Empirical study of Industrial Relation in 21st Century

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Abstract:

Now day’s international MNC’s are making high capital intensive investments in India and setting up their businesses in different locations. After globalization Indian Government has opened their doors for FDI’s in different business areas. Off course India government is also interested in foreign investment to boost Indian economy which result into reduce level of unemployment and to improve annual growth of labour productivity. In this MNC’s and Indian industries era keeping harmonious industrial relations is crucial task for all entrepreneurs.

The reasons of industrial disputes in 21st century and 20th century may be not big difference, but the level of understanding and thinking of people is very big difference due to some reason which we will find it out in this paper. Full filling different demands of Employees is being very challenging for entrepreneurs. In this situation role of Human Resource Specialist is very important to handle to keep balance between employees demand and management practices to fight and sustain in global market for the betterment of the organization, society and themselves.

This paper will help to differentiate industrial relation scenario of 21st and 20th century. The comparative study which will show us what were the areas which caused to distract industrial relation in 20th century may not be consider in 21st century due to change in people prospective to look towards the way to management practices. Along with “why” it caused to happened we may not be get it in global industrial relation scenario.

In detail description of why it caused to we will be find out in this paper. The drastically change has been Corporates.


Introduction:

We all know that all worlds are looking towards India for investment in different areas like manufacturing, trading, services etc. India has one of the world’s largest automobile manufacturing sectors. After globalization Indian government also open for FDI. In India big Corporates are coming from outside countries with their good vision and investing huge money. India. They know the capacity, capability
and scope of Indian Market. Also they know the growth of Indian economy and scope in development of Infrastructure, education, skill, energy etc. India has potential work force in upcoming years. The Census projection report shows that the proportion of population in the working age group (15-59 years) is likely to increase from approximately 58% in 2001 to more than 64% by 2021 (Graph A).

**Percentage of Population in Age Group of 15-59 Years**

![Percentage of Population in Age Group of 15-59 Years](image)

**Source:** AS per the Government of India Ministry of Labour and Employment, Annual Report to the People on Employment published in July -2010

Out of the total number of population, there will be approximately 63.5 million new entrant’s workforce to the working age group of 15-59 years between 2011 and 2016. Further, it is important to note that the bulk of this increase in the population is likely to take place in relatively younger age group of 20-35 years. Such a trend would make India as one of the youngest nations in the world. In 2020, the average Indian will be only 29 years old, compared to 37 in China and the US, 45 in West Europe and 48 in Japan. This trend is seen significant on the grounds that what matters is not the size of the population, but its age structure.

Because of all these things many MNC’s coming from outside countries and setting their business in these different manufacturing, infrastructure and different service areas. Result of these local and new entrepreneurs also getting more and more business and they also increasing their business and services not only within the countries but in all over the Globe. We know that TATA take over the plant of Jaguar and Land Rover setup their plant in UK, Mahindra & Mahindra Limited completes acquisition of a majority stake in SsangYong Motor Company (Seoul - Korea), Suzlon Energy organization also located at Mainland China, Germany and Belgium like this we know many examples of our Indian entrepreneurs.

In this developing country in all the areas requirement of skilled Human Assets is very essential for the corporates. Availability of skilled energetic workforce is also big problem for them. Organization are recruiting workforce from different locations, different religions, different skills and different educations. Handling this mix manpower is very tough for the HR specialist. Updating their knowledge, skill and attitude is very essential for produce good quality product.

Where ever workforce comes manufacturing either services we have to keep healthy Industrial Relations between the management and employee, if not than employee join or form the Trade Unions. We everyone knows that all our different political parties formed their trade unions like Congress – INTUC, BJP – BMS, and others like AITUC and CITU and now lot many local leaders formed their different trade unions. Since last 25 years I am working in different Indian and MNC’s manufacturing industries in Human Resource and Industrial Relation department. As per my knowledge when people feel them
unsecure or organization is doing unfair labour practices most of the time than only employees thinking for trade union. Many times employee feels that if we formed or joined any trade union than we can do anything or any nuisance for the organization. Sometimes outsiders like politicians or local leaders also instigate to employees for joining their trade unions for their self-interest. Any way this is the right of the workers they can join or formed any unions management shouldn’t worry about it. But sometimes personally I had seen when employees formed or joined any trade union management also feel unsecure. I don’t know why but many of them feel unsecure. How to run the business how handle them, how to get quality and competitive product form them likewise they feel fear against their employee. Many times they panic and can’t handle situation properly due to that they are facing serious industrial disputes.

