Violence: The scourge of Indian industry

One of the unintended consequences of the immense popularity of muscular trade unionism prevalent in India since the 1960s and 1970s was violence in industry. The collateral damage of this resulted in injuries to workers and managerial staff along with damage to industry and public property, resulting in enormous monetary loss to industry, the exchequer, and society. Further, this sometimes led to closure/migration of industries with resultant loss of jobs. A paradigm shift in industrial relations in India occurred in the 1990s following the adoption of free-market policies. As a result of liberalization, a sea change occurred in the business environment, characterized by increasing competition among industries for survival in the global market economy. The policy of globalization along with the potential market capacity and availability of low-cost trained workforce led many of the leading multinational corporations (MNCs) to set up their manufacturing bases in India, giving a tough competition to their local industry. The dawn of liberalization, privatization, and globalization, in the country, was followed by some improvement in the industrial relations climate. These MNCs from developed countries, to reduce trade union activism, prefer the system of “work committees” having representatives from various departments in the company, for managing labor relations. The emergence of more knowledgeable workers with the rise of information technology (IT) industry also contributed to the decline of workers’ union. With better dispute resolution mechanisms to an extent, there was a decrease in strikes and violence in industries. This is supported by official figures that show a decline of industrial disputes from 2889 in 1979 to 143 in 2014. From official figures, it is evident that in the postliberalization period, the number of industrial disputes has greatly decreased, but there has not been a corresponding decrease in the number of workers involved and persondays lost [Table 1].

However, after 2008, there is sudden increase in labor unrest in certain industry pockets, leading to violence and killings which came at a time when strikes have actually been on the decline in the country. In 2008, nearly 200 workers attacked and killed the Chief Executive of Graziano Transmission India Pvt. Ltd. at Noida, a manufacturing unit of Swiss High-Tech Group OC Oerlokon Corp. In the next year, labor unrest followed laying off of 42 workers at Coimbatore-based auto parts maker, Pricol. A group of angry workers attacked staff members with iron rods. The company’s VP (human resources) succumbed to multiple injuries, while four other staff members were also injured.

At Maruti Suzuki’s Manesar Plant in 2012, the suspension of a worker, for misbehaving with his shop-floor supervisor, led to a violent clash between the workers and the managerial staff. The administration wing of the plant was burnt down by the workers. The general manager of human resources, whose arms and legs were broken by the attackers, died of suffocation as he was unable to escape the fire. Subsequently, the police intervened, but the workers injured nine policemen and nearly 100 managers, including two Japanese expatriates. The production manager of ZF Steering Gear (India) Ltd., Pune, succumbed on March 24, 2018, following a brutal attack by goons who were allegedly hired by the company’s own union. They were allegedly unhappy over the suspension of 18 workers. Another matter of concern is that out of the industries that faced labor unrest during 2005–2011, about 25% had faced violence in one form or the other. More worrying is the fact that most of the violence was carried out by the workers of the respective industries.

**CAUSES OF POOR EMPLOYER–EMPLOYEE RELATIONS**

At the heart of industrial disputes is poor employer–employee relations. Industrial disputes lead to breakdown of industrial discipline along with increased labor turnover and absenteeism. Reduced productivity of labor leads to increased manufacturing cost and industrial decline. Many workers lose jobs and promotions, leading to frustration and demoralization. Social tensions, drinking, gambling, and other social evils tend to rise. The most important causes of industrial disputes in India are summarized in Table 2.

**Wages and allowances**

The most important reason for unhealthy relations among management and labor is poor wages. The good news here is that management has of late woken up to this as shown by reducing trend of this factor causing industrial disputes [Table 2].

**Personnel and retrenchment**

These were the second most common cause in 1973. Here, also with improved management practices, this factor has shown a declining trend.

**Bonus**

The method of calculating bonus has been an important factor in industrial disputes because the workers would...
like productivity-linked bonus, while management prefers profit-linked bonus. This factor continues to remain a matter of dispute.

**Indiscipline and violence**

Indiscipline and violence remain a serious problem in industry during the past four decades and in fact show an increasing trend.

**Leave and hours of work**

Leave and hours of work were not important causes of industrial disputes and are showing a declining trend.

**Miscellaneous causes**

These are some of the most vexing problems faced by industry, and its persistence is a matter of concern. Some of these problems can be solved by cooperation, discussion, or alteration of policy (e.g., workers’ resistance to rationalization, introduction of new machinery and change of place of factory, working conditions and working methods, lack of proper communication, behavior of supervisors, nonrecognition of trade union) and some by the workers themselves (e.g., rumors spread out by undesirable elements, trade union rivalry). However, a consensus has to be developed in the society that workers’ union are meant to resolve problems between workers and management in the industry. Unions should not be a forum for political activity and should not be misused to push a political agenda to the detriment of both workers and the industry.

