

UNIT -3

IHRM MBA 4th Sem

Industrial Relations And International Practices

Concept of Industrial Relations

The term industrial relations explain 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 have a broad as well as a narrow outlook. Originally, industrial relations were broadly defined to include the relationships and interactions between employers and employees. From this perspective, industrial relations cover 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.

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Industrial relations is used to denote the collective relationships between management and the worker. It also includes aspects of industrial life as trade unionism, collective bargaining, workers' participation in management, discipline and grievance handling, industrial disputes and interpretation of labor laws and rules and code of conduct

In the words of Lester, Industrial relations involve attempts at arriving at solutions between the conflicting objectives and values; between the profit motive and social gain; between discipline and freedom, between authority and industrial democracy; between bargaining and co-operation; and between conflicting interests of the individual, the group and the community”.

The National Commission on Labor (NCL) also emphasizes the same concept. According to NCL, industrial relations affect not merely the interests of the two participants- labor and management, but also the economic and social goals to which the State addresses itself. To regulate these relations in socially desirable channels is a function, which the State is in the best position to perform.

International Practices in IR

A number of human resources best practices can help you develop a productive and collegial relationship between management and organized labor. Up-to-date information about labor laws, leadership training on basic industrial relations practices and well-constructed negotiation strategy are elements that will improve your organization's labor-management relations. Turn what traditionally has been an adversarial relationship into one that benefits your company and employees.

Labor Laws

Fundamental to the labor-management relationship is clarity about applicable laws, such as the National Labor Relations Act. The act establishes employees' rights and sets out the obligations and responsibilities of employers and labor unions. In addition to understanding basic labor law, HR best practices include staying abreast of changes in the laws and decisions of the National Labor Relations Board that affect your industry and your workplace.

Leadership Training

Much of leadership training covers how to assign work and provide feedback about performance and basic employment law, such as Title VII of the Civil Rights Act and preventing workplace harassment. Supplement your supervisory training with labor-management-related components, such as union contract interpretation, conflict resolution and, if your workforce isn't unionized, how to maintain a union-free workplace. Supervisors and managers have the most direct contact with workers, and workforce management principles suggest that HR equip them with the skills necessary to be first responders concerning labor-management issues.

Collective Bargaining

HR best practices in collective bargaining include developing management strategy and proposals for contract negotiation at least six months before the contract expiration date. Assess the negotiating team's workload and reassign long-term projects that could interfere with their availability for bargaining sessions. The NLRA requires that both management and the union make themselves available for contract negotiations, as that demonstrates good faith. If you anticipate changes in your employee benefits package, get clarification from your compensation and benefits specialist on how the group health plan, pension and other benefits will affect negotiations.

Resources

Take advantage of resources available to HR staff, supervisors and managers. Continuing education courses, workshops and seminars on building relationships with labor union representatives generally are sponsored by law firms, management consulting groups and colleges. Use social media and Internet research to learn about union-organizing drives, including the occupations and industries that labor unions are targeting.

Union-Free Workplace

If your employees aren't union workers, improve your employee relations practices. Strengthen the employer-employee relationship by addressing workplace issues as soon as possible to avoid the lingering effects of conflict that often lead employees to seek unionization. Conduct routine vulnerability assessments to determine the likelihood of your employees supporting a union. Vigilance pays off — showing interest in and appreciation for your employees keeps job satisfaction high so they won't seek union representation.

Grievance Handling

HR management should address union grievances as soon as they arise. When a union employee feels that he has been unjustly reprimanded or terminated, he can file a grievance. The HR manager or a labor relations specialist is responsible for processing a union-employee grievance, which usually is a three-step process. The process includes a union steward who represents the employee's interests. If the matter isn't resolved within the allotted three steps, the case goes to arbitration. The arbitration process can be as lengthy and costly as litigation, both being processes that HR management would like to avoid whenever possible.

Shift in IHRM and IR

IR in India is witnessing a drastic change because of a number of factors, few of them are

Emerging business scenario has brought in new market imperatives.

The institution of Trade Union is getting weak. In IT sector there is absence of TU's.

