EMERGING TRENDS IN INDUSTRIAL RELATIONS DURING COVID-19 PANDEMIC AND SUSTAINABLE GROWTH

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ABSTRACT

Labour –management co-operation is deemed necessary for both to survive against competitors. New employment relationship which has emerged due to liberalization, technological advancement, innovations, digitalization, robotization and artificial intelligence and the advent of COVID-19 and its impact across all aspects of our industrial society has put enormous pressure on industrial relations system and its capacity to provide a framework for employers and employees to operate with greater speed and agility, as they battle the enormous challenges presented by the pandemic. Standardized global technologies spread through international production chains regardless of local labour availability and comparative advantages. Advanced industrial technologies may be surrounded by outsourced and subcontracted services and other inputs, with different conditions of work and employment relationship, creating new segmentations.

Hence, the paper addresses some basic questions which have emerged due to changed employment relations with their appropriate answer for sustainable growth. The present paper is the theoretical foundation of the theme with elaborative views of thoughts divided into six segments such as introduction, changing dynamics of industrial relations, organizational priorities in today’s business, moving towards a new framework of industrial relations system, changing role of actors of industrial relations (employer, employees and government) in the changed situation for maintaining peace and harmony in emerging new employment relations and finally conclusion with references. The paper is descriptive depicting focal points on changed behaviour and the role of actors.

KEYWORDS: Digitalization, Employer’s diversity approach, Chaotic Competition, Permissive management, De-unionization, Management by love, Development role of trade union & Role of retreat

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1. INTRODUCTION

Industrial Relations play a pivotal role in establishing and maintaining industrial, peace, harmony and democracy. Globalization of business, technological progress and changes in information technology, digitalization, robotism, innovations and recent Covid-19 Pandemic are having a significant impact on industrial relations practices, which are shifting the way of thinking about firms’ business models and employment practices. The advent of COVID-19 and its impact across all aspects of our society has put enormous pressure on industrial relations system and its capacity to provide a framework for employers and employees to operate with greater speed and agility, as they battle the enormous challenges presented by the pandemic.

In this process, they are transforming diverse economic sectors and reshaping regional, national and international markets. The emergence of online digital labour platforms, or the “gig” economy, which has been one of the major transformations over the past decade, has affected labour markets around the world, and India is no
exception. The role of actors of industrial relations has changed or forced to change in the present economic scenario. Protection of Labour Rights in the present globalizing world is under severe threat. As an actor of industrial relations system, the state chose to be powerful player to protect the interest of labour as well as capital. But in the process of integration of Indian economy with the global economy, the state's role has changed from protective to role of retreat. States priority has changed either to regulate or deregulate the labour rights as it was the prime agenda of the government in pre–globalised era to safeguard the interest of labour. Trade unions power has weekend and unions are standing at a crossroads.

In this context, the present paper addresses some important questions that can be answered keeping in view of the changed perspectives of corporation, industry as well as the economy:

- What are the recent challenges that emerge before industrial relations?
- What are the impacts of technological changes and innovations on reshaping the employment relationship?
- How do the changing work relations affect work-life balance? Do they lead to increase or decrease in intensity of work?
- To what extent is the spread of new technologies deskilling the workforce? What types of training strategies are required for workers on digital labour platforms or in technologically advanced industrial production?
- What should be the attitude, approaches and role of actors of industrial relations and their strategies in these emerging situations?

To answer these questions, the present paper deals with the emerging pattern of industrial relations in the globalised world and role of the actors of industrial relations and its various dynamics with futuristic way of handling to safeguard the interest of capital and labour.

2. DYNAMICS OF NEW INDUSTRIAL RELATIONS

Industrial Relations Management is key to every business’ competitive advantage. Healthy employee relations result in better engagement and improved productivity. In recent years,(Shyam Sunder, 2020), Employees Relations as a specialization has become more and more important. Low unemployment levels, skills gaps, and changing workforce demographics have contributed to the growing prominence of ER as a core business strategy. Today, ER includes a whole gamut of HR functions including, employer branding, internal communications, HR marketing, and employee investigation.

