Abstract: The author identifies the core principle that forms the human relations/industrial relation and corporate social responsibility. Human Relations deals with importance in HR in work place, principles of HR, methods & approaches of HR, relationship between employee and employer, some factors influencing HR. Industrial Relations deals with some theoretical framework and who are actors in IR, historical framework, and factors influencing IR. Corporate Social Responsibility deals with theoretical framework and some responsibilities of corporate - that labor is embodied in human beings and is not a commodity and argues that the field’s two central dependent variables are labor problems and the employment relationship. Next, he uses this core principle, along with complementary ideas from institutional economics, to develop a theoretical framework that not only explains the nature of the employment relationship and labor problems but also reveals shortcomings in related theories from labor economics and human resource management. This article looks at the meaning of Corporate Social Responsibility (CSR), as well as the traditional arguments for the practice of CSR. The four traditional responsibilities are the economic responsibility, moral (or ethical) responsibility, the license-to-operate (or legal) responsibility, discretionary responsibility. In conclusion, the article argues that CSR should not just be considered an expense, but rather an investment.

Keywords: Human Relations, Industrial Relations, Corporate Social Responsibility; Innovation; Strategic Management, Responsibility.
Introduction:

The modern workforce is rapidly changing and businesses are modifying the way in which they handle human relations. Current trends in human relations include outsourcing human relations to a management company, using online candidate profile management software to assist with hiring and implementing social networking to promote positions and find qualified candidates. Regardless of your business' size and needs, staying abreast of current trends in human relations can help your company stay competitive, hire the best and most qualified employees and maintain accurate human relations records. After all, in a highly competitive business environment, any added advantage can put your company over the top.

Human Relations refers to a systematic, developing body of knowledge devoted to explaining the behaviour of individuals or people in the working organization or concern. Human relations are an integral process through which the individual’s attitudes and work are combined or integrated. Purpose of human relations is to help in working more effectively with other people in organizations. At human relations attempts to improve employee morale and motivation through an improved three way communications through employee involvement in the decision making processes. It emphasizes employee aspects of work rather than technical or economic aspects and tries to make employment and working conditions less impersonal.

In India, the politicization of trade unionism has made the state machinery focus on minimization of employer-employee conflict through conciliation and arbitration and by exercising active control over employers to prevent any action detrimental to the interest of the working class considered to be valuable “vote banks”.

The Importance of Human Relations in the Workplace:

Relationships between employees and management are of substantial value in any workplace. Human relations are the process of training employees, addressing their needs, fostering a workplace culture and resolving conflicts between different employees or between employees and management. Understanding some of the ways that human relations can impact
the costs, competitiveness and long-term economic sustainability of a business helps to underscore their importance.

Objectives of the Human Relations:

To promote and develop good employee-employer relations, to minimize conflict at the workplace, at individual, intergroup/team and intra-group/team level, to improve the performance and productivity of individuals and group/teams by a process of continuous value addition of human capital and reductions in cost centre’s, to ensure smooth administration of the terms and conditions of employment and to secure the highest possible level of mutual understanding and respect, to provide motivational incentives and benefits and enhance the economic status of the workers, to enable workers to solve their problems through couching, counseling and mentorship programmes.

Principles of Human Relations:

- The recognition of individual differences in needs and aspirations
- Trusting the employee competence and the ability to perform and, thus, empowering them
- Providing support through couching, counseling and mentoring
- Facilitating individuals development
- Creating a collective work environment
- Promoting a healthy work-life balance
- A transparent and open communication system
- Mutual trust and respect as a core value

Methods & Approaches of Human Relations:
 Recognition of the dignity of the individual and of his right to personal freedom and equality of opportunity. One should have right to select one’s own occupation, freedom of speech and the right to practice one’s own faith;

 Mutual respect, confidence, understanding goodwill and acceptance of responsibility on the part of both employer/management and worker, and their representatives in the exercise of their rights and duties in the operation of the plants;

 Similarly the same qualities are essential in the relationship within and between organizations of employers and employees.

The Employee-Employer Relationship:

The term “industrial relations” is a legacy of the “industrial revolution”. Labour, essentially, was perceived as a factor of production by entrepreneurship. This resulted in an informal and controlled relationship between the employer and the employees.

- Relations between managers and individual workers
- Collective relations between managers and workers
- The role of the government in the regulation of these relationships

Essential points:

The best way to bring out the kinds of action which are necessary is to make a list of the main points which are essential for a satisfactory total situation. Approaching the matter in this elementary way I would say that the guiding purpose should be to create in each industrial undertaking a satisfied healthy community of individuals.

