



INDUSTRIAL RELATIONS



INTRODUCTION TO INDUSTRIAL RELATIONS



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New Labour Code

Now 29 Labour Laws have been codified into 4 Labour Codes.

New 4 Codes are beneficial for all

For ensuring workers' right to minimum wages, the Central Government has amalgamated 4 laws in the Wage Code, 9 laws in the Social Security Code, 13 laws in the The Occupational Safety, Health and Working Conditions Code, 2020 and 3 laws in the Industrial Relations Code.

UPSC EPFO Syllabus 2023 for EO/AO: Labour laws and Industrial Relations

- **The Minimum Wages Code — Workers Earn What They Deserve**
- **Key Highlights of Minimum Wages Code**
- Minimum wages to be reviewed every 5 years
- Timely payment of wages guaranteed for all workers
- Equal wages for both male and female workers

- Provision of floor wage eliminates regional disparity in minimum wages
- Minimum wages to be decided based on skill level and geographical area
- Payment of Wages Act (in effect since 28 September, 2017) has increased the wage ceiling from ₹18,000 to ₹24,000
- Social, health, and wage security to over 50 crore workers in the organised and unorganised sectors
- **The OSH Code — Enhanced Worker Well-Being and Women Empowerment**
- The Occupational, Safety, Health and Working Conditions Code, 2020 aims to provide a safe working environment for workers.
- **Key Highlights of the OSH Code**
- Inter-state migrant workers can register themselves on the national portal to create legal identities which will help them avail social security schemes and benefits
- Employer-sponsored annual travelling allowance for inter-state migrant workers
- Mandatory and free annual health checkup sponsored by the employer
- Building and construction workers migrating between states to receive a direct benefit from the Building and other Construction Workers' Cess fund
- Migrant worker in one state and their dependants in another to get ration facilities under the 'One Nation-One Ration Card' scheme
- Dedicated helpline for addressing migrant workers' grievances
- Creation of a national inter-state migrant worker database
- One-day leave for every 20 days of work done — number of mandatory work days slashed from 240 to 180
- Women workers can work at any establishment
- Women workers can work at night with their consent and employers have to make necessary arrangements for their safety and provide necessary facilities
- Paid maternity leave for women workers, increased from 12 to 26 weeks
- Establishments with 50 or more women workers to set up creche facility

The IR Code, 2020 — An Undisputable Reform To End All Disputes

- **Key Highlights of the IR Code**
- Workers who lose their jobs to get an allowance under the Atal Bimit Vyakti Kalyan Yojna
- Workers from organised sectors who have lost jobs to get unemployment allowance under the the Atal Bimit Vyakti Kalyan Yojna
- Retrenched workers to get 15 days' wages credited to their bank accounts for re-skilling
- Speedy justice and settlement of workers' disputes (within a year) by a tribunal
- Two-member industrial tribunal for quick disposal of disputes and cases
- Trade union with 51% votes to be the negotiating party for workers
- A council of trade unions to be set up to negotiate with employers if no single trade union gets 51% votes
- **The Social Security Code — Security for Disadvantaged Workers**
- **Key Highlights of the Social Security Code**
- Free treatment at ESIC-run dispensaries and hospitals through a small contribution
- Workers from unorganised sectors and all sectors get access to ESIC hospitals
- ESIC dispensaries, hospitals and branches for all 740 districts in India
- ESIC benefit for workers engaged in hazardous work
- Establishments engaged in hazardous work to compulsorily register with ESIC
- Plantation workers to get ESIC benefit
- EPFO (PF) scheme extended to self-employed individuals and workers in both organised and unorganised sectors
- Minimum service clause removed for payment of gratuity to fixed-term (contractual) employees Same social security benefits for fixed-term and full-time employees
- Creation of national database of workers in the unorganised sector through registration on the e-shram portal
- Employers with 20+ workers to report vacancies online

- Unorganised sector workers to get Aadhaar-based UAN for ESIC and PF scheme benefits

Sample questions from last years exam

The provision of workers' participation in management of industries is provided under

- (a) Article 39A of the Constitution of India
- (b) Article 43A of the Constitution of India
- (c) Article 42 of the Constitution of India
- (d) Article 43B of the Constitution of India

Article 43A of the Constitution of India deals with 'Participation of workers in management of industries' and falls under Part IV - Directive Principles of State Policy.

Works Committee, Safety Committee and Canteen Management Committee are the examples of

- (a) workers' participation in management
- (b) workers' education schemes
- (c) workers' cooperatives
- (d) workers' suggestion schemes

The works committee, safety committee and canteen management committee are examples of the joint committee where it provides a forum for employees and management to work together. **Hence option 1 is correct.**

The Industrial Relations Code's System of Recognising Trade Unions Needs a Rethink

There are not only some arithmetic anomalies but also important constitutional challenges with regards to trade unions.



Representative image of Centre of Indian Trade Unions (CITU) members at a protest.
Photo: Ajoy Ashirwad Mahaprashasta/The Wire

collective bargaining can be defined as “the key means through which employers and their organisations and trade unions can establish fair wages and working conditions.” Though the Indian Constitution doesn’t explicitly provide for a fundamental right of collective bargaining, the Supreme Court held in [All India Bank Employees vs National Industrial Tribunal](#) that the right to form a union comes under the ambit of the right to form an association under Article 19(1)(c).

