn't affect the absenteeism. According to Borda and Norman (1997) the number of children and marital status of respondents are a major contributor to absence. Vanden Heuvel and Wooden (1995)

in their study also supported that married parents tend to be more absent, irrespective of their gender.

#### CAMS Model:

From the data analysis, literature review and informal discussions with the management and workers the following model is proposed:



If workers are counseled properly regarding the impact of their absences, advised .mentored and supported for all their concerns empathetically, it will help reduce the absenteeism to a great extent

#### V Conclusion

Absenteeism is a critical issue faced by organizations for human resource management. The understanding of absenceeism starts with an understanding of its causal factors and outcomes. This article précises some of the possible causes and costs of absenteeism. This study contributed to the academic research in various ways. Firstly, it proposes a new way of looking towards the problem of 'absenteeism' and the way it can be successfully dealt with. A proper approach with the understanding of these factors will help organizations curb absenteeism.

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# An Analysis Of Dearth Of Young Talent In **Indian Industrial Relations Landscape**

Mr. Salil Bhide, Vice President-HR & IR. Bharat Forge Limited, Pune, India,

#### Abstract:

Traditionally Indian economy has been based largely on Agriculture followed by Manufacturing and Service sectors. However Liberalisation coupled with the exponential growth of Indian IT and ITES gave rise to multitude of services and service sector has grown to now became the backbone of Indian economy. The contribution of Manufacturing and Agriculture in economic indices has reduced significantly in last 25 years and this is to stay. The emergence of service sector has provided 000's of jobs to fresh graduates with comfortable work environments. However this on the other hand has led to change of preferences in the minds of fresh post graduates particularly in the field of Human Resources. This has resulted in an acute shortage of real good young talent in the area of Industrial Relations which is a subset of Human Resources. And all will acknowledge the fact that harmonious and progressive Industrial Relations is the backbone for the growth of the manufacturing sector and hence for business sustainability. And without real good talent infusion in Industrial Relations roles this cannot be achieved. Hence it is critical that industry as a whole should first acknowledge the fact that dearth of young talent is an issue and take concrete steps to correct this situation for a better tomorrow

In this paper, the issues of dearth of young talent are analysed and possible solutions are provided to deal with the issue effectively. This paper aims at helping the audience to understand the process to attract the right young talent thus decreasing or removing the issue. The

paper begins with the importance of dearth of young talent from socio economic point of view. The issues associates are surfaced and discussed, the factors which are an integral aspect of the core issue are elaborated. In the final section, various solutions and approaches are laid down to tackle the problems associated with the issue of dearth of young talent.

### **Keywords:**

Dearth of young talent, human resource management, industrial relations, manufacturing sector.

### Methodology:

The paper will be a researched document based on inputs from relevant books, articles, surveys available in public domain, and my interactions & discussions with people having knowledge and experience in the field of Human Resources and Industrial Relations as well as young post graduate students of Human Resources.

#### Introduction:

In the pre-liberalization era, when manufacturing was a dominant contributor to the Indian economy and as a result was the biggest employer, students who planned to pursue careers in the field of Human Resources would start their career on the shop floor. The job interviews would inevitably focus on testing the students on their depth of knowledge in labour laws. The first job for most of the HR professionals in those days would be at the factory. The manufacturing location would inevitably be far from the city since the government tried to incentivize the industries to generate employment in

"backward areas". The newly minted HR professional would serve his or her time at least for the first few years until they got a chance to get to a role in the Corporate Office.

Today with so much choice available to fresh post graduates, vast majority of the students voluntarily choose to not to start their careers with a stint in Industrial Relations (nowadays also called as ER or Employee Relations to make it more inclusive).

View from the Ground – Student's voice: In my interactions with students, the main reasons they quote for opting for a Human Resource role over an Industrial Relations role, stems from the fact that an Industrial Relations job comes with hard / tough / not so comfortable work environment. It's a job predominantly connected to shopfloor with all its heat, dust and grime, it's a job in which the job holder has to come in shifts which change every week. And to top it all it's a 6 day week whereas most HR jobs are 9 am to 5 pm with no shift work and with a 5 day week with airconditioned office as the work place. Another factor contributing to this new choice of students is the fact that Manufacturing industry in which vast majority of the Industrial Relations jobs fall, pay significantly less as compared to the fast emerging service sector particularly IT, ITES and Financial.

Post liberalisation we have seen competition rising in all spheres including social fabric of the society. Today parents want the very best of their kids and there is constant comparison with some friend or acquaintance who invariably is better in the very aspect in which the kid concerned is not. This puts a lot of pressure (the pressure of expectation) on the kids. The families are increasingly become nuclear and parents are too worried and wrap their kids in web of more that required security and shelter. This has resulted in kids spending less time on the playgounds with friends

and more with electronic gadgets like laptop and mobile with google and siri as their best friends and colleagues. And when such a kid from urban middle class background comes out of a B-School graduating in HR, more often than not he / she will have a natural reference for a job which is comfortable and more in line with his / her counter parts from Finance and Marketing (Peer pressure and expectation). Parents also generally would encourage their kids to start their career with a comfortable HR job rather than a difficult Industrial Relations job.

In India there are very few institutions of higher education which impart specialised Industrial Relations subject knowledge and its surprising to note that even in such institutes only 30 - 35% of the final placements are in the field of Industrial Relations and rest are in Human Resources. The situation in other B-School is very alarming, here less than 10% (of the students specialising in HR) of final placements are in Industrial relations job and rest 90% are in Human Relations jobs (data from 7 B-Schools in Pune and Mumbai of final placements for last 3 academic years).

This trend has been seen in last 20 - 25years and has led to a whole generation of HR leaders that have emerged from B-Schools in nineties and beyond who have had no stints in Employee Relations.

What Industry needs to do:

Veteran Industrial Relations experts and HR Heads do acknowledge the fact that not enough young talent is joining in IR roles. However there is an issue for this within the industry which also needs to be resolved. The issue is that in IR roles there is significantly less attrition than in HR roles, so naturally there are more HR roles available than IR roles. To compound it there are two additional aspects -1: Most organisations prefer experienced candidates for IR role and hence young

female talent which is now more than 50% of the students graduating every year in HR. loose out.

To tackle this issue there has to be a systematic and concentrated effort by national and local level Industry associations to create awareness on this issue amongst their members on a sustained and continued basis. We see some leading organisations who have taken steps in this direction and have started inducting young talent (including female talent) in Industrial Relations roles, but still this is far and few. Hence atleast big and medium scale organisations need to make a serious effort to induct young talent in their Industrial Relations roles either through campus hiring or through job rotation from within. This is the longer run would go on to build a talent pool of HR professionals who are also well grounded in IR skills. Organisations particularly in the MSME and SME sector amongst others would benefit from this in the longer run as they can then have a talent pool available in the market to hire from as in the current scenario they often pay a huge price for not having the right talent in their Industrial Relations job.

Industry academia interactions can be of immense boost to this subject matter, Organisation should encourage their IR professionals / leaders to take guest lectures / workshops and seminars for students of human resources and their academic professors in B-School's thereby imparting quality knowledge about the subject of Industrial Relations, sharing of their experiences and increasing the awareness about the Industrial Relations roles and its importance to the organisation in a holistic perspective. Regular and consistent industry visits and concurrent placements for the HR students in IR departments of organisations would lead to giving them an insight about the working and nuances of the Industrial relations department and hence creating an interest

in such roles. The students would be able to see first hand the similarities and differences between theory (i.e. what is taught in the classroom) and practice (i.e. actual work practices in IR department of an organisation) and make their own assessment.

Make in India Campaign - An Opportunity:

The Make In India campaign coupled with the new labour codes is an opportunity to rethink Industrial Relations. With the Make in India campaign, it is very likely that we will once again see the rise of the manufacturing sector in India. The new generation workforce views the workplace very differently and is motivated in ways very different from the way the previous generations did. And this is also an opportunity to consciously start building up the pipeline of IR talent in the country. And it should start at the bottom of the pyramid i.e. right at the entry level.

How does it help business sustainability – demographic dividend gives India tremendous advantage of having a huge educated workforce, so manufacturing industry is here to stay and with Make in India initiative it will only increase. At the same when we look at the various unions and the demographics of their memberships, we find that the average age of the union members is decreasing i.e. unions are now having members who are young, in some cases we even see unions being led by younger union leaders at unit levels.

Today's union membership is gradually shifting from uneducated and ITI qualified to graduates i.e. BSc and Diploma holders, this is a new phenomenon of having educated union members. New union leaders being educated and are being exposed to new concepts like Industry 4.0 and Digital Manufacturing. They are getting exposed to the new technology and the way of manufacturing the manufacturing industry is going to absorb

in future. Tomorrow's union negotiations would include agenda items on digitization. The young talent inducted in Industrial Relations roles today will get matured and experienced in next five to ten vears. And that is when industry would see their contribution. They would be in a position to understand Industry 4.0 and Digital manufacturing much better that their counterparts of today. Their understanding of the new technology and digitization would help them in union negotiations with new generation of union leaders already exposed to such manufacturing environment. Their role will be pivotal in maintaining harmonious industrial relations in the changed scenario. Having harmonious industrial relations is backbone of smooth functioning and success of any manufacturing industry. Hence having young talent in Industrial relations roles today is not only going to help us having good IR managers of tomorrow but also to maintain harmonious industrial relations for business sustenance.

In times to come, collective bargaining may be resorted to by some non-unionized group of employees say in IT or ITES sector. Some of these may be white collared employees. In a few years we may see virtual employees or the temporary workers come together to fight for their rights and or to seek some change in policy. It need not only be a negative incident. Maybe the team at work comes together to make some choices collectively. All these are opportunities, but they are also disruptors. New industries have come up. Temporary employees are a rising percentage of the workforce in many sectors. Fixed term employment is going to become the new normal. Governance and regulatory frameworks are getting tighter. All this needs a new breed of IR professionals.

There are industries that are already experiencing what it means to have a talent shortage as the baby boomers retire and not enough students are enrolling in the colleges that teach these courses. Global oil and gas companies forecast a shortage of petroleum engineers. We have seen that health care professionals are in short supply, and this issue has been amplified by the COVID pandemic. Industrial Relations could well be on its way for such a scenario. If talent is the new medicine, we are certainly going to see a shortage of people who have the skills to get the best out of them in the new world. This is a worrisome scenario for business sustainability.

#### Conclusion:

Talent shortage in Industrial Relations jobs has been talked about for last five to ten years, but then this did not really affect the industry very much as the manufacturing sector did not grow as it should have, the efforts for formation of unions and coming together in other sectors most significantly in ITES sectors also did not gain much traction. And overall the situation on trade union front was more or less not very turbulent. And as a result not much was done on the issue of shortage of talent in Industrial Relation jobs. The situation kept deteriorating slowly over the years.

Now with Make in India campaign, Western economies wanting to shift manufacturing from China to other countries in South East Asia gives India a huge opportunity. We have to be ready to make this a success as this would provide the country a platform of economic and business sustenance. And have a good young talent ready for Industrial relations roles would be only complementing to this situation and we should not miss this opportunity because the next opportunity may not turn up quick enough.

Hence Indian industry particularly manufacturing needs to pay heed to this burning issue and take steps to correct it. If enough is not done quickly then we will miss the bus and the initiative of Make in India which would in all probability be a success but it won't have a very good

good foundation of Industrial Relations to stand on.

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# **Overview Of Industrial Relations** And Business Sustainability.

Prof. Ulhas Deshpande National Council - NIPM

#### Abstract:

Any Merger or Acquisition sets a key challenge to an organization to maintain smooth industrial relations amongst all stakeholders so as to have a smooth transition and transfer of the business with the help of these stake holders namely employee force at various levels, trade unions company management, government bodies etc.

The greatest resource in an organization is human capital. For sustainable business development, it is essential to consolidate it towards the common goal of the organization by establishing smooth cordial industrial relations of employees and other stakeholders.

The following research aims to show how the cordial industrial relationship between workforce and management is important basis to improve the productivity of the organization. The joint hands of workforce and management and other stakeholders who put a common efforts to achieve harmony reach to a common goal of enhanced productivity & cooperation. Any organization is a successful organization when, able to show sustained growth thru the human capital working in assured and peaceful work environment.

**Keywords:** Harmony, Industrial Relations Sustained growth, Amalgamation, Change Management, Culture Alignment Review of Literature:

It entails inventing industry and a business model based on an unproven hypothesis: that major synergies can be achieved by culling resources from existing industries whose boundaries seem to be disappearing. The management challenge is even bigger than in the other categories.

Success depends not only on how well you buy and integrate but also, and more importantly, on how smart your bet about industry boundaries is.

We see the importance of these previous research streams in bringing attention to the importance of the "softer side" of harmonious industrial relations amongst the different stakeholders in the various business processes such as M & As. as opposed to viewing M&As as purely financial transactions.

To identify the cultural differences amongst the diverse workforce expected to achieve a common goal is a key element which majorly affect the industrial harmony. The effectiveness of the variety of processes adopted to bring out the desirous results in the work culture, work processes affecting the internal work relationships are the major challenge before the organization. The change in economic scenario has ushered many dynamics at micro levels in the industry and its impact on industrial harmony is a subject of interest to many. While going thru the processes of mergers and acquisitions within industry, within organization studying the group dynamics has become important to maintain harmony, equitability and sense of ownership in its stakeholders. The integration process of the two different groups catering to different range of products and technology and consequently the success of M&As is a result of continuous investment in synergizing the cultures, thought processes developing in to one strong harmonious organization.

#### Introduction:

Emergence of global chains is a process of

process of acquisition, merger & divestures started and consequential pressure on doing more with less and significant workforce reduction in private sectors.

In such scenario price is the major basis for competition & low cost manufactures have an advantage. Employers started facing pressure due to constant efforts of employers to reduce labour cost. With growing working population that belongs to a much younger generation, organisations gives the preference to the young generation for higher productivity. The outsourcing and subcontracting have partially attempted to reduce the manufacturing cost.

The challenges face by the organisations are technology, skill development, labour mobility, work culture & productivity and competitiveness.

The term industrial relations means all aspects of employment relations.

The industrial relations focus on human relations between employers/managers and workers and their unions in the manufacturing process. In industrial relations the different department's unit leaders are most important as they are opinion makers for hormonal relations.

HR managers must have cordial relations with union leaders and should have proper convincing ability to convey the management's expectations to these leaders.

When we bring the thought of "Industrial Harmony" at center it is needless to mention that it means an organization decides to be a mature entity by identifying differences, respecting the individuality, bridging the gaps and providing divers platforms of two way communication. This results into the understanding of different groups about the common goals to be achieved and the path charted to achieve it. The maturity of the organization is directly proportional to the understanding the need of "Industrial Harmony" and the amount sensibility of approach by the

strategy designers comprising Top Management & Human Resource Department. The communication plays the key role in bringing the diversities together and make them work towards common goal. Also the major enhancement of the maturity happens when the organization choose to bridge the differences diversities amongst the people, processes, by offering common platforms to share, to express, to agree and to differentiate. Continuous practicing of these becomes resultant in industrial peace and amicable work culture. The acceptance of diversities and availability of the means to openly discuss actually create a healthy surroundings and cordial relationships within the organization.

The issues and aspects of people management, employee cultural alignment thus attracts the major focus, energy and efforts by strategy planners.

Human resource department shouldered this key responsibility of focusing on "Harmony" within the organization which most delicate and sensitive area when it is a part of economic and business processes mergers and acquisitions. HR has to play a key role to bring a delicate balance amongst all the employees who belong to different divisions erstwhile. accustomed to specific product range and thus specific business culture. The obvious challenge is to bring oneness and cohesiveness so that people in organization can operate in uniform direction set by the business.

#### About the company:

The company caters the two different ranges of products and operated in two divisions and as two separate companies. The company was a largely family-owned business and hence had multiple family members in the top management position. The two divisions were namely: Art

Material & Fine Chemicals Division and Stationery Division. These divisions

manufactured a range of different product groups that targeted completely different target segments. That was the reason why they functioned as two separate entities inside the same company. They were headed by two different cousin brothers as executive heads.

Continuity and Sustainability Challenges: With the changing economic and business scenario. The business needed to become more agile and efficient. It was noted that having multiple divisions common in both companies resulted in redundancies. Therefore, it was strategically decided to amalgamate the two divisions into one entity. This was the decision taken by the board, and as the manufacturing processes and plants were different they pretty much still remained unchanged. However, every other function, department, work practices, and business process were to be amalgamated.

The challenge was not only in selecting which employees to be kept and which to let go because of duplication of roles but it was also about making all the employees come under the same roof and to the bring the same identity and culture among them.

### Way Forward:

The key factor was to work for cultural alignment amongst the different levels, horizontal and vertical towards the common business goals. The few factors which were not affected by this merger were the work geography and product ranges which were decided to be kept separate.

The business culture was specifically aligned basis the products, services, and customer base of respective divisions which exposed both divisions to different management styles.

To bring out the best business results from the merger of two divisions, it was important for the HR department to emphasize harmony, bring flexibility and co-ordination among different sets of employees.

The entire process was handled by HR in a very strategic manner following an inclusive nature so that the employees can feel comfortable going through the change. The HR department also communicated and discussed with the top management at every stage of the merger which helped them get the buy-ins from them. Keeping the channel of communication with both employees and top management is critical when going through any sort of change management activity. This not only helps to address and resolve issues and concerns which may come out in the earlier steps that can roll over to become a crisis later on.

Another aspect of change management is to go one step at a time, hence certain business processes such as business hours, leaves, holidays, pay packages continued as it is. With these things out of the way, the challenges were more about the grey areas which involved human values and emotions.

It also involved a series of tasks such as redeployment of the right person at the right positions, redesigning business titles, offering support to different departments in building their teams, and providing support in getting established in respective workplaces.

The utmost care was taken to respect individuality while achieving business continuity which was a result of the continuous interaction of HR with management, business heads, and employees.

While doing SWOT analysis in the given circumstances, the strengths of the organization were diverse product ranges, defined business processes, strong financial processes, familiar workspace, flexibility to switch in any product ranges.

At the same time, it was not easier to get into finer nuances of day-to-day work culture, having a common understanding of work expectations. These areas were marked as major challenges for HR

Though the area of concern was clearly identified it was important for HR to address those in a very acceptable way so as to improve the familiarization process.

Know your company:

The support of top management was key which resulted in a program across all employees with a very simple and nonjazzy title "Know your company". The design of the program was deliberately kept simple so everyone can participate in it on one common platform.

A simple design was adopted after a series of across-the-table discussions with management and business heads. The idea was that there will be scheduled discussions conducted periodically across the organization where someone from each department (mostly the HOD) will be presenting to the other departments about the various functions and processes followed by the department. All the employees belonging to different functions attended the presentation. The presentation round was followed by OnA sessions. This was a great opportunity to bring employees of different levels and departments in training room in batches and have interaction among them which has created harmony.

The program was successful in giving the employees and management a common platform to open up and get the doubts cleared regarding the new business scenario. It assured everyone about the management's commitment towards creating common goals that could only be achieved by integrating and seamlessly performing as a single entity instead of two separate entities just operating under the same roof.

The participation of employees was a key feature of this program and it also resulted in an increasing level of productivity and satisfaction among employees.

### **Conclusion:**

Sustainable Business Competitiveness through employee relations works by placing people at the core of the business, considering plans and policies, systems and processes that create and sustain business competitiveness, fairness with inclusivity, human development along industrial peace and harmony.

Companies can create such "Know your Company" models which can help them to understand the various functions & create harmony among employees.

Only after understanding the people, we can create policies & systems that foster productive employee relations.

Mr Sharad Rao, Veteran trade union who was heading several influential unions that represented employees in the Mumbai and other civic bodies in Mumbai metropolitan region as well as the Brihanhumbai Electric Supply and Transport (BEST) that runs public transport buses in Mumbai extended cooperation being the leader of the company to such innovative concept of "Know Your Company". The internal leaders and Mr Rao appreciated this programmed.

Sustaining Industrial relations is not only about the employees working in the factories but also about the other departments and support functions. A toxic culture among these can trickle over to the manufacturing divisions and can directly affect production and bottom line.

This is one of the organization that place people at the core of business, implemented policies, systems and processes create and sustain competitiveness, fairness with inclusivity, human development along with industrial peace & harmony.

The organization who believe in policies, practices & systems that foster productive employee relations.

## The New Policy Implications and study of the further scope

The government has taken good initiatives

to attract foreign investors for "make in India" drive by creating four labour codes. They have merged many laws and created four codes.

The Industrial Relations Code, passed in loksabha on 22nd september2020, with a view to amalgamate, simplify and rationalized the relevant provisions of the following labour laws:

- 1) The Industrial Disputes Act, 1947
- 2) The Industrial Employment (Standing Orders) Act 1946
- 3) The Trade Union Act 1926.

The silent features of the Industrial Relations code, (Major provisions) are as

- 4) "Worker" may be supervisory nature but drawing salary up to Rs 18000/-
- 5) Applicability of standing orders is compulsory & obtain a certificate if these standing orders are different than the model standing orders.
- 6) To prohibit strikes & lockouts in all industrial establishments without giving notice of fourteen days.
- 7) To provide for the obligation on the part of industrial establishment pertaining to mine, factories, and plantation having three hundred or more workers to take prior permission of the appropriate government before lay-off, retrenchment and closure with flexibility to the appropriate government to increase the threshold to higher numbers by notification.
- 8) To set up a reskilling fund for training of retrenched workers
- 9) To provide for fixed term employment with the objective that the employee gets all the benefits like that of a permanent worker (including Gratuity) except for notice period after conclusions of a fixed period and retrenchment compensation. The employer has been provided with the flexibility to employ workers on fixed term basis on the basis of without restriction on any sector.

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# The Analytical Study of elements of Industrial Relations Strategy, Policy and Framework.

Mr. Vinod Bidwaik Vice President - HR & CHRO (India, Middle East & Africa)

#### ABSTRACT:

This paper is a conceptual study exploring the relations between Industrial Relations Framework organizations have and the impact on the same on industrial relations and business.

It is necessary to understand the expectations of workmen and union and keep them engaged. On the other side organizations also need to put the clear expectations in front of the workmen. To do this, we need a proper mechanism and industrial relations policy and Industrial relations strategy framework. Unfortunately, in India the approach to maintain the industrial relations was always reactive.

I tried to get the answers on the following questions:

- Is there any proven Industrial Relations Strategy framework?
- · Does such a framework help HR professional to maintain good Industrial Relations?
- What is the mindset of union & workmen towards the change and new way of working?
- What are those elements of such Industrial Relations strategies, if any?

To get the answers of these questions, I carried out the research in selected Indian and MNCs around Pune, Maharashtra.

The purpose of this study was to understand how companies are maintaining the Industrial Relations. Is there any documented IR policy or framework? What are those elements, written or unwritten, helping HR professionals to deal with the union? And based on the findings, propose the Industrial Relations Strategy Framework which can be referred by companies,

HR/IR professionals for maintaining the harmonious Industrial Relations.

It is crucial to understand that companies need a concrete framework for managing Industrial Relations and keeping workmen and unions engaged. Further I also tried to understand the support of unions during pandemic and readiness in handling the technological changes in the market.

After the literature reviews. I realized that there is a lot of research done in this domain, however very few researches spoke about having the IR framework and its impact on the business.

After the exploratory research, findings suggest that yes, it is necessary to have the IR strategy framework and elements of the same have a major impact on maintaining the industrial relations. This also has a positive impact on the business.

# **KEYWORDS:**

Strategic HR, Strategic IR, HR in IR, Industrial Relations Strategy, Industrial Relations Policy, Framework for Industrial Relations Strategy, Union, Workmen, Disputes, Employee Employer Relations.

#### INTRODUCTION:

Contribution of the workmen in the economic growth can't be ignored. Most of the sectors in India are still labour oriented. Their role in the growth of the country should not be ignored. When you have a large number of workforces which are not guided properly, possibly we lose the cost advantage. In the democracy, workmen have every right to form the union and negotiate with organizations for their legitimate right, however such right if not used in a right way, workmen and

and industries both suffered. The labour movement in India was turbulent a few decades back and we have seen the business being impacted severely.

If we go back in 1982 where the great Bombay textile strike was called by mill workers of Mumbai under the leadership of Datta Samant. We all know the debacle of this strike. It is said that this strike was the big conspiracy against the poor mill workers by union leaders, political leaders, and mill owners. This strike was spontaneous, and workers went to Mr. Samant demanded him to lead the strike. discarding established unions that time. Main demands were for more bonus and increase in wages. This strike lasted almost 19 months with the involvement of almost 0.25 million mill workers resulting in permanent closure of textile mills and pushing almost billions of people in poverty and hardship. Mr. Samant was a successful union leader dealing with employers for wage increase earlier. His militant style got popular and he established his credibility among the workmen. Because of his success, mill workers demanded him to be the leader and lead the strike. However, Samant was not ready for that. He agreed finally when workmen were too pushy and were not ready to leave his home. Very soon other leftist unions supported Mr. Samant While fighting for greater pay and better conditions for the workers, Samant and his allies also sought to capitalize and establish their power on the trade union scene in Mumbai. The government got scared because if this strike would have been successful, it would have had an impact on port and dock workers and other big establishments in the region. The then congress government in state and center didn't want the influence of Samant. We don't know what cooked behind the scene but Samant tried to encash the situation but could not do it as Mill Owners Association and government refused to budge the pressure of union in spite of economic

losses

After that we have seen many movements where workmen were always at a loss. In 1999, most of the companies shut their shops and moved their plants outside India. mostly in China. India still is struggling to create the jobs and unemployment rates are creating different issues. Subsequently, the Union had lost its glory because of the economic conflict, few unions were trying to establish their power. Industrial Relations became better compared to 1982. but the mindset shift was required.

To make the environment conducive for industries, union and workmen need to think differently. Hence keeping harmonious Industrial Relations are crucial for any business sustainability.

# LITERATURE REVIEW:

There are different research articles available on Strategic HRM, however very less speak about the Strategic Industrial Relations.

Armstrong (1992) defines HRM as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. The Said strategy can also be extended to the Industrial Relations. The Industrial Relations Strategy is the integral part of HRM Strategy.

Industrial Relations originate from classical theories, specifically from marginal productivity to cognitive dissonance, from Karl Marx to Max Weber. These theories are broader than industrial Relations and of course they contain both bad and good concepts: It is good because they link Industrial Relations with other systems and disciplines; it is bad because Industrial Relations needs its own theories. models, identity and systems, and these are still largely lacking and/or badly disorganized in the industry, {Heinemann (1969:13)

The management strategy requires extensive communication between management and employees and also the collaborative efforts of employees (see Cooke and Meyer 1990; Kochan, Katz, and McKersie 1986).

