
INTERNATIONAL JOURNAL OF ADVANCED LEGAL RESEARCH

**IMPORTANCE OF LABOR RELATIONS IN HUMAN RESOURCE
MANAGEMENT**- Mahima Anand¹**ABSTRACT**

Labor regulations and Human Resource Management are interwoven together. For the recent employment practices this relationship between labor relations and Human Resource Management is important.

This abstract provides with a deep analysis of the important elements and importance the labor relation with human resource management. Further the paper mentions the constitutional provisions regarding the rights of the workers. This paper thoroughly discusses about how the rights of the workers are protected by implementing labor laws. This paper also highlights some points and shows some important areas where labor regulations and Human resources management interacts, including hiring and recruitment, contracts and policies of employment, compensation and benefits, working hours and leave, health and safety of employees, termination and Grievance handling.

Additionally, this paper further discusses that how a Productive working environment can be formed by the process of negotiation and dispute resolution, by highlighting on some points, such as effective communication, listening, exploring more alternative options, fairness, resolved disputes timely.

The paper also covers the recent issues and reforms in labor relation, which includes reformed labor laws, trade union, contract labor, protest and strikes by workers, gig, economy, skill development, programmers, and woman at workplace.

¹ Student at Himgiri Zee University

In conclusion, labor relation for crucial part of the human resource management and it is important for me a good relation between employee and employer as well as this also helps in maintaining a peaceful working environment at workplace.

Keywords- labor, relation, human resource management, trade unions, grievance, workers.

Introduction

There is a saying, ²"Avoidance of law is not considered in the court of law". It states that everyone must be aware of the laws of their country irrespective of literate or illiterate. Labor laws are integral part of the Human Resource Management.

In today's era if we look at the workers, they just not expect a good pay check but they also look at the benefits which they can get to improve their lifestyle, and other benefits and facilities, which can make them feel valuable assets of the company. The contract between the employee and employer is the ingredient of labor relation to improve the relationship between employees and employers provide more opportunities and values which are being added at work place. The ratio of employee's function at organization has drastically increased due to which they tend to have improvement in their living, skill and knowledge.

Employers are very well aware and understand that to hire a loyal, committed and motivated, employee paying good is not enough, but to provide them with other facilities, such as good, working conditions, financial benefits, health, and safety, right to be followed of workers, etc., this helps them to work with all dedication and consistently. The word ³"labor relation" refers to the procedure utilized by management, unions, and employees to reach decisions inside organizations.

Additionally, effective communication between employees and employer is mandatory to abide by labor relations. By the effective communication employees are able to communicate their problems and issues with the employees which gives rise to win-win solution.

A massive change has been occurred in employment relations due to change in economic, social and technological changes in recent years. As the changes like happened like gig economy,

²https://www.tutorialspoint.com/human_resource_management/human_resource_management_industrial_relations.htm

³ <https://www.intechopen.com/chapters/55186>

contract, workers, globalization, automation has happened, the HR professionals must also change their method, by which they can prevent organization from any problem.

Labor relation also helps in providing a proper structure to a workplace and ensuring that employees are treated equally and provided with an equal opportunity as well as good working conditions at workplace.

Importance of labor relations in Human Resources Management

- 1) **loyalty towards organization-** Labor relation maintains the relation between the employees and employers. Employee does not only need a good paycheque Bhatt good working environment plays a vital role to be a loyal employee and employers can get the best out of the employee's potentials When an employee is loyal to its work and organization. Then they would spread a good word about it which will help an organization in maintaining its reputation, market value and brand name and even the customer will be able to trust easily.
- 2) **Improvement in motivation-** When an employee feels satisfied from the working conditions, good environment in laws and policies of the organization, their employee automatically gets motivated towards their work and try to do it with all their efforts. A motivated employee is a great team member. Appreciation to an employee from a leader and colleagues also plays a role of a great motivation to employees which key them enthusiastic.
- 3) **Retention of employees-** When an employee feels valued and their skills must be utilized in good way and their work must be appreciated. A great incentive for an employee is good working environment, additionally, some benefits like bonuses, up-skilling, appreciation from the senior authorities and colleagues and regular appraisers plays a vital role in employee retention. This also helps in reducing the cost of recruitment and training.
- 4) **Health organizational culture-** The workplace culture is totally based on how the employees are being treated in the organization. If employees find any discrimination done by their employer which can arise dispute in the organization, this makes employees feels unvalued and makes them insecure about their job. These things do not result into a healthy culture of organization. So, it is important to maintain the relationship between employees and employers.
- 5) **Revenue génération-** When the labor relations are abided, then it improves the relationship between employees and employers and the work of employees is being valued, and they feel

