

Industrial Laws Questions

What is industrial relations system?

Industrial relations are the relations between employees, employers, government and trade unions within the organizational structure.

The industrial relations system is a system of relationship between all the parties involved. A sound IR system will create an environment conducive for organizational growth and labour welfare.

Name the various parties involved in IR system?

The main parties involved in the IR system are:

i.) Employers – They are the ones who possess the rights to hire the employees and remove them. They also possess the rights to relocate, close or merge the business. They can opt for technological changes as and when they see it in the interest of business.

ii.) Employees – They are actually the ones who keep the business moving. They possess the rights to voice their opinions and feelings while striving for betterment. They usually form the unions to negotiate with the employers.

iii.) Government – Government is the one who influences the IR system with laws, rules, agreements, awards of court etc. They also include third parties & labor and tribunal courts to manage the IR system.

Why is it important to have an IR system in place?

It is important to have an IR system in place

- To ensure that the workers are not overpowered and used by the employer.
- To ensure that the workers do not blackmail the employers with unnecessary demand leading to a loss of production
- To ensure that the economy keeps growing
- To ensure that even if a problem arises, it is solved amicably.

What are the benefits of having an industrial relations system in place?

Following are the benefits of having an effective IR system in place:

- Continuous production

- Continuous employment for all
- Smooth flow of income for workers and businessman
- Lesser number of disputes between employees and employers like strikes, lock outs, grievances etc.
- Higher level of motivation in the employees as they consider themselves to be a part of the organization
- Less wastage of time, man, machine and material
- Lesser cost of production
- Optimum utilization of resources leading to higher profits for employers and employees
- Economic growth of the society

What are the main objectives of industrial relations system?

The main objectives of an Industrial relations system are:

- To protect the interest of employees and employers by building up a congenial relationship.
- To avoid the human conflicts which can harm the business, the employees and the economic growth of the country.
- To increase the productivity.
- To improve the economic conditions of the workers
- To reduce the number of industrial disputes like strikes, lock outs etc.

Name the three factors Dunlop's theory advises to consider while conducting an analysis of management-labor relationship?

The three factors that Dunlop's theory advises to consider while analysing management-labour relationship are:

- Environmental factors – Socio-political, technological, legal.
- Characteristic and interaction of key parties – employee, employer, government

- Rules obtained from the interactions that govern the employment relationship

Explain the unitary perspective of IR from employer point of view.

The unitary approach believes that the employees and employers share the same objectives, interests and purposes. They work hand-in-hand for the betterment of the organizations.

However, this system expects loyalty from the employees.

From employer's perspective, unitary approach means:

- The staffing policies should be exercised to unify the efforts. They should motivate the employees.

- The objectives of the organization should be discussed with the employees.

- A reward system should exist to secure loyalty and commitment from the employees

- Line managers should take the responsibility of their team.

- Staff-management conflicts arise from lack of information and inadequate presentation of management policies.

- Personal objectives of the employees should be integrated with the overall objectives of the organization.

Explain the unitary perspective of IR from employee point of view.

The unitary approach from employee's point of view means that:

- The purpose of a union is to act as a means of better communication between all the parties.

- All the parties should focus on good relationships and good working terms and conditions

- There should be flexibility in working practices.

- Employees should have a participation in workplace decisions. This promotes teamwork, creativity, problem solving abilities.

- Employees should have a feeling that the skills of their managers support them in their work.

What is the pluralistic perspective of IR system? What are the implications of this approach?

- Pluralism perspective views the organization being made up of two groups – Management and trade unions. Both of them are considered strong.

- It sees the conflicts over distribution of profits as normal and unavoidable.

- It believes that the role of management is more of persuading and co-ordinating
- Conflict is not viewed as a bad thing and is dealt with through collective bargaining
- Trade unions are viewed as legitimate representatives of employees.

The basic implications of this approach are:

- Union recognition is encouraged.
- Calls for an independent external arbitrator for resolution of conflicts.
- It calls for collective agreements to be negotiated with the trade unions
- Calls for appointment of IR specialists to advise managers in staffing and matters related to trade unions.

What is marxist perspective of IR system?

- The focus of Marxist perspective of IR system is on fundamental division of interest between capital and labour.
- It assumes that the conflict at work place is a reflection of conflict in the society.
- Trade unions are deemed as a natural response from workers to protect themselves against exploitation.

Explain collective bargaining. What are the different types of activities which comprise collective bargaining.

Collective bargaining means a process of negotiations between employers and a group of employees. The purpose is to reach an agreement to regulate the working conditions.

The collective bargaining mainly comprises of 4 types of activities:

- i.) Distributive bargaining – Also termed as conjunctive bargaining, this form of bargaining aims at re-distribution of benefits between the management and the group of workers. In this form of bargaining, one group gains while the other loses something.
- ii.) Integrative bargaining – Also termed as co-operative bargaining, this form of bargaining is for overall improvement in the working of the organization. No party loses here, so, the level of co-operation is more.
- iii.) Attitudinal restructuring – This type of bargaining mainly aims at developing a change in the attitude of the management and the employees. The purpose is to reduce the bitterness and develop a congenial atmosphere.

iv.) Intra-organizational bargaining – This kind of bargaining aims at achieving the consensus within the trade union and management group.

What are the characteristic features of collective bargaining?

The main features of collective bargaining are:

- It is a group process involving at least two parties.
- It is a process of negotiations through mutual discussions and compromise.
- It is a formal process in which employers and formal trade unions participate for discussions.
- It is a flexible process consisting of various steps.
- The process works on the basis of mutual trust and understanding between the two parties.
- It is a complementary process where each party has something to offer to each other.
- It is a constructive ongoing process.

List down the major steps of collective bargaining.

The major steps of collective bargaining are:

- Preparatory – In this stage the negotiation team is formed which comprises of the members of both the teams. Both the sides need to take a stock of their situation to find the matters which they need to take up discussion, their stand on it.
- Discussion – In this stage the ground rules governing the negotiation process are set with the agreement of both the parties.
- Proposal – The issue for which the meeting is called is defined and the possible solutions are put forth.
- Bargaining – This is the phase where actual bargaining takes place and its nitty gritty are decided.
- Settlement – After a consensus is reached, this stage consists of effective joint implementation of the agreement.