

# Industrial Relations in NEKRTC - A Study of Select Unit

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## **Abstract**

In the industrial scenario of India, both employer and employee play a vital role. Transportation is one the most important elements. The management of the state transport undertakings should also develop healthy, safety and comfortable programmes to strengthen the trade union movement, through various schemes and activities. This enabled the rural people to move freely and reach their destination easily including markets and other centers. The transport industry which undertakes nothing more than the mere movement of persons and things from one place to another, have constituted one of the most important activities of men in every stage of advanced civilization. The operation of transportation determines the efficiency of moving products. This is the key to a sincere and cordial atmosphere between the union and the management. Therefore this paper examines Industrial Relations in NEKRTC- A Study of select Unit.

**Keywords:** Industrial Relations, NEKRTC, Impact of Transport Reforms

## **Introduction**

Transportation means the conveyance of persons or goods from one place to another in a vehicle. It minimizes the adversity of distance and results in creations of utilities of resources and products. Transport is the medium to provide linkage with distant places for demand and supply of goods and services. Its need mainly arises due to social and economic necessity and regional disparity, which requires movement of men and material from one place to another. NEKRTC was established on 1.10.2000 having been separated from KSRTC for providing “adequate, efficient, economic and properly coordinated road transport services” in the North eastern part of the state of Karnataka. Availability of adequate, safe and comfortable passenger transport facility is a very important index of economic development of any country. Public transport provides the vital connectivity in a developing society. NEKRTC is operating 4096 schedules covering 13.13 lakh kms carrying 13.45 lakh passengers every day. NEKRTC is serving 99% of the villages in its area (4768 out of 4838) with

transport facility. NEKRTC's Infrastructure – one corporate office, 09- Divisional offices, 50 Depots, 140 bus stands and 4343 buses.

NEKRTC (North Eastern Karnataka Road Transport Corporation) the other name for this organisation is common man's vehicle or poor man's vehicle. As per the estimates of the organisation more than one crore passengers travel daily in the state from one place to another place. NEKRTC which is used as an essential service by all the sections of society should get its pie of importance from its benefactors. "To acquire resources organisation must inevitably interact with their social environments. No organisation is completely self continued – survival comes when the organisation adjusts to and copes with its environment, not only when it makes efficient internal adjustments".

North Eastern Karnataka Road Transport Corporation is a corporation which is meant for providing service to the common man. This shows the enormous service this organisation does for the sake of public. It covers all the sections of the society and almost all the parts of the state in doing service. But it has its own problems created by number of factors. One of the problems has been taken and considered in this study that is the impact of employee satisfaction and union management relation on passenger satisfaction. Employees who feel satisfied with their jobs provide higher levels of satisfaction of passengers. Such an organisation which is having lot of importance now a day is plagued by problems. This humble study is an attempt to provide a solution for increasing passenger's satisfaction which is being eroded systematically.

## **Industrial Relations**

All of the human resource management problems that have emerged on the corporate forefront in recent time, the problem of industrial relations is the one that has achieved more prominence than any other one. The increase popularity of these vital aspects of human resources management is due to one single factor that it deals with people who are the base of the industry- a class of people that makes things to happen. Their inaction or violent action very often makes paper headlines. Certainly, the strikes, redundancies, gheraos by the workforce and the indifferent and human attitude of employers in dealing various labour problems is a matter of great concern for one and all bothered about the nation's welfare. In fact, the very relationship between labour and management itself creates a host of opportunities; they bring parties to conflict.

### **What is Industrial Relations?**

Industrial Relations is a combination of various social sciences, the cumulative effect of which is to grease the wheels of industry and society.

Sound Industrial Relations can only be based on human relations and good human relations dictate that human beings should be treated humanely which includes respect for human dignity, fair dealing and concern for the human beings physical and social needs.

Industrial Relations is also concerned with determination of wages and conditions of employment.

Industrial Relations and human relations are distinctly two indispensable factors in industry, one depending on the other. We can have good industrial relations in an industry; but bad human relations in the same establishment and vice versa. Good industrial relations provide the necessary background for good human relations.

### **Scope and Concepts of Industrial Relations**

The concept of industrial relations has a very wide meaning and connotation. In the narrow sense, it means that the employer – employee relationship is confined to the relationship that emerges out of the day-to-day association of management and labour.