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satisfied with the policies and working conditions and the benefits they are getting from the organization, then they give their full efforts in completing their tasks and also provide proper services to their clients, which results in a positive customer experience and helps in increasing the revenue of the organization.

- 6) **Increase focus on organization goals-** When the labor relations are abided by the organizations then it gives employees motivation to achieve their goals with all their efforts and employees think of long-term goals and how they can achieve them.

Elements

- I. **Collective bargaining-** The word 'collective' denotes **"group action"** and 'bargaining' means **"to negotiate"**. Collective bargaining is a process where collective bargaining agreement is done between the employee and employer for negotiating the employment terms between them, such as working environment, pay scales, compensation, working hours, etc. during the process of collective bargaining the employees are represented by the trade union. As per the international labor Organization (ILO) the process of collective bargaining helps employees from any unfair treatment, discrimination at workplace and it protects their right.
- II. **Negotiation-** It is a process done between the parties that is employee and employer by discussing on the dispute and resolve it in a way where both parties feel satisfied. In the process of negotiation, one party or all parties has to sacrifice on their part.
- III. **Trade union-** Trade unions are the associations which work on behalf of the workers when they feel helpless. Then the trade union give them a hope by protecting and safeguarding their rights on behalf of them. Providing them with good working environment, working hours, and negotiate with the employer regarding their pay and working conditions and make sure that the employer must take care of their safety and health. trade union represent their members and ensure that their legal rights or not being violated at workplace. Trade union provide workers an opportunity to get connected with each other. However, trade union also plays a vital role in resolving employee's complaint with their employer on point and face-to-face. These are the reasons we can say trade unions are important and plays a vital role in the life of every employee.

IV. **Grievance-** It states that when employee feel dissatisfied from the HR policies, pay, and other benefits of employment which are expected from the management but did not work according to the employee expectation and they want to complete about it then it is said that grievance occurred.

Grievance can be caused by the following point mentioned underneath:

- Change is made related to work without informing.
- Actions take it like Demotion, unnecessary transfer.
- Changing the work policies like over time, not providing medical leave.
- Not ensuring about the health and safety of employees.
- Not providing with the good working environment.
- Discrimination at workplace.
- Poor relation between employee and employer.
- Bad staff, leaders.
- Not maintaining discipline at workplace or in team.

How Grievance can be handled:

- Acknowledge the grievance when received.
- Investigate the claims (Grievance).
- Conducting the formal meeting with the concerned authorities to discuss and resolve the grievance.
- Providing the solution to employee in writing.
- Employee must accept this solution, and if rejected then it has to be appealed against.
- Reviewing the issues thoroughly.

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- Providing with the solution which solves the issue from its root and make sure that such issue does not arise again.

Constitutional provisions

Provisions related to labor laws are specifically mentioned under the part of fundamental rights and directive principles of state policy of the Indian Constitution.

Fundamental rights, part three of Indian constitution has it touch upon the issues which are related to labor:

- Article 14 provides equality before law and equal protection of the law.
- Article 15 provides for prohibition of discrimination on grounds of religion, race, caste, sex, or place of birth.
- Article 16 provides equality of opportunity in matters of public employment
- Article 17 provide the abolition of untouchability.
- Article 19 provides freedom of speech and association. This provides protection of rights regarding freedom of speech, assemble peacefully, and to form associations or unions etc.
- Article 23 of which the trafficking in human beings and forced labor.
- Article 24 state about the prohibition of employment of children in factories, etc.
- Article 32 talks about the remedy which is granted when the fundamental rights are violated of any citizen of India.

Directive principles of state policy part four of Constitution of India has a touch of all the issues which are related to labor.