The Industrial Relations Code, 2020, and Its Implications On Trade Union Recognition

The [Industrial Relations Code](#) is a comprehensive code which encapsulates three important labour central legislations, including the Trade Unions Act, 1926. Section 14(1) of the Act provides for a single represented negotiating union or council to represent employees’ interests and concerns in industrial establishments. In case there are more than one union as provided in Section 14(3) of the Code, only when a union secures the support of 51% of the total muster roll strength of that industrial establishment, will that union be designated as a negotiating union.

- **What are Industrial Relations?**
- all types of relations between
- employers and workers
- be they at national
- working time
- such as wage setting
- dealings with social and economic issues
- regional or company level;
- working conditions.

As part of industrial relations social dialogue is key for:

- Communication and information sharing;

- For conflict prevention and resolution;
- And for helping overcome work-related challenges

Social dialogue is an instrument for:

- Democratic governance and participation;
- A driver for economic stability and growth;
- A tool for maintaining or encouraging peaceful workplace relations.
- Hence, managing men has become a vital part of the present-day of management.
- Any negligence of the human element leads to misunderstanding between the management and workers.
- The results of which can be seen in the form of increased labour turnover, absenteeism, indiscipline, the decline in the quality of work done, increased cost production, and various problems in the market.

Definitions of Industrial Relations

- The term Industrial Relations comprises Industry and Relations. Industry means any productive activity in which an individual is engaged. It includes –
 - a. primary activities like agriculture, fisheries, plantation, forestry, horticulture, mining, etc and
 - b. secondary activities like manufacturing, construction, trade, transport, commerce, banking, communication, etc.

Economically speaking:

- Industry means the secondary sector where factors of production (land, labour, capital and enterprise or FIVE M's – men, materials, money, method, machines) are gainfully employed for the purpose of production, and where a business organisation exists.
- Relations means the relations that exist in the industry between the employer and his workforce.

Industrial Relations Salient characteristics

Parties in the Industrial Relations Activities:

- Basically, two parties-workers and management are involved in the process of establishing relations. However, the government agencies regulate /maintain industrial relations.

Industrial Relations:

TYPES

- **Types of Industrial Relations**
- The industrial relations includes four types of relations:
 - (i) Labour relations
 - (ii) Group relations
 - (iii) Employer-Employee Relations
 - (iv) Community or Public Relations.

Industrial Relations:

LAYERS

- **Layers of Industrial Relations**
- The Employer
- The Employee
- The Government
- Trade Unions

Industrial Relations

Salient characteristics

Interactive Process:

- Industrial relations arise out interactions between different persons/parties. They are supervisors, workers trade unions, employers' associations. So, interactive process takes place between –
- i. Supervisors and industrial workers
- ii. Supervisors and group/team members
- iii. Management and trade union leaders
- iv. Employers' federations and workers' unions.

HRM Practices:

- Effective human resource planning system, identification and stimulating prospective employees, designing the most suitable selection technique to choose the right kind of people help to organization to get a committed and willing workforce that want to grow, develop and achieve.
- Such employees in the process like to develop better relations with their bosses.
- HRM practices influence IRs pattern in the industry.

Role of Trade Union:

- Behavioural manifestations of workers are mostly governed by the trade unions to which they belong. Hence, trade union's perception, attitudes towards management influence workers to form their mind set that regulates/promotes interaction with the management.

Organizational Climate:

- If, congenial and conducive organizational climate prevails, workers feel homely, interact spontaneously, communicate boss about their problems, difficulties directly and come close to him to exchange/share the views each other in respect of work, change of job design, introduction of any operative system, process etc. Under such situation, possibility of establishing healthy human relations develops and these relations influence industrial relations pattern of organization.

Dispute Settlement Process:

- If, the management personnel believe on the philosophy of settling workers' grievances/ disputes through bi-lateral negotiation process, they give much more emphasis on mutual talk, sharing responsibility, collaboration, partnership dealing and mutual trust. In the process changes in workers' attitudes, behaviour and thought pattern are likely to occur which effect industrial relations.

Outcomes of IRs:

- Outcomes of IRs are reflected in production both in quantity and quality, services, man days lost, wastes, accident rate, productivity, labour turnover rate, absenteeism rate, number of bipartite negotiations, company's image, growth, development etc.

Competency Development:

- Healthy industrial relations help to develop workers' skill, knowledge, ability, aptitude and change their attitudes, perception to enable them to participate in collaborative activities / collective bargaining process effectively.

Industrial Relations**Salient characteristics****Approaches to IRs:**

- Various approaches contribute to shape IRs pattern in industrial organizations. These approaches include sociological, psychological, socio-ethical, human relations, Gandhian, system approaches etc.

Industrial Relations:**APPROACHES****Approaches To Industrial Relations**

- Systems Approach
- Unitary Approach
- Pluralistic Approach
- Marxist Approach
- Socio Ethical Aspects
- Gandhian Approach
- Human Relations Approach
- V.V. Giri Approach

