

Management of Industrial Relations

UNIT-1

Industrial Relation is one of the important problems for the success of a firm. The term industrial relations refers 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.

Meaning and definition of Industrial Relations

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 are engaged”.
- 2. Relations:** It means “the relationships that exist within the industry between the employer and his workmen”.

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 characterize and grow 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 refers the relationship that exists between the employer and employees in the day-to-day working of an organization.

Scope of IR:

Based on above definitions of IR, the scope of IR can easily be delineated as follows:

1. Labour relations, i.e., relations between labour union and management.
2. Employer-employee relations i.e. relations between management and employees.
3. The role of various parties' viz., employers, employees, and state in maintaining industrial relations.
4. The mechanism of handling conflicts between employers and employees, in case conflicts arise.

The main aspects of industrial relations can be identified as follows:

1. Promotion and development of healthy labour — management relations.
2. Maintenance of industrial peace and avoidance of industrial strife.
3. Development and growth of industrial democracy.

Features/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 a 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 :

- i. Workers and their organizations.
- ii. Employers or management of the enterprise.
- iii. Government is 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/players in industrial relations. They are:



1. 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 relationsthrough 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.

2. 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.

3. State/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

- Enhance status.
- Regulate Production.
- Occupational instability.
- Poor Organizational Climate.
- Good Relations among employees.
- Increase productivity.
- Enhance Social responsibility.
- Improvement of economic conditions of workers.
- To extend and maintain industrial democracy.
- To avoid industrial conflict.
- Uninterrupted production.

Importance of Industrial Relations:

An economy organized for planned production and distribution, aiming at the realization of social justice and welfare of the mass can function effectively only in an atmosphere of industrial peace. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and labour. The healthy industrial relations are key to the progress. Their significance are discussed as under;

1. 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 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

2. Reduction in Industrial Disputes – Good industrial relation reduces 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.

3. 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. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him alone but they should be shared equally and generously with his workers. In other words, complete unity of thought and action is the main achievement of industrial peace. It increases the place of workers in the society and their ego is satisfied. It naturally affects production because mighty co-operative efforts alone can produce great results.

4. Mental Revolution – The main object of industrial relation is a complete mental revolution of workers and employees. The industrial peace lies ultimately in a transformed outlook on the part of both. It is the business of leadership in the ranks of workers, employees and Government to work out a new relationship in consonance with a spirit of true democracy. Both should think themselves as partners of the industry and the role of workers in such a partnership should be recognized. On the other hand, workers must recognize employer's authority. It will naturally have impact on production because they recognize the interest of each other.

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

6. 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. Thus, from the above discussion, it is evident that good industrial relation is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. New and new projects may be introduced for the welfare of the workers and to promote the morale of the people at work

Significance of Industrial Relation for Employees and Employers

Industrial relations usually imply good and positive relations between the employees and employers. The good IR help run an industry effectively and successfully, i.e., the desideratum of the day. The importance of IR can be imbued with multiplicity of justifications.

- 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 way, IR helps create a peaceful environment in the organisation. Peace, in turn, breeds prosperity.
- 2. 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. This benefits the both. The motivated workers give their best and maximum to the organisation, on the one hand, and share their share of the fruits of organisational 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 organisation.

5. Improve Productivity: Experiences indicate that good industrial relations serve as the key for increased productivity in industrial organisations. Eicher Tractors, Alwar represents one such case. In this plant, productivity went up from 32 per cent to 38 per cent between 1994 and 1997. This increase is attributed to the peaceful IR in the plant.

Similar other success stories abound in the country. As reported by V.S.P. Rao, Sundaram Fasteners (A TVS group company which begged the prestigious GM award for the fourth successive year in 1999 as a quality supplier of radiator caps) is well known for zero breakdowns, zero accidents and zero defects. Company did not lose even a single day due to strike. The per-employee productivity is comparable to the best in the world. One study rates the company among the 20 most competitive companies in the Asia.