Mehtap Akgüc who a Research Fellow in the Jobs and Skills Unit at the Centre for European Policy Studies in Brussels, Belgium. He mentioned is his research paper about the Industrial Relations Framework as under: "

One interesting example of platform organisation is that of the Deutscher Crowdsourcing Verband (German Crowdsourcing Association) (De Groen, Kilhoffer & Lenaerts, 2018). Founded by eight platforms, the Deutscher Crowdsourcing Verband represents the first known formal organisation of platforms and is noteworthy for creating a voluntary agreement to abide by certain principles. Together, the eight platforms have drafted a Code of Conduct, aimed at the promotion of a fair and trust-based collaboration between platforms and crowd workers. The Code of Conduct establishes a framework covering ten fields of interest: lawfulness of task, clarification of the legal framework, fair pay, 'motivating and good' work, respectful conduct, clear task definitions and appropriate time planning, freedom and flexibility, constructive feedback and open communication, rulebased process to reject completed work and request rework, and data privacy and the private sphere (Deutscher Crowdsourcing Verband, 2017)

I have not encountered with any study related to such Industrial Relations framework in India vet.

After the study, it is evident that the current researches are limited to the study of HRM strategy at a higher level. It is not further cascaded down in different functions of the HRM, like Industrial Relations. There is not any other such framework for Industrial Relations available.

What is Industrial Relations?

In simple words, industrial relations deals with the relationship between workmen and organizations, the mechanism created for solving workmen issues and grievances and the process of resolution if any disputes arise. The government has enacted the law Industrial Dispute Act 1947, where everything is defined related to industrial relations. Further there are two other laws which governs formation of union and deals with collective unfair labour practices, i.e. MRTU & PULPAct 1971 and another Act which speaks about the working conditions, i.e. Model Standing Orders Act 1946.

Let's see few purposes of having the industrial relations,

- 1. To create the environment where the workmen can speak freely and raise their concerns about work conditions, better pay and benefits they get.
- 2. To avoid the conflicts to serve the customer better.
- 3. To give the organizations, forum to speak with workmen on improving productivity and get their participation in the management decisions.
- 4. To provide the forum to the workmen to solve their day to day issues they face while working.
- 5. To honour the right of workmen to form the unions, allow them to negotiate and consult on their issues.
- 6. To have the mechanism to solve the disputes between management and workman or workmen and workmen through legal recourse if unmanaged to management and union level.

Acts related to industrial relations were rigid, process was time consuming and both, union and organizations used some sections as a weapon against each other.

Recently in 2020, the central government has passed the four labour codes in the parliament making the life of industries simple. It will be interesting to see how the Industrial Relations Code will be useful to improve the ease of the business and create

create employment for blue collar workmen. These codes are definitely the one step ahead towards making the business easy in India. However, the government has to come with some rules and implementable framework for the industries.

But do only laws are required to have better industrial relations? Laws are framework but more important is how the relationship is maintained, engaged, and used for the betterment of both, workmen and the organizations.

Industrial Relations is one of the most important functions of Human Resource: however, it was always ignored by organizations. The old generation who handled the IR in factories are not able to come out from their conventional mindset. They believe in compliance and negotiations. After globalization and during good times (from 2000 to 2007), the focus was more on hiring, training & engaging workmen. Due to attrition, focus on building IR skill sets got ignored. The hardcore HR professional took the charge and missed the important aspect of future IR challenges. After 2007, when the great recession started, the insecurity among blue collar workmen led to forming unions in organizations. Even the debate started on if Software Engineer is a workman or not. The old school of thought forgot that the workmen demography that they used to handle (from 1980 to 1990s) has changed dramatically.

The old school of thought which includes IR professionals are professionals who are in 50 & 60s now. They are reactive and their focus is on compliance, discipline, negotiations, labour laws, entitlement etc. The new generation who came in HR during 2000 to 2014, mainly worked in HR handling reactive recruitment, coordinating training, policies etc. They were not inclined to work in difficult circumstances like handling union and participating in collective bargaining. Old school of thought IR professionals never

developed their subordinates in hardcore IR. They never allowed to participate in negotiations. They kept the exposure of IR with themselves. Subordinates used to work only on data and preparing minutes of meeting. That is the reason HR professionals are lacking the skill sets in handling unions and workmen on the shop floor. There are professionals, who leave the organization when settlement is in progress and join where the settlement is already done... by every three – four years they keep moving & taking credit for settlements.

IR professionals with an old school of thought were not much relied on labour lawyers. They know minute details of Labour Laws. They used to take the help of lawyers & consultants only in domestic enquiries and court cases. However, they always were missing HR dimensions in IR. New generations of IR professionals are fully dependent on lawyers and consultants which is creating a lot of internal issues. If you observe some incidents that happened in the last few years, you will see the inability of management and IR professionals to create a conducive atmosphere for negotiations. Sometimes even paving unreasonably more during negotiations and buying the peace.

The new generation of workmen is technology savvy, they are more connected than IR professionals and they come to know what's happening in other organizations. They have high expectations and are ready to learn new things if they are convinced properly. You can't threaten them by punishment. On the other side, companies are in a different mindset. Digitization, automation, flexibility, cost, productivity, and profit are on their day to day agenda.

# While the word is changing fast...few dimensions should be considered...

• Attitude towards job security is changing. there are no permanent employment, but organizations are putting efforts on employability.

- Employers wants more with minimum resources, but believe on engaging right talent.
- Employers are putting more efforts in building capabilities among employees,

While above dimensions are more prominent. IR professionals should come out from their conventional mindset. They need to take a proactive approach. The approach is always reactive, and nobody would like to engage workmen and line managers how they would like to handle the IR scenario in their organization irrespective of having union or not.

How do Industrial Relations work?

In industrial relations the relationship has to be managed at different level described as under:



Figure 1: Different levels of engagement

# Psychological level:

Sometimes having hard discussions and negotiations is a mind game for management and union. While negotiating, speaking, and dealing with the union, both parties used all pressure tactics. However, if we see the positive side, it is the HR knowledge of management on how they keep workmen and union members engaged, motivated, and satisfied.

#### **Social Level:**

We are dealing with human beings and society at large. Sometimes the dispute if any, is not limited to the workmen and

organization. It may become a social issue. Sometimes small issues may become large if not managed properly at a social level. People speculate on who is right and who is wrong. So called social workers and political leaders start intervening and demanding the management to agree on the demand of workmen.

# Legal level:

Simultaneously it is also fought in the legal machinery like labour commissioner, counselling officer and for injunction etc in industrial court and civil court.

#### Individual level:

This is a major task keeping workmen engaged and preparing them for the better and worst if something happens. It is always good to have trust between management and workmen.

The question is how to create the right framework to handle the Industrial Relations in a sustainable way and make it the backbone of business sustainability?

I conducted the exploratory research on the Industrial Relations Practices in and around the region of Pune. Almost 150 Indian and MNCs participated in the research. Out of 150 companies, 40 companies were further studied in more detail. These organizations are having the workmen from the range of 100 to 8000.

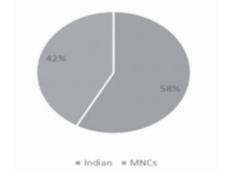


Figure 2: Companies Participated

Most of the time, it is a reactive approach. When we asked how many companies have the written strategy document,

The response received, only 35% organizations have their industrial relations strategy documented. 50% responded that they have the strategy but not documented and 15% respondent shared candidly that they don't have any strategy in place. Out of 35%, only 15% agreed that the strategy is aligned with the organizational level, discussed with the management and implemented in a true spirit. However, it is very important to have the documented IR policy and strategy in place. Unless it is documented and not communicated properly to the stakeholders, there is no meaning having the IR policy and strategy and still not documented.

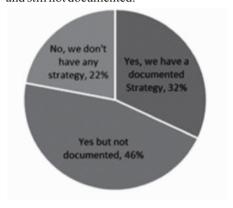


Figure 3: Do you have an Industrial Relations Strategy in Place?

In this process, organizations also need to clarify the expectation from workmen and employees.

Most of the organizations are working and focusing on the cost, quality and delivery which are the integral parts of any manufacturing processes. This is much needed to serve the customer better. The product differentiator can be only the value you add to the customer by reducing his costs, giving a better product than the competition and finally delivering products on time. While doing this organizations have to work internally to optimise the

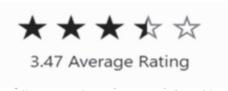
manufacturing processes, managing their fixed costs and reducing the overheads. While digitalization, automations play a crucial role in the process, it is very important for employees to maintain the quality of product, reduce customer complaints and be productive. After the covid19, situation has been, such expectations are becoming more prominent.

We asked participants, what are typical expectations from workmen and unions? With the technological changes, expectations are also changing. Earlier it was simple expectations like not to have any discipline issues, any disputes, and disturbances in the production process. However, the organizations are demanding more than this. These expectations, of course, are in alignment with the market and the customers. Expectations are classified in the following figure.



Figure 4: Organizations' expectations from unions and workmen

In view of these expectations, it is also important to know how companies rate the readiness of workmen and unions. On the scale of 5, (1 being poor and 5 being excellent), companies rated them almost at average as under.



readiness to adapt new ways of working like Digitization, Multitasking etc?

We know the journey from good to great is not that easy with a lot of external political influence on unionism and workmen. They need to be guided properly; they need to be given the awareness of the market. Though a 3.47 rating on 5 is good, it will not solve the challenges of businesses in view of the VUCA world. Hence it is very important to have the right industrial relations policy and framework for the strategy. However before going to the framework let's understand how the response of workmen and union was during the pandemic.

It is also interesting to know the response of unions and workmen during the pandemic and consequent lock down declared by the government. The response is captured to understand the contribution of the workmen in business continuity.

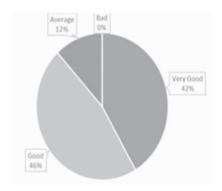


Figure 6: How you will rate the response in business continuity from Union/Workmen during the pandemic?

It seems that there is a lot of mind shift happening in view of the changing scenario. As workmen are more aware, they also understand the consequences of their action on their future. From the above response, it is clear that workmen have contributed and stood behind the organizations to continue the business during the pandemic.

It is also important to note that only 16% of companies reduced the wages and benefits during the pandemic. In spite of having the

clause of block closure in unforeseen circumstances, only 9% organizations enforced this clause.

The gesture of organizations is recognized by the workmen and unions and they supported full heartedly to the organizations to run the factories even during lockdown putting their health at

Does this mean that workmen's mindshift. change is only because of pandemic and loss of jobs due to the unforeseen circumstances? Definitely not, this change is happening for last few years. This is a result of the Industrial Relations Policy Framework and strategy having in place. Almost 79% organizations say that they have seen a lot of improvement in union and workmen behaviours for the last 5 vears.

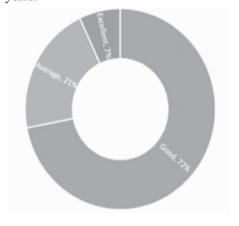


Figure 7: How does your Company rate on the Mind Shift change of Workmen and Union compare to the last 5 years?

With the mind shift change visible, companies are satisfied with the participation of workmen and union in the business growth. Almost 72% companies agreed that they are satisfied with the participation and only 28% have not seen any contribution. Perhaps this may be the individual perception of the participants who responded to the survey. However, HR professionals are keeping union and

workmen engaged in day to day matters.

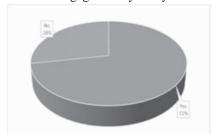


Figure 8: Are you satisfied with the participation from Union and Blue-Collar employees in the Company business

HR professionals are keeping the workmen and unions engaged through their regular and traditional engagement activities.

It is good to know that new thought HR/IR leadership understands the need for a proactive approach. When we asked about the element of IR strategy either documented or undocumented, we have seen some elements which are related to communication, engagement, training, and productivity.

After the study we realized that HR professionals need some IR strategy framework where they can make their customized strategy to keep the unions and workmen engaged and aligned to the organizational goals and objectives. This also needs the right attitude who are dealing with the unions.

HR needs the right proactive approach where they foresee the challenges and start engaging with the workmen and union, stead of working on the firefighting when any issues, disputes arise. For this you need your eyes and ears open. This is truly the strategic mindset.

HR needs the approach where the standards are decided based on the business needs and not the norms, customs, discipline. For example, the workmen and unions expect the wage increase in the settlement based on the last agreement. For them the last agreement is the benchmark. This needs to be changed. Few organizations are taking a step ahead approach, where they are

working on the inflation, market and meritbased wage increase. Rest is based on the business needs, and goals are linked to productivity, their contribution. All this is self-funded. This is only possible when you aligned them towards the vision, mission, and strategy of the organization.

To facilitate this the organization needs to work on the redesign and management controls. In the past such experiments were done where full autonomy is given to the workmen to operate their job. However, this needs a strong governance model, strong competence, and attitude building programmes in the organizations.

This is possible only when you create the trust and collaborative environment within the organization, and they treat everybody with trust and equal.

Figure 9: Putting the HR dimension in IR strategy



The elements of IR strategy are important. Currently there are a lot of ad hoc actions taken by the companies and HR professionals. Some of the following ad hoc elements of the IR strategy shared by the participants are as under:

- Diploma engineers at shop floor & standard hiring practices,
- Structure induction and skilling, regular meeting and resolving shop floor issues,
- Special attention on health and wellness initiative.
- Simple and close communication,
- Participation and engaging with respect,
- Having trust, transparency and bonding,
- Continuous training on motivation, skill and benefits,
- Proactively capturing of employee concerns,

- Attending & resolution of problems on time.
- Pay as per market,
- No compromise on ethics,
- Safety first, process centric approach, zero quality defect.
- Engage in dialogue,
- Productive linked targets,

Above elements are good, however not elaborative. Such elements are discussed as necessary. Sometimes budget and past experience also restricts organizations to follow above elements. However, when we studied organizations which are doing good on the industrial relations front and recognized that Industrial Relation is the backbone of the business sustainability, I propose the framework as under.

Figure 10:Industrial Relations Strategy Framework



The strategy framework has six elements as under:

- 1. Communication and Engagement,
- 2. Discipline and Redressal Procedure,
- 3. Engagement with internal and external stakeholders,
- 4. Competence building and career development.
- 5. Approach on what is negotiable and what is not.
- 6. Right Labour Mix,

HR professionals can just use these elements to design their strategy framework. The different activities can be clubbed together under these elements.

#### **Conclusion:**

The companies that we studied are well established Indian and multinational companies. The IR function is headed by an expert HR/IR professional. Few organizations have matured in their IR practices, few are learning in this process. However, every organization has their own unique practices and the unique way of managing the industrial relations, above elements are observed in common where they have maintained the harmonious industrial relations

# **Acknowledgement:**

I express my thanks to Nitin Shinde for supporting me in preparing and administrating the survey. My HR professional friends and their companies who responded to the survey and further helped me to understand issues in Industrial Relations and helping to understand the elements they are using for having better Industrial Relations.

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# **Employee Relations - A Tool for Business Sustainability**

#### Dr. Kirti Dharwadkar

Director S.B. Patil Institute of Management, Akurdi. Pune

#### Abstract

The most important problem facing the workplace in the twenty-first century is business sustainability. Although many people recognize and appreciate this, little is known or discussed about the improvements that must be made to make sustainability a priority in the workplace. These are just a few of the issues and examples that show how important sustainable Human Resource Management (HRM) and sustainable Employee Relations (ER) are for achieving long-term industrial development. These important aspects of workplace management have the potential to help organizations establish values, strategies, and procedures that can help them meet the demands of workplace competitiveness in the twenty-first century.

Sustainable HRM, according to Kramar (2014), represents a new approach to handling employees by understanding wider HRM purposes and recognizing the nuances of workplace dynamics. Furthermore, we must acknowledge the importance of employee relations through ideas like contribution and the position of external entities like trade unions. The aim of this article is to investigate the role of HRM and ER policies and practices in the adoption of effective work practices for long-term industrial relationships, as well as to define best practices and rhetoric in this regard. Sustainability is described as meeting the needs of the present without jeopardizing future generations' ability to fulfill their own needs. That entails a healthy climate, a healthy economy, and a healthy Workforce Relations structure, all of which are founded on strong

foundations and sustained by good governance. A strategy to promote desired trends of economic production and growth is known as an industrial policy. Sustainable industrial policy does not include fostering circumstances that enable corporations to flourish at the expense of jobs, culture, and the environment. It is about providing conditions for businesses to operate in order to create a long-term commitment to society.

# Why do we need it? The existence of a triple crisis

Our existing market models are not feasible. We are in the midst of three crises: economic, environmental and social. The longer we wait, the more likely it is that ethical values and human life will be lost in a last-ditch effort to save the world. The deterioration of our planet's natural capital is accelerating at an alarming rate. Businesses have few solutions to offer. Too often, corporate entities deliberately seek to obstruct the discovery and implementation of alternatives.

When you think about a company "Going Green," the position of human resources is obviously not the first thing that comes to mind. However, HR plays a critical role in promoting sustainability practises, and sustainable practises impact many HRrelated issues.

The following are a few connections between HR and sustainability that might be useful to note while attempting to reshape policies.

# Sustainability Affects Morale

Companies that rely on sustainability are also seen positively by the public and and workers, which may change how workers feel about working with your organization and even how clients or customers treat your company while engaging and dealing with it. Having an attempt to alleviate the company's adverse environmental impact gives workers the sense that they are making a difference. Promoting sustainability as a key value can also assist in the recruiting of top talent. This will assist the company with increasing employee commitment to the organization. Most of those best and the finest of any industry choose to work with organizations that value integrity over profit and strive to build a healthier work climate.

This can enrich the talent pool, assisting in enhancing procurement standards and building better teams, thus increasing employee productivity and fostering healthier relationships among employees. HR may Integrate Sustainability

HR will provide the impetus for the implementation of more sustainable practices. Since recruiting, onboarding, and preparation are all integral HR activities, HR practitioners should ensure that sustainability is embedded in new employees' perceptions of the business from the beginning.

Talking about resource efficiency during onboarding and training will help pave the basis for more sustainable activities.

HR should also promote sustainable practices during employee lifecycles and everyday activities. By assisting in the establishment of trust among its employees, the company would undoubtedly build a safe ER at the workplace. HR will help to involve workers in sustainability by incorporating projects or soliciting employee input and suggestions, in addition to preaching about sustainability and developing more sustainable processes.

### HR Practices Have an Impact

HR operations may have a significant effect on a company's long-term viability. Paper and room will be saved by building employee databases online with an HRIS database. Depending on the company's configuration, it could be possible to use a smaller room and therefore use fewer resources as a result of the space savings. thus furthering environmental targets.

HR practitioners can dramatically minimise a company's carbon footprint by striving to decrease the amount of energy required in all areas of HR.

# **Need to Integrate Sustainability?**

Currently, there is a need to adopt more ethical corporate strategies to ensure safe and satisfied workers, as well as many other sensitive topics that some businesses ignore. Sustainability, on the other hand, is essential for company. When your workers really think about eliminating waste and improving your company's productivity, it will pay off financially.

When it comes to designing plans for improvement and growth, a forwardthinking organisation should at least consider sustainability. Sustainability is unquestionably the way of the future.

#### The sprint to the bottom is on.

Investment capital is no longer limited to working across national borders. Global networks known as global value chains bind companies of all sizes and sectors.

Countries want to enter GVCs primarily by limited specialization in labor-intensive, low-skilled stages of development. Rather, it derives from the production of long-term industrial policies. As a result, there is a worldwide race to bring down incomes. Suppliers later down the chain are contingent on the amount buyers above them are willing to pay, limiting the parties' ability to bargain salaries and operating hours and posing health and safety risks. This triggers employee discontent when policymakers encourage MNCs to control the conditions under which employees in their countries can operate by demanding rates that do not represent the true cost of labour, but which they are able to enforce merely because of their dominant position in the chain.

We are seeing the dissolution of the historical relation between wages and efficiency, as well as the collapse of collective bargaining as a method for equally distributing earnings and benefits from productivity changes. Companies attempt efficiency gains through the quickest path of intensification of work, rather than through creativity and motivation, in order to increase short-term gain.

Today's corporations' vast and overly complex value chains have undermined respect for human rights. The United Nations Guiding Principles on Corporate and Human Rights state explicitly that businesses bear responsibility for what occurs in their supply chains; however, the scale and scope of the chains make it difficult for multinational corporations to keep track of what is actually going on within the chains.

#### **How to Achieve - Promoting equity**

Company sustainability starts by fostering equal ER that respects equity, justice, human rights, and human cultures and communities. Most of these principles are articulated in the United Nations Universal Declaration of Human Rights and the International Labour Organization's labour standards.

In order for a company to be competitive, it must fix inequalities rather than compete on the lowest wages. Also in contrary, encouraging collective bargaining to ensure that economic gains favor all workers who contribute to them, while increasing incomes and adding to industrial and social prosperity, would assist in decreasing inequalities and driving demand for industrial goods.

Pertinently, sustainable industrial policy requires the creation of successful industrial relations to mediate between the conflicting interests of workers and employers.

### **Promote Technology**

Sustainable business development would place a priority on designing policies that promote environmentally sustainable innovations that solve issues such as climate change while generating a significant number of jobs. Any technical innovation can help employees by making their employment simpler and increasing efficiency. Companies do not use automation to minimize work on restricted, routine activities that are unsatisfying, deskill workers, and cause illnesses and accidents, or to reduce job opportunities.

# Promote Improving Labour Standards

Sustainable firms must ensure that labour practices are effectively implemented. This includes the advancement of collective bargaining, adequate labour resources, as well as the promotion of dialogue between industry and trade unions.

Take caution when applying labour laws that prohibit unwarranted jobs. To ensure that benefits are passed on to workers, all international organizations dealing with market growth must promote freedom of expression and collective bargaining as facilitating rights.

Furthermore, if companies are to pursue long-term prosperity, they must be assisted by social welfare programmes addressing unemployment, retirement, and health care, to which industry must be expected to contribute. Unions must be included in the creation of trade policies and have a fair position at the table with industry. Employees must actually engage in order for the sector to turn.

# Eye on targets

Targets in areas such as employment,

R&D, energy consumption, carbon emissions, reducing inequalities, adherence to the labour criteria, aggressive labour market policies focusing on job creation, reskilling and re-employment of unemployed jobs, and employability skills growth among youths were all needed for a sustainable industrial policy.

It should be driven by the creation of both qualitative and quantitative metrics that are assessed and evaluated with the input of the social partners: industry and labour unions.

#### **Funding for Sustainable Growth:**

Financing for sustainable industrial policy global corporate profits have reached unprecedented levels. Shareholder dividends have increased at the expense of investment, jobs and social protection. Rather than being reinvested in R&D and advancement, gains are diverted to investment and rent-seeking. Shareholders profit from the financialization of company spending in order to maximize short-term capital gains. Government policy is needed to encourage businesses to reinvest in the growth of both their organizations and their workers. The government should encourage investing in venture capital funds that are focused on long-term growth and will therefore lead to job formation. External expenses should be internalized so that businesses are held accountable for the real costs of their operations rather than society. Governments can guide actions toward more sustainable activities, for example, by providing incentives and utilizing public procurement.

#### Conclusion:

Work is essential for the life of individual workers as well as labour management relations, with the intention of achieving the mutual interests of employers and employees in order to maximize competitiveness and market survival. Since, labour is the most significant determinant of Industry, the early period of industrial development centered on defending the needs of labour as a way of maximizing

industrial growth and sustainability.

Employees of small and medium-sized enterprises are not even unionised in many developed nations, allowing them to use the companies as a stepping stone to greater job conditions, to the detriment of economic development and sustainability. today's current operating assumes that unions are traditionally coalitions of interest parties, labor-management negotiations must still be given special emphasis as one of the modern instruments for ensuring industrial peace. Even though there are divergent points of view in a discussion, the role of labor-management relations becomes to promote collaboration.

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# **Industrial Relations And Business Sustainability**

Dr. Santosh Bhave Director-HR &IR, Bharat Forge Limited, Pune

Ms. Lorraine Coelho Manager- HR, Bharat Forge Limited, Pune

#### ABSTRACT:

This research article has studied and analysed the importance of Industrial Relations and its connectivity with Business Sustainability.

Industrial Relations pose one of the most delicate and complex problem to modern Industrial world with growing education. awareness and necessities for ensuring continuation of Business is emerging largely at workers level. There are critical challenges faced by stakeholders in management of Industrial Relations in recent past such as Technology and its relationship with Job Creation, labour Mobility and commitment, Cyclic Recession, changes in occupational profile etc. Central Government had established First labour commission years back during 1966 followed by formation of Second Labour Commission in 1999. All these have deep connectivity with Business Sustainability. Authors of this article have attempted to study Industrial Relations and its relationship with Business Sustainability by involving various stakeholders, interview process, literature survey and incorporating self-experience.

#### **KEYWORDS:**

Indian Economy, Technology, Approach of Stakeholders, Trade Unions, Management, Business Sustainability.

#### INTRODUCTION:

# 1. THE INDIAN ECONOMY

The history of the Indian economy and its labour force in the post-independence period can be divided into three phases as follows:

- The import substitution era postindependence (1947-1991)
- The era of economic liberalization (1991) 2008)
- Post-recession period (2008-present)

Post-1991, the rate of economic growth, particularly in the industrial and services sectors, has picked up, although employment in the organized sector has stagnated in relative terms. With economic liberalization, labour and capital feel less protected or even, unprotected.

# **Key Issues and Critical Challenges**

To address/redress indigence (poverty), unemployment, inequality, and illiteracy, the key issues and critical challenges before the government are centred on providing work to all those who seek it. Four challenges have been identified and are discussed here:

# a] Technology and Job Creation

Technology, global competition, and ownership changes through privatization and transnational mergers have resulted in a phenomenon of doing more with less and a consequent reduction in workforce for improving competitiveness. New technologies usually displace unskilled workers and reward skilled workers. They also eliminate dirty, dangerous, and drudgeries aspects of work.

# b] Skills Provision and Social Safety Net **Development**

Although India has a large segment of the young population, only 5% of the Indian labour force in the age group of 20-24 years has obtained vocational skills through formal means, whereas the corresponding percentage in industrialized countries varies between 60% and 96% Low literacy, vocational bias against technical skills, occupational preference for non-production jobs, mismatch between skills acquired and skills required, Skill development has gained an increased focus by the government in recent years.

