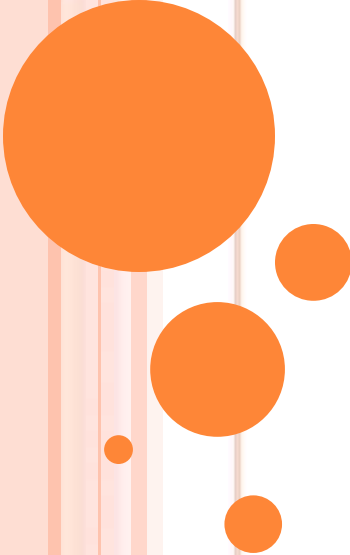
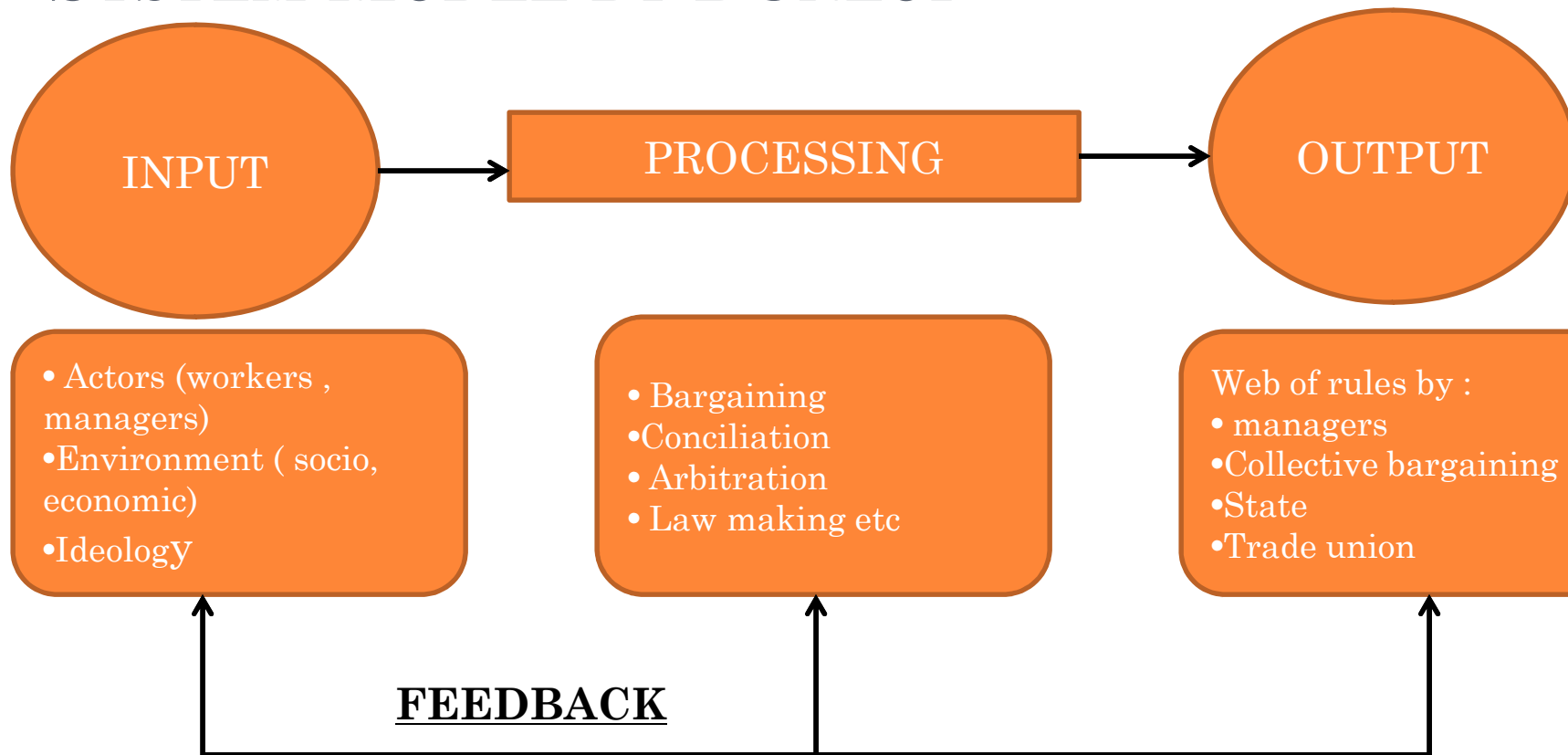


