

A CASE STUDY ON DEVELOPMENT OF INDIAN INDUSTRIAL RELATION IN THE ERA OF LIBERALIZATION

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Abstract

This paper examines the industrial relation in India in the Era of liberalization. The main focus of this study is trends in Intensity of industrial disputes, its causes and the growth of trade unions in India. An effect of indicates that there is satisfactory industrial relation in India, due to the growth of trade union and continuous decline in industrial strikes and lockout during the entire study period. Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is not possible without collaboration of labors and harmonious relationships. Industries participate a very significant role for the economic development of the nation. The present paper focuses on Growth of Industrial Relations in India where, it is based on Secondary data where, post-reform period (1995-2013) has been undertaken. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations cover all aspects of the employment relationship, including human resource management, employee relations, and union-management relations.

Keywords: *Industries, economic development, employee, Liberalization, Trend, Intensity, Disputes. India, Industrial Relation, Era, Development.*

1. Introduction

Growth of Industrial Relations plays an important role. If relations between employers and employees are good in Industry then growth can be achieved. The paper tries to examine

critically the Growth of trade unions in India, growth of industrial sector in India, number of disputes taken place, cause for disputes and disputes by duration, number of permanent closures and workers affected in India. Where, the number of trade union membership is declining where Stable and strong trade union is essential for good industrial relations in India. Number of disputes are showing oscillating trend. Industrial growth is achieved only in few states in India, and Number of Industrial Disputes and workers involved is on the rise which needs immediate attention. Hence, Government should play an important role by formulating various policies for the betterment of employees and employers. If Growth is to be achieved in the country then Industrial Relations has to play an important role which needs immediate attention. Now its meaning has become more specific and restricted. Accordingly, industrial relations pertains to the study and practice of collective bargaining, trade unionism, and labor-management relations, while human resource management is a separate, largely distinct field that deals with non-union employment relationships and the personnel practices and policies of employers.

2. Review of Literature

In previous years, there has been a tendency to understand and interpret the problems of industrial relations in different environments and as a consequence various regional/area studies have emerged. A lot of studies have been done on the different aspects of Industrial relation at national and international level. A few studies have been taken for review:

Badigannavar (2012) analyzed the industrial relations in the private and the public sectors in India. The author makes a comparative study of the industrial relations in the two sectors on the basis of the criteria of industrial conflict, performance of the tripartite forums, implementation of the Code of Discipline, and several antecedent variables that have an important bearing on industrial relations. This study found that industrial relations in both the sectors have progressively deteriorated and that the public sector registered a better performance on the criterion of industrial conflict

Cregan (2013) examined the industrial relation in Jammu and Kashmir. The study found that the wages and allowance was the major causes behind the industrial disputes in the state. This study concludes that, both the direct and third party dispute settlement measures have, by and large, not been successful in the state.

Brown, (2015), trade liberalization aims to promote an economy's exports to the world, creating employment opportunities to growth. Contrary to this argument, it has been seen in the developing country trade liberalization has exposed all the industrial units to the inherent risk of free market competition.

Helfen (2013) in his discoveries, the investigation looks to depict the contemporary modern relations situation with reference to Karnataka where, it uncovers that however the ecological changes are quick paced, the association and work in the conventional ventures are ease back in reacting to the progressions. There is likewise impressive change in the states of mind of the administration and worker's parties with the expanding level of the learning specialists in the work compel an adjustment in mentality of both administration and guilds and the development of inside initiative of unions, mechanical relations are probably going to additionally change empowering the modern and business association to wind up noticeably universally focused.

International Labor Organization (2012) in his discoveries, the issues on work adaptability is examined where; it concentrated on the contentions for and against work adaptability and the requests postured by managers and exchange unions in India. The hypothetical perspectives identifying with business security is examined. An audit of exact investigations on work advertises adaptability in India and abroad is considered. The suggestions of the Second National Labor Commission on different nations are additionally talked about. However, there have been many investigations done on modern question still there is a need to embrace the present examination on Growth of Industrial Relations in India.

No such comprehensive study has been undertaken so far in the National level during the era of Liberalization. The present study attempts to fill this gap and make a modest contribution in this direction. In the pre liberalization era labor was protected in labor market and capital in capital market. In post liberalization era both labor and capital feels less protected. Indian employers feel that after globalization instead of realizing the opportunities in the global markets, they are not able to compete even in domestic market. The present study attempts to examine the industrial relation in the era of liberalization in India.