In its sense, industrial relations include the relationship between an employee and an employer in the course of the running of an industry and may project itself into spheres which may transgress into the area of quality control. However, the term industrial relations are generally understood in the narrow sense.

An industry is a social world in miniature. The association of various persons, workman supervisory staff management and employer creates industrial relationships. This association affects the economic, social and political life of the whole community. In other words, industrial life creates series of social relationship which regulate the relations and working together of not only workman and management but also of the community and the industry. Industrial relations are, therefore, inherent in an industrial life. These include:

1. Labour relations, i.e., relations between union and management.
2. Employer and – employee relations, i.e., relations between management and employees
3. Group relations, i.e., relations various groups of workman; and
4. Community or public relations, i.e., relations between industry and society,

Industrial Relations deal with the relationship between labour and management, and their organisation. The concept of 'Industrial relations is very broad and includes in its fold all the relationships in modern industrial society which arises out of employee- employer exchanges and also the role of the state in these relations. Explaining the concept of industrial relations, R A Lester observed:

It involves attempts to workable solution between conflicting objectives and values between incentives and economic society, between discipline and industrial democracy, between authority and freedom and between bargaining and cooperation.

According to the Encyclopedia Britannica, ‘the concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organizations’.

The International Labour Organisation (ILO), while dealing with industrial relations, states that they deal with either the relationship between the state and employers and workers’ organisation or between the occupational organisations themselves.

According to J. Henry Richardson “Industrial relations may be referred to as an art, the art of living together for purposes of production.

Scope of industrial relations varies from time to time and place to place. According to Professor Richardson, the scope of industrial relations includes:’ How people get on together at their work, what difficulties arise between them, how their industrial including wages and working conditions are regulated, and what organisations are set up for the protection of different interests.’

### **Process of Industrialisation in India**

Industrialisation in India had its beginning in the middle of the nineteenth century. It started with the development of cotton textiles industry, especially in Bombay. This has gradually progressed with varying fortunes in several areas. Cotton Jute, woolen and Silk textiles have progressed remarkably. Iron and steel production came next. Cement manufacturer has also progressed. Railways and communications have shown considerable growth. Sugar and chemicals have made notable development. Oil industry showed fast growing. In every field, industrialisation has progressed and new ventures began appearing in the horizon at a rapid pace in the twentieth century.

Industrial development is associated with the factory system and large scale production. In the factory system, hundreds and sometimes several thousands are working and it is humanly impossible for any management know every employee by name, condition and status. Therefore, both the management and the workers are dangerously near to viewing each other as mere symbols. As a result, human values are unconsciously registered to a secondary place and economics of production enthroned.

### **Review of Literature**

Madhumathi and Desai (2003) in their article, “Analysis of Pre and Post Reform Security and Labour Welfare Expenditure in Karnataka State Road Transport Corporation” analysed the social security and labour welfare measures provided by KSRTC in detail. The study found that labour welfare expenditure in KSRTC had grown year after year under pressure as well as the changing relations between employees and management. They further found that per capita labour welfare expenditure had increased substantially during the post- reforms period. Gangadhara Rao. M. in his study entitled, "Industrial relations in Indian Railways", has investigated the personnel and union - management relations with special reference to post - independence

period. The study analyzed trends in employees' remuneration, hours of employment, absenteeism, discipline, employees unions and leadership in Indian Railways.

Deshpande and Ashwini Dalvi (2004) stated that the sustainability of the transport system will be largely affected by environmental factors. They asserted that the application of traditional economic rules for decision making will prove inadequate to evaluate overall sustainability of transport system and therefore shall need a comprehensive and multidisciplinary approach in solution finding. Socio-environmental awareness is most important to ensure sustainable transport. Pradeep Singh Kharola (2004) in his study discussed the importance of urban transportation. Urban Transport in India has been dominated by the buses and a demand driven approach as for better where an efficient public transport system weans away the demand for the personalized vehicles. Sunil Kumar K. and Madhu N. (2004) The importance of Urban Transportation for providing mobility the men and materials for the growth of urban economy has been discussed by Sunil Kumar K. and N. Madhu (2004). Urban Transportation has become the basic ingredient for providing the much mobility to men and material and also for the growth of the urban economy. Vittal Data Prabhu & S. Murali (2004) suggested that awareness about the causes of road accidents can bring down accident rates. Various factors such as human, automobile, geographical, infrastructure, information and legal factors are discussed with suitable examples.

