

# Industrial Relations in Small Scale Industries

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**Abstract –** *The interaction between workers and employers inside the corporate environment is industrial relations. Industrial relations also involve the mechanisms by which those relationships are articulated (such as collective bargaining, involvement of employees in decision-making and resolution of claims and disputes) and, where applicable, conflict management between employers, staff and labor unions. It involves the research and experience of collective bargaining, trade unionism and partnerships with labor management. This paper relates to study of industrial relations in SSI with special reference to HSIIDC(Sonipat), 75 respondents had been picked on basis of simple random sampling technique.*

**Key Words:** Industrial Relations, Trade Union, Grievances & Redressal, Collective Bargaining, Communication, Field Survey.

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## INTRODUCTION

The partnership between an employee and management is an occupational partnership. Industrial ties have been one of contemporary industrial society's most fragile and nuanced issues. Without the collaboration of workers and harmonious partnerships, economic development is unlikely. The formation and preservation of good ties between workers (labor) and employers (management) is therefore in the interest of both. Industrial relationships are characterized as the partnership between individuals or groups of workers and employers in order to optimize their productive activities. In Lester's terms, "Industrial relations include attempts to find solutions between competing aims and values; between the motive for benefit and social gain; between discipline and independence, between authority and industrial democracy; between negotiation and cooperation; and between person, group and community opposing interests".

## CONCEPT OF INDUSTRIAL RELATIONS

There are two words in the phrase 'Industrial Relations': 'Industry' and 'Relations'. "Industry" implies "any profitable enterprise in which a person (or a group of people) is (is) active." We say by "relationships" "the relationships between the employer and his workers within the industry." The word industrial relations define the partnership between employees and management that results directly or indirectly from the partnership between the union and the employer.

Industrial relations are the relationships within the workplace atmosphere involving workers and employers. The workplace relations area reflects on the interaction between management and staff, in particular the classes of employees covered by the union. The relationships between employers, workers and the government, and the structures and organizations by which those relationships are facilitated, are essentially labor relations.

The definition of industrial relations has both a wide and a narrow perspective. Industrial relationships were initially widely established to involve the relationships and connections between employers and workers. Through this view, all facets of the work arrangement are protected by workplace negotiations, including control of human resources, staff relationships, and relationships with union control (or labour). Now its definition has become more particular and restricted. Labor relations are therefore linked to the analysis and application of collective bargaining, trade unionism and labor relations, while the administration of human resources is a different, mostly independent area concerned with non-union working relationships and employers' staffing processes and policies.

In general, the interactions that occur at and beyond the workplace involve the interactions between actual workers, the ties between workers and their boss, and the relationships between employees. Employers and employees' partnerships with organizations are established at all levels to support their respective goals and the partnerships between such organizations.

Industrial relations often include the mechanisms by which these partnerships are articulated (such as collective negotiations, involvement of employees in decision-making and mediation of claims and conflicts) and the management of disagreements amongst employers, workers and trade unions as they occur.

### OBJECTIVES OF INDUSTRIAL RELATIONS:

In addition to their primary objectives of bringing good and healthy relations between employers and employees, industrial relations are designed.

- To protect the interest of workers and the management through mutual understanding and relationship.
- To avoid industrial disputes so as to develop a healthy work environment.
- To improve quality of work life of workers.
- To increase performance through reducing labour turnover and frequent absenteeism.
- To provide constructive criticism of the management.

To establish government control of such plants and units as are running at a loss or in which production has to be regulated in the public interest.

