

Influence of Industrial Relations in Organization

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Abstract—Today India is one of the fastest emerging economies in the world. Low cost of labour, new lenient economic policies, customer availability and low cost of raw materials are the reason for this growth. Every organization in this world wants to take advantage of this. Human resource plays a pivotal role in achieving all the organizational goals likewise industrial relations also plays a major role in achieving human resource goals. India famous for being a country with strict labour laws and union activities, all the organizations has to consider at some point of time effective industrial relations in their human resource strategy.

1. INTRODUCTION

Amid a gloomy future of growth for developing countries, India has emerged as a bright spot as per World Bank. The growth rate for the country has been forecasted 7.9 % for the year 2017. All the national and multinational companies want to take advantage of this situation to make utmost profit as possible. For major players India had become such a lucrative option because of:-

- Human Resource: - Cheap availability of skilled manpower is the biggest reason why countries like China and India have become a major manufacturing hub. India having the youngest population in the world right now has a long way to go.
- Lenient Government policies: - Although India may not be counted among the countries where it's easy to do business (Launching a business takes more than 25 days on average, and licensing requirements are costly) but the recent technological interventions and new initiatives like "Make in India" have increased the chances of getting FDI (Foreign Direct Investment) easily. Few more steps to curb the corruption and easy processing of sanctions will definitely improve our chances.
- Excess to raw materials: - India being a mineral rich country has access to almost every raw material to run a business. Being short in infrastructure, India is trying hard to please the Companies by cheap raw materials.
- Market availability: - Being a country of more than a billion people, there is no shortage of market here in India. All the markets are open to be explored and consumers are seeking new and innovative products. All

other western economies have dried out after culminating, but India is altogether a different story.

There are many other reasons too which varies from sector to sector or more specifically industry to industry for this growth forecast.

Human Resource being the most viable factor for India's growth is also the most volatile one. Industrial relations being a part of Human Resource Management plays a very pivotal role in Industrial and organizational harmony. In 2016 Index of economic freedom India Ranks 123 out of 186 countries. Economic freedom being a crucial component of liberty-empowers people to work, produce, consume, own, trade, and invest according to their personal choices. India being a democratic country should be providing these rights to a person but anyhow it's failing to do so. As per ITUC (International Trade Union Confederations) Global Rights Index - The world's worst countries for workers India has been given a rating of 5 and have been put in country with systematic violation of workers right. It's very shameful for a country claiming to have one of the toughest labour laws in the world. It's not the laws which are at fault here but are the implementers or more correctly the unions. Better Industrial relations only leads to better human resource management. Union activities and other external labor related activities do influence productivity in organizations. Here we are going to discuss this only and understand how better industrial relations will lead to better human resource management.

There are various Industrial relations mechanism which increases the communication, co-operation trust and the sense of belongingness in the organization. Which ultimately lead to continuous improvement in working style and quality of human life which helps in achieving the organization goal. A healthy Industrial mechanism will lead a conducive organisation. Here are some mechanism which :-

1) Development of Healthy Labour Management Relations:-

a) Worker's Participation in Management:- Worker's participation in management shows the democracy in the organization. Where workers are also having the equality as management are having in the organisation. It helps in building a new values and culture and can be a distinct strategy for a organisation. It is process where ideas can be shared in order to

achieve the organisational goals and to build aorganisational culture.

b) Collective Bargaining:- Collective bargaining is a process of negotiation by collective action by a body of workers regarding their terms and conditions of service such as wages, leave, norms of employment, bonus and other benefits. Thus the objective of collective bargaining is to harmonise labor relations which ultimately leads to human relations approach.

2) To facilitate to maintain the Industrial Peace:-

a) Trade Unions Acts, Industrial Disputes Act, Standing Orders, conciliation Process, Labour Courts, Tribunals etc are the some IR mechanism to maintain the Industrial Peace.

3) Bi-partite, Tripartite & Grievance handling are some other forums which settles the dispute in expedite manner.

3) Develop democracy in the organization:- What is the significance of Democracy in the society? Democracy empowered to every citizen in the policy making, decision & implementation. In the same line democracy in the organization means everybody who are the part of organization are having the power in policy making, decision & implementation. Following techniques of IR can help in achieving the democracy in the organization:-

a) Shop Councils & Joint Management Councils at the floor and plant level:- It consist equal number of workers and management representatives and discuss about the different issues and areas such as operational areas, economic and financial areas, personnel matters, welfare areas & environmental areas & take appropriate action for effective implementation.

In the words of Lester : " Industrial relations involve attempts at arriving at situations 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."

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3. CONCLUSION

Industrial relations have a very specific role in the Human Resource Management policies to achieve management objectives. If the philosophies and visions are used strategically in human resource management a different mechanism of communication, co-operation will evolve in the organisation since it starts from the shop level (floor level) to the higher management level. It will create a strong feeling of social security, safety and democracy in the organization which leads an effective & efficient organisation.

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