# c | Labour Mobility

Worldwide, labour migration occurred on a much larger scale in the nineteenth century and early twentieth centuries than in the past 50 years. Therefore, instead of industrial relocation, there was a rise in industrial restructuring through business processing reengineering, among others. The cumulative effect of these developments resulted in reduced migration.

# d] Labour Commitment

A committed worker stays in the job and severs his/her major connection with land. He is a permanent member of the workforce who receives wages and is dependent on enterprise management for livelihood.

# 2. Recession, Sustainability, And Trust-the Crisis In Industrial Relations

The recession of 2008 led to massive job loss among industrial workers, particularly in the tertiary sector. The post-liberalization era had forced the government to follow a deregulated system. The recession era has led to the growth of non-standard or precarious employment, downsizing, decline in trade union power and influence,

in equity, deregulation, and consequential work intensification.

# 2.a] Technological Change

Technological advances are more far reaching and rapid than ever before. The most advanced technologies have three kinds of impacts on people (1) replacing routine, repetitive, unskilled, dirty, dangerous, and drudgerous jobs and deskilling skilled jobs in shifting control over work away from workers to management; and (ii) technological determinedness the imperatives of using advanced technologies The successful introduction and adoption of advanced technologies in developed countries are forcing developing countries to use them if they want to remain in business. (iii) Self learning approach

# 2.b] Employment Issues

The key question/controversy concern or not new technology creates or destroy jobs. Technology creates new jobs that are different from the old jobs either in terms of the skills required or in their sectorial and/or geographical location. New technologies are usually less labour intensive and result in workforce redundancies.

# 2.c] Changes in Occupational Profiles

Technology works in two ways: deskilling in certain occupations/jobs and reskilling in others. Some jobs become obsolete or redundant and others, which are relatively scarce, have a high demand and command a premium. If technologically illiterate workers are able to maintain their jobs, they lose in terms of real wages. The technologically qualified people maintain

their jobs and also improve their earnings.

# 2.dl Education and Training

Advanced technology requires not only more literacy, but alto numeracy because workers become responsible for quality control using statistical quality control methods. To become flexible and adaptive, they need to learn to perform multiple tasks and move beyond the narrow areas of work and specialization.

# 2.el New Working Arrangements and Managerial Attitudes

New technologies have necessitated work round the clock and throughout the year, blurring the distinction, in some cases, between work and home. They have the effect of healing the old teams and forming new teams with resultant consequences for the social system in the organization. Multi-tasking takes away the built-in idle time with complaints about people being made to work as robots.

# 2.f | Industrial Relations

New and advanced technologies have implications for trade unions and labour management relations.

New and advanced technologies bring a more knowledgeable and skilled workforce into the organization. Such workers may prefer direct participation to indirect/representative participation. When workers seek and gain higher involvement and autonomy, it may raise questions about the issues open to negotiation and Management usually first take decisions on technology and seek the cooperation of employees and their unions later.

The dominant trend, however, is to adopt a participatory approach in Industrial relations before introducing changes land new technology in the workplace. Such cooperation covers several aspects such as the following

- Information sharing
- Consultation
- · Management commitment to avoid/minimize adverse effects on workers Worker skills training and upgradation •
- · Measures to ensure workers' health and safety
- Sharing the gains with employees
- Trade union participation

# 2.gl Trade Union Response

There are contrasting views about the need for new technologies in a labour surplus economy. One view is that without stateof-the-art technologies, it is impossible to compete and survive in a globalizing economy Technological backwardness in certain sectors such as banking, finance, transport, and telecommunications can stare developmental opportunities in other sectors as well.

# 2.hl Fear of Unemployment

A major cause of resistance to technological change is the fear of unemployment that results from such change. Though the problem largely concerns the unhired employee - since in the Indian context, lay-off and retrenchment generally arise due to the trial sickness and not rationalization or automation or technological change of one or the other type - trade unions insist, perhaps as a survival strategy in the long

# 2.I] Redundancy and Problems of Retraining

In the wake of technological changes, problem of redundancy, redeployment, and retraining to update skill, etc. frequently arise.

Where the nature of work itself demands computerization, it impact on employment, present or future become a secondary question.

# 2.jl Negotiated Change

Management end to consider the introduction of new technologies as their prerogative. The main interest of management is to make the work organization lean, flexible, adaptive, competitive, and viable. They are usually willing to give guarantees against redundancies through attractive voluntary separation package skills training for continued employability and redeployment with or without retraining.

# 2.k|Appropriate Training

The use of new equipment and technology has function of human skills coupled with dedication and commitment to work.

There are some prerequisites for successful technological change. For instance, if machines are introduced in enterprise where the demand in inelastic and there is little or no growth, productivity may increase at the cost of depriving workers of their jobs.

# 2.1] Supportive Management Practices

Technological changes bear fruit if they are accompanied by supportive management practices and a conducive climate for union management cooperation.

The three principles should guide technological progress:

- · Protection of employment and wages of employees
- Equitable share of gains among members of the community, employer, and employees
- Proper assessment of workload and working conditions

2.m] Importance of Industrial Relations Practices

Industrial relations pose one of the most

delicate and complex problems to modern industrial societies. With growing prosperity, workers have organised their own trade unions and thus gained a bargaining power which enables them to establish their rights in the industrial society. The objectives of industrial relations are to facilitate production by harmonious and mutually beneficial relationship between employers and employees.

In addition to their primary objective of bringing about good and healthy relations between employers and employees, industrial relations are designed:

I) To safeguard the interests of labour and of management by securing the highest level of mutual understanding and goodwill among all those sections in the industry which participate in the process of production; ii) To avoid industrial conflict or strife and develop harmonious relations which are essential factors in the productivity of workers and the industrial progress of a country;

iii) To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequent absenteeism: iv) 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 individuals's personality may grow to its full stature for the benefit of the industry and of the country as well;

- v) To eliminate, as far as possible and practicable, strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions and fringe benefits;
- vi) 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.
- vii) To support management as a matter of strategy to attend Business Sustainability.

# 3. A) [first) National Commission On Labour And Industrial Relations Law

An important development in the arena of industrial relations law and policy was setting up of the (first) National Commission on Labour in December 1966 by the Government of India. The Commission was asked to undertake comprehensive review of labour law. The Commission investigated the problems relating to labour and formulated a policy for the future. In the sphere of industrial relations, the Commission made the following recommendations:

- (i) Any sudden change replacing adjudication by a system of collective bargaining is neither called for nor is practicable.
- (ii) With the growth of collective bargaining and the general acceptance of recognition of representative unions and improved management attitudes, the ground will be cleared, at least to some extent, for wider acceptance of voluntary arbitration.
- (iii) It would be desirable to make recognition compulsory under a Central law in all undertakings employing 100 or more. Workers or where the capital invested is above a stipulated size. A trade union seeking recognition as a bargaining agent from an individual employer should have a membership of at least 30 per cent of workers in the establishment. The minimum membership should be 25 per cent if recognition is sought for an industry in a local area. The proposed National/State Industrial Relations Commission will have the power to decide the representative character of a union, either by examination of membership records, or if it considers necessary, by holding an election by secret ballot open to all employees.
- (iv) The present arrangement for

appointing ad hoc industrial tribunals should be discontinued. An Industrial Relations Commission (IRC) on a permanent basis should be set up at the Centre and one in each State for settling 'interest' disputes. The main functions of the National/States IRCs will be (a) adjudication in industrial disputes, (6) conciliation, and (c) certification of unions as representative unions.

(v) In essential industries/services, when collective bargaining fails and when the parties to the dispute do not agree to arbitration, the IRC shall adjudicate upon the dispute and its award shall be final and binding. It would also take into account the emerging economic environment involving rapid technological changes, requiring response in terms of change in methods, timing and conditions of work, in industry, trade and services, globalisation of economy, besides desirability to bring the existing laws in tune with further labour market needs and demands.

# 3. B) National Commission On Labour And Industrial Relations Law

The (second) National Commission on Labour which submitted its report to the Government on 29-06-2002 has made wide ranging recommendations on various facets of labour, viz., review of laws, social security, women and child labour, skill development, labour administration, unorganised sector etc. Some of the significant recommendations are as under: (I) Existing set of labour laws should be broadly grouped into four or five groups of laws pertaining to (i) industrial relations, (ii) wages, (iii) social security, (iv) safety and (v) welfare and working conditions and so on. The Commission is of the view that the coverage as well as the definition of the term 'worker' should be the same in all groups of laws, subject to the stipulation that social security benefits must be available to all employees including administrative, managerial, supervisory and others excluded from the category of workmen and others not treated as workmen or excluded from the category of workmen.

- (ii) There is no need for different definitions of the term 'appropriate government'. There must be a single definition of the term, applicable to all labour laws.
- (iii) Central laws relating to the subject of Labour Relations are currently the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Mention must also be made of the Sales Promotion Employees (Conditions of Service) Act, 1976 and other specific Acts governing industrial relations in particular trades or employments. There are state level legislations too on the subject. The provisions of all these laws be judiciously consolidated into a single law called the Labour Management Relation law or the law on Labour Management Relations.
- (iv) One of the most important steps that one needs to take in rationalising and simplifying the existing labour laws is in the area of simple common definitions of terms that are in constant use; such terms include "worker', 'wages' and 'establishment'.
- (v) In the case of socially essential services like water supply, medical services, sanitation, electricity and transport, when there is a dispute between employers and employees in an enterprise, and when the dispute is not settled through mutual negotiations, there may be a strike ballot as in other enterprises, and if the strike ballot shows that 51% of workers are in favour of a strike, it should be taken that the strike has taken place, and the dispute must forthwith be referred to compulsory arbitration.
- 4. The terms of reference of the commission broadly covers the

following:-

- 1. Rationalization of existing labour laws in organized sectors
- 2. Suggest legislation for minimum level of protection to workers in unorganized sectors.

I would like to update everyone from this august gathering that in Chapter I of National Commission of Labour, i.e. the terms of reference vide point no.1.19/1.20/1.23 the commission has mentioned about the need to attempt and retain the degree of international competitiveness that our economy needs in the era of changing competitive environment. Commission has also mentioned that competitiveness depends not merely on technology, credit, inputs and managerial skills, but also on the contribution that labour makes. The future will require concurrent training in multiple skills and the constant updating and upgradation of skills.

I guess this is first time that any Government nominated commission has authoritatively advocated for need of enhancement of international competitiveness.

# 4. Industrial Relations And Its Connectivity With Business Sustainability

It is hard to manage an organization in today's turbulent world. Practically every day, we learn of a new technology, social dilemma or environmental problem. Businesses worry about the proliferation of new regulations and the effects of globalization. Governments struggle to maintain services while addressing the needs of an increasingly diverse and growing population amid an anti-tax culture. Unless you want to be buffeted by each change, you need a framework for making sense of what is happening in the world so that you can foresee changes and take action before they happen.

Sustainability is such a framework. It doesn't encompass everything you'll need to track to be successful and it's not a crystal ball. However, sustainability does help you to see

relationships between issues and more accurately forecast what may occur in the future. It examines our world as a whole system, revealing threats and opportunities. It forces you to see relationships between social, economic and environmental trends. This improved foresight can prevent unfortunate surprises and uncover previously unrecognized opportunities. If one understands sustainability, he can be a step ahead of the companies or communities with which he competes.

Sustainability challenges us to make decisions that simultaneously improve the economy, the community, relationship between employees and organisation and the environment.

# 5. Few other important factor connecting Industrial Relations and Human Resource supporting Business Sustainability.

Effective Industrial Relations and Human resource systems have a powerful influence on employee behaviour. Therefore, it's important to ensure that organisational IR/HR systems are supporting the behaviour that organisation is desiring. Organisations can have effective industrial relation system, which can be introduced right from day one, when the employee joins the organisation. To ensure business sustainability, following are few steps to be initiated by organisation, to ensure effective industrial relations supporting business sustainability.

# 5.al Orientation.

This is one of the most important initial step. This includes knowing employees

working around you, systems, processes, quality requirement, focus of the organisation towards important sustainability components like climate change, sustainable material resource availability, involvement of company in community development and local problems.

# **5.b] Defining Key Result Deliverable from employees**

The transparent and robust key result deliverable systems will eventually support sustainability efforts of the organisation Transparent discussions between stakeholders on key result deliverables will assure commitment of employees towards business sustainability. In any organisation key result deliverables will be based on parameters like quality, quantity, cost, delivery and time. With transparent methodology by using effective tools like performance management system.

# 5.c] Training

This is pre-requisite of business sustainability. Truly speaking, training starts at the level of orientation and then it will be a continuous process in business. Effective training will help organisation to highlight talented employees who can be classified as "high potentials".

# 5.d] Reward and Recognition

When we consider employee as an effective part, he or she needs to be motivated with timely rewards and recognitions. Managements needs to follow the principle of appreciate in public and reprimand in private. Recognition also includes various incentive schemes, deputing employees for technological / leadership development programme, etc.

Above steps if executed properly will assure the organisation best Industrial Relations at all times, and at all levels. The testimony of which can be gauged when employee across the company are

# 6. Research Objective

The present study has the following objectives:-

- I) Examine present industrial relations systems in select organisations
- ii) Identify area of various tools organisations are using for ensuring effective industrial relations and its impact on business sustainability.
- iii) Suggest a way forward for HR Professionals

Adequate review of literature has been done. Information is collected from research papers, books, internet and newspapers.

# 7. Research Methodology

The study is based on qualitative and quantitative research.

Qualitative analysis is done based on literature review, which has certain limitations. To overcome this quantitative analysis methodology is also adopted for this study.

The study is exploratory in nature. Comparative analysis is done by using questionnaire covering Employees working in organisation, Trade Union leaders, Employees holding managerial positions and Human Resource Professionals. The data was collected through using questionnaire of sixty respondents covering above categories. Respondents were informed about the objective of the study and sampling methods. Open ended and close ended questions were asked to the respondents. No reference of the names of the respondent or company is done for this research purpose. All respondents are from manufacturing sector.

The data was analysed using excel. Accordingly charts are prepared for better understanding of responses.

### 8. Data Analysis

A total of sixty respondents from manufacturing industries took part in the Based on the data collection survey. through the questionnaire, following are the key findings:-

# A. Trade Union Leaders:-

1. It was observed that 91.7% respondents opined that in individual capacity he consider himself as important factor for strengthening the industrial relations. Following figure (1.1) will through light on this statements

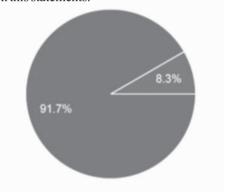


Fig: 1.1

2. 66.7% respondents opined that training and development has created more awareness amongst workmen and therefore in future Unions will have limited role to play in Industrial Relation function.

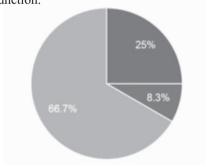


Fig: 1.2

# **B.** Perceptions from Employees-

1. While interviewing employees working in manufacturing segment 50% respondents opined that sustainability of the business depends on cordial industrial relations whereas 38.9% (Fig 2.1) were in strongly agreement with the statement that sustainability and industrial relations travel hand in hand

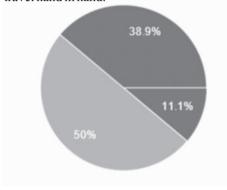


Fig. 2.1

2. It was interesting to note that employees were considering maintaining industrial relations as their own job. All respondents were in agreement of this statement. However 44.4% (Fig 2.2) were in strong agreement.

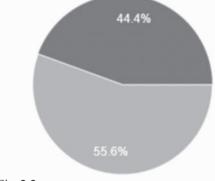


Fig. 2.2

#### C. Manager:-

1. In a process of this study researcher also collected responses of employees holding managerial position in Industry. Collecting opinion from this category was necessary

because managerial personnel are considered as torch bearer for future. While most of the respondents from this category agreed that Industrial Relation is the most important function, 54.5 % (Fig. 3.1) respondents were in strong agreement that cordial industrial relations helps in ensuring business sustainability.

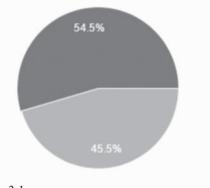


Fig 3.1

2. In a process of this research study respondents from managerial category expressed their opinion that Union

Representative have more responsible during recent past and further stated that maintaining cordial Industrial Relations would have greater space in ensuring business sustainability (Fig 3.2).

#### D. Human Resource Professionals:

1. Maintaining cordial Industrial relations needs passionate Human Resource Professionals. This is 365 days job, which can be done with high level of hand holding, continuous communication, and creating awareness about business challenges amongst stake holders responsible for management of Industrial Relations. During the sampling process 16.7% HR professionals were in strong agreement that IR maintenance is their job whereas about 44.4% (Fig. 4.1) HR Professionals were in agreement that IR management is responsibility of HR Professionals.

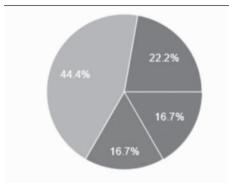


Fig. 4.1

2. Almost all respondents from HR Professionals were in agreement that Industrial Relations is a backbone of Business Sustainability however 61.1% respondents were in Strongly supportive for this statement (Fig 4.2).

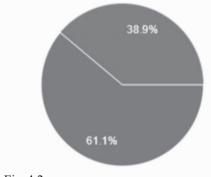


Fig. 4.2

# Loss Of Man-day's Due Lockout:

During 2018, 2019 & 2020 there were 210 cases of lockout in India resulting loss of 36,94,340 Man-day's . The major states affected were Kerala, Tamilnadu, Karnataka, Madhya Pradesh and Maharashtra. This is inclusive of lockout from private and public sector industries (Ref. fig. 5.1) with a view to ensure amicable industrial relations across the country and to ensure continuity of production, stakeholders responsible for cordial industrial relations are expected to take appropriate step which will support Business Sustainability.



Fig 5.1

### **CONCLUSION:**

Management of Industrial Relations is one of the important aspect in business cycle. There cannot be fixed policy for the subject. However continuous involvement, monitoring and forecasting is required all the

During the research study authors have collected the responses from various stakeholders like HR Professionals, Trade Union Leaders, and Employee working in Industrial as well as Managerial Personnel.

Most of the respondent have expressed their opinion that Industrial Relations is considered as important subject in ensuring continuation of Business. If Sustainability needs to be guaranteed then it will have deep interventions from professionals responsible for management of Industrial Relations.

Respondent during the interview have expressed that employees are becoming more understanding in nature, more amicable towards productivity and expressing interest in sharpening their competence to ensure strong foothold of the subject in ensuring Industrial Relation as a backbone of Business Sustainability.

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# Uralungal Labour Contract Co-operative Society (ULCCS) Model: A Sustainability Development Model For Labour Cooperatives

Mr Pramod V Assistant Professor. LEAD College of Management. Dhoni, Palakkad, Kerala

#### Abstract

The world is looking for sustainability and prosperity in the aftermath of Covid-19, by ensuring the best possible facilities to overcome the ongoing pandemic, the ability of labour cooperatives to empower the workforce to improve the prospects of social and human capital, higher standards of living and full employment has become a dreadful task. ULCCS is a model cooperative society in India staying true to its objective of uplifting and empowering the poor workers and backward section of the society. Staving true to its objective the society has always undertaken activities that not only provide employment for the time being but also create new opportunities in the long run. The need for a sustainable economic model for the development of rural as well as urban unionism and frequent strikes, the cooperative stands out. Since workers themselves are the shareholders if they form a union, they will be unionizing against themselves. Therefore, as we interpret sustainable development evaluation variables, it is essential to maintain the equilibrium between environmental, social and economic variables and, furthermore, if we evaluate additional factors to consider, it must be science and technology, so that sustainability can be assessed more precisely and science technology can make areas is important by considering the changing circumstances. The present study examines the potential of Uralungal Labour Contract Co-operative Society (ULCCS) model as a tool for sustainability development. It has been also focused to identify the role of ULCCS model as an ideal model for labour cooperatives. The

Mr. Siiin T C Assistant Professor. LEAD College of Management, Dhoni, Palakkad, Kerala

prime objective of this society is to provide employment opportunities and livelihood support to the people in need with a vision to grow as a whole ecosystem.

Keywords: Economic development, environment development, labour cooperatives, technological development, social development. Sustainable development.

#### Introduction

The study entitled "Uralungal Labour Contract Co-operative Society (ULCCS) model: A sustainability development model for labour cooperatives". The largest labour cooperative in Asia ULCCS was established to help rural dwellers who are less privileged, who don't have enough capital to carry out their business enterprise. It is the futuristic outlook that has stood the society well in its long history of 95 years. Today, it is looked upon for zero corruption, fair trade practices, and credibility. Throughout its history, ULCCS did not experience even an hour's labour unrest. In a state where industrialists were loath to enter because of trade a contribution to real sustainable development.

#### 1. Review of Literature

Workers' cooperatives as an alternate form of organization to evaluate how they have reacted to the challenges of the modern economy, crucial success factors, and how they bring harmony with an emphasis on social values. Worker ownership and management are attracting interest in a number of shapes and regions [1]. An economy focused on a single type of enterprise alone in contemporary days it is

neither desirable nor feasible. The best of them can be achieved over a economy. Cooperatives must make a substantial and special contribution to solving some of the major challenges facing humanity today in order to explain their existence and serve their function [2].A circular economic system based on mechanisms of recycling, reconditioning and reuse has the potential to boost sustainable economic growth, resulting in job creation for the economy and seeks to generate entrepreneurs to invest in supporting programs [3] that satisfy multiple criteria such as economic viability, political and social acceptability and ecological sustainability [4]. Achieving sustainable development, the world requires new information which science and technology must provide, andscientific research and technology will be the appropriate short- and long-term alternative to the sustainability issues we are facing today [8]. Sustainable development will only succeed if all aspects of the financial, social, and science sectors embrace the definition and work together to bring it into action [9]

#### 2. Statement of the Problem

Rural growth cannot be accomplished as rural dwellers had expected. This is because people were much dependent on the government to provide all their needs which they cannot be able to solve completely because of voluminous works and other needs they have to attain. Hence the government encourages people to form an organization in which they should come together to solve their problems. Uralungal Labour contract Cooperatives society is one of the major organizations where people mostly in rural areas emerged together to achieve their set objectives. Through this study, the researcher would like to identify the potential of ULCCS model as a sustainable development model for labour cooperatives

# 3. Objectives of this Study and Research Design

successful carrying out of the whole undertaking will demand a concerted effort across many facets of science and technology [5]. Frontier technology will potentially make it sustainable Development a reality by improving lives, fostering prosperity, and safeguarding Earth. [6].

The communitarian culture of Kerala, a state in India, has reduced social conflict by emphasizing the equitable distribution of economic resources rather than merely their production [7]. Everybody and every discipline are equally important in this world but in order to be competitive, a clear sequence of actions or goals must be followed and this starts with science and technology. With such significance the environment is reacting The purpose of this research is to identify the ability of the ULCCS model as a potential model to showcase sustainable development. The present study is an empirical study based on data collected from 100 respondents of Kozhikode in the state of Kerala through a structured questionnaire. The respondents were selected based on the convenience sampling technique and the data collected were critically analyzed with the help of a statistical tool such as percentage analysis, weighted average method, and ANOVA.

#### 4. Conceptual Model

The below-mentioned diagram is an infographic representation of the five essential axes of sustainability, important variables like economic, social, environmental, technological, and scientific variables are influencing sustainable development, it is also a model for the reinvention a cooperative has made. Sustainable development is a type of adaption that meets the needs of the present without compromising the ability of future generations to meet their own needs. The 95-year old establishment is paving a path to the world in many ways. The largest co-operatives in Asia with an

employee over 12,000 people, saw revenue of Rs 1.100 crore in 2018-19, has projects worth Rs 2,700 crore on its books and assets worth a similar amount, from a different portfolio this, is an extraordinary achievement in job-starved Kerala. undertakes infrastructure projects across the state, from flyovers to bridges and roads, aided by a reputation for completing projects punctually and maintaining high standards of work. The biggest project is Rs 450 crore road in Malappuram district. It is hard to remain static in a fast-changing economy. In the last two decades, ULCCS diversified the presence into ITES and the growth of rural skills.

The concept behind venturing into different disciplines sprouted after recognizing the career aspirations of the future generation, who were trained and skilled in the modern job market. ULCCS seeks to meet and understand all kinds of people by ensuring involvement in IT and related fields and incorporating technology into conventional businesses. Moving with the times and making this change sustainable with a social face in the market-driven economy, the Board has set an ambitious target of bringing ULCCS to the next level by introducing UL Cyber Park, UL Technology Solutions

Sargaalaya & Kovalam Craft Villages, UL Education, UL Agriculture, Housing, and UL Foundation with a definite aim to build employment in diversified fields like information & technology segment.



(Figure 1. ULCCS Sustainable Development Model)

#### 6. Results and Discussion

The results obtained from the present study indicated that ULCCS have involvement in solving the financial problem of the society, the remuneration and various incentives provided by ULCCS (Fig.2) are successful enough to redefine the role of working-class in National economic development. ULCCS model of labour cantered development and economic democracy make a radical change in the society by creating employment opportunities in multiple business areas (Fig.3). The contented workforce of ULCCS is efficient to contribute to higher productivity and ensure greater market competitiveness (Fig.4). The study found that the ULCCS model of constructive and confidence-building initiatives are sound enough to eradicate labour unrest, in a state checkered history of labour turmoil ULCCS has a blemishless track record of labour unrest. The strategies can be followed by other labour cooperatives in their best practices (Fig.5) and this will able to liberate the co-operative movement by unfolding the growth story of exponential proportion with operation across the world (Fig.6) because it is essential to epitomize the best principle of labour cooperative embodied in a cradle of, the worker, by the worker and for the worker for the development of cooperative societies. L Cyberpark will be a landmark in the Indian cooperative movement, as it is the only special economic zone created by the labour cooperative society in India (Fig.7) the labour co-operative was successful in changing the nature of the labour market by incorporating the corporate culture in delivery and performance. The introduction of a wellorganized UL Skill academy to encourage youth to acquire appropriate skills and to improve employability can lead to industry innovation and diversification. The study reveals collective leadership and contributes to the local economy are the major strength (Fig.8) participation is limited to members of ULCCS is the major

weakness of ULCCS. (Fig.9). Industry innovation and infrastructure are the opportunities (Fig.10) changing nature of the labour market is the threat (Fig.11) researcher identified that the ULCCS model helps the socio-economic development of the rural area as well as an urban area by establishing a potential market for the sustainable.