**Political causes**

Political affiliation of trade unions and interunion rivalry weaken trade union movement. The political union leader is able to capture the unions by making wild promises to workers along with money and muscle power. This in itself spoils the atmosphere in industries. In addition, they have to make outlandish demands on management to fulfill their promises. Inability of the management to accede to the demands leads to strikes and violence spoiling the employer–employee relations climate in the country.

**IMPROVING EMPLOYER–EMPLOYEE RELATIONS**

Successful organizations foster an atmosphere that promotes innovation, commitment, self-improvement, and self-directed teamwork. To flourish in the twenty-first century, entrepreneurs must acquire and use the skills needed to motivate and inspire those involved in their enterprise. Few suggestions to improve employer–employee relations are given below.

**Atmosphere of mutual trust**

Both management and workers must realize that their relationship is symbiotic and not parasitic. Both contribute to the productivity of the organization and therefore must contribute equally to the development of an atmosphere of mutual respect and cooperation. Management should adopt a positive outlook and proactively grant the legitimate right of workers. Both management and unions should sincerely try to resolve disputes by discussion and collective bargaining and abjure strong arm tactics and violence. Unions must also agree with the aspirations of management and make efforts to improve productivity.

**Mutual accommodation**

Collective bargaining between the management and trade unions must be based on mutual accommodation rather
than an uncompromising attitude or untenable demands. Both parties should have an attitude of “give and take” rather the “take or leave.” Conflicting attitude fosters union militancy as the union reacts by engaging in pressure tactics. As a reaction, management also uses force. Consequently, there is loss to all and profit to none.

**Positive management**

There should be a positive and progressive outlook of the management of each industrial unit. Management should be conscious that its obligation to maximize profits should be balanced with its responsibility to protect the economic and social interests of all the employees. Management should be sensitive to the needs of the employees. It should anticipate problems and take proactive steps to minimize these problems. Reactive actions, especially grudgingly done in the face of threats of strikes or after strikes, worsen employer–employee relations and cause more discontent among the workers. Welfare measures are usually neglected in industries. Efforts to promote work–life balance in employees and offering career development opportunities are low-cost interventions that can pay long-term dividends.

**Strong and representative labor union**

Labor unions should be by the workers, of the workers, and for the workers. They should be formed by the majority to make it strong and representative of the workers. This will give them strength to negotiate and also ensure that its decisions are honored. The need of affiliation to political parties and consequent involvement in political activities that are unrelated to welfare of workers or industry is a matter of serious debate.

**Sincere implementation of agreements**

It is an unfortunate truism that oftentimes, agreements are followed in letter and not in spirit. A sincere effort by both parties to follow agreements in letter and spirit will greatly improve mutual trust and employer–employee relations.

**Workers’ participation in management**

The consensus of opinion is that participation of workers in the management of an industry not only improves communication between managers and workers but also results in increased productivity. This should be encouraged.

**Personnel policies**

It is in the interests of all that personnel policies should be formulated in consultation with the workers as it will be more acceptable and can be implemented effectively. The policies should be clearly explained and available in writing to all workers. The policies should be implemented uniformly and any deviations should be after due consultation and explained to all.

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**Role of the government**

The government plays an important role in promoting industrial productivity, which is important for the health of the economy. It should be even-handed in its approach and should clearly define the rights and duties of both parties. Playing the role of an unbiased referee in a situation where the management and the workers are unable to settle their disputes, it should intervene to settle disputes in a manner that is acceptable to both.

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**CONCLUSIONS**

To survive and prosper in the face of liberalization and globalization in the twenty-first century, entrepreneurs must acquire and utilize appropriate human skills to motivate and inspire all those involved in their business. A good employer–employee relationship is paramount for the success of a business enterprise. The reality about business relationships is that just like in any other relationship, they require lots of effort to maintain and they must be mutually beneficial to all the stakeholders. However, in a business relationship, the business owner must willingly give and share and not only take or receive.[10]

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Kalpana Srivastava, Suprakash Chaudhury¹, P. S. Bhat, Jyoti Prakash

Department of Psychiatry, AFMC Pune, ¹Department of Psychiatry, Dr DY Patil Medical College, Dr DY Patil Vidyapeeth, Pune, Maharashtra, India

Address for correspondence:
Dr. Suprakash Chaudhury, Department of Psychiatry, Dr DY Patil Medical College, Dr DY Patil Vidyapeeth, Pimpri, Pune, Maharashtra, India. E-mail: suprakashch@gmail.com

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