History of Industrial Relation:

- The relations between labour and management in the industry form the subject matter of industrial relations.
- The first labour legislation was in the form of the Factories Act.
- Industrial revolution in England acted as a landmark event in transforming the industrial situation all over the world.
- This was followed by World war I, labour unrest and a mass awakening of a labour. This was followed by various legislations by the Government- Indian Industrial Commission, Indian Industrial Commission, Indian Factories Act, Trade Disputes Act etc.
- The Government also appointed the Royal commission on labour to enquire into and report on the existing conditions of workers in the country.
- The Second World War brought in unprecedented expansion of Indian industry with emphasis on maintenance of harmonious and peaceful relations between workers and management. Strikes and industrial disputes were brought under the compulsory arbitration of Government.
- In the post-independence phase the labour scenario underwent major change. The constitution of India provided for freedom of association to all citizens which gave rise to trade unions. ID Act was enacted in 1947 which regulated worker-employer relations. Other acts like ESI Act and Minimum Wages Act were enacted for workers welfare.
- The first five year plan emphasizes setting up a tripartite body for sorting out matters of conflict with a mutually agreed grievance procedure.
- The Second plan also dealt with code of discipline and in building a strong trade union movement.
- The third five year plan envisaged setting up tribunals for resolution of industrial disputes.
- IR in the Fourth plan continued to be regulated by legislative measures. National conference of labour was set up.

- The fifth plan envisaged improvements in worker participation, communication systems and incentive systems in addition to setting up of shop councils.
- The sixth plan promoted professional management in the industrial harmony, employee welfare and a cooperative attitude.
- Essential Service Maintenance Act was also promoted.
- Events like liberalization and globalization are continuously influencing the IR scene even today leading to increased recognition and importance being given to the human resources.

FACTORS AFFECTING INDUSTRIAL RELATIONS

The industrial relations system of an organisation is influenced by a variety of factors. A few important are :

1. Institutional factors.
2. Economic factors.
3. Social factors.
4. Technological factors.
5. Psychological factors.
6. Political factors.
7. Enterprise-related factors.
8. Global factors.

These factors are inter-related and interdependent and determine the texture of industrial relations in any setting. In fact, they act, interact, and reinforce one another in the course of developing the industrial relations.

These are discussed below :

1. Institutional factors.

- These include items like state policy, labour laws, voluntary codes, collective bargaining agreements, labour unions, employers organisations/federations etc.

2. Economic factors.

- These include economic organisations (socialist, communist, capitalist) type of ownership, individual, company—whether domestic or MNC, Government, co-operative ownership; nature and composition of workforce, the source of labour supply, labour market relative status, disparity of wages between groups, level of unemployment, economic cycle, the global economic changes and the impact of World Trade Organisation (WTO).
- These variables influence industrial relations in myriad ways.

3. Social Factors.

- ▶ Social factors like social group (like caste system or joint family system) creed, social values, norms, social status, etc. influence industrial relations in the early stages of industrialisation. They give rise to relationships as master and servant, have and have-nots, high caste and low caste, etc.
- ▶ But with the acceleration of industrialisation, these factors gradually lose their entity but one cannot overlook their importance.

4. Technological factors.

- ▶ These include methods, type of technology used, rate of technological change, R & D activities, ability to cope up with emerging trends, etc. These factors considerably influence the patterns of industrial relations as they are known to have direct influence on employment status, wage level, and collective bargaining process in an organisation.

5. Psychological factors.

- ▶ Such factors include items pertaining to industrial relations like owners' attitude, perception of workforce, the attitude towards work, their motivation, morale, interest, alienation, dissatisfaction, occupational stress and boredom resulting from man-machine interface.
- ▶ The various psychological problems resulting from work have a far-reaching impact on workers' job and personal life, which directly or indirectly influence industrial relations system of an enterprise.

6. Political factors.

- ▶ Political institutions, system of government; political philosophy, attitudes of government, ruling elite and opposition leaders towards labour problems affect the state of industrial relations.

7. Organisational factors.

- ▶ These include issues like style of management prevailing in the enterprise, its philosophy and value system, organisational climate, organisational health, extent of competition, adaptability to change and the various human resource management policies.

8. Global factors.

- ▶ These Cover international relations, global conflicts, dominant economic-political ideologies, global cultural milieu, economic and trading policies of power blocks, international trade agreements and relations, international labour agreements, role of I.L.O., etc.

- Thus, the industrial relations can be viewed as a "complex system" formed by the interaction of the industry, the government and the labour which, are monitored by the existing and emerging social, economic, institutional and technological factors.