Fig. 2 Remuneration policies and incentives

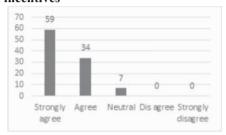


Fig. 3 Labour centred development

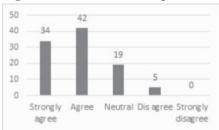


Fig. 4 Contented workforce

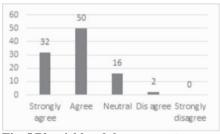


Fig. 5 Blemishless labour unrest

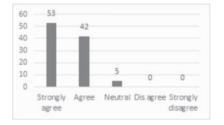


Fig. 6 Liberating the cooperative movement

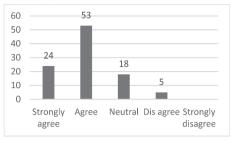


Fig. 7 UL cyber park as a landmark

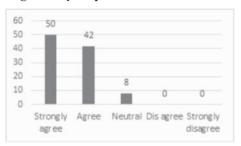
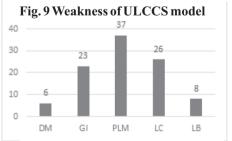


Fig. 8 Strength of ULCCS model

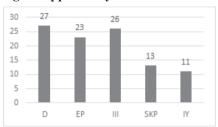


- CLE Contribute to local economy
- EV Economic viability
- CL Collective leadership
- MCP Member centric platform
- CD Collective deliberation



- DM Dormant membership
- GI Govt, interference
- PLM Participation limited to members only
- LC Lack of commercialization
- LB Lack of branding

Fig. 10 Opportunity of ULCCS model



- · D Diversification
- EP Economic participation
- III Industry, innovation and infrastructure
- SKP Skill development partner
- IY Inclusion of youth

Fig. 11 Threat of ULCCS 40 20 10 ΡI ТВ CLM CCE ΔWC

- CLM Changing nature of labour market
- CCF Competition with capitalist firms
- AWCJ -Aspiration towards white collar job
- PI Political interference
- TB Time based

Table no.1 ULCCS model for a sustainable development

Content	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Total /100
Quality	42*5	30*4	28*3	0*2	0*1	414	4.14
of work life	=210	=120	=84	=0	=0		
Participatory labour process	58*5	33*4	9*3	0*2	0*1	449	4.49
	=290	=132	=27	=0	=0		
Quick turnaround time	20*5	54*4	24*3	2*2	0*1	392	3.92
	=100	=216	=72	=4	=0		
Diversification	32*5	49*4	19*3	0*2	0*1	413	4.13
	=160	=196	=57	=0	=0		
Economic stability	34*5	55*4	11*3	0*2	0*1	423	4.23
	-170	=220	=33	=0	=0		

Weighted Average = (4.14+4.49+3.92+4.13+4.23)/5

=20.91/5

=4.182

The participatory labor process, economic stability, quality of work-life, Diversification, and quicker turnaround

have a vital role while considering the ULCCS model for sustainable development.

Analysis of ULCCS variables in sustainable development

H0: There is no significant difference between means of ULCCS variables in sustainable Development.

H1: There is a significant difference between means of ULCCS variables in sustainable Development.

Anova: Single						
Factor						
SUMMARY						
Groups	Count	Sum	Average	Variance		
PERCENTAGE	5	100	20	326.5		
Scale	5	15	3	2.5		
ANOVA						
Source of	SS	Df	MS	F	P-value	F crit
Variation						
Between Groups	722.5	1	722.5	4.392097	0.069397	5.317655
Within Groups	1316	8	164.5			
Total	2038.5	9				

# Interpretation

Since value is greater than 0.05, H0 is accepted i.e. there is no significant difference between means of ULCCS variables in sustainable development.

This study examines the role of the Uralungal Labour Contract Cooperative Society in the sustainable economic development of the state with basic characteristics of a high incidence of poverty, agricultural backwardness, and ULCCS depends on the spontaneous association of its members. Members of ULCCS are laborers just around the poverty line. The high incidence of poverty among the rural population of the state is also found to be responsible for the poor response of villagers to join the cooperative societies with some definite common objectives of themselves. The study reveals that a majority of the members of these categories are afraid of the risks involved in undertaking any purposeful venture on a joint footing through cooperative societies. The genuine participation of the members is considered an essential ingredient for the effective functioning of this society and their prosperity. Cooperative education to

the youth and the general members in the rural areas is indispensable in order to get enlightened and responsible membership and to install the sense of belonging together and to understand the impact of the ULCCS model and its role in the sustainable economic development. A continuous educational network is highly required to sustain the cooperative spirit and to develop a sense of fellowship. association, loyalty, honesty, and above all economic as well as social integrity amongst the people.illiteracy. It also analyses the adaptability of the ULCCS model as a tool for sustainable economic development and its impacts.

As the researcher already pointed out that a cooperative society is essential for the socio-economic movement, entrusted with multifarious activities, organized by the people themselves and managed by them jointly and severally for their own economic upliftment. The success of

# 5. Suggestions and directions for future research

- People's participation in all the activities of the economic development is essence of social change. Hence people's participation must be given as a top priority in each and every activity of economic development.
- Training and education of co-operative principles and system is necessary for the staff. There should be regularly arrangement of workshops, seminars, conferences to ensure the efficiency of staff in service.
- The leader of co-operative movement should be honest, dynamic, dedicated and unselfish. It is also necessary to keep apart the co-operative movement from the political influence.
- Co-operative societies should extend cooperation among the various types of cooperatives and must avoid competition.
- Competitive strategies are the order of the day so it is recommendable to the management to adopt innovative

competitive strategies to face the tough competition from capitalist firm.

- Gearing the morale of young generation is very important to improve the economic development of a nation, so it is advisable for the management to devise polices and plans to uplift the skill and employability of the youth
- Co-operatives should bear some expenditure necessary for the uplift of rural poor people's since the branding is considered as the major weakness of ULCCS it is advisable for the management to take essential steps to enhance the branding practices to improve the customer base.

There is the need for the sustainable development of rural areas as well as urban area so further studies can also exclusively be conducted for the role of individual variables. The present study reveals the importance of ULCCS to the rural development in Kerala as a basis for offering uniformed suggestions for improvement in the rural development. It is believed that the findings and suggestions of this study will be benefits to increase the importance of ULCCS model cooperative societies to rural development. Specifically, this study will go a long way to developing rural areas this also may result to the improved in the development

The study helped in gaining a practical knowledge and experience about this labour contract society and ULCCS model, that can be used as a tool of sustainable economic development. The study reveals that the majority of respondents are satisfied with the current working of the society and most of respondents who agree that there is positive impact created by ULCCS model in northern Kerala. The researcher is also benefited by more understanding about the functioning of ULCCS. Questionnaire was of people as well as increasing their standard of living.

# 6. Conclusion

The study entitled as "Uralungal Labour Contract Co-operative Society (ULCCS) model: A sustainability development model for labour cooperatives" is a research carried out with the purpose of identifying the impact of ULCCS economic model in north Kerala and the role of ULCCS model in sustainable economic development and its adaptability. Secondary objectives were to know how this model helped in the provision of infrastructure facilities and to know they helped them to raise their income. The study has conducted by taking 100 samples of people from Kozhikode district.

The study found that Uralungal Labour Contract Cooperative Society are started to solve the financial problem through provide employment and eliminate the exploitation of the poor. This is a Labour contract Cooperative society managed and controlled by the labours in the society epitomises the principle of, of the worker, by the worker and for the worker. The researcher identified that the recognition and awards of ULCCS will boost the other cooperative societies to follow the path of ULCCS, which is a cooperative in difference in India, which ready to celebrate its 100 years of success. the tool for data collection. On the basis of collected data analysis and interpretation has done.

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# The study of employee engagement activities through communication as a tool in context of maintaining healthy industrial relations.

Dr. Akshav N. Ganbote Dy. Manager Human Resource, Maharashtra State Power Generation Co. Ltd.

**Abstract:** The Pandemic had brought the world to stand still. All the businesses got affected due to the clinical implication of deadly virus. In this situation the most important resource for any organization The HUMAN RESOURCE was directly at peril, so was the business. COVID 19 has impacted organizations in varied ways. The industrial relation in the organisatons has not been left untouched. The changing scenarios have led to application of varied strategies to engage employee effectively in testing times. The phase has seen evolution of industrial relation in organization. The HR managers have never seen such a testing phase in recent times. The crisis situation has demanded a well scripted strategy for employee engagement. The employee engagement has been an important point in maintaining industrial relation. The overall distressed environment and relegation of business economic cycle has highlighted the decision making skills of the workforce controller the Human Resource Manager. The communication has been an important thread leading to effective industrial relationships. The paper sights the importance of communication in employee engagement.It highlights the factors leading to effectiveness of communication between management and manpower representative. It focuses on the strategies that led to effective employee engagement during COVID 19 Pandemic.

Keywords: Employee Engagement, Human Resource, Communication, Industrial Relations, Employee Relations.

### I) Introduction:

The COVID 19 Pandemic caught all the business unaware of its severity. The attack of virus wasn't new, but its impact on human resource was fatal than ever before. This pandemic influence brought all the activities of the businesses stand still. The impact was fatal than other viruses, as it embraced each and every nation under its influence. The business activities had to be carried out in new formats. The work from home strategy was one of it, social distancing was another. This highlighted the role of the human resource activities. The human resource manager was at test with respect to employee engagement activities and maintaining cordial industrial relation. This situation was not a bookish situation of industrial relation which had case studies and experiences of theories narrated. It was different from Lockout, Layoff, Strike, Retrenchment, etc. The workforce was under tremendous clinical threat of the severity of virus. The later stage of pandemic saw migration of workforce and ultimately closure of organizations workstation during global lockdown. The Lockdown of organization didn't lead to shutting down of business activities but reshaping and reframing them into such where in the activities could be carried out from the houses. The concept of work from home was taking a shape for many activities of organization. Work from home, the only possible solution to keep maximum workforce active remotely and keeping the business activity in motion. The Work from home activity required a constant communication from all the interrelated processes. The employee engagement was highlighted at new normal. This new

## II) Literature Review:

Employee engagement has been a great tool to align employee to the organization goals and objectives. The engagement of employee leads to healthy employee relations

"The harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." – Willim Kahn An "engaged employee" is defined as one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests. An engaged employee has a positive attitude towards the organization and its values. In contrast, a disengaged employee may range from someone doing the bare minimum at work (aka 'coasting'), up to an employee who is actively damaging the company's work output and reputation. The Employee engagement activity is correlated with retention and industrial relation concepts. The Schmidt et al, explains the concept in following definition

"An employee's involvement with, commitment to, and satisfaction with work. Employee engagement is a part of employee retention."

The Definition focuses on the fact of employee need and the employee involvement in the organizational activity and achieving the self-satisfaction. This concept underlines the concept of goal congruence. This leads to maintenance better employee relations and achievement of employee and organizational objectives

Employee engagement is the extent to which employees engrosses in an organisations framework. That is, participating in the corporate social initiatives as well as having real responsibilities and playing a central role in the business decision process. It is a policy which encourages employee involvement, and which can contribute to good health of business in many ways, such as:

Brand reputation: This will lead an organization to embark on the selfbranding by treating your employees well. The organization will not only achieve the positive publicity but enhance the image of a kind and human company.

Employee satisfaction: This will boostemployees' spirits through activities as well making them feel important can have positive effects. The first, obvious one is that they will be happy to work with organisation.

Employee productivity: when employees feel good with themselves they will be more productive, too.

Profit/cost ratio: this is the ultimate dream of every organisation. Increasing profits without additional costs can be hard. Relying on capable and productive employees who work twice as much as their peers and deliver monetary and tangible results can definitely be a solution

# Communication and Employee **Engagement:**

Healthy Employee employer relationship makes a key to any successful business. It becomes an essential accessory for the business to sustain the strain on the line and of the line. The chord that binds the relationship is healthy communication. The communication which is free from gap and barriers, this communication which has to be two ways in nature must involve the representation from all the sections of business workstations. The communication amongst the representation has achieved the dynamism and has evolved from its birth. Though being a quite general and common subject, communication plays a vital role in healing the tensions.

The communication has been an important thread between industrial relationships. The communication helps management or employer transfer the information to employees. The dialogue which takes place among the representatives of employee and employer representatives helps in establishment of trust and confidence. This sets a healthy environment for not only doing business but also establishing confidence amongst various schemes for employees. The communication helps in developing reliability amongst existing business processes. The communication since long has been an important factor influencing the negotiation, bargaining, conciliation and many other important processes. These processes have influenced the process of industrial relationship. The maintenance of industrial peace has been possible because of healthy communication between all the stake holders. The effective communication is highlighted by exchange of dialogues on various parameters.

# III) Research Methodology:

The Paper focuses on defining the objective and scope of the employee engagement and role of communication in uplifting the employee relations. It focuses on the secondary source survey. While the future scope of research will encompass the empirical data and further statistical analysis of the data collected there in.

#### **Objective:**

- To analyze the importance of communication with respect to industrial relations in any organization.
- To study the impact of Covid19 pandemic on communication involved in employee engagement activities.
- To study the importance of communication in maintenance of industrial peace in an organization during Covid19 pandemic crisis.
- To study the factors leading to effective

implementation of employee engagement during COVID19 Pandemic phase.

# Scope:

- The study focuses on organisation which had to close down the operation s due to COVID19 CORONA PANDEMIC.
- The study focuses on Communication and its effective utilisation in employee engagement during COVID 19 CORONA PANDEMIC.
- The study will take into consideration those organizations which started the work from home techniques to carryout regular operations.
- It will take into consideration the impact of the communication and ultimately employee engagement on employee relationship.

The paper takes into consideration the previous work done on the relatedtopics. The secondary data was also collected through various mediums

viz., journals, books and research work. The Paper proposes in further scope of research the plan to carryout survey based on the primary data. Thus in present research the secondary source survey was carried out.

# **IV) Observations:**

It is hereby observed that, the importance of employee engagement can't be overstated - employee engagement strategies have been proven to reduce staff turnover, improve productivity and efficiency, retain customers at a higher rate, and make more profits. Most importantly, engaged employees are happier, both at work and in their lives. There was involvement of employee in business processes during lockdown. There was involvement of team in planning, forecasting, assessing opportunities and coming up with improvement of ideas for business strategy.

The employee engagement activities lead to transparency in processes.

Communication is vital resource while maintaining and implementing employee

turnover. The information

The employee engagement as per secondary sources or the already available data showcases impact on employee relationship.

The employee engagement includes communication as the effective tool to implement industrial relationship activities.

The communication during Lockdown was key to implement industrial relations. The industrial peace can be achieved through effectively implantation of employee engagement activities.

# V) Conclusion:

Perhaps the most overwhelming challenge businesses are struggling with right now is transitioning their workforce to online platforms in order to implement a workfrom-home policy and ensure continuity of workflow. The employee engagement activities uphold communication as a vital tool. The implementation of the employee engagement activities was possible through effective communication between employer representative and employees. It was observed that industrial relation was directly related to employee engagement activities carried out. The employee information through various mode of communication resulted in effective decision making. Thus the transparency with regards to day to day tasks and activities was effected with regards to employee engagement activities.

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# IR Scenario in Public Sector Undertakings and its Future Trends

Dr. Subir Bikas Mitra Advisor (Law) GAIL (India) Ltd

Mr. Amiya Biswaranjan Nayak Sr. Manager (HR) GAIL (India) Ltd

**Abstract**— Industrial Relations (IR) in a restricted sense is the relationship between worker and Management in an organization, though Government continues to remain as an integral part of the IR system. Needless to mention IR is an essential aspect of Management in Public Sector Undertakings (PSU) especially in the globalized and liberalized 21st Century for maintaining a harmonious workermanagement relationship and create an environment of mutual confidence and trust. Since beginning, the PSUs have been enjoying the support of the Government for sustaining overall economic development in the Country. PSUs are also serving as a model employer and pace maker for rest of the economy. However, the scenario has changed completely in the recent times and now PSUs needs to adopt new strategies to survive in the global/domestic markets. It may be appreciated that, with the wave of change sweeping across the length and breadth of our country, the industrial relations (IR) situation cannot possibly remain a mute spectator to such nation-wide transition. Thus, the author has chosen the topic "IR Scenario in Public Sector Undertakings and its Future Trends" for this research article.

On going through the trends of bargaining between various trade unions and their respective management in the past several years, it is gathered that there is gradual realization by both the partners that to survive, both have to surrender the individualistic interests at the superordinate interest of the economy.

**Keywords**— Industrial Relations, Public Sector Undertakings, Management, Trade Unions, Workers

#### I. INTRODUCTION

Organizations in the ever changing economies are continuously trying to quickly adopt the economic environment for their survival and growth. Public Sector Undertakings (PSUs) in India. which were used to be considered as 'organizations under Government shade' are also now facing numerous competitive pressure in this global arena resulting in tremendous pressure for its growth and survival. Since beginning, PSUs have played most crucial role in industrialization of the Nation and also acted as a source of employment for the citizen of India which in other term helped in boosting the economy by providing necessary infrastructure facilities. The PSUs, which were created with a vision to strengthen the economy of the country and to give economic boost to the society by giving employment, are now facing several challenges in the free competitive markets. The concept of 'Make in India' to strengthen manufacturing capacities to promote India as a manufacturing hub, further exerted competitive pressures on PSUs from national and international level in the aftermath of economic liberalization in 1991. With the changing environment and incoming of globalized competition in Indian market, industries including PSUs are now more focused on individual employee-based relations (ER) rather than IR.

#### II. LITERATURE REVIEW

Industrial relations are the relations which are the outcome of the "employment relationship" in an industrial enterprise. It

is, thus, employer-employee relationship in an industry. Two parties—employer and workmen are necessary without which such relationship cannot exist and it is the industry which provides the setting for industrial relations.

As per Investorsbook.com, "Industrial relations is that field of study which analyzes the relationship among the management and the employees of an organization at the workplace and also provides a mechanism to settle down the various industrial disputes."

As per ILO "Industrial relations deal with either relationships between the state and the employers and the workers' organizations or the relations between the occupational organizations themselves". Objectives of Industrial Relations:

- To enhance productivity of the worker by addressing his/her requirements
- To have harmonious and conducive environment for work
- Promoting democracy in the organisation where worker also have a say in the management decision making

Factors Affecting Industrial Relations: The following factors affect the Industrial Relations in any organisation:

1. Management/Employer: The Management or Employer is the primary factor which can affect IR situation in any organisation. The decisions/policies framed by the management has a huge impact on the prevailing IR situation; and if managed properly same can contribute significantly in building harmonious industrial relations.

In PSUs the employer/management functions within the guidelines framed by Govt. of India being ultimate employer.

2. Employee/Trade Union: The

Employee/Trade union is the other primary factor which can affect IR situation in any organisation.

3. Government Policies: The legal framework and political environment can also influence the organization and its industrial relations scenario. It also contributes to the framing of rules, rights, authority, powers, roles and responsibilities of all the parties of the organization.

Changing Trends in Industrial Relations in Indian PSEs

There are around 348 Central Public Sector Enterprises (CPSEs) in India. CPSEs are categorized as under:

- Directly run by Government such as Railways, Postal, Defence Production, Printing press etc.,
- Undertakings run by Corporations registered under Companies Act. 1956,
- Undertakings previously in Private sector and Nationalized subsequently.

It has been observed that CPSEs are having multiple unions which are also affiliated to various associations and political parties. Industrial relations in public sector can't be defined in particular pattern i.e. bipartite, voluntarism, or tripartite. They exhibit the characteristics of all the systems. The changing IR scenario in CPSEs are influenced by the following:

Engagement of Contract Labour: Many organizations including CPSEs outsource various services and get it done through contract labors. This process of outsourcing brings down the wage burden and helps the organization to compete in the globalized economy. However, engagement of contract labors may attract notification by the appropriate Government under section 10 of Contract Labour Regulation & Abolition Act, 1970

It needs to be appreciated that in any

organization wherein the entire process has been outsourced, any bad IR situation could also potentially lead to cease of entire process and loss of productivity.

Over the years, various Supreme Court judgments have been pronounced on abolition of contract labor in certain organization which create more suspicion towards engagement of contract labors. Some of the relevant judgments are:

a) The Standard-Vacuum Refining ... vs Its Workmen and Others on 6 April, 1960

Supreme Court held that "cleaning maintenance work at the refinery including premises and plant and we shall deal with that only. So far as this work is concerned, it is incidental to the manufacturing process and is necessary for it and of a perennial nature which must be done every day. Such work is generally done by workmen in the regular employment of the employer and there should be no difficulty in having regular workmen for this kind of work. The matter would be different if the work was of intermittent or temporary nature or was so little that it would not be possible to employ full-time workmen for the purpose. Under the circumstances the order of the tribunal appears to be just and there are no good reasons for interfering with it."

b) Sankar Mukherjee & Ors Vs. Union of India & Ors [1989] INSC 348 (16 November 1989)

Supreme Court held that "it was not denied that the bricks handled by the brick department were used in furnaces of the company as refractory. Therefore, the work done by the brick department including loading and unloading of bricks was incidental to the industry carried on by the company. It was also not denied that the petitioners were, employed as contract labour by the company for the last 15/20 years. There was, therefore, no

justification to treat the petitioners differently and deny them the right of regular appointment."

- c) R.K. Panda Vs. Steel Authority of India [1994] INSC 315 (12 May 1994)
- (i) All labourers, who had been initially engaged through contractors but have been continuously working with the respondent for the last 10 years on different jobs assigned to them in spite of the 312 replacement and change of the contractors, shall be absorbed by the respondent, as their regular employees subject to being found medically fit and if they are below 58 years of age, which is the age of superannuation under the respondent.
- (ii) While absorbing them as regular employees their inter se seniority shall be determined department/job-wise on the basis of their continuous employment.
- (iii)They will not be entitled to the difference in their contractual and regular wages till the date of their absorption.

After absorption as regular employees, they shall be paid wages, allowances etc. on a par with their counterparts, working as regular employees with the respondent. If in respect of any group of contract labourers, no rate of wages or emoluments have been fixed by the respondent because those jobs had not been performed by the regular employees of the respondent in the past, the contract labourers so absorbed for performing the said jobs, shall be paid at the minimum rate payable to the unskilled workmen, doing other similar jobs.

(iv) After absorption, the contract labourers will be governed exclusively by the terms and conditions prescribed by the respondent for its own employees irrespective of any existing contract or agreement between the respondent and the contractors. No claim shall be made by the contractors against the respondent for its own employees irrespective of any existing contract or agreement between the respondent and the contractors. No claim shall be made by the contractors against the respondent for premature termination of their contracts in respect of the contract labourers

Disinvestment Policy: It is the Strategic Disinvestment Policy of Government of India to sell Government shareholding in identified Central PSUs. Disinvestment can possibly have affect on the working environment of the organization impacting right of workers/trade unions, job security. income security and social security.

The skepticism of change of ownership due to disinvestment may bring changes not only in organizations but also in trade union dynamics.

Customer and Society as Emerging Players in the Industrial relations: The Ease of Doing Business, Make in India and Atmanirbhar Bharat policies of the Government have introduced lots of new players in the market. To sustain the competition, customer satisfaction and reliability is top most priority. It has emerged as a new player in the industrial relations. The employee and employer are now required to leverage consumers and society for a better relation with them by protecting the interests and rights of all the stake holders.

Change in Labour Laws: The subject of labour laws is in the Concurrent List of the Constitution of India, and any change in the labour legislations (including the recent introduction of 4 labour codes) is likely to change the industrial relations scenario.

The Government has brought in Social Security Code, 2020 whereby social security coverage will be extended to Gig workers/Platform workers and unorganized sectors.

The labour laws are modified with a view to give flexibility do the business. With introduction of Fixed Term employment for workers, it will not only give flexibility for manpower planning but it will also help in reducing the wage cost and thereby impacting the economic growth. As they will be treated at par with the regular manpower, the sense of dissatisfaction amongst will also not arise from wages point of view.

However, the workers engaged on fixed term basis may form union in affiliation with political parties and may demand for regularization afterwards.

**Demographic Change:** As the demographic change in the organization is moving towards more skilled and knowledge workers, it is difficult for the management to tackle the Gen-Y employees being more sophisticated and techno savvy. Further, the introduction of recent 4 labour codes has given rise to the gig and platform workers providing more flexibility to the employer to have skilled labour on fixed term basis. It is envisages that same will be a prominent factor in changing role of Trade Unionism and IR Scenario in CPSEs.

Workforce Quality & Strength: In public sector undertakings, due to outsourcing and less recruitment activities, ensuring the quality of the workforce will be a challenge. Further, less use of modernized recruitment tools can possibly lead to situations wherein employer is not able to hire quality manpower. As the turnaround time of recruitment is more in CPSEs. manpower planning take a lot of time which can possibly result in impacting the succession planning.

Fixed term employment: As the markets are now moving towards more globalized world; public sector enterprises are also likely to move towards adopting new employment models such as tenure based

employment. In the Industrial Employment (Standing Orders) Act, 1946, fixed term employment has been included 'Fixed Term Employment (FTE) Workman' for all sectors.

The objective of such employment models is to provide flexibility to the employers in order to meet the challenges of globalization. This can also possibly decrease exploitation of contract workers as the employer would directly hire the worker without any mediator.

Trade Union and its changing Role: In public sectors, the bargaining power of the Trade Unions is likely to be limited to the welfare of the worker. Further, as the CPSEs are governed by the guidelines the Government of India, negotiation contours are generally pre-defined. As such, trade unions in PSEs are now partnering with management for the development of the organizations as well as for their own development. Thus, Trade Unions are now likely to move on to a mutually beneficial and developmental path.

# III.RESEARCH METHODOLOGY

Researchers have undertaken an exploratory research work based on their own understanding of the topic.

#### IV. CONCLUSION

The Industrial Relations scenario in Public Sector Undertakings are shaping towards employee driven relations; with bargaining power of the Trade Unions being confined to the welfare of the employees.

Further, with notification of Social Security Code, 2020 and IR Code, 2020, the role of trade unions is likely to undergo a transformational change. Moreover, with the introduction of platform based assignments and engagement of workforce on fixed term employment basis; employers are now empowered with much needed flexibility to opt for appropriate manpower planning with less economic

cost. There is also an imperative need on the part of the workforce to continuously improve upon their skill sets and remain employable.

