

# Philosophy of Industrial Relations

## Learning Objectives

- The concept and scope of industrial relations.
- The objectives of industrial relations.
- The functional approaches to industrial relations.
- The influence of theories & models on industrial relations practice.

# Philosophy of Industrial Relations

## Structure

- 1.1 Introduction
- 1.2 Concept & Scope
- 1.3 Objectives
- 1.4 Functional Approaches
- 1.5 Models/Theories
- 1.6 Summary

# Philosophy of Industrial Relations

## 1.1 Introduction

Modern industrial society is marked by  
rapid change  
industrial unrest  
conflicting ideologies in national &  
international spheres.

And industrial relations constitute one of the most delicate and complex problems of modern industrial society.

It is a dynamic concept that depends upon pattern of society, economic system, political set up and changes with dynamic economic & social order.

# Philosophy of Industrial Relations

## 1.1 Introduction

Industrial relations impact production, productivity, human well being as well as industrial progress.

It comprises of network of institutions like trade unions, collective bargaining, employers, the law, the state. All bound by together by a set of their own common values & aspirations.

Knowledge of all these institutions is essential for understanding every day industrial relations.

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## 1.2 Concept & Scope

Industrial relations in its strictest sense means relationship between management & workmen in a unit or an industry.

In its wider connotation it means, organization and practice of multi-pronged relationships between workers & management, unions & workers ; and unions & managements in an industry.

# Philosophy of Industrial Relations

## 1.2 Concept & Scope

Industrial relations are results of the attitudes & approaches of employers and employees with each other with regard to planning, supervision, direction & coordination of activities of an organization with a minimum of human efforts & friction with an animating spirit of cooperation and with proper regard for the genuine well being of all members of the organization.

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## 1.2 Concept & Scope

Industrial relations in an organization can be personal & informal at one end & may be highly institutional with legally prescribed structures & procedures at the other end.

It also is a relative concept because it grows / flourishes or stagnates / decays in accordance with economic, social and political conditions prevailing in a society and the laws made by state for regulation.



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## 1.3 Objectives

Apart from the primary objective generating sound & healthy relations between employers & employees, industrial relations aim

- i] to facilitate production & productivity;
- ii] to safeguard rights & interests of labour & management by enlisting their cooperation;
- iii] to achieve a sound, harmonious & mutually beneficial labour management relations;
- iv] to avoid any kind of work interruptions;
- v] to establish & maintain industrial democracy.



# Philosophy of Industrial Relations

## 1.3 Objectives

Objective of industrial relations are divided into four categories.

- i] improvement in the economic conditions of workers.
- ii] state control over industrial undertakings to regulate production and promote harmonious industrial relations.
- iii] socialization or rationalization of industries by state itself becoming a major employer
- iv] vesting proprietary interest of the workers in industries in which they are employed.

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## 1.4 Functional Approaches

i] the problems posed in the field of industrial relations cannot be solved within the limits of a single discipline, they are solved always with an inter disciplinary approach.

ii] for inter-disciplinary approach inputs are needed from sociology, psychology, law, history, politics, economics, accounting & other elements of management studies.

# Philosophy of Industrial Relations

## 1.4 Functional Approaches

iii] thus industrial relations has a dual character, it is both an inter-disciplinary field and a separate discipline in itself.

iv] in fact, the growth of industrial relations as a scientific discipline depends upon extent to which it integrates the contribution of established disciplines in the social sciences.

v] it is much more of an art than it is a science.

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## The Systems Approach

Industrial relations is entirely a matter of tradition or custom. Employers, the workers or their organizations & the government; all interact to build up country's industrial relations.

Industrial relations system is conceived at national, regional, industry or work place levels.

The concept of the system has been influential in establishing industrial relations as a discipline in its own right.