Therefore, the key goal of industrial relations is to preserve strong human relations, for the whole system of production will crumble in the absence of those relationships. According to the National Labour Commission, "the objective of labour management relations can be defined as maximum productivity leading to rapid economic growth, adequate understanding among employers, employees and government of the role of each other in industry, dedication to industry and to the individual way of life on the part of labor, as well as management, sound unionism, productive institute"

### Labour Relations and Related Legislation:

The central government has formulated a lot of legislation Defending the needs of staff while thus supplying them with a better working climate. The following is the list of various acts, which govern the function of labor relations: -

1. The trade union act, 1926. The Indian Trade Union Act was passed in 1926, which came into effect from 1st June 1927. The title was modified to be referred to as the 1964 reforms to the Labor Unions Act, which entered into practice with effect from 1 April 1965. This Act was expanded with effect from September 1, 1971, to Jammu & Kashmir. This Act allows for the

establishment, registration and immunity of labor unions to be open to the representatives of the trade union when participating in the activities of a registered trade union.

2. The Act on Workmen 's Wages. A. 1923. In March 1923, the act was enacted and came into effect on 1st July 1924. This act provides protection to workers against fatal accidents. The objective of the act was primarily to provide compensation to a workman incapacitated by an injury from accident. The provisions of the act are required to be enforced by the commissioner, who is the commissioner of the workmen's compensation appointed under Section 20 of the act. This act has gone through several amendments.
3. Payment of Wages Act, 1936. The bill was passed in 1936 and the act came into force from 28th March 1937. It has three elements. Part I deals with the employer's regulation and payment of salaries. The heads that may be withdrawn from salaries are stated in Part II. Part III includes machinery to impose particular charges resulting from overdue wages, income reduction or challenge, a self-contained act that includes its own machinery for the disposal of charges.
4. The existing instructions (Industrial Employment) Act, 1946. The act was enacted by the legislature on 23rd April 1946 and entered into effect on 1 April 1947. It is meant to build a positive partnership between employers and workers. This act is largely designed to defend staff from victimization. This refers to any manufacturing enterprise that hires or hires hundreds or more employees at any point in the previous twelve months.
5. The Industrial Disputes Act, 1947. The bill was passed in March 1947 and came into force from 1st April 1947. This act has gone through several amendments and is the basic legislation pertaining to industrial adjudication in India. This was enacted to provide a basic legal framework for dealing with industrial disputes and their settlements. It also aims at improving the working condition of the industrial work force including peace and harmony at work.
6. The factories Act, 1948. The bill came into effect from 1st April 1949. This is another milestone in the history of legislation for workers in India. This act is very noticeable in improving the provision of

the Factory Act, 1934 to extend the statutory protection to the workmen. Factory has been defined to include all industrial establishments employing ten or more workmen where power is used and twenty or more workmen in all other types of industrial establishment. State governments can extend the provision of this act to any establishment irrespective of the criteria mentioned above. Contract labour also can be included to compute the number of employees as per the amendment in 1976. The act deals with the basic minimum facility relating to health, welfare and safety of workers at a considerable magnitude.

7. The Mines Act, 1952. It aims at providing safe and proper working conditions in mines and certain amenities to the workers employed therein. The act came into force with effect from 1st July 1952. The central government is the administrative authority under the Mines Act, having the powers to make rules, regulations and by-laws for carrying out the directions of the Act. Mines rules, 1955 have been accordingly made by the government.
8. The payment of Bonus Act, 1965. The act came into force from 25<sup>th</sup> October 1965. It consists of 40 sections and four schedules. The aim of the Act is to preserve peace and unity between labour and capital by encouraging workers to share the establishment's wealth, expressed in the benefits and investments rendered by the management of capital and labour.

The spectrum of industrial relations is very wide, with the key problems concerned here being:

- (a) Grievances and their compensation.
- (b) Involvement of staff in management.
- (c) Discipline and Disciplinary Action
- (d) Trade Unions
- (e) Collective bargaining
- (f) Communication
- (a) Grievances and their redressal:

There is hardly an industrial concern which functions absolutely smoothly at all times. The workers have grievances against their employers in others, although in some it is the employers that have a claim against their workers. These grievances, true or invalid, can be actual or fictional. A report involving one or more staff constitutes a report. The complaint may relate to the mode of payment, leave, working conditions, work assignments, or a

complaint against a foreman, against the quality of the plant or the food available in the canteen. A system of grievance management acts as an outlet for dissatisfaction and resentment among workers. On a steam boiler, it acts like a pressure release mechanism.

