

INDUSTRIAL RELATIONS AND LABOUR LAWS

EVOLUTION AND FACTORS INFLUENCING IR IN CHANGING
ENVIRONMENT, EMPLOYERS' ORGANISATION; HUMAN
RESOURCE MANAGEMENT AND IR

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MEANING OF INDUSTRIAL RELATIONS (IR)

Industrial Relations refer to the **relationship between employers, employees, and the government**, and the processes through which these relationships are managed in the workplace.

It includes:

- Employer–employee relations
- Trade unions
- Collective bargaining
- Labour laws and dispute resolution

EVOLUTION OF INDUSTRIAL RELATIONS

(a) Early Industrial Era (Pre-Industrial & Early Industrialization)

- Small-scale industries and craft-based production
- Direct relationship between employer and worker
- No formal labour laws
- Exploitation of workers (long hours, low wages, unsafe conditions)

Result: Worker dissatisfaction and unrest

(b) Industrial Revolution Period

- Large-scale factories and mechanization
- Separation between owners and workers
- Rise of wage employment
- Harsh working conditions led to:
 - Formation of trade unions
 - Strikes and protests

Focus: Conflict-based IR

(c) Trade Union Movement Phase

- Workers organized to protect interests
- Growth of collective bargaining
- Recognition of unions by employers
- Government intervention increased

Outcome: Power balance between employers and employees

(d) Legal and Institutional Framework Phase

- Introduction of labour laws (Factories Act, Industrial Disputes Act, etc.)
- Establishment of labour courts and tribunals
- Tripartite approach: Government + Employers + Employees

Focus: Regulation and dispute settlement

(e) Modern IR / Human Relations Phase

- Emphasis on cooperation and participation
- Worker welfare and motivation
- Productivity-linked incentives
- Industrial democracy

(f) Contemporary IR in a Changing Environment

- Globalization and liberalization
- Decline of traditional unions
- Flexible employment practices
- Strategic HRM replacing traditional IR

FACTORS INFLUENCING INDUSTRIAL RELATIONS IN A CHANGING ENVIRONMENT

(a) Economic Factors

- Liberalization, Privatization, Globalization (LPG)
- Competition and cost reduction
- Technological investment
- Economic recessions and growth cycles

Impact: Downsizing, contract labour, flexible wages

(b) Technological Factors

- Automation and AI
- Digital platforms and remote work
- Skill obsolescence

Impact: Job insecurity, reskilling needs, new disputes

(c) Political and Legal Factors

- Labour law reforms
- Government labour policies
- Role of judiciary

Impact: Changes in employer obligations and worker rights

(d) Social and Cultural Factors


- Changing worker attitudes
- Education and awareness
- Generational differences (Gen Z workforce)

Impact: Demand for participation, work-life balance

(e) Trade Union Factors

- Declining union membership
- Politicization of unions
- Multiplicity of unions

Impact: Weak bargaining power



(f) Employer Attitudes and Management Philosophy

- Shift from adversarial to cooperative approach
- Focus on productivity and employee engagement

(g) Globalization and Multinational Companies (MNCs)

- International labour standards
- Cultural diversity at workplace

EMPLOYERS' ORGANISATION

Meaning

An Employers' Organisation is an **association of employers formed to protect and promote their common interests**, especially in labour and industrial relations matters.

OBJECTIVES OF EMPLOYERS' ORGANISATIONS

- Represent employers in collective bargaining
- Protect employers' interests in policy formulation
- Promote healthy industrial relations
- Provide advice on labour laws
- Resolve industrial disputes
- Improve productivity and competitiveness

FUNCTIONS OF EMPLOYERS' ORGANISATIONS

(a) Industrial Relations Functions

- Negotiating with trade unions
- Advising members on labour disputes
- Promoting collective agreements

(b) Legal Functions

- Interpretation of labour laws
- Representation in labour courts
- Guidance on compliance

(c) Advisory and Research Functions

- Conducting research on labour issues
- Publishing reports and guidelines
- Training employers

(d) Lobbying and Representation

- Representing employers before government bodies
- Influencing labour policy decisions

TYPES OF EMPLOYERS' ORGANISATIONS

1. All-India Level

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)

2. Regional / State Level

- State employers' federations

3. Industry-Specific Organisations

- Textile, steel, IT associations

ROLE OF EMPLOYERS' ORGANISATIONS IN IR

- Balancing union power
- Encouraging voluntary arbitration
- Promoting cooperation instead of conflict
- Supporting productivity-linked agreements

HUMAN RESOURCE MANAGEMENT (HRM) AND INDUSTRIAL RELATIONS (IR)

Meaning of HRM

Human Resource Management is a **strategic approach to managing people** to achieve organizational goals through:

- Recruitment
- Training
- Performance management
- Compensation
- Employee relations

RELATIONSHIP BETWEEN HRM AND IR

Aspect	Industrial Relations (IR)	Human Resource Management (HRM)
Focus	Collective relations	Individual employee
Approach	Reactive	Proactive
Nature	Rule and law based	Strategy driven
Level	Group/Union oriented	Individual oriented

SHIFT FROM IR TO HRM

- Decline in union influence
- Rise of individual contracts
- Performance-based rewards
- Employee engagement practices

Role of HRM in Industrial Relations

- Preventing industrial disputes
- Improving communication
- Handling grievances
- Negotiating settlements
- Building trust between management and employees

HRM PRACTICES INFLUENCING IR

(a) Recruitment and Selection

- Fair hiring reduces disputes

(b) Training and Development

- Skill enhancement reduces resistance to change

(c) Compensation Management

- Transparent wage systems
- Incentive and bonus plans

(d) Performance Appraisal

- Objective evaluation reduces conflict

(e) Employee Welfare and Engagement

- Health, safety, and well-being
- Participation in decision-making

HRM AS A TOOL FOR SOUND INDUSTRIAL RELATIONS

- HRM promotes cooperation instead of confrontation
- Encourages mutual trust
- Aligns employee goals with organizational goals

CONCLUSION

- Industrial Relations have evolved from **conflict-based** to **cooperative and strategic** systems.
- Changing economic, technological, and social environments continuously reshape IR.
- Employers' organisations play a crucial role in representing and protecting employer interests.
- Modern HRM complements IR by focusing on employee engagement, productivity, and harmony.