



## PROBLEM AND PROSPECT OF INDUSTRIAL RELATION IN PUBLIC SECTOR ENTERPRISE – A STUDY ON COAL INDIA LIMITED

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### ABSTRACT

Human being are the active agents who accumulate capital, exploit natural resources, build social, economical and political organizations and carry forward national development. The public sector enterprises which play a dominant role in the industrial economy of India industrial relations have special significance for sustained economic development and growth. The present study is carried out with the purpose to explore the industrial relation problem in the coal industry. The focus of this paper is to analyze the problem and prospect of the industrial relation in public sector undertaking. This paper suggests a professional approach on modern day IR practices and concludes that healthy industrial relation in an enterprise generates attitudes which stabilize democratic institutions.

**Keywords:** Industrial Relation, Economic Development, Industrial Democracy.

### INTRODUCTION

Industrial relations are the relationship between management and employees or among employees and their organization. Industrial relation deal with either the relationships between the state and the employers and the workers organization or the relation between the occupational organizations themselves. The ILO uses the expression to denote such matters as freedom of association and the protection of the right to organize, the application of the principles of the right to organize, and the right of collective bargaining, collective agreements, conciliation and arbitration and machinery for cooperation between the authorities and the occupational organizations at various levels of the economy.

The term Industrial Relations refers to relationship between Management and Labor or among Employees and their organizations that characterize or grow out of employment. Theoretically speaking, there are two parties in the employment relationship – labor and management. Both parties need to work in a spirit of cooperation, adjustment and accommodation. In their own mutual interest certain rules for co-existence are formed and adhered to. Over the years, the State has also come to play a major role in Industrial Relations – one, as an initiator of policies and the other, as an employer by setting up an extremely large public sector. There are points to examination of the Industrial Relations:

**Employer- Employee interactions:** Industrial Relations arise out of employer employee interactions. These relations cannot exist without the basic building blocks, i.e., the employer and on one side and the employees on the other side.

**Web of rules:** Industrial Relations are a “web of rules” formed by the interaction of the government, the industry and the labor. They include the relations between employer and employees

and between employers` associations, trade union as well as the State.

**Multidimensional:** Industrial Relations are fairly multi-dimensional in nature as they are influenced, by a complex set of institutional, economic and technological factors.

**Dynamic and changing:** Industrial Relations change with the times, generally keeping pace with the expectations of employees, trade union, employers` associations, and other economic and social institution in a society.

**Spirit of compromise and accommodation:** The Industrial Relations system is characterized by forces of conflict and compromise on either side. In the large interests of society, both the employer and the employees must put out fires amicably and get along with each other in a spirit of compromise and accommodation. The individual differences and disagreements must be dissolved through persuasion and even pressure. The factors responsible for conflict situations need to be resolved through constructive means.

**Government’s role:** The government influences and shapes Industrial Relations with the help of laws, rules, agreements, awards of courts and emphasis on usages, customs, traditions, as well as the implementation of its policies and interference through executive and judicial machinery.

**Wide coverage:** The scope of Industrial Relations is wide enough to cover a vast territory comprising of grievances, disciplinary measures, ethics, standing orders, collective bargaining, participatory schemes, dispute settlement mechanisms etc.

**Interactive and consultative in nature:** Industrial Relations include individual relations and joint consultation between labor, management.

Most of the developing countries of the world have resorted to state enterprise with a view to bringing about rapid economic

## Problem and prospect of industrial relation in public sector enterprise

development and social change. In India, the public sector came in to being with the adoption of industrial policy resolution of 1948, which laid down that industries of basic and strategic importance or in the nature of public utility service should be in public sector. It emphasized on production and distribution of national wealth.

Coal India limited with its headquarters at Kolkata is the apex body in Coal Industry under the administrative control of the Ministry of Coal. It is responsible for laying down policy guidelines and work ordination with its subsidiary Companies. CIL has been entrusted with the responsibility of investment planning, manpower management, purchase of heavy machineries, financial budgeting etc. on behalf of all its subsidiaries. Coal India Ltd. (CIL) has following 8 subsidiary Public Sector Undertaking companies under its control:-

1. Bharat Coking Coal Limited (BCCL), Dhanbad, Jharkhand
2. Central Coalfields Limited (CCL), Ranchi, Jharkhand
3. Eastern Coalfields Limited (ECL),Sanctoria, West Bengal
4. Western Coalfields Limited (WCL), Nagpur, Maharashtra
5. South eastern coal fields limited ( S E C L ) , Bilaspur, Chhattisgarh
6. Northern Coalfields Limited (NCL), Singrauli, Madhya Pradesh

7. Mahanadi Coalfields Limited (MCL), Sambalpur, Orissa
8. Central Mine Planning and Design Institute Limited (CMPDI), Ranchi, Jharkhand.