Dale yoder describes grievance as "a formal lawsuit lodged by an employee alleging unjust treatment"<sup>1</sup> On the other side, Keith Davis describes it as "any actual or perceived sense of personal discrimination that an employee has regarding his work arrangement."<sup>2</sup> Pigors and Myers notice that the three words "dissatisfaction, lawsuit and grievance" specifically reflect the existence of disseat. Dissatisfaction is, according to them, something that disturbs an employee, whether or not he communicates it in terms. A complaint is a voiced or written dissatisfaction brought to the attention of members of the administration or labor union.

In the other hand, a grievance is essentially a concern that has been overlooked, overridden or, in the mind of the employee, fired without consideration, and the employee believes that an injustice has been perpetrated, particularly when the concern has been sent in writing to a management delegate or a labor union official."<sup>3</sup>

1. Yoder, Dale, Personnel Management and Industrial Relation, 1972.
2. Davis, K. Human Relations At Work, 1971.
3. Pigors, P and Myers, C.A. Personnel Administration, P. 242.

In other terms, grievances are emotions that an employee may have with respect to his job condition, often actual, often imagined. It can be remembered here that there is no particular cause triggering a grievance; several variables contribute to produce a grievance; and there are complaints between workers and staff, one towards the other.

To sum up, employee grievance may be due to;<sup>4</sup>

1. Demands for individual wage adjustments;
2. Complaints about the incentive system;
3. Complaints about the job classifications;
4. Non-availability of materials in time;
5. Unsatisfactory conditions of work.

The management, too, has grievances against its employees. These concerns are:

1. Indiscipline; Go slow tactics;
2. Non - fulfilment of the terms of the contracts signed between the management and the workers of their trade union;
3. Failure of the trade union to live up to its promises to the management.

It should be noted that some grievances are more serious than others since they are usually more difficult to settle, without an analysis of their nature and pattern, the causes of employee dissatisfaction cannot be removed. In the formulation and implementation of strategies, systems and practices that will better encourage them to cope with employee concerns, the personnel administrator of a company may assist the top management.

Such laws, systems and processes are commonly recognized as processes for redressing grievances. This is an essential aspect of labor negotiations since it opens up concerns so that managers can consider them and take the appropriate measures to address them, offering employees with a systematic opportunity to communicate their worries, anxiety and disappointment. Such release of emotions helps to improve the morale and productivity of employees.

4. U.S. Department of labour, settling plant grievance Bulletin

#### **(b) Workers' participation in management:**

The gulf between the manager and the managed is considerably reduced if the two sit together across the table frequently to discuss the problems of mutual interest. Generally, it is believed that involving employees in decision-making processes will result in improved job attitudes and co-operation and reduced turnover, absenteeism and grievances. Almost everywhere the supporters of participation claim that it is not only morally sound, but it reduces alienation and improves morale. Participation, according to Keith Davis, relates to a person's mental and emotional participation in a community scenario that allows him to relate to and participate in the burden of achieving group objectives." It is a process by which authority and responsibility of managing industry are shared with workers.

A scheme of workers' participation in management is desirable for every organisation since –

- it involves workers in organisation's affairs and thus creates better awareness of its problems
- it creates a sense of responsibility as the decisions in joint committees may be taken with the consent of both the parties,
- managers are in a better position to deal with the administrative problem, particularly those relating to labour matters as they may get first hand information from the union representatives in the joint committees
- Workers can understand the mind of the management easily on different issues in the course of deliberations in these committees.

It is quite likely that participation may function more successfully in some settings than in others. The type of subordinates, for example, is one significant variable. Participation assumes that the subordinates can contribute something worthwhile. This, however, depends upon their ability and background. The atmosphere of the organisation must also be conducive to participation.