With the emerging paradigm of Industrial Relations and Future of Workplace, new dimensions of workforce deployment are coming up in the form of Gig workers, Platform workers, Fixed Term employment, etc. This will ultimately have a far reaching impact on Trade Unions which needs to act now in a more responsible manner keeping in view the developments in the economy at large.

It will not be out of place to mention here that Trade Unions will have to change their mindset and work positively towards thriving partnership with their respective employers.

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# Industrial Relation and Employee Performance: A Review of "Industrial Relations - Backbone Of Business Sustainability"

#### Mr. Narendra Patil

Head HR, Human Resources Kalvani Maxion Wheels Private Ltd. Pune

Abstract- Employees play a significant role in helping organisations to accomplish and succeed in their objectives. Trustworthy employee relations results in an extremely dedicated, enthused and dedicated employees in the organizations. Industrial relations has turn out to be one of the most elusive and multifarious problems of current industrial society. Industrial growth is not possible without cooperation of employees and tuneful relationships of them with the employer. Therefore, it is in the concern of all organizations to form and conservevirtuous relations between employees and employers. The aim of this review is to understand the effect of employee relation on the performance of the employee.

Keywords--- Industrial Relations (IR), employer, Human resource Management (HRM), Employee

#### I.INTRODUCTION

The concept of Industrial Relations (IR) is the Human resource Management (HRM) concept which means the relationship which exists between employees and management in the organization to achieve success and to increase productivity. Industrial relations is that feature of organization which deals with the workforce of the institution whether workers, expert workers or supervisory staff. Amiable and peaceful Industrial relations between the employer and employee are essential for increasing the productivity and thus the financial growth of the organization. The good outcomes of an organization always reflect the extraordinary performance of all concerned i.e., entire staff of the organization.

## **Definitions of Industrial Relations:**

"Industrial relations include securing effective and willing cooperation from employees and reducing conflict between employers and workers and their representatives, the trade unions."

- Indian Institute of Personnel Management

"Industrial relationship is the composite result of the attitude and approaches of employers and employees towards each other with regard to the planning supervision, direction and coordination of the activities of an organization with a minimum of human effort and friction with an animating spirit of cooperation and with proper regard for genuine well-being of all the members of the organization."

-Tead & Metcalf

The word "Industry" signifies any business or industrious activity wherever an individual or a group of people are involved. The second word "relations" talk about to the relationships that are present within the industry between the proprietor and his staff. Industrial Relations consist of two areas, namely, Management Relations and Market Relations. The first area, Managerial Relations comprises procedure tangled in recruiting of employees, fixing the number of working hours, fixing the task to be accomplished for the duration in the specific working hours, quality of manufactured goods, denunciations and rejection accepted etc. and the second part, Market Relations includes financial terms like, labour cost, salaried holidays, weekly holidays, communal securities like Provident Fund (PF), Employee State Insurance, Gratuity, Pension, Welfare facilities etc. Industrial

relations are the relationship between the company and the management within the organization, mostly when the employees are embodied by a union.

#### A. Objectives of Industrial Relations

There are two goals of Industrial relations that are to protect industrial peace and synchronization between the management and the employees and second one is to secure the teamwork of all departments in organization. To build up industrial harmony and peace, the employees must be assured by the organization about therational wages, good working environments, functional working hours, provision for holidays and basic requirements of life.

- **B.** Components of Industrial Relations: The major components to industrial relation are as follows:
- 1. Employees
- 2. Employer
- 3. Government
- 1. Employees: Between the Industrial Relations contributors, employees are having the huge impacton the Industrial Relations system prevalent in an organisation. Employees with their abundant features such as their commitment and promise towards the work and towards the organisation, even their educational and social background, and their outlook on the way towards the organisation and so on have an emotional impact and are affected by the system of Industrial Relations. Normally, employees perceive IR as a means to progress their environment of employment, power of speech against any grievances, interchange opinions and ideas with management and take part in organisational decision making processes. Employees' participation in the Industrial Relation system through their associations or with the help of their trade unions. Earlier facts point toward that trade unions play a vital role in building an Industrial Relation system as effective or not. Trade

unions with their tough and sturdy political and emotional implications are observed as a tool to gain concessions from management.

- **2. Employer:** Employer or management is the second component to Industrial Relation system. In the business group, employer is represented by the administration. Hence, administration become s in charge to various participants in an organisation comprising employees.
- **3. Government:** The part of government in the stuff of industrial relations has been varying along with modifications in industrial atmosphere and management perception. In India, government attempts to control the relationship of employees and companies, and also preserves an eye on both groups to keep each one inharmonized pattern. This association is forced and sustained through labour courts, tribunal court for industry, wage boards, investigating and enquiry committees, etc.

# C. The main objectives of industrial relations system are:

- To safeguard the interest of employees and management by fortifying the uppermost level of mutual understanding and kindness between all those segments in the industry those contribute in the process of production.
- · To elude industrial fight or trouble and improve pleasant-sounding and relations, which are necessary aspects in the production of workers and the industrial growth of a country.
- To elevate productivity to an upper level in an era of full employment by reducing the inclination to high income and frequency absenteeism.
- To create and endorse the progress of an industrial democracy based on labour partnership in the sharing of profits and decisions making process, so that individuals' personality may nurture its full stature for the benefit of the industry and of as well as the country.

• To exclude or reduce the number of strikes, lockouts by providing sensible wages, better-quality living and better working conditions, said fringe benefits.

• To improve the monetary conditions of employees in the existing state of industrial managements and political government.

# II. ROLE OF INDUSTRIAL RELATIONS SYSTEM IN EMPLOYEE PERFORMANCE

"Industrial relation is a multidisciplinary filed that studies that employment relationship. Industrial relations are increasingly being called employment relations or employee relations because of the importance of non-industrial employment relationships; this move is sometimes seen as further broadening of the human resource management trend."[3] "Maintaining harmonious relations is very important for the survival, prosperity and growth of the organization. Good and healthy employee relations leads to better organizational performance." [2] "It is widely accepted in the literature that the high-performance paradigm has an impact on companies' performance." [8] "Working conditions are an outcome of techno-organizational changes." [9] "Union activities have impact on the performance on work. This implies that it sounds appropriate for employers to put in place enough structure." [12] "The organization has adopted a better kind of welfare activities which create an effective working environment and thus better productivity." [13] "Industrial relation situation in India industries has undergone a lot of change owing to the internal and external factors within and outside the industries. In the initial phase, the understanding of industrial relation was relatively low; but, the latter phase saw a gradual improvement in the industrial relations scenario."[1]

"Creating a positive work relationship that is based on respect, value and recognition for employee's abilities and competence,

play a critical role in promoting job satisfaction which subsequently reflects in their intention to remain devoted in the organization." [4] "The relationship as well as the impact between line manager relationships trusts in senior management and employee commitment. It was found that there is a strong positive impact of the variables concerned on the employee commitment." [5] "Good relations are required for staff to enable them work towards taking the organisation to its expected destination. It is against the backdrop of the relative importance of employee relations in relation to organisational performance." [10] "Industrial relation practices had strong positive influence on organizational performance and productivity." [15] "Negative effects on productivity could be caused by negative interpersonal behaviours that lower employee engagement."[16]

"Training and compensation have significant influence on organization and employees' performance." [18] "A relationship between training and labour productivity exists, not only at the level of the individual employee, but on an organizational level as well." [7] "To develop organization performance, take a vital role in improving employee performance as well as increasing productivity and eventually helps to place organizations in the best position to face competitive challenges and stay on top." [18]

"The human resource management practices which have the most significant impact on industrial relations outcomes are employee representatives on the board of management, performance related pay and joint consultative committees" [14] "Companies can continue with HR practices, which makes them good places to work for employees and practice good leadership to motivate people" [17] "Should employ best human resource management practices to achieve consistently improving results in their

organizational performance." [19]

"The attitude and mind-set of the top management must also change. Instead of conducting day to day fire fighting exercises, they should care employees. care customers, care suppliers, care strategic actions and care to build organizational culture."[6] "The employment and industrial relations influence the strength of the relations between working conditions and innovation activities." [9] "It is essential that the employees perform together as a collective unit and contribute equally towards the realization of a common goal." [11]

Preserving good employee relations by the management in an organization is a requirement and necessity for organizational goal achievement and success. Sturdy and robust employee relations are necessary for high productivity and human satisfaction. Employee relations in general deal with circumventing and solving issues with reference to individuals which might arise out of or impact the work situation. Strong employee relation depends upon healthy and innocuous work surroundings, hundred percent engrossment and commitment of all employees, incentives for employee motivation, and effective communication system in the organization. Healthy employee relations lead to more well-organized, inspired, motivated and productive employees which further lead to escalate in sales level of the organization. Good employee relation indicates that employees should feel positive about their individuality, their work as well as about being a part of an organization.

Employee relations can create or breakdown an organization. Excessive employees' relation is reason or key of successful business. Success is not for the short period but in the long run. A good understanding between employees and employers is important to reduce industrial disputes. A positive relationship between

management and employees leads to developed enthusiasm and employee involvement. Happy employees are more productive. As they are happy with the surroundings they will put more strength into their work for better result. This converts into happy clients and generate more profit. Despite the fact that emerging and conserving good employee relations can be difficult in most workplaces. Strong associations among employees are beneficial and useful not only to the individuals but to the whole organization.

## III. CONCLUSION

The researcher believes that Industrial relations are of countless significance in industrial life. These relations have excessive bearing on the financial, social and political spheres of our society. If in an organisation, relations between employee and management are pleasant then there will be industrial peace and welfares and interests of both the parties will be automatically protected or preserved.

This study revealed that great employee relations are to create and build up the employee and management relationship. This can be accomplished by evaluating employee satisfaction, recognising and solving workplace issues, and providing input and support to the performance management system of the organization. The most efficacious organizations around the world are those that take note to employee management. It is essential to create surroundings where the employees can use their skills and talent to the fullest. It is possible only when employees feel that their involvement is appreciated and respected.

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# The Industrial Relations Code (IRC), 2020 -A Coup d'état

Dr. K. BHANU PRAKASH Professor & CFO, IAA-Life Member, ICSB - Professional Member. ICSSR Research Projects Coordinator, Consultant-AI, Analytics & SAP - HCM

Dr. PRK RAJU Director. Department of Business Administration. GIET (A), CGM (HR) Rtd., ONGC

Abstract - In a Gig and a Neo-Gig Workspace, the Beneficiary and Benefactor Relations have been on rise and AI-2.O (Humanoids) fuelling the Hybrid Workforce to be simple, smart and selfemployed. The 'Human Capital Experience' is emerged from the realms of 'Behavioural Sciences' and form the basis for 'Human Relations' and post sign for 'Industrial Relations' (Harvard). The algorithms, augmentations and analytics on 'Human Capital Management' are redefining, reframing and refreshing the 'Relations in Industry' amidst COVID'19 and after too. The Code of Relations in Industry across the globe would impact the style and siloes of work, imbibe unbounded optimism, positive outlook and harnessing harmony and happiness among 'Liquid Workforce'.

In India, Manusmriti, has been the main source for 'Indian Labour Laws' from the vedic times and the then 'Industrial Law' had evolved from the Colonial Masters prescription to the Constitutional and Legal System traversing through Secular Legal Systems and the Common Law. An underlying philosophy of 'Labour Policies' evolved in Post-Independence was to maintain 'Fair, Free and Honest' Relations with Worker vis-à-vis Industrial Employer. On priori lines, the Legislative Provisions were enacted to safeguard the interests of the Industrial Workers. In this direction, the Industrial Relations Code (IRC), 2020, also termed as Industrial Relations (IR) Act, 2020, was enacted by the Parliament and came into force with effect from 29th Day of September, 2020 (Asvina 7, 1942, Saka). The Act safeguards the interests of Workforce, specifying the World of Work, setting-up

Re-Skilling Fund, extending the 'Social Security Benefits' to Fixed-Term Workers and established the Jurisdiction-Free Inspection and Grievance Redressed System in a time bound manner.

The main objective of the present discourse is to explore on the antecedents and precedents besides the enactment and enforcement of IRC, 2020. The evaluation of Labour Law Reforms adopted by different States in India as per Legal Relations Matrix, and the provisos and caveats of IRC, 2020, are also presented in brief keeping in view the future pointers for the strengthening and implementation of IRC, 2020. In dictum, the dignity of labour. the protection and safeguarding the interests of 'Labour' as Human Beings in line with Fundamental Rights and Directive Principles of the State Policy are the Coding Principles of Industrial Relations and the precision pointers of the Hay Day.

Key Words: AI, IR, IRC, ILO, OSH, NVA, PDS, WLB.

# Industrial Laws in India -The Antecedents and Precedents

The immortal and interminable 'Manusmriti' also termed as 'Manu Maanava Dharma Shastra' has been the prime source for 'Indian Labour Laws' at times of vedic times. It relied on 'Artha' (statecraft and legal process), and 'Dharma' (duties, rights, laws, conduct, virtues and others in Dharmasutras). The 'Manusmriti' states that 'Dharmasya Yonih' that means that the sources of 'Law' has twenty-four verses, and one transition

verse [1].

The 'Law in India' has evolved from the Colonial Masters prescription to the Constitutional and Legal System traversing through Secular Legal Systems and the Common Law.

The roots of 'Labour or Industrial Laws' were found in India prior independence by the enactment of Indian Slavery Act, 1843. Societies Registration Act, 1860, Cooperative Societies Act, 1912, Indian Trade Unions Act, 1926, and the Trades Disputes Act, 1929. The Constitution of India conferred Articles 14-16, 19(1)©, 23-24, 38, and 41-43A in 1950 to directly concern 'Labour Laws and Rights'.

## Industrial Relations Code (IRC), 2020 -The Enactment and Enforcement

The Industrial Relations Code (IRC). 2020, also termed as Industrial Relations (IR) Act, 2020, was enacted by the Parliament in the Seventy-first Year of the Republic of India and extends to the whole of India. The Act of Parliament received the assent of the President on the 28th September, 2020, and came into force with effect from 29th Day of September, 2020, (Asvina 7, 1942, Saka). The IR Act, 2020, consolidates and amends the erstwhile 3-Central Labour Laws viz., (i) Trade Unions Act, 1926, (ii) Industrial Employment (Standing Orders) Act, 1946, and (iii) Industrial Disputes Act, 1947 (The Gazette of India, 2020). The Govt., Of India subsumed and repealed opera of Labour Laws prior and postindependence and Industrial Relations Code (IRC), 2020, is passed by the Parliament after consultations and consent from the Governments (Central and State), Labour Unions and Stakeholders at large [2].

## **Objectives of the Study**

In pursuance of the recommendations of the Second National Commission on Labour, 2002, the Industrial Relations

Code was introduced in Parliament and after consensus ad idem, the IRC Act, 2020, was passed keeping in view the objective of consolidate and amend the laws relating to 'Trade Unions', conditions of 'Employment' in industrial establishment or undertakings, investigation and settlement of 'Industrial Disputes' and for matters connected therewith or incidental thereto.

The main objective of the present study is an anecdotal exploration of IRC, 2020, besides the enactment and enforcement of IRC, 2020. The other objectives are:

- to evaluate the and Labour Law Reforms adopted by

different States in India as per Legal Relations Matrix;

(Table-1)

- to focus on provisos and caveats of IRC, 2020: and
- to suggest the future pointers for the strengthening and

implementation of IRC, 2020.

# Industrial Relations Code (IRC), 2020 -The Provisos and Caveats

In line with the landmark ruling of the Supreme Court in Bangalore Water Supply and Sewerage Board Vs. A.Rajappa and Others (1978) 2 SCC 213, Section 2(p) of the IRC, 2020, defines the term 'Industry' to mean any systematic activity carried on by co-operation between an Employer and Worker (whether such worker is employed by such employer directly or by or through any agency, including a contractor) for the production, supply or distribution of goods or services with a view to satisfy human wants or wishes (not being wants or wishes which are merely spiritual or religious in nature), whether or not the activity is carried on for any gain. Institutions owned or managed by organizations wholly or substantially engaged in any charitable, social or philanthropic service stand excluded from the scope of the definition. In addition, the provision vests the Central Government with the power to exclude

'any other activity' from the scope of the definition by issuing a notification.

Section 2(1) of the IRC Code, 2020, defines the term 'Employee' in a broad sense that apart from persons performing work of a manual, unskilled, skilled, technical, operational and clerical work in an industrial establishment, those doing supervisory, administrative or managerial work are also included within the scope and ambit of the term 'Employee'.

Section 2(m) of the IRC Code, 2020, includes the term Occupier or the Factory Manager and also the Contractors under the Factories Act. 1948, within the scope of the term 'Employer'.

Section 2(zr) of the IRC Code, 2020, defines the term 'Worker' as a person employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work. The Journalists and Sales Personnel have also been brought within the scope of the definition. The Persons employed in an industry mainly in Managerial or Administrative and Supervisory Capacity drawing wages exceeding Rupees Eighteen Thousand per month or any other amount notified by the Central Government stand excluded from the scope of the definition of the term 'Worker [Sec. 1(zq)].'

The term 'Fixed Term Employment', gives 'Employers' the flexibility to hire workers based on the need by way of 'Express Contract' in writing and Fixed Term Employees should be treated on a par with Full-Time Permanent Workers in terms of hours of work, wages, allowances and other benefits, including statutory benefits such as gratuity [Sec. 1(zl)].

The IRC Code, 2020, provides a broader framework to protect the rights of 'Workers' to form Trade Unions, to minimise the friction between the 'Employer' and 'Worker' and to provide provisions for investigation and settlement of 'Industrial Disputes' [Sec. 2(zl)].

The IRC Code, 2020, introduced more conditions for 'Workers' to strike alongside an increase in the threshold relating to 'Lavoffs and Retrenchment' in Industrial Establishments having 300 workers from 100 workers. The Code also provides more flexibility to 'Employers' for hiring and firing of workers without the permission of the Government [Sec. 2(zh)].

Further, it amends the definitions of 'Strike' and 'Mass Casual Leave'. If over 50 per cent of a Company's Workers take Concerted Casual Leave, it will be treated as a 'Strike'. However, 'Workers' cannot go on strike without a 60 days' notice.

The 'Code on Wages' aims at extending mandatory minimum wages to all workforce either in organised or in unorganised sector. The IRC Code, 2020, subsumes the relevant provisions of 4-Labour Laws on Wages viz., (i) The Minimum Wages Act, 1948, (ii) The Payment of Wages Act, 1936, (iii) The Payment of Bonus Act, 1965, and (iv) The Equal Remuneration Act, 1972.

The 'Code on Industrial Relations (IR)' amalgamates, simplifies and rationalises the relevant provisions of 3-Major Acts viz., (i) The Industrial Dispute Act, 1947, (ii) The Industrial Employment (Standing Orders) Act, 1946, and (iii) The Trade Union Act, 1926. The Code is aimed at promoting Ease-of-Doing-Business (EoDB) by removing redundant provisions of earlier 'Labour Laws' [3]. The Code also safeguards the interests of Workforce, specifying the World of Work, setting-up Re-Skilling Fund, extending the 'Social Security Benefits' to Fixed-Term Workers and established the Jurisdiction-Free Inspection and Grievance Redressal System in a time bound manner.

The 'Code on Social Security' aimed at protecting the workers from economic risk inherent in economic activity, ensures adequate financial and other protection to the workers in the event of health and other contingencies.

The 'Code on Occupational Safety, Health and Working Conditions (OSH)' enhances the coverage of safety and health provisions by extending it to workers engaged in mining and dock activities irrespective of quantum of workforce [4]. Without prejudice to the provisions of subsection (2), the provisions of Section 6 of the General Clauses Act, 1897, shall apply to the repeal of such enactments.

# Industrial Relations Code (IRC), 2020 -The Empirical Evinces (A Critical Review)

On perusal of recommendations of Second National Commission on Labour in June. 2022, and subsequent consensus ad idem of all stakeholders including Trade Unions, State Governments and Industry, the IRC Act, 2020, was enacted with 411 Clauses, 13 Schedules running into 350 Pages aimed at to streamline Industrial Relations and scale-up India on the Index of Ease Of Doing Business (EODB).

Rituparna Chakraborthy expounded on IRC Bill, 2019, and signalled industry, states and companies to create an system for the growth and development of employees. The entitlements for fixedterm employees at par with regular employees with the same job role is just a move and creation of 'Retrenchment and Re-Skilling Fund' is a welcome move. The IRC, 2019, neglected the process of 'Collective Bargaining and Negotiations' and taming and crippling Trade Unions [5]. K. Venkataraman opined that IRC, 2020, would energise industry and spur economic activity keeping in view to dismantle the shackles of employees from the then Labour Laws. The IRC, 2020, empowers 'Employers' to constitute a 'Negotiation Council' representing at least 20 per cent of employees as its members. The provisions relating to lay-off, retrenchment, and closure are specified and made applicable to only establishment that had employed 300 or more workers on an average per working day in the

preceding 12 months. Further, the Code prohibits strikes and lock-outs in all industrial establishments without giving prior 60 days' notice [6].

M.R. Madhavan pointed out that the IRC. 2020, is mere a voice vote and voice note of the Parliament ignoring the 'Size of the Organisation', no criterion specified and no clarity on recognising 'Trade Unions', but, clearly specified the norms for 'Social Security Schemes, Health and Safety Standards and Working Conditions'. Further, lamented that the IRC, 2020, would lead to impose the conditions of virtual slavery on the working people in IT/ITES.

The Act destroys the 'Freedom of Association' guaranteed to Indian Citizens under the Constitution [7].

Shivani Singh critically analysed the IRC, 2020, and outlined the key modifications in the Code. The term 'Industry' is defined and the Union Govt., may exclude from the purview of 'Industry' or any other activity, which it deems fit. The threshold limit for 'Supervisory Employees' under the purview of 'Workers' has been increased and enhance the threshold for Standing Orders (SO), Retrenchment, Lay-off and Closure in certain industries. The Act reinforced the Grievance Redressal Machinery (GRM), recognised 'Single Body' for negotiating with the Management and discouraged 'Arbitrary Lock-outs and Strikes'. It extended certain advantages of Permanent Employees to Fixed-term Workers. To sum up, it is a positive move towards achieving world class excellence in work ethics and provisions for safeguarding the interests of all stakeholders [8].

Sthanu R Nair stated that the Govt., and Industry have termed IRC, 2020, as historic and transformative while Trade Unions have billed the Code as 'Anti-Worker'. The underlying objective of Labour Policies prior independence treat worker as a weaker partner vis-à-vis industry. Hence, Legislative Provisions were enacted to safeguard the interests of ISSN(PRINT): 0970-8405 Personnel Today

of workers in sync with the demands of globalised world that is the dire need and imperative. It is interesting to note that the Indian Labour Laws dealing with Retrenchment, Lay-off, Strikes would fall below average to the OECD and China. The IR Code has attempted to address these issues and modified the rules pertaining to Hire and Fire.

# Industrial Relations Code (IRC), 2020 -The Legal Methodological

Framework

An attempt has been made in the present study to evaluate the IR Policies and Practices adopted by the different States in India and finding out the 'IR - Implementation Gap' (Table-1).

Based on that the recommendations and suggestions are offered for the effective implementation of IRC, 2020, to achieve work excellence as per ILO Guidelines.

# Industrial Relations Code, 2020 -The Future Pointers and Policy

India's gig economy is in nascent stage and

Prescription

poised to grow to \$455 billion by 2024 at a CAGR of 17 per cent to touch a figure of \$455 billion in the next 3-years and adding 4 million workforces every year (ASSOCHAM). The pandemic has disrupted the 'Labour Market' and the 'Physical Proximity' emerged as a new dimension. Due to the pandemic around 18 million of India's Workforce will be forced to switch to new occupation by 2030 and the screen time expanded and physical and manual skills decline by 2.2 per cent while Technological Skills on rise by 3.3 per cent (YourStory). The Indian Industrial Relations are subject of Concurrent List, hence, these are governed by both Central and State Governments. The 'Labour Laws' were archaic prior and now there is a dire need to repeal the outdate and update as per International Labour Laws. Keeping in view this, the IRC, 2020, prima facie expounds on the realities and challenges of

India's Gig Force. Among others, the

prominent suggestions inter alia include:

The 'Forced Labour Protocol' would suggested to prevent forced labour and provides assistance to victims. Further, the IRC, 2020, would also consider the 'Minimum Wage' for workers irrespective of working days enabling 'Work Protection', ensuring compliance with 'International Labour Laws' and enhancing the detection of violations. enacting swifter penalties and further strengthening the 'Laws for Labour' [10]. It is also suggested to cover the 'Gig and Platform Workers' under the ambit of 'Industrial Laws' and the scope of 'Employees Provident Fund Organisation (EPFO)' has also been broadened and now all institutions which have 20 or more workers will be covered. Consequently, more of the workforce will be covered by the 'Social Security Legislation'.

Moreover, the Industrial Disputes Act, 1947, Chapter (VB), mandated firms with more than 100 employees to get permission from the Government before retrenchment of employees, while firms with less than 100 employees were exempted to get this permission.

Taking it as an advantage, the firms usually maintain below a threshold of 100 employees to minimise transaction costs inherent to. This proviso is unfair and has immediate significance in the light of the COVID-19 downsizing [11].

Similarly, the firms will not come under the Factories Act, 1948, are also keeping the number of workers below 20 (10 without power). The dwarfs (i.e., firms that are both small and older than 10 years), dominate the Indian economy, contributing 14.1 per cent of employment slightly less than 8 per cent of Net Value Added (NVA) holding back job creation and productivity.

Further, the IRC, 2020, prescribes a 'Single Licence for Staffing Firms' to make hiring of contract workers easier across different locations instead of the erstwhile regime of multiple location-specific licences. In this regard, the definition of 'Inter-State Migrants' has been modified to

include any person who moves on his own to another state and obtains employment. avails the benefits of Public Distribution System (PDS) and other benefits.

The 'Equality of Work', the 'Decency of Work' and the 'Time Money Conundrum' has been the continuous challenges to the Governments, hence, it is proposed to consider the afore cited for inclusion in IRC, 2020 [12]. The Occupational Health Safety (OSH), Work-Life Balance (WLB), creche facilities, maternity and paternal leave benefits, sick child leaves and considering IT Industry under the ambit of Industrial Laws are some issues continues to be ignored. As per International Labour Standards Framework of the ILO these should be giving imminent priorities relating to OSH [13]. The Super Annulation or Retiral Benefits such as gratuity, pension, leave encashment, retrenchment compensation, subsistence allowance etc., should also be revised and redrafted on the behest of 'Employee / Worker'. The Industrial Relations Code (IRC), 2020, is a great mile to include number of Workers and Employers under the ambit of 'Legal Architecture', reducing the compliance costs and improving the Ease Of Doing Business (EODB) and meeting the global competitiveness.