- Article 38 mandated the state to secure a social order for the promotion of welfare of the people.
- Article 41 provides the citizens the right to work, to education, and to public assistance in certain cases.
- Article 42 makes provisions for just and humane conditions of work and maternity relief.

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- Article 43 provides for a living wage, etc., For workers while article 43A covers the participation of workers in management of industries.
- Article 45 states that there must be free and compulsory education for children.
- Article 46 mention that promotion of educational and economic interests of scheduled caste, scheduled Tribes and other weaker sections.
- Article 47 provides that it is the duty of state to raise the level of nutrition and the standard of living and improve public health.⁴

Role of labor law in defending employees' rights

Labor law plays an important role in protecting the rights of an employees. it defends then from any exploitation and ensure fair treatment. Some points which state the role of labor law in defending the employees right or mentioned underneath.

- I. **Minimum standards-** Labor law sets some minimum standards for employment, such as minimum wages, maximum working hours, and paying for overtime. Which safeguard employees from any exploitation and unfair treatment and make sure that they get value for their work.
- II. **Health and safety of employees-** It is the duty of employer to provide a safe working environment to the employees. As labor law states some provisions related to health and safety, these provisions consist of occupational Hazard, safety equipment's and employee's welfare.
- III. **Employment contract-** The formation of employment contract occurred from the labor laws. These contracts form some terms and conditions for the employment, which are, job description, working hours, leave and termination notice period etc. Due to these contacts the employees are safeguarded from unfair treatment at workplace and also provides them with the job security.
- IV. **Collective bargaining-** Collective bargaining is the process done between the employees and employer. In this process, the trade union negotiate with the employers on behalf of their

⁴ Human Resource Management, Gary Dessler & Biju Varkkey, sixteenth Edition

members. Negotiation is done under matters like better wages, good working environment and other such benefits of employment.

- V. **Protection from discrimination-** Labor law helps in safeguarding employees from any kind of discrimination at workplace, irrespective of their gender, caste, race, sex, age, religion, etc. It makes sure that all the employees are provided with equal opportunities and safeguard them from any discrimination during hiring, promotion, termination.
- VI. **Termination-** Labor law protects the rights of an employee during termination. It states that employer has to provide the valid reason of termination, notice period, any payment left, and the procedure for addressing grievances. Due to this, the employees get the job security and protects them from any kind of discrimination.
- VII. **Right to protest-** Labor law provides the employees right to conduct a peaceful protest, strikes, to demand good working conditions, better wages and working hours from the employer, without the fear of retaliation, from the employer or fear of getting fired from the job.

As we can see how important labor laws are for protecting the rights of an employee and protect them from unfair treatment or discrimination at workplace.

Essential areas where Human Resource Management and Labor Regulations interact

Human resource management and labor regulations interact in various important areas which are mentioned underneath:

- I. **Hiring and recruitment-** As we have seen that according to Constitution of India every person has a right to equal opportunity of employment. There must not exist any discrimination on the basis of caste, race, gender, sex, religion, etc. Human resource management should adhere to all the rules and regulations provided by the law, related to job, description, advertisement, hiring, interviewing, and selection process.
- II. **Contracts and policies of employment-** It is the duty of human resource management to make sure that the employment contract must consist of all the important provisions which are recommended by the labor law like minimum wages, working hours, leave entitlement, termination, and other benefits. There are some HR policies like anti-discrimination policy,

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prevention from harassment policy and health and safety policy, which are made to protect the rights of employees and provide them with the protected working environment.

- III. **Compensation and other benefits-** Human resource management, provide compensation, and other benefits to the employees, such as medical leave, bonus, paying for over time, fulfilling the requirement of minimum wages, vacation leave, etc. Human resource management makes sure that all the benefits which were being provided it must be according to the labor regulations.
- IV. **Duration of working hours and leave-** Labor regulations utter the maximum working hours, and rest time. Human resource management also look at the provisions related to maternity leave, paternity, leave etc., Which has instructed by the labor laws.
- V. **Health and safety of employees-** According to labor regulations, it is the duty of an employer to provide a healthy and safe working environment to their employees. Human resource management plays a vital role in enforcing and implementing the health and safety of employees, which can be done by conducting risk assessments and providing training to employees regarding safety and making them aware about hazardous workplace.
- VI. **Maintaining employees' relations and handling of grievance-** It is the duty of human resource management to make policies according to the labor regulations, which should not make them feel about the dissatisfaction and injustice and job. This can cause disputes, low productivity, lack of interest in work, etc., Dispute of employees can be controlled by human resource management by conducting investigations, by conducting a formal meeting, reviewing the situation, etc.
- VII. **Termination-** Human resource management should make sure that to provide notice period in completing all the due payment (PF) of employs according to law related to this, and to fulfil other legal requirements which are related to termination process. By adhering to labor regulations.

