

## Effective Role of Industrial Relation in Public Sector

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### Abstract

In this research paper, I measure to effective role of industrial relation in public sector in India. The concept of industrial relations started way back in eighteenth century and term has been used differently in the work place situations at different times over the years. The emergence of the concept of the concept of Industrial relations, personnel management, human resource management and human resource development, contributed to the growing need of labor. The term industrial relations refers to relationship between management and labor or among employees and their organizations that characterize or grow out of employment. The crucial importance of the public sector undertaking to the economic development of the country needs no emphasis. After achievement of independence of

India, it was decided to make India a strong and viable economic power. In this national endeavor of great magnitude, it was envisaged that huge resources will have to be mobilized. And a national will was to be generated to achieve the desired goal. The rationales of public enterprise as a strong instrument of economic growth in developing country like India need no emphasis. Public corporation in India can claim a respectable antiquity. Public enterprises in India have come to occupy an important place in the country's economy to adopt to the socialist pattern of the society.

The public enterprises in our country cover a range of activities, that are at once vast and varied. They engaged directly or indirectly in advancing loans, regulating trade, organizing promotional and developmental activities, manufacturing heavy

machinery and machine tools, instruments, electrical equipment, drugs, chemical and fertilizers, prospecting for and drilling oil refining crude, operating air, sea and road transport, building and construction, generation and distribution of electricity. Mining and coal and mineral ores and smelting and casting of steel and other metals.

The entry of public sector in the economic sphere is a post-independence development. Prior to 1947, public sector investment was limited to the railways, posts and telegraphs department, the ordinance factories and a few state managed factories like salt manufacturing...etc. The philosophy and programmer of public sector undertaking are incorporated in the Industrial Policy Resolutions of 1948 and 1956. The Industrial Policy resolution of 1948, declare that “ a dynamic national policy must be directed to a continuous increase in production by all possible means, side by side with measure to secure its equitable distribution. The problem of state participation in industry and condition in which

private enterprise should be allowed to operate must be judge in this context. Consequently explanation in public sector began to be taken after his period. In 1947-48 it was estimated that the gross value of fixed assets owed by the central and the state governments together with the working capital utilized in the enterprises concerned, amounted to Rs. 875 crores. This rose to Rs.1236 crores in 1950.

The idea that in the economics development of the country the state enterprises would play predominant role took further root with the declaration of The Industrial Policy Resolution in 1956 and the adoption of a socialist pattern of society as the national objective as well as need for the planned development requires that all the industries of basic and strategic importance of the nature of the public utility of the services should be in the public sector. Other industries which are essential and require investment on a scale which only the state, in present circumstances could provide have also to be in the public sector. The

state has, therefore, to assume direct responsibility for the future development of industries over a wider area. Accordingly two schedules were drawn up: Schedule "A" enumerating 17 industries. The future development which all be progressively state owned and in which state will, therefore generally take the initiative in establishing new industries, but is which private enterprise will be expected to supplement the efforts of the state.

The Directive principles of the state policy contained in the constitution also required the state to ensure that the ownership control of the material resources of the community are so distributes as to subseries the common good that the operation of the economic system does not result in concentration of wealth and means of production to the common detriment. "Therefore, achievement of planned and rapid economic development, industries in which the scale of investment is high, where the investment is highly risky and uncertain and which are in the nature of basic and strategic importance

have been assigned to the public sector.

The public sector aims at achieving the following objectives:

- (1) To promote rapid economic development by filling critical gaps in the industrial structure.
- (2) To provide basic infrastructural facilities for the growth of the economy.
- (3) To undertake economy activity strategically important for the growth of the country, which is left to private initiative, would distort the national objectives.
- (4) To reduce disparities in income.
- (5) To exercise social control regulation of long term finance through public financial institutions.
- (6) To control over sensitive areas i.e. allocation of scarce imported commodities, wholesale trade in agricultural commodities control over the distribution system in relation to essential goods in order to reduce the margin between

prices obtained by the producers and those paid by the consumers.

- (7) To attain self-reliance in different technologies through development of capacity for design and development of machinery, equipment and instruments and elimination of dependence of foreign agencies for these services.
- (8) To enhance the employment opportunities by heavy investment in industry and mining, transport and communication.
- (9) To increase exports and foreign exchange to ease the pressure of balance of payments.
- (10) Digital development in different services.

The growth of public enterprises in India has taken place in three ways: (i) by nationalizing existing enterprises. (ii) by starting new enterprises and (iii) by taking over the sick units. The State Bank of India, LIC of India, The Air India, The nationalization of

20 major banks is included in the first category. While the Hindustan steel Ltd, Hindustan zinc Ltd., the national coal development corporation, The Food Corporation of India, The Fertilizers Corporation of India, Hindustan Aeronautics. Bokaro Swteel Ltd. Heavy Engineering Corporation Ltd., Oil and Natural Gas Commission, Bharat Heavy Electricals, Shipping Corporation of India, The belong to the second category. A large of sick cotton textile mills, taken by the national Textiles Corporation, belongs to the third category. On March 31, 2019, there were 246 public sector enterprises having an investment of about Rs 26.6 lakh crores.

Public sector has come to assume the commencing heights of the economy. It has monopoly in railways, communication and air transport, virtual monopoly in coal mining, power generation and petroleum industry a

predominant share in banking, insurance, shipping, steel and others metals, machine tools, fertilizers, insecticides and petrochemicals and share light engineering industries liked rugs, textiles, agro based industries, consumer goods from bread to electronics goods, training and marketing services ....etc. Apart from establishing new industries; it has also been taking over old ones which became sick.

