

## History & Background of Industrial Relation in India

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### **Ancient Period:**

Ancient India has witnesses' cordial socio-economic relations. The origin of productive engagement in India can be traced to prehistoric ancient periods. When a primitive type of socio-economic relation has existed. In the various states of ancient enterprises like hunting stage pastoral stage, agricultural and village economy. Help and hire state, handicraft system, barter economy. Emergence of money economy, town economy and putting out system, there was little scope for systematic practice of industrial relation,

### **Medieval India:**

Kautilya has given vivid picture of the productive occupations during medieval period in the 3<sup>rd</sup> book of his arthashastra. It provides sufficient evidence for the a sence of the organisational existence of industrial relation in the beginning of the medieval period. Various types of the guild system viz., artisans guild. Merchants guild and co- operative guild, caste system and slave system has not provided any scope for

organised industrial relations bowyer relations were not bad during the medieval period which is evident in the statement of Ghost and santhoshnath: from the 4<sup>th</sup> century B.C. till the latter half of the of 10<sup>th</sup> century A.D in spite of foreign invasion, there is sufficing evidence to indicate that the relation between the employers and the workers were based on justice and equity.

According to Kautilya the employers and employees should make a contract with regard to the work to be done: the employer should undertake not to employ another man for the work and the worker to complete the work and not to take up any other work. If this contract is broken. The offender should be fined if an employee's engage a man to do some work and wanted to discontinue him before the end of the work, he has to pay the labour full wages for the whole day. In case if the employer did not pay the wages, he was to be fined and if remained unpaid for long the employer was to be fined it was further laid down that labourer should be given suitable wages because low wages create discontent among them and

discontentment is the root of all disputes further the employers could not withhold payment of wages more than 7 days. If the allotted work was not properly done within 7 days it could be get done by another.

The existence of two organisations, viz, piga and shreni during Buddhist period can be traced from the earliest Buddhist literature these organisation has aimed at achieving a good commercial progress shreni was a type of union consisting of about thousand workers each occupational group has its own shreni which was headed by a leader who was called pramukha or jyestha these shrenis enjoyed considerable influence in the public life also even though these shrenis were not identical to the trade union of modern age one can very well realise that there were organised activities even in the medieval India similariy the numerical strength may change but the reality of the group consciousness of the ancient Indian workforce cannot be disputed shrenis and sanghs has existed during the period of harsha while shrenis or kulas were in existence at the time of vikramaditya these organjsations were collective bodies of artisans (karu) and craftsmen (shilpi) which were meant for productive actfvities and not for

collective bargaining the relations were cordial in the beginning of the guild system but in due course guild masters had squire more socio-economic power and the relation has deteriorated in course of time guild systems has come to an and during the period of nature rulers industry and trade were monopolised in the public sector government workshops were engaged in manufacturing brocades silk, copper. Iron gold and silver ornaments, embroidery work glass salt shards and other weapons shawls wood carving textile fabrics, tobacco opium, indigo brass metal woollen products, etc.

### **Modern period (Post-independence)**

Post-independence industrial relation have been very much influenced by the pre-independence industrial environment and labour management relations when India became independent in 1947 industrial seene was subjected to a considerable amount of chaos and confusion industrial unrest and the shattered worker-management relations have been prevalent everywhere hence the government of India did sot not wish to remain a passive spectator immediately proudemdent in the interest of national economy , it was considered necessary to put a stop

on strikes' /lockout and have uninterrupted production. a tripartite conference was therefore convened in 1947 at which the industrial truce resolution was adopted giving paramount importance to the maintenance of industrial peace. It is in this context that the industrial disputes act of 1947 has come into existence which has been amended from time to time. The minimum wages act. The factories Act. and the employees state insurance Act were all enacted in 1948.

Another development in the immediate post independence period was the setting up of the Indian labour conference (ILC) a tripartite body to look into industrial relation problems in India it was constituted with the objective of establishing co-operation between the governments the employees and the trade unions. It met once a year to discuss problems relating to labour-management relations.

An important characteristic feature of industrial relation in the post independence period was the change in the government's attitude towards labour and their problems. Many labour laws were enacted to protect the interest of industrial workers during 1947 to 1956. These laws cover many issues concerning labour such as seniority wages rates paid holiday's disciplinary matters,

social security etc however in year 1957. Emphasis shifted from legal enactments to voluntary arrangement as a result the code of discipline was introduced in 1958. It enjoins on parties to refrain from taking unilateral action on industrial matters. But unfortunately. The code has a limited success and also a limited use. It was to serve somewhat as a moral guideline rather than as a legal enactment. As a result. The govt. relied on legislation to regulate labour management relations. It tried to structure the plant level industrial relation machinery in the forms of works committees/joint management council apart from the ones mentioned above several other solutions were sought to solve industrial relation problems. Such as recognition of unions grievance procedure for workers. Workers. Workers participation schemes etc.