Energy is a prerequisite in the economic development of any country. In developing countries, the energy sector plays a critical role in view of the ever-increasing energy needs. Enormous investments are necessary to secure the same. India is one of the fastest growing economies of the world. Coal dominates the country's energy mix. It contributes over 50% of India's total primary energy production. The mineral is expected to continue playing a crucial role in meeting India's future energy needs.

CIL accounted for about 81% of the total coal produced in the country during fiscal 2013. There appears to be no dearth of market for the mineral, if it can be produced at a reasonable cost on a sustainable basis. India's coal industry shall continue its dominance as the primary source of energy for most part of the 21st century.

India's ever-increasing demand for coal is expected to touch 980.5 Mt by 2016-17. Of this, the demand from the power sector constitutes about 70%. The Coal production in India 2013-14 was 565.64 Million tones (Provisional) compared to 556.41 Million tones (MT) during the 2012-13 and showed a growth rate of 1.7 per cent

**Table 1-** Strikes and bandhs details of CIL:

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	01.01.2013 To 31.03.2013	01.04.2013 to 31.03.2014
No. of Strikes	22**	3+3*	Nil	2 +2*	2+1*	2 +1*	2	1*
Man days Lost	23823	196707	Nil	246899	1,92,383	140407	1,40,407	15424
Production Lost (in tonnes)	95477	239983	Nil	510291	8,10,542	558100	5,58,100	Nil

\*IS =Industrial Strike      \*\* BB = Bangla Bandh

(Source: Government of India Annual Report 2013-2014, Ministry of Coal, website:<http://coal.nic.in>, p.98)

### Interpretation

The above table shows the relationship between industrial strikes with the man days lost & production lost, we can see that if the number of strike is NIL, the Man days lost is also NIL and hence production lost is also NIL. But in contrast we can see that in all the years except 2009-2010 is followed by industrial strike and band and hence that approximately all the year is suffered with Man days lost and also loss in production in tones. Thus it is quite clear that industrial relation effect the production of the company.

**THE INDUSTRIAL RELATIONS IN SCCL:** The Singareni Collieries Company Limited is a Government of Andhra Pradesh Enterprise in which Government of Andhra Pradesh. The Industrial Relations Scenario in SCCL for the year 2013-

14 marked with 01 (one) Strikes on 05.12.2013 to response of the Bandh call given by recognized union against the proposal of Rayala Telengana state formation. Production was partially affected. The management has laid down clear Industrial Relations Policy providing for mechanism to discuss the issues with recognized union at company level and area level and with Representative Status Union at Area level.

By introducing reforms, harmonious industrial relations are maintained through systematic cooperation between the labour and the management in reducing costs, increasing the production and productivity, improving quality of work and maintaining industrial peace & improvement in overall quality of life. All these measures contributed to reduction in number of strikes as can be seen by the following details

**TABLE 2- Details of strikes, man days & production lost in SCCL**

S No.	Year	No. of Strikes	Man days Lost	Production Lost (in tonnes)
1	2006-07	03	5,587	9,872
2	2007-08	Nil	Nil	Nil
3	2008-09	02	23,065	19,072
4	2009-10	02	1,430	4,893
5	2010-11	02	1,68,760	4,22,984
6	2011-12	05	16,28,931	40,11,353
7	2012-13	2	93418	128519
8	01.01.2013 to 31.03.2013	1	92973	128077
9	01.04.2013 to 31.03.2014	1	37504	79752

**Interpretation**

In 2007-08, the number of strikes is Nil and hence the Man days lost and the production lost both is Nil. Instead we can see that there are strikes in all the years and consequently it faced Man days lost and Production lost in tones.