3. Status of Industrial Relations in India

The number of industrial disputes in India where, there is a Oscillating trend in the number of disputes in India where the number of industrial disputes and workers involved during the year 2009 and 2001-2007 has affected more which shows that Industrial relations in India are not good which shows that there is no cooperation between employees and employers which needs improvement. Allowances employees have been affected more in the year 2011 as compared to 2012 which shows that Industrial Relations in India are improving. In case, of Gherao and inter/intra union rivalry there is no major cause for disputes in the year 2012 and 2013.

Table1: Number of Industrial disputes (Strike & lockouts) in India

Year	Strikes		Lockouts		Total	
	Number	Man-days Lost (in millions)	Number	Man-days Lost (in millions)	Number	Man-days Lost (in millions)
1995	732	5.7	334	10.6	1066	16.3
1996	763	7.8	403	12.5	1166	20.3
1997	793	6.3	512	10.7	1305	17
1998	665	9.4	432	12.7	1097	22.1
1999	540	10.6	387	16.2	927	26.8
2000	426	12	345	18.2	771	30.2
2001	372	5.56	302	16.92	674	22.48
2002	295	9.66	284	27.04	579	36.7
2003	255	3.21	297	19.04	552	22.25
2004	236	4.83	241	18.86	477	23.69
2005	227	10.81	229	15.01	456	25.82
2006	243	5.32	187	12.11	430	17.43
2007	210	15.06	179	10.46	389	25.52
2008	240	7.02	181	0.84	421	7.86
2009	205	2.05	187	N.A.	392	13.36
2010	261	N.A.	165	N.A.	426	17.93
2011	106	N.A.	29	N.A.	135	6.67
2012	173	N.A.	21	N.A.	194	2.03
2013	N.A.	N.A.	N.A.	N.A.	181	3.29

The table shows, the Percentage Distribution of Disputes by Duration for the year 2012-13 where, the distribution of disputes by duration is very high in the year 2012 as compared to 2011 which was for 1 day or less. In case, of 2011 the duration taken for disputes was for more than 30 days as compared to 2012. We can also observe from the figure that the duration taken for the dispute was very high in 2012 as of 2011 which show that more improvement is needed. Employee, Employer co-operation is also very much essential.

Table 2 Percentage Distribution of Disputes by Reason

Reason/ Year	2010	2011	2012	2013
Wages & Allowance	21.3	20.4	26.2	21.8
Personnel	14.1	11.2	13.2	9.6
Retrenchment	2.2	2.4	0.2	0.4
Lay off	0.4	0.6		0.2
Indiscipline,	29.9	36.9	40.4	41.6
Violence	0.9	1	0.9	0.4
Leave and working Hrs	0.5	1	0.4	
Bonus	6.7	6.7	3.5	3.6
Charter of Demands	10.5	8.8	5.7	7.1
Work load	0.5	0.4	0.7	1.1
Safety measures	1.8	1	2.4	0.2

Indiscipline and violence: From the given table, it is evident that the number of disputes caused by indiscipline has shown an increasing trend. In 2010, 29.9% of disputes were caused because of indiscipline, which rose up to 36.9% in 2011. Similarly in 2012 and 2013, 40.4% and 41.6% of disputes were caused due to indiscipline respectively. During the year 2011, indiscipline accounted for the highest percentage (36.9%) of the total time-loss of all disputes, followed by cause-groups wage and allowance and personnel with 20.4% and 11.2% respectively. A similar trend was observed in 2012 where indiscipline accounted for 40.4% of disputes.

Bonus has always been an important factor in industrial disputes. 6.7% of the disputes were because of bonus in 2010 and 2011 as compared to 3.5% and 3.6% in 2012 and 2013 respectively.

Leave and working hour have not been so important causes of industrial disputes. During 2010, 0.5% of the disputes were because of leave and hours of work while this percentage increased to 1% in 2011. During 2012, only 0.4% of the disputes were because of leaves and working hours.

Wages and allowances: Since the cost of living index is increasing, workers generally bargain for higher wages to meet the rising cost of living index and to increase their standards of living. In 2010, 21.4% of disputes were caused by demand of higher wages and allowances. This percentage was 20.4% during 2011 and during 2012 increased up to 26.2%. In 2013, wages and allowances accounted for 21.8% of disputes.

Personnel and retrenchment: The personnel and retrenchment have also been an important factor which accounted for disputes. During the year 2010, disputes caused by personnel were 14.1% while those caused by retrenchment and layoffs were 2.2% and 0.4% respectively. In 2011, a similar trend could be seen, wherein 11.2% of the disputes were caused by personnel, while 2.4% and 0.6% of disputes were caused by retrenchment and layoffs. In year 2013, only 9.6% of the disputes were caused by personnel, and only 0.4% was caused by retrenchment.

