Evolution of industrial Relations in INDIA

IR is dynamic in nature. The nature of IR can be seen as an outcome of complex set of transactions among the major players such as the employers, the employees, the trade union, and the state in a given socio-economic context. In a sense, change in the nature of IR has become sine quo non with change in the socio-economic context of a country.

Keeping this fact in view, IR in India is presented under the following two sections:

1. IR during Pre-Independence
2. IR during Post-Independence

1. IR During Pre-Independence

The structure of the colonial economy, the labour policies of colonial government, the ideological composition of the political leadership, the dynamics of political struggle for independence, all these shaped the colonial model of industrial relations in pre-independent India”. Then even union movement was an important part of the independence movement.

However, the colonial dynamics of the union movement along with the aggressiveness of alien capital, the ambivalence of the native capital and the experience of the outside political leadership frustrated the process of building up of industrial relations institutions.

Other factors like the ideology of Gandhian class harmony, late entry of leftists and the bourgeois character of congress also weakened the class approach to the Indian society and industrial conflict”.

Till the Second World War, the attitude of the colonial government toward industrial relations was a passive regulator only because, it could provide, that too only after due pressure, the sum of protective and regulative legal framework for industrial relations Trade Union Act 1926 (TL A) Trade Disputes Act 1929 (TDA). It was the economic emergence of the Second World War that altered the colonial government’s attitude on industrial relations.
The state intervention began in the form of introduction of several war time measures, viz. the Defence of India Rules (Rule 81-A), National Service (Technical Personnel) Ordinance, and the Essential Service (Maintenance) Ordinance. As such in a marked contrast to its earlier stance, the colonial government imposed extensive and pervasive controls on industrial relations by the closing years of its era. Statutory regulation of industrial relations was on plank of its labour policy. The joint consultative institutions were established primarily to arrive at uniform and agreeable labour policy.

The salient features of the colonial model of IR can be summarized as close association between political and trade union movement, dominance of ‘outsiders’ in the union movement, state intervention and federal and tripartite consultations.

The eve of Independence witnessed several instances that served as threshold plank for IR during post-Independence era. The prominent instances to mention are passing of Indian Trade Unions (Amendment) Act, 1947, Industrial Employment (Standing Orders) Act 1946, Bombay Industrial Relations Act, 1946, and Industrial Disputes Act, 1947 and split in AITUC and formation of INTUC.

2. **IR During Post-Independence:**

Though Independent India got an opportunity to restructure the industrial relations system the colonial model of IR remained in practice for sometimes due to various reasons like the social, political and economic implications of partition, social tension, continuing industrial unrest, communist insurgency, conflict, and competition in the trade union movement. In the process of consultation and confrontation, gradually the structure of the industrial relations system (IRS) evolved.

State intervention in the IRS was a part of the interventionist approach to the management of industrial economy.

Several considerations like unequal distribution of power in the labour market, neutrality of the state, incompatibility of free collective bargaining institution with economic planning etc. provided moral justification for retaining state intervention in the IRS. State intervention in the IRS is logical also when the state holds large stakes in the industrial sector of the economy.

However state intervention does not mean suppression of trade unions and collective bargaining institution. In fact, state intervention and collective bargaining were considered as complementary to each other.

Gradually, various tripartite and bipartite institutions were introduced to supplement the state intervention in the IRS.

The tripartite process was considered as an important instrument of involving participation of pressure groups in the state managed system. Non formal ways were evolved to do what the formal system did not legislate, for one reason or other.
The political and economic forces in the mid-1960s aggravated industrial conflict and rendered non-formal system ineffective. In the process of reviewing the system, National Commission on Labour (NCL) was appointed in 1966.

Now the focus of restructuring shifted from political to intellectual. However, yet another opportunity was lost when there was an impasse on the NCL recommendations in 1972. The Janta Government in 1978 made, of course, a half-hearted attempt to reform industrial relations. Unfortunately, the attempt met with strong opposition from all unions. The BMS, for example, termed it as “a piece of anti-labour, authoritarian and dangerous legislation”.

Several committees were appointed to suggest measures for reforming the IRS. In the process, tripartism was revived in 1980s. Government passed the Trade Unions and the Industrial Disputes (Amendment) Bill, 1988.

But, it also proved yet another legislative disaster. The bill was severely criticised by the left parties. It was even viewed by some as a deliberate attempt to destroy “autonomous; organised or militant trade union movement”.

**APPROACHES TO INDUSTRIAL RELATIONS**

The terms "industrial relations" is used to denote a specialist area of organizational management and study which is concerned with a particular set of phenomena associated with regulating the human activity of employment. It is, however, difficult to define the boundaries of this set of phenomena-and, therefore, the term itself-in a precise and universally accepted way. Any more specific definition must, of necessity, assume and emphasise a particular view of the nature and purpose of industrial relations.