#### **(c) Discipline and Disciplinary Action:**

The word discipline means that the participants of a community can adhere fairly with the rules and regulations, that is, the code of ethics framed for it or by it, so that all may profit from it. Employee morale and industrial peace are definitely linked with a proper maintenance of discipline. It is essential to promote and maintain employee discipline for higher productivity and industrial growth.

According to Dr. Spriegel, "discipline is the force that motivates a person or a community to conform with the laws, rules and procedures that are considered essential for the achievement of goals; it is force or fear of force that prohibits an individual or a group from performing actions that are considered to destroy group goals." That is either the exercise of discipline or the implementation of punishments for violations of party rules."<sup>5</sup>

"In the broad context, discipline implies orderliness — the reversal of confusion — it does not entail stringent and technical observance of rigid laws and regulations. It literally implies acting in a regular and orderly manner, collaborating and acting, like any conscientious citizen might expect an employee to do."<sup>6</sup>

In simple words, discipline means orderliness or the absence of disorder, chaos and confusion in human behavior and action. It occurs when employees behave in an orderly and responsible manner. For the smooth functioning of an institution and for the preservation of industrial harmony, which is the very basis of industrial democracy, discipline is necessary.



The objectives of discipline are :

To gain willing acceptance of the rules, regulations, standards and procedures of the organisation from the employees.

- To develop the feeling of cooperation among the workers.
- To maintain good industrial relations in the organisation.
- To promote morale and efficiency among the workers.
- To develop a sense of tolerance and respect for human dignity.

Both the supervisor and the workers should clearly understand the rules and regulations of the organisation. For this purpose, the organisation should develop a code of discipline in cooperation with the workers. The laws, regulations and procedures deemed essential for discipline to be preserved should be included in writing in this code. All concerned must know these, along with the penalty for their abuses. Code of discipline should be published in employee hand book. When the penalty is imposed immediately after the misconduct, the offender identifies the punishment with the act he has committed. Punishment should not be delayed otherwise it will lose effect.

#### (d) Trade Unions:

Oppression and exploitation of the working class were the root causes for the growth of labour unions. The term 'trade union' is treated more or less as a synonym for labour union. According to the earlier definitions the trade union was confined to association of workers and their working lives. Under [section 2(h)] of the Factories Act of 1926, therefore, 'trade union' implies any mixture, whether transient or permanent, established solely for the purpose of controlling ties between employees and employers or between employers and workers, or between employers and employers or for the imposing of restrictive conditions on the conduct of any activity or business, and involves any federation of two or more employers." The act provides for registration of any trade union of seven or more industrial employees with the registrar of trade unions of the region by sending an application containing certain prescribed particulars.

The main objectives of trade unions are:

To secure for the worker fairer wages in the light of the cost of living and the prevailing standards of living;

To improve working conditions by securing shorter working hours, better leave facilities, adequate

social security, better housing and education and other welfare benefits;

- To assure the workers a share in the increased profitability of industry through payment of adequate bonus
- To ensure security of employment by resisting retrenchment
- To protect workers against exploitation and victimization by the employers.

**Table 5.1**

#### Reasons for not forming the Unions

S.No	Reason	No. of the Workers	Total Percentage
1	No Interest	22	29.34
2	Small Firm	19	25.33
3	Dislike by the Management	13	17.33
4	Non - Cooperation among	6	8.00
5	Do not know	15	20.00
6	Total	75	100

**Source: Field Survey**

#### Pictorial Presentation of Reasons not forming Unions:-



Out of the 75 workers who have no unions in their units 22 said that they have no interest, 19 attributed to smallness of the size, 13 complained that management does not like it, 06 workers suspected co-operation among the workers and 15 expressed their ignorance.

Some workers working in the units in which there is no union are of the opinion that union is useful for the workers and expressed their willingness to join the union if formed.