**Factors of Industrial Relation in 20th Century**

The entrepreneur is facing issues of Industrial Relation in 20th and 21st century may be same but root cause of Industrial Relation is different. If we go back in the 20th century ratio of unemployment is very huge, people can’t get job. People don’t have job security, they don’t have any skill, workforce was illiterate or very lower education, and they don’t have ability to listen something new innovative and good ideas. They were very reluctant for accepting automation or new things. The management also not keen for their development, lack of training and communication from management side. Management was using higher and fire policy because they can get new employee easily. No employee involvement, treating employees like machine. These all factors was resulted to the increased industrial disputes and creating unhealthy industrial relation and due to that entrepreneur was facing serious problems like strikes, lockouts, go-slow etc.

**Factors of Industrial Relation in 21st Century**

In 21st century entrepreneur and employees also sophisticated because in present means in 21st century entrepreneur are facing industrial disputes because of their communication gap. This is the most important factor and because of the communication gaps between employee and employer other factors like misunderstanding, trust etc. also increasing and it cause to create unhealthy industrial relation. The present 21st Century’s era employee is educated, they knows easily what is happening around them, because of the source different communication channels like newspaper, TV, mobile etc. In 21st century employee is very much high level of expectations and thinking, they are futuristic. They want to grow fast. If the management communicate properly they are interested in new innovative things, they are ready to change and develop themselves. People are ready for developing their skill through training education etc. They are very much interested to grow themselves and their children also. If they can’t get proper support from management than they turn in to the different subject and that case disputes may be raised differently. We know that present and past Industrial Disputes like Maruti Suzuki Manesar Plant, Hero Honda Gurgaon, Honda Motors Gurgaon, Allied Nippon Gaziabad UP, Pricol Tamil Nadu and Tata Motors Pune.

The difference of Industrial Relation, workforce and management in 20th century and now i.e. 21st century are extremely changed.

**Industrial Relation Situation of 20th Century:**

1. Unemployment.
2. Job security.
3. Education.
4. Employee Skill.
5. Awareness of surrounding Circumstances.
1. Unemployment:
In 20th Century situation of employment in India is worst people can’t get job easily. Compare to population availability of job also very less. Educations of peoples are so lower level, no skills, no education and because of the education their level of thinking also lower level. If they get any job after that also they fill unsecure and due to that they join or formed trade unions and start industrial disputes. Level of thinking and understanding is very low because of their low level education. They can’t understand small things and doing different issues and increasing disputes and it’s resulted to disturb overall organization Industrial Relation.

2. Job Security:
Enough and easy manpower availability in 20th century, therefore management was taking harsh disciplinary action against employee; therefore employee was unsecure for their job. Because of the job safety they were raising their issues differently. They may be fight aggressively with management and trying different pressure tactics for save their job or withdrawn management actions.

3. Education:
Education is very important for everywhere. In 20th Century percentage of educated population is very low. Because of the lower education employee can’t understand the situation of the organization, if management is doing any changes in process, system, automation etc. employee can’t understand easily. Even though many times employee was benefited due to change in systems or process or automation than also they was thinking negative and refuse for any changes. In this situation management was
taking disciplinary action against employee instead of instead of putting efforts to the explain them how it is beneficial for employee and organization.

4. Employee Skill:
We all know that for produce Quality product we need quality means skill people. But in 20th century lack education people doesn’t have skill and because of lack of skill people didn’t get the job easily. Employed people they don’t have proper skill they fill unsecure, and due to unsecure they joined or formed trade union than Industrial Relation start different issues.

5. Awareness of surrounding Circumstances:
In 20th Century people doesn’t have awareness of circumstances due to that they can’t guess the situation and it result to increased IR issues in the organization. In that day’s people don’t have sufficient information channels like newspapers, TV, cell phones etc. Because of lack of full information or awareness they can’t take decisions and that resulted to increased IR issue in the organization.