Consequently, there are as many definitions as there are writers on industrial relations. For example, the two most frequently used terms of industrial Climate for Industrial Relations, and 'employee relations' are, in most practical senses, interchangeable; yet they have very different connotations. The former, more traditional, term reflects the original historical base of unionized manual workers within the manufacturing sector of the economy whilst the latter has come into greater use with the development of less unionised white collar employment and the service and commercial sectors of the economy. (The term 'industrial relations' is used because it is the more commonly known and used term'). The terms may be used in a very restrictive sense to include only the formal collective relationship between management and employees (through the medium of trade unions) or in an all-inclusive sense to encompass all relationships associated with employment (those between individuals at the informal level as well as those of a formal collective or organisational nature).

However, it is doubtful whether the two approaches can, or should, be separated so easily-informal, interpersonal or group relationships are influenced by the formal collective relationships which exist within the industrial relations system, and it may be argued that the formal collective relationships are themselves, in part, determined by the nature of individual relationship. Clearly, the borderline between formal and informal or
individual and collective relationships within organisations cannot provide a natural boundary for the subject matter of industrial relations.

In short, the various approaches are highlighted below:

(A) **Unitary Perspective**: The unitary perspective is based on the assumptions that the organisation is-or if it is not, then it should be-an integrated group of people with a single authority/loyalty structure and a set of common values, interests and objectives shared by all members of the organisation. Management's prerogative (i.e., its right to manage, make decisions) is regarded as legitimate, rational and accepted and any opposition to it (whether formal or informal, internal or external) is seen as irrational. The organisation is not, therefore, regarded as a 'them and us' situation-as Farnham and Pimlott put it. There is "no conflict between the interests of those supplying capital to the enterprise and their managerial representatives, and those contributing their labour....the owners of capital and labour are but complementary partners to the common aims of production, profit and pay in which everyone in the organisation has a stake" The underlying assumption of this view, therefore, is that organisational system is in basic harmony, and conflict is unnecessary and exceptional.

This has two important implications:
- Conflict (i.e., the expression of employee dissatisfaction and differences with management) is perceived as an irrational activity.
- Trade Unions are regarded as intrusions into the organisation from outside which compete with management for the loyalty of employees. The unitary perspective is found predominantly amongst managers particularly line-management and, therefore, is often regarded as a management ideology.

Fox has argued that management clings to this view because:
- It legitimises its authority-role by projecting the interests of management and employees as being the same and by emphasising management's role of 'government in the best interests of the organisations, as a whole;
- It reassures managers by confirming that conflict (dissatisfaction), where it exists, is largely the fault of the government rather than management;
- It may be projected to the outside world as a means of persuading them that management's decisions and actions are right and the bets in the circumstances and that any challenge to them is, at best, misguided or, at worst, subversive.

(B) **Pluralistic Perspective**: Fox believes that this view of the organisation "probably represents the received orthodoxy in many Western societies" and is often associated with a view of society as being 'post-capitalist,' i.e., that there is a relatively widespread distribution of authority and power within the society, a separation of ownership from management, a separation of political and industrial conflict, and an acceptance and institutionalisation of conflict in both spheres.
This perspective is based on the assumption that the organisation is composed of individuals who coalesce into a variety of distinct sectional groups, each with its own interest, objectives and leadership (either formal or informal). The organisation is perceived as being multi-structured and leadership (either formal or informal). The organisation is perceived as being multi-structured and competitive in terms of groupings, leadership, authority and loyalty and this, fox argues, gives rise to complex of tensions and competing claims which have to be 'managed' in the interests of maintaining a viable collaborative structure' the underlying assumption of this approach, therefore, is that the organisation is in a permanent state of dynamic tension resulting from the inherent conflict of interest between the various sectional groups and requires to be managed through a variety of roles, institutions and processes. The implications of this view for the nature of conflict and the role of the trade unions are very different to those of the unitary approach.

(C) Radical Marxist Perspective: The radical perspective, which is also often referred to as the Marxist perspective, concentrates, on the nature of the society surrounding the organisation. It assumes and emphasises that the organisation exists within a capitalist society where, Hyman argues, "the assumes and production system is privately owned.......; profit.....is the key influence on company policy........; and control over production is enforced downwards by the owners' managerial agents."

The Marxist general theory of society argues that:

I. Class (group) conflict is the source of societal change-without such conflict, society would stagnate;

II. Class conflict arises primarily from the disparity in the distribution of, and access to, economic power within the society-the principal disparity being between those who own capital and those who supply their labour;

III. The nature of the society's social and political institutions is derived from this economic disparity and reinforces the position of the dominant establishment group, for example, through differential access to education, the media, employment in government and other establishment bodies, etc. ;

IV. Social and political conflict in whatever form is merely an expression of the underlying economic conflict within the society.