The institution of Collective Bargaining is being decentralized and is replaced by Individual Bargaining.

Compensation Management pattern is changing and is replaced by performance based wages.

Use of policies for diluting labour struggle.

A number of legal steps have also been taken to make IR- Employee and Work Friendly.

In the wake of changing philosophy of IR it is but natural that HR whether National or International has to be collaborative in nature and work towards multi –dimensional betterment and need satisfaction of all parties concerned with an organization.(Employee ,Employer, Work and External agencies.)

INTERNATIONAL LABOUR STANDARDS

International labour law is the body of rules spanning public and private international law which concern the rights and duties of employees, employers, trade unions and governments in regulating the workplace. The International Labour Organization and the World Trade Organization have been the main international bodies involved in reforming labour markets. The International Monetary Fund and the World Bank have indirectly driven changes in labour policy by demanding structural adjustment conditions for receiving loans or grants. Issues regarding Conflict of laws arise, determined by national courts, when people work in more than one country, and supra-national bodies, particularly in the law of the European Union, has a growing body of rules regarding labour rights.

International labour standards refer to conventions agreed upon by international actors, resulting from a series of value judgments, set forth to protect basic worker rights, enhance workers' job security, and improve their terms of employment on a global scale. The intent of such standards, then, is to establish a worldwide minimum level of protection from inhumane labour practices through the adoption and implementation of said measures. From a theoretical standpoint, it has been maintained, on ethical grounds, that there are certain basic human rights that are universal to humankind. Thus, it is the aim of international labour standards to ensure the provision of such rights in the workplace, such as against workplace aggression, bullying, discrimination and gender inequality on the other hands for working diversity, workplace democracy and empowerment.

While the existence of international labour standards does not necessarily imply implementation or enforcement mechanisms, most real world cases have utilised formal treaties and agreements stemming from international institutions. The primary international agency charged with developing working standards is the International Labour Organization (ILO). Established in 1919, the ILO advocates international standards as essential for the eradication of labour conditions involving "injustice, hardship and privation". According to the ILO, international labour standards contribute to the possibility of lasting peace, help to mitigate potentially adverse effects of international market competition and help the progress of international development.

Implementation, however, is not limited to the ILO nor is it constrained to the legislative model that the ILO represents. Other alternatives include direct trade sanctions, multilateral enforcement, and voluntary standards. In addition to controversies that arise over each of these models, greater issues have also been raised concerning the debate over the need for international labour standards themselves. However, while critics have arisen, the international community has largely come to a consensus in favour of basic protection of the world's labour force from inhumane practices.

Associated with the development of successful international labour standards is proper monitoring and enforcement of labour standards. Most monitoring occurs through the ILO, but domestic agencies and other NGOs also play a role in the successful monitoring of international labour standards.

Objective of ILO

- Formulation of international policies and programmes to promote basic human rights, improve working and living conditions, and enhance employment opportunities;
- Creation of international labour standards in the form of Conventions and Recommendations, backed by a unique system to supervise their application;
- An extensive programme of international technical cooperation.
- Training, education, research, and publishing activities to help advance all of these efforts.
- To promote and realize standards and fundamental principles and rights at work;
- To create greater opportunities for women and men to secure decent employment;
- To enhance the coverage and effectiveness of social protection for all.

STRUCTURE OF ILO

Some of the most important organisational structure of ILO are as follows:

1. International Labour Conference (ILC)
2. Governing Body
3. International Labour Office (ILO).

(1) INTERNATIONAL LABOUR CONFERENCE (ILC)

This is the Apex body of ILO which makes labour policies for international labour. The ILC holds its sessions at a frequency not less than once in a year. The delegates from three groups viz. the government, the employers' and the workers attend ILC sessions in the ratio of 2:1:1 respectively. Each representative has a vote. The representatives from the Government are mostly ministers, diplomats or officials.

The conference is empowered to appoint committees to deal with different matters relating to labour during each session. Examples of such committees are the selection committee, The Credential Committee, The Resolution Committee, The Drafting Committee, The Finance Committee, etc. All committees except Finance Committee are tripartite in nature.