**REVIEW OF LITERATURE**

A numbers of research work have been done by eminent persons in the coal Industry and industrial relations. George, (1984) believes through his study in Mahanadi coalfields Ltd that Industrial relation has a great impact not only in the productivity of the company but has a significant impact on social and economic condition of the workers. Gajre, (1986) found that there must be a provision of continuous personnel research which keeps the management equipped with the recent development and trends which are essential to take sound decisions without any further delays as regards to personnel matters. Chatteraj, (1991) did his work on the topic "Human Resource Management - A case study of Central Coalfield Limited in Ranchi. He has also thrown light on the importance of Industrial relation in Human Resource Management. Shankaraiah, (1991) has also studied the various aspect of industrial relation factors which affect the higher productivity system in Singareni Collieries Company Ltd. Masthan, (1993) has revealed that there is a negative influence of political leaders on trade unions which are working in the industry. Trade union leaders forget their true aims and indulge in politics, thus it affect the productivity of the organisation. Anantapura. Kumari, (1993) has found that most grievances seriously disturb the employees and effect their morale, productivity and willingness to cooperate with the organization, so there must be an involvement of trade union to intervene in the procedure to handle the problems of aggrieved employees Singh (1995) found in his study that voluntary organizations of workers in coal mining industry of Bihar can successfully promote, maintain and improve the condition of employment through collective action. They can put up a united resistance against the exploitation of the employer. Prasad, (2001) in their study of Andhra Pradesh state found that in running any PSU efficiently the management has look into the various welfare aspect of its employees Jacob, (2002) has also studied that industrial relation is a important area of practice in which there is a integration of people into the work situation in a way that

motivates them to work together to enhance productively, cooperatively and with economic, psychological and social satisfaction. Thalavai (2003) has concluded in his study that participatory management of industrial relation ensure effective consultation and develop the awareness of the problems among the workers. Singh, (2004) reports that mining operation in Korba Coalfield give rise to significant level of pollution in the atmosphere which affect the quality of the life in the mining area. Hence he suggested that there is a urgent need of air quality monitoring stations with a particulars standards to be followed. Mandal, (2009) has focused light on alarming agenda of the occupational health situation in India.

**SIGNIFICANCE OF THE STUDY**

Maintenance of harmonious industrials relations is on vital importance for the survival and growth of the industrials enterprise. Good industrial relations result in increased efficiency and hence prosperity, reduced turnover and other tangible benefits to the organization.

Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management)

**OBJECTIVE OF THE STUDY**

1. To know about the problem of industrial PSU.
2. To suggest some measures to obtain industrial peace and harmony.
3. To present a brief survey of the CIL industrial relations.

**RESEARCH METHODOLOGY**

Available secondary data is widely used for the study. Different news articles, books and magazines were used. The required data for the present study has been collected from different websites also.

**Concept of Industrial Relations**

The term Industrial Relations comprises of two terms: Industry and Relations. Industry refers to any productive activity in which an individual (or a group of individuals) is (are) engaged. By relations we mean the relationships that exist within the industry between the employer and his workmen. The term industrial relations explains the relationship between

employees and management which stem directly or indirectly from union-employer relationship.

Industrial relations are the relationships between employees and employers within the organizational settings. The field of industrial relations looks at the relationship between management and workers, particularly groups of workers represented by a union. Industrial relations are basically the interactions between employers, employees and the government, and the institutions and associations through which such interactions are mediated.

The term industrial relations has a broad as well as a narrow outlook. Originally, industrial relations was broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations covers all aspects of the employment relationship, including human resource management, employee relations, and union-management (or labor) relations. 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 nonunion employment relationships and the personnel practices and policies of employers.

#### **DOMINANT ASPECT OF INDUSTRIAL RELATION**

The main aspects of Industrial Relations are as follows –

- i. Labour Relations, i.e. relations between union and management.
- ii. Employer-employees relations, i.e. relations between management and employees.
- iii. Group relations, i.e. relations between various groups of workmen.
- iv. Community or Public relations, i.e. relations between industry and society.
- v. Promotions and development of healthy labour-managements relations.
- vi. Maintenance of industrial peace and avoidance of industrial strife.
- vii. Development of true industrial democracy.

#### **DETERMINING FACTORS OF INDUSTRIAL RELATIONS**

Good industrial relations depend on a great variety of factors. Some of the more obvious ones are listed below:

**History of industrial relations** – No enterprise can escape its good and bad history of industrial relations. A good history is marked by harmonious relationship between management and workers. A bad history by contrast is characterized by militant strikes and lockouts. Both types of history have a tendency to perpetuate themselves.