- Each interested in his own job
- All working together as a team
- Working in healthy condition
The factors influencing Human Relations:

Economic factors: The process to compete in the global market with cost effective quality products has put presser on the employers’ organization to extract performance and ensure that the employees deliver. The focus has shifted from regulating terms and conditions of employment to regulating performances. Further the new wave of consumerism in the Indian society, consequence of liberalization ad opening up of the economy, has led to changing values among the workforce, now more individualistic than collective.

Institutional/Government factors: The new economic policy brought changes in legislation relating to trade, finance and industrial policy while leaving the labour laws as they were. Indian labour laws are perceived to be pro-labour, many labour laws and court judgments are impediments to India’s competitive status in the global economy. Labour unions in India are laden with problems of funds, external leadership, political affiliations and multiplicity of unions with low membership and inter-union rivalry.

Social and cultural factors: In the post liberalization phase of economic growth, India has promoted individualism, consumerism and a driving ambition among the working classes to motivate it workforce to strive and move up the hierarchical ladder through performance and the development of individual competencies.

Technological factors: New techniques and methods of work have changed work pattern and description of jobs. A new creed of skilled workers following new patterns of motivation and aspiration levels has changes the characters, scope and coverage of relationship management.

Political factors: These factors include the political system in support of the new economic policy and its consequences.

Organizational factors: The competitive environment has brought about a visible change in the employment arrangement and new staffing practices. Flextime, outstanding, contractual jobs are the order of the day. Staffing has become a profession rather than a function.

Global factors: The success stories of global corporations and fortune 500 companies and their unique people management programmes show process of centralization of the employee in the workplace.
Psychological factors: Especially in the present performance-driven culture that promises no outstanding job security, psychological factors have a far greater role to play in ERM. The role of couching, counseling, and mentoring has a greater role to play in ERM than they ever did in industrial relations.

INDUSTRIAL RELATIONS

Industrial relations play a crucial role in establishing and maintaining industrial democracy. The establishment of good industrial relations depends on the constructive attitude on the part of both the management and the unions.1 The maintenance of good human relationships is the main theme of industrial relations, because in its absence the whole edifice of organisational structure may crumble.2 Industrial relation is an art of living together for the purpose of production, productive efficiency, human well-being and industrial progress. The existence of good human relations, organized labour movement, collective bargaining, fair dealing by management with the workers, joint consultation at all levels, etc. is necessary for the establishment and maintenance of harmonious industrial relations and for building up new attitudes and institutions.

The system of industrial relations in India has evolved since the early part of the twentieth century. The state has played an important part in this evaluation, both directly and indirectly. The colonial history, International Labour Organization, economic policies, political movements, etc. has helped shape the industrial relations system in India.

Actors in Industrial Relations:

Initially, the management and the unions were considered the two main actors of industrial relations. However, the State’s policy towards labour also began to influence industrial relations, particularly after independence, and, therefore, became the integral force in the industrial relations.


History of Industrial Relations in India

The origin of the industrial relations can be traced to the origin of the industry itself. Industrial relations in an organized form started emerging in India only by the latter half of the
19th century. The original background of industrial relations in India can be classified under four periods.

1. Ancient Period (Pre-Medieval Period): Ancient India had witnessed cordial socio-economic relations. There will be a primitive type of socio-economic relations had existed in the various stages of ancient enterprises like hunting stage, pastoral stage, agricultural and village economy, hire stage, handicraft stage, barter economy, money economy, town economy and putting out system.

2. Beginning of the medieval period: Kautilya’s Arthashastra 3rd book provides sufficient evidence for the absence of the organisational existence of industrial relations in the beginning of the medieval period. The relations were not bad during the period, which is evident from the statement of Ghosh & Santhoshnath, “from the 4th Century B.C. till the latter half of the 10th century A.D., in spite of the foreign invasion, there is sufficient evidence to indicate that the relations between the employers and the workers were based on justice and equity.”

During the Mauryan period, there were evidences of good relations between workers and guild masters and between artisans and workers themselves.

3. British Period: There was not much scope for industrial development in India during the early British period. Industries started springing up by the beginning of the latter half of the 19th century. The Central Government was forced to pass The Industrial Relations Act of 1860. This was the beginning of the State intervention in regulating the industrial relations in the country. In this period it is covered up to the year 1947 that is different types of acts and labour association, Bombay mill hands association, industrial policies, IOL (International Labour Organization), disputes acts, etc.