The functions performed by the ILC are to:

1. Formulate international labour standards.
2. Fix the amount of contribution to be paid by the member states.
3. Decide budget and submit the same to the Governing Body.
4. Study the labour problems submitted by the Director General and assist in their solutions.
5. Appoint committees to deal with different problems during its sessions.

6. Elect the president.
 7. Select members of the Governing Body.
 8. Develop policies and procedures.
 9. Seek advisory opinion from International Committee of Justice.
- Confirm the powers, functions and procedure of Regional Conference.

(2) GOVERNING BODY

It is also a tripartite body. It implements decisions of the ILC with the help of the International Labour Organization. It consists of 56 members in the same ratio of 2:1:1, i.e. 28 representatives of the Government, 14 of the employers and 14 of the workers. Of the 28 representatives of the Government, 10 are appointed by the members of the States of Chief Industrial Importance and remaining 18 are delegates of the other governments.

Industrial population is the criteria for chief Industrial Importance. India is one of the ten states of chief Industrial Importance. The tenure of the office of this body is 3 years. It meets frequently in a year to take decisions on the programmes of the ILO.

The functions of the Governing Body are to:

1. Co-ordinate work between the ILC and ILO.
2. Prepare agenda for each session of the ILC.
3. Appoint the Director General of the office.
4. Scrutinize the budget.
5. Follow up with member states in regard to implementation of the conventions and recommendations adopted by the ILC.
6. Fix the date, duration, schedule and agenda for the Regional Conferences
7. Seek as and when required, advisory opinion from the International Court of Justice with the consent of the ILC.

(3) International Labour Office:

This is the secretariat of the ILO in Geneva and is the third major organ of the ILO. The Director General (DG) of the ILO is the Chief Executive Officer of the Secretariat appointed by the Governing Body. He also serves as the Secretary General of the ILC. His tenure is for 10 years and extendable by the Governing Body.

The Director General is assisted by two Deputy Director Generals, six Assistant Director Generals, one Director of the International Institute of Labour Studies, and one Director of the International Centre for Advanced Technical and Vocational Training, Advisors, Chief of Divisions from 100 nations.

Following are the main functions of this office:

1. Prepare briefs and documents for agenda of ILC.

2. Assist the Governments of the States to form labour legislation based on recommendations of the ILC.
3. Bring out publications relating to industrial labour problems of international nature and interest.
4. Carry out functions related to the observance of the conventions.
5. Collect and distribute information on international labour and social problems.
6. To promote and realize standards and fundamental principles and rights at work;

THE ROLE OF THE ILO

The mission of the International Labour Organization (ILO) is to promote social justice and internationally recognized human and labour rights, based on the founding principle that social justice is essential to universal and lasting peace.

Decent Work Agenda

As part of its mission, the ILO aims to achieve decent work for all by promoting social dialogue, social protection and employment creation, as well as respect for international labour standards. The ILO provides technical support to more than 100 countries to help achieve these aims, with the support of development partners.

International labour standards

The ILO sets international labour standards with Conventions, which are ratified by member states, or Recommendations, which are non-binding.

Conventions are drawn up with input from governments, workers' and employers' groups at the ILO. Conventions are adopted by the International Labour Conference, which meets every year in Geneva.

The ILO's supervisory role

The ILO monitors the implementation of ILO Conventions ratified by member states. This is done through:

- The Committee of Experts on the Application of Conventions and Recommendations
- The International Labour Conference's Tripartite Committee on the Application of Conventions and Recommendations
- Member states are also required to send reports on the progress of the implementation of the Conventions they have ratified.

ILO Declaration on Fundamental Principles and Rights at Work

Adopted in 1998, the Declaration commits member states to respect and promote eight fundamental principles and rights in four categories, whether or not they have ratified the relevant Conventions.

They are:

- Freedom of association and the right to collective bargaining (Conventions 87 and 98)
- The elimination of forced or compulsory labour (No. 29 and No. 105)
- The abolition of child labour (Conventions No. 138 and No. 182)
- The elimination of discrimination in respect of employment and occupation