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A critical study on the role of industrial relation as an instrument in settling conflict between industries and their employees

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Abstract

Industrial relations or employment relations are the multidisciplinary academic field that studies the employment relationship; that is, the complex interrelations between employers and employees, labor/trade unions, employer organizations and the state. The newer name, "employment relations" is increasingly taking precedence because "industrial relations" is often seen to have relatively narrow connotations. Nevertheless, industrial relations has frequently been concerned with employment relationships in the broadest sense, including "non-industrial" employment relationships. This is sometimes seen as paralleling a trend in the separate but related discipline of human resource management. In simple terms Industrial Relations deals with the worker employee relation in any industry Government has attempted to make Industrial Relations more health them by enacting Industrial Disputes Act 1947 to solve the dispute and to reduce the regency of dispute. This in turn improves the relations. Industrial relations in countries, sub-regions and regions, have been influenced by a variety of circumstances and actors such as political philosophies, economic imperatives, and the role of the State in determining the direction of economic and social development, the influence of unions and the business community, as well as the legacies of colonial governments. IR fulfilled the function of providing employees with a collective voice, and unions with the means to establish standardized terms and conditions of employment not only within an enterprise but also across an industry, and sometimes across an economy. This was achieved through the freedom of association, collective bargaining and the right to strike. Similar results were achieved in the South Asian sub-region where political democracy, and sometimes socialist ideology, provided enormous bargaining power and influence on legislative outcomes to even unions with relatively few members.

Keywords: Industrial relations, grievance, dismissal, industrial action, employment relationship

Introduction

Industrial relations examines various employment situations, not just ones with a unionized workforce. However, according to Bruce E. Kaufman, "To a large degree, most scholars regard trade unionism, collective bargaining and labour-management relations, and the national labour policy and labour law within which they are embedded, as the core subjects of the field."

Initiated in the United States at end of the 19th century, it took off as a field in conjunction with the New Deal. However, it is generally regarded as a separate field of study only in English-speaking countries, having no direct equivalent in continental Europe. In recent times, industrial relations has been in decline as a field, in correlation with the decline in importance of trade unions and also with the increasing preference of business schools for the human resource management paradigm.



Fig 1: Protest against industrial relations legislation

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Industrial relations has three faces: science building, problem solving, and ethical. In the science building phase, industrial relations is part of the social sciences, and it seeks to understand the employment relationship and its institutions through high-quality, rigorous research. In this vein, industrial relations scholarship intersects with scholarship in labour economics, industrial sociology, labour and social history, human resource management, political science, law, and other areas.

Industrial relations scholarship assumes that labour markets are not perfectly competitive and thus, in contrast to mainstream economic theory, employers typically have greater bargaining power than employees. Industrial relations scholarship also assumes that there are at least some inherent conflicts of interest between employers and employees (for example, higher wages versus higher profits) and thus, in contrast to scholarship in human resource management and organizational behaviour, conflict is seen as a natural part of the employment relationship. Industrial relations scholars therefore frequently study the diverse institutional arrangements that characterize and shape the employment relationship—from norms and power structures on the shop floor, to employee voice mechanisms in the workplace, to collective bargaining arrangements at company, regional, or national level, to various levels of public policy and labour law regimes, [citation needed] to varieties of capitalism (such as corporatism, social democracy, and neoliberalism) ^[1].

History of industrial relation

Pre-independence period of industrial relations system

In the pre-independence days, workers were 'hired and fired', as the principle of demand and supply governed industrial relations. The employer was in a commanding position and the conditions of employment wages were very poor. The relationship between the employers and workers during the period could be said to be the masters and servants. Workers' organisations during the period were either non-existent or in the nascent stage of emergence. A few workers' organisations that came to be set up during the period were mainly Philanthropic organisations and lacked element of modern union. When these conditions continued despite the efforts of leaders, it paved the way for revolutionary movements. However, even till the end of the First World War, the trade union movement had not emerged. There were hardly any laws to protect the interests of workers except the Employers and Workmen (Disputes) Act, 1860, which was used to settle wage disputes. Most of the labour laws enacted during the period such as Workmen's Breach of Contract Act, 1859, Employers and Workers (Disputes) Act, 1860, Assam Labour Emigration Acts (1863-1901) were primarily intended to serve the interests of British employer. A notable feature of the then existing industrial relations in the country was the role of Jobbers or Sardars.

In 1938, in order to meet the acute industrial unrest prevailing then, the Bombay government enacted the Bombay Industrial Relations (BIR) Act. For the first time permanent machinery, called the Industrial Court, was established for settling disputes. This was replaced by the BIR Act, 1946, which was amended in 1948, 1949, 1953 and 1956. Soon after the Second World War, India faced

many problems, such as rise in the cost of living, scarcity of essential commodities, high population growth rates, massive unemployment, increasingly turbulent industrial relations situation, etc.

Post-independence period of industrial relations system

After India attained independence, one of the significant steps taken in the field of industrial relations was the enactment of the Industrial Disputes Act, 1947, which not only provides for the establishment of permanent machinery for the settlement of industrial disputes but also makes these awards binding and legally enforceable.