Objective of Industrial Relations:

To promote and develop congenial labour-management relations, to maintain industrial peace and avoid industrial conflicts and disputes, to improve performance and productivity by minimizing losses on account of industrial strife and conflict, manifested in the form of strikes, go-slows, etc., to enhance the economic status of the worker by improving wages and benefits, to ensure organizational discipline, to enable the workers to solve their problems through mutual
negotiations and consultations with the management, to encourage and develop trade unions in order to increase the workers strength and to institutionalize the process of collective bargaining.

**The factors influencing Industrial Relations:**


**Corporate Social Responsibility:** As a company that believes in corporate responsibility, we think carefully about how to invest in society today to make sure there will be a business context where both we and society can thrive tomorrow and long into the future.

Corporate Social Responsibility (CSR) is not merely a cliché word but is a credo. We believe that our own products and services are not merely to satisfy the business needs of our customers but are effective value addition to the improvement in quality of life in Planet Earth. Whereas others talk about the empty rhetoric of reducing pollution, out products whether it is Green Energy or E – Waste management go a long way in Greening the Environment by effective recycling of the metals, which are otherwise toxic. Corporate responsibility is an imperative for safeguarding the sustainability of our business. The business can only grow if the economy and society are strong. Therefore we are continually finding ways to improve upon what we do keeping in mind the society needs. In this way, we help the people we employ, the customers that we serve, and the society at large – with both short and long term measures.

**Definition:**

In fact, Adam Smith argued back in 1759 in his first book, “The Theory of Moral Sentiments,” that entrepreneurs had a duty to take care of the societies in which they operate. Taking a long-term, inclusive approach drives value. The definition of “long-term” will vary by industry, but it means thinking beyond an individual’s corporate tenure and considering the ultimate impact of decisions on internal and external stakeholders.

**Objectives of the CSR:** Actively promote our CSR strategy to ensure it is embedded within the business, enhance the intellectual capital of the business through training and development of employees, improve employee satisfaction, continue to encourage employees to generate ideas that that
will add value to our business and that of our clients, work to minimize our impact on the environment, actively contribute to a variety of national and local charities, to ensure the health, safety and well being of all our employees and visitors to our offices.

**Economic Responsibility:**

The first criterion of social responsibility is economic responsibility. The business institution is, above all, the basic economic unit of society. Its responsibility is to produce goods and services that a society wants and to maximize profit for its owners and shareholders. An economic responsibility, carried to the extreme, is called profit-maximizing view; it was advocated by Nobel economist Milton Friedman. This view argued that a company should be operated on a profit-oriented basis, with its sole mission to increase its profits so long as it stays within the rule of the game. The purely profit-maximizing view is no longer considered an adequate criterion of performance in the world in general. Treating economic gain in the social as the only social responsibility can lead companies into trouble.

**Legal responsibilities:** All modern societies lay down ground rules, laws and regulations that businesses are expected to follow. Legal responsibility defines what society deems as important with respect to appropriate corporate behavior. Businesses are expected to fulfill their economic goals within the legal framework. Legal requirements are imposed by local councils, state and federal governments and their regulating agencies. Organizations that knowingly break the law are poor performers in this category. Intentionally manufacturing defective goods or billing a client for work not done is illegal. Legal sanctions may include embarrassing public apologies or corporate ‘confessions’.

**Ethical responsibilities:** Ethical responsibility include behavior that is not necessarily codified into law and may not serve the organization’s direct economic interests. To be ethical, organization’s decision makers should act with equity, fairness and impartiality, respect the rights of individuals, and provide different treatments of individual only when differences between them are relevant to the organization’s goals and tasks. Unethical behavior occurs when decisions enable an individual or organization to gain expense of society.

**Discretionary responsibilities:** Discretionary responsibility is purely voluntary and guided by an organization’s desire to make social contributions not mandated by economics, laws or ethics. Discretionary activities include generous philanthropic contributions that offer no payback to the organization and are not expected. Discretionary
responsibility is the highest criterion of social responsibility, because it goes beyond societal expectations to contribute to the community’s welfare.

**Trends in CSR:**

<table>
<thead>
<tr>
<th>Phases</th>
<th>Period</th>
<th>Year</th>
<th>Nature of CSR</th>
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<tbody>
<tr>
<td>First</td>
<td>Pre-industrialization</td>
<td>1800</td>
<td>CSR activities were undertaken in the form of philanthropy with religious belief</td>
</tr>
<tr>
<td>Second</td>
<td>Pre-industrialization</td>
<td>1800-1914</td>
<td>CSR activities were undertaken in the form of donations with social welfare objectives</td>
</tr>
<tr>
<td>Third</td>
<td>Industrialization</td>
<td>1950-1980</td>
<td>CSR activities were undertaken in the form of responsible behaviour with progressive approach</td>
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<tr>
<td>Fourth</td>
<td>Post industrialization</td>
<td>1980-unt</td>
<td>CSR activities are being performed in various forms by keeping in view multistakeholders benefit.</td>
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In India, in the pre independence era, the businesses which pioneered industrialisation along with fighting for independence also followed the idea. They put the idea into action by setting up charitable foundations, educational and healthcare institutions, and trusts for community development. The donations either monetary or otherwise were irregular activities of charity or philanthropy that was taken out of personal savings which neither belonged to the shareholders nor did it constitute an integral part of business. The term CSR itself came in to common use in the early 1970s although it was hardly ever shortened. By late 1990s, the concept was fully recognized; people and institutions across all sections of society started supporting it.