Generally employers are against unions. Educated young entrepreneurs, who started small scale units under the self-employment scheme with certain exceptions are to some extent

favourable or can be said that they are not so inimical.

The reasons are:

- (1) they are educated, so can understand the difficulties of others better,
- (2) they too were for sometime unemployed, and
- (3) they are not from feudal class (rich families).

**Table 5.2**

**Employee's Attitude about Labour Union**

S.No	Statement	SA	A	NS	D	SD
1	Unions some time act as Impediments in the smooth and efficient running of business.	—	—	6	30	39
2	In general, unionized employees are resistant to change and impede change inside their organisation.	—	—	3	45	27
3	Unions protect employee right in the workplace, keeping management honest and fair in dealing with its employees.	—	4	8	30	33
4	Management should ensure that their employees don't form unions.	—	—	—	30	45
5	Unions can play a very constructive role in the management of a business if management would only try to work with the union rather than ignore or fight it.	—	—	—	35	40
6	Unions tend to be corrupt.	—	2	5	37	31
7	Unions should have no role in production or marketing decisions of the firm.	—	7	4	39	25
8	Unions are gradually loosing their importance and powers.	—	—	—	56	19
9	A union provides valuable services to their members that justifies the fees paid by the workers.	2	10	3	40	20
10	The main concern of union workers is higher and better facilities.	12	20	9	20	14
11	Employers have too much power and ability to prevent employees from starting a union.	3	5	7	20	40
12	Unions are necessary to offset the unilateral power that management has	10	5	3	25	30
A	1) Total Response	27	53	48	407	365
B	2) Point Values	1	2	3	4	5
C	3) Summary	27	106	144	1628	1825
D	4) Total Score			3730		
E	5) Average Score			49.73		

Source : Field Survey

**Scoring Chart:**

S.No	Average Score was Between	Employees' Attitude about Employee Labour Union will likely be
1	14 to 24	Strongly antiunion
2	25 to 36	Moderately antiunion
3	37 to 47	Uncertain; neither for nor against union
4	48 to 59	Moderately prounion
5	60 to 70	Strongly Prounion

- For this purpose samples have been taken on the basis of simple random sampling method. The opinion was obtained from 75 employees as shown in the above table 5.2. It was found that average score works out to 49.73 which shows that the employees were

moderately pro-union according to the scoring chart above.

**(e) Collective Bargaining:**

Collective bargaining is the process through which representatives of management and the unions meet to negotiate a labour agreement. It is, in effect, the continuous relationship that exist between union representative and the employers. It is a comprehensive term that encompasses the negotiating process that leads to a contract between labour and management on wages, hours and other conditions of employments as well as the subsequent administration and interpretation of the signed contract. According to National Commission on Labour, "The best way to solve Industrial disputes is for the parties to the disputes to sit at a table, talk over their differences, enter into a process of negotiation and bargaining and settle them. The commission further notes that settlement of disputes reached by mutual discussion, debates and negotiations leave no rancour behind and help to create an atmosphere of harmony and cooperation.

**Objectives of Collective Bargaining:**

- To maintain cordial relations between the employers and the employees.
- To protect the interests of workers through collective action and by preventing unilateral action on the part of the employer. All employees are treated on equal footings.
- To ensure the participation of trade unions in industry.
- To avoid the need for Government intervention as collective bargaining is a voluntary process.
- To promote industrial democracy.

In the 21st century, the business is the responsibility of both the employee and the employer. Performance is the key driver of success, which will lead to survival. Labour relations being crucial management functions of HRM, it is essential to understand that in developing workers as the integral part of the business management decision, the biggest challenge lies with HR professionals to take up a developmental initiative in making the work force more accountable, committed, as business partners. Though collective bargaining is a powerful tool in maintaining peace and harmonious relationships, the approach needs to be reinvented as a "collective decision making" rather than "collective bargaining".