**Economic satisfaction of workers** – Psychologists recognize that human needs have a certain priority. Need number one is the basic survival need. Much of men conducted are dominated by this need. Man works because he wants to survive. This is all the more for underdeveloped countries

where workers are still living under subsistence conditions. Hence economic satisfaction of workers is another important prerequisite for good industrial relations.

**Social and Psychological satisfaction** – Identifying the social and psychological urges of workers is a very important steps in the direction of building good industrial relations. A man does not live by bread alone. He has several other needs besides his physical needs which should also be given due attention by the employer. An organization is a joint venture involving a climate of human and social relationships wherein each participant feels that he is fulfilling his needs and contributing to the needs of others. This supportive climate requires economic rewards as well as social and psychological rewards such as workers' participation in management, job enrichment, suggestion schemes, redressal of grievances etc.

**Off-the-Job Conditions** – An employer employs a whole person rather than certain separate characteristics. A person's traits are all part of one system making up a whole man. His home life is not separable from his work life and his emotional condition is not separate from his physical condition. Hence for good industrial relations it is not enough that the worker's factory life alone should be taken care of his off-the-job conditions should also be improved to make the industrial relations better.

**Enlightened Trade Unions** – The most important condition necessary for good industrial relations is a strong and enlightened labor movement which may help to promote the status of labor without harming the interests of management, Unions should talk of employee contribution and responsibility. Unions should exhort workers to produce more, persuade management to pay more, mobilize public opinion on vital labor issues and help Government to enact progressive labor laws.

**Negotiating skills and attitudes of management and workers** – Both management and workers' representation in the area of industrial relations come from a great variety of backgrounds in terms of training, education, experience and attitudes. These varying backgrounds play a major role in shaping the character of industrial relations. Generally speaking, well-trained and experienced negotiators who are motivated by a desire for industrial peace create a bargaining atmosphere conducive to the writing of a just and equitable collective agreement. On the other hand, ignorant, inexperienced and ill-trained persons fail because they do not recognize that collective bargaining is a difficult human activity which deals as much in the emotions of people as in their economic interests.

#### **THE CHANGED BUSINESS SCENARIO & INDUSTRIAL RELATIONS IN PUBLIC SECTORS**

The Government of India in 1991 introduced the New Industrial Policy which was followed by a large number of trade- related policies; these policies have reduced the role of the state and have led to unprecedented changes in the labor management relations. Increase in services, emergence of the white-collar workers and new forms of employment, development of non-union enterprises, development in

technology and adoption of new techniques in manufacturing, has considerably reduced the importance of trade unions

### **Changing Nature of Work**

In terms of work itself, the term “workers” seems increasingly inappropriate. “In the more modern and technologically sophisticated industries, the workers watch panels, push buttons, pull levers and turn a valve or two. Process industry pays them to exercise discretion, not to flex muscle. Their work is becoming increasingly difficult to distinguish from that of supervisors and lower managers. It is no wonder that process industry does not employ workers any longer. It employs operators and technicians.”

### **Changing Profile of Workers**

A social wave is sweeping across our country. The declining power of trade unions, improving pay packets, the willingness of management to accommodate conflicting growing stature of workers in society, their increased levels of education and the emergence of process industries which has changed the very definition of work, have together caused a revolution of perception and aspiration. The social profile of industrial workers is changing rapidly. Unlike in the early years of our independence, not many come from a background of hardship and deprivation. Workers in the organized sector earn well and like to live well. Their aspirations for their children are no different from those of the middle class. Their eyes are set on upward mobility. Within industry itself, workers are pushing towards status equality. With a changing social profile, workers are becoming more assertive with their union bosses. They are also demanding more egalitarian treatment at the work place.

- Executive dining rooms are giving way to common canteens.
- There is growing demand that manager at least those who are compensated in some form for extra hours should punch the clock.
- The reluctance to perform lowly jobs.
- The search for fancy status giving designations -we have “security guards “and “sanitary staff” in place of chowkidars and sweepers.
- The desire for promotion as supervisor or officer even on lower pay.