In the words of V.B. Singh, "A country's system of industrial relations is not the result of caprice or prejudice. It rests on the society which produces it. It is a product not only of the - industrial changes, but of the preceding total social changes out of which industrial society is built (and industrial organisation emerges). It develops and moulds itself according to the institutions that prevail in a given society (both the pre-industrial and the modern). It grows and flourishes, or stagnates and decays, alongwith these institutions. The process of industrial relations is intimately related to the institutional forces which give shape and content to the socio-economic policies at a given time.

Approaches to Industrial Relations:

1. Unitary approach

The unitary approach is based on the strong argument that there is only one source of authority i.e., the management, which owns and controls the dynamics of decision making in issues relating to negotiation and bargaining. Under unitary approach, industrial relations are grounded in mutual co-operation, individual treatment, team-work, and shared goals. Work place conflict is seen as a temporary aberration, resulting from poor management, from employees who do not mix well with the organizational culture. Unions co-operate with the management and the management's right to manage is accepted because there is no 'we-they' feeling. The underlying assumption is that everyone benefits when the focus is on common interest and promotion of harmony. Conflict in the form of strikes is not only regarded as necessary but destructive. Advocates of the unitary approach emphasize on a reactive industrial relations strategy. They seek direct negotiations with employees. Participation of government, tribunals and unions is not sought or is seen as being necessary for achieving harmonious employee relations. The unitary approach is being criticized as a tool for seducing employees away from unionism and socialism. It is also criticized as manipulative and exploitative.

2. Pluralistic approach

The pluralistic approach totally departs from the unitary approach and assumes that the organization is composed of individuals who form distinct groups with their own set of aims, objectives, leadership styles, and value propositions. The organization is multi structured and there will be continued tension due to conflicts within and between the various sectional groups. In contrast to the unitary approach, the pluralistic approach considers conflict between management and employees as rational and inevitable.

The pluralistic approach perceives:

- i. Organizations as coalitions of competing interests, where the role of the management is to mediate amongst the different interest groups.
- ii. Trade unions as legitimate representatives of employee interests.
- iii. Stability in industrial relations as the product of concessions and compromises between management and unions.

Legitimacy of the management's authority is not automatically accepted. Conflict between the management and workers is understood as inevitable and, in fact, is viewed as conducive for innovation and growth. Employees join unions to protect their interests and influence decision-making by the management. Unions, thus, balance the power between the management and employees. In the pluralistic approach, therefore, a strong union is not only desirable but necessary. Similarly, society's interests are protected by state intervention through legislation and industrial tribunals which provide orderly process for regulation and resolution of conflict. The theories on pluralism were evolved in the mid-sixties and early seventies when England witnessed a resurgence of industrial conflicts. However, the recent theories of pluralism emanate from British scholars, and in particular, from Flanders and Fox. According to pluralists, industrial conflict is inevitable and it needs to be contained within the social mechanism of collective bargaining, conciliation, and arbitration.

3. Marxist approach

Also known as the 'Radical Perspective', the Marxist approach is based on the proposition that the economic activities of production, manufacturing, and distribution are majorly governed by the objective of profit. Marxists, like the pluralists, regard conflict between employers and employees as inevitable. However, pluralists believe that the conflict is inevitable in all organizations. Marxists see it as a product of the capitalist society. Adversarial relations in the workplace are simple one aspect of class conflict. The Marxist approach, thus, focuses on the type of society in which an organization functions. Conflict arises not only because of competing interests within the organization, but because of the division within society between those who own or manage the means of production and those who have only their labour to offer. Industrial conflict is, thus, seen as being synonymous with political and social unrest. The Marxist approach argues that for social change to take place, class conflict is required. Social change initiates strong reactions from the worker class and bridges the gap between the economically settled owners of factors of production and the economically dependent worker class. This approach views pluralism as unreal and considers industrial disputes and class conflicts as inevitable for the circular functioning of an industry. Trade unions are seen both as labour reaction to exploitation by capital, as well as a weapon to bring about a revolutionary social change. Concerns with wage-related disputes are secondary. Trade unions focus on improving the position of workers within the capitalist system and not to overthrow. For the Marxists, all strikes are political. Besides, Marxists regard state intervention via legislation and the

creation of industrial tribunals as supporting management's interest rather than ensuring a balance between the competing groups. This view is in contrast to the belief of the pluralists who argue that state intervention is necessary to protect the overall interest of society. To Marxists, the pluralist approach is supportive of capitalism, the unitary approach anathema. Consequently, enterprise bargaining, employee participation, cooperative work culture, and the like which help usher in cordial industrial relations are not acceptable to Marxists. Such initiatives are regarded as nothing more than sophisticated management techniques designed to reinforce management control and the continuation of the capitalist system.