4. Analysis of Industrial Relation in India

During the last 20 years, on an average, about ten industrial disputes involving more than 1252225 workers and resulting in loss of more than 13,365 man days per year were reported in India (Table 1). In 1992, 1,714 total strikes and lockout were recorded. As a result, 31259 workdays were lost. More than 1252225 workers were involved in these labor disputes. The number and seriousness of strikes and lockouts have varied from year to year. As can be seen from the below chart, there has been a steep decline in the number of disputes in India. There were 91 labor disputes in 2011, resulting in the loss of 621 man-days, while the number of workers involved stood at 48156. Year 1992, recorded highest industrial dispute year and also recorded as highest man days lost year. Above table reveal that highest worker involved in disputes during the year 2005, i.e. 2913601 lakhs worker involved in 456 disputes, resulting more than 600 man-days lost. Year 2011 recorded as less strikes and lockouts, less man days lost, less worker involved in industrial disputes in India. This continuous decline in strikes and lockouts indicates that the industrial relations in India are improving.

Table 3 Trends in Intensity of Industrial Disputes, 1992-2011

Year	Disputes (D)	Workers Involved (W)	Mandays Lost (000) (L)	Index Of No. Of Disputes Base 1993=100	Index Of No. Worker Involved Base 1993=100	Index Of Mandays Lost Base 1993=100
1992	1714	1252225	31259	123.04	131.28	153.98
1993	1393	953867	20301	100.00	100.00	100.00
1994	1201	846429	20983	86.22	88.74	103.36
1995	1066	989695	16290	76.53	103.76	80.24
1996	1166	939304	20285	83.70	98.47	99.92
1997	1305	981267	16971	93.68	102.87	83.60
1998	1097	1288923	22062	78.75	135.13	108.67
1999	927	1310695	26787	66.55	137.41	131.95
2000	771	1418299	28763	55.35	148.69	141.68
2001	674	687778	23767	48.38	72.10	117.07
2002	579	1079434	26586	41.56	113.16	130.96
2003	552	1815945	30256	39.63	190.38	149.04
2004	477	2072221	23866	34.24	217.24	117.56
2005	456	2913601	29665	32.74	305.45	146.13
2006	430	1810348	20324	30.87	189.79	100.11
2007	389	724574	27167	27.93	75.96	133.82
2008	421	1579298	17434	30.22	165.57	85.88
2009	392	1625505	13365	28.14	170.41	65.83
2010	425	1059664	17912	30.51	111.09	88.23
2011	91	48156	621	6.53	5.05	3.06
Period Average 1992-2011	776.3	1269861	21733.2	55.72	133.12	107.05

5. Problems and Policy Perspectives

The following are the measures and policy perspectives for the improvement of industrial relations in India. Stable and strong trade union is essential for good industrial relations in India. Both management and labor should help in the development of atmosphere of mutual co-operation, confidence and respect. Both management and unions should have faith in collective bargaining and other peaceful methods of settling industrial disputes. Collective Bargaining is the corner stone of industrial relations. The participation of workers in the management of the industrial unit should be encouraged by making effective use of works committees, joint

consultations and other methods where, it will improve communication between managers and workers, increase productivity and lead to greater effectiveness. Sound personnel policies should be formulated in consultation with the workers and their representatives if they are to be implemented effectively. The implementation of the Policies should be uniform throughout the organization to ensure fair treatment to each worker. The Government should play an important role by bringing a suitable change in Legislations for promoting industrial peace.

6. Conclusions

Growth of Industrial Relations in India is declining where; industrial disputes have shown a oscillating trend which shows that industrial relations are not improving as there is no co-operation between employers and employees due to difference in wages of the regular employees and contract labors is a major issue of concern and is one of the major causes for disputes. Trade Unions are on the decline which also needs immediate attention as they also play an important role for the Growth and betterment of Industrial Relations. The year 1995 was the most disturbed year, registering maximum number of strikes and lockouts, with maximum number of man days lost. The year 2011 faced the minimum number of strikes and lockouts with the least number of man days lost and minimum workers involved. Reason wise distribution of industrial disputes during the year 2010 to 2013 has been shown that demand for higher wages has been the dominant cause for the industrial disputes. The growth of trade union during the 1995- 2013 has been extraordinary; the number of registered union improved in entire study period. The continuous decline in strikes and lockouts and extraordinary growth of trade union indicates that the industrial relations in India are improving.

Acknowledgments

I am extremely thankful for my research guide Dr. Sridhara Murthy (President), National School of Business, Bangalore (India) for helping me complete my research and statistical calculations. I am extremely thankful for my friends for giving me a friendly environment to complete my research work.

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