

OPPORTUNITIES AND CHALLENGES FOR INDUSTRIAL RELATION PRACTICES FOR BOOSTING INDUSTRIAL PRODUCTIVITY

Dr. Pallavi Kumari

Assistant Professor, ICFAI University Jharkhand, Ranchi, India,

ABSTRACT

In recent times there is growing importance of increasing productivity in any organization which also ultimately helps in speeding up the economic growth of the country as a whole. In this context, the role of industrial relation (IR) plays a significant role. Instead of the fact, that with the advancement and introduction of capital inputs much efforts has been done to improve the quality of productivity, but it cannot be dined that, with mere introduction of more inputs may results in more investment and not necessarily contribute towards increase in productivity and profit of the company as a whole. Hence it is a matter of great concern to increase the output without much introduction of additional input but rather using the existing human resources more efficiently. The soaring costs of HR budgets in recent times do point out the importance of Industrial relation as a crucial factor for promoting productivity and consequently in economic growth and development. This paper will briefly discuss about the intangibility of human talents and its growing worth in terms of advancing business excellence has laid the foundation for more improvement in IR systems and practices. With the growing awareness among the corporate in recent times with respect to using the tools and techniques for bringing improvement towards employee contribution in productivity is also highlighted in this study. An attempt is also done to throw light on the role of the IR managers in implementing strategies and approaches which will have long –term validity and have more enduring results which can ultimately leads to better trends in overall productivity, reducing workplace conflict and raising staff morale. The findings of this paper highlight the value and significance of training, recognizing and appreciating the employees in transforming vision into reality in modern corporate context. The results of the study will assist the IR mangers in effective implementation of IR policies with modern managerial philosophy.

Keywords: *Industrial relation, productivity, employee contribution, workplace conflict, training*

INTRODUCTION

In present business scenario, the Industrial relations emphasize good and positive relations between the employees and employers which is a sign of healthy work environment. Many organizations has realized the importance of crafting the strategies and striving hard for securing and preserving unity and better relations between workers and employers. The modern era of competition is so high which was never so in the past; The human resources in any organization can prove to be assets, if they were given the scope of healthy representation in a right way and at the right time.

As per Dale Yoder Industrial Relations refers to the relationship between management and employees, or employees and their organization that arise out of employment. Teed and Metcalfe observed that the Industrial Relations are the composite approach of the attitudes and approaches of the employers and employees towards each other with regard to planning, Supervision, direction and unification of the activities of a set up with less friction and more co-operation with mutual effort for others well-being.

The industrial disputes must be settled down then only the employees can think of contributing happily. The productivity is badly hampered by strike and lockouts and hence the employers should try to prevent such a situation at any cost. It is quite obvious to realize that the worker in the workplace can easily point out the problem in a better way than anyone else can. Moreover, the Workers participation at all levels provides a good scope to the workers to put their genuine demand in front of the management. Hence there is no denying the fact that, a proper and well implemented Industrial relation can increase the productivity of the employees in the most effective manner.

LITERATURE REVIEW

A considerable number of studies have been made in the area of industrial relations, which explain the concept, nature, importance and problems. Mohan Das has observed (1990) that industrial relations system is a process of interaction among all the human resources in the organized sector of activity, individually and collectively and with external environment. Virmani (1995) has excellently depicted that the industrial relations system is normally perceived as a system of rules and regulations which govern the relationship between the major parties, i.e. employers and employees. M.K Singh (1982) studies Industrial Relations in Maharashtra reveals which that industrial relations in Maharashtra are governed by economic, social and political forces. He revealed the government should play its role effectively while adopting human relations approach. Ashok K. Singh (1985) observes that the industrial relations in public sector are dominated by strikes, dharnas, lockouts, stoppage of work and