**(f) Communication:**

The term 'Communication' is derived from the Latin 'communis', which means 'common', meaning thereby common among two or more than two people, in equal measure. It is processor transferring facts, ideas, feelings etc. from one person to another and make him understand them. Communication always involves two persons – a sender and a receiver. One person alone cannot communicate. Only a receiver can complete the communication act.

Organization cannot exist without communication. If there is no communication, workers are unable to know what their respective colleagues are doing, management is unable to obtain feedback reports, and management is unable to provide orders, task teamwork is difficult, and through lack of it, the company would fail. Cooperation is often difficult, since persons are reluctant to express their desires and emotions to others. Each contact act affects the organizations in some manner or the other. As such effective communication tends to encourage better performance, improves job satisfaction, creates proper understanding, and develops feelings of involvement among the people.

**Objectives of Communication:**

Communication is not an end in itself. Communication is not always used for the purpose of communication. It is a means and a very productive means to address management problems and to accomplish management goals. Since managers work through others, all their acts, policies, rules orders and procedures must pass through some sort of communication channel. The purpose of communication is:

- To develop information and understanding which are necessary for group effort.
- To provide an attitude which is necessary for motivation, co-operation and job satisfaction.
- To improve labour-management relations by keeping both in contact with each other.
- To satisfy the basic human needs like recognition, self-importance and sense of participation.
- To encourage ideas, suggestions from subordinates for an improvement in the product and work conditions, for a reduction in time or cost involved and for the avoidance of the waste of raw material.

**COMMUNICATION IN SMALL SCALE UNITS/INDUSTRIES:**

The organizational structure plays an important role in framing the effective system of communication. In

the large enterprise, the system of communication becomes more complicated and complex. In a small enterprise the face to face communication prevails which makes the problem a simple one. The organizational structure of the units of SSI, consists of only two levels of management i.e.

- (1) The top management – includes owners of the unit and manager
- (2) The front-line management includes foremen or supervisors.

Even delegation of authority is very limited. It was found that the people employed in top level of management were very few and only the front-line management level exists in most of the units. It was also found during the field work that a simple organizational structure namely line organisation, exist in most of the units. There was an absence of entire specialized staff and the owner was possessing authority over his subordinates for all the activities.

The channel of communication and the line of authority were the same. So, in small units the line of authority also has become the line of communication. The owner of the unit or a partner of the unit holds the entire responsibility of managing the unit so he motivates guides and organises people to do their own work.

To perform his managerial functions, he talks argues, requests, sometimes threatens his subordinates, his office staff and his labourers. He thinks that face to face oral instructions have an effective and speedy communication which ensures that there are no delays, bottlenecks, confusions, misunderstandings and distortions of facts, and establishes unity among all the concerned persons. He feels that it also helps in taking quick decisions. An oral communication generally takes place in small unit because largely illiterate workers are employed and such communication is direct between the owner, supervisor and the workers.

The units, covered in the present survey, do not seem to have given much thought to communication policy. The obvious reason for this is, that units informed that they have used the notice boards as the main medium of communication. Actually, certain types of information like standing orders, holidays, working hours etc are required to be conveyed through the notice boards by statutory law and the employers comply with these statutory obligations, so one cannot say that the written methods of communication do exit in small units.

The popular channel of communication is the oral instructions and all the selected units indicate that they convey most of the information through oral talks, meetings. The communication channel in

most of the units is top-downward channel owner of the unit and manager hold meetings with skilled labourers or supervisors in order to pass on relevant information to their other workers. It is felt that this is very good medium because of its face to face communications impact, time can be saved and misunderstanding can be cleared through this medium.