It is generally recognized a “model employer” providing fair wages, good working condition and amenities and recognizing the rights of the worker. As a result industrial relation, except in certain units and for some time past, are better and the man days lost are much less than in the private sector.

In spite of its phenomenal growth and achievements, the public sector has come in for criticism for its major shortfalls. The most important defect in the public sector is the overall net loss incurred by it. The estimated

loss in 1978-79 was of about Rs 517 crores and till 2017-18, 89189 crores. The non utilization of the rated capacity, by the public sector undertakings is another major shortcoming. The short falls in core items in particular adversely effect the growth of the entire economy. Some of the other defects in the public sector are

- 1) Lack of professional management.
- 2) Lack of autonomy for the managers of undertaking.
- 3) Adoption of bureaucratic procedure which breed delay.
- 4) Appointment of surplus labor.
- 5) Over stocking of inventories.
- 6) Unproductive expenditure.
- 7) Neglect in maintained of equipment.
- 8) Taking over the burden of sick industries.
- 9) Un economy pricing at products.
- 10) Lack of organic linkages between the big plants and Small industries.

Any trade union or for that matter a worker of any political party is naturally attracted to workers sustained by bunched up investment in a small area, organization is comparatively easy. New generation of workers emerge partly because of the location of these enterprises and more so because of requirement of skill. People are new to the place, some are new to its changed environment or the place itself is unaccustomed to the massive investment it has absorbed. The worker requires to man the unit can be more easily unionized than the one traditional attitude. The general political awakening provides scope for rivalries and factional squabbles. If conflict in the public sector appear to be more severe, it is because of its strategic importance and the glare of publicity under which the public sector units are required to work. Government interference either at the Central or State level adds to the difficulties of the local manner. Minor grievances are common in public undertakings on many way occasions, inter-union rivalry has been reflection of differences in political approach.

The remedy for the ills lies an appropriate method recognition of union where the miles is deeper, the cure will have to be sought on a different plane.

We believe a sense of partnership, belonging and participation has received common acceptance among workers. The arrangement for consultation or for giving a sense of participation has two recognized facts, formal and informal arrangement is through works committees and the informal through joint management councils. The union recognized by management and members elected to works committees do not have common trade union persuasion. Management has been unable to secure even a single seat on the works committees. The results achieved have not been encouraging. The mental revolution which operates against it are among the workers.

The manager have been complaints about decision being taken in the tripartite committee to which they were not invited. Certain difficulties

arises due to the political relationship of the union leadership in power at Central level. In consequence it seldom enters into a serious discussion with management to mutually resolve their disputes. It is the interaction of these factors which vitiates the atmosphere for industrial harmony in public undertaking. A good personnel department should be developed in ached fair sized public undertaking. Absence of lot in the early stages of units going into production has created difficulties. Because of an easy access to the party in power by the union leaders, the situation is often exploited. Hence, remedy lies in proper delegation of authority to plant management a to its different tiers.

Management cannot hope to improve relation with labor and promote co-operation without facing the problems squarely. They must have an advance plan to positive action. Each element in it may not work according to expectations. The present pattern of demand followed by

refusal, and then capitulation preceded by pressure will have to go. That is why advance thinking on possible reaction is over value. To expect it of every management is unrealistic but if the public sector has to lead the way, it has to accept the challenge. It is equally necessary tp calculation that the public sector cannot reach the position required of it by the effort management alone there has to responsible co-operation labor as well. If model employer is the adverse side of a coin, 'model worker' is its reverse. The one cannot exist without the other.

### **CONCLUSION**

It has been shown that a comparison of national employment relations in the central government and public sector is a difficult task. Many problems arise surrounding the definition of the sector, and idiosyncratic normative and institutional features also complicate the analysis, while for many issues an accurate comparison would require a more direct and in-depth inquiry than

the one permitted by the scope of this report. Some concluding comments can, however, be made on two issues.

The first of these concerns the special employment status which in most countries applies to a more or less significant proportion of central government employees (although usually not specific to central government), and which distinguishes them not only from private sector employees but also from central government and public sector staff under ordinary employment contracts.

As has been seen, a tendency towards harmonization has been ongoing in many countries over the last 15–20 years, reducing the number of career civil servants in relation to employees under ordinary contract, and abolishing one or more of their special prerogatives. Innovations include: the adoption of more flexible recruitment practices; a decreasing importance attached to seniority in career and promotion processes, in favor of merit and performance; greater and easier mobility processes; diffusion of fixed-term contracts for civil servants as well; the introduction of forms of performance-related pay or of

variable components in remuneration; a reduction of retirement and pension privileges (where these existed); and a weakening of the traditionally high level of job protection, together with easier and less costly dismissal and redundancies procedures. The difference of status, albeit to some extent attenuated, persists in most countries. It has perhaps been strengthened or even newly introduced in some of the former communist countries of central and eastern Europe, where it did not previously exist (as in Estonia). The case of the UK still seems an exception from this perspective. Pressures to change are high in many countries, but so is the resistance to change. It is a matter of opinion whether the persistence of this special status (which is not usually specific to central government, but characterizes the entire public sector) is the more important, or the many signs of its diminishing.

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