# Philosophy of Industrial Relations

## The Systems Approach

Industrial relations system has three components

i] a set of individuals & institutions that interact. Their interaction generates industrial relations issues.

ii] a context within which the interaction takes place; a structure of institutionalized behaviour that provides collective procedures, grievances settlement practices etc.

iii] an output that serves to govern the future relationships of the parties.

# Philosophy of Industrial Relations

## The Systems Approach

Has three distinct features -

i] Inter-disciplinary character.

ii] Suitability to Work Organization & their sub-systems.

iii] Dynamic Aspects.



# Philosophy of Industrial Relations

## The Systems Approach – per Robert Dubin

Focus on inter-group [union & management] power interactions, boundaries of the social system, & functions performed by the system.

He claimed that union militancy is high when it bargains for basics like wages, hours & conditions of work.

Militancy dilutes when issues for bargain cover a broad range.

# Philosophy of Industrial Relations

## The Systems Approach – per Robert Cox

- a] the peasant lord system.
- b] the primitive market system
- c] the small manufactory system
- d] the life time commitment system [Japan]
- e] the bipartite system
- f] the tripartite system [government]
- g] the corporatist – bureaucratic system.
- h] the mobilizing system
- i] the socialistic system.

# Philosophy of Industrial Relations

## The Systems Approach – per Kenneth Walker

Proposal to build a multi dimensional , inter active models of industrial relations system

Models to view man as

a] calculating & emotional

b] cooperative & conflicting

c] expressive & instrumental

# Philosophy of Industrial Relations

## The Systems Approach – per Herbert Haneman

His model contains stimulating insights concerning the components & variables to be included in a systems model of industrial relations.

His main focus was on the workers & managers & their interaction and the workplace.

# Philosophy of Industrial Relations

## The Systems Approach – per John T Dunlop

His systems treatment deserves special mention in view of its wider applicability. It broadened the industrial relations horizon from collective bargaining to the full spectrum of present day industrial relations.

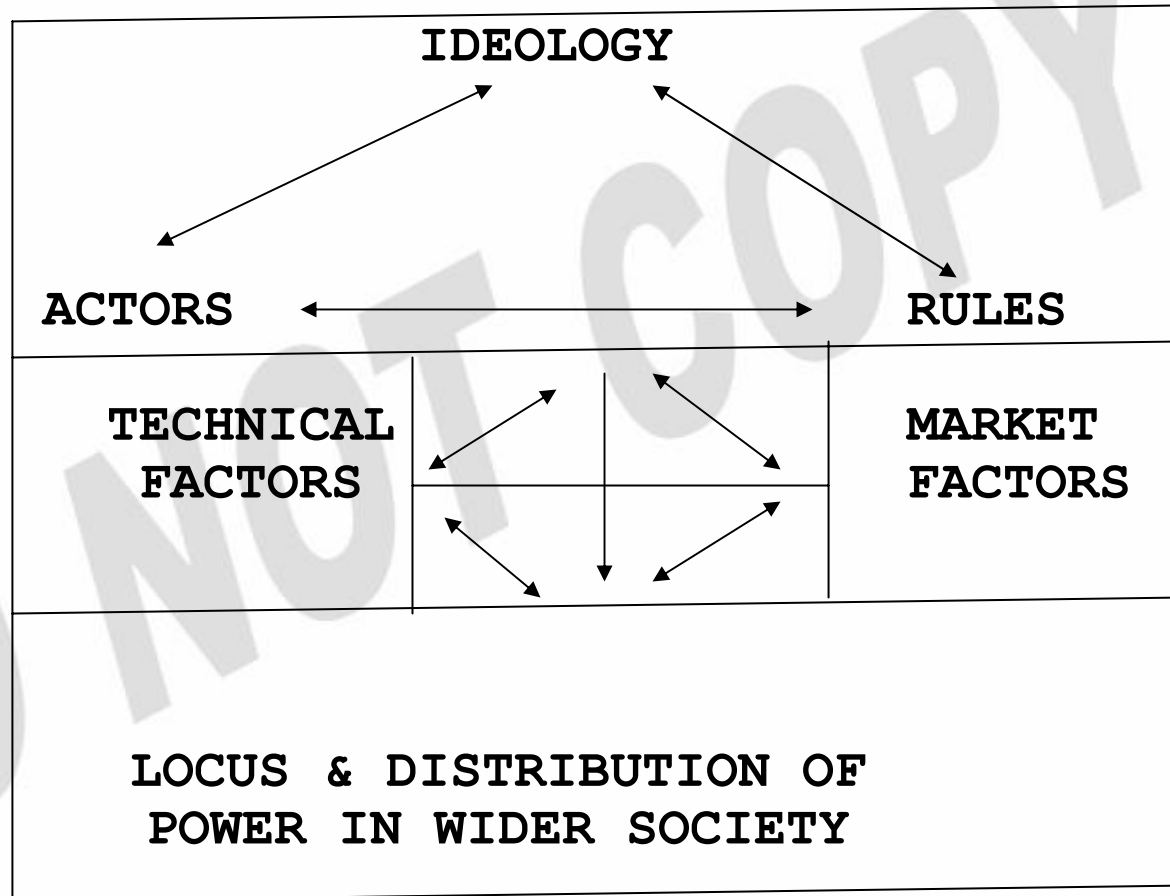
He defines industrial relation system at any one time in its development “ as comprised of certain actors, certain contexts, an ideology that binds industrial relations system together, and a body of rules created to govern the actors at the work place and work community.”