The changes in the emerging international and national business environment, challenges technological changes leading to redundancy of workforce, change in quality of workforce, spell out a new role for the trade unions, the management and the Government. The direction of change in the economy towards free market, places new demands on internal and external stakeholders of the organization and necessitates the creation a new Industrial Relations environment.

### **EFFECTS OF POOR INDUSTRIAL RELATIONS**

Poor Industrial Relation produces highly disquieting effects on the economic life of the country. We may enumerate the ill-effects of poor Industrial Relations as under

**Multiplier effects:** Modern industry and for that matter modern economy are interdependent. Hence although the direct loss caused due to industrial conflict in any one plant

may not be very great, the total loss caused due to its multipliers effect on the total economy is always very great.

**Fall in normal tempo:** Poor Industrial Relations adversely affect the normal tempo of work so that work far below the optimum level. Costs build up. Absenteeism and labor turnover increase. Plants discipline breaks down and both the quality and quality of production suffer.

**Resistance of change:** Dynamic industrial situation calls for change more or less continuously. Methods have to be improved. Economics have to be introduced. New products have to be designed, produced and put in the market. Each of these tasks involves a whole chain of changes and this is resisted bitterly if these are industrial conflict.

**Frustration and social cost:** Every man comes to the work place not only to earn a living. He wants to satisfy his social and egoistic needs also. When he finds difficulty in satisfying these needs he feels frustrated. Poor Industrial Relations take a heavy toll in terms of human frustration. They reduce cordiality and aggravate social tension.

### **CAUSES OF POOR INDUSTRIAL RELATIONS**

The following are the main causes of poor industrial relation

1. **Economic causes:** Often poor wages and poor working conditions are the main causes for unhealthy relations between management and labour. Unauthorised deductions from wages, lack of fringe benefits, absence of promotion opportunities, faulty incentive schemes are other economic causes. Other causes for Industrial conflicts are inadequate infrastructure, worn-out plant and machinery, poor layout, unsatisfactory maintenance etc.
2. **Organisational causes:** Faulty communications system, unfair practices, non-recognition of trade unions and labour laws are also some other causes of poor relations in industry.
3. **Social causes:** Uninteresting nature of work is the main social cause of poor Industrial relations. Dissatisfaction with job and personal life culminates into Industrial conflicts.
4. **Psychological causes:** Lack of job security, non-recognition of merit and performance, poor interpersonal relations are the psychological reasons for unsatisfactory employer-employee relations.
5. **Political causes:** Multiple unions, inter-union rivalry weaken the trade unions. Defective trade unions system prevailing in the country has been one of the most responsible causes for Industrial disputes in the country.

### **FINDINGS**

Industrial relations are of great importance in industrial life. These relations have great bearing on the economic, social and political spheres of our society. If in an organization relations between labour and management are cordial, there will be industrial peace and interests of both the parties will be automatically safeguarded. However, organizations where industrial relations are strained, the organizations have to face lot of problems. The atmosphere of such organizations is always surcharged with industrial unrest leading either to strikes or lockouts. It is found out that in CIL and subsidiaries

there are well established bi-partite forums consisting of the representatives of the Management and the 5 Central Trade Unions for interaction and redressal of issues related to the wages & service conditions, employment, safety, grievances and welfare etc.

The following joint bipartite forums are operating at different levels:

1. JBCCI at CIL
2. Apex Jt. Consultative Committee
3. Safety Board/ Safety Committee
4. Welfare Board/ Welfare Committee
5. Joint Consultative Committee's
6. Industrial Relation Meetings (Structural meetings with union).

It is also found out that in SCCL the management has laid down clear Industrial Relations Policy providing mechanism to discuss the issues, with Recognized Union at Company and Area level and with Representative Status Union at Area level. By introducing reforms, harmonious Industrial Relations are being maintained through systematic co-operation between the labour and the Management and helps in reducing costs, increasing the production and productivity, improving quality of work and maintaining Industrial Peace & improvement in overall quality of life.

Thus, the Organizations which ignore the importance of industrial relations face high cost of production. Adverse effect on efficiency, low-grade production, negligence in the execution of work, absenteeism among the workers, high rate of labour turn-over etc. are the evils that result from poor industrial relations. Lack of cordiality in industrial relations not only adversely affects the interests of the labourers and employers but also cause harm to different sections of society. They are faced with lot of difficulties and problems. Since the government has enacted a large number of legislations, which provide a protective shield to the workers, the subject of 'Industrial Relation' is becoming increasingly technical day – by-day.