### **Need of the Study**

Favorable industrial environment is a prerequisite for good industrial relations and enhance value of the work force.

The study on industrial climate occupies enormous significance due to the following reasons.

- A) Good industrial environment reduces the causes for industrial disputes.
- B) Ideal industrial climate enhances motivation and productivity.
- C) To examine the evolution and growth of NEKRTC.

### **Objectives of the Study**

The study deals with a set of specific objectives which are as follows.

1. To Study the Concept of industrial relations
2. To know the industrial relations of NEKRTC Unit
3. To Examine the industrial relations and impact of transport reforms on management and workers

## Scope of the study

The scope of the study is extended to understand the concept of industrial relations and relationship with NEKRTC.

## Impact of transport reforms on management and workers

In introducing a greater degree of competition and accountability, transport reforms require managers to improve their commercial and business acumen, and base operational decisions on the bottom-line. In the public transport industry the conversion in to management by commercial objectives and business sectors decentralizes decision-making and often requires a change of leadership and extensive redeployment and retraining of middle management. In road transport independent driver-owner has to acquire new management skills. This is more difficult to achieve owing to the fragmentation of the industry, and even organised assistance to these drivers and to small enterprises is not always successful.

Reforms also affect employment levels, although it is not always possible to dissociate their impact from that of longer-term structural factors. In road transport deregulation leads to an initial rise in employment, which is usually followed by shakeouts, bankruptcies and a new market equilibrium. In public transport improved financial performance is the condition for continued government financial support during and after reforms. This leads to service cuts or to the subcontracting of unprofitable services, and consequently to job losses. Furthermore, because personnel cost account for 40-60 percent of operational costs in most public transport enterprises, and because they are under the direct control of the enterprises, management consider personnel cost cuts as a means of achieving substantial savings relatively quickly. This is how transport reforms thrust personnel costs and jobs to the front of efficiency improvements. However, the link between reforms and employment cuts is not explicit, since the government usually leaves it up to the enterprises to decide on how to improve its performance.

Under the pressure of competition, road and public transport enterprises therefore tend to subcontract all non-operational and non-commercial tasks and activities such as cleaning and catering. They also spin off some heavy maintenance activities to specially created, separate but affiliated companies (e.g. the heavy maintenance and engineering arm of British Rail called BREL). This reduces the enterprise's payroll and social charges. The employees affected are offered jobs in the new companies, whose terms of employment and pay are based on different markets and are often inferior to those of bus or railways.

The remaining managers and employees often have to be retrained and motivated to achieve higher productivity. This means a greater commitment to quality reconciled with commercial achievements, acquiring new skills in using, lower terms information technology and computers, higher workload due to the increase in

work capacity created by the new equipment, different arrangements of working time and shifts, and a higher amount of overtime to compensate for any temporary manpower shortage.

Trade unions usually oppose privatization and deregulation policies which, in their view, lead to loss of jobs, deteriorating safety, lower terms of employment and proper working conditions. The link between such policies and personnel cuts and productivity increases has exacerbated and polarized industrial relations in the rail transport sector- relations that were already tense as a result of its structural decline. For example, substantial increases in days lost to industrial to industrial disputes in British Rail coincided with the two main reform waves in 1981-82 and 1989-90. Moreover, the traditional centralized collective bargaining structure of unions is not adopted to the decentralized collective bargaining the that results from the railways' decentralization and spin-offs'.

### Conclusion

The objective of the Industrial Relations in NEKRTC is maintaining industrial peace and harmony. NEKRTC is a public service sector, concern under Government regulation and the management was more influence by trade unions. Not only that if proper transport facility is extended to rural areas it will facilitate the labourers reach the workspot easily to eke out a honest living, and to develop trade and commerce which in turn world boost the economic mobility. In addition, without developing a proper transport system, the government cannot implement social welfare schemes such as family planning, health education and construction works. Added to this, there existed a stiff and wasteful competition between the private and public transport services.

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