

## Industrial Revolution and Management in India

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### Abstract

*Industrial revolution, autocratic style of employer was in existence. Due to autocratic style, industrial unrest was at peak. Before Independence workers were hired and fired at the sole will of employer. Exploitation of workers, poor payment system and miserable condition lead to the movement of trade unionism. After the First World War, certain reforms were carried out to protect the interest of workers but these were not at par with the satisfactory level. Due to industrial unrest strikes and lock-outs were the common phenomenon. The prevailing circumstances lead to the formation of Industrial Dispute Act 1947. Scenario was different post Independence. Due increase in industrial labour let to the formation and development of trade unions and various social groups. The First Five Year Plan has clearly demonstrated the fact that, "an economy organize for planned production and distribution, aiming at the realization of social justice and the welfare of masses can function effectively only in an atmosphere of industrial peace. Advent of an enlarging public sector, along with the private sector, provided high expectations to workers in terms of fast improvements of their conditions. In such situations, during the early days of planning, industrial disputes settlement machinery of the State was enforced as an adequate measure. India has taken upon itself the responsibility of providing facilities for settlement of industrial disputes and has assumed powers of intervention for the purpose of maintaining industrial, peace. The beginning of the Industrial relations' dynamics can be traced back to the inception of the Indian labour Conference as far back as 1942, by Dr. B.R. Ambedkar, when the policy of bringing together the three parties, namely, the Government, Management and labour on a common platform as a consultative tripartite form' for all matters of labour policy and industrial relations was accepted. The industrial relations in India have thus been shaped largely by principles and policies evolved triplicate consultative machinery at the industry and national levels. The process of consultation was itself the outcome or a realization between employers and workers without their participation in direct action.*

### 1. Introduction

The industrial relations have generally developed as a consequence of the Industrial Revolution. Prior to this, the Master and Servant relationship which existed was simple and of a personal nature. With acceleration in industrialization, the relations became complex and impersonal. Under the early factory system, the worker was looked upon as a commodity which could not only be easily secured but also replaced. The attitude was that of considering the supply and demand position as in the case of a commodity. As the employer was in a dominating situation, he dictated both the wages as well as the of service of the workers resulting in many industrial and social ills such as low wages, unduly long hours of work, poor working conditions and persecution of trace union activity. The plight of the workers was miserable, not only in India but in other countries such as the United Kingdom and other European countries. Trade-union leaders was persecuted and victimised and the Government adopted a laissez-faire policy. Pre-Independence Scenario of Industrial Relations in India reflected that of medieval period in UK. Being a British colony, Indian workers did not enjoy

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any freedom of expression or association. Workers were hired and fired. Community at large was silenced being the colonial subjects of Imperial British regime. They were also not in a position to raise the voice against the poor working conditions of their brethren who were the Industrial workers. The employers exploited the workers with poor payment and miserable working conditions. Thus result in the birth of Trade Union Movement. Till the end of *First World War*, there were no trade union movement in India; there were no serious attempts to pass legislative measures to protect the interest of workers with the solitary exception of Employers and Workmen (Disputes) Act 1860. After the end of First World War, the scenario of Industrial Relations changed considerably in India, the support the Indian workers received from their counterparts in UK. Numerous strikes were reported.

## **2. Beginning- A New Working Class**

A new awakening among the working class was brought about after the First World War and the industrial relations position took a new turn. Workers began to take retaliatory action to help them get a new deal. They began to strike. In their turn, the employers retaliated by declaring lock-outs and industrial war began. In the beginning, the government did not intervene to settle disputes or ensure good industrial relations except in case of prolonged strikes where it appointed committees of inquiry. It, however, enacted a few labour laws and ultimately was forced to enact the Trade disputes Act 1929, basically on the lines of the British Industrial courts Act 1919. As the Royal commission on labour observed in 1921 the attempt to deal with unrest must begin rather with the creation of atmosphere unfavourable to disputes than with machinery for their settlement. However, this was followed by the Industrial Disputes Act, 1947, which provided permanent machinery for settlement of disputes such as works committees, conciliation officers and industrial tribunals.

## **3. Post-Independence Scenario**

Since the Independence was attained and with the launching of planning era, the size of industrial labour in India has increased remarkably due to rapid and planned industrial development. The increase industrial labour led to the formation and development of trade unions and various social groups. It has also been recognized that management without labour would be sterile and labour without management would be disorganized, ill-equipped and ineffective. It was realized that the concrete co-operation between labour and management is highly essential to fulfill the individual, organization and National Goals. The First Five Year Plan has clearly demonstrated the fact that, “an economy organized for planned production and distribution, aiming at the realization of social justice and the welfare of masses can function effectively only in an atmosphere of industrial peace.