agitations marked by violence and disorder which have affected production adversely and the study revealed that a large number of cases of Heavy Engineering Corporation were pending in different labour courts. The study concluded that management had failed in handling labour problems. John Zechariah (1991) reports that union-management relations are strained in India. The study focused that there is lack of co-operation, compromise and competition in industries, which are essential for industrial peace and democracy. S.P Kanaga Anubuselvam (1992) has identified that industrial strikes are the outcome of the deteriorating and disturbed relationship between the management and the workers. The present labour unrest both in the public and the private sectors suggests that a proper approach has not been made to labour management relations. P.C.Tiwari (1992) in his study concluded that the unsatisfactory labour relations and consequent adverse impact on the economy were not adequately captured by the data on mandays alone. Go slow, work to rule and other actions are also important, but difficult to quantify. In fact, good industrial relations act as a prerequisite for the success of an industry. Some researches highlight the importance of industrial relations. Reeta Mathur (1985) states that sound industrial relations are conducive in improving production in all plants. N.K. Ojha (1992) has revealed that association of workers with the management of industrial enterprises has been increasingly realized as an effective means of ensuring industrial peace and optimizing production and productivity. R.A. Mittal (2001) entails the need of closer communication of interests between the labour and the management which would lead to a culture of high performance. For that, the workers should be fully informed about the company, including investment, size, the nature of its business, the products, the services, labour policies, and the profit or loss position, etc.

OBJECTIVES OF THE STUDY

1. The purpose of the study is to examine the benefits of IR to the management.
2. To study the different emerging issues in maintaining smooth industrial relation.
3. To examine the role of IR manager in handling IR issues in an organization.
4. To identify the strategies for the improvement of industrial relations for its effective contribution towards productivity.

METHODOLOGY

This paper is a conceptual one. The theoretical base for proceeding with this paper begins with extensive literature review, from electronic database. The first attempt begins with the literature search by examining the published papers. For conducting manual search different relevant journal were also referred. The papers taken for this study range from those published in 1982 to 2001 but only selected papers were quoted in review of literature and specifically those papers' were included which had empirical evidence and a sound theoretical reasoning which emphasized on industrial relation and its relation with productivity. To be more specific in terms of methodology the study is based on secondary data which has been collected from the relevant literature consisting of studies, magazines, journals, and reviews, information collected from the internet and publications by various academic organizations, management experts and researchers.

BENEFITS OF SOUND MECHANISM OF INDUSTRIAL RELATION TO THE MANAGEMENT

Under the mechanism of IR, both employees and managers discuss the matter and consult each other before initiating any actions which help to erase any misunderstanding. IR helps to create a peaceful environment in the organization which is in turn results to prosperity. If the decision affects the workers then the joint consultation motivate the workers to contribute in the best manner and moreover the industrial democracy can also be promoted. If the worker are not treated badly or exploited then worker's grievance would not rise and it would easy for the management to maintain peace and prosperity in the organization. Experiences indicate that good industrial relations serve as the key for increased productivity in industrial organizations. Eicher Tractors, Alwar represents one such case. In this plant, productivity went up from 32 per cent to 38 per cent between 1994 and 1997. This increase is attributed to the peaceful IR in the plant. Similar other success stories abound in the country. As reported by V.S.P. Rao, Sundaram Fasteners (A TVS group company which begged the prestigious GM award for the fourth successive year in 1999 as a quality supplier of radiator caps) is well known for zero breakdowns, zero accidents and zero defects. Company did not lose even a single day due to strike. The per-employee productivity is comparable to the best in the world. One study rates the company among the 20 most competitive companies in the Asia.

HEALTHY INDUSTRIAL RELATION IS KEY TO THE SUCCESS OF AN INDUSTRY LEADING TO UNINTERRUPTED PRODUCTION

The most important benefit of industrial relations is that this ensures continuity of production. It is the continuous employment for all employees who contribute to production process. The human resource of the organization converts the raw materials and timely utilizes it to yield the maximum possible output. Smooth running of an industry is of vital importance for interrupted flow generation of production. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts, go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps promoting co-operation and increasing production. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to work for the benefits of company to increase production and not that they are doing obligation towards each other by contributing. There is need that the workers must feel that they are co-owner of the gains of industry. It naturally not only affects production but can play a vital role in producing great results for the company. In fact,

healthy industrial relation is a mental revolution which ultimately helps to transform the outlook of both the employer and the employee. It will naturally have impact on production because they recognize the interest of each other. Many organizations has realized that the wastages of man, material and machines are reduced to the minimum and thus national interest is protected with the help of smooth functioning of Industrial relation which ultimately impact productivity.

Thus, it is evident that healthy industrial relations are the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. The public and private sectors of our nation have introduced many projects for the welfare of the workers to boost up the morals of the employees. An economy must strive towards achieving the twin objectives of rapid national development and increased social justice through harmonious relationship between management and labor.