The factors influencing changes in IR in the present pandemic situations; the nature of change taking place in the resultant IR agenda; the structural framework of IR laws in India and its compatibility with the new realities; and the dynamics involved in balancing the needs of efficiency and social justice in the emergent scenario. It also foresees the likely impact these developments will have on the power equilibrium in labour–management relations especially in the Indian private sector. It is argued that since labour collectives can’t survive without state support-and unionism is an accepted human right too, which too is on the agenda of all those wanting restoration of countervailing power in society-third world countries need to involve themselves proactively in protecting the institution of trade unions. This can be done simultaneously along with facilitating the employers’ attempts to promote HRM philosophy that they are adopting as one.
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of the main strategies of building organizational effectiveness.

The emerging pattern of industrial relations may be pointed out as under:

- Centralization of the Employee Relations functions.
- An increasing focus on metrics and analytics.
- Workplace safety will be in the spotlight.
- Employer’s diversity of approach towards unions.
- Access to Decision-makers.
- Unions exhibit a heterogeneity all their own.
- Managements increasingly recognize needs of employees and provide welfare facilities.
- Professional managers are put in charge of labour relations.
- Training of supervisors in maintaining workplace relations through adopting work life balance.
- Union leaders’ awareness of problems of management and collective bargaining in good faith.
- Growth of accommodation approach towards their union by employers.
- Employer and employees relations have remained highly visible trend to increasing production and productivity.
- Now the community has more expectations from union-management relations.

3. ORGANISATIONAL PRIORITIES AND RESPONSES IN TODAY’S BUSINESS

Business organizations in this pandemic situation and coming decades have to reshape their organizational structure and to meet the challenges emerged in the market; the only way is effective, vibrant and adaptive HRM. The organizations have to set their priorities as under:

- Develop and adopt new and appropriate technologies in the shortest possible time to survive in the market. Although, this calls for heavy investment in R&D.
- To provide effective services to new age customers, as they have their different knowledge and specific needs.
- To attract and retain talent in increasing competition as new talented employees would be able to understand the emerging organizational and business pressure and accordingly perform. Hence, organization needs to develop strategies to attract the right talent and also plan mechanism and processes to retain good talent.
- Provide positive and quick response to customer related issues to retain the customers.
- To make internal process changes quickly to gear up the external demands. All internal process should be redesigned to meet external demands and make the organisation more effective.
- Reduce cost of inventories, finance and manpower by adopting new process and latest technology to get maximum output with the available resources.
• Upgrade quality, skills and knowledge, as it is a herculean task but a very critical area which needs quick attention of the top management to increase turnover and revenue generation.

• Adopt aggressive business posture both in its marketing as well as in its delivery strategies for survival in the competitive market.

• Work for customer delight and ensure fast qualitative services.

4. MOVING TOWARDS A NEW FRAMEWORK

The task of creating a new industrial relations framework is difficult, and of course full of imponderables. Some building blocks of a new framework could, however, is identified. These are as follows:

• The legislative process of repeals, amendments and new enactment need to be pushed ahead further. Fewer good laws and more effective enforcement and compliance must be in place, in the first place. The Central Government has passed four Codes i.e. Code on Wages-2019, Industrial Relations Code-2020, Code on Social Security -2020 and Occupational Safety, Health and Working Conditions Code, 2020 keeping in view of the above.

• New experiments in different states like Andhra Pradesh, Kerala, Tamilnadu, West Bengal, and Rajasthan are taking place; apparently, they are departing from the historical uniform national pattern. The coalition era with a weak center, is facilitating the deviations. As experiences gather, some common trends would emerge and the scope for healthy re-convergence would arise.

• Voices to encourage the “gainers” of the market era to share more with the “losers” is being heard, and this could gather momentum in India and elsewhere, too. It will have enormous moderating influence on the climate of industrial relations.

• An extended social security for all workers, in a phased manner, is a serious agenda. All investment in this regard would enrich the industrial relations interactions, apart from meeting the long felt need in the country.

• Work first, and decent work later is a dangerous palliative. This needs to be resisted strongly. Yet the prolonged presence of the informal sector is a strong possibility. Therefore its productivity with support from (a) better technology, (b) improved skills, (c) easy access to capital and (d) market linkage must improve for the benefit of good employer-employee relations.