### **3.1 Industrial Development**

Due to the growth and spread of industry, there has been a phenomenal growth in employment, wages, benefits, working conditions, status of the worker, educational facilities etc. Moreover, career patterns have also changed widely by providing change for wide varieties of jobs to the working communities. This has been possible only through fast industrial development which depends on industrial peace. Thus, the rapid industrial development helped continuous increase in the trade union movement which imbibed rigor and strength. But, workers could not appreciate fully the social responsibility in the independent nation. This factor vitiated formation of correct and healthy attitudes on the part of workers in industrial relations. The national government inherited administrative

machinery as well as certain legacies in the form of policies which could not be radically changed.

### **3.2 Enlarging Public Sector and Private Sector**

On the arrival of an enlarging public sector, along with the private sector, provided high expectations to workers in terms of fast improvements of their conditions. It gave new colour to attitudes of workers. State responsibilities as an employer increased. It gave an opportunity to workers and private employers to pin-point the state, if it defaults in any manner in acting as an ideal employer. The program of the Five-Year plans in industrial development related to time schedules, while it was difficult to adjust time factor for promotion of industrial relations, because they are basically determined by attitudes which take their own time to grow. In such situations, during the early days of planning, industrial disputes settlement machinery of the State was enforced as an adequate measure. It was a curative approach. What was needed was bold preventive approach. Industrial relations in India strive to evolve for the past several years, through socio-economic and psychological stresses and strains of industrialization as well as political decisions.

### **3.3 Pattern of Industrial Relations in India**

In the background of the economic and social policies of the State the pattern of industrial relations in India may be viewed as evolution of the society from pre-national feudalism to post-national modernism, Economic freedom and eradication of poverty as national aspiration, Planned development of industries and its regulation in national interest, industrial peace and a fair deal for workers, the worker to be given his rightful status and dignity as an individual, guaranteed protection of fundamental human rights and to ensure scope for developing the potentialities of the workers. Growing need for associating workers and their organisations in the solution of problems affecting the industries, in the treatment of disputes, threat and conflict are to be given way to discussion and settlement. All actions in industrial relations to be geared keeping in view the changing world of today and in consonance with the tradition and aspiration of the Indian nation. In India, the state has taken upon itself the responsibility of providing facilities for settlement of industrial disputes and has assumed powers of intervention for the purpose of maintaining industrial peace. Industrial relations legislations, as they stand today, do not bar employers and unions from resolving their disputes through collective bargaining. But, when they are either not willing or unable to do so, the law enables the government to intervene in the disputes and refer it to adjudication. Moreover, our labour laws have been modeled on Australian labour legislations, while our trade union movement has developed along the British lines. The practice of industrial relations attempt to achieve industrial harmony through means found in the U.S.A. And the development of the Domestic System and Factory System of production was resulted. Under the domestic system, a woman might select fabric and have a businessperson give it to a home-based worker to make into a dress. Under the factory system, the factory owner bought large lots of popular fabrics and had workers create multiple dresses in common sizes, anticipating that women would buy them.

	<b>Domestic System</b>	<b>Factory System</b>
<b>Methods</b>	<ul style="list-style-type: none"> <li>• Hand Tools</li> </ul>	<ul style="list-style-type: none"> <li>• Machines</li> </ul>
<b>Location</b>	<ul style="list-style-type: none"> <li>• Home</li> </ul>	<ul style="list-style-type: none"> <li>• Factory</li> </ul>
<b>Ownership and Kinds of Tools</b>	<ul style="list-style-type: none"> <li>• Small hand tools owned by worker</li> </ul>	<ul style="list-style-type: none"> <li>• Large power-driven machines owned by the capitalist</li> </ul>
<b>Production Output</b>	<ul style="list-style-type: none"> <li>• Small level of production</li> <li>• Sold only to local market</li> <li>• Manufactured on a per-order basis</li> </ul>	<ul style="list-style-type: none"> <li>• Large level of production</li> <li>• Sold to worldwide market</li> <li>• Manufactured in anticipation of demand</li> </ul>
<b>Nature of Work Done by Worker</b>	<ul style="list-style-type: none"> <li>• Worker manufactured entire item</li> </ul>	<ul style="list-style-type: none"> <li>• Worker typically made one part of the larger whole</li> <li>• Henry Ford's assembly line(early 20<sup>th</sup> century) kept workers stationary</li> </ul>
<b>House of Work</b>	<ul style="list-style-type: none"> <li>• Worker worked as much as he/she would and could, according to demand</li> </ul>	<ul style="list-style-type: none"> <li>• Worker worked set daily hours</li> </ul>
<b>Worker Dependence on Employer</b>	<ul style="list-style-type: none"> <li>• Worker had multiple sources of sustenance- other employers, own garden or farm, and outside farm labor</li> </ul>	<ul style="list-style-type: none"> <li>• Worker relied entirely on capitalist for his/her income-urban living made personal farming and gardening impractical</li> </ul>