# Philosophy of Industrial Relations

The conceptualization of Dunlop's systems approach -

**INDUSTRIAL  
RELATIONS  
SYSTEM**

**CONTEXTUAL  
FACTORS**



↔ *Denotes inter relations*



# Philosophy of Industrial Relations

## The Systems Approach – per John T Dunlop

certain actors :

- ❖ hierarchy of managers & their representatives in supervision.
- ❖ hierarchy of workers [non-management] & any spokesmen. **{these two are directly related to each other.}**
- ❖ specialized government agencies [plus private agencies created by the two above] concerned with workers , enterprises & their relationships. **{these are so broad & decisive that they override the first two}**

# Philosophy of Industrial Relations

## The Systems Approach – per John T Dunlop

certain contexts:

- technological characteristics of the work place & work community [they have far reaching consequences]
- the market or budgetary constraints which impinge on the actors. [they can be local, national or global depending on the system]
- the locus & distribution of power in the larger society [this tends to be reflected in the industrial relations system].

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## The Systems Approach – per John T Dunlop

an ideology

Is a philosophy or a systematized body of beliefs & sentiments held by the actors.

This shared understanding defines the role & place of each actor.

Each actor has its own ideology ; a stable system involves a congruence or compatibility among these views & rest of the system.

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## The Systems Approach – per John T Dunlop

establishment of rules

- ▶ Actors under given context establish rules – for the work place & community ; including those that govern contracts among actors.
- ▶ They include procedure for establishing rules, the substantive rules, & procedures for their application to particular situations.
- ▶ Establishment & administration of such rules & procedures is the major output of the industrial relation system.

# Philosophy of Industrial Relations

## The Systems Approach – per John T Dunlop

categories of rules

- ▶ rules governing compensation in all its forms.
- ▶ the duties & performance expected from workers , including rules of discipline for failure to achieve these standards.
- ▶ rules defining rights & duties of workers.

**These rules change in response to change in contexts & relative status of actors.**

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## The Systems Approach – per John T Dunlop

### criticisms

1. it is essentially a non dynamic model , it fails to explain change in relations.
2. It concentrates on structure & ignores processes.
3. The nature & development of conflict which is the essential element of relations is ignored.
4. It focuses on formal rules to the neglect of informal rules & informal processes.