• Progress on free cross boarder economic migration of natural persons would bring balance in the distribution of human factor endowment. Labour shortage economies would mainly gain, while the labour surplus transitional economies would get needed relief. Connivance of the state in labour shortage mature economies, illegal migration for cheap labour, enclave settlements for immigrant guest workers, and liberal quota for professional workers are evidence of market forces asserting over political and social barriers. A relative balance in labour supply and demand within and between economies will be beneficial to all. Successful social engineering at a global scale is the need of the hour. The rounds of the World Trade Organisation (WTO) negotiations could cover these issues.

• Accelerated growth is desperately needed. A labour intensive but efficiency promoting technology would help. Both global and national market place needs regulatory institutions led by competent and committed professionals. A national climate for receptivity to change the vested interest-led present set up to its socially acceptable replacement is building up. Deliberations of the Second National Commission on Labour and

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subsequent national debate have helped. A final package with (a) a revised arrangement for the organized sector, (b) a strong beginning for strengthening the informal sector, (c) the necessary legislative reforms which has already been done and (d) a social security and welfare package of credible and sustainable kind must soon emerge.

- A rigid national uniformity is now behind us. Moderated diversity with strong centrality of linkages should be encouraged. Trade unions and civic society institutions need concerted action with benign assistance from forward looking employers and the remaining state power (Shyam Sunder, 2003) In the new market place, risks of common injury should unite all interest groups. Stakes are high in creatively holding together and looking ahead with hope. There is scope as well as space to promote the interest of all with an optimum blend of strategy and agenda to be tapped. Some uneasy trade off inevitably is a part of a workable next package.

5. CHANGING ROLE / NEW ROLE OF ACTORS

Three participation i.e. actors in industrial relations – workers and their association, employer and their federations and government with its agencies – interacts within the social and economic environmental influences on performance ground that prevail at a particular time in the specific country. The various industrial relations perspectives, such as system model, the pluralist or unitary approaches, Weber’s social action approach, Dunlop’s sub-system of society, present the replica of the society within which it exists. The IRS is the outcome of the network of interactions between the actors (in the past and the present) and the ideology that informs the system. The state as a power, which is vested in the forms of Legislature, Executive and Judiciary, plays an important role in industrial relation system in developing countries. (J. T. Dunlop) The role of the state is defined by several factors viz. historical, institutional, economic, social, legal and political factors

![Figure 1: Interactions of Actors of IRS](image)
The state intervention acquired social and political legitimacy, as it appeared to serve the interest of both the labour and capital also. The state has intervened in the system particularly because the class forces were weak and it served its political interest. It is course sought to promote labour welfare and also protect the interest and favored either class mainly to achieve its ends. This has remained the dominant theme in the IRS for a long time and remains unchanged at least in formal terms even after the economic system underwent radical changes since 1991 but in informal terms, the state is acting as a role of retreat.

A. Changing Role of Employers /Managements

Industrial relations may basically deal with the relations that arise out of the attitudes and approaches of both management and their workers (represented by trade unions). Management's role, apparently, is a very vital in shaping the relationship in the industry. It is, therefore, relevant to unveil the areas of managements' approaches that pave the way for the complex industrial relations in Indian context.

There are some elements of truth in holding the view that labour was exploited when the workers were not well organized to assert their rights. Government’s attitude and contemporary legislations were also responsible for this trend. But the developments in the latter half of the 21st century have been instrumental for turning the table. Now the politically motivated trade unions headed by leaders with politically aspirations are in a comfortable position even to dictate terms with the managements for the fulfillment of their political ends and vested interests.

The political independence has marked the beginning of trade union independence also, while the management characteristics have not marked a considerable change. Family management which forms a conspicuous segment of the realm of Indian management with corporate objectives akin to the above characteristics is bound to generate a clash with the politically motivated trade unions and their leaders with vested interests. In the meanwhile, professionally trained managers and middle managers are subjected to some sort of role conflict between the trade unions and the managements. It is also natural that the organizations with multiple trade unions become a ground of intra-union and inter-union rivalries, which make the management task complex. Management is also subjected to the coercive pressure tactics of the politically powerful trade unions as well as militant trade unions. In the process, (S.M. Patil) five types of managements tend to evolve, viz., (1) permissive management, (2) submissive management, (3) evasive management, (4) coercive management by virtue of sheer necessity and (5) Management by Love.

