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Concept of Industrial Relation

Industrial Relation is one of the important problems for the success of a firm. The term industrial relations refer to the whole field of relationship that exists because of necessary collaboration of men and women in the employment process of modern industry.

Industrial relations is nothing but an “**Employment Relationship**” In an industrial setting. It includes all the laws, rules, regulation, agreements awards of court, customs, traditions, as well as policy framework laid by the government. Thus, IR involves a study of the conditions of work, mainly the level of wages, Security of employment, Social conflict, Cultural interactions legal aspects of disputes under laws etc.

The term “**Industrial Relations (IR)**” also known as a “labour Management Relations” or “labour relations”. The term ‘Industrial Relations’ comprises of two terms:

1. **Industry:** It refers to “Any productive activity in which an individual or a group of individuals is are engaged”.
2. **Relations:** It means “The relationships that exist within the industry between the employer and his workmen”.

Definition of Industrial Relations

According to **International Labour Organization (ILO)**, ” Industrial Relations deal with either the relationship between the state and employers and workers organizations or the relation between the occupational organizations themselves”.

According to Dale Yoder__” Industrial Relation is a relationship between management and employees or among employees and their organization that characterizes and grows out of employment”.

According to Armstrong __” 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”

Thus, Industrial relations refer the relationship that exists between the employer and employees in the day-to-day working of an organization.

Characteristics of Industrial Relations

1. Dynamic and Developing Concept: The concept of “Industrial Relations” is a dynamic and developing concept. It is described as a relationship between employers and management of the enterprise and the employees or among employees and their organizations or Employers, Employees and their trade unions and the government.

2. It is a set of functional: Industrial relations do not constitute a simple relationship, but they are set functional, inter-dependent complexities involving various factors or various variables such as economic, political, social, psychological, legal factors or variables.

3. Employee-employers relationship: Without the existence of the minimum two parties, industrial relationship cannot exist such as:

- Workers and their organizations.
- Employers or management of the enterprise.
- Government are the three participants or parties in the industrial relations.

4. It is a product: Industrial relations are the product of economic, social and political system arising out of the employment in the industrial field.

5. Development of healthy labour management: The important purpose of industrial relations is development of healthy labour-management or employee-employer relations, maintenance industrial peace, avoidance of industrial strife, development and growth of industrial democracy etc.

Participants in Industrial Relations

There are three participants in industrial relations. They are:



□ **Employer and their Associations:** Employer plays an important role in industrial relations. He hires the employees, pay them wages, provides allowances, he regulates the working relations through various rules, regulations and laws and at same time expects the workers to follow them. The bargaining power of the employers is weakened in comparison to that of trade unions, though they have high bargaining power when compared to that of employees. So, they form into associations to equate their bargaining power with trade union, and these associations protect the employer by putting pressure on government and trade unions.

□ **Workers and their Associations:** Workers plays a crucial role in industrial relation. Worker as a whole includes his working age, Educational background, Social and family background, Psychological traits, Talents, Skills, Culture, Attitude towards others work. Workers form into their associations called “**Trade Unions**” to get their problems solved. The trade unions work for workers economic interest through collective bargaining by bringing the pressure on the management through economic and political strategies.

□ **Government:** Government plays a balancing role in industrial relations. Government has its influence on industrial relations through industrial relations policy, Labour policy, Labour law implementation, Acting as a mediator in the process of conciliation and adjudication. Government regulates the behaviour of both the employer association and workers organizations.

Objectives of Industrial Relation

1. **Enhance status.**
2. **Regulate Production.**
3. **Occupational instability.**
4. **Poor Organizational Climate.**
5. **Good Relations among employees.**
6. **Increase productivity.**
7. **Enhance Social responsibility.**
8. **Improvement of economic conditions of workers.**
9. **To extend and maintain industrial democracy.**
10. **To avoid industrial conflict.**
11. **Uninterrupted production.**

Importance of Industrial Relations

- **Reduction in Industrial Disputes:** Good industrial relations reduce the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, Lockouts, Go-slow tactics, and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps to promote co-operation and increasing production.
- **Uninterrupted production:** The most important benefit of industrial relations is that this ensures continuity of production. This means, continuous employment for all from manager to workers. The resources are fully utilized, resulting in the maximum possible production. There is an uninterrupted flow of income for all. Smooth running of an industry is of vital importance for several other industries; to other industries if the products are intermediaries or inputs; to exporters if these are export goods; to consumers and workers, if these are goods of mass consumption.
- **Promote Industrial Democracy:** Industrial democracy means the government mandated worker participation at various levels of the organisation with regard to decisions that affect workers. It is mainly the joint consultations, That pave the way for industrial democracy and cement relationship between workers and management.