### MEASURES FOR IMPROVING INDUSTRIAL RELATIONS

Good and harmonious industrial relations create a sense of belongingness and group-cohesiveness among workers and also a congenial environment resulting in less industrial unrest, grievances and disputes. This will ensure optimum use of resources, both human and materials, eliminating all types of wastage. Good industrial relations, built-in mutual cooperation and common agreed approach motivate one to contribute one's best, result in higher productivity and hence income, give more job satisfaction and help improve the morale of the workers. The following measures can be adopted for improving industrial relations in an organization.

1. **Sound personnel policies:** Policies and procedures concerning the compensation, transfer and promotion, etc. of employees should be fair and transparent. All policies and rules relating to Industrial relations should be fair and transparent to everybody in the enterprise and to the union leaders.

2. **Participative management:** Employees should associate workers and unions in the formulation and implementation of HR policies and practices.
3. **Responsible unions:** A strong trade union is an asset to the employer. Trade unions should adopt a responsible rather than political approach to industrial relations.
4. **Employee welfare:** Employers should recognize the need for the welfare of workers. They must ensure reasonable wages, satisfactory working conditions, and other necessary facilities for labour. Management should have a genuine concern for the welfare and betterment of the working class.
5. **Grievance procedure:** A well-established and properly administered system committed to the timely and satisfactory redressal of employee's grievances can be very helpful in improving Industrial relations. A suggestion scheme will help to satisfy the creative urge of the workers.
6. **Constructive attitude:** Both management and trade unions should adopt positive attitude towards each other. Management must recognize unions as the spokesmen of the workers' grievances and as custodians of their interests. The employer should accept workers as equal partners in a joint endeavor for good industrial relations.
7. Creating a proper communication channel to avoid grievances and misunderstandings among employees.
8. Education and training should be imparted to the employees.
9. **Strong and Stable Union:** A strong and stable union in each industrial enterprise is essential for good industrial relations and to represent the majority of workers and negotiate with the management about the terms and conditions of service.
10. **Mutual trust:** Both management and labor should help in the development of an atmosphere of mutual cooperation, confidence and respect. Management should adopt a progressive outlook and should recognize the rights of workers. Similarly, labor unions should persuade their members to work for the common objectives of the organization. Both the management and the unions should have faith in collective bargaining and other peaceful methods of settling disputes.
11. **Sincere implementation of agreements:** The management should sincerely implement the settlements reached with the trade unions. The agreements between the management and the unions should be enforced both in letter and spirit.
12. **Governments' role:** The government should play an active role for promoting industrial peace. It should make law for the compulsory recognition of a representative union in each industrial unit. It should intervene to settle disputes if the management and the workers are unable to settle their disputes. This will restore industrial harmony.

### IMPORTANCE OF INDUSTRIAL RELATION FOR EMPLOYEES AND EMPLOYERS

Industrial relations usually imply good and positive relations between the employees and employers. The healthy industrial relations are key to the progress. Their significance may be discussed as under

**1. Foster Industrial Peace**

Under the mechanism of IR, both employees and managers discuss the matter and consult each other before initiating any actions. Doubts, if any, in the minds of either party are removed. Thus, unilateral actions that prop confusion and misunderstanding disappear from the scene. In this way, IR helps create a peaceful environment in the organization. Peace, in turn, breeds prosperity.

**2. Promote Industrial Democracy**

Industrial democracy means the government mandated worker participation at various levels of the organization 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. This benefits the both. The motivated workers give their best and maximum to the organization, on the one hand, and share their share of the fruits of organizational progress jointly with management, on the other.

**3. Benefit to Workers:**

IR benefits workers in several ways. For example, it protects workers against unethical practices on the part of management to exploit workers by putting them under inhuman working conditions and niggardly wages. It also provides a procedure to resolve workers' grievances relating to work.

**4. Benefit to Management**

IR protects the rights of managers too. As and when workers create the problem of indiscipline, IR provides managers with a system to handle with employee indiscipline in the organization.

**5. Uninterrupted production & Improve Productivity**

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 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. Experiences indicate that good industrial relations serve as the key for increased productivity in industrial organizations.

**6. Reduction in Industrial Disputes**

Good industrial relation 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, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps promoting co-operation and increasing production.