In the present digi-era, the 'Relations in Industry' play a significant role in building up capacities, capabilities, and competencies of workforce to reduce the complexity in compliance, protects the interests of workforce, and providing social security benefits on par with international standards. The

Labour Laws would strengthen the fair and good relations in between the Employees and the Employer and the Monitoring, Evaluation, Learning and Documentation (MEL&D) Framework undoubtedly provides world class working conditions, safeguarding the interests of 'Present and Future Workforce' and 'Making India's Workforce' for the World of Work.

It's Vocal for Local, Local for Global, Global for Glocal. Much has been done in

this direction but more is waiting to do. The IRC, 2020, is a fresh outlook and a flavour in 'Industrial Laws' that infuses the wellness, wellbeing and welfare among the Industrial Workforce. It's a realistic realism, pragmatism and progressive order in Indian Industrial Diaspora.

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## **Table-1: LEGAL MATRIX**

## **Table-2: REFERENCES**

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		_	_	Table-	1: Labou	ar Law I	cform	s Adop	ted E	y Var	ious St	ites in	Indi	a - The	Lc <sub>8</sub>	al Matri	х	_	_	_	_	_	_	_
K. No.	Name of the Central Act	A.P.	Assum	Gos	Gujurat	Haryana	KTK	Kerala	мг	MUR	Punjab	RST	TN	UK*	JК	Odishu	WS	TS	ca	Fihan	UP	NL	ML.	ш
A	LEGISLATIVE REFORMS																							
1	Payment of Wages Ac	t, 1948																						Т
×	Notification for Payment of Wages in Bank Account	1	1		~	~		٧.	~		1	1		1	1			1	1		1	TIC of BG	ec a s	Г
ь	Compounding for Offences Introduced								/												1			Г
2	Factories Act, 1948			_	_	_	_	_			_								_					
	Permitting Women to Work at Night	1	1	-	-		1		-	-	-	/	/	-							~			1
b	Enhancing Threshold for Definition of Factory [10 to 20 (with Fower) & 20 to 40 (without Fower)]									*		1		uc et so										
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c	Enhancing Overtime		Vel	Sense 3	April 2021	299			33 Hes 32 123 Hes	33 Her To 113 Her														Γ
d	Validity of License for Eactories up to 10 Years								v New				:		Ī	-				-	,			T
3	Industrial Dispute Act,	1947																_		_				_
	Enhancing Threshold from 100 to 300 for prior-permission for Lay- Off, Retrenchmen Closure	4,	*			,		*	~		*							t	nc .		,			
ь	Enhancement in Retrenchment Compensation				45 To 60 Days			5 To 90			√ Plus 3 Months Wage			H						ł				=
c	Limitation Period for Raising ID Reduced from 3 To 1 Year			T				,												Ť				_
d	Compounding for Offences Introduced				-															T			Ī	
4	Industrial Employmen	nt (Stan	ding Or	ders) A	ct, 1946																			
а	Threshold Enhanced to Applicability of Act	er						from 80 To 50			4													
ь	Exemption from Act To Some Sectors					_		√ Micro					1											
с	Compounding for Offences Introduced				Ш			nd.,		Γ			Ω					ľ			1			
A.P. KTK M.P. MHR RST TN UK	Andhra Pradesh Karnataka Madhya Pradesh					JK WB TS CG NL ML HP	Chatt Nagal Mogli	Sengal gana St iogarh and						Micro I UC	nd.,				o Indu ed Cor		4			

Table-2: Fixed Term Employment vis-à-vis Permanent &Contract Labour

	1 .		
Terms & Conditions	Fixed Term Employee	Permanent Employee	Contract Labour
Type of Employment	Employment under Express Contract (Written)     No Contractor or Agency Involved	Employment under Express Contract (Written)	Employment through a Contractor or Agency
	On the Payroll of the Employer	On the Payroll of the Employer	Not on the Payroll of the Employer
Term	Fixed Term Contract     Fixed Term Employment with Renewal Option     No Retrenchment Notice is served	Employment on Permanent Basis     Prior Notice is required for Termination of Employment	Terms &     Negotiations with the Contractor
Nature of Work	No Specifications	Hiring Process for Routine Work	Prohibition of Employment in Certain C ases eg., The Work Assignment to Regular Workforce

# **Human Relation Enhancing Business Sustainability in Industry**

Ms. Himani Sahu Student. ICFAI Business School, Pune

#### Abstract

The main objective of doing a research on was to understand how human resources play a main role in enhancing the Industrial Relation. What makes them to run an industry in a smooth manner without any barrier?

This study aims to understand how Human relation connects with the employees and industry. What could have happened if there were no Human relations? What are the differences that can be seen before and after laws were implemented in Industrial Relations. The purpose of doing so shall make us understand Industrial relations makes the employees and industry work together effectively.

Introduction

Industrial connection is the relationship between the manager and the person and gather of specialists inside the industry. Industrial relation aims at building a strong relation between the employees and the employer as well as among the employees themselves.

Industrial relations points at building a solid connection between the workers and the management as well as among the representatives themselves. A solid industrial relations guarantees assurance of employee's intrigued and fruitful achievement of hierarchical destinations in smooth and proficient way.

The more current title, "business relations" is progressively taking priority since "industrial relations" is regularly seen to have generally limit intentions. In any case, industrial relations have habitually been concerned with business connections within the broadest sense, including "nonindustrial" employment connections. This is often now and then seen as paralleling a

slant within the isolated but related teach of human asset administration.

Industrial relations analyses different business circumstances, with a unionized workforce. Generally Industrial relations have three aspects: ethical, problem solving and building constructions.

Human resources administration and industrial relations regularly speak contrary in a union work environment. Industrial relations -- a term synonymous with labour relations -- allude to things that influence union representatives.

In any case, HR administration and industrial relations must coexist inside the work environment. Agreeable coexistence can guarantee that the organization doesn't have to bargain with threats of strikes or getting to be involved in long intervention over collective bargaining impasses or uncertain grievances.

#### Literature Review

- 1. Challenges of Human Resource management in Industrial research.
- 2. Managing transformational change in human resources management.
- 3. The take-up of Human resources by mainstream
- 4. The under utilization of human resources in industrial relations.

#### Research Design

A. The objective of Research paper

- To briefly explain the impact of Human relations in Industrial Relations
- To discuss various aspects of how human relations should be necessary as a part of Industrial relations.

## B. Methodology

In this research we have used references based on secondary data to understand the Human Relations in Industrial Relations. Like Sustainability, human relations such keywords are used. Various journals, articles, sites and books were referred for this research.

## C. IR and Organisation

A basic tenet of human relations theory is that primary groups are fundamental units of society, and that study of them yields a better understanding of the individual, the organization, and society as a whole. Specialists in industrial human relations are concerned with the behaviour of informal groups at all levels of a business organization. In addition to research in industry, industrial human reactionists apply research findings from the study of such diverse groups as ladies sewing circles and army combat terms to work groups within the industrial setting.

Worker relations refer to an organization's effort to construct sound connections among team individuals and their manager or supervisors. Human resources experts regularly help in worker relations by distinguishing and settling issues at work, and moving forward workers resolve the company's administration. In small businesses, directors may conduct these obligations.

Some of the methods used are as follows:

- (a) Improved communication: Strong employee relations can progress communication over all areas of an organization. Having an open channel to supply input will not as it were contribute to their sense of well-being and fulfilment but too make it easier for administration to get recommendations to move forward their administration practices.
- (b) Increased motivation: Workers who have a great relationship with the company's manager are likely to feel more motivated at work.
- (c) Higher sense of community: Workers are more likely to flourish when they know

that their part has an effect on the success of the organization.

(d) More buy-in: It refers to the dedication that employees have for the company. Relationship between management and employees will lead to betterment of the company to move forward.

How to improve employee's relations in your workplace:

- 1. Make an open dialogue it is vital for you to check how the workers will progress. Setting up an exchange between you and your group as it will only provide with profitable understanding but moreover make vour team feel valued.
- 2. Offer career improvement opportunities Employees who might learn and develop in their parts through career advancement openings are regularly more joyful and more profitable.
- 3. Make employees feel valued Expressing appreciation and reverence for a work well done can altogether move forward worker state of mind toward the business and make people feel appreciated.
- 4. Communicate the company's mission and vision Help workers get it how their work fits into a broader organizational structure and how their parts relate to the company's vision.
- 5. Promote work-life balance Work-life balance is fundamental for most group members. Making a work environment that gives workers the adaptability to seek after interface outside of the office will eventually make a more grounded workforce as well as make better relations between workers and management.

#### Research Analysis

The latest group to attack human problem in industry are specialists in "Human Relations", who approach industrial relations through the study of small group behavior, and whom we shall call "human Religionists" for want of a better term. They are sociologists, social psychologists, clinical psychologists, and to a lesser extent, political scientists, who study small informal groups. Many human

religionists introducing into human relations, the ideas of John Dewey and the concepts of progressive education. Only the economist and the historian have been left out of the interdisciplinary team.

A basic tenet of human relations theory is that primary groups are fundamental units of society, and that study of them yields a better understanding of the individual, the organization, and society as a whole. Specialists in industrial human relations are concerned with the behavior of informal groups at all levels of a business organization. In addition to research in industry, industrial human reactionists apply research findings from the study of such diverse groups as ladies sewing circles and army combat terms to work groups within the industrial setting.

#### **Findings**

For business sustainability, in each business, the commerce owner needs to have a secure and work environment that empowers communication and contains a steady culture. After you know what common issues are, you'll be able to have an aim. That aim is the key to keeping up a cheerful working environment that runs productively.

Common human relations issues trim up again and again. This holds genuine for small and huge businesses alike.

Some of the issues which business has to deal with are as follows:

- 1. Conflict Management: Conflict can happen in any environment, and the work environment is certainly no diverse. Debate between workers or a coordinate difference between a worker and business owner are circumstances that can happen habitually. In case there's not a simple way for the two parties to communicate and have their issues listened, the conflict can turn into something much more regrettable. This will result in inferior company resolve or the end of a group member.
- 2. Annual take off disputes Do your

workers know that the company's leave approach is? Are you sure your arrangement is in agreement with state and government laws? You're not as of now utilizing leave management program; you'll open the entryway to yearly take off disputes. Consider take off administration computer program that makes a difference you make a legitimate and straightforward take off approach that takes off no room for debate. Give each worker with simple get to this arrangement. This sort of program can moreover offer assistance your workers conversation with HR supervisors almost takes off demands and adjustments.

- 3. Hour and Wage Issues Do workers tend to debate the number of hours they worked or demand on additional time that you just don't think is accurate? Do you or your HR time discover that you just must go over time sheets or participation records to check details? To avoid government wage and hour infringement and to diminish the possibility that workers will debate their pay checks, consider self-service timekeeping program that permits them to clock in and out from their keen gadgets. This empowers workers to keep track of and oversee their possess plans by giving an effective way to do so.
- 4. Adequate Safety in the workplace: In every business there might be some accident that takes place while they are on the job. Promoting safety is the most essential part of any business, it does not matter what industry one is in. All the safety measures and equipment should be used.
- 5. Timekeeping and Participation Issues Timekeeping and participation issues are common, and you'll be able eliminate numerous of them by utilizing worker self-service computer program. Permitting workers to keep track of their time and communicate around attendance issues right from their smart gadgets decreases the chances for struggle and gives them a

convenient benefit.

#### Recommendations

Following recommendations for enhancing Human Relations for business sustainability that can play a crucial role in signifying the capability building blocks and maintaining a strong human relation team:

- 1. Align business strategies with external and internal factors: How your current strategy aligns with economic changes and the expectation of a high return on investment in the case of training and development costs.
- 2. Ensure talent strategy aligns with company's overall plan: The essential key to managing a provocative workforce is to streamline the strategies of the talent alongside the overall company strategy. The aptitude of training, developing and then retaining the employees depends upon the success of the business operations.
- 3. Get ahead of your competitors by being proactive: Leaders who use the best talent management practices must quickly anticipate and adapt to new and emerging opportunities. So that, executing a proactive approach indicates the implications of the strategies talent management in the business to support the capability development in the industry.
- 4. Evaluate what training is prior and execute it well: The need for training is mandatory. The execution of training and development is necessity because of its impacts on the involvement of change management in the business sustainability. 5. Use various tools to access the capabilities of workforce: To analyze the capacity and capabilities of the workforce if conducted consistently and correctly. The industry adopts a pay-for-performance culture in their organizations to boost the

#### Conclusion

production.

We conclude that human relations play a vital role in Industrial relations to keep employees and employers together during the job. The impact of human relations has

definitely made a drastic change in the industry. To keep safe and secure environment HR Department always keeps an eve to all the problems. In future we need to focus more on laws and rules & regulations shall be adopted in the context of human relations. Any organization would be working in proper manner if there human relations works in a correct manner.

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# Future proofing organizations through skilling for enabling sustainable business growth and thereby ensuring positive Employee Relations

Ms. Mrigashikha Mitra Baneriee Dy. Manager (HR) Balmer Lawrie & Co. Ltd.

Shri Abhishek Banerjee Chief Manager (HR) POSCO

Abstract— COVID-19 has affected every aspect of the economy, regardless of manufacturing and services. And as organisations find their way through the pandemic, the workplace is changing. Regardless of their occupation, employees are required to adapt rapidly to the massive changes ranging from working remotely to changes in operations and fulfilment.

However, various reports show that skill requirements have been changing even before the pandemic. Several experts and research studies have projected skill requirements for future. The business environment is rapidly changing and the organizations are adopting new-age technology. With this rapid influx of digitized solutions, organizations are coming up with new roles that require specific talent and relevant skills, usually learned without acquiring degrees. Emerging markets like that of India embrace informal work opportunities as it provides Companies the flexibility of hiring associates in non-permanent positions as per the changing skill requirements. However, shortage of required available skills makes it difficult for the Company to maintain the right skilled workforce.

Therefore, there is a burning urgency of closing the skill gaps for organisations' sustainable growth, making the workforce future ready and maintain a harmonious industrial relations at large.

**Keywords**— Industrial Relations, Skill, Future Ready, Workforce

#### I. INTRODUCTION

COVID-19 has challenged our basic patterns of living and working. Pandemic is setting up what could be a lasting employment-landscape shifts that could require the large-scale reskilling of new workers. Even before the current crisis. changing technologies and new ways of working were disrupting jobs and the skills employees need to do them. In 2017, the McKinsey Global Institute estimated that as many as 375 million workers—or 14 percent of the global workforce—would have to switch occupations or acquire new skills by 2030 because of automation and artificial intelligence. In a recent McKinsey Global Survey, 87 percent of executives said they were experiencing skill gaps in the workforce or expected them within a few years.

It is evident that the coronavirus pandemic has only accelerated a trend in workplace dynamics that was already underway through automation and AI, shifting marketplaces, and changing workplace roles. To respond, it is imperative that business leaders need to pursue a broad reskilling agenda that develops employees' digital expertise and their cognitive, emotional, and adaptability skills.

#### II. LITERATURE REVIEW

CRISIL 2010 Report on Skilling India highlights the tremendous opportunity and challenges for Indian business organizations, given its vast demographic diversity (particularly the aspect of economically active working population). The report states that the country with a population of 1.2 billion (as on 2010) has 17.6% share in the world population pie making it the second largest country after China in terms of demography. This is

an outcome of rapid technological developments and an increasing digitalization that affect both our personal and professional lives.

In India, companies, particularly those in labour intensive sectors like automobiles. construction and mining, usually refrain from hiring permanent workers for projectbased requirements, as termination requires issuing a notice, payment of compensation, and intimation to the government.

Data from the Annual Survey of Industries (ASI), which covers establishments registered under the Factories Act, shows a surge in contract worker usage in the organised manufacturing sector. Over half of the increase in total employment from 7.7 million to 13.7 million between 2000-01 and 2015-16 was accounted for by contract workers.

The share of contract workers in total employment increased sharply from 15.5 per cent in 2000-01 to 27.9 per cent in 2015-16, while the share of directly hired workers fell from 61.2 per cent to 50.4 per cent over the same period. The rise in the use of contract workers who are not employed directly by the employer, but by an intermediary or contractor on shortterm contracts, indicates significant informalisation of the organised workforce. The reason for this surge in the participation of contract labour in the workforce can also be attributed to the flexibility it provides to the employers for suitable engaging workers of varied skill sets.

# III. CURRENT SCENARIO AND **CHAGING TRENDS**

With the advent of the Covid-19 vaccines and India's emergence as the soft-power in the medical industry, companies are considering the year 2021 with full of hopes. They are slowly and steadily adapting to the new normal by upskilling, learning and relearning the importance of advanced technologies in order to retain their relevance and competitiveness in this digital era. At this juncture, the public and private partnership can help to bring a major shift in the skilling/reskilling programmes in tandem with the government skilling programmes.

The government of India is taking initiative to fill the existing skill gap through skill development mission in order to leverage its position to fulfil domestic and global requirement and at the same time fulfilling its domestic requirement of the skilled labour force.

Following are the five key skills required for Post-Covid Employment as reported by FICCI Skills and Job, Pre & Post COVID Perspective (July, 2020):

- Data Literacy Making sense of data and in-depth understanding of business trends and shifting customer needs.
- · Digital and Coding Skills Digital skills, including coding, web development, and digital marketing for continuation of businesses.
- Critical Thinking Objectively evaluate information from diverse sources to determine what is credible will be valued.
- · Creativity & Innovation Quickly innovation skills i.e. shift to new products/offerings.
- Technology Knowhow Technologies such as artificial intelligence, big data, the Internet of Things, virtual and augmented reality, and robotics will make businesses more resilient to future pandemics, and anyone that can help companies exploit these technologies will be in demand.

# IV. FACTORS AFFECTING SKILL **GAPS**

The skilled workforce requirement is varying from industry to industry which reflects the skill gap mismatch between demand and supply side of the labour

has automatically begun to decline in the foreign market and the future belongs to skilled workers, preferably those who have multiple skills due to the pressures of bringing down the cost in order to remain competitive.

Apart from this, the academic curriculum in schools and colleges must be rebooted to remain in sync with the current realities of the post-pandemic era. It is alarming to see how in India, despite being renowned for its large talent pool, most graduates are unemployable due to mismatch of their skill sets with the industry requirements.

A multipronged policy approach to enable skills development (including but not limited to initiatives such as setup of Sector Skill Councils, definition of Occupation Standards, definition of NSOF framework) have positively impacted on the skills ecosystem in India. Sector Skill Councils, established with the support of NSDC are creating National Occupational Standards (NOS) which helps to standardize curriculum for training sector specific trades, functions with increased levels of industry relevance. The Sector Skill Councils identifies job roles for Level 5 and beyond of National Skill Qualification Framework (NSQF). NSQF is essentially a competency based framework, organising all qualifications on series of knowledge, attitude, skills from level 1 to 10 (NSOF Level descriptors is enclosed as Annexure - A for reference). However, currently the focus on the National Skill Development Programmes has been on Pradhan Mantri Kaushal Vikas Yojana, Deen Dayal Upadhyaya Grameen Kaushalya Yojana or other State Level Skill programmes predominantly promoting skill development for entry level skill Levels i.e. 1-4. Even in Schools and Colleges the add on skills courses were largely levels 1-4.

# V. ROLE OF INDUSTRY IN BRIDGING THE SKILL GAPS

In order to cope with companies' new transformation, the existing and new workforce also needs to have constant skilling, reskilling and upskilling. The new job requirements will also demand the knowledge of a new set of areas, including IoT (Internet of Things), mechatronics, robotics, 3D printing, AI, machine and deep learning, analytics, virtual collaboration, automotive design, and computational thinking. Organisation needs to invest in the process of learning and need to deploy training programmes which is the need of the hour to build the capacity of the workforce. Companies like Blue Star, TVS Motor Company, JK Tyre & Industries, Asian Paints and others are already using AI-based solutions and analytics platforms in their manufacturing units in India. Furthermore, with the enforcement of 'social distancing' norms, more companies are expected to move towards automation. Hence, there is an urgent need to skill and train existing and new workforce on Industry 4.0 related technologies (Skills & Jobs Pre & Post Covid Perspective – Manufacturing Lens, Report Published by FICCI).

Surveys have found out that companies that launched successful reskilling programmes are also the ones who were able to better address the skill gaps caused by technological disruptions or to implement new business models or strategies in order to stay relevant and competitive. The lesson here is that simply getting started on reskilling programmes makes organizations better prepared for potential future role disruption—and is preferable to waiting. There is a need for continuous skilling programmes and they should not be short term. Companies need to understand that whatever talent reskilling or redeployment they do should also be used to expand their reskilling capabilities going forward.

From employees' perspective, it is a fact that people partake in learning when they see value enhancement at an individual level and the creation of organizational value as an extension of that. The learning process needs to create touch points that generate interest for the individual beyond simple outcomes like attending a program or workshop.

Ernst & Young (EY)'s Jeff Wong, the global chief innovation leader explains that all leaders should invest in learning and development and has recently shared that upskilling and reskilling employees has become more important amid the pandemic. EY employees are encouraged to acquire skills in design thinking and robotics, and pursue an accredited MBA.

Globally, in addition to re-skilling activities, firms are also focusing on alternative workforce models and leveraging the gig economy to the fullest. The heterogeneous mix of employment arrangements reflects the diversity of today's more integrated, but evolving, world economy. This mix is vital for both employers and workers as it helps in adjusting to the changes in today's labour market, maximize the benefits it offers and address the challenges it presents. Corporates more often use the temporary form of labour for flexibility (mostly numerical flexibility), cost advantages, and technological change.

In India, the concept of FTC has been existing since long however due to the legal implications involved in this concept, the employers were not ready to acknowledge the said fact. This resulted in complex legal issues wherein the employers would be dragged into the complexities arising out of such engagement and thereby affecting the relationship between the employer and the employee. However, in the present scenario, the Govt. of India has accepted that FTC is the way forward for the employers as in the new labour codes the employers can omit the process of hiring fixed term contracts through a contractor and thereby results in cost saving and time saving for the employer. It also provides flexibility to the employer by engaging the workers in core areas as per demand and vice versa the employees are also benefitted as they are entitled to the same wages and benefits as admissible to the regular employees. This results in a peaceful and heathy working environment.

In India, there is an increased recourse to Fixed Term Contracts (FTCs) and other forms of temporary employment (including Gig workers). This rise of temporary employment has been prompted by several developments. While the concept of engaging FTCs was limited to the Apparel Industry earlier, the recent labour reforms have now expanded its ambit. In addition to such legal changes, organizations have grown to rely more heavily on such temporary forms of employment to respond to organizational and technological changes, as well as increased competition on as a result of globalization, which has accentuated the need to rapidly adjust to fluctuations in demand. The growing use of such workforce is also linked to changing patterns of business structures along the "core-periphery" pattern, as firms increasingly resort to nonstandard employment relationships (FTCs being among them) for parts of production cycle not relevant to their core business.

The economic uncertainty of the pandemic has caused many workers to lose their jobs and exposed others for the first time to nonstandard work models. Many organizations responded to the pandemic's economic impact by reducing their contractor budgets, but there has since been a shift.

Gartner analysis shows that organizations will continue to expand their use of contingent workers to maintain more flexibility in workforce management post-COVID-19, and will consider introducing other job models they have seen during the pandemic, such as talent sharing and 80% pay for 80% work (9 Future of Work Trends Post-COVID-19-Gartner).

## VI. RESEARCH METHODOLOGY

This work is an exploratory research work based on various available articles, surveys, Government Policies available on the topic and Researchers understanding of the topic.

## VII. RECOMMENDATION

- a) Needless to say, to emerge stronger from the COVID-19 crisis, companies should double their learning budgets and commit to start reskilling their workforces immediately, if they haven't already. The need for continuous skilling programmes, however, should not be short term. Companies need to understand that whatever talent reskilling or redeployment they do should also be used to expand their reskilling capabilities going forward. Further, Organizations shouldn't launch reskilling initiatives and then discontinue them after the crisis passes.
- b) Strategic workforce planning is, among other things, about making sure that an organisation has the right number of people with the right skills in the right place. In order to have a competitive edge, it is important for organisations to identify workers with multi skill sets related to the required profile. This would also create an opportunity of job enrichment for the workforce and provide multiple opportunities for their career development, rather than preparing for a specific role.
- c) Determining which specific skills are essential and critical and can be imparted as a part of broadening skill sets of the workforce.
- d) Further, scale up Skill Development Ecosystem with robust online learning infrastructure and identify and impart accredited NSQF Compliant courses

- which can be taught through digital mode.
  e) Last but not the least, allocating reskilled workers to new job roles & responsibilities shall provide them with organisational recognition. However, it would be necessary to ensure that quality standards are met and controlled in their new job roles, as these workers ramp up their skills for their new positions.
- f) The Ministry of Education and the Ministry of Skill Development & Entrepreneurship should work together to come up with a new curriculum and skilling programmes as per the industry standards.

#### VIII. CONCLUSION

India is a vast economy where there is a heterogeneity of demographic skill sets. Keeping this in view, it is not possible to have a "one size fit all" kind of approach to the skill gap problems. The skill development scheme needs to be well coordinated and properly defined to have an effective and efficient mechanism to fulfill the industry skill requirements.

Further, employers can't be resilient if their workforces aren't. By ensuring adequate skill-building i.e. prioritizing upskilling and reskilling of the workforce and by providing advancement opportunities, Companies would be able to stay up to date on the latest skill requirements of the industry.

While there would always be a demand for contingent workers with various skill sets across industries, managing the in-house workforce and keeping them relevant with the dynamic competency need shall always remain to be a challenge. Furthermore, with the new labour codes (although due for implementation) provide for engaging workforce on tenure basis. It needs to be understood that it is always in the organizational interest that even these workforce are trained and provided with upgraded skills so as to ensure that they are able to cope with the changing requirements in the job. This will lead to a win-win situation for both the employer

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and the employee as there will be harmony and peace at the work place and more so it is an established fact that hiring a resource is always expensive and challenging than training a resource.