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## The Systems Approach – per John T Dunlop criticisms [contd]

- 5 it is not integrated & it is problematic whether or not the actors share a common ideology.
- 6 it fails to demonstrate how inputs into the system are converted into output.
- 7 it is environmentally biased & provides no articulation between “internal” plant level systems & wider systems.
- 8 It favours analytical approach rather than problem solving one.
- 9 It provides no role to individuals.

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## The Oxford Approach

Has a great deal of influence on industrial relations thinking. It postulates that industrial relations system is a study of institutions of job regulation & stress is on the substantive & procedural rules.

These institutions are internal & external.

Internal institutions govern code of work rules, wage structure, procedure for joint consultations and grievance resolution.

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## The Oxford Approach

External institutions carry collective bargaining [considered to be central to industrial relations system] & include trade unions. Their growth is dependent on market forces.

The approach states that rules governing the industrial relations are a function of

- collective bargaining [itself] or
- conflict resolved through collective bargaining

# Philosophy of Industrial Relations

## The Oxford Approach

### Criticisms

Is narrow & cannot provide a comprehensive framework required for analyzing industrial relations problems

Over emphasizes the significance of political process of collective bargaining '

Ignores deeper influences in determination of the rules.

Does not focus on technology, market, status of the parties & ideology.

# Philosophy of Industrial Relations

## The Industrial Sociology Approach

It holds the view that the core of industrial relations is the nature & development of the conflict itself.

It condemns other approaches which focus on resolution of conflict rather than on its generation. They are more concerned with the consequences of conflicts rather than its causes.

According to this approach there are two major conceptual levels of industrial relations.

# Philosophy of Industrial Relations

## The Industrial Sociology Approach

One level is the intra plant level where situational factors , such as job content, work task & technology, and interaction factors produce three types of conflict - distributive, structural and human relations.

These are resolved through collective bargaining, structural analysis of the socio-technical systems and man-management analysis respectively.



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## The Industrial Sociology Approach

Second level is outside the firm, and in the main, concerns with conflicts not resolved at the first intra-organizational level.

This approach rejects importance given to rules determination by Oxford model & in its place suggests a method of enquiry which attempts to develop sociological models of conflicts.

# Philosophy of Industrial Relations

## The Action Theory Approach

Takes the collective regulation of industrial labour as its focal point.

The actors operate within a framework of a coalition relationship & agree in principle to cooperate in the resolution of conflict.

Thus the theory focuses on bargaining as mechanism for resolution of conflicts & lacks comprehensive approach.

# Philosophy of Industrial Relations

## The Marxist Approach

Marxism is essentially a method of social enquiry into the power relationships of the society & a way of interpreting social reality.

To Marxists industrial relations are essentially politicized & form a part of class struggle. The approach is primarily oriented towards historical development of the power relationship between capital & labour.

It focuses on employers' endeavors to purchase labour at the lowest price & thus lacks comprehensive approach.

# Philosophy of Industrial Relations

## The Pluralist Approach

The approach primarily concerns with resolution of industrial conflict rather than its nature or basis.

Being organized, workers are more prone to strikes, but as industrial jobs become more pleasant strikes become less frequent.

Conflict is inherent in the industrial system & collective bargaining is the method for its resolution.

# Philosophy of Industrial Relations

## The Pluralist Approach

The approach distinguishes between two aspects of relationship between workers & management.

The first is the market relationship which concerns with terms and conditions of employment. It is economic and contractual.

The second relates to the management's dealing with labour, nature of their interaction, distribution of power within the organization etc.

# Philosophy of Industrial Relations

## Weber's Social Action Approach

The Weberian approach gives theoretical & operational importance to "control" as well as to power struggle to control work organizations – a power struggle in which all the actors in industrial relations drama are involved.

A trade union has both economic purposes as well as the goal of involvement in political & power struggles.

It focuses on power distribution among government, employers, trade unions & political parties.



# Philosophy of Industrial Relations

## The Human Relations Approach

The goals of human relations are

a] to get people to produce.

b] to cooperate through mutuality of interest.

c] to gain satisfaction from their relationships.