Subsequent to this period many political and international events affected the course of industrial relations. One must remember that the political factor cannot be delinked with the industrial relations situation. Each government in power identifies priorities instead of what it would like to do there was only a short period immediately after the china's aggression 1962 during which there was a consolidation of different viewpoints. But with Nehru's

passing away in 1964 the phalanx-like structure of the congress party started eroding. Between 1962 and 1971 India fought three wars one with china and two with Pakistan. Added to this was the difficult economic situation in 1966. The national commission on labour was appointed by the government to look into labour waters and make recommendations it submitted its report in 1969.

Some of the significant recommendations of national commission on labour were processed by Indian labour conference and the attending labour committee in 1970 and 1971 respectively and the major policy decisions were taken up for implementation some of this recommendation 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 in the state and at the centre instead of the present tribunals. There recommendations were however, never implemented though some of them are in various stages of implementation as per instance those relating to workers training. Induction and education working conditions social security labour administration, etc.

The early 1970s witnessed considerable industrial strife and

loss of a large number of mar days. A significant trend during this period was the fact that Indian labour conference, which was active till 1971 did not meet from 1972, when emergency was declared in June 1975, the national apex body (NAB) was set up in place of the tripartite Indian labour conference in consonance with the government's 20-point programme the national apex body consisted of 23 members (12 representing workers and 11 representing employers) it met six times during 1976 for reviewing industrial relations and labour matters, with the government acting as an arbitrator. Classes' bodies did not have a long tenure and during the janta movement they were abolished and Indian labour conference revived ..... Sgain in May 1977 during emergency (1975-77) there was considerable frightening of discipline in the industrial as well as gambrel environment but after emergency with the change of political partnership there followed a period of reconciliation and active trade union activity the janta government set up a number of committees to review industrial relations practices for instance, there was a tripartite committee on workers participation and a draft industrial relations bill (1978) the latter bill was to streamline some of

the persistent industrial relation problems.

At present at the the plant level industrial relation has become highly regulated there are several labour laws which have to be complied with and therefore to some extent Indian industrial relation is dominated by legalists many of these laws reflect the government's socialistic orientation on the other hand the government also made efforts in addition to management and union attempts in several uses to promote a bipartite collective bargaining situation in fact there are many instances of companies having a harmonious and strong bipartite relationship in the state industry.

## **Collective bargaining**

### **Concept**

Collective bargaining is the process of negotiation between the management and the representatives of the workers regarding the terms and conditions of services especially. of compensation. Workers can be represented by trade union leaders while the management are represented by the representatives of the organisations it mainly seeks to protect the interests of the workers. Dale Yoder defines. Collective bargaining is essentially a process in which employees act employment. It is a negotiation

between the parties' concerned-say managements and workers-who come to a compromise without decisive interference of any outside agency shister therefore. Observes The essence of collective bargaining is a bargain between interested parties and not a decree from outside parties interested parties in collective bargaining are trade unions which represent the interests of workers and representative of management which identify themselves with managements collective bargaining between trade union and managements results in collective agreements to safeguard the interest of workers which should not harm the legitimate of the management too Reynolds observation is relevant to quote him trade unions try to advance the interests of their members mainly by negotiating agreements usually termed union contracts of collective agreements with employers. The process by which these agreements are negotiated administered and enforced are included in the term collective bargaining collective bargaining according to Reynolds is not only negotiating the terms and conditions out also administering and enforcing the terms of agreements. It is the moral responsibility of both the parties concerned to stick to the terms of the compromise arrived at from

time to time and to foster the spirit of the negotiations then collective bargaining would result in mutual benefits of both managements and workers. In its simplest definition the process of collective bargaining is a method by which management and labour explore each other's problems and view points and develop a frame work of employment relations within which both may carry on their daily association in a spirit of co-operative goodwill and for their mutual benefit it enables both the parties to establish a rapport between each other and to participate in the industrial administration in a democratic way since it works out an agreed set of rules to govern the substantive and procedural terms of employment relationship.