EMERGING ISSUES IN MAINTAINING PROPER INDUSTRIAL RELATION

In many businesses, an issue that arises out of industrial relations is that the employee these day instead of completing their job and contributing towards organization as whole simply see managers as someone who tells them what to do rather than as a facilitator that can help the employee achieve their own professional goals as well as bring the company to a point where it reaches the goals of the business.

Another issue that arises in industrial relations is inflexibility of employer which squash the creativity of the employees as they do not realize that it is always the innovation that takes the company to a new image every times in the eyes of its customer. So it is not only the rigidity of the employee but it is also the inflexibility that hampers competitive culture in the company. The employers must always allow suggestions and feedback from the employees and even empowering employees to take on more responsibility for the route the business takes, typically enjoys a more successful business environment—internally and in the marketplace.

ROLE OF IR MANAGER IN HANDLING THE EMERGING CHALLENGES

Unlike an HR manager, an IR manager plays the role in implementing the rules and regulations of the employer. According to Lester, "Industrial relations involve attempts at arriving at solutions between the conflicting objectives and values; between the profit motive and social gain; between discipline and freedom; between authority and industrial democracy; between bargaining and co-operation and between conflicting interests of the individual, the group and the community."

For sustainable growth, the organizations cannot only focus and find strategies to improve a profit and loss figures. The organization cannot damage its social image and hurt the expectation of its employees. The role of IR manager in that respect should be clear with the policy which they will be implementing for the employee without the use of complex jargon, should communicate in simple language and if possible try to communicate in local language to avoid any confusion. It is the need for smooth IR functioning that that they must review different labor laws, civil laws and consult with the company's legal representative to assure if the company is in compliance with all of these regulations. Sometimes the employee should be given the chance of job rotation which may also help to give scope to the employee to come with hidden talents and strength. It is important to keep an eye and check on the workmen forming groups with bad intension. Hence, there is no denying fact that the IR issues are very critical and it depends upon managers to make it simple. It is important that the management promotes healthy employee relations at workplace to extract the best out of each individual. Competition is essential but it should not promote negativity or any kind of enmity among the employees. It is always advisable to take a job in a positive spirit as most of our times are spend for the company hence if we feel motivated and responsible then definitely it will contribute towards productivity rather than taking our responsibilities as a burden .

STRATEGIES FOR THE IMPROVEMENT OF INDUSTRIAL RELATIONS FOR ITS CONTRIBUTION TOWARDS PRODUCTIVITY

1. Employee should feel that they are indispensable for the organization. An individual must be assigned responsibilities according to their interests and responsibilities and they must be motivated to willingly accept challenges.
2. Employee must be motivate to work in groups so that they will learn to develop mutual trust on each other.
3. It is good to encourage effective communication among the team members because poor communication may leads to confusions and misunderstandings. The communication has to be precise and relevant.
4. Written modes of communication must be promoted among the employees for better transparency. Verbal communication is not as reliable as written communication and hence the agendas, minutes of the meeting are important issues which must be circulated among all through emails.
5. It is always motivating if hard work is rewarded. If some employees do something exceptionally well then rewards must be given to the top performers so that that other can also draw inspiration from him.
6. Keeping and developing constructive attitudes towards each other is always rewarding.
7. All basic policies and procedures relating to Industrial Relation should be clear and properly explained to everybody in the organization and to the union leader.
8. To keep a good industrial relation which can contribute towards productivity, the management should encourage right kind of union leadership.
9. If employee is given due consideration by the management, then it is obvious that they will contribute towards productivity. Henceforth, the employers should try to maintain a transparency in regards to policies and procedures concerning the compensation, transfer, promotion, etc.

- Employers can only expect smart contribution only if the management recognize the need for the welfare of workers. They must ensure reasonable wages, satisfactory working conditions, opportunities for training and development, and other necessary facilities for labour. Thus, a genuine concern for the welfare and betterment of working class is the need of the hour these days.