The approach highlights techniques to improve employee morale, efficiency & job satisfaction. It encourages small work groups to exercise greater control over its environment & thus eliminate a major irritant in labour management relations.

# Philosophy of Industrial Relations

## The Gandhian Approach

is new & completely human.

It has definite views on

fixation & regulation of wages

organization & functions trade unions;

necessity & desirability of collective bargaining;

use & abuse of strikes;

labour indiscipline

workers' participation in management;

work & living conditions

duties of workers etc.

# Philosophy of Industrial Relations

## The Gandhian Approach

It supports strikes as a last weapon and only if there is a valid grievance, no violence & no malice against non strikers.

It requires employers to assume a role of trustees & not the owners.

Employees need to consider themselves as co-owners of the firm & care for all assets by putting them to the best use.

They are equal stakeholders with others & must receive full information on firm's operations.

# Philosophy of Industrial Relations

## The Gandhian Approach

Relations between labour & management can either be a powerful stimulus to economic & social progress

Or an important factor in economic & social stagnation.

Industrial peace is essential both for growth & development of industry and for improvement of workers conditions & wages.

The approach is very relevant to current dynamic industrial development in India & abroad.

# Philosophy of Industrial Relation

## 1.5 Models/Theories

What & how it happens in industrial relations are its practices. Practices generate concepts which give rise to principles that identify & separate essential characteristics of industrial relations.

Why certain practices develop in industrial relations are its theories.

Theory is a way of perceiving, of understanding & of predicting people's action in practical real life situations.

# Philosophy of Industrial Relation

## 1.5 Models/Theories

The important tests for a model or theory are:

- (i) It should consist of a set of variables that are related in such way that an input & output can be identified.
- (ii) It should trace out the important inter-relationships between the component variables, both individually & collectively.
- (iii) It should generate testable hypothesis and
- (iv) It should have predictive quality.



# Philosophy of Industrial Relation

## 1.5 Models/Theories

Approaches studied so far, it is criticized, do not withstand these enumerated tests & hence do not constitute industrial relations theories or models..

There are two main stands in theorizing industrial relations.

One group {externalists} lays emphasis on environmental factors like technology, methods of production, supply and demand in the product & labour markets, legal / political relationships.

# Philosophy of Industrial Relation

## 1.5 Models/Theories

Second group {internalists} stress on the cause & effect relationships stemming primarily from factors endogenous to the plant.

Internalists stress on employee motivation, attitudes & morale, styles of supervision & forms of managerial leadership. These theories have been significantly enriched by the additional inputs from psychologists & sociologists.

# Philosophy of Industrial Relation

## 1.5 Models/Theories

The practitioners of industrial relations consider theory as opposite of practice. But in reality, there is nothing so practical as a good theory.

Such industrial relations theory should help practitioners

- to understand present industrial relations situation.

- to forecast trends & to predict results under specific given conditions.

- to bring about certain desired changes and avoid unwanted ones

# Philosophy of Industrial Relations

## 1.6 Summary

The size & structure of companies, the technologies they use, their patterns of ownership & control, and the character of their product markets have increasingly been recognized as influences on the processes & outcomes of employee relations.

Important changes have been occurring in the composition of the labour force, the types & location of industries and the pattern of ownership, organizational structures, and inter-organizational linkages found in those industries.

# Philosophy of Industrial Relations

## 1.6 Summary

A systems approach to industrial relations must fit-in with specific needs & objectives of the particular enterprise.

In this context industrial relations function must assume the responsibility for advising the CEO in developing the organization rather than just maintaining it and doing fire fighting.

Industrial relations is a major supporting sub-system of the overall management and constitutes an integral part of human resource development activity of an organization.

# Philosophy of Industrial Relations

**The End!**

*In the next session we cover chapter two on*

**“ Evolution of Industrial  
Relations. ”**

*Good Luck!*