4 M K Gandhi – The Gandhian Approach:

Gandhiji can be called one of the greatest labour leaders of modern India. His approach to labour problems was completely new and refreshingly human. He held definite views regarding fixation and regulation of wages, organisation and functions of trade unions, necessity and desirability of collective bargaining, use and abuse of strikes, labour indiscipline, and workers participation in management, conditions of work and living, and duties of workers. The Ahmedabad Textile Labour Association, a unique and successful experiment in Gandhian trade unionism, implemented many of his ideas. Gandhiji had immense faith in the goodness of man and he believed that many of the evils of the modern world have been brought about by wrong systems and not by wrong individuals. He insisted on recognising each individual worker as a human being. He believed in nonviolent communism, going so far as to say that "if communism comes without any violence, it would be welcome." Gandhiji laid down certain conditions for a successful strike. These are – (a) the cause of the strike must be just and there should be no strike without a grievance; (b) there should be no violence; and (c) non-strikers or "blacklegs" should never be molested. He was not against strikes but pleaded that they should be the last weapon in the armory of industrial workers and hence, should not be resorted to unless all peaceful and constitutional methods of negotiations, conciliation and arbitration are exhausted. His concept of trusteeship is a significant contribution in the sphere of industrial relations.

According to him, employers should not regard themselves as sole owners of mills and factories of which they may be the legal owners. They should regard themselves only as trustees, or co-owners. He also appealed to the workers to behave as trustees, not to regard the mill and machinery as belonging to the exploiting agents but to regard them as their own, protect them and put to the best use they can.

In short, the theory of trusteeship is based on the view that all forms of property and human accomplishments are gifts of nature and as such, they belong not to any one individual but to society. Thus, the trusteeship system is totally different from other contemporary labour relations systems. It aimed at achieving economic equality and the material advancement of the "have-nots" in a capitalist society by non-violent means.

Gandhiji realised that relations between labour and management can either be a powerful stimulus to economic and social progress or an important factor in economic and social stagnation. According to

him, industrial peace was an essential condition not only for the growth and development of the industry itself, but also in a great measure, for the improvement in the conditions of work and wages. At the same time, he not only endorsed the workers' right to adopt the method of collective bargaining but also actively supported it. He advocated voluntary arbitration and mutual settlement of disputes. He also pleaded for perfect understanding between capital and labour, mutual respect, recognition of equality, and strong labour organisation as the essential factors for happy and constructive industrial relations. For him, means and ends are equally important.

5. Human Resource Management Approach:

The term, human resource management (HRM) has become increasingly used in the literature of personnel/industrial relations. The term has been applied to a diverse range of management strategies and, indeed, sometimes used simply as a more modern, and therefore more acceptable, term for personnel or industrial relations management.

Some of the components of human resource management are – (a) human resource organisation; (b) human resource planning; (c) human resource systems; (d) human resource development; (e) human resource relationships; (f) human resource utilisation; (g) human resource accounting; and (h) human resource audit. This approach emphasises individualism and the direct relationship between management and its employees. Therefore, it questions the collective regulation basis of traditional industrial relations.

6. Psychological Approach to Industrial Relations:

According to psychologists issues to industrial relations have the differences in the perception of management, unions and rank and file of workers. The perpetual differences arise due to differences in personalities, attitudes, etc. Similarly, factors like motivation, leadership, group versus individual goals, etc., are responsible for industrial conflicts.

7. Sociological Approach to Industrial Relations:

Industry is a social world in miniature, organisations are communities of individuals and groups with differing personalities, educational and family backgrounds, emotions, sentiments, etc., these differences in individuals create problems of conflict and competition among the members of industrial societies.

8. SYSTEMS APPROACH

- Developed by J.P. Dunlop in 1958
- The behaviour, actions and role of individuals are shaped by the cultures of the society
- key actors
 1. Employers
 2. Employees and their representatives
 3. Government
- Substantive rules and procedural rules
- Environment factors affect industrial relations.

Dunlop's System Theory (1958): Dunlop's System Theory (1958) The credit for applying the systems concept to industrial relations goes to Dunlop.

