

Liberalisation had its benefits. One of them was that it gradually removed violence and turbulence from industrial relations scenario.

Those who have seen industrial relations in seventies and eighties will readily testify how maddening situation it was. Nothing seemed to work, though there were islands of good relations. The two states stood out - Kerala and West Bengal where employers dreaded to invest. Tilting the scales in favour of labour was all right but as it happens in our country, leaders went overboard making situation very hostile for industry to carry on business.

Liberalisation changed industrial relations. Mr Sanjeeva Reddy [President of INTUC then] provided the biggest acknowledgement. He said that 'employers were no longer enemies of working class; the real enemy was international competition.' This might sound not-so-earth-shaking statement today. But it touched tender nerves then. When I wrote a piece on this in our house magazine, it was picked up by a journalist [with my permission] and he published an article in a leading Marathi daily. Several companies in Mumbai exhibited the article on their notice boards. At last good sense and rationality was returning to industrial relations!

The good sense and rationality soon got capitalised in power equations. The competition forced companies to make many changes for their survival, 'cost reduction' became the name of the game. Voluntary retirements ['Encouraged Retirements' might be more accurate and honest term] became very common, and that simultaneously destroyed the power of unions. The Labour Courts which had at least 100 cases everyday on its board now had about fifteen. The Government abdicated its role as the watch-dog. Actually it abdicated its role in industrial relations altogether! Not that it was very effective in that role; it was either an onlooker or behaving like a dog as in His Master's Voice. There was euphoria in some quarters with these changes; the pendulum had swung in favour of the managements.

This new reality indeed had its positive impact which gets written about more often because it is very clearly visible. But everything comes with a flip side, with a price that one has to pay. One of them was clearly articulated in a newspaper report on Textile Strike at Ahmedabad. It is very true and representative of the situation in the industrial relations scenario today that I am tempted to quote it. [Quote] *"Experts suggest that even mill owners and senior managers have lost touch with workers and the industrial relations department in textile units, which had its ears on the ground, is now hardly connected with labourers."* [Unquote].

Why did managers lose their touch with employees [which some of them used to consider as their 'constituency']? Because now it was no longer essential! In many units things could be done at will, there was only a nominal resistance. Good employers also engaged in good practices - employing initiatives like TPM, TQM etc. meant that employees were far better integrated with the overall production process. It had its benefits, but few employers used these initiatives consciously to build employee relations.

The industrial relations situation had its fallout on academic field. I know of one management institute which placed Labour Law subject in 'optional' or 'elective' category for a MBA-HR course which stalwarts in HR consider a ridiculous decision. In any case, teaching [and learning] industrial relations was de-emphasised. The National HRD Network and The Employers' Federation of India recognised that there was a huge skill gap in this area, moreover they figured out and rightly so, that there have to be enough good teachers to teach the subject. So they launched an initiative. A very laudable effort indeed.

On the other hand, demand for training programs on 'Employee Relations' has increased and is increasing. Maruti and Air India strikes have highlighted this need, so also the two instances where Heads of HR lost their lives.

The industry will do well to act out of hope rather than fear to create good industrial relations. The newspapers ask "Is violence in Industrial Relations returning?" which treats industrial relations as externally influenced. The possibility of collaboration is substantially higher today than ever before. The fact is that industrial relations are defined by two parties, employers and employees in an enterprise. I know of an SME where the employer retained all his employees during the recent slowdown, and the employees too reciprocated in the manner they thought fit.

One of the fallout of liberalisation is that the industrial relations now operate clearly at two levels. One is obvious, at the Union and management level, and this is where it largely focused on in pre-globalisation era. The other level is the Manager-Employee level which has emerged strongly now with use of OB [organisational behaviour] theories to build relations in industry. So there are opportunities to build productive employee relations.

Henry Adams captured the experience of repairing relations well, he said, "At best, the renewal of broken relations is a nervous matter."

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Renewing Broken Industrial Relations <http://hresonance.blogspot.in/2012/06/renewing-broken-industrial-relations.html>