Management by love would be the best remedy for almost all the industrial relations problems of today's globalised world and pandemic world. The more positive and humanitarian attitude towards the workers and their unions will be able to manage their relations. To win the confidence of workers and cooperation, positive and human attitudes and approaches should come forth the side, and not from the managements alone, though management can start experimenting “Management by Love”. In case managements follow an imaginative approach of Love, many of the problems that lead them to long period of litigation and animosity can be amicably settled.

In the era of globalization and knowledge era, the management attitude and approaches towards workers and trade unions have changed. With change of organizations and due to the paradigm shift from blue collar to white collar in the wake of IT revolutions and rapid technological progress and change, employer/management has changed their style of management and they believe in “Friendly Management system” in which the workers are effective participants. Fahlbeck contends that employers have changed their attitude and mindset in the changed scenario with the following
towards industrial relations:

- “My Boat Attitude”: Get off, if you do not like it.
- “Shared Boat Attitude”: We sail together. Do not rock the boat.
- “Our Boat Attitude”: It is our own common enterprise. Let us combine our efforts to better it.
- “Your Boat Attitude”: With a sense of ownership and pride, the purpose is to let employees wholeheartedly contribute to the cause of the enterprise.

In globalization, the dynamics of labour and capital has changed. Earlier, labour was more mobile than capital, now capital is more mobile than labour. In past, labour moved to places where jobs were available, now, jobs losses are taking every place everywhere. Also, employers’ exploitation of workers continues to persist to a great extent in informal sector. Today’s new –generation knowledge workers and professionals competing for career advancement are “willing slave”, ready to work longer hours and almost seven days a week. Also, in certain cases unions are suspicious of the ‘caring and sharing’ attitude of employers, seeing in the “new human resource policies” a policy to make trade unions redundant. Employers are shaking hands with workers and became more participative with a new strategic human resource management to achieve the competitive advantage.

A. Changing Role of Workers / Trade Unions

HRM strategies invariably act as de-unionization devices in almost all parts of the globe. All Western world shows declining trends of trade union membership. Trade union power and influence has declined sharply in India especially after 1991 when the second phase of economic reforms was launched. As a result of this, trade unions are becoming increasingly marginalized in the industry and society. As one “Veteran Gandhian leader (N. R. Seth) with over fifty years of experience at all levels from firms to ILO” has recently observed “unions have lost strength, power and significance in the current economic situation; workers have been left to be driven by the whims and compulsions of employers; governments have been unable to deal with grave socio-economic consequences of falling employment levels: unions and workers are victims of the new economic order”. This is certainly a matter of great concern as trade unions are an important institution of a democratic society and can play useful social and economic role. As one writer has argued with reference to trade unionism in Great Britain and which is very much relevant for India too: “For those concerned with the growth of inequality, of insecurity and of arbitrary treatment which has accompanied the decline of trade unionism, their departure from any serious and significant role would be a tragedy… an effective union role is therefore as urgent as ever” Therefore, the questions are: why have unions lost power and what are the prospects of their revival as a bargaining agent?

Verma (2001) have recently claimed that “Trade Union decline is a worldwide phenomenon”. They also have urged that although “Union influence has come down due to fall in membership”, there are other reasons such as the followings:

- Narrow and limited role of unions for better wages and facilities only. Unions have lost strength, power and significance in the current economic situation, as they still continue the feudal mindset.
- Management itself is taking up wider issues of workers, e.g. cooperative society, sports and improving economic conditions which help workers move to middle class from working class.
• Realization on the part of workmen that new technology and innovation is essential for survival of industry or business.

• Technology has brought a shift from blue collar to white collar worker. As a result, militancy is on the decrease.

• Workers have realized that violence as in sixties and seventies will not work, and now due to global competition, they have no alternative but to compromise.