Besides the Industrial Disputes Act, in December 1947, an industrial conference was held in India, where an appeal was made to labour and management in the form of an Industrial Truce Resolution to maintain industrial harmony. Some of the significant recommendations of NCL were processed by ILC and the Standing Labour Committee in 1970 and 1971 respectively and the major policy decisions were taken up for implementation. Some of these recommendations relate to the statutory recognition of a representative union as the sole bargaining agent to be determined by the verification of paid membership and the appointment of industrial relations commissions (IRCs) in the States and the Centre instead of present tribunals. These recommendations were, however, never implemented, though some of them are in various stages of implementation, as for instance those relating to workers training, induction and education, working conditions, social security, labour administration, etc.

The Essential Services Maintenance Act empowers the government to ban strikes, lay-offs and lockouts in what it deems to be "essential services". It also empowers the government to punish any person who participates or instigates a strike which is deemed illegal under ESMA.

Review of literature

Dunlop (1958) identified the main contextual variables like the technology, labour and product markets, budgetary constraints and distribution of power within society. This is within a system involving groups of actors bound together by a set of beliefs. These input factors were seen to have an impact upon the rule making output of the IR system. This system as a whole was called as systems approach.

A wide array of problems hinders marketers in approaching rural areas with confidence. The lack of fair weather roads, widely dispersed villages, low density of population, lack of bank and credit facilities, multiple tiers, higher costs and administrative problems, and lack of retailers are the problems in rural distribution. Intelligent way of approaching rural areas is required. The emerging distribution approaches include:

Cooperative societies, petrol bunk, agricultural input dealers, NGOs, etc. Latest approaches include the direct to home selling methods: network marketing and internet marketing.

Baldev R. Sharma and Sundararajan P.S.7 in their study on "Organisational Determinants of Labour Management relations in India" investigated factors determining labour management relations in 50 companies of the nine factors studied, the two included in the best equation scope for advancement and grievance handling were found to be the

most critical determinants. Together these two factors accounted for 58 percent of the variation in labour management relations across the 50 companies.

Need and significance of industrial relation

This study becomes necessary in the sense that the causes of conflict across various organizations in the country, especially in manufacturing organization have become a matter of concern to all well-meaning Nigerian. In 2012, there was industrial conflict across the country over the issue of minimum wages and other working conditions of employment in which it affected the operational activities of many government parastatals and private organizations in both manufacturing and service industries. Secondly, this study will enable managers in manufacturing industry to have in-depth knowledge of causes of conflict and how to manage conflict in manufacturing industry not only in Nigeria but also across the world. So in essence, this study seeks to ensure smooth running of organizations and to enable the two sides (employers and workers) to work together harmoniously in pursuing and achieving organizational goals and objectives.

Alternate and systematic approaches to the study of industrial relations

- Alternate Approach to the Study of Industrial Relations
- Systems Approach to the Industrial Relation (Dunlop's approach)
- The Pluralist Approach
- The Marxist Approach
- Sociological Approaches
- Gandhian Approaches
- Psychological Approaches

Objectives

- The general objective of this study is to examine industrial conflict and its management

Strategies

- The specific objectives for the study are to investigate the major causes of conflict in the company under study; to know the conflict management strategies that the organization understudies are using in solving conflict in the organization find out the effective conflict management strategies in work organization.

Research methodology

Type of Research of study is exploratory & descriptive in nature. The data is collected from Questionnaire & Secondary Data is collected from the books, publication, Records of the companies, Websites.

Scope of the study

The study is undertaken IR is dynamic and developing socioeconomic process. As such, there are as many as definitions of IR as the authors on the subject. IR is concerned with the systems 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.

Finding and Conclusion

The current study was a comparative analysis of conflict and its management strategies. The study established that conflict arises from various sources and is inevitable in organizational settings. It also highlighted conflict management strategies such as dominance, avoiding, smoothing and compromising, hierarchical decision making and appeal procedure as voluntary means of conflict settlement in an organization using three manufacturing companies.

The study adopted correlational survey design using the export facto type to establish the relationship between conflict and its management strategies in work organization. Two hundred and sixteen respondents were selected for the study using multi-stage sampling technique. A well-structured questionnaire was generated for the study and the elicited information was analyzed using t-test.

The finding of the study reviewed that the main sources of conflict in the selected organizations were due to ineffective means of communication of grievances to top managers, poor government economic and industrial policies, and poor employee compensation and welfare. The managers utilized combination of conflict management strategies such as compromising, namely putting machineries in place to address the sources of conflict, intimidation of workers and effecting necessary changes in process and procedure management. Besides, they took advantage of problem solving and dominating strategies. In addition, the results indicated that good conflict management strategies promote better labour-management relations, less disruption of work activities, and improve profitability. The most commonly used strategies for managing conflict among the managers.

In the light of the results, a series of recommendations are presented: Managers should develop diverse but appropriate strategies to resolve and manage conflicts as they arise before escalating to unmanageable level; efforts should be made by the managers to occasionally stimulate conflict by encouraging divergent views and rewarding staff and unit/department for outstanding performance; and proper communication procedures should be put in place to resolve conflict. For instance, when any disagreements arise among the employees, it should be reported to the management and then management should get statements from the parties involved, brainstorm the issue, and make recommendation on how to resolve the conflict.

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