### ***Nature***

It is now evident that collective bargaining is a negotiation between management and their workers regarding the various aspects of service and mutual relations. It has become a part of personnel practices in Indian which is a means of industrial democracy the participants in bargaining usually negotiate on behalf of their respective institutions. Hence it safeguards the interests of both the parties. Bargaining is the process of meeting. Presenting demands

discussing presenting counter-offers, haggling cajoling threatening and a host of other activities which go into the negotiation of an agreement collective bargaining is a process which imposes certain restrictions upon the employer unilateral action is prevented. Management must bargain with the union on matters of misunderstanding. Negotiations and disputes, equal treatment should be given to all workers leaving no room for any partiality the conditions of employment can be changed only at fixed intervals and with the consent of the labour organisation the employer is no longer free to make and enforce employment decisions at his own sweet will the success of collective bargaining depends on mutual regard and respect and this is not a temporary or once-for-all phenomenon. Collective bargaining is a continuous process. Even after an agreement is reached a number of aspects remain incomplete, for new situations always crop up these situations require negotiations, interpretations and get-together. Local industry wise and nationwide labour relations and developments affect the agreement once reached since negotiations for new situations always crop up. These situations require negotiations interpretations and get-together. Local industries and nationwide labour relations and developments

affect the agreement once reached since negotiations for a new agreement are way collective bargaining maintains a continuity as a process thus collective bargaining sets the ground for a continuous process of mutual relations. This is the reason why a continuous process of mutual relations this is the reason why Gardiner observes, the heart of the collective bargaining is the process for continuous joint consideration and adjustment of plant problems

Form the very nature of the process of collective bargaining one can identify its features firstly it is a collective action which rests on the foundations of mutual respects tolerance and maintenance of contracts secondly it is a continuous process it never ends with the negotiations, which is its beginning thirdly it is not a one-sided process since it involves both the parties the interests of both the parties are taken into account and the skill for negotiation of both of them accounts for the settlement fourthly. It enables the industrial democracy to be affective both managements and workers contribute towards the contract which helps healthy personnel practices fifthly it is not static it is dynamic and takes into account the day –to –day changes in policies potentialities capacities and interests sixthly. It is

accommodative since it accepts the views and interests of all parties concerned lastly. It is flexile since it provides scope for improvement from time to time.

There is a misconception that collective bargaining and airact actions like strikes lockouts and gheraos are synonymous or identical terms it should be made clear that they are neither identie cal nor necessarily related terms of course all the four can be related actions a strike lockout of a gheraos may lend to a collective to any one or all the three but occurrence of strike or lockout does not always imply the failure of collective bargaining they can be repeated but not synonymous or identical terms. However in an effective collective bargaining may avert untoward situations of airact actions in the industry. It is in this context that the scope of collective bargaining attains wider dimensions.

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### **Scope:**

Nobody would dare to claim that collective bargaining is a panacea for all the ills of labour-management relations. There is no formula that will tell exactly what a worker's wage should be job evaluation will provide certain data that help in establishing the internal relationship of one job to the other but subjective judgement must enter into the determination of the precise amount in this and in many other matters we cannot be certain that the employer will arrive at the correct answer so we are not certain that the decision made through collective bargaining will be always right but in matters involving equity and right treatment the voicing of all interests will probably lead to a better decision the collective bargaining process is not so easy and is often exasperating it is however the best answer available to a problem that defies quantitative measurement and exact answers

it ensures a give and take policy leading to better industrial

democracy and trade union management co-operation as aimed at in the first five year plan for the successful implementation of the plans co-operation from trade unions and employers is absolutely essential and their close cooperation should be secured at difficult stage of the execution of the plan collective bargaining goes a long way in achieving these objectives hence five year plans have realised the need for a powerful trade union as collective bargaining agent for an industrial area recognising the need for effective collective bargaining too. for the success of collective bargaining it is essential that there should be signal bargaining agent over as large an area of industry as possible the importance and scope of collective bargaining is very evident here.

### **Collective bargaining in the Indian context:**

The system of collective bargaining was introduced in the industrial relations machinery in India after world war it in 1950. When Indian industry faced certain problem of modernisation since then the system has spread to most prominent sectors of our economy. The new industry group engineering chemicals etc. With a higher degree of profession-station in management have developed



collective bargaining practices to build stable relations with labour still, collective bargaining as an institution is yet to mature and become stabilised in India the blame for the slow progress of the system lies with the two parties and with the government employers/management have not shown any enthusiasm or initiative in developing stable relations with labour. They have been reluctant to settle issues with the labour through the process of collective bargaining it has been customary to blame trade unions for their multiplicity and fragmented character. Which have been the main obstacles' in evolving arrangements for their recognition by employers The absence of any arrangement for trade union recognition by employers as a causal factor for industrial conflict has been clammy expressed by the national commission on labour which observes except for the industrial relations legislation in some states where arrangements for recognition of unions exist like the BIR Act in Maharashtra there is

no provision for statutory recognition of trade unions for the country as a whole. Whether are there any provisions which require employers and workers to bargain in good faith it is therefore no surprise that collective agreement have not made much headway in the country so far in the absence of a statutory provision for the recognition of trade unions the code of discipline adopted by Indian industry in 1958 has facilitated the practice of collective bargaining in the country for the code places & moral obligation on employers to grant recognition to trade unions as bargaining agents under certain qualifying conditions.

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