Trade Unions’ only objective is to maximize benefits and welfare of workers, this has not given desirable result. Trade unions have to realize that their objective is not only to protect the interest of workmen but also of the organization. They will have to develop positive work culture; issues are to resolve through collective bargaining instead of coercive measures. They have to function as partners and participate with management due to liberalization, and consequent competition in the market. They should develop harmonious relations and mutually beneficial relationship between employers and employees.

Unions, commonly known as protest organizations, never take up any development activities. To quote N.R. Seth (2001), “Unions are at crossroads. They are on divergent path. One wonders they would like to map the new path early. They have to redefine their social responsibilities in relation to unemployed, contract workers. They may like to explore ways for development of new leadership for new trade unionism appropriate for the global society in the years ahead.”

Unions can play a Developmental Role as mentioned below.

• By building human resource management philosophy, values and practices in trade unions. They can be made responsible for human resource development. Union leaders can develop employees

• Provide workers with the right information regarding role of trade unions in an organization by explaining mission and plans of the organization.

• Redefine trade unions role as one of developmental rather than a protest institution in the organization.

• By building a linkage between the union and different groups through human resource development.

• Counseling or guidance of workers on their social problems, i.e., drinking, indebtedness, absenteeism, etc.

• Role in family and vocational guidance, i.e. children’s education, career growth, investment of money, etc.

• Move from traditional role to a developmental role.

Trade unions have to change their traditional role and feudal mindset.

Trade unions in India have played a phenomenal role in protecting the interests of the workers even by controlling and regulating the management at the cost of the organization. But trade Unions now have to play an important role by cooperating with the management as the survival of the organization under competitive environment would be at stake. As institutions, trade unions with new path can play a more positive role in the global environment. It has to be realized that most of the employment condition would be determined by the market forces rather than trade unions unlike in the past, as
presently the government’s objective is to attain rapid economic development.

C. Changing Role of State

The swift and incomplete journey of the history of role of the state in IRS in India has presented a clear picture that state intervention has been the dominant theme of the labour policies for a long time starting from 1930s. It was the key response to meet the challenges posed by the growing labour movements. The state chooses to be a powerful player for a variety of purpose, self interest being a dominant one. It of course sought to promote labour welfare and also to protect the interest of the capital. But the underlying motive was to ensure the stability of the system on which hinges its legitimacy and power. Now the state has changed their role in the changing scenario of the economy. If we shall visualize the changing character and role of the state, we can identify the certain changing role as under.

Changing Role of State

The state/ government by enacting, passing and amending various legislations since British rule up to the present pandemic period, shows the changed approach and mindset from on-looker to role of retreat. In an early stage of industrialization the state role was onlooker. State intervention via law was obviously least in the early colonial period as there was little scope for intervention owing to very little industrialization then. The economy was a laissez-faire economy and thus there were few laws covering some aspects of industrial relations till the 1920s.

After, 1920, the government began Encroacher and begins to intervene and takes some interest due to some compulsions. The government enacted the Trade Unions Act, 1926, sought to legalize union and gave them protection from civil and criminal conspiracy liabilities. But it also sought to regulate the internal affairs of registered unions. Rise in incidence of strikes, frequent general strikes in Bombay and increasing role of communists in labour relations promoted the government to pass the Trade Disputes Act in 1929. But some another laws were enacted such as Workmen’s compensation Act, 1923, The Indian Mines Act, 1923, Maternity Benefit law in Bombay in 1929 and the Factory Act and its amendments.

The state became Regulator and has played a role of regulation by enacting several laws to regulate the relations between the conflicting parties. The extent of state intervention in the IRS reached its height during wartime. The state intervention increased in 1930s. Several important acts were passed or amended viz. Factory Act, 1934, Payment of Wages
Act, 1936, Trade disputes Act (Made permanent in 1934 was amended to provide for appointment of conciliation officer in 1938). The Bombay Industrial Disputes Act, 1938 increased state intervention in labour relations in several ways.

The state became Protector and has played protective role to safeguard their own interest as well as labour and management. After independence, the Government of India with the provision of Indian constitution adopted vision of the nation, which is written in preamble as sovereign, socialist, secular, democratic republic. The constitution also secures to all its citizen Justice (social, economic and political), Liberty of (thought, expression, belief, faith and worship), Equality of status and opportunity, Fraternity – dignity of individual and unity and integrity of India. Keeping in view of the goals to achieve industrial peace and harmony, state has created consultative institutions at micro level as works committees and other participative bodies like joint management councils and at macro level tripartite bodies.