How a productive working environment can be formed by the process of negotiation and dispute resolution.

Negotiation and dispute resolution plays a vital role in creating the productive working environment by communication, maintaining relation between employee and employer. Here are some key points which we can focus on for creating productive working environment.

I. **Effective communication-** Fair and effective communication between the employee and employer helps in preventing misunderstandings and create trust and also encourage employees and management to work together. Open communication also encourage employee to give their suggestions, feedback and problems they are facing, so that management can focus on improving them.

Listening- During the process of dispute resolution and negotiation both parties must listen to each other properly and must understand each other's prospective, requirements and interest. This helps parties to reach on the common decision.

Exploring more options- By exploring more alternative options will help in resolving the dispute in a creative way. By resolving the conflict by creative method and effectively, will improve the relation between parties, and also grew the satisfaction level of parties.

Fairness- Maintaining fairness during the process of negotiation and dispute resolution is very important so that parties are provided with the fair decision where they are satisfied. Applying fairness will help in building trust and will make sure that employees does not feel any kind of discrimination and feel heard.

Resolving disputes timely- Due to the process of negotiation and dispute resolution, the conflicts are resolved timely. Delays in resolving conflicts can give rise to tension and also decrease the morale.

Issues and reforms in labor relation

I. **Reform in Labor laws-** In 2020, Indian government reformed the labor laws for curtailing and amalgamating the existing laws.

Reformed labor codes are:

1. Industrial relations code, 2020
2. The code on wages, 2019

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3. The occupational safety, health and working conditions code, 2020
4. The Code on social security, 2020

These reformed labour laws were introduced by ensuring the flexibility to employers and made the process of doing business easy. But the criticism has been faced by the reformed labour laws from the labour unions regarding the rights and protection of workers.

II. **Trade union-** Trade union plays a vital role in protecting the rights of the workers and negotiating for policies and working conditions with the employer.

Contract labour- This has emerged as a big issue in the informal sectors of India. Contract workers face issues in getting the job benefits and left behind in getting fair wages and does not have job security. Contractual workers also face problems in getting their labor rights which are very limited.

Workers Protest and Strikes- Violation of labor, rights, and fair wages, improper working conditions, no job security, and not getting other benefits give rise to the protests and strikes. As Protest and strikes disturbs the economy.

Gig economy- In India, gig economy has increased drastically and so the challenges for gig workers such as unfair wages, limited labor rights, no job, security and lack of other benefits.

Skill development- As we know India faces the problem of getting adequate person with appropriate skills for the work as the demand of skilled workers has been increased drastically. So, the Indian government has taken an initiative to provide skill development programs so that the employability can increase.

Women at workplace- As we know how women are not treated equally at workplace and they face discrimination as well as they face the problem of limited job opportunities, low wages and harassment at workplace. By promoting gender, equality and opportunities these problems are being undertaken.

Conclusion

In conclusion, we have discussed about a brief introduction and the importance of the labor relations in human resource management. Furthermore, we have seen the elements of labour relations which are applied in human resource management. In this paper, we have discussed the constitutional provisions which states about the protection of workers right. Additionally, we have discussed the role of labor law in protecting the employees right and issues and development made in labor law as well as we have seen some important areas were human resource management and labor regulations interacts. this paper also highlights the points which help in creating productive working environment by the process or dispute resolution and negotiation.

From the above discussion, it is clear that how labor laws play important role in the life of employee. It is very important for every HR manager to abide by every labor law so that none of the employee go through the discrimination at workplace and by adhering to the labor laws HR managers can help the employees in protecting their rights.