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# Impact of Effective Industrial Relation Programs on Human Resource Experience at Workplace with Special Reference to Bharat Heavy Electricals Limited Bhopal

Dr. Ramandeep Kaur Assistant Professor Institute of Professional Education and Research. Bhonal MP

#### Professor Inderpreet Bhogal Assistant Professor Institute of Professional Education and Research. Bhonal MP

#### Abstract

Industrial Relations is one of the key fundamental elements of Organizational Performance, Prosperity and Sustainability. Improved industrial relations remarks highly committed, motivated and loval employees in an organization. The aim of this paper is to study the impact of effective Industrial Relation Program in terms of three HRM practices namely; compensation, performance evaluation and recruitment and selection on Human Resource Experience measured in terms of employee performance in Bharat Heavy Electricals Limited, Bhopal and at the same time identify various employee relations practices used by BHEL.

To achieve the study objectives, the researchers developed and distributed a self-administered questionnaire to 125 employees of BHEL, Bhopal working in 5 different manufacturing units. The data collected was analyzed using SPSS. Regression and correlation analysis indicated a significant and positive association of the three HRM practices considered on employee performance. The study provides insight to the management of the organizations to use these practices for superior and improved performance and contributes to the limited empirical field of knowledge.

Key Words: Industrial Relations, Human Resource Experience, Human Resource Management Practices, Employee performance, Compensation, Recruitment and Selection.

#### I. Introduction

INDUSTRIAL REVOLUTION brought

together many Persons, originating from different Culture, Religion, Caste, or even Country, under a single roof called FACTORY. People who use to run Cottage Industries closed their Operations and started moving towards the Cities with better Industrialisation to earn more. Firstly, what it used to be a Single Person Managed business, transformed into a Professional Society in which People from different origins started working together. In PERSONNEL MANAGEMENT, the People at the Helm of the Affairs treated Human Capital as a Factor of Production called LABOUR. Traditionally, the Organizations worked on the Principle of PAYMENT - PUNISHMENT which highlights the fact that the Labour who could produce what was required/expected was COMPENSATED and the one who couldn't, was PUNISHED (Low Wage Payment, No Payment, Lay off). There was less Scope of Development for the Worker. This system treated employees/labours as Tools and Machine. The Major functions of Personnel Management is Planning, Organizing, Staffing, Training, Directing and Control In last 3 Decades, the Owners and the Organizers understood the importance of Human Capital and started treating them not as Machines or Tools but as an ASSET. They realised the fact that if we invest more in the Development of the Labour, the Returns will be 10 folds.

Reason accounts to Increasing Competition, Technological Advancement, Globalisation, because of which every organization needed Skilled labour / employee who they can train and develop them as an Asset. HUMAN

RESOURCE MANAGEMENT came into existence, and its Objective was to use the Human as a Resource and in the best Possible Manner. Thus, it is an art of employing the human resources of an organization, in the most efficient and effective way. The Major functions of HRM includes:

- Employment
- Recruitment and Selection
- Training and Development
- Employee Services
- · Salary and Wages
- Industrial Relations
- Health and safety
- Education
- Working conditions
- Appraisal and Assessment

INDUSTRIAL RELATION (IR) or commonly known as EMPLOYMENT RELATION examines various employment situations that include employees, employers, trade unions, and government. Primarily, IR will instigate with employment relations where compensation is offered in lieu for work such as employment contract.

# II. HISTORY AND EVOLUTION OF **INDUSTRIAL RELATION**

Bruce E. Kaufman (2014), attributed the popularization of the term 'industrial relations' to a Commission on Industrial Relations created by the federal government in 1912. That commission was created to investigate and report on conditions in 'industry' that gave rise to labor problems that often erupted in violence and strikes. Therefore, the term 'industrial relations' stated to 'relations' among employers and employees in an organisation.

As noted by Dunlop (1958) and his colleagues, industrialization gives rise to employment relationships, in which large numbers of people work for and follow the instructions of others in return for wages or salaries and other compensation. This contrasts with agrarian societies where the

farmer is typically self-employed. directing his or her own labor and obtaining his or her livelihood as the difference between revenues and expenses.

Thus, industrial relations refer to relationship between employers and employees not only in heavy goods industries but also in retailing, government, financial services, education, and recreational services. In fact, even agricultural produce, when organized in a particular form where an employer depends upon broadly on the services of hired workers, can be denoted to fall within the purview of industrial relations.

Since the mid-1950s, when unions signified roughly one-third of employees, U.S. union representation has declined so that today unions represent about oneseventh of personnel. The terms 'human resources' and 'human resources management' have emerged as chosen labels indicating employment issues in the absence of unions. Some researchers, believed that industrial relations is a field within human resources while for others opined that human resources is a field within industrial relations. Later, the human resources term has become more prevalent, and the industrial relations term has become less prevalent due to decline of the trade unions.

# THE BRIDGING GAP BETWEEN INDUSTRIAL RELATION AND HRM HUMAN EXPERIENCE **MANAGEMENT**

With more Focus on Needs of Employees and Labour, Industrial Relations seems to be shaking hands with Human Resource Description, Job Evaluations and Wage Structure, Revision of Wages and Gratuity

Southwest has its own style when it comes to negotiating with unions. In essence, Southwest does three key things. Southwest assumes the unions to have an intense devotion to the company and try to

Description, Job Evaluations and Wage Structure, Revision of Wages and Gratuity etc.

Southwest has its own style when it comes to negotiating with unions. In essence, Southwest does three key things. Southwest assumes the unions to have an intense devotion to the company and try to generate a feeling of ownership. Southwest treats the unions as associates, and not like some burden hanging around their organization's neck. From that perspective, Southwest provides each union with precise data, so negotiations can move forward without any confusion or mistrust.

#### III. Literature Review

The business environment is dynamic which made the business units to adapt quickly to the suitable human resource management practices to compete in their respective industries and to make success at large. The impact of human resource management practices on employee performance has been the focused research area in recent past and a lot of studies have been conducted to validate this relationship. These research studies have found a positive relationship between almost each human resource management practice and employee performance.

#### **Employee Performance**

Employee Performance is one of the most critical factors that effect on the performance of the whole organization. According to Aguinis (2009), 'the elucidation of performance does not include the outcomes of an employee's behavior, but the behaviors themselves. Performance is all about employee behavior or what employees do and not, what employees produce or the outcomes of their work'. Perceived employee performance signifies the general belief of the employee about his behavior and contributions in the success of an organization. According to McCloy, Campel & Cudeck (1994), employee performance may be represented in the

outlook of three factors – 'declarative knowledge', 'procedural knowledge' and 'motivation'.

## **Compensation Practices**

In the words of Caruth & Handlogten (2001), 'Employees are motivated when their rewards (monetary and nonmonetary) are directly tied to their performance'. Employees work for an organisation and in return, they receive compensation for work done. Compensation and Pay are totally different: the evidences prove that compensation is much more than just the monetary rewards provided by an employer. According to Milkovitch & Newman (2005), Compensation is all forms of financial returns, tangible services and benefits, employees receive as part of an employment relationship. The term 'financial returns' represents an employee's base salary along with short and long-term incentives. 'Tangible amenities and gains' include insurance, paid vacation and sick days, pension plans and employee discounts.

Compensation practices of an organisation are motivational and a prominent attraction for employees to perform duties in utmost efficient manner. Expectancy theory also proves that once pay factor is linked with employee's performance, they are more likely to increase their efforts in working hard to increase their performance as well as the performance of the entire organization.

#### **Performance Evaluation Practices**

In the words of Brown & Heywood (2005), Performance appraisal is envisioned, for the enhancement of employee's productivity along with performance as it is a formal process of monitoring the employees effectively.

Mullins (1999), contributes that, the complete process of performance management includes continuous evaluation of employee's attitude, behavior and performance. Employees

should be completely clear of, what is expected of them and how their performance will be measured in the end. A formalized and ideal appraisal scheme should measure appropriately, the individual's performance, highlight the potential of employees and determine the future needs for training and development. An effective appraisal practice, should always improve the performance of employees in future. It should focus on the rewards and career development of employees. The system which only measures the performance of employees periodically without providing continuous feedback/ coaching is just a performance appraisal not the complete performance management system.

Recruitment and Selection Practices

Effective policies of Recruitment and Selection are integrated factors that affect the performance of the employees. Also, both of them, have close relationships and connections with the organization's development.

Recruitment is defined as the process to completely fill the offered work positions with sufficient number and potentials of the candidates, to meet the expectations and requirements of the organization. On the other hand, Selection is assembling the information about the

A lot many research studies have found a significant positive relationship between recruitment and selection and employee performance. Huselid (1995) emphasised that adopting best recruitment and selection practices, open doors for good quality of skilled and unskilled man force in the organization. He also stressed upon the importance of training as an effective tool and complementary to selection practices; together through which the organizational culture and employee behavior can be aligned to produce positive outcomes.

#### **Evidences from literature**

After a review of literature, it can be concluded that all HRM practice like:

training and development, career progression, recruitment and selection, rewards and incentives, employee benefits, employee welfare, flexible timings, bonuses, have a strong and positive effect on employee performance. If these practices are implemented appropriately, the performance of employees can definitely be improved in real sense, which will ultimately improve organizational performance.

According to Mathison & Vinja (2010) and Dave & Wayne (2005), a lot of research work has been conducted in last ten to fifteen years to explore the relationship between HRM practices on employee and organizational performance, but most of the studies are conducted in developed countries, thus a lot of scope is available for conducting research in developing nations and especially in Tier- II cities of the developing nations. Also, according to Bowen & Ostroff (2004), consistency among various HRM practices is very important for organizations along with the employees as they, continuously know, what is expected from them.

## IV. Literature Gap

As Tier- II cities of developing nations like: India are considered to be 'under researched', so a lot of scope for conducting research is available in Bhopal. Moreover, the research study, undertaken to understand the impact of effective Industrial Relations Programs in terms of HRM practices on Human Resource experience measured in terms of employee performance specifically in BHEL, Bhopal is very less explored. Thus, there was a lot of scope to narrow down this research gap and explore this relationship effectively.

### V. Theoretical/conceptual Framework:

The dependent variable of employee performance is affected by nearly each practice of human resource management as conferred in literature. But for the present study, I am choosing four independent variables – compensation practices, performance evaluation practices, promotion practices and recruitment and selection. These variables will be used in our questionnaire to demonstrate the relationship between them and to find the outcomes of current study.

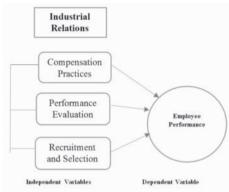


Figure- 1- Research Framework developed for this Research

#### Statement of Problem

Bharat Heavy Electricals Limited is the oldest and state-governed engineering and manufacturing organisation in India in the energy and infrastructure segment. It is the twelfth largest power equipment manufacturer in the world. Like, many other manufacturing concerns, this organisation has to deal with a varied group of skilled, semi-skilled and unskilled workers and thus face a lot of challenges in handling them. The management continuously need to keep the employees motivated in order to bring out the best from them. Thus, definitely there is a need to study that what kind of Industrial Relations Programs in terms of human resource management practices have a major impact on the employee's performance and further on the organizational performance.

# VI. Research Questions

1. Does Industrial Relations Programs in terms of human resource management practices significantly affect the employee's performance?

- 2. What is the impact of compensation practices on employee performance?
- 3. What is the impact of performance evaluation practices on employee performance?
- 4. What is the impact of recruitment and selection on employee performance?

## VII. Research Objectives

- 1. To determine whether Industrial Relations Programs in terms of HRM practices has an effect on the performance of employees.
- 2. To find out the effect of compensation. performance evaluation and recruitment and selection practices on the performance of employees.

# VIII. Research Hypotheses

H:1 There is a significant positive relationship between Compensation Practices and Employee Performance.

H:2 There is a significant positive relationship between Performance Evaluation Practices and Employee Performance.

**H:3** There is a significant positive relationship between Recruitment and Selection Practices and Employee Performance.

#### IX. Research Methodology

- **Type of study:** The study is exploratory & descriptive in nature.
- Data Collection: The data is collected with the help of self-administered Ouestionnaire which is the most common method of data collection. Questionnaires of Sekaran [2003] are selected for data collection with the amendment of dependent variables. Also, secondary data has been collected from books, publications, company's official website.
- Sampling Units & sample data: For analysing the impact of different HRM practices on employee performance, nonprobability sampling method was undertaken. Convenience sampling was used to select the sample, because of the availability of the respondents and their

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willingness to participate in our survey, thus the sample may or may not represent the whole population well. 25 employees from 5 different manufacturing divisions of BHEL Bhopal, comprising total 125 employees were drawn. Out of selected sample of 125 employees, 114 returned out of total distributed questionnaires, thus the response rate is 91%.

- Data analysis: This study found the impact of effective Industrial Relations Practices in context with three human resource management practices, namelycompensation, performance evaluation and recruitment and selection on Human resource experience represented in terms of employee performance. In the selfadministered questionnaire, the employees were supposed to answer against each item of the questionnaire on the Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The respondents were requested to indicate their opinion as- strongly disagree, disagree, neutral, agree or strongly agree to every question being enquired. The questionnaire was designed on five sections. Section one was the demographics i.e., age, sex, marital status, experience etc. Section two was for the dependent variable employee performance, section three for the performance evaluation practices, section four for the compensation practices, section five for the recruitment and selection practices.
- Data analysis techniques: To check the direction and significance of the bivariate relationship among the variables of the study, regressions, Pearson correlation were used through SPSS. Reliability analysis was implemented to verify the internal consistency of the items of the questionnaire instrument of current study. Demographics were also assessed to evaluate the necessary demographics of the sample. Demographics in the study were education level, gender and marital

status.

## X. Data Analysis and Results

The data gathered was laid to analysis using SPSS version 21.0. The results obtained from the analysis are illustrated in the succeeding tables.

#### Reliability analysis of the instrument

To check the internal consistency of the items and the reliability of the scale, Cronbach's Alpha was measured. Table-1, presents the reliability check of the four variables undertaken in the study; wherein employee performance is a dependent variable and HRM practices like: compensation, performance evaluation and recruitment and selection are the independent variables and thus the total number of items in the questionnaire are

**Table-1: Scale Reliability** 

Variables	No of items	Cronbach's Alpha
Employee Performance	5	0.753
Compensation Practices	6	0.818
Performance Evaluation	6	0.806
Recruitment and Selection Practices	3	0.720
Overall Predictors	15	0.902

## Interpretation

The reliability of the dependent variable (employee performance) is 0.753, which is acceptable. Further, the independent variables, like: compensation practices showed an Alpha value of 0.818, which is good. For performance evaluation practices the value of Alpha was 0.806, which is again considered to be good. The Alpha value for the recruitment and selection practices is 0.720, which is considered to be satisfactory.

Also, the overall internal consistency reliability of the instrument is 0.902, which is higher than 0.70 as stated by Nunnaly (1978) and therefore, accepted and good. Thus, there was no problem with the instrument in terms of inter- consistency along with reliability.

**Table-2: Correlation Analysis** 

	Emp loye e Perf orm ance	Compens Practices		Performance Evaluation	Recruitment and Selection Practices	
Employee Performance	1	0. 936**		0.952	0.932*	
Compensation 0.93 Practices 6**			1	0.789	0.867**	
Performance 0.85 Evaluation 0**		0.854**		1	0.804	
Recruitment and Selection Practices		0.730*	0.780**	0.808**	1	

Notes: \*Significant at the 0.01 level (2tailed), \*\*Significant at the 0.05 level (2tailed), \*\*\*Significant at the 0.1 level (2tailed).

#### Interpretation

As shown in the correlation results, the highest correlation value is for Compensation Practices (0.936\*\*; p<0.5), followed by Performance Evaluation (0.850\*\*; p < 0.5) and smallest for Recruitment and Selection Practices (0.730\*\*; p<0.5). The results indicate that all the variables have positive relationship and are statistically significant at (p<0.5).

Table-3: Analysis of Means and standard deviations

Variables	Mean	Standard Deviation
Employee Performance	4.1063	.60866
Compensation Practices	3.4833	.70878
Performance Evaluation Practices	3.6126	.68506
Recruitment and Selection Practices	3.9250	.59703

## Interpretation

The descriptive statistics table consists of statistics measures like: mean and standard deviation. The results suggest a high mean score the processes for compensation. performance evaluation and recruitment and selection are well established in BHEL Bhopal Also, among three variables. Recruitment and Selection has the highest score of 3.9250 which means that HR staff members are well versed with the rules and procedures, and have experience and competence in the employee recruitment and selection process.

**Table-4: Regression Analysis** 

Variables	Beta	Sig.
Compensation Practices	0.584	0.000
Performance Evaluation Practices	0.490	0.000
Recruitment and Selection Practices	0.456	0.000
R Square	0.947	
<b>Durbin Watson</b>	1.705	
Sig. F	0.000	

#### **Interpretation:**

The table 3 depicted the multiple regression coefficients (β) of the three independent variables to the employee performance, as dependent variable. All the three variables in Human Resource Management practices are significant as p < 0.05. In terms of beta values, the highest beta coefficient was discovered for Compensation, where (Beta = 0.584). This indicated that Compensation as a variable has the strongest influence to determine the dependent variable (employee performance). This was followed by Performance Evaluation Practices with (Beta =0.490). The lowest beta value indicated that recruitment and selection with (Beta = 0.456).

## XI. Hypothesis Testing

To test the hypotheses formulated, a linear regression and correlation analysis were carried out on the three Human Resource Management practices and employee performance.

H:1 There is a significant positive relationship between Compensation Practices and Employee Performance.

The effect of compensation practices was verified in relation to employee performance by using Pearson correlation and regression analysis. The results indicated that there is a positive and significant relationship between these two variables as shown in table 2 = 0.936\*\*: p < 0.5). Also, the regression analysis results shown in table 4 ( $\beta = 0.584$ ; p < 0.5) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus, H1 is accepted.

H:2 There is a significant positive relationship between Performance Evaluation Practices and Employee Performance.

The effect of performance evaluation practices was verified in relation employee performance by using Pearson correlation and regression analysis. The results indicated that there is a positive and significant relationship between the two variables as shown in table 2 = 0.850\*\*; p < 0.5). Also, the regression analysis results shown in table 4 ( $\beta = 0.490$ ; p < 0.5) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus, H2 is accepted.

H:3 There is a significant positive relationship between Recruitment and Selection Practices and Employee Performance.

The effect of recruitment and selection practices was verified in relation to employee performance by using Pearson correlation and regression analysis. The results indicated that there is a positive and significant relationship between the two variables as shown in table 2 = 0.730\*\*; p < 0.5). Also, the regression analysis results shown in table 4 ( $\beta = 0.456$ ; p < 0.5) indicates a positive statistically significant relationship between recruitment and selection process and employee performance. Thus, H3 is accepted.

XII. Findings of the Study **Table-5: Results of Hypotheses** 

S. No.	Hypotheses	Result
H:1	There is a significant positive relationship between Compensation Practices and Employee Performance.	Accepted
H:2	There is a significant positive relationship between Performance Evaluation Practices and Employee Performance.	Accepted
Н:3	There is a significant positive relationship between Recruitment and Selection Practices and Employee Performance.	Accepted

The results of the testing hypotheses indicated that the independent variable (employee performance) significantly correlated with the dependent variables (compensation practices, performance evaluation and recruitment and selection). The correlation results confirmed a significant association between the independent variable and the dependent variables. The analysis suggested the lack of multicollinearity in this study because of the correlation coefficient was less than 0.80. The findings of this study; all three variables (compensation practices, performance evaluation and recruitment and selection) having positive effect on

employee performance were supported with the previous studies as well.

#### XIII. Discussion and Recommendations

The study contributes in understanding the impact of effective Industrial Relations Program in terms of three important HRM practices: compensation, performance evaluation and recruitment and selection on human resource experience in terms of employee performance in BHEL, Bhopal. The results provided sufficient empirical evidences to conclude that, HRM practices have a positive and statistically significant relationship with the employee performance in BHEL, Bhopal. After a comprehensive review of the literature, three essential and important HRM practices were identified namely; compensation practices, performance evaluation practices and recruitment and selection practices, to check their relationship with the employee performance in present study.

Compensation practices includes all forms of monetary returns and allied services provided to employees by the organization (Milkovich & Newman, 1999). A comprehensive compensation system can contribute a lot to attract and retain the competitive human resources and can also shape the behaviors and performance of employees. Researchers argued that a balanced, fair and competitive compensation system effect the retention of talented employees (Mathis & Jackson, 2004). Previous researchers also found a strong and positive correlation of compensation practices with the employee performance and the results of present study are in accordance with and validate the results of earlier studies. The correlation and regression matrix indicate that a strong positive relationship exists (r= 0.936\*\*; p < 0.5) and ( $\beta = 0.584$ ; p < 0.5) between compensation practice and employee performance.

Performance evaluation includes continuous evaluation of employees behaviors and performance. Employees should clearly know that what is expected of them and how their performance will be measured (Mullins, 1999). An ideal and formalized appraisal scheme should measure properly, the individual's performance, highlight the potential of employees and determine the future needs for training in development. Previous researchers found a strong and positive correlation of performance evaluation practices with the employee performance. The results of present study are in accordance with and validate the results of earlier studies. The correlation and regression matrix indicate that a strong positive relationship exists (r= 0.850\*\*; p <0.5) and ( $\beta = 0.490$ ; p <0.5) between performance evaluation practice and employee performance.

Human resources refer to people whose knowledge, skills, and abilities are utilized to create and deliver effective services. HR is considered the greatest resource of an organization. Effective recruitment and selection attract the right quality and quantity of people. Previous researchers found a strong and positive correlation of recruitment and selection practices with the employee performance. The results of present study are in accordance with and validate the results of earlier studies. The correlation and regression matrix indicate that a strong positive relationship exist ®= 0.730\*\*; p <0.5) and ( $\beta = 0.456$ ; p <0.5) between recruitment and selection practices and employee performance.

#### XIV. Limitations of the Study

The study has the following limitations. The present study is focused on a small sample of only one organization- BHEL Bhopal, therefore the generalization of findings of the present study is limited. The respondents gave their responses on the implementation of Human Resource Management practices and employee performance, where the possibility of 'biasness' cannot be avoided. A nonprobability sampling techniquetechnique- Convenience sampling was applied to gather the data from respondents on the basis of their accessibility and inclination to participate in the survey, thus the sample may or may not be representative of the entire population. Also, HRM practices include a lot of variables i.e, training, development, career progression, recruitment and selection. rewards and incentives, employee benefits, employee welfare, flexible timings, bonuses etc. but due to time constraints and limited resources we cannot conduct the research study for the all the HRM practices, thus the present study focused only three HRM practices which are compensation, performance evaluation and recruitment and selection practices.

#### XV. Future Research

Regardless of the limitations, this research study contributes well to understand and validate the impact of effective Industrial Relations Program in terms of three important HRM practices: compensation, performance evaluation and recruitment and selection on human resource experience in terms of employee performance in BHEL, Bhopal. Future research studies can take the large samples and focus upon other industries as well, to validate the results of the present study. Future studies can also inculcate other HRM practices and their variables, which can mediate or influence the relationship of HRM practices and employee performance.

#### XVI. Conclusion

This study can provide additional information for the management to know the impact of effective Industrial Relations Program in terms of three important HRM practices: compensation, performance evaluation and recruitment and selection on human resource experience in terms of employee performance in BHEL, Bhopal. The outcome of the study could also be an important element towards making more

reliable decisions in the planning process related to HRM policies and implementation of associating program to increase management awareness and employees' engrossment. The management also can use the finding on the study, to plan towards the suitable HRM practices for BHEL, Bhopal. The present system to hiring staff into various positions should be reconsidered. The HR department should conduct a proper job analysis and assessment of positions to be filled. The study conducted has some implications for both- the managers and the decision makers. The important implications could be like: it has been found that employee performance is clearly dependent on the HRM practices, but the compensation is more critical for the employees of BHEL, Bhopal, so compensation practices have a biggest impact on employee performance. Moreover, the proper implementation of the HRM practices will surely improve the employee performance, which will ultimately increase the organizational performance.

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# A Sound Industrial Relation for Sustainable Development -Mitigating the risk of the Workplace Violence.

Prof. Ramya Nair Faculty-HR and Marketing Arihant Institute of Business Management, Pune, India

#### Abstract:

The huge demand for quality healthcare service has been growing due to the health consciousness and the importance of health as well as the quality of life. The growing of healthcare institutes has made all these organisations to re-design and implement the strategies that is able to satisfy the demands of customers and other stakeholders. Hence, to survive and stav competitive in the industry, healthcare institutes must ensure the strategies developed must be continued for a long term until an effective strategy is introduced. Many earlier studies have showed and indicated various dimensions that effect the healthcare sustainability. The hospital management team comprising of the Doctors, Nurses furthermore because the administrative staff play an important role within the healthcare system and are susceptible to abuse from patients, their relatives and friends. Prevention of violence within the healthcare sector is an ongoing priority for the healthcare personnel. In an environment of declining healthcare system, workplace reduced financial resources and increasing efforts for patient safety, violence has to be carefully addressed (Gallant Roman 2008).

This situation seems to be similar in most of the centuries in their region including India, Bangladesh and Pakistan. As per the study conducted and observed that 77% of the Hospital Staff have faced either verbal or physical abuse within the work place. The assorted dimensions like training, effective practices to cut back the workplace violence, the readiness to vary, and therefore the willingness to figure as a team are associated with human

behaviours or attitudes. Hence study on one of significant human attitude and the organisational commitment, the role in healthcare sustainability is very much lacking. This study tends to provide the strategies on harassment and violence at workplace and also indicates the role of organisational commitment on healthcare sustainability.

sustainability; healthcare, **Key Words:** violence, threat, attitude, safety.

### INTRODUCTION

In today's business culture and scenario, every organization wants to be a successful. For this, we need Human Resource (HR). Every organisation finds Human Resource as an important asset. Hence the survival and success of any organization depends upon the worker performance and contribution. One among the best challenges before every organization is to recruit and choose the proper people at right time at right place. The term "Industrial Relations" refers to the link between Management and also the labour or it will be among Employees and their Organizations which describe or nurtures out of employment. Basically, there are two parties involved within the employment relationship - labor and therefore the management. There must be cooperation, trust, collaboration and adjustment between the labor and also the management. Both the parties have to work cordially in an exceedingly spirit of cooperation, mutual adjustment and accommodation.

#### **Industrial Relations Effectiveness:**

IR is an important relationship between

the employees and employers within the organization. The field of industrial relations focuses on the aspect of the relationship between the management and workers, basically a group of workers that is represented by a union. Industrial relations can be briefly said as the interactions between employers, employees and also the government. The concept of industrial relations has got a very wide meaning. In the narrow sense, it means that the employer and employee relationship limit itself to the relationship. The following points are covered in the Industrial relations with its stakeholders and its trade unions.

