

## **The New Entrepreneurial Society and Modern Labor Issues**

Priya Shrivastava, MBA( HR-Marketing), PhD Scholar  
(UIM/ Rani Durgavati Vishwa Vidyalaya, Madhya Pradesh, India)

---

**ABSTRACT :** *Labor is a major component of the system of modern Industrial Relations in any nation, each having in their constitution, their own set of objectives or goals to achieve. Change in the political, social and educational environment has seen them rechristened as a forum that protects and furthers workers' interests and improves the quality of life of workers, enlarging their traditional roles of establishing terms and conditions of employment. The greatest challenge before every organization is to recruit right people in right place. Employee and Employer both are important. They are the two sides of the same coin. One cannot operate without the services of the other. The main purpose of this study is to observe the New Entrepreneurial Society, Industrial Relation operation and satisfaction level of the employees, to observe the different welfare.*

**KEYWORDS** – *Industrial Relations, Modern Labor issues, Changing Labor relations, Challenges in Industrial Relations*

---

### **I. INTRODUCTION**

1. **Industrial Relations:** Industrial relation is a multidisciplinary field that studies the employment relationship. Industrial relations is increasingly being called employment relations or employee relations because of the importance of non-industrial employment relationships; this move is sometimes seen as further broadening of the human resource management trend. Indeed, some authors now define human resource management as synonymous with employee relations. Other authors see employee relations as dealing only with non-unionized workers, whereas labor relations are seen as dealing with unionized workers. Industrial relations studies examine various employment situations, not just ones with a unionized workforce. People often think industrial relations is about labor relations and unionized employment situations, but it is more than that. Industrial relations covers issues of concern to managers and employees at the workplace, including workplace bargaining, management strategy, employee representation and participation, union-management co-operation, workplace reform, job design, new technology and skill development. An IR expert will more usually work for a trade union in order to represent employees' interests. However, they may work for an employer in an HRM department, or for an employers' association or consultancy, serving the employers' interests. However, according to Bruce E. Kaufman "To a large degree, most scholars regard trade unionism, collective bargaining and labor-management relations, and the national labor policy and labor law within which they are embedded, as the core subjects of the field."
2. **Modern Labor Issues:** Personnel management is the process of supporting the accomplishment of organizational objectives by continually acquiring human resources; integrating employees into the organization; developing employee potential; and maintaining the work force.
  - 2.1. **Changes:** As we have moved into the 21st century, we are working with new generation of employees. Now work force has different expectations, needs and wants. This is a reality and we have to adjust the way we work with our employees to this new reality. Over the past decades, government intervention has increased. There is a need in the human resource department to be compliant with all state and federal legislation. We cannot follow the same tradition what we use to do in past. We have to do things right and do the right things for our employees just to stay in business. Furthermore, economic developments force us to look at our labor relations differently. The cost of labor has gone up and will continue to go up. This is why we are looking at mechanizing more processes within our industry. The continuous fluctuation of unemployment with, at times, an overabundance of good labor and at times great shortages, also tends to make us look at the way we do things.
  - 2.2. **Changing Management Styles:** As the businesses grow and with new management coming on line, companies need to change from an entrepreneurial mode, to a performance-based operation. Salaries and

bonuses need to be based on measurable criteria. To make sure that all employees are on the same page, the management needs to develop and communicate vision and mission statements at all levels in the organization. Particularly supervisors (middle management) need to be trained in modern management techniques. Their actions should be motivational instead of ordering workers around. The employee's ideas and input has to be engaged in the change processes so that there is a maximum level of buy-in. This means that we should start looking at our employees at shop level as people with minds rather than mere bodies. In order to have fair wages, job descriptions need to be created which reflect expectations and key success factors of the assignments. Based on these job descriptions, evaluations need to take place on a regular basis that provide feed-back to the employee on their performance. Supervisors and managers need to be trained on how to do these evaluations so they become positive experiences. A good evaluation helps the employee to do even better and is not a listing of all the things the employee did wrong over the past period.