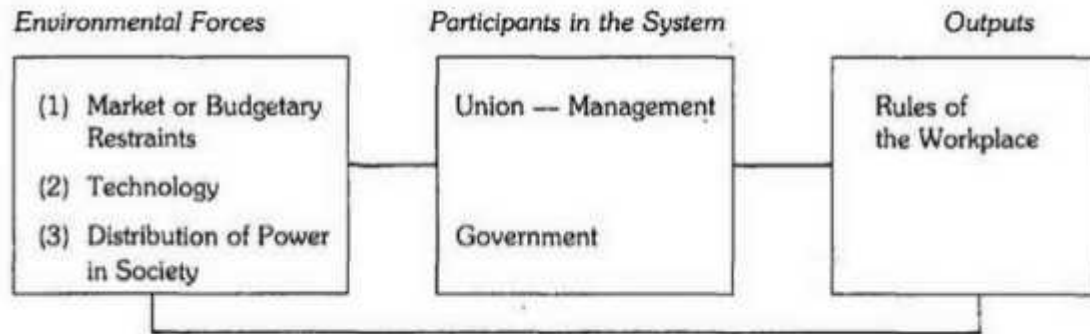
# NATURE & SCOPE : INDUSTRIAL RELATION



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# SYSTEM MODEL BY DUNLOP





John Dunlop developed systems approach to industrial relations. It focuses on the participants in the process, environmental forces and the output. It studies inter-relations among different facets of industrial relations system.

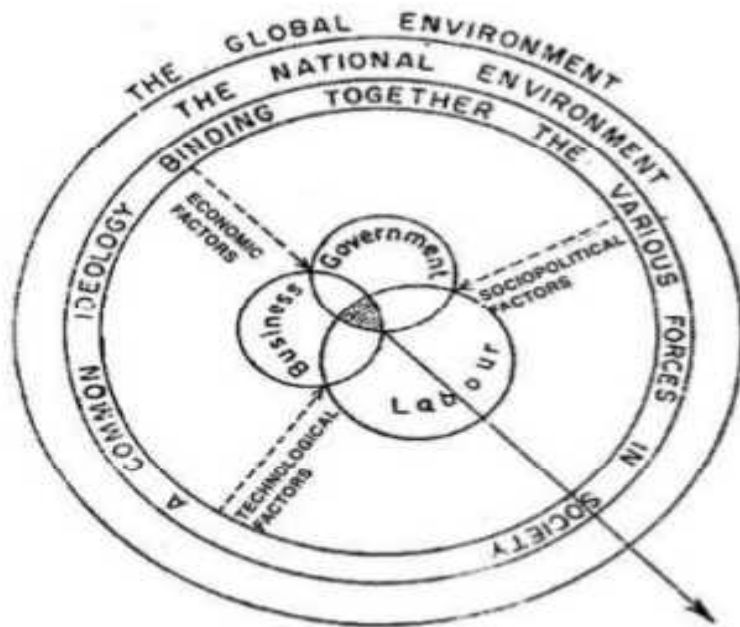
Basic element of systems approach -

- Participants: Workers and their organizations, Management and their representatives, Government agencies like labour court.
- An *ideological linking* "A set of ideas and beliefs commonly held by the actors that helps to build or integrate the system together as an entity."
- Three types of environment: Economic sub-system, Technological sub-system and Political sub-system.

- Focused more on control of conflict through rulemaking rather than examining how conflict is generated.