**Case Study: Coca-Cola India**

Social activists have long leveled various accusations against Coca-Cola, such as human rights abuses in Colombia, waste-disposal practices in India, and groundwater depletion in India. This article examines in depth only one issue: groundwater use at one location, Kaladera, in the state of Rajasthan in India. According to the Wall Street Journal, “numerous NGOs both inside and outside India accuse Coke, among other ‘crimes,’ of sucking local Indian communities dry through excessive pumping” of groundwater. There were protests against Coca-Cola in Plachimada, Kerala, starting in 2002. There has been a long running legal dispute between the Kerala government and the company; the plant has been closed since 2004. There were similar
protests that Coca-Cola bottling plants deplete the groundwater supply in Mehdiganj (Uttar Pradesh) and in Kaladera (Rajasthan). India Resource Center, a small NGO, has been a prominent critic of Coca-Cola India. Students Organizing for Labor and Economic Equality at the University of Michigan picked up on several accusations by social activists against Coca-Cola, and in 2004 formally requested the University of Michigan to cease doing business with Coca-Cola. After a short suspension in 2006, the University resumed doing business with Coca-Cola, after the company agreed to the University’s demand for an independent assessment, which was performed by The Energy and Resources Institute (TERI), a prestigious Delhi-based, not-for-profit, policy research organization. The TERI report was a particularly useful source for this article.

The in-depth case research in this article is based primarily on personal interviews. I visited Delhi and Rajasthan for two weeks in 2011, and interviewed several Coca-Cola India executives both at the country headquarters in Delhi and the bottling plant in Rajasthan, government officials at both the federal and state levels, local farmers and village leaders in Kaladera, and NGOs concerned about the water situation in India. All data and statements obtained from Coca-Cola India executives and used in this article were confirmed by the company in written emails, which are available from the author.

The Coca-Cola case was chosen precisely because the company vociferously proclaims its social responsibility. Muhtar Kent, Chairman and CEO, states, "We support the United Nations Global Compact, and see our sustainability efforts first and foremost as the right thing to do -- the continuation of responsible corporate citizenship that began in our earliest days as a company." It should be noted that Muhtar Kent does not make a ‘business case for CSR,’ and instead defines CSR along the lines of this article. Coca-Cola India's website claims that "The Coca-Cola Company has always placed high value on good citizenship. ... Coca-Cola India provides extensive support for community programs across the country, with a focus on education, health and water conservation." Several Coca-Cola India executives I met had business cards with some CSR slogan printed on the reverse side; here is one example: “Live Positively is our commitment to making a positive difference in the world so that sustainability is part of everything we do. Forever.”
Given the nature of the company's products, it has appropriately focused its sustainability efforts on water resources. Muhtar Kent states, "At The Coca-Cola Company, we are transforming the way we think and act about water stewardship. It is in the long-term interest of both our business and the communities where we operate to be good stewards of our most critical shared resource, water." The company claims that water stewardship "is now clearly embedded in both our business strategy and our vision for sustainable business growth."

**Conclusion:**

There have been sustainable changes in the economic environment. Fifty years of development have brought about changes in both the employees and employers. There have been no systematic shifts in the management of industrial relations. Industrial relations refer to the employer and the workers in a plant (undertaking) at any specified time. Human relations in industry refers to a policy to be adopted in the undertaking to develop a sense of belongingness in the workers improve their efficiency and treat them as human beings and parents in industry and not merely as a factor of production. Thus the term industrial is a comprehensive one and it covers both industrial relations proper and matters regulated by law or by specific collective agreement arrived at between the trade unions and employers. Each country has its own pattern of industrial relations, a pattern determined by its own national traditions and economical and social characteristics. Problems of human relations are personnel in character and are related to the behavior of worker where moral and social elements predominate.

Problems of industrial relations are usually deals with at three levels of the undertaking, the industry level and at the national level. Matters related to human relations are best discussed at the level of the undertaking although some matters may demand discussions at higher levels also.

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