The state has played Composite Role and in these two distinct features of state interventions are state’s commitment to job security and state’s denial to amend laws to promote union recognition. Both are argued to have created inefficiencies. The jobless growth of 1980s was attributed to rising power of unions, restrictive employment law and rise in real wage. The state used to elaborate machinery of state intervention to further its interest.

The state is playing Role of Retreat due to changed situation. The most direct impact of the changing scene is the increased vulnerability of the worker’s interest in the labour management power dynamics. The shift from state regulation to market determination, larger role of private enterprises, reduction in space for public sectors, and opening up of the economy from closed economy were some of the radical changes introduced in production system. Given the interface between product market and labour market, pro reformers demanded liberalization of IRS and labour market. The product market reform measures have increased the bargaining power of capital vis-à-vis labour. Capital has become more mobile and least regulated, while labour is less mobile. The multinationals pit one government against another. They are mighty and powerful. The freedom of state in Policy making is said to be in danger. The behavior and role of the state is becoming retreat being undue pressure of multinationals and also due to compulsions of economic reforms.

Even Judiciary which was an instrument to promote social justice and was delivering workers-oriented jurisprudence in the past, some judgment delivered in 1990s and even recently (such as Supreme Court judgments in SAIL case, case of BALCO, Tamil Nadu state government employees strike case, Kerala High Court’s judgment on bunds etc.) could not be labeled as worker-oriented. Judiciary is accused of becoming intolerant of democratic actions; on the other hand, it does not intervene in the privatization process where several laws are violated. (Prakas Karat in an interview in Frontline, Sept. 12, 2003). In the case of postal strike in December 2000, the Delhi High Court instructed the government to “take whatever action you (the government) deem fit, we want the postal services are normalized”; the stern action included imposition of ESMA. (The Hindu, December, 12, 2000). Now Judiciary is not bothered to check the regressive practices arising in the wake of globalization as it is a part of the society and is influenced by the values of the dominant sections of the society. Liberalization and globalization and the recent pandemic have affected the federal politics in the country. The state governments demand more autonomy in law making and administration of labour laws to attract capital, especially foreign capital for development of their states. The increased presence of regional parties in political coalitions at centre has given new meaning to central-state relations (Bardhan, 2005). The state governments have already begun to make suitable changes in their labour policies and administration to attract-capital into their regions. For example, Permission of closures
is now being more liberally given in recent time by Labour Department of the Maharashtra Government. The Government of Andhra Pradesh has amended Contract Labour (Regulation and Prohibition) Act to allow employment of contract labour even in core area for temporary period to meet market demand.


The government of Tamil Nadu has allowed employment of women in night shift in the information technology industry subject to some safeguards, the central government made clever use of federalism to allow labour reforms at state level thereby reducing opposition levels, competition for investment made matters tougher for the states-like Maharashtra, Tamil Nadu, Andhra Pradesh. The govt. of Bihar making all appointments on the basis of contact even in government sector. The government used these bold measures to convince the cabinet to endorse labour reform proposals announced by the Finance Ministry and massive reforms are expected by the new government.

6. CONCLUSIONS

Thus, the globalization syndrome places trade unions in a tight spot. To cope with the situation they have to redefine their structures and role. It is being advocated that there may develop a new style of global social movement unionism. In this regard, it is also argued that in order to retain bargaining power, unions have no choice but to “put consumers’ interests first, company’s interest second and their members’ interest third”. They have to engage themselves in internal dialogue and elaborating worker-oriented meanings of concepts such as “flexibility, security and opportunity” that are being shown to workers as methods of promoting the trickle down. Unions also need to understand the changed realities for employers. In fact; considerable thought process is needed in terms of viable suggestions to the three social partners to adapt themselves to the new realities. Building an enlightened society is to remain supplementary to any model of economic working. This essentially requires reconciling the goals of adapting to the changing global business environment and salvaging unionism as a countervailing force.

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