DISCUSSION AND FINDINGS

- To increase the productivity both employer and the employee should adopt positive attitudes towards each other. The Management must recognize and address the workers grievances as they are considered to be the custodians of their interests.
- Proper IR can be maintained if employer will have the mind set to consider and accept workers as equal.
- To gain the confidence of the worker, both the parties must solve each other problem in a responsible manner. Both should accept collective bargaining as the cornerstone of good employer-employee relations.
- It has been seen that beneficiary for both the parties if the practice participative management is followed wherein the employers should associate workers and unions in the formulation and implementation of human resource policies and practices.
- Management must recognize and respect the workers integrity and sincerity towards the company. For smooth productivity the management should encourage the formation of healthy unions and on the other hand the union must also adopt a responsible rather than political approach to employer-employee relations.
- A satisfactory redressal of employees' grievances can be very helpful in improving employer-employee relations and in contributing towards increased productivity. In this regards a well-established and properly administered system must be followed which can timely resolve the problem of redresses'.
- A suggestions scheme will help to satisfy the creative urge of workers. A code of discipline if properly adhered to by both the parties will help to keep the employees happy.
- For productive industrial relations, communication must be openly done to foster a positive environment at the workplace which will also create an atmosphere of trust and promote participation so that workers feel secure in their jobs. Whenever possible, it is always a right step to hold regular company meetings to introduce important information to workers.
- The knowledge, skills and abilities of the workers must be rewarded by paying them competitively. Profitability of the company must be shared with them in form of increased bonuses and other monetary incentives to reflect productivity is an important for the company, so that they never surpass set production goals.
- Maintaining a quality of work life programs through introduction of recreational activities at the workplace, maintaining a safe work environment, equal employment and advancement opportunities and equitable remuneration will may results increased contribution. Providing economic security, job satisfaction and increase worker motivation. Will definitely instills a sense of responsibility, thereby reducing absenteeism and grievances.

CONCLUSION



As discussed earlier, industrial relation is acknowledged as the most significant component of increasing industrial productivity which is taken as a priority these days. Theoretically, this paper demonstrates that IR has influence on productivity. By recognizing the need of smooth IR we can improve our understanding of increased value of human resources in an organization. The essence of good industrial relation lies in the bringing up of good labor relations which gives a forum to understand each other (employer, employee) properly. The analysis brought out that the co-operative thinking is a influencing factor in achieving the goal of the organization. A good Industrial Relations increases the morale of employers and which paves way for introduction of new methods, developments and leading to adoption of modern technology. Profit earned by the company if shared, gives workers the job satisfaction which is needed for good relations. The crux of this paper lies in understanding the importance of sustainable practices which should be adopted by the organization for the betterment of every individual attached it. A healthy and supportive industrial relation increases production, improves quality of work and lower down the cost of production. Moreover the study can be also extended to different industries so as to obtain more insight and derive results which may prove to be helpful in strengthening the IR implementation in an organization.

REFERENCES

- Das, Mohan. 1990. Industrial Relations: The Coming Decades. Indian Journal of Industrial Relations, 26 (1): 79-88.
- Virmani, B.R.1995.Redefining Industrial Relations. Indian Journal of Industrial Relations. 31(2):153-77.
- Singh, M.K.1982. Industrial Relations in Maharashtra. Indian Journal of Industrial Relations.18 (4):549-567.
- Singh, Ashok K.1985. Personal Management in Public Enterprises, Mittal Publications. New Delhi.
- Zechariah, John, 1991.Comparative Industrial Relations in Japan and India. Indian Journal of Industrial Relations.26 (4):360.
- Kanaga, S.P.. Anubuselvam.1992. Strikes and Lockouts with Reference to INTUC.The Indian Journal of Labour Economics.35 (4): 485.
- Tiwari, P.C.1992. Strikes and Lockouts in Indian Industries: An Empirical Study.The Indian Journal of Labour Economics. 35(4).
- Mathur. Reeta 1985. Industrial Relations in the Public Enterprises. Ph.D. Thesis, University of Rajasthan. Jaipur.
- Ojha, N.K.1992. Strike and Lockout as Industrial Phenomenon. The Indian Journal of Labour Economics.35 (4):392-395.
- Mittal, R.A. 2001.Role of Trade Unions: Some Random Thoughts. Indian Journal of Industrial Relations.37.176-180.

11. <http://smallbusiness.chron.com/improve-productivity-industrial-relations-organization-79098.html>
12. <https://www.scribd.com/doc/47442930/Impact-of-Industrial-Relations-on-Employee-Productivity>
13. <http://www.yourarticlelibrary.com/industries/5-importance-of-industrial-relation-for-employees-and-employers/35431/>
14. <http://www.mbaskool.com/business-articles/human-resource/5374-industrial-relations-issues-a-challenges-in-india.html>
15. <http://www.managementstudyguide.com/strategies-to-improve-employee-relations.htm#>