Favoritism is one of the most common complaints from line workers and leaves lots of room for a union to come in. The modern society should avoid favoritism. Responsibilities should be aligned with authority, management should be more participative and objectives need to be clearly defined. Empowerment only works if the total organization knows how to work with their newly acquired authority and knows what the repercussions of their actions are.

2.3. Changing Labor Relations: There are a lot of do's and don'ts in being a modern leader. Although it is very difficult to entirely change one's character, in some cases a paradigm shift is needed to bring about the right environment for employees to do well. We have to provide the means for employees to do their work, coach, solve their problems and facilitate them so they do well. To get them more productive, goals and incentives need to be created. Sometimes the boss should be on the work floor with employees, be available for questions, know as many of employees name as possible. There is no word more pleasant to our ears as our own name. We need to trust people and look for the 99% they do right. Re-enforce that behavior, instead of emphasizing the 1% they do wrong. Use mistakes to learn from, not to punish. We all have problems giving compliments and often have negative criticism at the tip of our tongue. Catch yourself and force yourself to say at least three positive things for every negative thing.

2.4. Communication: Personnel committee meetings addressing issues of the work environment, preferably with elected representatives of departments, can help make a company a better place to work. This in turn almost always reflects in higher productivity and it certainly takes away the need for union representation.

Communicate company, team and individual goals as well as the accomplishments. This helps employees to not only be involved but to be committed to the success of your organization.

2.5. Union Strategy: If a modern businessman do all the above, he is on the right track of keeping the unions outside the organization. Still, it is important to know how the unions work, what their strategy is, so that you can address it accordingly.

The unions start with infiltration. You may hire a worker and unknowingly you have a union paid person within your operation. This person will talk to many of the employees and find weak spots in the organization. This may be a supervisor who is discriminatory; it may be the lack of some benefits, or the relatively low level wages. Frankly, it could be anything. Be assured we all have some weak spots. The next thing that will happen is that the union organizer will start to agitate. If employees hear over and over again how poor this or that supervisor is in his or her management style, pretty soon the problem becomes huge. If there are enough weak spots, the union organizer will soon have a big following of employees, who suddenly feel that the work place they enjoyed some time ago, actually is a terrible place to work. After the agitation period come the promises. Promises stating that all problems will disappear if the union represents your employees. In addition, promises of higher salaries, better benefits and nicer supervisors will be made. Of course they can promise anything. No one can hold them to these promises. They do not pay the salaries or benefits; you do!

At this stage, an adversarial relationship between you an employer and many of the employees has been created, Charges of unfair labor practices will come on way and legal bills. The settlement will be portrayed as an admission of guilt on the side of the company and used in union pamphlets.

In modern time's one need to change management style, communicate with people and make the worker part of your success. Their strategy is to wear you out to the point that you would rather come to an agreement or contract, than fight them. However, do not give up. Do the right things for your people and fight the union. If you have a union contract in place, your business will never be as it was. You can no longer talk directly to your employees about their concerns. The union cares less about your people than you do. They only want their money.

## **II. CHALLENGES OF INDUSTRIAL RELATIONS**

Industrial Relations is a dynamic socio-economic process. It's a "designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of industry". It is not the cause but an effect of social, political and economic forces. The growth of industrial relations in India is in no way different from that of other parts of the globe. The various stages of Industrial Relations progressed from primitive stage to factory or industrial capitalism stage. The emergence of tripartite consultative system and voluntary and statutory approach to Industrial Relations, immensely contributed to the growth of a particular system of Industrial Relations in our country. Also the fast changing technological development, industrial production techniques, and ideological values have brought forth in the industrial world a unique type of employer- employee relationship. For a proper theoretical perspective of industrial relations, it seems essential to have a historical review of industrial relations in India.

Economists have identified four factors of production, viz., land, labor, capital and organization. The role of labor in production is becoming increasingly important in the modern society. "Human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organizations and carry forward national development". The issue of Industrial Relations arose from the separation of the workers from the ownership and management of the production process. This has brought about a sense of deprivation and loss of independence on the part of workers and is probably the primary cause of industrial disputes. The disciplinary rules for work have become quite harsh and arbitrary. The heterogeneous nature of workers, illiteracy and politicization of trade unions made it impossible for the workers to bargain for their rights united. All these factors have led to growing unrest among the rank of workers.