Thus, in the evolution of the industrial relations in the context of Indian situation, both external and internal forces have had an impact:

### 3.4 The State and Industrial Relations

The state has a direct interest in preserving industrial peace in our country. Accordingly, steps have been taken by the state to promote a well organized industrial relations machinery to achieve industrial peace and prosperity with the twin objects of reducing production losses due to industrial disputes and of assisting employers and workers towards the settlement of industrial conflicts through the machinery of conciliation and arbitration. In a developing country like India, state intervention is necessary because, Government has to play a major role in delineating certain parameters of industrial relations. The evolution could not be left largely to bipartite negotiations and confrontations between labour and management over the years. As the guardian of the people, and of the economy of the country, it has to intervene and adopt industrial relations policies which are likely to ensure social justice and industrial peace. The federal nature of constitution made it imperative for the state to intervene in labour matters to ensure smooth and continuing production. The Directive principles of the constitution, enjoined upon the state to establish a 'Welfare State' and to look after the interests of the weakest sections of society, including the handicapped. In pre-independence India, attempts to regulate labour consisted of enactments such as the Assam Labour Act, the Workmen's breach of contract Act 1859, and the Employer's and Workmen's (Disputes) Act 1860. These Acts aimed at protecting the social system against labour rather than protecting labour against the social system. The beginning of the Industrial relations' dynamics can be traced back to the inception of the Indian labour Conference as far back as 1942 by Dr. B.R. Ambedkar, when the policy of bringing together the three parties, namely, the Government, Management and labour on a common platform as a consultative tripartite form for all matters of labour policy and industrial relations was

accepted. When the Second World War broke out, the Government of India passed the defence of India rules and incorporated in them Section 81A, which: (I) banned strikes and lock-outs in any trade with a view to ensuring continuous supplies for the requirements of the war, and (ii) provided for compulsory adjudication of industrial disputes.

#### **4. Post-Independence Industrial Relation in India**

In free India, this legacy was given statutory recognition when the legal provisions for regulating industrial relations were embodied in the Industrial Disputes Act. This Act provided for the establishment of a permanent machinery for the settlement of disputes in the shape of certain authorities like works committees, conciliation officers, industrial tribunals, labour courts, etc and making an award of a tribunal or any settlement brought by the conciliator binding on the parties and legally enforceable. The Act seeks the prevention and settlement of industrial disputes in all industries through conciliation, arbitration and adjudication. Apart from providing machinery for the settlement of industrial disputes, it also seeks to prohibit strikes and lock-outs during the pendency of conciliation and adjudication proceedings. The amendment made in the Act in 1976, places restraints on the employers' power to 'lay off' or retrench of worker to impose "closure". In 1947, a law was enacted which defined unfair employer practices and also unfair union practices. It provided for the compulsory recognition of representative unions by employers and for the arbitration of disputes over the certification of unions as representative unions. These amendments were a break with the colonial British traditions and were influenced by the American National Labour relations Act (popularly known as Wagner Act) of 1935. But these amendments to the Trade Unions Act never came into force. In 1950, two Bills were brought by the government a Labour Relations Bill and a Trade unions Bill. They retained the provisions of 1947 amendments. They also introduced the principle that "Collective bargaining would be compulsory for both employers and unions under stipulated conditions. The Labour courts were empowered to certify unions as "sole bargaining agent". All corrective collective agreements were to provide for "peaceful settlement without work-stoppage, of all questions arising out of such agreements by arbitration or otherwise". However, the draft Bill lapsed with the dissolution of Parliament. As a reaction to the legislative approach, V.V. Giri in 1957 advocated his 'Giri Approach' in terms of voluntary negotiations and collective bargaining in a tripartite relationship.

#### **5. Conclusion**

The movement towards a non-legal industrial relations system was a new trend. The industrial relations in India have been shaped largely by principles and policies evolved triplicate consultative machinery at the industry and national levels. The process of consultation was itself the outcome or a realization between employers and workers without their participation in direct action. During the industrial revolution days, the focus had always been on the production side. Gradually until the brink of 21st century privatization, free economy and globalization collectively brought about the paradigm shift from production side to the marketing side. Albeit, this transition was obvious and purely market driven but the fact remains that during this period the business equation has undergone a complete metamorphosis. Last not the least Labour policy in India has been evolving in response to the specific needs of the situation in relation to the industry and the working class and has to suit the requirements of a planned economy. A body of principles and practices has grown up as a product of joint consultation in which the representatives of the Government, the working class and employers have been participating at various levels. The legislative and other measures adopted by Government in this field represent the consensus of opinion of the parties vitally concerned and thus acquire the strength and character of national policy,

operating on a voluntary basis. Joint Committees have been setup to assist in the formulation of policies as well as their implementation.

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