6. Management Approach towards Employee:
Management was not taking enough efforts for to change employee’s mindset. They are not keen for employee training and development. In the 20th century customer was not quality consciences they were accepting as it is. Therefore management also not concentrates for employee satisfaction and motivation so it causes all this to unhealthy Industrial Relation. Management was treating employees like machine and they never understand each other.

7. Employee Approach towards the Management:
Because of the undesirable management approach towards the employee they also not supportive to the management and due to this increase clashes between management and employee. In 20th century employee was not aware of the organization vision mission and prospective due to that they were not serious about their organization. If management take confidence them than it will help to reduce disputes between employee and organization.

8. Knowledge and understanding level:
In 20th Century level of employees’ understanding and knowledge is very poor. Source of the information is very poor; due to lack of education they can’t read or understand the information. Therefore knowledge level of employee is also very poor and because of all this things employee can’t understand the situation and they increased the disputes with the management.

9. Lack of Training:
Management is not enough concentrate on employee training and development because in 20th century. Due to lack of training mistakes were happens from the employee. In that case if management was taking disciplinary action against the employee and because of those issues Industrial disputes were starts.

10. Lack of Employee involvement:
Entrepreneur in 20th century was in different mindset for employee. Their views for employee was also different, they was not treating the employees like one family. The entrepreneur have fear in mind if we give something to the employee they will demand more or if we involve them in different role they know information about the organization and they will start fighting with the organization. Keeping these things in mind entrepreneur was not involving employee in organizations different role and its real fact the employee were not aware of many thing in the organization and because of that it resulted to increase disputes between employee and management.

11. Credence towards the Management:
Employee didn’t have fear with the management due to that employee tries neglects management instructions they never listen them. Because employee and management don’t have credence in-between. Both have big gap for understanding they fill both of them are enemy for each other. They never try to understand each other due to this gap and incredulous in between them. Both of them fighting for small issues and it result to unhealthy industrial relation.

12. Employee and Management Habituated for conflicts:
In that 20th century era due lack of employee education, skill, knowledge, awareness, job security employee was behaving differently with the management. Because of the employees adverse approach management also not taking enough efforts for improve this situation. Both of them fill that after confrontation only improve the situation. After big issues like go-slow, gherao, slogans on the gate, may be strikes etc. once happens than they fill we teach them listen and that’s why now they improve. This type of approach from both was resulted to heavy loss for them, but they never understand instead they enjoying this type of situation and fill better for some times.

In 21st Century Factors of Industrial Relation is as under:
1. Level of Employee Education.
2. Available Information media.
3. Increased Standard and Cost of Leaving.
4. Futuristic thinking.
5. Source of Training and Development.
7. Lack Communication.
8. Increased political and self-influence.
10. Lack of employee development.
11. Unfair labour practices.
1. Level of Employee Education:
In this 21st century era level of employee education compare to 20th Century is very good. Because of their education they try to developing their skills too, they know what is happening outside in other organization. In this condition sometimes entrepreneurs are not putting their sufficient efforts for employee’s growth or not taking them in confidence than employee feels differently and raised their issues. It causes to increase Industrial Disputes.

2. Available Information Media:
We all know that information of the world is easily available every one. People have easily available source of Newspaper, TV channels, mobile phones, internet etc. Because of employee education they read, listen and understand many things. In this situation if management is taking them in confidence or hiding some information it causes to increase employee and employer disputes.

3. Increased Standard and Cost of Leaving:
Compare to 20th Century now people’s level of incomes are increasing accordingly they increased their expectation in all level. Their needs also changed like Bicycle – Motor Cycle – Car, small Transistor – Two in One Tape recorder – Music Systems – Home Theater or like 14” Black White TV – 20” Black and White TV – Colour TV – LCD – LED like this. For full filling these requirement employee expect more income and it cause to raise Industrial Disputes.