- To improve the employee wellbeing activities in the organization.
- To identify the employee grievances and to redress them promptly
- To enhance the working conditions of the employees.
- To improve and maintain employee assistance program at the workplace.

Considering the workplace and other violence in the healthcare sector, a more violent society is entering the hospital care these days, which transfers its aggression towards health care staff and patients alike (Exadaktylos et al, .2010 and Stokowski 2010). Due to this in the general hospital work place, violence is increasingly noted as a significant threat to safety at work, quality of care and health care costs (Cooper and Swanson 2002). Violence prevention and handling in the health care setting is often seen as part of the job and has therefore been inadequately addressed. This attitude also presents difficulties in the investigation of violence at the workplace because it contributes to underreporting (Child & Mentes 2010, Ventura Madaugeng & Wilson 2009).

### **Industrial Relations**

According to Indian Institute of Personnel Management, "Industrial relations includes securing effective and willing cooperation from employees and reducing conflict between employers and workers and their representatives, the trade unions." To avoid the union related issues in India, a main emphasis is shifted from Employer - Employee relation to Employer – contractor. An effective industrial relation and a social communication are the means to create and enhance productivity, competitiveness improvements and also better working conditions at the workplace. Limited capacity of the employees' and employers' organizations avoids the use of social communication platforms and prospects to improve the working conditions at the organizations and employee productivity. Hence, there is an essential for strong industrial relations and social interaction structures to resolve the significant economic and social problems and thus creating an empowering environment for the awareness of decent work in our country.

## **Sustainability Of Healthcare Institutes**

Corporate organisations have understood the significance of sustaining business policies and practices for a continuous improvement in the long run. The execution of sustainability practices and policies have extended in the healthcare industry.

This awareness has caused organisations to pursue sustainable practices for the advantages of the corporate, employees and its customers within the end of the day (Benn, Dunphy, and Griffiths, 2006).

Ament et al. (2012) defined sustainability because the implementation and continuous use of latest practices that are ready to produce intended outcome during a long period of your time. As for Mendel, Weinberg, Gall, Leuschner, and Kahn (2014) who conducted a study on system improvement sustainability in healthcare, the authors concluded that sustainability relies on the development of components of the healthcare systems and therefore the support of those components provide for every other. A study conducted by Ramirez et al. (2013), feel that sustainability may

occurs with the balance specialise in environmental, social, and economics development in healthcare institutes. Noor Hidavah Jamaludin et al. (2013) in their study stress that a sustainable healthcare institute depicts a system that focuses on the development of various approaches such as management of human health and environment, economic competitiveness. and social development. Sustainable strategy is claimed to be ready to reduce risks, enable waste reduction, efficient usage of energy and raw materials, and make environmentally friendly products and services (Noor Hidayah Jamaludin et al., 2013).

Noor Hidayah Jamaludin et al. (2013) and Ling, Pedersen, Drabble, Celia, Brereton, and Tiefensee (2012) suggested that the leaders who design a technique of sustainability should leads the general public, patients, staffs and other organisations towards a sustainable health service in a country. According to Ament et al. (2012), there are many dimensions which will determine or affect the sustainability of a technique in healthcare settings. However, there are relatively limited study on sustainability of healthcare institutes' performance (Benzer, Young, Burgess, Baker, Mohr, Charns, and Kaboli, 2013). Within the context of human based resources. Ramirez et al. (2013) suggested that managers got to check out issues like management of monetary issues, patient care quality, collaboration with others, engaging in social community, strong governance, and policy regulation which will assist in sustaining the healthcare institutes. Looking at the importance of human resources, Benjamin and David (2012) and lots of other researchers see human capital as a crucial asset for organisation that pursue for sustainable competitive advantage (Akinyemi, 2007; Becker, Huselid, and Ulrich, 2001; Kearns, 2004; Mercer Human Resource Consulting, 2003; Pfeffer, 1998; Torraco and Swanson, 1996; Ulrich, 1998; Wright,

1999).

The Perceptions & Attributes to Violence: Those who are exposed to violence experienced a very high level of psychological distress. Studies across India have the reports that doctors and nursing staff being molested, thrashed and abused by lay public for their trivial faults or negligence.

The main attributes to violence are the poor perception of the health services, lack of knowledge and the symptoms and critical illness suffered by the patient. This is in addition to the disturbed mental state of the patients and relatives and exposure to prolonged physical as psychological discomforts which have a direct impact on the financial, economic as well as wellbeing of the patients as well as the people surrounding the patient.

The satisfaction level of patients coming to the hospitals depends on the structure, system and function of the medical care system. The function carried out by the medical care system is based on various technical, social and physical aspects. The structure of the medical care system is guided by the policies of the Statutory bodies, Medical and nursing Councils, Associations, Government and the type of government set-up prevailing in the country, whereas the functioning mainly depends on those who manage the system [Hospital Administration].

### THE FOUNDATION:

The experts from this field are totally aware that the patients with their relatives stick to a decision regarding the utilization of services on the basis of the perception of services offered rather than the reality.

Hence the satisfaction of both the facilities and patient have become more of supreme importance as mouth-to-mouth publicity and personal referral is the most common and influential cause of using a particular health facility.

The facility of Healthcare is very difficult to measure and hence it has become a challenge to all those who are involved as a

a healthcare provider to impact a patient's perception of quality of care. A patient's satisfaction will be completely not influenced by only the quality of care. It may also not be totally influenced by the quality of doctors and the facilities available at the hospitals, but it mainly reflects on how the medical care has been delivered.

The management should control both the perception of expectation and the quality of delivery of the healthcare services in order to deliver the highest level of satisfaction that is profitable to both the patient and the provider. Knowledge of expectation and therefore the factors affecting them, combined with knowledge of actual and perceived healthcare quality, provides the required information for designing and implementing programs to satisfy the patients and their needs. The workplace violence ranges from an aggressive language to homicide.

Examples of violence in Hospitals:

#### 1. Threats:

Expressions of intent to cause harm, including verbal threats, threatening visual communication, and written threats.

## 2. Physical assaults:

Attacks ranging from slapping and beating to rape, homicide and the use of weapons such as firearms, bombs or knives.

### 3. Muggings:

Aggravated assaults, usually conducted by surprise and with the intent to rob.

## Case Reports For Understanding **Purpose And Explanation:**

- 1. An elderly patient verbally abused a nurse and pulled her hair when she prevented him from leaving the hospital to travel range in the night. A case of DAMA [Discharge Against Medical Advice].
- 2. An agitated psychotic patient attacked a nurse, broke her arm and scratched and bruised her [A case of Negligent Care].
- 3. A disturbed family member whose father had died in surgery at the community hospital walked into the emergency department and fired a small-

calibre handgun, killing a nurse and an emergency medical technician and wounding the emergency physician. [Agony at the untimely loss of the Bread Earnerl

4. Violence can also have negative organizational outcomes like low worker morale, increased job stress, increased worker turnover, reduced trust of management and associates and a hostile working environment.

## **Prevention Strategies For Employers:**

To prevent violence in hospitals. employers should develop a safety and health program that include management commitment, employee participation, hazard identification, safety and health training and hazard prevention, control and reporting.

Employers should evaluate this program periodically. Although risk factors for violence are specific for every hospital and its work scenarios, employers can follow general prevention strategies.

#### **[A] ENVIRONMENTAL DESIGNS:**

Develop emergency signalling, alarms and monitoring systems which most institutions fail to install or even if they are installed, they are found to be nonfunctional. Installation of devices such as metal detectors to prevent armed persons from entering the hospital as well as other security devices such as cameras and good lightning in hallways.

The waiting in areas or lobby needs to accommodate and assist visitors and patients who may have a delay on service. Install enclosed nurses' stations, and arrange furniture and other objects to minimize their use as weapons.

#### **[B] ADMINISTRATIVE CONTROLS-**

The movement of the public should be restricted in hospitals and the time declared by the managements should be strictly followed and the introduction of cards / tags should be provided to the visitors when they access the premises.

The hospital should develop a system for

alerting the security personnel when violence is exercised or threat perception exists.

Appointment of Medico-Legal Experts in the Management apart from the legal advisors so as to properly diagnose and advise the relatives of patients in accordance to the merits of the case.

## ICI BEHAVIOUR MODIFICATIONS-

The staff needs to be trained and be capable to handle critical situations and in recognizing and managing assaults, resolving conflicts and maintaining hazard awareness.

## **IDIALERTNESS-**

Evaluation of each situation for potential violence when you enter a room or begin to relate to a patient or visitor. One should be vigilant throughout the encounter. It should be seen and followed that not to isolate with potentially violent person and that not to allow any potentially violent person to stand between you and the door.

## SUMMARY OF THE STUDY:

Industrial Relation studies the association between employer and employee in compensated employment: the ways in which employees are salaried, trained and motivated. Industrial Relations therefore, is the subsequent state of communication amongst the composites forces that operates within and outside the organizations. The positive pointers of healthy association amongst various internal shareholders in the organization includes morale, organizational commitment, sense of belongingness, trust and commitment amongst the employees. Hence as per the study, all hospitals should develop a comprehensive violence prevention program. No universal strategy exists to prevent violence. The risk factors do change from hospital to hospital and from unit to unit.

Hospitals should form multidisciplinary committees that include direct-care staff as well as union representatives to identify

risk factors in specific work scenarios and to develop strategies for reducing them.

All hospital workers should be alert and cautious when interacting with the patients and visitors.

They should actively participate in safety training programs and be conversant in their employers' policies, procedures and materials on violence prevention.

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# **Impact Of Effective Leadership On** Sustainable Industrial Relationship.

Dr. Swathi, S Assistant professor Yuvaraja College University of Mysore Mvsuru

#### Abstract

In this paper the concept of leadership is studied in the dimension of the Industrial relationship and Business sustainability. It is a conceptual paper. All the industries depend deeply on the employee for the profitability and development. The managers, supervisors and the leaders who are able to bring best out of employee. It is found that leader are not born but leader are made over the period of time. All the major successful companies have a good leaders for the development of the companies.

**Key words:** Employee, Leaders, leadership styles, Programs and IT companies.

The word leadership has been used since 1821. The word leader was added with the suffix of the ship. Which indicate the position .the leader become popular only because of the position the person hold. Over the period of time the concept of leadership was researched intensively all over the world. Many researcher have come up with their own theory to explain the concept among which is applied in the field of management. The Contingency Theory, Situational Leadership Theory, Transformational Leadership Theory, Transactional Theories, Behavioral Theory, Great Man Theory of Leadership, Trait Theory of Leadership etc.

When prof Hendry foyal 1841 -1925 He is called as Father of General Management. He has written book on General and Industrial Management. He was an engineer who work in factory and understood the need of the development of industry. In his fourteen principles of management he has given importance to Unity of Command. Which tells how an manager/supervisor is able effectively able to control the employee. Any Industry employees are the blood of the industry. machinery, money, land cannot run the company without the employee. So it is supervisor, managers and leaders who are able to bring out best out of the employee and make the sustainable development companies.

If we study about any of the successful companies which are established in India or abroad. All of them had the best transformational leader, visionaries, ethical, employment generator, disciplined, risk takers, ,charismatic, best motivators ,good speakers, givers something good for development of the companies and society. Over the periods of time it is understood that leaders are not born they are made by the situation, problems and experience which they have gone though in life. William Bill gates of the Micro soft company who was able to bring major transformation in the field of Information technology. The IT field went through lots of transformation all over the world one of the major change during his time. A just college dropout made it big in IT industry because of his charismatic skills.

Steve paul Jobs innovation in the field of computer technology with iPhone. The iPhone were made affordable for the middle class people cheaper ,easier and smaller. The great change took place. which directly helped the business sustainability. The leaders are able to bring the good industrial relation by providing the societal needs. In the next part of paper some of the literature revive is done to

understand about the leaders.

Opas Piansoongnern et al. (2011), studied 350 employees (Executives and Junior Executives) working in cement companies in Thailand. In manufacturing companies, maintaining talented workers for very long periods will increase the value of the company. Factors which influence employee engagement such as quality of work life, organizational culture, and transformational leadership help the talented employees to be engaged in their job.

Maria Tims et al. (2011), tested the hypothesis that transformational leadership style enhances employees' work engagement through self-efficacy and optimism. A sample of 42 employees was used. It was found that transformational leadership allows and supports employees which lead to day to day work engagement.

Fallen Mends et al. (2011), studied the role of leader behaviour impact on engagement and retention. Leaders who give empowerment and role clarity to employees were studied for their impact on employee turnover and engagement. 179 samples from chemical organization were used for the study. The results showed that leader behavior has a positive impact on employee engagement (i.e., he motivates), which leads to lower turnover in the organization.

Sunanta Veichalermiit. (2012), conducted a study on engagement using a sample of 321 managers and salespersons working in Bangkok. Transaction and transformational leadership are required with positive approach to keep salespersons and managers engaged in their job.

Ikechukwu Ogeze Ukeje et al. (2015),the author has highlighted the inefficient leader and his challenges. he had taken 678 samples. From Ebony State University Nigeria. The statistical tools applied to study the analysis is percentage and ANOVA analysis is used. The results indicates that labour union must be let independent to perform in developing countries. The government must not interfere. Then the leader will be able to solve many challenges.

Chloé Fortin-Bergeron et al. (2018), in the paper author discuss about the role of transformational leadership in bring the positive impact on workplace relations climate and trade unions. A sample of 834 unionised workers were analyzed to understand the positive impact of transformational leadership.

Jatinder KumarJha et al.(2019), the author has tried to study about unions, employees, and leaders with the help of model. The social support theory is used to analyze the trade unions demands . the leader is the connecting bridge between employee and management. So it is the ethical leader who is able to build the a good relationship between employees and employer.

Shuming Zhao et.al. (2020) this is a conceptual paper were the author tells the association between leadership and HRM functions in all level of the organization.

The transformational leaders are able to get the best of creativity in the minds of employees. The leader are able to motivate the employees with high commitment and development of skills.so finally the leaders are able to take the company to international level.

#### Problem statement

All the companies are established with an idea of development and profit making. The role played my leader in connecting and building the employee and employer is crucial. The development of good industrial relation is in the hands of leader.so analyzing the leader role becomes a challenge.

## **Objective**

- •To identify the different leadership styles.
- •To describe the roles of leaders in developing industrial relation

Research Methodology

Descriptive methodology is used to describe about the leaders.

sampling techniques:

Secondary data collected from journals, articles, website and books are used in the

The different types of leadership styles are

- Transactional leadership
- Transformational leadership
- Ethical leader
- Charismatic leader
- Democratic leader
- Autocratic leader
- Supportive leadership
- Laissez-faire leadership
- Titular leader
- Coaching Style

Many initiative have taken my leader to support the industrial relation by bridging the gap between employee and employer. Leader is able to convey the voices of employee. A good leader supports the employees, motivates the employees gives the opportunity for development, he allows the employees to tell and share about the idea, thought, information, A good leader bring give equal opportunity for employees in development of innovative programs, the employee are Integral part of the organization

In Tata motors the employees are given Man of the month award by his friend who introduces him and make him more feel prod about him. Which indirectly help the business sustainability

The Lupin employee are given stock option in all the level of organization based on performance. It helps new employees to share the ideas gives solution to the problem

In the town hall programs which is held once in 6 month individual and groups are recognized and achievements are awarded. The IBM Company gives the sick leaves to employees based on trust on employees. In Pune branch.

the Marriott has adopted the merit-based promotion system. Performance management for manager is done with help of app. With helps to bring the transparency

Cummins which is located in pune supports lots of programs which helps the women and mothers. It also supports all the employees including contract employees to be the part of the training programs .cummin has tied up with TISS for industrial relations programs and BITS Pilani for technical aspects. The manual training are upgraded with help of Artificial intelligence.

The Anjali Byce is Chief Human Resource Officer at Sterlite Technologies Limited. Has come up with change through multiple Business transformation programs. Helps bind the industrial relationship.

Tata Motors have come up with new programs for blue collar employees called DIFTR (Do It First Time Right).they are encouraged to take up critical activities and solve it with help of training.

Thermax has a program called AIM (All Initiatives Matters). It is a portal where any employee can go and submit his idea and there is a governance mechanism in place.

#### Conclusion

We see that lots of transparency is found in modern times. The covid 19 has made leader even more open and connected with the employee. It is found that form the analysis of literature the transformational and ethical leader are required for the organization who has the ability to walk the talk. In 2021 all the work are becoming more and more digital and transparent. Even today the role of leader in connection, building industrial relation is in his shoulders, the leader are able to build the business very strongly for instance Big IT Revolution took place in India because of the transformation leader like Narayana Murthy who founded and developed the Infosys company. The IT business sustainability is possible. The Mukesh Ambhani who is able to bring the major development in the field of Tele communication, Mobile phones era

changed in india.so we can definitely tell that leaders support industrial relation and sustainability of business.

a. Opas Piansoongnern, Pacapol Anurit

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## CREATING SUSTAINABLE BUSINESS THROUGH ROBUST INDUSTRIAL RELATIONS

Mr. Sadashiv B. Patil Associate Vice President- HR, IR & Admin. Bharat forge Limited, Baramati, India

#### Abstract:

The traditional way of running business is not enough to achieve a sustainable development in the existing competitive era. Early days, the focus of any business was on supplying and satisfying customer needs with goods and services so that we could sell at relatively and comparatively good prices for the profitable in the business. Nowadays, the way and the approach is changed regarding running business context. This should be rightly pathedby the concerned and respective principles. One should make and try for making sustainability as an integral part of the strategy of the company to maintain the IRs (Industrial Relations). New models of design for the different business need various other paths to achieve the growth in the business for the way we do currently the business. We have to remember. understand, analyse, apply, create and apply the knowledge for meeting customer's needs in different ways for the stability and sustainability of our business. The existing models are also modelled in such way to sustain by the thoughtful and systematicsustainable strategies. This is the today's need upgrading the contribution of the industries to sustainable development in the coming era. Therefore current models should be reviewed and plan entrepreneurially to develop the new methodologies which will take more lasting span for the making the modification in them.

Even though IRs play important role in the businesses sustainability because of their repercussions on the working environment and the production of goods and delivery of services. The most attentive significance of IRs is, it make sure the

complete and quality utilization of the resources, skilled employees, continuous employment and continuity of maximum possible production and uninterrupted flow of income for society and employee. That's why IRs refers to the analysing the relationship among the management and the employees of an organization at the workplace. It improves the overall efficiency of business by ensuring effective communication among the employees and management. Therefore businesses have to properly study and understand the way in which industrial relations works. This can be achieved with proper union management in the industrial area and in the industry. The objective of this research study and data analysis is to understand connection between empirical observation and mathematical expression of quantitative Industrial relationships that fosters business to new objectives further.

#### **Keywords:**

Industrial Relations, Union Management, Sustainability, Empirical Observation, Industrial Peace, Industrial Harmony.

#### Introduction:

The main objective of business sustainability is to institute good industrial relations between workers and management. For this, the responsibility of the management is to ensure well-being of each and every employee& building a strong bonding relationship between the employer and employees or one or more group of employees or among the employees themselves within the Industry. This will lead to a good industrial discipline and peace which resultsin tosustainable business.

As to establish good Industrial peace, the management initiates various steps so as to prevent industrial disputes, establish Industrial Equality (IE), create continuousengagement, protect workers economic and social interests, providing fair wages and good working conditions etc. Such variousobjectives of management will result in to less labour turn-over and absenteeism, minimises labour unrest, raise production capacity and business sustainability in long term.

A strong industrial relation ensures protection of employee's interest and successful attainment of business objectives in a smooth and efficient manner ensuring sustainability.

## **Literature Survey:**

In this research article, authors are used various case law, research journal, books and an internet to derive all the observations. Major part of which is first and second labour commission report. The various concept and connectivity between IRs and Sustainability is derived from the understanding of terminologies in this content. The labour commission report itself has made it firm and clear that the origin of labour law is to build sustainable business by smooth industrial relations.

Industrial relations and labour law authored by B.D. Singh states important of labour laws in order to create smooth environment which can enhance employee satisfaction and propagating sustainable business.

Theories of trade unionism by Michale Poole has briefed about the various theories which can influence the trade union though process and how it can used positively towards creating smoother industrial relation and enhancing business Sustainability.

The dynamics of industrial relations authored by CB Mamoria, SatishMamoria and P Subha Rao has stated that how would industrial relations in different ways support sustainable business development.

Thus this research has considered all the theories used by the other researcher during the study.

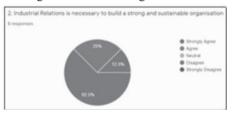
## **Data Analysis:**

In order to understand and establish connectivity between Industrial Relations and Business Sustainability, we have studied the responses that are responded byhuman resource professionals to the study questionnaire. The analysis was done on each and every response that are received and the basis on which following key observations are derived:

1. 87.5 % of human resource professionals are of the opinion that the healthy industrial relations are the backbone &foundation for business Sustainability.



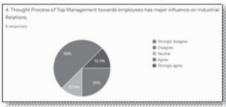
2. About 62.5 %Professionals opined that, the industrial relation is necessary to build a strong and sustainable organization.



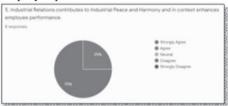
3. About 50% of the professional are of the opinion that Line Managers are to play crucial role to build strong & sustain good industrial relations.



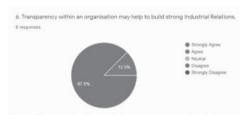
4. About 50%respondents are in strong agreement that Top Management and it'sthought process has its influence on harmonious industrial relations.



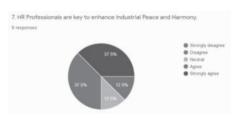
5. 75% of professional gives opinion that industrial peace and harmony can enhance employee performance.



6. 87.5% Human Resource Professionals give opinion that transparency of thoughts can help to build sustainable organization.



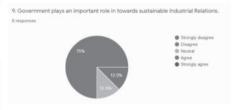
7. 75% professionals have responded that HR is key to build sustainable industrial relations.



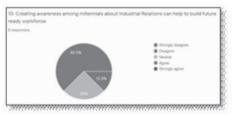
8. 62.5% professional renders that every stakeholder is important to build strong industrial relations.



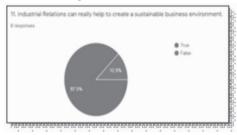
9. 75% professionals agrees that. Government is key influencer for industrial relations.



10. 62.5% respondent gives that creating awareness among millennial can help to build strong industrial relations.



11. 87 5% professional give response that industrial relations can build strong and sustainable organisation.



## Research Methodology:

The researcher has used Qualitative and Quantitative method for Research. The Major Observation noted were through the questionnaire which was shared to the respondent. The Respondents have shared their responses using google form. The data was then analysed for the entire

activity and put forth for final Data Analysis. Multiple source like internet and HR Journals were used as a secondary source of data for better understanding of various terminologies and interpret the connectivity with the subject.

The Authors of the article have used excel and MS office tool to create graphical representation of the data collected and then have analysed the same for final interpretation. Interview of various member from Trade Union and Management Staff were conducted to analyse the received interpretations.

#### **Conclusion:**

Research study on Industrial Relations backbone for Business Sustainability reveals that, healthy IRsare the foundation to build a strong and sustainable organisation. Further study reveals that, role of Line Managers plays crucial to build a strong sustainable organisation. However, Top Managements thought process will influence harmonious relations considering with following factors.

- There should be frank and open minded exchange of views between Trade Unions and Employers' associations.
- Promoting for workers participation in Management
- Industrial disputes should be resolved through collective bargaining.
- Effective communication between workers and managements for good industrial relations to be established to avoid conflicts between them.
- · No discrimination while dealing with workmenin enforcing the policies and rules of the organisation.

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# WORDS OF WISDOM

"To me, business isn't about wearing suits or pleasing stockholders. It's about being true to yourself, your ideas and focusing on the essentials."

- Richard Branson Founder, Virgin Group

"If you want to improve the organization, you have to improve yourself and the organization gets pulled up with you."

- Indra Nooyi Chairperson and CEO, PepsiCo

"An attitude of accountability lies at the core of any effort to improve quality, satisfy customers, empower people, build teams, create new products, maximize effectiveness, and get results."

- Tom Smith Bestselling Author and Co-Founder, Partners In Leadership

"One of the huge mistakes people make is that they try to force an interest on themselves. You don't choose your passions; your passions choose you."

- Jeff Bezos Founder & CEO, Amazon

"If you can push through that feeling of taking a risk, really amazing things can happen."

- Marissa Mayer President and CEO, Yahoo!



## **About NIPM**

National Institute of Personnel Management (NIPM), is the only all India body of professional managers engaged in the profession of Human Resource Management, Industrial Relations, Labour Welfare, and Training & Development in the country. It came in to existence on 15th March 1980 as a result of merger of two professional institutions, namely the Indian Institute of Personnel Management (IIPM) established in 1948 in Kolkata and the National Institute of Labour Management (NILM) established in 1950 in Bombay, now Mumbai.

With its National Office at Kolkata, NIPM has a total membership of about 10,000 spread over 53 Chapters all over the country.

NIPM is a nonprofit making body devoted to building professional excellence in the field of Human Resource Management through regular activities ranging from Evening Lectures to People Process Quality Certifications. Post Graduate Diploma in Personnel Management (PGDPM), the 2 years flagship academic programme of NIPM is widely recognized by industries in India for a career in HRM. NIPM has set up dedicated wings for Corporate Training & Consulting and Research & Development to leverage its vast experience and expertise. NIPM 4000-2016, the Global Standards for Quality of People Process, is aimed at defining global benchmarks for HR processes in organizations. NIPM 4000-2016 certification is the mark of Excellence of people processes in organizations.

The annual National Conference (NATCON) of NIPM is the greatest learning event in the country attended by eminent business and HR leaders from India and other Asian countries. The HR Excellence Award of the Institute, to be the most valued Award, is set up to track and recognize the HR professionals who make a significant difference. NIPM also organizes regular seminars, workshops, conferences on contemporary themes, and HR technical trainings for technical update through its Chapters across the country. NIPM reaches out to Management Students for their early professional grooming to make them 'Industry Ready'. The Student Chapters of NIPM are taking Root. 'Personnel Today' the professional journal of NIPM, is the most valued publication.

All endeavors of the Institute are aimed at continuously defining and redefining the benchmarks of Professional Excellence for People and People Processes and supporting the professionals and organizations achieving them.

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Address: Southend Conclave, Tower Block (3rd Floor), 1582, Rajdanga Main Road, Kolkata – 700 107