- “He analyses industrial relations systems as a sub-system of society. “An industrial relations system at any one point time in its development is regarded as comprised of certain actors, contexts, ideology which binds the industrial relations system together and a body of rules created to govern the actors at the workplace and work community”.
- Dunlop's System model
- $IR=f(a,t,m,P,I)$
- A= actors-Labour, Employers Govt. T=Technological Context M=Market Context
- P=Power Context I=Ideological context that helps to bind together
- The IR system as a web of rules formed by the interaction of the government, business and labour, influenced by the existing and emerging economic, socio-political and technological factors.

Difference between IR and HRM

S.No	Dimension	IR	HRM
1.	Nature of relations	Pluralist	Unitarist
2	Contract	Emphasis on terms of contract defined rules, contract	Beyond contract, innovative ways
3	Conflict	Institutionalized	De-emphasized is pathological
4	Union legitimacy	Unions are acceptable	Not considered desirable Nurturing.
5.	Managerial task in relation to labour	Monitoring	Nurturing
6	Key relation	Labour-management	Customer
7	Pay	Standardized, based on job evaluation	Performance related
8	Basis of labour-mgt relations	Collective bargaining contract	Individual contract
9	Job design	Division of labour	Team work
10	Conflict handling	Reach temporary truce, reactive	Managing climate and culture-proactive
11	Key people	PM/IR	Line specialists
12	Focus of attention	Personnel procedures	Various culture and structure-related personnel strategies.

Causes of poor IR

The main reasons are as follows:

- An attitude of contempt towards the workers on the part of the management.
- Inadequate fixation of wages or improper wages.
- Unhealthy working conditions at the workplace.
- Desire of workers for higher bonus, wages or daily allowances.
- Desire of employers to pay as little as possible to its workers.
- Lack of human relations skills on the part of supervisors and managers.
- Inadequate welfare facilities.
- Dispute on sharing the gains of productivity.
- Retrenchment, dismissal and lockouts by the management.
- Strikes by the workers.
- Inter-union rivals.
- General economic and political environment such as rising prices, strikes by others and general indiscipline having their effect on the employees attitudes.
- Mental inertia on the part of the management.

Strategies for the management of industrial relations

The strategies for the management of industrial relations need achieving maximum co-operation both from the management and the employees for minimizing the chances of industrial unrest and conflicts. The strategies are to consider both the external and the internal factors and based on these factors measures are required to be taken. These measures are to be helpful in building up a congenial work environment. While taking the measures, it is to be remembered that employees are human beings and this fact is to be recognized and appreciated so that the respect for the dignity of the employees is available when developing sound and harmonious industrial relations. Some of the useful strategies for the management of industrial relations are given below.

Objective of industrial harmony – Industrial relations strategy need to have industrial harmony as the prime objective for the achievement of the organizational goal and objectives. Management need to assign industrial harmony same importance as being assigned to other objectives. Further, all out efforts are needed to be made both by the management and the employees for the achievement of this objective.

Proactive approach of the management – Management is required to have proactive approach for the management of the industrial relations. For this approach, management is to anticipate the problem and take affirmative and timely steps for minimizing the impact of the problem. Management is not to wait for the problem to arrive for taking of the action. Postponing the decision for the action can have adverse effect on the industrial relations and in finding peaceful solution to the problem. Postponement of decisions results into taking reactive actions after the arrival of the problem and these actions compounds and aggravates the problem and causes more discontent.

Job security – A healthy industrial relations strategy is required to give importance to job security. Job security is one of the basic factors of employees' satisfaction. The policy of hire and fire of some of the managements does not always work. Organization which creates an environment of insecurity of job cannot create in its employees the sense of belongingness and affiliation towards the organization. Insecure employees cannot make an effective contribution for achieving the goal and objectives of the organization since the employees' morale is normally low. Considering all these, job insecurity has an adverse impact on the industrial relations.

Status of trade unions in the organization – Management is required to give due importance to the trade unions for the effective management of the industrial relations. Management is to accept and respect the trade unions since they carry the voice of the employees. At the same time, trade unions and their leaders are to keep the organizational interest in front of them while raising any issue before the management. Trade unions are required to use their bargaining power for constructive issues which do not have any negative perceptions and doubts. The common objective of the strategy of the managing industrial relations both for the management and the trade union is to be the peace and harmony in the organization.