4. Futuristic thinking:
In this present competitive era many employee also think for their and their families’ better future. Because of their education, skill and knowledge they ready to develop themselves, update and improve their skills and grow. For this type of employees thinking and approach if management is not support through different policy or internal promotions, transfers etc. In this situation if employee feels management is not giving them opportunity or scope for improvement than they will come with different issues and it cause to create unhealthy Industrial Relation in the organization.

5. Source of Training and Development:
Now in 21st century era many people are more careers oriented so they are interested to learn different skill and grow themself. In this situation if management fails for giving opportunity to them or if they fail to convince them for improve their skill through training and development activity than employee raise the different issues and it cause to develop unhealthy industrial relation between employee and management. After development of employee skill and knowledge, if management fails to give additional responsibility to them and helps for their better career, it also causes to increase employee grievance and creates unhealthy industrial relation.

6. Lack of Employee Involvement:
For better organization growth we all know that employee involvement is very important factor. But in this 21st century also still management is not involving them appropriately. Therefore sometimes employee misbehaves due to lack of employee involvement, because they don’t have sufficient information and awareness of the organization or maybe they have half information and it causes to increased unhealthy industrial relation. Therefore management should involve all level of employee in a right way so it will help to reduce Industrial Disputes.

7. Lack of Communication:
Communication between management and employee is very important factor for maintain healthy industrial relation in present days. Due to lack of communication or misunderstanding will be increased and it causes to disturb industrial relation between management and employee. Communication should
be both way because one way communication also damage to the organization. Therefore organization should develop the proper channel of communication with all level of employees like open session, suggestion scheme, meeting, formation of different committees, activities etc.

8. Increased political and self-influence:
Sometimes due to political issues or self-influence or self-interest disturb the organization Healthy Industrial Relation. Now days everywhere in all states development is going on it may be infrastructure or Industry or farms. Therefore getting job for people is easy, and the same time political local leaders also increasing their importance to this areas even though few people are doing their good social activity but few of them creating problems for entrepreneurs and misleading to the employees for their self-interest and it causes to disturb industrial relation in organization.

9. Change in Management Practices:
In 21st century almost every management change their practices due to globalization management is changing their practices to sustain in global market. While changing their practices they are not involving their employees. The management should change their focus towards the employees. Management should utilized and treat employees like human assets. Management should understand the understanding level of employees; they should not compare them with highly educated people. Because of the misunderstanding and higher level expectation without putting efforts like their involvement and proper in-time communication causes to disturb Industrial Relation in the organization.

10. Lack of employee development:
In 21st Century entrepreneurs are focusing on only Business Development, they are not very much keen for people development. The management is not putting enough efforts for employee development. Management should plan such way and communicate them through proper channels, give them scope for their improvement. So they should grow their career. Employee should know what I should do for my improvement, which skill, knowledge and training I should get. This will helps to maintain healthy industrial relation in the organization.

11. Unfair labour practices:
Organizations are doing unfair labour practices and due to that they are facing serious Industrial disputes. Management were not paid them right wages, extra working hours, no overtime wages, no safety precautions, no weekly offs, availability of infrastructure etc. These are the reasons for increased employee and employer disputes and causes to disturb Industrial Relation in the organization.

All this is not causes to one organization but it will dame for whole society of the country and it damage economy of the country.

Conclusion:
While conclude this article on Empirical study on Industrial Relation in 20th and 21st Century. I would like to identify root cause of distract industrial relation in 20th and 21st century. In 20th century the causes of Industrial Relation were different because of various factors includes like, Unemployment, Job security, Education, Employee Skill, Awareness of surrounding Circumstances etc. These are the main route causes of distraction industrial relation in 20th century.

In 21st century the root cause of industrial relation have been changed to Level of Employee Education, Available Information media, Increased Standard and Cost of Leaving, Futuristic thinking, Source of Training and Development, Lack of Employee Involvement, Lack Communication etc. Though there was impact of globalization on the Indian industry and employee there have been change of root causes of factors affecting on the industrial relation are distinguished.
As a HR professional my suggestion to the management is to they have to change their prospective of looking towards the employee. The management should have to create strong belief within their employees that, they are not a labour or worker but they are the entrepreneurs of their organization.

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