**Table 5.3**

**Interaction between the Employer and the Employees**

S.No	Questions	Yes		No	
		Total	%	Total	%
1	Do you try to greet your employees every day?	30	40	45	60
2	Do you go out of your way to interact with your employees at least once each day?	50	67	25	33
3	Do you speak to your employees before they speak to you?	27	36	48	64
4	Do you go to your employees' work areas to talk to them?	42	56	33	44
5	Do your employees welcome at your office at any time?	55	73	20	27
6	Do you have lunch with your employees from time to time?	19	25	56	75
7	Do you know what your employees like to do when they aren't at work?	15	20	60	80
8	Do you understand your employees' needs, wants, goals and aspirations?	48	64	27	36
9	Do you give frequent positive reinforcement?	54	72	21	28
10	Do you frequently review goal and expectations?	24	32	51	68
11	Do you ask about your employees' problems, fears and concerns?	60	80	15	20
12	Do you ask yourself what you can do to help improve your employees' performance?	45	60	30	40
13	Total	469	52.08	431	47.92

**Source: Field survey**

Samples have been taken on the basis of simple random sampling method. The opinion of 75 Employers were collected as shown in the table no. 5.3. 12 questions were asked from each employer. Results shown that 469 (52.08%) replied in the affirmative and 431 (47.92%) in the negative. This shows that the level of communication between the Employers and the employees in SSI is satisfactory.

### INDUSTRIAL RELATIONS IN SAMPLED SMALL UNITS/INDUSTRIES:

Looking to the units of small scale industries, their size, their labour employment capacity and their production methods, the industrial labour relation aspect is not so complicated. The labourers employed in the units of small scale industries are not in large number or in mass, and production methods are not so much complicated. Even unskilled labourer can start production after a short practical experience. So units of the small scale

industries always preferred to employ unskilled labourers who are cheap and easily available. Moreover, in a unit, at an average maximum 25 to 30 labourers are employed, so problems regarding wages, working conditions, employment relationship and labour unrest do not arise. It was realized during the survey that the employer's approach to the labour was a commodity approach. Workers were just treated as a factor of production and the human aspect of labourers was not considered by most of the employers. As a matter of fact employees and employers do not have any good-or-bad relations. It was found during the field work that most of the employers do not consider their labourers as valuable assets, on the contrary employers kicked out their labourers if they do not want them in the unit and flatter them if mass production is required.

One unit holder conspicuously opined that no relation is good relation. In all fairness, it must be admitted that the attitude of the most of the employers towards their employees particularly unskilled labourers was affected and was not significant. Most of the employers believe that most of the workmen want more and more wages and all of them want to do less work. Some employers were trying to justify the poor wage structure policy on the ground that such labourers were better than many unemployed as well as persons employed else where than those in industry. It was found during the survey that not a single labour union exists in the sector of small scale industry. Even most of the labourers were not taking interest in unions.

The employee – employer relation problem does not become complex and impersonal due to skeleton staff. Moreover, strikes, Gheraos or lock-out in small units have no impact on society or even in small scale industries. Go- slow policy and strikes are the major weapons of the labourers to use against the employers. Strike shows the tenacious unity of labourers. In spite of the dearth of personnel expertise, the employee – employer relations seem to be on an excellent footing, particularly, when it is realized that most of the units in the survey have harmonious and strike free industrial relations situation.

### CONCLUSION:

The industrial relation picture emerging from this survey of the units of small scale industry is sketchy. Bottleneck problems in the units in personnel do not arise due to skeleton staff; Mostly in all small units the owner or partner takes upon himself the functions of personnel management and assumes the responsibilities. They think that they are expert in handling people, but the state of affairs is dreadful mainly due to paucity of awareness of personnel function, concepts, techniques and tools on the part of the



management. On the other hand it would be idle and even unfair to expect from the small unit holder, who is, basically an experienced trader or highly skilled worker – to be expert of personnel management. Time has proved that human assets require better treatment and efficient manpower is the assets of the firm, so different types and special types of maintenance charges are required. Small units must accept that special treatment to the human assets is badly needed and instead of accusing the illiterate workmen, they should offer spontaneously this job to proficient persons. Only sweet relation with labourers are not sufficient, but personnel development of worker is also needed which is possible by inserting a good personnel policy which is absent in all the small units.

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