Informal organizational relations – In the organizations which have peaceful and harmonious industrial relations, the management and the employees work together and keep the organizational interest before them. Strategy of managing industrial relations is to aim at informal relations for achieving efficient working and for better organizational productivity. The management is to encourage more of informal relations at workplace since such relations are always more productive as compared to formal relations. Informal relations give the employees a better opportunity to understand each other and a bond is created between the employees. Employees with high level of bonding and affiliation are more cooperative as they have a positive attitude and are ready to accept new challenges and responsibilities. Good informal relations at all the levels in the organization are needed for the control of poor industrial relations.

Effective communication – Strategy for managing industrial relations needs effective communication in the organization since without proper communication employees' cooperation cannot be achieved in the organization. Communication is required to be open, direct, two way, and at all the levels specially when something new is introduced or a change is to take place or when any decision is to be taken which has an impact on all the members of the organization. It is the normal human tendency to resist change but proper communication can help in minimizing resistance to change. Effective communication satisfies the employees of their urge for self expression which is essential for better industrial relations.

Training, development, and education – Strategy for managing industrial relations needs priority to be given for the employees' training, development, and education. The employees' training, development, and education programmes result into sound industrial relations in the organization. Organization which gives importance to the employees' training, development, and education finds a positive attitude in the employees towards the organization. Training and development programmes are to be conducted at

regular intervals for updating the employees knowledge with respect to technological developments, working and maintenance of the equipments, safety and housekeeping at the workplace, first aid, industrial relations and human relations both at the employees' level and at the managerial level. Such programmes prepare the employees for any proposed change and they develop a positive attitude towards the change. Management has to appreciate the importance of such training programmes for aiding harmonious industrial relations in the organization.

Fair and liberal policy towards compensation, incentive, and rewards – Strategy for managing industrial relations is to be based upon fair and liberal compensation, incentive, and reward systems. Fairness is very important for harmonious industrial relations. The fair and liberal attitude of the management creates a sense of loyalty and job satisfaction among the employees.

Development of the spirit of collective bargaining and voluntary arbitration – The industrial relations is going to be peaceful and harmonious only when the differences between the management and the employees are settled through mutual negotiation and consultation rather than through the intervention of the third party. Industrial relations strategy is required to support the process of joint decision making and involve a democratic process in the organization. Flexible methods of adjustment to economic and technical changes in the industry are to be established. Also methods of voluntary arbitration are to be used very frequently. One of the main factors which acts as a hurdle to the maintenance and promotion of peaceful industrial relations at present is the increasing dependence on adjudication machinery as against collective bargaining, voluntary arbitration, and conciliation.

Maintenance of peaceful industrial relations – Strategy for managing industrial relations is to aim at permanent industrial peace in the organisation. The success of such a strategy depends both on the management and the employees. Industrial peace requires continuous efforts from both the sides and hence, it is a necessity to develop faith and trust in each other and the fine art of making adjustments.

Grievance Strategy-Conflicts in work centers usually lead to reduced productivity. Conflicts may occur between employees, between employees and supervisors and between the company and employees. A proven strategy to deal with grievances is to establish a grievance committee authorized to find solutions to problems. These may include reassigning workers, reorganizing work activities and employee discipline. Without forgetting laws that protect employee rights, discipline should take a progressive path designed to not only solve grievances, but to provide a path leading to higher productivity. Possible disciplinary actions include written reprimands and limitation of promotion and pay increase opportunities.

Safety Strategy-Every business that has workers must comply with governmental oversight entities such as the Occupational Safety and Health Administration. Each state also has agencies that work to keep employees safe. Industrial workers expect, and have the right to, a safe and healthful labor environment. An effective industrial relations strategy must include a company-wide commitment to doing everything possible to keep work centers safe. Safety strategies may include regular inspections and briefings, hazard reporting systems and an open-door policy for safety concerns. Employees must be

able to report issues without fear of negative repercussions from management.

Retention Strategy-Your company's most important resource is the highly qualified employees who faithfully produce your products. The loss of any key employee has the potential to reduce your competitive advantage. Human resources must utilize retention strategies that induce valuable workers to remain with your company even as others try to draw them away. These may include promotion opportunities, professional recognition, flexible work hours, competitive benefits and educational opportunities.

Recruitment Strategy-The future of your company depends on your ability to recruit new employees as you grow. Traditional recruitment strategies include advertising, referrals, job fairs and campus visits. Newer strategies include the use of social media and Internet job boards, providing your HR department the opportunity to reach out candidates across the country and around the globe.