It ignores external factors like consumers and community which play dominant role in worker-manager relationships

## Dunlop's System Theory (1958)



## GANDHIAN APPROACH

- Both labour and capital are complementary , not contradictory
- Three principles:
  - i. Trusteeship
  - ii. Truth leading to satyagraha
  - iii. Non-violence

## SOCIO –ETHICAL APPROACH

- Organization is a society. Good IRs can be maintained only when both the parties realized their morale responsibilities besides the mutual co-operation & greater understanding of each other problem
- In this approach needs of both management & workers should be fulfilled by each other such as productivity, carrier, better standard of living & growth prospects.

# V.V.GIRI APPROACH

- Opined for bi- partism
- Advocated mutual co-operation and decision participation.
- Unionism and collective bargaining for deciding terms of employment
- Against the role of state in Irs
- Equated state intervention as policeman role which cant bring harmony
- State should intervene as a tool of last resort only.

## IMPACT OF SOCIAL ENVIRONMENT

- Spread of wealth (even or uneven)
- Social values and norms ( care for humanity)
- Level of education ( workers participation, bargaining, justice and fair play )
- Caste and community consciousness ( level of cooperation)



# IMPACT OF ECONOMIC ENVIRONMENT

- Type of economy
- Type of organization
- Economic cycle



ECONOMIC Or SOCIAL Or TECHNOLOGICAL

## CHALLENGES TO IR TODAY!!

- Impact of liberalization
  - (efficiency and profitability are main drivers,
  - (disturbing impact on PSUs)
  - Increasing temporaries
  - Reducing state patronage
  - Increasing managerial militancy
  - Diversity of work force
  - Increasing uncertainties and complexities

- New technology e.g. mails, automated machines
- Global operations
- Global competition
- Global workforce
- Global customer
- Reducing product life cycle

CA ANUSHRI AGRAWAL

- Dynamic approach to work & innovation
- Economic security & employability rather than job security
- Partnership rather than subordination
- Long term interests rather than short term focus (ESOP)
- Thinking big ( gain creation rather than gain sharing)
- “we-ness rather than my-ness” or “ we v/s problem” rather than “management v/s union”
- CSR rather than responsibility towards shareholder
- HRM approach rather than reactive approach to manage relations
- “melting pot” approach rather than “meeting pot” approach (GOOGLE)
- Customer is the king

Even judiciary has changed its stance from pro labour to pro productivity.

Better employability besides quality of work life

“business is people” rather than “capital & technology”

Emphasising retention rather than hiring and firing

# Differences between IR and HRM

## Individualist vs. collectivist perspective

- HRM: relations between *individual* employees & management
- IR: relations between *all* (or groups of) employees & management

## Focus on micro-level vs. focus on macro-level

- HRM: focus on the company and plant-level, external environment is seen as “given” (i.e. constant, not changeable)
- IR: focus on companies, but also on *whole* economy and society, external environment not given – government as an *actor*

## Unitarist vs. critical/Marxist perspective

- HRM: employees and employers have same interest: well-being of company
- IR: capital and labour have different, incompatible interests

HRM	IR
Bipartant	Tripartant
No role of union	Generally role of union
Individual focus	Collective focus
Emphasis upon training and development to avoid conflict	Emphasis upon collective bargaining & negotiation to manage conflict
Focus upon common interest and productivity	Clash of interests
Business is people	People is cost
Generally at plant or unit level	Macro level

## SCOPE OF IR IS EXPANDING TO HRM

- Redesigning jobs and responsibilities to shoot new competition
- Better use of skills and building of career on account of demographic changes
- Greater emphasis upon economic security and employability due to increasing professionalism
- Increasing work force diversity
- Workers becoming more participative and creative
- Increasing acceptance of conflicts rather than disputes
- Increasing emphasis on fighting together and voluntarism rather than fighting within and autocracy

## QUESTIONS:

1. IRs are designed by socio- economic environment. Explain
2. The term Industrial Relation mean different to different people. In context of your organization how would you like to define it?
3. The human being has come a long way from being a mere factor of production to a resource and now a generator. How IR contributed to this?
4. Compare HRm with IR. What conflict and harmony we see among the two?
5. Explain the constitutional and legal framework of industrial Relations.