**7. High morale**

Good industrial relations improve the morale of the employees. Employees work with great zeal with the

feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production.

**8. New Programmes**

New programmes for workers development are introduced in an atmosphere of peace such as training facilities, labor welfare facilities etc. It increases the efficiency of workers resulting in higher and better production at lower costs.

**9. Reduced Wastage**

Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastages of man, material and machines are reduced to the minimum and thus national interest is protected.

**CURRENT INDUSTRIAL RELATIONS ISSUES**

Employers are now compelled to view industrial relations and human resource management from a strategic perspective; in other words, not only from the traditional viewpoint of negotiating terms and conditions of employment and performing a personnel and welfare function. Industrial relations and human resource management are directly relevant to competitiveness, and how they are managed will impact on enterprise performance e.g. its productivity and quality of goods and services, labour costs, quality of the workforce, motivation, prevention of disputes and not only their settlement, and aligning employee aspirations with enterprise objectives.

***Flexible/Performance Pay***

Many employers, and even some governments, have expressed a wish to review traditional criteria to determine pay levels such as the cost of living and seniority. Pay systems which are flexible (i.e. based on profitability or productivity) so as to be able to absorb business downturns and also reward performance, are receiving considerable attention. One major problem in this regard is how employees and their organizations can be persuaded to negotiate on pay reform. The objectives of pay reform will not be achieved unless reforms are the result of consensual agreement and are part of a larger human resource management strategy and change in human resource management systems.

***Cross-Cultural Management***

Asia is a heterogeneous region, characterized by ethnic, cultural, linguistic and religious diversity. Due to substantial increases in investment in Asia from both Asian and Western investors, many employers and unions are dealing with workers and employers from backgrounds and cultures different to their own. The problems arise due to differences in industrial relations systems, attitudes to and of unions, work ethics, motivational systems and leadership styles, negotiating techniques, inappropriate communication, consultation and participation procedures and mechanisms, values, expectations of workers and interpersonal relationships.

***Dispute Prevention***

Most countries (other than those in transition to a market economy) have long-standing dispute settlement procedures at the national level (conciliation, arbitration, industrial or labour courts). Essential as these are, they operate only when a dispute arises. Equally important are dispute prevention

through communication, consultation and negotiation procedures and mechanisms which operate largely at the enterprise level. They are not particularly common in many Asian enterprises. Their importance has increased in the current decade when changes in the way organizations are structured and managed have created the potential for workplace conflict.

### **Industrial Relations/Human Resource Management Training**

Not many developing countries in the region have facilities for training in labour law and industrial relations - negotiation, wage determination, dispute prevention and settlement, the several aspects of the contract of employment, and other related subjects such as safety and health. More facilities are probably available in human resource management (the distinction is becoming increasingly thin). Since industrial relations have assumed a particularly important role in the context of globalization, structural adjustment and in the transition to a market economy, employers in each country would need to identify what aspects of industrial relations and human resource management should be accorded priority, how training in them could be delivered, and what concrete role is expected from the employers' organization.

### **CONCLUSION**

It is evident that good industrial relations is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. Good industrial relations reduce the industrial disputes. Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management). Thus industrial relation measures followed should be given prime emphasis which may lead to an effective relationship between management and employees. An effective industrial relation results in the increase of the productivity of the organization.

Better relationship between the employee and employer is very essential for successful running of any organization. Favorable relationship can avoid many adverse situations. With a huge manpower, coal India limited has taken every step to maintain a cordial relation. The organization has adopted a better kind of welfare activities which create an effective working environment and thus better productivity. There is different kind of welfare schemes like medical allowance; death relief fund, insurance, housing and transportation facilities, recreation club etc. are provided by the company to the employees to maintain the industrial relation better one. The premises and the departments are maintained healthy. Also proper safety measures have been adopted in the organization. All matters relating to safety, health and welfare of employees are properly implemented. It has given a thrust on participation of employees through many forums - both traditional and revolutionary. Structured Communication as an important vehicle for carrying the employees and management

together has been adopted nicely by CIL to facilitate the flow of information, ensure employees commitment and involvement in all critical aspects of the operation. Of course there are many scopes for improvement. Both management and recognized union should come forward to restore the relationship of trust. The joint for a need to be more effective. The management also needs to be more committed to implement the plans more properly.

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