"Industrial Relation" refers to relationship between Management and Labor or can say Employees and their Organization. There are two parties in the 'employment' relationship- labor and management. Both parties need to work in a spirit of cooperation, adjustment and accommodation. In their own mutual interest certain rules for co-existence are formed and adhered to. Over the years, the State has also come to play a major role in Industrial Relations – one, as an initiator of policies and the other, as an employer by setting up an extremely large public sector.

## **III. CHANGED BUSINESS SCENARIO**

The Government of India in 1991 introduced the New Industrial Policy which was followed by a large number of trade- related policies; these policies have reduced the role of the state and have led to unprecedented changes in the labor management relations. Increase in services, emergence of the white-collar workers and new forms of employment, development of non-union enterprises, development in technology and adoption of new techniques in manufacturing, has considerably reduced the importance of trade unions.

### **Changing nature of work**

In the more modern and technologically sophisticated industries, the workers watch panels, push buttons, pull levers and turn a valve or two. Process industry pays them to exercise discretion, not to flex muscle. Their work is becoming increasingly difficult to distinguish from that of supervisors and lower managers. It is no wonder that process industry does not employ workers any longer. It employs operators and technicians.

Although many factors ultimately contribute to the changing nature of work, organizational theorists point to two key drivers:

- Increasing pressures on organizations to be more competitive, agile, and customer focused—to be a "lean enterprise."
- Communication and information technology breakthroughs, especially mobile technologies and the Internet that enable work to be separated from time and space.

#### IV. THE NEW PSYCHOLOGICAL CONTRACT

As work changes, so does the nature of the relationships between employees and employers. In the new work context, psychological contact between employee and employer expects from each other- competency development, continuous training and work life balance. In contrast, the old psychological contract was about regular advancement and job security.

As job security declines, researchers see clouds on the horizon, including

- Corporate indifference
- Reduced loyalty and commitment
- Excess time burdens
- Flexible work arrangements do not keep up with employee preferences

#### V. CONCLUSION

"The Labor Problem" is widely used toward the turn of the twentieth century with various applications. It has been defined in many ways, such as "the problem of improving the conditions of employment of the wage-earning classes." It encompasses the difficulties faced by wage-earners and employers whom began to cut wages for various reasons including increased technology, desire for lower costs or to stay in business. The wage-earning classes responded with strikes, by unionizing and by committing acts of outright violence. It was a nationwide problem that spanned nearly all industries and helped contribute to modern business conditions still seen today. Possible causes include the failure to account for the negative externality of reproduction in the face of finite natural resources which results in over-supply of labor and falling living standards for wage-laborers, depersonalization by machines and poor working conditions

#### REFERENCES

##### Journal Papers:

- [1]. Judith Heerwagen, Ph.D., J.H. Heerwagen & Associates, Kevin Kelly and Kevin Kampschroer, U.S. General Services Administration, *The Changing Nature of Organizations, Work, and Workplace*
- [2]. ILR Review (2006), "Review Symposium on The Global Evolution of Industrial Relations: Events, Ideas, and the IIRA, by Bruce E. Kaufman", *Industrial and Labor Relations Review*, Vol.59, No.3, April
- [3]. Nibedita Nanda, Prof. Jaya Krushna Panda, "Challenges and effectiveness of industrial relation Environment in Indian industries: a study on Rourkela Steel plant, Rourkela, Odisha, India. *International Journal of Marketing, Financial Services & Management Research*, Vol.2, No. 6, June (2013)
- [4]. Devyani Mourya, Dr. Varsha Rokhade, MANIT, Bhopal, *Human Resource Reflection 1(1) 010-020*, Avanseaza.in
- [5]. Hans van Someren Greve, Stemilt Growers, *14th Annual Postharvest Conference, Yakima, Washington, March 10-11, 1998*

##### Theses:

1. ANNAVAJHULA J.C. BOSE, *LABOUR RELATIONS IN A LIBERALIZED INDUSTRY, A Study of Indian Automobile Worker*, doctoral diss., B.R. Ambedkar Bihar University, Muzaffarpur, 2012.

(i)